



# Factsheet

**Country:** Zambia

**Project:** Water Sector Reform Programme

**Term:** 2004 – 2012

**Total funding:**

€ 4,800,000 for phase 1 (2004 – 2006)



## Water Sector Reform Programme

### Context

Over the past decades, income poverty in Zambia has increased, reaching 72.9% of the population in 1998. Extreme poverty also rose and extends to over half the population (58.2%). Already 43% of the population live in towns and up to 80% (3.9 million) reside in low income areas. This is expected to increase further as low income areas absorbing the majority of the population growth.

Although Zambia has abundant water resources, a new detailed baseline study indicates that only 47% of the urban population have adequate and sustainable access to clean drinking water and only 43% of the urban population has access to adequate sanitary facilities. Since decades cholera arises regularly in these areas, due to the fact that waste water enters the ailing water pipe system or pollute resources, and natural habitats.

Lack of information makes it impossible to plan object-oriented. In order to reverse these trends, the Zambian Government embarked in 1994 on a profound Water Sector Reform, so far largely implemented in the urban and to some extent rural water supply and sanitation (WSS) sub-sector.

### Project

Since the adoption of a new National Water Policy in 1994 by the Zambian Government, German support has substantially increased. Currently, GTZ supports Zambian institutions to achieve the goals of the ongoing reform phase: consolidate the reform for urban WSS, accelerate implementation of the national sector policy for the urban poor and rural WSS as well as for water resource management. The focal points of the cooperation are:

**Support of commercialisation of WSS** with establishment and capacity building of Commercial Utilities (CU - providers for urban and low-income areas, shareholder companies in public ownership), large enough to generate economies of scale in order to offer reasonable tariffs, especially for the poor, through cross-subsidies.

**Establishment of an effective sector supervision and regulation** for urban and peri-urban WSS through the Ministry of Local Government and Housing (MLGH) and the regulator National Water and Sanitation Council (NWASCO). This includes a regulatory regime focusing on sustainable service provision in the sector for the entire population with specific solutions for the urban poor.

**Scaling up of the Devolution Trust Fund (DTF)** (poverty basket), which assists commercial utilities to finance

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Federal Ministry  
for Economic Cooperation  
and Development



the extension of WSS services to the urban poor and to put a sustainable management system in place.

**Setting up a sector-wide information system** (NWASCO Information System - NIS) starting with the urban and low-cost areas. This also includes guidelines on countrywide reporting.

**Establishment of Integrated Water Resources Management (IWRM)** following the Johannesburg declaration and SADC guidelines on river based management through a sector reform unit.

**Support to programming in the sector** through the Sector Advisory Group (SAG / Ministry of Energy and Water Development - MEWD) including the promotion of a sector wide approach (SWAp) with the aim of achieving coordination among the key stakeholders.

In order to foster vertical and horizontal cross-linkages in the sector the GTZ support is targeted on national and local level including autonomous government institutions (statutory bodies), the private sector (CUs) and the two involved Ministries (MEWD, MLGH). This is of particular impor-

tance for streamlining issues such as poverty orientation, achievement of MDGs, good water governance and sustainability.

The long standing engagement and the very close involvement in the Zambian water sector reform enables German agencies to understand the local system. It also helps to identify suitable incentive mechanisms, to assess feasibility and absorption of input as well as the will to reform.

## Impact

The outsourcing of functions from the Ministries to other autonomous and professionally managed government institutions opened a range of opportunities and improved sector performance. Additionally, stakeholder participation was integrated into the new structures and a strong involvement of the private sector (commercialisation and private sector participation) was supported. The average daily supply time for water increased from 8 to 16 hours and the average collection rate is now over 70%. Water quality, customer satisfaction and cost recovery has substantially improved and is still rising.

New legislation gave the institutional set-up the necessary legal backing. It enabled improvements in governance and supported paradigm changes on the different levels within a relatively short period.

Pilot projects of the DTF, which were initially supported by GTZ and then also funded by other donors, offered sustainable access to safe water for additional 80,000 people in low-income urban areas. In order to achieve the MDGs for water supply additional low-cost infrastructure for approximately 1.75 million inhabitants have to be put in place by 2015. Therefore, the GTZ programme supports the DTF today to obtain and manage the necessary financial resources for an implementation on a much larger scale.



## Imprint

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