



Presentation on prepaid metering in Low Income Areas (LIAs)

April 2024

Nicholas Mwape- Lukanga WSC



PRESENTATION **OUTLINE**

- CU BACKGROUND
- SERVICE PROVISION IN LIC
- PREPAID METERING
- WHY PREPAID METERING IN LIC
- EXPERIENCES OF USING PREPAID METERS IN LIC
- ADVICE FOR OTHER CUS
- CONCLUSION





BACKGROUND

The Water Supply and Sanitation (WSS) Act of 1997 is a legal framework that establishes the National Water Supply and Sanitation Council, NWASCO as the regulator for the WSS sector, and provides the framework for the creation or establishment of commercial utilities (CUs) by Local Authorities.

The CUs are established as private companies in accordance with the Companies Act cap 388 of the laws of Zambia, for the management of water supply and sanitation service in the urban and peri-urban areas of Zambia.



BACKGROUND

The Act also provides for NWASCO to establish licensing and development of regulations and guidelines for the provision of WSS services.

There are 11 water utilities in Zambia, each with the service coverage properly defined according to province and towns. The Water utilities previously had the mandate to provide water and sewerage services to urban and peri urban populations in their service areas.

With the change in names following additional mandate, the CUs had to ensure not only sewerage services are provided, but also extend sanitation in service areas. In addition, service areas were extended to include WASH provision in rural parts of the service areas.



SERVICE PROVISION IN LICS

CUs are mandated to provide water and sanitation services to low-income communities.

Water supply provision

Water services are provided through public stand taps, water kiosks and yard connections. Due to budget constraints faced by most CUs, the initial service provision is through communal water supply. With time, the more affluent customers in LICs apply for yard taps, such that a mixed system is eventually prevalent. Where funding is received, yard taps are constructed at each household, complete with prepaid metering.

Sanitation services

LICs have no sewer pipelines as they are mostly unplanned. Most residents in these areas use pit latrines, and septic tanks for the more affluent. Where funding is obtained improved pit latrines are constructed. Therefore, faecal sludge management is an important aspect of sanitation in these LICs.



Yard tap installed in LIC



Water kiosk in LIC



VIP toilet constructed in LIC



PREPAID METERING IN LICs

Prepaid metering in LICs serves the following benefits:

- ❖ Residents in LICs are known to accumulate high balances when on post paid metering. They continue to use water and only pay when disconnected. Prepaid metering ensures arrears are paid off because a percentage of every water purchase is allocated to arrears.
- ❖ Management of arrears in LICs with post paid metering is effective by conducting disconnections. However, it is difficult to conduct disconnections in LICs. This is due to the informal setup of these areas. Addresses are not easy to trace to disconnect, and as a result more time is spent looking for addresses than the actual disconnecting.
- ❖ Prepaid metering in LICs make customers become water wise as they can budget for their water usage and buy water units according to their need.
- ❖ Prepaid metering addresses the issues of having to print and distribute bills for LICs every month.



EXPERIENCES OF USING PREPAID METERS IN LICs

- ❖ During project inception, customers showed a preference for prepaid meters because they can 'control' their monthly water usage. Many LIC customers are not in formal employment, therefore instead of the monthly bill, they would rather be able to purchase water units as and when they have funds.
- ❖ Indications from LICs in Zambia where projects were conducted have shown that installation of prepaid meters in LICs caused an initial rise in revenue, reduction in arrears, and reduction in NRW. Customers buy water units according to their need, become water wise, and the practice of sharing or selling water is reduced. Additionally, customers become more proactive in dealing with physical water losses especially at their premises.



ADVICE FOR UTILITIES ON PREPAID METERS IN RELATION TO NRW

- It is important to research on choice/type of prepaid meter as some types are prone to theft for the brass component.
- Metal taps are also susceptible to theft, therefore plastic taps could be considered.
- Areas for prepaid meters must be on good water supply. If supply is poor, customers will remove the meters to get access to the water.



Suspect apprehended for theft of taps in LIC



ADVICE FOR UTILITIES ON PREPAID METERS IN RELATION TO NRW

- The CU must have 'foot soldiers' on the ground checking areas regularly as customers can become prone to 'water theft' when they cannot buy units.
- Zero purchases must be listed monthly and verified on the ground to see what is causing customers not to purchase water.
- Intensive sensitisation is required by the CU on use of the meter, punching in units, monitoring consumption etc. Lack of knowledge may cause customers to 'shun' the meter



Orientation of resident representatives on use of prepaid meters

THANK YOU

