



Technical Brief

USER FEES AND INSURANCE COVER SIGNIFICANTLY REDUCE DOWNTIME OF WATER SUPPLY SYSTEMS IN WORLD VISION ZAMBIA'S OPERATIONAL AREAS

Prepared: 22nd August 2022

Volume 2; Issue No. 1

Introduction

Universally, access to safe and adequate drinking water, including proper sanitation and good hygiene practices, is one of the determinants of good health (WHO, 2019). However, when water, sanitation, and hygiene (WASH) facilities break down or significant WASH components are stolen, access to WASH for the users is reduced, exposing them to waterborne diseases.

In some of World Vision Zambia's operational areas, breakdowns in water systems and other adverse events like theft after installations pose a significant challenge to water access in communities. As a measure, World Vision Zambia came up with an initiative to assess how water systems could be sustained without causing financial stress on primary beneficiaries of the local communities. Between 2018 and

2021, World Vision Zambia partnered with Professional Insurance Company to insure 40 water systems in 8 districts (Namwala, Chibombo, Kapiri-Mposhi, Sinazongwe, Kasama, Mazabuka, Chongwe, Mwinilunga and Pemba) across Zambia. The insurance covers water facility components that are too expensive to be purchased or replaced using the existing user fees¹ paid by communities as operation and maintenance fees of the water facilities.

This Technical Brief highlights key processes followed to achieve sustained water access among communities and critical outcomes of insuring 40 water supply facilities in 8 districts. The brief also highlights challenges experienced and shows opportunities in implementing such a project.

Technical Approaches

World Vision Zambia supported the communities in putting in place systems that would promote the sustainability of water supply systems. These systems include monetary contributions for the maintenance of the facilities and cover insurance premiums. In the event of damage or theft to significant components, communities would not face a long period of downtime without accessing water. Some of the approaches used are highlighted in the subsequent sections.

Constituting Water Point Committees & Capacity Building

The National Rural Water Supply and Sanitation Policy (2018) recommends that every water facility have a functional Water Point Committee. Therefore, once World Vision Zambia puts new water supply systems in rural communities, it also ensures that it supports the communities by constituting

Water Point Committees for the community benefiting from the water supply system. The Committee comprises ten members of equal numbers of males and females. It also considers inclusion factors, ensuring that people living with disabilities are part of the Committees and not left behind.

¹User fees are sums of money paid as a necessary condition to gain access to water

Subsequently, World Vision Zambia supports the District Water and Sanitation Hygiene (DWASH) members to train Water Point Committees to manage water supply systems. Some of the critical areas covered include; the operation and maintenance of the water facilities, roles and responsibilities of the Committee, fundraising for operations and maintenance, and financial management.

To promote insurance of water supply facilities, World Vision Zambia partners with Professional Insurance Company to train Water Point Committees on how to access insurance services after installing mechanized² water systems. The Insurance Company also explains to the Water Point Committees the terms and conditions of the insurance services so that the committees understand the need and importance of having insured water systems. Furthermore, how the insurance premiums are calculated is also explained to the committees for their understanding. The insurance premiums are estimated at 10% of the total cost of the solar panels, control panel, pump and tank/tanks and are paid annually.

Contributing Funds for Insurance Premiums

After Committees are trained, they understand how to sustain their water facilities through the user fees and use part of the fees to pay for insurance premiums. World Vision Zambia collaborates with Water Point Committees and sensitizes communities on the need for all community members to contribute towards repairs and insurance premiums of water systems. The emphasis is that communities need water, and keeping water systems operational requires the cooperation of everyone; hence revenue generation is everyone's responsibility.

Jointly with Water Point Committees and community

members, meetings are held to develop water access rules and guidelines and agree on contributions towards user fees. In most instances, communities agree to make contributions monthly or annually, depending on what is convenient for each community. In some cases, vulnerable families that struggle to raise monetary contributions are allowed to pay in kind. In-kind payments may sometimes include; offering labour services to clean water facility surroundings or taking assets such as livestock or other farm produce (maize, pumpkins, groundnuts etc.) that can be converted to cash.

Once raised, all funds for specific water facilities are deposited into a bank account, which is opened explicitly for that particular water facility. Subsequently, part of the funds raised from community contributions is committed to covering required Insurance Premiums, and part of it is reserved for routine maintenance of the water facilities. What is meant for Insurance Premiums is remitted annually to the Insurance Company, and what remains is used for regular water facility maintenance.

If the water supply systems collapse, the insurance companies are contacted to replace or fix parts not functioning well on the water supply systems.

Monitoring and Evaluation

World Vision Zambia monitors the water supply systems' operation post commissioning the mechanized water systems and whether or not Committees mobilize funds required to sustain the insurance of water supply systems. In addition, monitoring and evaluations are also done to assess whether the Water Committees collect required user fees from the water users to pay for routine maintenance and Insurance premiums and if they face any challenges.

Key Outcomes from the Insurance of Water Schemes

Since World Vision Zambia began emphasizing the need to raise user fees and introduce Insurance Premiums to safeguard the sustainability of water supply systems in rural communities of Zambia, several outcomes have been achieved.

Communities considered to receive water supply systems must raise K5,000, which acts as a commitment fee towards looking after the water supply system before they even begin to benefit from a system. These funds are then deposited in a bank account opened explicitly for the water supply facility to be implemented.

Once the water supply system is constructed, communities continue contributing funds towards operations and maintenance fees. To promote accountability for money raised, all users who pay for operations and maintenance are issued receipts. Part of the money is remitted to the Insurance Company as a premium to cover costly system components that communities fail to replace when damaged. The other money is used to repair or service water system parts, which are relatively cheap, can be paid for by communities, and are not covered by the insurance company.

Money raised over time has shown remarkable improvements in the number of systems getting well maintained and insured to sustain water access. So far, 40 water systems have been fully insured, and there is enhanced sustainability for the insured systems

²Mechanised water supply system is a piped network that supplies water to households and other establishments extracted from aquifers (groundwater) and surface (lakes and rivers) water sources.

compared to those not insured. In addition, whenever there is theft, damage, or water system failure, the committees, with support from the District WASH office, quickly approach the insurance company to make claims.

When there is a breakdown in the water supply system, including theft of major systems components such as solar panels, pump/accessories, and tank, the Insurance Company expediently replaces such parts after being notified. This cuts down on downtime when community members do not have water access. However, without insurance cover or any funds raised over time, communities have to begin sourcing funds from scratch to restore the water supply systems. With the difficulties that most rural areas face in raising funds within a short time, it becomes a challenge to have these funds readily available. Consequently, if unable to raise the required funds, community members may stay without water access for a considerable time. Essentially, raising funds over time and using insurance works to cut the time it takes for community members to raise funds to replace broken-down components.

Further, there has been a good partnership between World Vision Zambia, the Insurance Company and the communities. Since the insurance partnership began, two communities have been able to have their insured water systems restored by the Insurance Company when the pump at one community developed a technical fault. In another community in Mwinilunga District, some solar panels got damaged and affected the system's performance. The insurance company then replaced the solar panels.

There is an overwhelming demand among communities with existing water supply systems to have their systems insured. The interest grew after seeing insurance benefits from other communities that have insured their water systems.

In communities that have already suffered adverse events on their water supply systems, the degree of financial stress on the community has reduced significantly. The repair cost is covered by existing funds that don't have to be sourced immediately. Moreover, all users do fundraising, meaning the burden is evenly distributed to all the community members.

Limitations and Challenges

Despite the benefits realized from making contributions to safeguard and sustain water supply systems, a few challenges exist, as detailed below:

Most rural areas where the water supply systems are implemented are extreme remote areas and far from banks found in town. This means that when people make contributions to the treasurer of the Water Point Committee, the money cannot be remitted to the bank immediately.

Instead, it is kept in their homes. This poses a risk to funds contributed by community members before it is taken for safekeeping at the bank or remitted as a premium to the insurance company. Suppose stolen or lost by any means, e.g. a house catches fire; the money is lost entirely. Although the water systems are insured, money contributed as user fees and insurance premiums is not covered against any eventuality. If lost, the community would lose out completely.

Opportunities

- As many mechanized water systems are constructed, there are opportunities to have other insurance companies come on board to insure the water systems. With increased interest among different communities on this aspect, it will be easy for Water Point Committees to raise funds to have their water systems insured and maintained.
- The government appreciated having the water supply systems insured to enhance sustainability. In areas where the initiative is being implemented, the government is helping to sensitize communities on the importance of having the water supply systems insured.

Our Call for Action

Policy Makers

- The civic leaders must take a crucial role in allocating funds to supplement the community efforts in raising funds through the Community Development Fund (CDF) for the sustainability of the water systems.
- The Ministry of Water Development and Sanitation must take a keen interest in the mechanized water systems, work hand in hand with the community, and see how the government can work with the community to sustain the water systems' lifespan.
- The Ward Development Committees should take a keen interest and monitor the sustainability of the water supply systems in their respective wards. This will help identify the needs of the communities and support them on how to access the CDF.
- Establishing and stocking the Sustainable Operation and Maintenance Project (SOMAP) shops with spare parts for the mechanized water supply systems is necessary. Currently, the shops are stocked with borehole spare parts only, and in some

districts, the SOMAP shops are none existent.

Partners

- The community, Ministry of Health, Ministry of Water Development and Sanitation and World Vision Zambia should join efforts in maintaining and sustaining the water systems so that people can continue having access to clean water.

Program Implementers

- There is a need to involve the key stakeholders, e.g. the civic leaders and government officials responsible, to ensure that they work hand in hand with the community to sustain the systems.
- There is a need to strengthen and build the capacity of the Water Point Committees in entrepreneurship skills and form savings groups that will support the operation and maintenance of the water systems. When enough funds are raised, the water system network can be expanded to other households depending on the capacity of the water supply system.
- To create a sense of ownership among the community members, there is a need to conduct community preparedness engagement meetings before any interventions are done. This helps draw full community participation and willingness to take on roles and responsibilities to sustain the water supply systems.

References

- Ng'ambi M. et al., (2021), Sustainability of Piped Water Scheme: A Case of Community Level Piped Water Insurance Scheme, World Vision Zambia.
- Sara Ooko (2019) Insurance innovation to boost sustainability of rural water projects in Kenya, World Vision Kenya.
- WHO (2019) Water, Sanitation and Hygiene (WASH)
- Winter, J.C., Darmstadt, G.L., Boehm, A.B. and Davis, J., 2021. The impact of on-premises piped water supply on faecal contamination pathways in rural Zambia. *npj Clean Water*, 4(1), pp.1-8.
- Ministry of Water Development, Sanitation and Environmental Protection November 2018. National Rural Water Supply and Sanitation Program.



World Vision is a Christian relief, development and advocacy organisation dedicated to working with children, families, and their communities to reach their full potential by tackling the root causes of poverty and injustice. World Vision serves all people, regardless of religion, race, ethnicity, or gender.

For further information please contact:

Maybin Ng'ambi
Technical Manager – Water,
Sanitation & Hygiene
Maybin_Ng'ambi@wvi.org

Carol Mweemba
Associate Director - Advocacy,
Reports & Campaigns
Carol_Mweemba@wvi.org