

**DEPARTMENT FOR INTERNATIONAL
DEVELOPMENT**

**SMALL SCALE PRIVATE SECTOR
PARTICIPATION IN THE RURAL WATER
SUPPLY SECTOR**

R8335

PHASE 2 – SURVEYS

**COUNTRY REPORT
FOR
ZAMBIA**

DECEMBER 2004

**Ministry of Local Government and Housing
(DISS) and WaterAid**

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1 INTRODUCTION

1.1 General

This report presents the results of a survey of small scale private sector participation in the rural water supply sector .

The survey forms Phase 2 of Knowledge and Research (KaR) Project No. R8335 “Small scale private sector participation in the rural water supply sector”. The project started in November 2003 with an Inception Phase 1. The Inception Report, Knowledge Review and information on the project can be found at www.ruralwaterpsp.org.

This report forms one of three country reports produced in Phase 2; the others being reports of similar surveys in the two other study countries. All three reports are summarised in a synthesis report by Water Management Consultants Ltd (WMC).

1.2 Objectives

The objective of the project is to;

“ enhance the effective participation of the rural-based, small-scale private sector in rural water supply service provision through the production and dissemination of best practice guidelines”.

The objectives of the survey are;

1. To determine the capacity of Local government to enable and regulate small scale private sector participation
2. To determine the capacity of SMEs and NGOs to provide services in the rural water sector
3. To determine the demand for guidelines among the different actors in the rural water sector

The purpose of this Country Report is to present the results and key findings of the surveys. Based on the results, this report makes recommendations and conclusions that will help inform the multi-stakeholder working group in framing the best practice guidelines for use by the RWS actors.

1.3 Survey team

The survey was carried out by a team comprising;

WATERAID STAFF

Savior Mwambwa –Researcher and Project Manager (WaterAid Team)

Ernest Hamalila – Program Advisor, Siavonga District

Febby Busiku – Program Advisor, Namwala District

DISS STAFF

Mr Rees Mwasambili – Head RWSS unit

Mrs Hope Nkoloma – RWSS Unit and Project Manager (DISS Team)

Etambuyu Siwale – RWSS Unit

Justine Mwiinga - RWSS Unit

Lytone Kanowa - RWSS Unit

D-Washe Staff

Mr Blaen Malambo- Solwezi District

Mr Nalubamba – Namwala District

Mr Siatubotu – Namwala district

Mr Kasonde – Siavonga District

D-Washe Members - Mpika District

D-Washe Members - Chibombo District

1.4 Study areas

The survey was carried out in the following districts

- Siavonga
- Namwala
- Solwezi
- Mpika
- Chibombo

The study areas are described in more detail in Section 2.5

1.5 Survey timing

The survey work was carried out over the period 8th August to 3rd September 2004 this is in the dry season. This was advantageous to the project because it was in the dry season, so all the areas were easier to access. However this is also the time that most district programmes carry out their activities so it was more difficult to secure the availability of some of the key informants as they were busy attending to other activities e.g meetings, fieldwork, constructions etc.

1.6 Next steps

The survey forms part of an overall work programme. The next steps are to constitute a Multi-stakeholder working group. It is proposed that the multistakeholder working group comprises of the individuals and institutions listed in Table 1.

Table 1: PROPOSED MULTISTAKEHOLDER WORKING GROUP

Organisation	Name	Area of Expertise
SNV	Gerrit Struyf	Small Business Entrepreneurship
Water and Sanitation Association of Zambia (WASAZA)	Ian Banda	Private Sector Participation in WSS Scholar
World Bank	Barbara Senkwe	Water and Sanitation Specialist
Development Co-operation Ireland (DCI)	Cecil Nundwe	Water and Sanitation Specialist
National Water And Sanitation Council (NWASCO)	Oswald Chanda	Policy and Regulation
Ministry of Local Government an Housing (MLGH)	Rees Mwasambili	Policy and Institutional Issues
Zambia Chambers of Small and Medium Business Associations(ZCSMBA)	Mr Max Sichula	Small Business Entrepreneurship
Technology Development Advisory Unit (TDAU)	Jane Chinkusu	Technology Development
Ministry of Energy and Water Development (MEWD)	Mr Sisala	
Women Finance Co-operatives.(WFC)	Mrs Florence Chibwasha	Micro Finance

The objectives of the multistakeholder-working group are to;

“Develop a vision of what needs to be done to create an enabling environment for the emergence of small scale private service providers and strengthened local government in the regulatory /facilitatory role.”

The group will commence its work during Phase 3.

1.7 Structure of this report

The structure of the report is as follows;

Section 2 describes the methodology used in the surveys. Section 3 presents the results of the surveys. Section 4 presents an analysis and interpretation of the results. Conclusions and observations are drawn in Section 5.

2 SURVEY METHODOLOGY

2.1 Introduction

The survey had three components as follows;

- The Capacity of the Private Sector to deliver services
- The Capacity of government to regulate the private sector activities
- The need for best practice guidelines

The three surveys were designed in the following way;

The surveys to determine the capacity of NGOs and SMEs were carried out first followed by the surveys on the capacity of local government. The survey for the demand for guidelines was done alongside each of these two surveys.

The surveys were designed in this manner for the following reasons; there was need to first get a deeper understanding on the issues and aspects of NGOs and SMEs activities that might need to be regulated and for which an enabling environment would need to be created. Secondly the different actors in the sector(government, NGOs, SMEs,donors) are more likely to demand for different kinds of guidelines hence assessing this demand separately in each of these different individual groups would help bring out the different needs for guidelines.

The questionnaires used in the surveys are presented in Appendix A.

2.2 Capacity of private sector

To understand the capacity of the private sector three approaches were used:

- Livelihoods analysis
- Sub-sector analysis
- Supply chain mapping.

These approaches are now explained

Livelihoods analysis

The Sustainable Livelihoods approach is intended to guide researchers, practitioners and policymakers in gaining an understanding of people's strengths (their skills, status, and possessions) and how they use these assets to improve the quality of their lives. It aims to develop responses which reflect the complexity of tradeoffs between the various assets, as well as the political, social, economic and physical context within which people live.

Core Principles of an SL approach:

- *People centred* – starting with people and what matters to them; working with them, and promoting change in the dimensions of poverty, which they prioritise.
- *Holistic* – not restricted by boundaries of professional sphere or 'sector', it should consider the multiplicity of actors, influences, strategies and outcomes that shape people's livelihoods
- *Dynamic* – understanding that people's livelihoods and forces which shape them are ever changing, responding flexibly and developing longer-term commitments.
- *Building on strengths* – replacing a focus on 'needs' with one on 'assets'; realizing people's latent potential to achieve their own livelihood objectives by removing constraints.
- *Macro-micro links* – highlighting linkages between poor women and men and the legislative instruments and practices, which determine access to assets, define opportunities.
- *Sustainability* – balancing different dimensions such as resilience to negative external forces, dependency on institutions (and in turn their sustainability), non-depletion of natural resources and others' livelihood options.

SL principles are usually applied with the aid of a schematic framework (Figure 1), for organising information about peoples' livelihoods, and understanding the relationships between different factors.

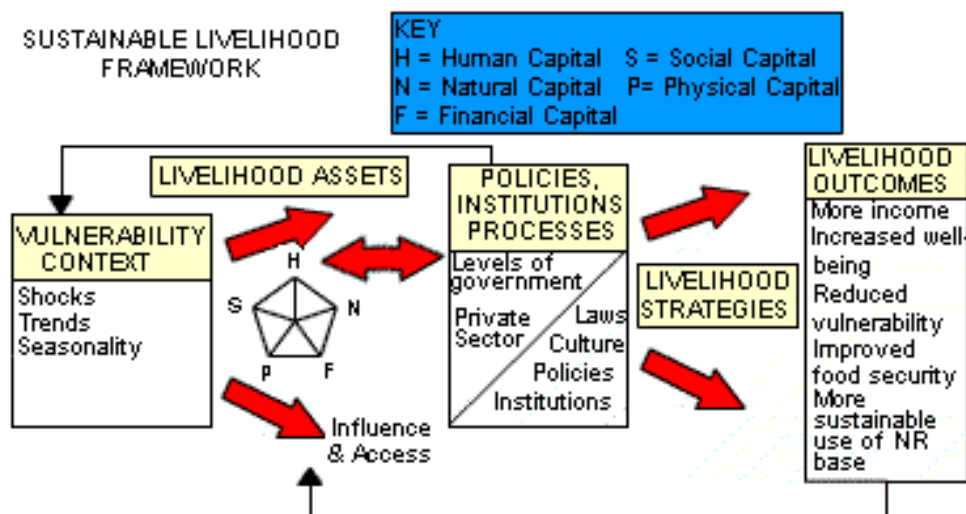


Figure 1 Sustainable livelihood framework

Sub-sector analysis

A Subsector can be defined as all the firms that buy and sell from each other in order to supply a particular set of products or services to final consumers. A Subsector includes producers, processors, input suppliers, wholesalers, and retailers and is defined by a particular finished product or service (wood furniture, dried tomatoes, clothing production, legal consulting, etc.)¹.

Sector analysis is a process that:

- 1) examines the relationships between enterprises that produce, procure, process, and distribute goods within a single product group;
- 2) identifies the constraints and opportunities facing these enterprises along with potential support initiatives to address them, and;
- 3) Identifies sources of leverage where support initiatives can have the greatest impact.

The objective of the analysis in this study is to determine the primary constraints and opportunities in the sector, and to lay the groundwork for identifying support initiatives that can promote enterprise development.

¹ <http://www.actionforenterprise.org/approach.htm#step1>

Supply chain mapping

A supply chain relates all of the activities associated with the flow and transformation of goods and services from their source to the end-users, that is, from manufacturers, importers, and service providers, through a network of distributors, to customers (*see below*). Payment flows in the opposite direction. Goods and services in rural water supply and sanitation include technology (such as latrine slabs, handpumps, and associated spare parts), training, repair services, financial and technical services, and facility management.

In the rural water supply and sanitation sector, the lack of sustainable supply chains for these goods and services limits the potential long-term gains from development initiatives. Schemes often fail because of a lack of spare parts and inadequate operation, management, and maintenance capabilities. Project focused donor support and an emphasis on public sector provision have exacerbated the situation, paying little attention to building the capacity of viable supply chains for goods and services.

2.3 Capacity of government

To understand the capacity of government the following approach were used- Semi-structured interviews with government officers at different levels. In order to understand government capacity, discussions with the different government officials aimed at answering keys questions like;

- Who in government is responsible for involving the private sector, what are they responsible for doing, and where in the government structure they are located?
- Are they able to do their jobs?
- Should these staff be doing these jobs?
- If interventions are to be made to strengthen capacity, where in the structure of government will interventions have the greatest impact?

2.4 Need for guidance

The following approach was taken in order to understand the need at different levels of government for guidance and the form that the guidance should take;

Open-ended interviews were carried out among the different key actors in the Water sector (Govt., NGOs, SMEs, and Communities). Discussions on the need for guidance centred on the following issues that would help gain an understanding of the need for guidelines;

- Knowledge of the water sector reform process and how the private sector is to be involved
- Areas of weaknesses in terms of how the private sector can be involved.
- What do they feel they need to know about involvement of the private sector
- How should information about private sector involvement in rural water supply from this study be disseminated.

2.5 Study areas

The surveys were carried out in the following districts Siavonga, Namwala, Chibombo, Mpika and Solwezi. The study districts are shown in Figure 2.

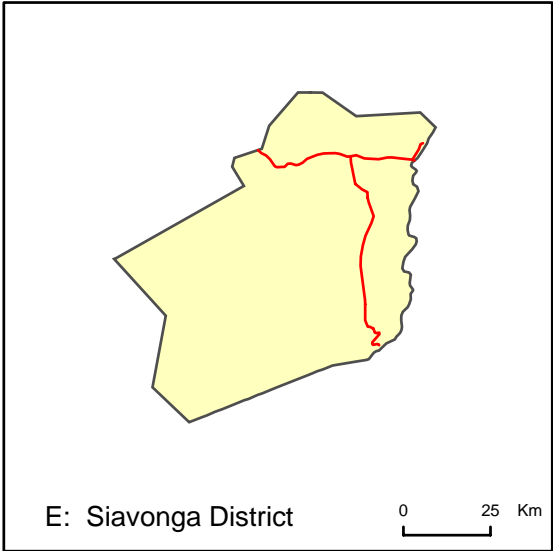
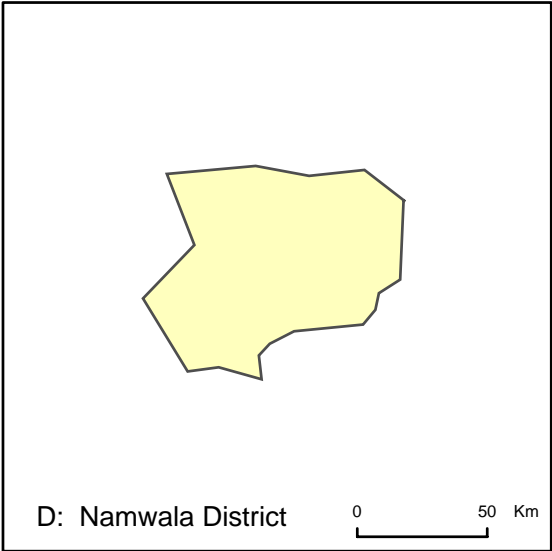
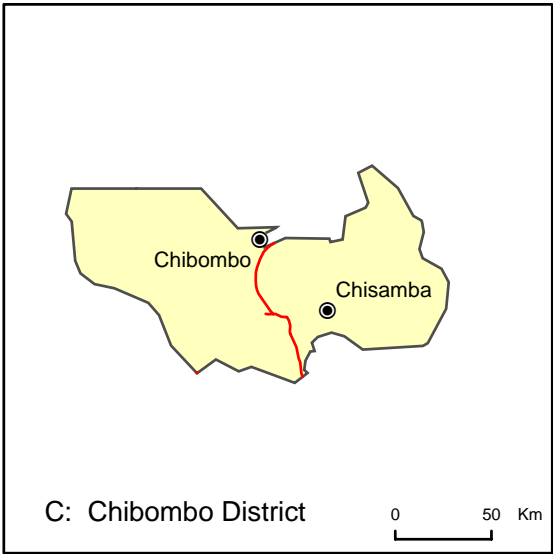
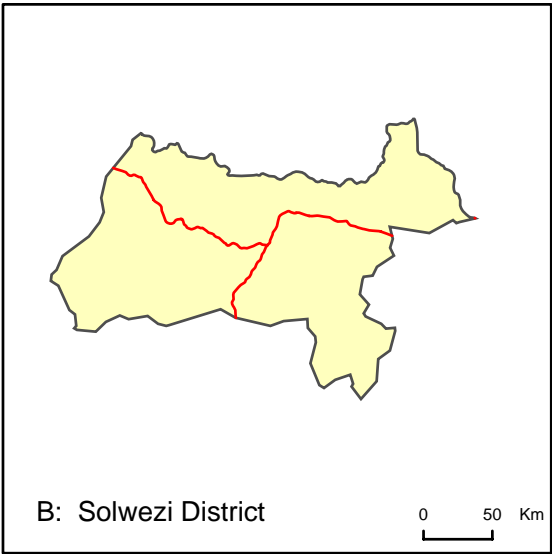
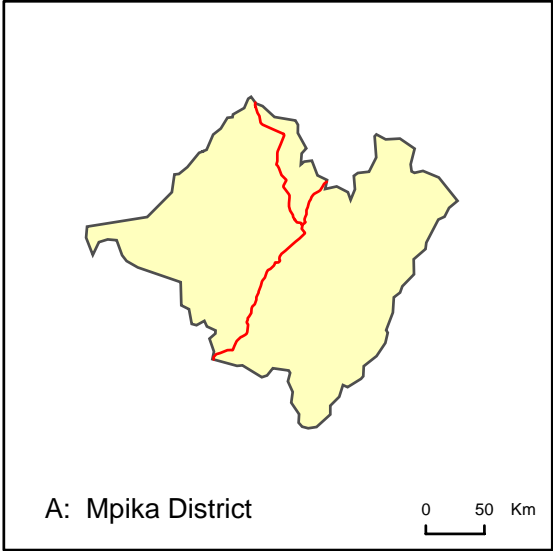
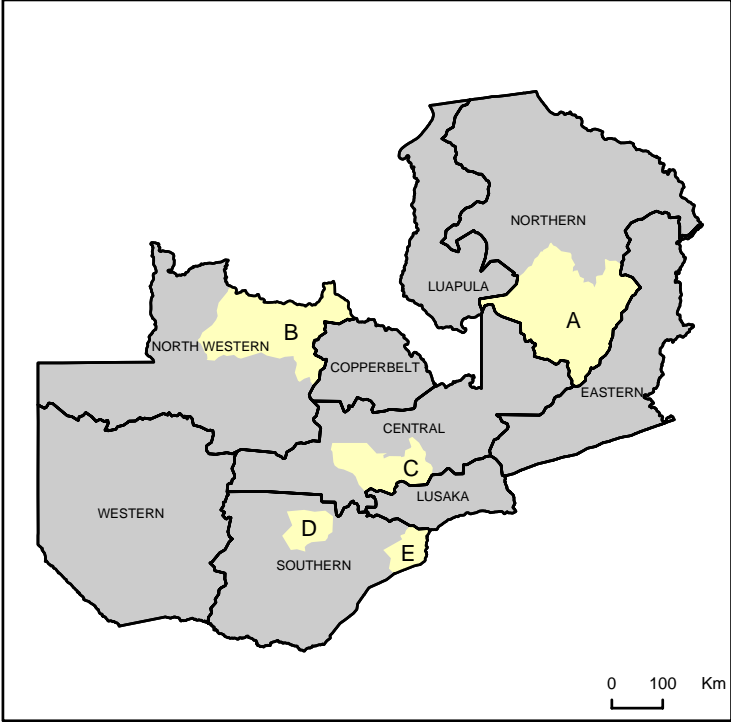
These districts were chosen for the survey because of the various characteristics and peculiarities relevant for the project that each one of the district possesses.

A description of the characteristics of each study area that are relevant to the objectives of the survey now follows.

Siavonga District:

Siavonga District lies on the northern flank of the Zambezi valley. The topography is hilly and broken. Volcanic rocks dominate the geology and water quality is usually highly mineralized and poor. The main economic activities are subsistence farming, fishing, small trading, sale of agricultural inputs and flour milling.

Figure 2 Study districts in Zambia



The principle actors involved in water supply are:

- Local councils (with a D-WASHE).
- WaterAid.
- UNICEF
- Department of Water Affairs.

There is a piped but untreated water supply from Lake Kariba to the communities that were resettled during construction of the Kariba dam. A borehole fitted with handpumps, constructed under the drought relief programme funded by JICA, are the principle form of rural water supply technology. There are reported to be about 150 handpumps in the district, 80% of which are said to be functioning. V-WASHEs exist in some communities in Siavonga District.

Chibombo District

Chibombo District headquarters is situated about one hour north of Lusaka on the Great North Road. Subsistence and large commercial farming occurs in the district. The commercial farms, located near Chisamba, are dependent on irrigation using groundwater. The Zambia National Commercial Bank is the only bank situated in the district. The bank serves the commercial farms.

Small-scale farming takes place around Chibombo district headquarters where the majority of the less privileged and vulnerable groups of the community reside. Some small farmers in the area belong to cooperative systems through which they access Government subsidized inputs, which they buy at half the economic price.

There is no documented lending system to the small-scale private sector. Other forms of income generating activities are charcoal production (reported to cause serious deforestation) and small scale private sector trading (eg small restaurants, flour milling, grocery and hardware stores) takes place in Chibombo district headquarters along the Great North Road.

A D-WASHE committee has become active in Chibombo District during 2003. The Committee includes representatives from:

- Ministry of Health.
- Ministry of Community Development.

- Care Zambia.
- Plan Zambia (NGO).
- Development Aid People to People (NGO).
- Chibombo District Council.

It is notable that there are several NGOs active in water and sanitation in the district.

Boreholes fitted with handpumps are the main rural water supply technology. There are reported to be over 700 handpumps in the district. The Central Province Eight Centres Water Supply and Sanitation Project, funded by the African Development Bank, aims to improve access and delivery of water supply and sanitation services in eight centres including Chibombo district headquarters. The project does not include rural water supply service improvement.

Mpika District

Mpika lies in the southern part of the Northern Province, with a total surface area of 41,000 km². According to the 2000 Census of Population and Housing Mpika has a population of 145 304 of which 72 251 are male and 73 064 female. The district is well endowed with surface and groundwater resources.

The Agricultural potential in the district is quite high but largely un-exploited. Most inhabitants engage in subsistence farming through the Chitemene shifting method of cultivation more so in recent years due to failure by the farmers to procure farming inputs.

There are no major industries in the District. However, there are several trading businesses, small garages and workshops. Mining activities are associated with Mununga Quarry where there is production of crushed stones for rail, road and building purposes.

The main institutions and stakeholders working in the water sector in Mpika are:

- D-WASHE committee.
- Zambia Social Investment Fund (ZAMSIF).
- Ministry of Tourism, Environment and Natural Resources' Environmental Support Programme.
- Ministry of Finance' Micro Project Unit.
- DOPE (NGO).

- World Vision Zambia (NGO).
- North Luangwa Conservation Project (NGO).

Based on constructed water and sanitation facilities, access to safe water supplies in the district is estimated at 37 percent for the entire population. For sanitation, the estimated coverage is 46 percent for the Boma or peri-urban areas and 34 percent for Rural Mpika.

Real coverage is much lower and varies considerably from one place to another due to non-functioning (broken down, abandoned, seasonal) facilities and poor usage, especially with respect to sanitation facilities (Mpika District Health Management Team).

Solwezi District

Solwezi District is located on the north-western Part of Zambia bordered by the Copperbelt Province in the south, the Congo in the north and Angola in the West. It is the Capital town of the North western Province. With a Population of approximately 52,000, Solwezi district is a fast growing town with economic activity revolving around Agriculture and now Mining activities. Like most districts the majority of the population is in the rural parts of the districts.

About 70 % of the total population have access to safe water, the majority of these reside in the urban parts of the district, In the rural areas only about 50% have access to safe water. The mostly used types of water facilities are handgun wells, boreholes with handpumps and hand augured bucket pumps.

The Local Authorities through the D-washe are responsible for providing Water services in the district. SNV a Dutch development agency has until early 2004 been involved in building the capacity of meso level organisations (like the D-washe) to provide water services. There are no NGOs in Solwezi who are exclusively operating in the water sector, however there are a number who are engaged in broader development work. Donor agencies like KfW have been supporting the government through a private sector firm called Franklyn Engineering in the provision of mainly urban related water services. The North-Western Water and Sewerage Company, is a water utility Company which also provides technical support to the D-washe.

The D-washe and the district council in Solwezi have over time been faced with the problems of non-functioning and breaking down water facilities due to the unavailability of spare parts.

Namwala District

Namwala district lies in the northwest part of southern province of Zambia. It covers an area of about 10,000 sq km. With a population of 83,735 people about 66% have access to safe drinking water and only 37% access hygienic sanitary facilities. 90% of the population is rural based of this 60% have access to either a bore or a well.

The Water coverage of 66% is arrived at through estimates based on assumptions of one borehole serving 250 people and a well serving 150 people. The district is characterised by uneven distribution of most of the existing water points, leaving some areas with little or no water points at all. Communities in such places resort to digging unprotected well that inmost cases sink of dry up after a few years.

The commonest types of water facilities in Namwala are boreholes and hand dug wells. According to the Namwala D-washe district water point inventory (2000) ,there are an estimated 190 boreholes of which 168 are functional and 22 non functional, there 182 wells of which 117 are functioning and 65 non- functioning.

The District Council is responsible for most the planning and delivery functions regarding the water supply, the D-washe committee in the district plays the role of advising and supporting the council in the water supply delivery.

Summary of Namwala district profile

District Name:	Namwala
Total Population:	83,735
Urban Population	10%
Rural Population:	90%
Pop. With Access to safe water	66%
Pop in rural areas with access to safe water:	60%
Types of technology	Boreholes, hand dug wells
Total No. of borehole	190
No. of boreholes in use	168
No. of boreholes not in use	22
Total No. of wells	182
No. of wells in use	117
No. of wells not in use	65

Source: 2000 CSO census, D-washe Water point inventory 2000

2.6 Organisation of the survey team

The team was organised in the following way;

In each of the districts visited WaterAid Staff and DISS staff from Lusaka teamed up with the WaterAid staff and D-washe extension staff in the district to carry out the surveys and interviews. This was with the exception of Namwala and Chibombo district where it was not possible for both WaterAid and DISS to be available at the same time.

In Namwala District WaterAid Staff carried out the surveys in collaboration with the D-washe staff there, while in Chibombo district DISS carried out the surveys in conjunction with the D-washe staff.

We found that this had the following advantages;

It was easier to arrange meetings and contact individuals and organisations for interviews in most of the areas. This was attributed to the presence of either WaterAid or the D-washe who opened doors and acted as contact persons.

Disadvantages

Most of the government and NGO interviews were carried out by a combined team of no more than two from (comprising of WaterAid and DISS) and it was not always possible to meet with all the planned interviews as scheduled so the teams had to reschedule and fix meetings within a limited period of time.

Most districts surveyed are wide apart, spanning thousands of Kilometres from each other this was an added burden on the team.

3 SURVEY RESULTS

3.1 Introduction

The survey results are presented in the following order;

1. Capacity of private sector
2. Capacity of government
3. Need for guidance

3.2 Capacity of private sector

The surveys in Siavonga, Namwala, Chibombo Mpika and Solwezi districts resulted in n interviews with the following types of private sector operators:

- General Hardware Shops
- Spare parts supplies shops
- Pump menders/repairers
- Agriculture co-operative shops
- Welders
- Engineering workshops
- General Merchandisers /Grocery shops
- Well builders
- Auto Spares suppliers

These gave the following results;

Most small-scale private sector enterprises are not registered though they are aware about the registration requirements.

The SMEs are engaged in different kind of entrepreneur activities in the water sector and usually they do this alongside other activities. The private sector utilises limited skills usually acquired from previous similar work done working for other people (“on the Job Training”).

The main tasks carried out by the small entrepreneurs are pump mending, well lining, borehole spaceports repair, provision of chains, bucket, welding pumps parts e.t.c.

The main constraints faced by the private sector are; Lack of start up capital to finance and expand their businesses, insufficient incomes among communities to enable them pay reasonable fees for services, insufficient training, lack of exposure to new and improved technologies and methods, competition from bigger firms and also generally lack of information on their involvement in the rural water sector.

NGOs are involved in the building of capacity among Communities (water point Committees) in managing their Water system. Some NGOs train small scale entrepreneurs in different kinds of technical as well as business management skills.

Some NGOs provide micro financing services usually to associations of small-scale entrepreneurs.

3.3 Capacity of government

Since the 1990's the Water Sector in Zambia has undergone extensive reorganisation in the last decade designed to address a number of identified issues. Particularly, a National Water Policy was adopted in 1994 with the overall objective of

“...Improving the quality of life and productivity of all people by ensuring an equitable provision of an adequate quantity and quality of water to all competing user groups and, improved sanitation services for all at acceptable cost on a sustainable basis

All this has seen the separation of the management of water resources from the provision of water and sanitation services. The former was left under the mandate of the Department of Water Affairs (DWA) in the Ministry of Energy and Water Development (MEWD). The latter led to the adoption of the Water Supply and Sanitation Act in 1997 under which local authorities supervised by the Ministry of Local Government and Housing (MLGH) through the Department of Infrastructure and Support Services (DISS) have the responsibility for the provision of WSS services. This in turn has seen the emergence of commercial utilities in the WSS sector and the creation of a regulator, the National Water and Sanitation Council (NWASCO). DISS also assists in the mobilisation and co-ordination of financial resources for infrastructure development by WSS providers.

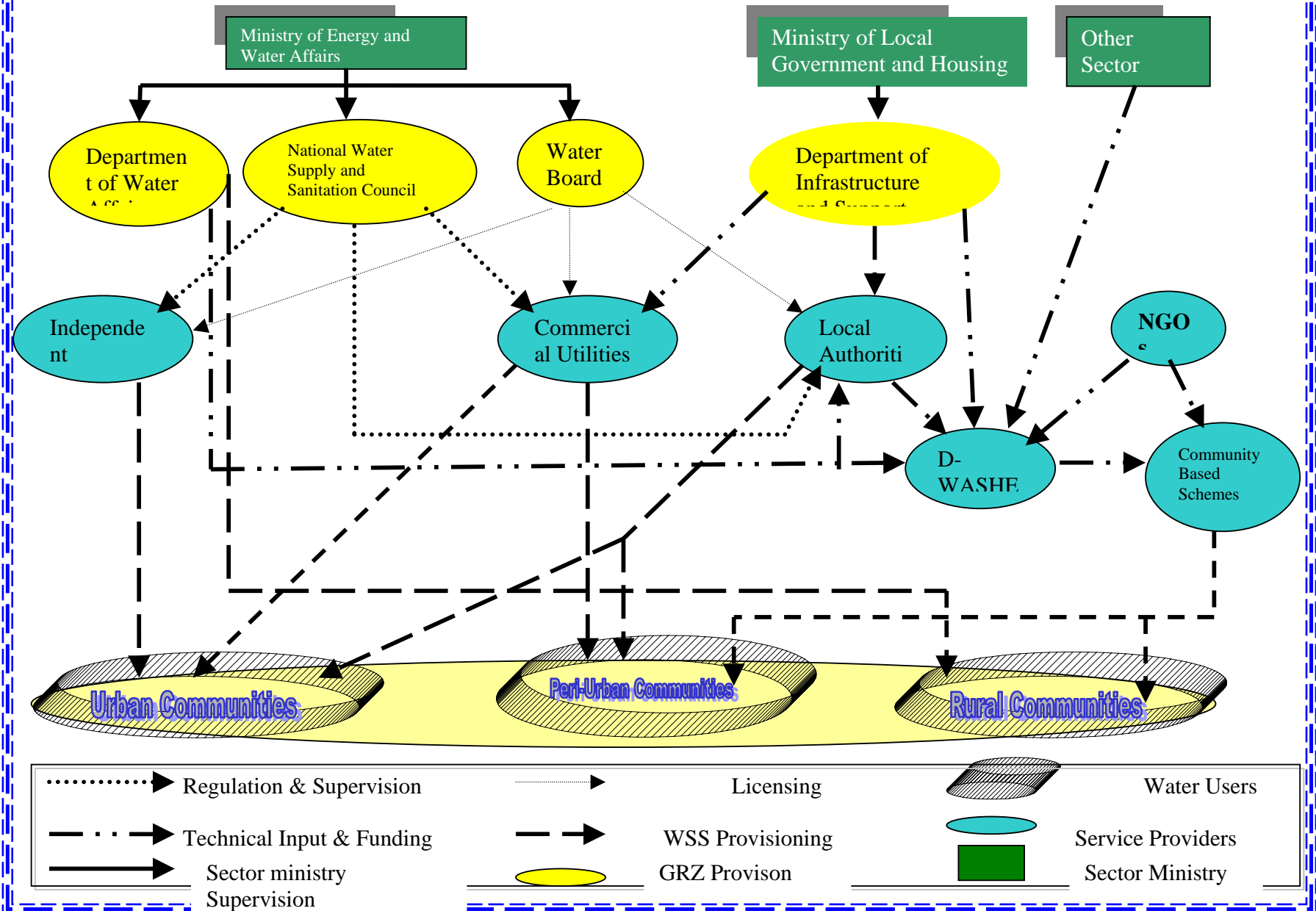
The WSS Act principally addresses the provision of services in urban areas. Policy initiatives regarding peri-urban and rural water supply and sanitation have also been adopted but there has been no major institutional reorganization in this regard.

For rural water supply and sanitation the centre piece strategy has been the adoption in 1996 of the Water, Sanitation, and Health Education (WASHE) concept further anchored by Cabinet's adoption of the National Environmental Sanitation Strategy for Rural and Peri-Urban Areas in 1997. Before this, the concept had been tested in Western Province under the NORAD supported RWSS initiatives. The WASHE concept assumed an elaborate structure from national level where a National WASHE (N-WASHE) Co-ordinating and Training Team was established up to the village level with the establishment of the V-WASHEs.

In between has been formation of district level committees (D-WASHEs). A D-WASHE consists of sector ministries and NGOs with a critical role in RWSS and is part of the District Development Coordinating Committees (DDCC). Through the facilitation of the N-WASHE, D-WASHEs has been formed in most districts and have become the main focal point for the delivery of RWSS. Their main role is to spearhead community participation in WSS issues and thus facilitate the moving away from the centralized approach in the construction, operation and maintenance of water supply facilities observed at the beginning of the reforms.

The above framework has given rise to the following structures at the different levels as shown in Figure 3 below.

Figure 3: Organisation of the WSS Sector (Source: Rural Net)



The surveys in Siavonga, Namwala, Chibombo Mpika and Solwezi districts resulted in 16 interviews with the following government officers;

- District Council Secretaries (these are the administrative heads of district councils)
- District directors of works
- District Planning officers
- Department of health planning Officers
- Ministry of Agriculture Co-ordinators
- Community Development Officers
- District education officers
- Department of health officials
- District Water Engineers (Department of Water Affairs)

These gave the following results;

The Local Government plays the following roles in the provision of water supply, Co-ordination and Planning development projects, Co-ordinate D-washe activities, through the public health departments they are responsible for quality control and safety assurance of facilities. Also through the D-Washe the local government identify areas of need, monitor construction of works, they are responsible for licensing and contracting, mobilising financial resources and facilitating capacity building of communities to manage their water systems.

While most local government officers interviewed in the different departments were aware of the broad roles that each department and officer had to perform, they said that they was no specific department or person and indeed directions as to who is to spearhead issues of private sector participation within the government structure.

There seems to be a generally shared lack of awareness of a government policy on the involvement of small-scale entrepreneurs among the government officials

Government departments talked to were not sure about the role that they played with regards to small scale private sector participation but mentioned, training of artisans and providing tools to these entrepreneurs as some of the obvious things they are currently involved in.

Some government officials however felt they had no role to play as there was no department or person specifically assigned the role of driving the PSP process within the local government structure.

Most construction and installation work for water services is guided by D-washe Manuals and handbooks.

Community members and environmental health technicians (V-washe) in the communities determine quality of water at community.

They further added that there was need for separate legislation to guide the operation of private sector. The government feels that there is need for a relevant legal and policy framework to address the participation of private sector in rural water.

The government officials further pointed out that the lack of consistent and adequate funding to the local governments makes them unable to retain enough qualified personnel to carry out most of the roles and responsibilities, decentralisation and increased funding to local authorities would help deal with this problem the officers added.

3.4 Need for guidance

The surveys in Siavonga, Namwala, Chibombo Mpika and Solwezi districts resulted in 16 interviews with the following types of government officers

- District Council Secretaries (these are the administrative heads of district councils)
- District directors of works
- District Planning officers
- Department of health planning Officers
- Ministry of Agriculture Co-ordinators
- Community Development Officers
- District education officers
- Department of health officials
- District Water Engineers (Department of Water Affairs)

These gave the following results. There was need to have guidelines in the following areas;

- Guideline on what kind of support local government should provide to SSPS(Linking them information about training,access to finances e.t.c)
- Guidelines on tendering procedures involving small scale private sector
- Guidelines on the provision of training to SSPS.
- Guidelines on the monitoring and regulation of SSPS activities
- Guidelines on community subsidies

- Legal guidelines regarding contractual issues for services and goods rendered by SSPS
- Guidelines on sources of financing for SSPS initiatives
- Guidelines to spell out how SSPS should be involved in D-washe activities
- Guidelines for government on the role of the different departments in involving SSPS
- Financial Guidelines on the pricing of SSPS services

4 ANALYSIS AND INTERPRETATION

4.1 Introduction

This section presents an analysis and interpretation of the observations described in Section 3. The analysis and interpretation is presented here in the form of:

For private sector operators:

- A sub-sector analysis
- A livelihoods analysis
- A supply chain map(s) for Training and for Spare Parts

For government:

- An assessment of government capacity to facilitate and regulate private sector operators at local level
- An assessment of the needs of government (and other actors) for guidelines to help them facilitate and regulate the private sector.

4.2 Sub-sector analysis

The survey results presented in Section 3 indicate that the rural water supply sector is organised in the following way;

- Central Government – Comprising of sector ministries at district levels
- Local Authorities
- D-washe Committees
- External Agencies- Donors and NGOs

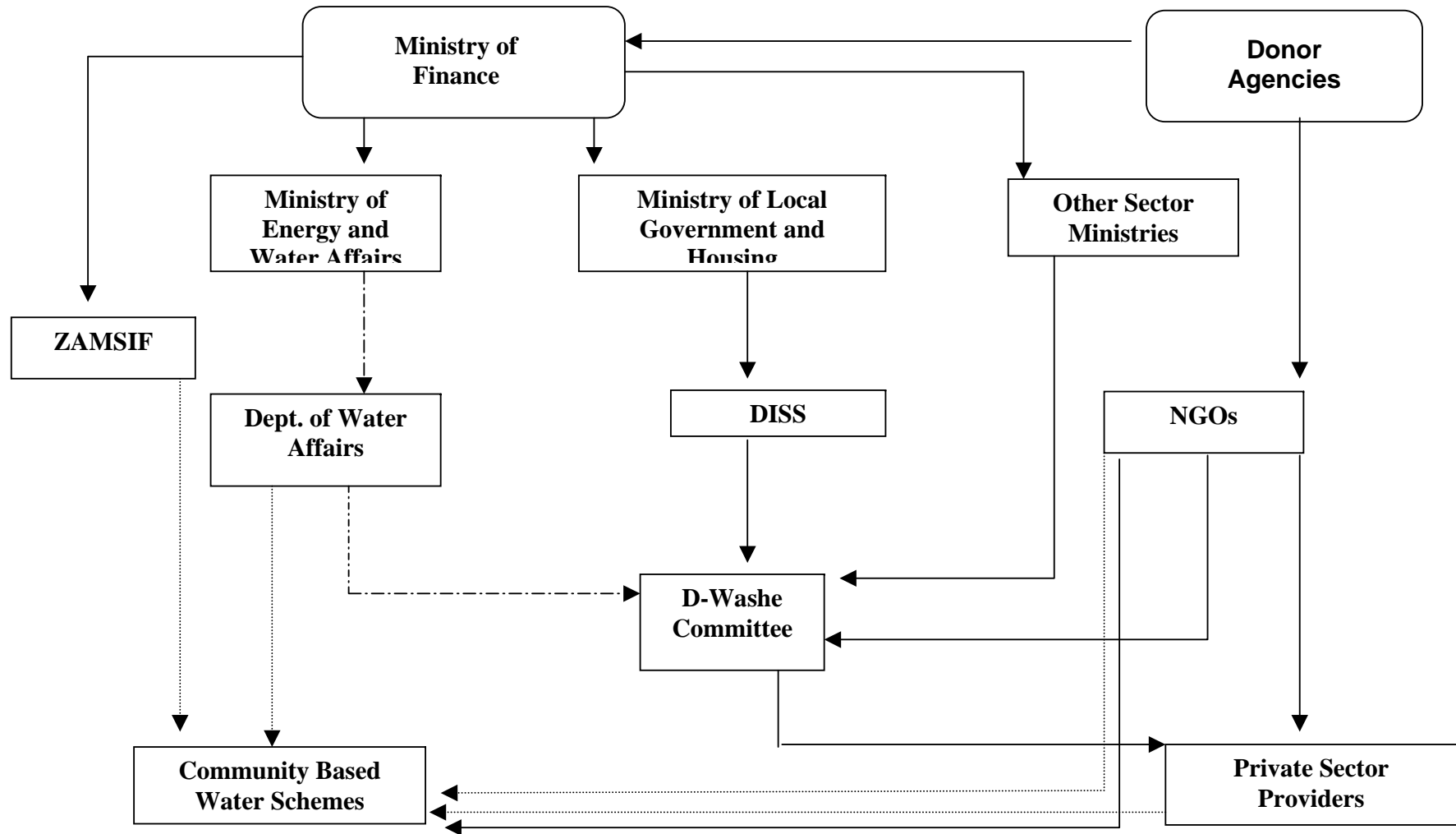
Private Sector

- Water Utility Companies
- General Hardware Shops
- Spare parts supplies shops
- Artisans

- Pump menders/repairers
- Agriculture co-operative shops
- Small scale welders and metal fabricators
- Large and Medium Scale Engineering workshops
- General Merchandisers /Grocery shops
- Well builders.

Figure 4 shows a sub-sector map of the rural water supply sector in Zambia.

Figure 4 SUB-SECTOR MAP OF THE RURAL WATER SUPPLY IN ZAMBIA



Key to Subsector Map of the Rural Water Supply in Zambia



The structure of the sector shown in the map has the following implications for

Private sector operators;

- The small-scale entrepreneurs have to compete for the provision of services with other actors like NGOs and big international and local Contractors. The SSPS entrepreneurs do not have the required financial, technical and administrative capacity so they fall out and stick to very small scale of works using low technology methods. In most cases they end up being subcontractors by the larger actors to do small jobs.
- NGOs and donors provide most of the services at highly subsidised value, so there is no incentive for the SSPS to compete.
- Because the SSPS operators are not registered they do not meet the tendering requirements required for them to compete for Contracts in communities these end up with large-scale contractors.
- Most of the spare parts in use are for imported products and are of a given level of technology of which the SSPS do not possess the technical know how when it comes to repairing or supplying, hence it is more inefficient for the SSPS to engage in this type they stick to the usually unskilled kinds of services like simple digging, welding e.t.c.

For government at national level;

- There is need to relook at the policy environment and put in place new measures that will help create an enabling environment for SSPS participation like, registration requirements for SSPS, tax incentives for spare parts bought by SSPS, different tendering procedures to encourage SSPS involvement in local contracts.

- An area for more thinking could be government putting in place clear policies and rules on how NGOs and Donors can involve the SSPS in contracts and provision of other services.
- The need to consider within the existing government structures a department or unit that is specifically charged with the responsibility of addressing PSP issues at different levels of service delivery.

For government at Local Level:

- The Subsector map above shows that there is a multiplicity of actors operating in the RWSS sector, however there are no clear rules or guidelines on how each of these agencies fit in the government led plans. This presents problems of co-ordination and harmonisation of the different activities in the RWSS in the districts
- Given the capacity limitations coupled with weak decentralised structure, the local governments have to face up to the challenge of how to co-ordinate the WSS activities of the various actors who comprise of local and National NGOs, Sector Ministries like the Ministry of Energy and water Department(MEWD) Donor agencies, and private entrepreneurs.

4.3 Livelihoods of private sector operators

The survey results presented in Section 3 indicate that the livelihoods of private sector operators have the following characteristics;

- Predominately farmers who alongside the agriculture activities operate small-scale business enterprises involving more than one kind of goods and services. They are mostly involved in trading, masonry works, and generally unskilled kind of services.

Private sector operators were found to provide the following types of services;

- Provision of spare parts,
- Tap mending,
- Well digging.
- Well lining
- Borehole parts repair
- Latrine Building
- Chain Repair
- Chain and windlass making
- Fabrication of Buckets and other small parts

Private sector operators were found to have the following physical capital

- Owned Land
- Rented Land
- Ox Carts
- Animals (Cattle)
- Bicycles
- Shops
- Farm tools, Hoes e.t.c

The following social capital

- Immediate Family Members
- The extended Families
- The Members of their Villages
- The Traditional Leadership (headmen)
- The Social Clubs in Drinking places for men
- Women's Clubs
- Water Points(for women)

The following financial capital

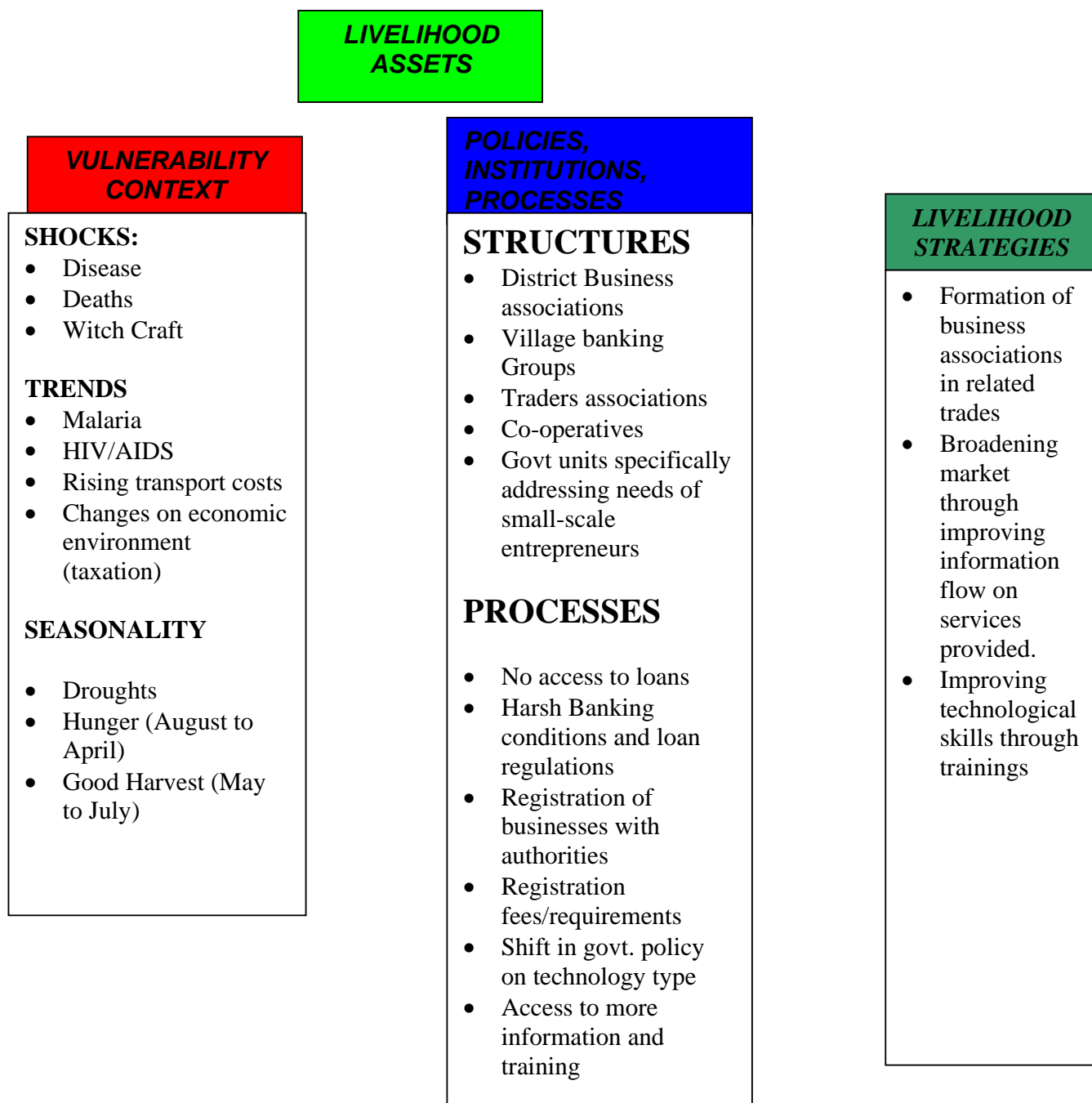
- Income from the daily sales of goods and services
- Income from other activities like farming
- Income from miscellaneous activities engaged in (e.g general merchandising)

The following natural capital

- Agriculture Land
- Rivers, streams
- Trees
- Natural products, (Honey, Mushrooms, Fruits)

Figure 5 shows a livelihood analysis of small scale entrepreneurs in the rural water supply sector.

Figure 5 LIVELIHOOD ANALYSIS OF SMALL SCALE ENTREPRENEURS IN RURAL WATER SUPPLY SECTOR



4.4 Supply chain map

This section presents supply chain maps for the following chains; Training services supply chain and spare parts supply chain.

Figure 6A shows a supply chain map for training services. This shows that;

NGOs and other agencies like church based organisations pay for most training services that are provided to the private sector. The Chains also shows that while there may be demand for training services from the small entrepreneurs and other small private operators these do not possess the ability to pay for these services. However they do advance payment in kind in form of unskilled labour service as an example.

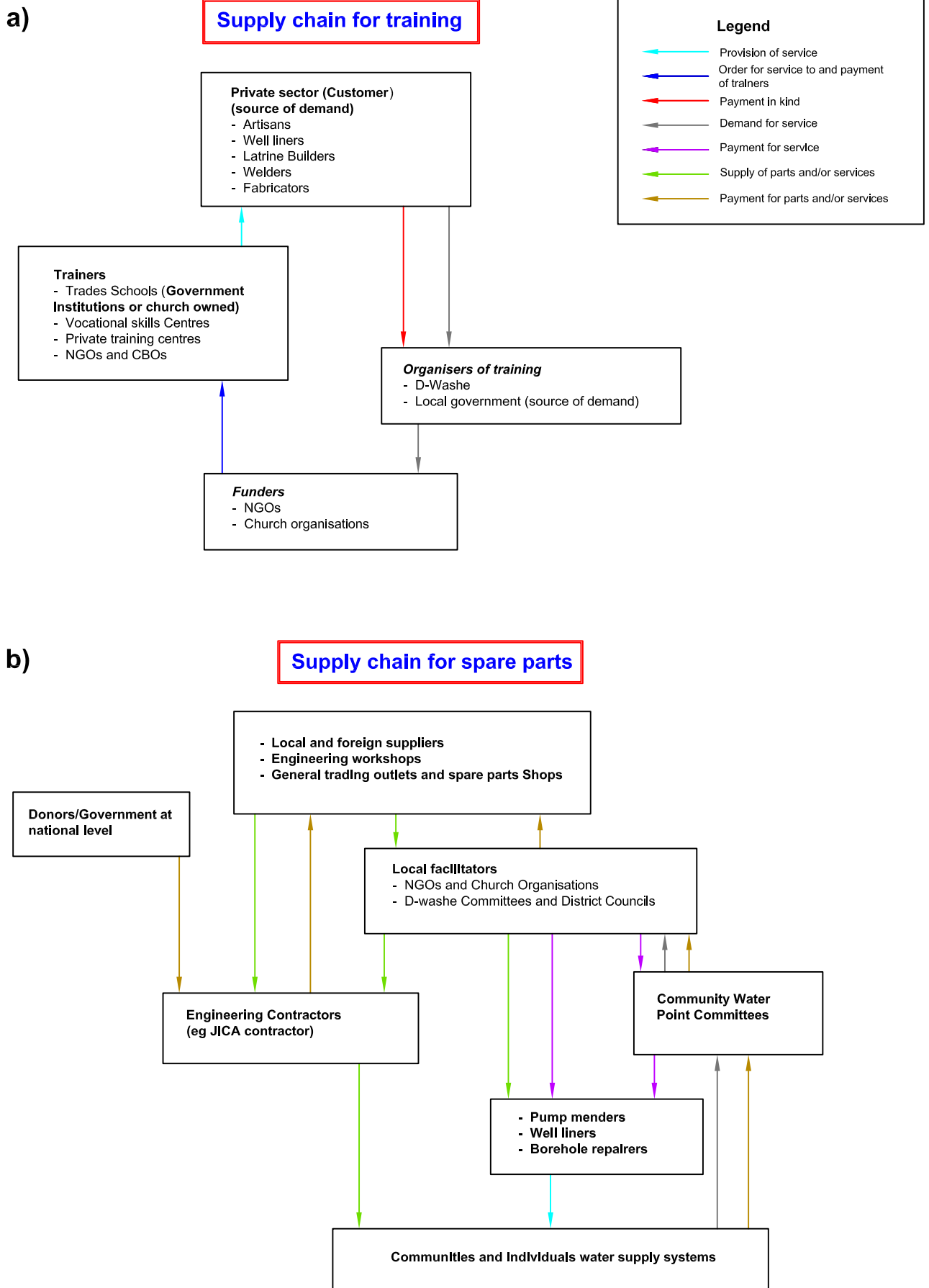
The chains also show that the local authority and the D-washe take a leading role in facilitating and organising these training sessions, an indication perhaps of the demand that comes from the government for these training services. The training is mostly provided by already established training institutions like Vocational training Centres, Private colleges, and also other less formal but practical establishments like private engineering workshops e.g. the Tanzania Zambia Railways (TAZARA) engineering workshop in Mpika District.

Figure 6B shows a supply chain map for Spare parts provision. This shows that;

Donors and NGOs are the biggest providers of Spare parts to the community water schemes. The small private sector in the rural communities are mostly hired on behalf of the communities by NGOs or the D-washe to carry out small fitting and construction works. This is after the spare parts have been procured from big suppliers and manufacturers either in the big cities within the country or from outside the country. The local authorities and NGOs mainly play the role of facilitating the supply of spare parts to the communities.

The Community Water Point Committees are the interface between the Individual communities and the local authorities or service providers.

Figure 6 Supply chains in Zambia



After MLGH/DISS and Water Aid (2004)

The following factors are key to the supply chains

Donors and NGOs drive the supply chains mainly due to the fact that they seem to possess the financial capacity to purchase the required services and in turn offer these to the private sector at subsidised rates.

There is a felt need or demand from the communities for services like spare parts, and other maintenance services but there is a lack of financial resources to actually use this demand to support the supply chains.

A well-structured mechanism within the local government that is aimed at supporting the supply chain process is key to the survival of sustainable supply chains, presently this is non-existent.

The role of the private sector in the supply chain is to fill the supply gap by being the link between the communities who may be in need of services and suppliers and service providers like the local government and Contractors.

The following factors are important for the private sector operators;

- Information on Access to short term financing for growth of their businesses
- Clear channels of information flows regarding available demand for the different services on one hand and availability of these services on the other.

4.5 Capacity of government

The current role of government at different levels vis a vis facilitation and regulation of the private sector is as follows;

- At the national level – Policy formulation and making legislation that guides the operation of the private sector.(through the Ministry of Local Government (DISS))
- National Level- Resource Mobilisation
- National Level- NWASCO plays a regulatory role in the Water Sector
- Local authorities - plans and coordinate sector actors (private sector) operations in the rural water sector
- Local authorities - Facilitating Training and on the job capacity building of private sector
- District Level-Service provision,provision of tools to Private sector operators
- District level - Identification of needy areas.

Government officers operate under the following legislation

- The Local government act and the Water and Sanitation Act (1997)

Government officers in interviewed operate under the following constraints....

- Lack of/inadequate funding to district councils affects districts council's capacity to attract qualified personnel and provide services.
- Unclear government policy on how to involve the private sector in rural water service provision
- Over centralised but complex institutional structure
- Lack of exposure of existing initiative/current ideas and thinking regarding private sector participation in rural water
- Unclear roles and responsibilities among different govt departments
- No legislation to specifically address private sector issues in rural water sector.

4.5 Need for guidelines

The survey showed the following needs for guidelines among the following groups of actors

Private Sector

- Guidelines on acquiring technical, business and entrepreneurer skills
- Guidelines on sources of financing for SSPS initiatives
- Financial Guidelines on the pricing of SSPS services
- Guidelines on tendering procedures involving small scale private sector
- Legal guidelines regarding contractual issues for services and goods rendered by SSPS

NGOs

- Guidelines on accessing funds for PSP
- Guidelines on information dissemination about PSP
- Guidelines on community subsidies
- Guidelines on the provision of training to SSPS.

Government Departments

- Guidelines on tendering procedures involving small scale private sector
- Guidelines for government on the role of the different department s in involving SSPS
- Guidelines of regulating private sector and Quality assurance

District Councils (Local Authorities)

- Guidelines on the monitoring and regulation of SSPS activities
- Guideline on what kind of support local government should provide to SSPS(Linking them information about training,access to finances e.t.c)
- Guidelines to spell out how SSPS should be involved in D-washe activities

The most useful form that the guidelines can take is for them to be published and disseminated as reports/manuals in different packages addressing the needs of the different actors. These guidelines can be disseminated at the different levels through Public meetings with stakeholders, Workshops with specialised groups and training sessions with the private sector.

5 OBSERVATIONS AND CONCLUSIONS

5.1 Introduction

Observations and conclusions are made here under the following headings:

- Legal framework
- Institutional framework
- Financial framework.

5.2 Legal framework

The following observations arise from the surveys reported above

While there is a legal framework under which the water sector operates as a whole, there are no specific pieces of legislation to guide the operation and involvement of the small-scale private sector in rural water.

Most important or relevant to the objectives of this project are that the Water and sanitation act (1997) makes very little mention of how or who should involve the SSPS.

We were particularly surprised to find that a good number of government officials in both the district councils and the ministries who are responsible for planning and implementing some of the water programmes are not familiar with the existing legal framework under which the water sector operates.

In spite of very little information on policy regarding SSPS there is evidence of past and new private sector involvement in providing a number of services. The D-washe committees in most districts are engaged in formal and informal agreements with the private sector at different scales.

From this we conclude the following; the current ongoing reforms in the water sector can be used as an entry point to institute and formulate appropriated legal reforms to address the involvement of the SSPS in rural water service provision.

5.3 Institutional framework

The following observations arise from the surveys reported above there is currently a lot of government bodies responsible for a lot of different activities in the water sector. The lack of proper co-ordination of NGO and Donor activities in the sector has led to a fragmentation in the sector. It is difficult to tell who is responsible for performing the various functions.

The lack of an efficient decentralised structure makes it more and more difficult for local governments to carry out their functions, the situation is further worsened by the lack of funding to these local governments.

At the local level the D-washe committees the interdepartmental organ whose responsibility is to co-ordinate and facilitate the planning and implementation of the rural water programmes. Their areas of role conflict in this arrangement due to the institutional status of the D-washe.

Most important or relevant to the objectives of this project are that there is no particular unit or structure whose sole responsibility is to address rural water supply and SSPS involvement in particular.

We were particularly surprised to find that most local governments have long standing but informal relationship with the private sector involved in providing different kinds of services for rural water.

From this we conclude the following; there is a sense of uncertainty among the local governments on the different roles and responsibilities that they should perform, this is a result of the weak institutional and policy framework. This has an effect on the local governments' short term and long term ability to plans and decision making process.

The current reforms should help bring about a more clearly institutional arrangement that clearly spells out the roles and responsibility of key stake-holders, including the private sector.

5.4 Financial framework

The following observations arise from the surveys reported above local governments are hard pressed for funding to implement water programmes. Local governments and NGOs in the rural water sector have for a long time been pursuing the traditional approach of providing rural water service on a subsidy basis. Hence communities do not pay for most of the water Services they get except for the cost of Operation and maintenance.

There is however an increasing trend by both local government and NGOs to move away from this trend, with more and more private sector involvement in the repairing and provision of spare parts for the rural water system.

Most important or relevant to the objectives of this project are that there is scope for further investigation into how the private sector can be supported to gain access to more and more financial capital than they have now in order for them to improve their service deliver by way of improved technological skills, improved business skill, access to better training and information.

We were particularly surprised to find that most private sector finance their businesses from their own incomes through savings, income from agriculture activities and the returns from their activities, their turn over is very low hence there is very little scope for expanding their business and competing with bigger enterprises.

From this we conclude the following; there is need for a financing framework that will enable SSPS to have better and cheaper access to loans, to enable them expand their business and have increased negotiation powers. This can be done through the SSPS forming associations as suggested in the livelihood framework given earlier.

5.5 Next steps

The next steps in the project process are to constitute the Multistakholder working group that will use the findings of the survey to frame the best practice guideline that may be used by different stakeholder for the enhancement of the private sector participation.

APPENDIX A

QUESTIONNAIRE FOR SMALL TRADERS, ARTISANS & PRIVATE SECTOR

Date

A. Personal data

1. Name(get at end)
2. Location.....
3. Sex Age
4. Enterprise type.....
5. Position.....
6. Relation to rural water supply.....
7. What is your occupation?.....
8. Employment status
(a) Self employed (b) Employee
8. If you are not self-employed, who is your employer?
.....
9. How long have you been practising this employment
.....
10. Apart from your main occupation, do you have another source of income? Yes /
No
If yes, what do you do?.....

B. Livelihood analysis

i. Natural

21. How much land do you have access to?
22. Do you own it through title deeds? Yes / No
23. How do you use your land?.
24. Do you own the house you live in? Yes / No

ii. Human

25. *Education level*
26. *Skills training courses attended*

iii. Social

27. How many years have you lived here (born / raised here?)
.....
28. Is there support for you within the community?.....
29. Do your family members have a role in your business? Yes / No

iv. Physical

30. Where do you get your water?
31. What fuel do you use for cooking, lighting?
32. Which of the following do you own
Bicycle Ox / Scotch Cart Telephone Radio

- 33. Do you read a newspaper? Yes / No
- 34. Where do you get other information from (business and social information)?

.....
.....

v. Financial

- 35. Where did you get your business start up money?
- 36. Where can you get a loan from?
- 37. Do you save money? Yes / No. Where?

.....

C. Knowledge about Small enterprises in Rural Water Supply

- 38. Do you play any role in the rural water sector in the district? Yes / No.
If yes, what role do you play?.....
- 39. Who are the main players in rural water supply in your district/community?
.....
- 40. What are the functions carried out by each player?
.....
- 41. Have you attended any meeting on the rural water sector? Yes / No
- 42. Who were the organisers and/or the sponsors?
.....
- 43. What were some of the main issues discussed?.....
- 44. What is the relationship between issues discussed and your occupation?
.....
- 45. What role(s) are you likely to assume which are different from current your role(s) in the delivery of rural water supply?
.....
- 46. Do you foresee any major changes in rural water delivery in the near future?
Yes / No. Give reasons.....

D Level of Awareness

i. Legal

- 47. Is the business owned solely by you? Yes / No
- 48. Have you registered your business? Yes / No. If yes, where
.....
- 49. What steps are needed to become registered ?
.....
- 50. What are the fees and how often are they
paid?.....
- 51. Does anyone monitor your activities Yes / No. If yes,
who?.....
- 52. What are the mechanisms for
monitoring?.....

ii. Institutional

- 53. Do you normally obtain contracts for work? Yes / No
- 54. Who has a role in the awarding of contracts?
.....
- 55. Do you interact with any of the organisations in rural water supply
Yes / No. If yes, who are they and how do you work with them?
.....
- 56. Are you aware of any activities undertaken in the communities before the water
facility is finally provided? Yes / No. If yes, what are some of these activities and
who undertakes them?
.....
- 57. How are these water facilities in the communities managed and maintained?
.....
- 58. Have the communities encountered challenges in the management and
maintenance
of these facilities? Yes / No. If yes, what were some of these challenges and how
were they addressed?
.....
- 59. To what extent were you involved in meeting these challenges?
.....

iii. Financing

- 60. Who pays you for services rendered/goods supplied?
.....
- 61. Are your rates/fees determined by anybody? Yes / No. If yes, do you find this
acceptable? Give reasons for your
answer.....

62. Do you borrow money for your business? Yes / No. If yes, what is the minimum and maximum period for repayment?

63. Have you ever faced any challenges in borrowing for your business? Yes / No
 If yes, what were these challenges and how did you overcome them?

64. How long does it take you to be paid after providing/supplying services or goods?

65. Which institutions give money to rural water projects in your district?

66. How does it get spent?
 - Government
 - Local Authority
 - Donor
 - Communities
67. Do communities have to pay for rural water projects at the start? Yes / No
 How much?.....
68. How do communities get this money?
69. Do communities have to pay for maintenance? Yes / No. How much?

70. How do communities get this money?
71. In your opinion, will the involvement of the private sector in rural water project bring improvements? Yes / No. Why

iv. Technical

72. What water supply facilities do you know about?
73. How did you acquire your knowledge on the use/construction /repairs/ maintenance of these water facilities?

74. Have you repaired any of the water systems you are familiar with? Yes / No
 If yes, which system(s)?

75. Have you supplied parts of any of the systems you are familiar with? Yes / No
 If yes, which spare parts?

76. Where did you obtain these parts?

77. Have you encountered any problems getting these materials? Yes / No. If yes, what are these problems?.....
 If no, why.....

78. Have you encountered any technical challenges in the supply of goods and services/ maintenance of water facilities? Yes / No. If yes, what are some of these challenges and how did you overcome them?
.....

79. Who is responsible for making sure you have done a good job?
.....

80. What measures are in place to monitor the quality of water provided?
.....

81. How does this monitoring take place?.....

v. Capacity building

82. Have you participated in any training programmes on rural water supply activities?
Yes / No. If yes, who organised the training programme?
.....

83. What were the key issues discussed?
.....

84. How has the training programme affected your performance in the water sector?
.....

85. How could various small-scale private sector operators obtain stronger negotiating powers in water sector?
.....

86. Is there an association of small-scale enterprises in your district? Yes / No

87. Are you a member? Yes / No. Why / why not?
.....

88. If yes, what is the membership strength?
.....

89. Are you a member of the organisation? Yes / No. How often do you meet?
.....

90. What are some of the topics you discuss during your meetings?
.....

91. What works do you do in respect to rural water supply? (eg construction, installation and maintenance).
.....

92. Are you prepared to stay in your present trade? Yes / No. Give reasons.
.....

E. Dissemination of information on guidelines and reforms

93. In your opinion, is the community satisfied with the provision of goods and services in the rural water sector by locally based service providers? Yes / No. Why?.....

.....
.....

94. How should information on private sector activities be disseminated?.....

.....
.....

F. Opinions and Concerns

95 What practical ways or ideas do you have on improving small enterprises working in the rural water sector?

.....
.....
.....
.....

COMMUNITY QUESTIONNAIRE

Date.....

A. General information

1. Name of community District.....
2. Approximate number of Households/ Inhabitants in the community.....
.....

B. Knowledge about Small enterprises in Rural Water Supply

3. Do you play any role in the rural water sector in the Community? Yes / No.
If yes, what role do you play?.....
.....
4. Who are the main players in rural water supply in your district/community?
.....
5. What are the functions carried out by each player?
.....
.....
6. Have you attended any meeting on the rural water sector? Yes / No
Who were the organisers and/or the sponsors?
.....
7. What were some of the main issues discussed?.....
.....
8. What is the relationship between issues discussed and your occupation?
.....
9. What role(s) are you likely to assume which are different from current your role(s) in the delivery of rural water supply?
.....
10. Do you foresee any major changes in rural water delivery in the near future?
Yes / No. Give reasons.....
11. Are you aware of any activities undertaken in the communities before the water facility is finally provided? Yes / No. If yes, what are some of these activities and who undertakes them?
.....
12. How are these water facilities in the communities managed and maintained?
.....

13. Have the communities encountered challenges in the management and maintenance of these facilities? Yes / No. If yes, what were some of these challenges and how were they addressed?

14. To what extent were communities involved in meeting these challenges?

15. How are Communities involved in policies and policy makers?.....
16. Do they meet with Community leaders and policy makers such as MPs/councillors?.....
17. If the answer to(17) above is yes; How often do they interact?.....
18. How are the policies communicated to you (the Community)

19. Do the You (Members of the communities) understand the policies?.....
20. How do these policies affect you?.....

21. How do they relate with
- (a) NGOs
 - (b) Private sector/Traders
 - (c) /GOVT depts/
 - (d) Donors?.....
- 22 . What support do you get from these institutions?.....
23. What activities are Community members involved in (List).....
24. How are community members involved in the above mentioned activities?

25. Do the community members have Regular meetings with:

(a) Councillors.....

(b) PTA committee.....

(b) Water committee.....

(c) NHC's committee.....

C. Livelihood Questions

Physical Assets

26. Do they have accessible roads?

27. What mode of transport do they use mostly?

28. What energy do they use for fuel/lighting?.....

29. How is the communication system in the area?.....

Natural Assets

30. What are the sources of water?.....

31. Do wells, streams or boreholes dry up? If yes, when do they dry up?.....

32. What do they use water mostly for? (list)

Financial Assets

33. What is your source of income?.....

34. Do you have a savings account for water?.....

35. Is there a micro finance institution within the community?.....

36. Are there money lenders in the community?.....

37. What exactly does your community do when there is a breakdown?.....

38. Do you pay user fees or maintenance fees to your water facility?.....

39. How often do you pay the fees?.....

40. Who are the Vulnerable Groups in your Community?
.....

41. What are the Causes of Vulnerability?.....

42. Is there a variation in the levels of vulnerability within a Year?
.....
.....

43. What have been the trends in the above mentioned causes?
.....

44. Are the trends mentioned above new or Historical?
.....

45. How do you cope/manage to deal with the situations mentioned in (41) and (43) above?
.....
.....

46.. How does the Community deal/support the following Categories;

(i) Elderly headed households.....

(ii) Female headed households.....

(iii) Child headed households.....

(iv) The Chronically ill.....

(v) Physically disabled.....

(vi) Disaster victims.....

(vii) Orphans.....

(viii) Widows/Widowers.....

46. What is the major occupation/ economic activity of this Community?
.....

47. What skills are found in your Community?

.....

49. Which of the above skills are mostly possessed by;

(a) Women.....

(b) Men.....

(c) Young People.....

Education Status

50. How many Schools are in the Community?.....

51. What types of schools are there in the community?

(a) Community School

(b) Literacy School

(c) Nursery School

(d) Private Schools

(e) Government School

52. How far is the nearest school from the community?

53. What is the approximate number of School going children?

54. How many children actually go to school?

(a) Boys.....

(b) Girls.....

55. Are there any factors that affect school attendance?

If yes what are these factors?.....

(a) For Boys?

(b) For Girls?.....

56. What measures have been put in place to address the above mentioned factors?

.....

57. What others measures do you think should be put in place?

Health Situation

58. Where do you go to seek medical attention?.....

59. How far is the nearest facility from the community?

60. What are the most common diseases found in the community among;

(a) Children.....

(b) Women.....

(c) Men.....

61. Are there any factors that affect your access to these health services?

62. If yes, what are these factors?

.....

63. Have you experienced an outbreak of a major disease in the last one-year?

If yes what is it?

GOVERNMENT AND LOCAL AUTHORITIES QUESTIONNAIRE

Date:.....

A. General information

- 1. Name of Organisation/Dept.....
- 2. What is your name? (Get at end)
- 3. What is your job title?.....
- 4. How long have you been at your present position?.....

B. Knowledge about PSP in Rural Water Supply

5. What is your Understanding of Private Sector participation in Water Service provision?
.....

6. What is the role of your organisation in the provision of rural water facilities?
.....

7. To what extent is the current arrangement for the delivery of rural water facility effective?

8. Is there a policy on the involvement of small-scale entrepreneurs in the rural water sector? Yes / No If yes, what are the key issues of the policy?.....

9. Are you aware of international rural water sector initiatives? Yes / No. If yes, what are they

10. Have there been any meetings/ seminars/ workshops on Small Scale Private Sector Participation (SSPSP)? Yes / No. If yes, which organisations were represented?
.....

11. What were the key issues discussed?
.....

12. Was there agreement on the issues discussed? (ask for seminar reports
.....

13. What role does your "department" play in SSPSP?
.....

14. In your view, what has necessitated the idea of SSPSP.....

C. Level of Awareness

(i) Legal

15. What is the existing legal framework under which the rural water sector operates?
.....
16. How effective is the existing legal framework with respect to SSPSP?
.....
.....
17. How effective does the current water law address the issue of extraction, usage and management of water resources in the country?
.....
.....
18. Should there be separate water laws for urban water and rural water? Yes / No
If yes, why
How can the implementation of water legislation be made more effective?
.....
.....

ii. Institutional

19. Which institutions should work with a SSPSP programme? Give reasons. (for further probing: nature and scope of interface and oversight responsibility).....
.....
20. What do you think should be the role of this institution(s)
.....
21. What should be the relationship of this institution(s) with other existing institutions
22. Does the small scale private sector have the capacity to perform its role under the proposed SSPSP? Yes / No. Give reasons.
.....
23. What should be the role of the following bodies in the award and supervision of contracts?
- (a) MLGH.....
 - (b) MEWD.....
 - (c) Local Authority.....
 - (d) District Tender Board.....
 - (e)Provisional Tender Board.....

- (e) D-WASHE
- (g) NWASCO.....
- (h) Others

iii. Financial

24. What is the role of your department in financing rural water supply?
.....
25. What measures should be adopted in financing rural water?

- (a) in the short term.....
- (b) in the long term

26. How should small-scale enterprises finance rural water supply projects independently?
.....

27. Do you expect any financial difficulties with respect to the involvement of SSPSP in rural water supply? Yes / No. If yes, what are the difficulties?
.....

28. How can such difficulties be overcome?
.....
.....

29. What factors should guide the pricing of water in the rural areas?
.....
.....

iv. Capacity Building

30. Does the private sector possess the relevant skills and techniques to manage all aspects of the provision and maintenance of rural water supply? Yes / No. Give reasons.
.....
.....

31. What regulatory mechanisms exist for the construction, installation and maintenance of water facilities?
.....

32. Who is responsible for determining the quality of water at the community level?.....
33. How should the small private sector operators acquire the skills relevant for the participation in the rural water sector?.....
34. What factors should guide the selection of small scale private sector operators?.....
35. Who should be responsible for the training, certification and licensing of small scale..... private sector operators?.....
36. Who should be in charge of development and distribution of training materials?.....
37. What measures should be put in place to ensure quality of work?.....

D. Dissemination of information on guidelines and reforms

38. In your opinion, is the community satisfied with the provision of goods and services in the rural water sector by locally based service providers. Yes / No
Why / why not?
.....
39. How should information on private sector activities be disseminated at the different levels?
- (a) Central government to local government.
 - (b) Local government to Central government.
 - (c) Community Level to Central government.

E. Opinions and comments

40. What ideas do you have on small-scale private sector participation in the rural water sector?
-
-
-

QUESTIONNAIRE FOR DEVELOPMENT PARTNERS (DONORS AND NGOS)

Date:.....

A. General information

1. Name of Development partner/organisation
.....
2. What is your name (get at the end)
3. What is your job Title :
.....
4. How long has *the organisation* been involved in the rural water sector in Zambia?
.....
.

B. Knowledge about PSP in Rural Water Supply

5. What is *the organisation's* role in the provision of rural water supply in Zambia?
.....
.....
6. What does *the organisation* consider important in the provision of rural water?
.....
.....
7. Who are the key players in the implementation of these projects?
.....
.....
8. What are the specific roles of small enterprises in the implementation of rural water supply?
.....
9. Are you aware of any obstacles confronting the small enterprises? Yes / No
If yes, what are those
obstacles?.....
10. How have they been addressed?
.....
11. Does *the organisation* involve the small enterprises in water delivery in the rural areas? Give reasons.
.....

12. What are your comments on the role of small enterprises in rural water delivery?
.....
.....

C. Level of awareness

i. Institutional

13. What is *the organisations* capacity for working in the rural water supply sector?
.....

14. In the rural water supply sector, which institutions have you been collaborating with?
.....
.....

15. What are your comments about the capacity of other institutions to effectively deliver rural water?.....
.....

16. Currently there are reforms ongoing in the water sector. Would you recommend a restructuring of the institutional arrangement for rural water delivery? Give reasons
.....

17. Are you aware of any institutions which provide training support to the small enterprises? Yes / No. If yes, who
.....

18. What training do they give?
.....

19. Are you satisfied with the capacity of these training institutions to adequately support small enterprises? Give reasons
.....

20. What relationship do you expect to exist between the various donor agencies and/or NGOs to strengthen the participation of small enterprises in rural water delivery?
.....
....
.....

ii. Financial

21. What are the financial arrangements for the rural water projects that *your organisation* supports?
.....

22. Are you able to meet your project objectives within your set time frame?
.....

33. Who should be responsible for the training, certification and licensing of small enterprises?
.....

34. How should they do it?
.....

35. Who should be in charge of development and distribution of training materials?
.....

36. What measures should be put in place to ensure quality of work?.....
.....
.....

D. Dissemination of information

37. In your opinion, is the community satisfied with the provision of goods and services in the rural water sector by locally based service providers? Yes / No. Why
.....
.....

38. How should information on private sector activities be disseminated?
.....
.....
.....

E. Opinions and comments

39. What ideas do you have on small scale private sector participation in the rural water sector?
.....
.....
.....
.....