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Tanzania



## SWOT Mission 1999

*October 1999*

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*Domestic Water Supply Programme  
Morogoro Region*

***Report***

***IKELA***

***Water Supply Company***

Ministry of Foreign Affairs  
The Hague  
The Netherlands

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## Abbreviations and acronyms

BoD	Board of Directors
CD	Community Development
CDO	Community Development Officer
DC	District Commissioner
DED	District Executive Director
DFID	Department of Foreign International development
DPM	District Programme Manager
DWE	District Water Engineer
DWP	Domestic Water Point
DWSP	Domestic Water Supply Programme
GS	Galvanised Steel
HID	Human Resources and Institution Development
HH	House Holds
HOD	Head of Department
HRD	Human Resources Development
IWP	Improved Water Point
KDC	Kilombero District Council
MP	Member of Parliament
NBC	National Bank of Commerce
NGO	Non Governmental Organisation
NRWP	National Rural Water Policy
O+M	Operation and Maintenance
PMO	Prime Minister's Office
RNE	Royal Netherlands Embassy
RTDC	Regional Training and Development Centre
SW	Shallow well
SWOT	Strengths, Weaknesses, Opportunities and Threats
TANESCO	Tanzania Electric Supply Company Limited
TSh	Tanzanian Shilling
VG	Village Government
WSC	Water Supply Company
WUG	Water User Group

## 1 INTRODUCTION

The IKELA Water Supply Company in Kilombero District is one of the seven WSCs in Morogoro region, which the Domestic Water Supply Programme (DWSP) has selected for assistance during 1999. This assistance is in preparation for the handing over process, which has been scheduled at the end of 1999

DWSP is part of the joint efforts between the Tanzanian and the Netherlands Governments to ensure that the rural people in Morogoro region have access to improved and adequate water supply service on sustainable basis. The programme, which commenced in 1993, was initially planned to end in February 1998, but later extended to the end of 1999 under the budget neutral arrangements

DWSP, together with the District authorities have since 1999 been involved in the establishment of 22 community-based water supply companies, of which 21 have been registered as autonomous water user entities under the Company Ordinance (Cap 212) with a private company limited by guarantee option

The IKELA (Mkamba / Kidatu) WSC serves an estimated population of 31,000 in three villages of Mkamba, Kidatu and Sumbugulu and to resident of Kilombero Sugar Company. The company is officially registered as a private company limited by guarantee on 29 August 1995. A detailed profile of the company is attached as Appendix 13

As part of the handing over process the DWSP conducted an internal rapid assessment of all the companies at the beginning of 1999 to determine the priority list of those, which could be considered first for handing-over the scheme. One of the basic criteria for such consideration was the degree of commitment of the users and management towards the sustenance of their company. The results of this internal assessment were supposed to assist the programme to identify areas, which required urgent action prior to the scheme being handed over to the users. In the end, seven out of 21 registered companies were selected to pioneer the handing-over process of which IKELA WSC is one of them

In the meantime, DWSP has envisaged a need for a further in-depth SWOT analysis of the selected companies, which would result into an "In Service Support Programme" for all rural water supply companies. Hence, the present mission has been assigned by the Programme to carry out the SWOT analysis with the expectation that issues pertaining to the sustainability risks of the seven WSCs could be detailed and recommendations for action made within the Tanzanian Rural Water Supply setting

This specific report details the findings, conclusions and recommendations as identified by the study in IKELA WSC. The Mission has, invariably focussed particularly on the main study areas related to social / community, institutional and financial sustainability factors

### 1.1 Programming

The mission undertook its study in IKELA WSC as follows

- (a) 24 May 1999 Meetings with stakeholders at District and WSC levels in Kilombero District headquarters, and Mkamba/Kidatu village.
- (b) 25 May 1999 SWOT-SOR Synthesis Workshop at IKELA WSC offices



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**1.2 Mission Composition**

The mission consisted of the following consultants

Mr Deo Binamungu	HRD and Institutional Development specialist	WEDECO Shinyanga
Mr Audace Kanshahu	Financial specialist	Morogoro
Mr Issae Madundo	Community development specialist	Iringa
Mr Jo Smet	Water supply institutional development specialist and Team Leader	IRC, Delft

## 2 AIM AND OBJECTIVES OF THE STUDY

In general terms, the ToR required the mission to develop SWOT analysis models. Subsequent testing on the seven WSCs should give a picture, whereby resulting findings and conclusions would be translated into realistic recommendations and strategies for future action on all WSCs. Essentially, the developed SWOT models were intended to assist the stakeholders reviewing the past and present performance of their companies. Consequently, advise them on how to arrive at sustainable social and business developments. At the request of RNE, the SWOT analysis was expanded to include an in-depth sustainability risks analysis of the seven WSCs.

With initial consultations between the Mission team, RNE and DWSP regional consultants, the objectives of the study were finally revised as hereunder:

- To categorise the WSCs and determine 3-4 models
- To develop SWOT analysis models
- To test the SWOT methodology on the seven selected WSCs and to amend approach if necessary
- To carry out a detailed Sustainability Risks Analysis for the seven WSCs
- To recommend immediate actions and long-term activities and strategies for the DWSP and the rural piped water supply segment in Tanzania



### 3 METHODOLOGY

#### 3.1 SWOT Analysis

SWOT simply means Strengths, Weaknesses, Opportunities and Threats. According to the ToR the Mission was required to analyse these elements in reference to IKELA (Mkamba/Kidatu) WSC's past and present performance towards achieving its overall mission. As indicated in its Memorandum and Articles of Associations, the company's mission is "To provide, at reasonable rates, safe and clean water to the inhabitants of Mkamba, Kidatu, Sumbugulu, and Kilombero Sugar Company (K1 and K2) villages in Kilombero District, Morogoro Region, Tanzania."

SWOT analyses focussed on three key areas namely social / community factors, institutional factors and financial factors. In analysing these factors the Mission applied the following two complementary methodologies:

- SWOT-SOR methodology
- In-depth Sustainability Risks Analysis

The SWOT-SOR methodology was applied in two steps at the initial stage of the study:

- (a) A series of the so-called SWOT meetings, with various stakeholders groups at district, company, WUG, and village government levels were conducted. During these meetings, participants were facilitated to brainstorm and finally reach a consensus on what were their company's achievements (strengths), and constraints (weaknesses). Also, the participants assessed their company's external relations by identifying certain opportunities and threats. A clustered list of these elements is in Appendix 16.
- (b) After clustering and / or summarising the list of SWOTs, the Mission team presented them to the participants of a one-day workshop, which was conducted at the village locality. The participants were representatives of various stakeholders groups who had been selected by each group during the SWOT meetings.

The workshop objectives were:

- To synthesis and validate the information collected during the SWOT meetings
- To reach consensus on priority setting of the most important SWOTs
- To utilise prioritised SWOTs in formulating strategic options

The guiding principle of workshop discussions were the Field of Analysis and the Basic Question:

- The Field of Analysis was IKELA Water Supply Company
- The Basic Question was "How can IKELA WSC efficiently continue providing water supply services to its customers in a sustainable way?"

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A detailed programme of the SWOT-SOR workshop is on Appendix 18. The workshop outputs were the prioritised SWOTs and the strategic options as detailed in chapter 2 of this report.

In order to have a more realistic picture of the company's performance status, the findings of the SWOT-SOR meeting was used to develop a systematic and structured methodology of validating the stakeholders' (group) perceptions.

Key and sub-areas were developed from which a set of questionnaires with indicators and scores were determined. These questionnaires highlighted possible sustainability risks related to social/community, institutional and financial performance of the company. The team used these questionnaires as in-depth analytical tools during the second phase of the study.

## 4 THE WATER SUPPLY COMPANY AND ITS ENVIRONMENT

### 4.1 Context of the Water Supply Company

The WSCs operate in a complex context of different environments with many stakeholders. The context is important for the establishment and the functioning of the Company. Also, in the SWOT Analysis methodology these different environments were recognised. Each environment was assessed for its relative importance and the level of emphasis determined. Depending upon this level of emphasis, more or less parameters were included in the SWOT Analysis.

Common environments are

- Legal framework of Companies including ownership and management structure
- Political and traditional environment
- Local and Central Government environment (including external agencies' support)
- Internal (WSC) and external institutional environment
- Community and socio-economic environment
- Physical and climatic environment
- Infrastructural environment
- Private sector environment

The objective of the SWOT analyses of the seven WSCs in Morogoro was to analyse their functioning and performance in the existing environments. Therefore, *institutional, financial and social and community environments* were chosen. Legal, political, governmental and private sector environments were also included in the three areas of analyses.

### 4.2 Legal status and organisation structure of WSCs

The WSCs are legal entities registered under the Companies Ordinance (Cap 212) as Companies Limited by Guarantee. A signed Memorandum and Articles of Association of the Water Supply Company Ltd in principle makes them the legal owners of the assets. However, until official handing-over has been effected the District Councils are the legal owners according to the Local Government Act of 1982<sup>1</sup>.

The organisation structure of the company consists of four main groups: users, Water User Group Committees, Members and Board of Directors. Some companies have also the permanent personnel and ad-hoc supporting consultants/technicians. Figure 1 gives the common organisation structure and the detailed composition of the Board of the present WSCs. Although most WSCs have no personnel, the organogram indicates also possible personnel and ad-hoc consultants/technicians. The roles and responsibilities of the different groups within the company, and the election procedures and terms for the Members and Directors are indicated in the Articles of Association.

<sup>1</sup> Section 5 (2) of Local Government (Finance) Act No 9 of 1982

### 4.3 Spheres of Influence and Institutiogramme

As indicated above, several environments influence the WSCs in such a way that all have an effect on companies' sustainability. These environments may be internal, close-by or at a distance from the WSCs.

Figure 2 shows four distinctive spheres of influence, i.e. the internal block of the WSC, the ring of the village sphere, the sphere at the district level and the sphere outside the district.

The closer the sphere of influence, the more direct the effects be on the daily functioning, the performance and the sustainability of the WSCs. This does not mean that the outer spheres would be less important for the sustainability, but their effect on the WSCs is less direct. For example, if in the internal WSC sphere the Board is misappropriating funds, then the risk exists that the WSC may end up in an organisational crisis. On the other hand, if the Central Government would not timely produce the required legislation on the ownership, then this would not influence the supply of water to the people in the short term but it would in the long run.

During the SWOT analyses, the WSCs indicated their relationships with different stakeholders, which lead to "their" Institutiogrammes. The common stakeholders in the village sphere include apart from the internal ones, the Village Government, traditional leaders, local private sector, and in the district sphere, the District Council (including district functionaries), the DWSP, politicians (Councillor and MP), local NGOs or institutions, and the district-based private sector.

The common relationship between stakeholders around the WSCs is drawn in Figure 3, 6 and 7. The Regional Administration, Central Government and the RNE are included to give a complete picture of the present situation. The prevailing types of relationships are financing (and temporary DWSP financing), paid support (and temporary paid support by DWSP for activities), unpaid support and communication lines. The hierarchical relation is left out as this exists only within the WSC. The stronger the relationship the thicker the linking relationship line.

The indicated lines of relationship between the WSCs and the different stakeholders are a rather simplistic way to picture the reality. Under the heading of "unpaid support" provided by the Local and Central Governments, many roles and activities are covered (e.g. co-ordination of sector development, monitoring, planning for rural water supply etc.). The same applies for the linkages to the DWSP.

### 4.4 Key areas influencing the sustainability of the WSCs

The Mission had in its ToR three main subject areas to include in its SWOT analyses and the Sustainability Risk Analyses:

- Institutional factors
- Social and community factors
- Financial factors

There are two more subject areas that influence the sustainability of the WSCs, i.e. technical factors and physical environmental factors.

Figure 4 illustrates the five main sustainability areas but also how they overlap with each other. For instance, the financial sustainability is also depending on the strength of the institution. The technical sustainability factors, such as water quality and water quantity, depend on several environmental factors such as pollution and catchment protection, and climatic changes. Some may be within, while others are beyond the control of the WSC and even entirely beyond the control of the District Authorities, taking for instance rainfall.

Although not explicitly mentioned in the ToR, these two subject areas, i.e. environmental and technical factors were included in the detailed Sustainability Risk Analyses, but not to the same degree of detail as the others. These specific factors were included in the social and community factors. They referred to the functionality of the water supply system (functioning DWPs, days the scheme does not provide water and reliability of the water source) and to the appreciation, usage and benefits (water quality and quantity, the availability of alternative water sources).

The technical system and the service delivery of the WSC are illustrated in Figure 5 giving both the internal relationships and the external factors influencing system and service delivery.

The list of all factors in the three subject areas is added as Appendix 16.

Most of these sustainability factors refer to the inner spheres of the WSC, i.e. the WSC itself and the village sphere. That means that the sustainability of the WSC is primarily influenced by factors close to the Company, and to a lesser extent by factors further away such as the District and the outer sphere further than the district. This, however, does not mean that the WSCs can exist and continue without the support of institutions outside the village environment. The enabling environment from the Central and Local Governments is crucial, as well as the different types of support from programmes such as the DWSP.

The factors or issues in the three main sustainability areas (institutional, social and community, and financial, see Appendix 16), refer nearly all to the WSC and its relationship to, and support from, the users.

#### 4.5 The Enabling Environment and the Rural Water Policy

The Government of Tanzania is in the process of formulating a new *Rural Water Policy*. The text of the present draft paper forms the reference for the direction of the developments in the future in the water sector.

Particularly those policy statements relevant for the establishment and functioning of the WSCs have to be taken into account. The most important are

- The general directions towards new roles of government and private sector
- Sustainability principles
- Roles of the Central Government
- Roles of the Local Governments
- Expected tasks to be taken up by the private sector

A summary overview of policy statements relevant for the WSCs is added (Appendix 15).



#### 4.6 The Role of the Domestic Water Supply Programme

In the case of the DWSP, which is a joint programme of the Governments of Tanzania and of the Netherlands, there are two main actors. The Tanzanian Government has the districts as the main actors steered through the region, and the GoN has contracted DHV Consultants as advisors.

The capacities in terms of human resources, knowledge and skills, financial and transport facilities, but also the attitudes towards communities and approaches applied in the support are to be considered.

Before 1999, the DWSP was concentrating on the technical aspects of rehabilitation and/or construction. Since 1999, the Programme concentrates more on the institutional aspects of the WSCs. The Programme assisted the communities to establish autonomous Water Supply Companies as the legal user entities owning and managing the water schemes. There is at the moment a continuous institutional and capacity building process aiming at building strong institutional frameworks and capacities of the seven WSCs.

The Programme is implemented jointly by the Districts and the Consultants. The Programme staff, (i.e. Programme Advisers and District Programme Managers) are active in the development and implementation of the capacity and institutional building efforts and activities. They have developed concepts, frameworks and formats for the institutional operations of the WSCs.

In general, the District capacities have limited financial, institutional and managerial capacities. The financial and material resources are also very limited at District Council level. The attitude and the approaches of district staff are in general of hierarchical nature with authoritative and paternalistic tendencies. This may have adverse effects on the relations with autonomous WSCs.

## 5 FINDINGS FROM SWOT EXERCISES

### 5.1 Institutional Setting

#### 5.1.1 Actors and Relations

IKELA WSC officially started its operations on 28 December 1997. The company has direct and indirect links with several actors as depicted in the Institutiogrammes (Figure 6 and 7).

As shown in these figures the main relevant actors as perceived by the district and BoD at the time of the study can be sub-divided as follows

- Central Government actors, e.g. RWE
- District Council staff such as DWE, DCDO
- Local politicians like MP, Councillor
- DWSP staff including DPM, RWSE, DHV Consultants
- Private sector actors
- Local institutions e.g. Village government and schools

The relations indicated are those concerning hierarchy or reporting, finance, i.e. how funds and sometimes materials flow to and from WSC, paid advisory services and support (free), which include communication.

In direct reference to these institutiogrammes a number of observations have been made, which in no way are exhaustive since the tool requires a longer time for comprehensive analysis.

However, these institutiogrammes, drawn up independently, show that there are two major levels of interaction. One is at the district level where district functionaries view themselves as having some kind of relations with the company. The second interaction is at the local level where the company considers itself as having or ought to have some relations in order to achieve its mission. Specifically, the relations indicated (or not indicated) in these figures reveal a number of opportunities and threats for the IKELA Water Supply Company.

Below are the key findings from these institutiogrammes

- BoD cannot at present easily identify external actors, other than DWSP, which could be exploited as opportunities towards the fulfilment of its mission. This could be due to the present strong financial and technical support relations from DWSP.
- Though not explicitly expressed, District functionaries still consider themselves as having an implementation role, which requires the company to report to them.
- DPM is directly responsible to DWSP Regional Consultant.
- DED is partially involved in the affairs of the company since the DPM is overall in charge of the co-ordination of the company's technical assistance activities.

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- DWE has a supervisory role over the contractor, whereas the company is not involved in certifying the quality of work
- Each department (Community Development, Water, Health etc ) reports independently to DED issues concerning the company
- District departments, e.g. water and community development are only active towards company activities through DPM (DWSP support)
- BoD has no regular interactions with users, WUG Committees and WSC members.
- There is strong interaction between WSC (BoD) and Kilombero Sugar Company since they pay water fees promptly and also assist in technical issues related to the scheme
- WSC has no control over intake since the area is legally in the premises of TANAPA
- BoD has no close working relations with Village Government, MP and Councillor
- Role of regional and national actors is not easily identified by WSC.

### 5.2 Internal Functioning of IKELA WSC

On the basis of the analysis on institutional setting, the DPM and the BoD are in frequent contact regarding the water development intervention in IKELA WSC. Internally, the company organises itself along several key elements. These include mission, inputs, outputs, strategy, structure management style and systems, personnel, and organisational culture.

The Integrated Organisation Model (IOM) in Figure 8 shows how the company is presently faring internally in its effort to fulfil its mission. In other words, the IOM demonstrates how the mission influences the company to organise itself with the given inputs in order to achieve the required results or output.

There are positive and negative elements. Positive elements indicate strengths of the company and negative ones show its weaknesses.

### 5.3 General Environmental Factors

The internal functioning of the company has also been analysed in the context of the general environmental factors, which directly or indirectly affect its performance. Again, these are described in the IOM.

### 5.4 SWOT Priorities and Strategic Options

The following priorities of Strengths, Weaknesses, Opportunities and Threats and the subsequent strategic options indicate the general perceptions of various stakeholders of IKELA WSC as they were determined in a participatory way during the SWOT meetings and workshop. A list of the clustered SWOTs is given in Appendix 17.

#### 5.4.1 Priority setting of SWOTs

##### STRENGTHS

- 1 Company supplies reliable and safe water
- 2 Water users recognise that they are owners of DWPs
- 3 People know that water is not free and have the ability to pay for it
- 4 The company has qualified management and skilled mechanics (fundis) for operation and maintenance of the scheme
- 5 There is adequate participation of women in cleaning the DWPs and in WUG committees

##### WEAKNESSES

1. Majority of the water users does not know the owner of the company, some think the Board of Directors owns it
2. Communication between users and Board is very weak and the former does not meet regularly
3. There is no transparency as far as financial issues are concerned
4. WSC members do not know their legal and operational roles and responsibilities
5. Some directors have double role of being directors and executives, which reduces accountability and transparency

##### OPPORTUNITIES

- 1 The present water source is good and reliable
- 2 There exists effective demand for water services and many pending requests for private connections
- 3 Continued support from the donor supported DWSP (financial and advisory)
- 4 WSC has good relations with KSC, as they give technical assistance in major repairs and other civil (technical) works
- 5 Existing private sector can supply required spare parts and equipment to WSC

##### THREATS

- 1 The company does not own the intake (water source) and its surroundings since it is within the National Park (TANAPA) area
- 2 Very weak communication between IKELA WSC and village government, Councilor, Member of Parliament and other local politicians
- 3 There is fear that DWSP is to hand over the scheme
- 4 Kilombero Sugar Company may develop its own water sources, e.g. bore holes and consequently break away from WSC as good customers
5. Water sources do not supply sufficient water during dry season and water is saline

#### 5.4.2 Strategic options

- 1 With already a qualified management and skilled fundis for operation and maintenance (S<sub>4</sub>) the company should additionally strive to utilise the present DWSP support (O<sub>3</sub>) to assist it in the process of reviewing / amending its Memorandum and Articles of Association. By doing so roles and responsibilities of various

stakeholders (users, WUG committees, WSC members, BoD and district council) can be conveniently articulated and streamlined (W<sub>4</sub>, W<sub>5</sub>) to ensure a sustainable management structure before DWSP pulls out its support (T<sub>3</sub>).

- 2 The fact that people know that water is not free and have ability to pay (S<sub>3</sub>), WSC management should reinforce this line of thinking through regular meetings with users. Then it will expose its financial and operational reports (W<sub>3</sub>) and consequently discourage the negative influence largely propagated by the local politicians, village government that water is free (T<sub>2</sub>), and at the same time convince the users that they are true owners of the company and not the BoD (W<sub>1</sub>).
- 3 Because at present IKELA WSC continues to supply reliable water services to all consumers including KSC (S<sub>1</sub>) from a reliable source (O<sub>1</sub>), it should as well expand its services to other users who have applied for private connection (O<sub>2</sub>). In order to generate more revenues for long-term investment (expansion) in the scheme so as to continue supplying water on reliable basis to KSC something which could in the end dissuade it (KSC) from exploring other water sources (T<sub>4</sub>).
- 4 By effectively and efficiently combining the company's strength of having skilful and qualified management and funds (S<sub>4</sub>) with the technical support from KSC (O<sub>4</sub>) and the locally available spare parts and equipment from the private sector (O<sub>5</sub>), the company should make improvements on the intake and the main line supply. At the same time the WSC should explore other water sources in the area in order to continue rendering reliable and quality water services even during the dry season (T<sub>5</sub>).

Women's active participation in maintaining cleanliness of DWPs and in WUG committees (S<sub>5</sub>) should be further encouraged by the company management with some support from DWSP (O<sub>1</sub>). Through user awareness seminars on cost recovery issues and responsibilities one could break the communication barriers currently existing between WSC and local politicians (T<sub>2</sub>).

## 6 FINDINGS FROM SUSTAINABILITY RISK ANALYSES

## 6.1 Institutional issues

Strengths Priority one	Weakness Priority one
<ul style="list-style-type: none"> <li>• The company was registered under the Companies Ordinance (Cap. 212) on 29/8/95 and that the company is limited by guarantee and is operating as a legal entity</li> <li>• IKELA WSC has not been involved into serious labour disputes during the last 12 months</li> <li>• The Manager of IKELA WSC uses his wisdom to establish good relations with other staff who are mainly BoD members</li> <li>• Since three members of BoD of 5 members are also executives, the BoD management meetings normally considers views from the executives</li> <li>• To increase transparency and accountability less than 10 % of IKELA WSC were classified as confidential</li> <li>• All WUG in IKELA WSC have committees because election procedures are made available and known to users and adhered to during elections</li> <li>• IKELA WSC has co-operation with two firms, i.e. TANESCO and Sugar Company (ILLOVO) having technical skilled people, especially on water supply technology, which may assist in water supply system</li> <li>• In IKELA area there are 6 shops dealing with supplies of spare-parts for water supply system</li> </ul>	<ul style="list-style-type: none"> <li>• In IKELA WSC, the functions of executives and those of management control are not separated. The Manager is also a BoD member and the Secretary and Treasurer are both executives and Board members</li> <li>• IKELA WSC has not recruited any staff</li> <li>• The company has no job and task description</li> <li>• The secretary and treasurer of IKELA are full time employees of WSC. The chairperson secretary and Treasurer have not much experience (less than 2 years in water supply scheme)</li> <li>• There is no manpower planning in place for IKELA WSC</li> <li>• The personnel do not receive salaries as such they only get allowances</li> <li>• In IKELA WSC no incentives are given to personnel such as housing, transport training or other apparently work is done only for personal satisfaction, and local respect from the community</li> <li>• No junior staff in IKELA WSC with whom the manager can make consultations</li> <li>• Therefore, communication is also poor in IKELA. No informal contacts were made between users, WUG committees, and with any stakeholders</li> <li>• In IKELA WSC, there is no staff quality control, which could help to improve regularly the work quality</li> <li>• There is no standardised monitoring procedure, which is necessary for efficient company management control.</li> <li>• In IKELA WSC, management has no referral organisation responsible for back-up services</li> </ul>

Strengths Priority two	Weaknesses Priority two
<ol style="list-style-type: none"> <li>1 Major tasks in IKELA WSC are defined in the constitution</li> <li>2 The procedures for BoD election are written</li> <li>3 Roles and responsibility of BoD are at least written in the constitution</li> <li>4 Procedures to terminate the BoD directors are written in the constitution</li> <li>5 Three meetings were held with users, two to clarify water issues, and one for election</li> <li>6 Communication with users was successfully made through 3 meetings for the last 12 months</li> </ol>	<ol style="list-style-type: none"> <li>1 The BoDs are replaced too shortly, only after one year in the office This is a weakness because after one year the company loses all the memories on most of the issues started</li> <li>2 Minor disputes occurred were resolved without written procedures but by using the wisdom of the current Company leaders. It is a weakness because it is not certain on how disputes shall be resolved in the future</li> <li>3 The IKELA WSC does not use the available standardised operational guidelines This is a weakness because by doing so the Companies management system is not followed and is reduced</li> <li>4 Although the IKELA Water Supply Company has its annual budget drawn and approved by the members, there is no action plan This is weakness because it shows how money is allocated to non-existing activities</li> <li>5 The current WUG committees do not know anything about the constitution, and furthermore the committees do not know their roles and responsibilities as spelt out in the constitution</li> <li>6 The current WUG Committees elected in April 1999 were unable to meet regularly They meet only 3 times with users to sort out water fee problems The meetings were organised by BoD This is a weakness because in order to improve performance, frequent meetings and contacts are necessary with users to resolve on varied issues concerning water development</li> <li>7 The IKELA WSC has not been able to develop relations with other donor organisation except the DWSP This is a weakness because they have failed to capture opportunities particularly on technical assistance</li> </ol>

6.2 Social / community issues

Sustainability Risks Analysis IKELA WSC

Community Issues

Strengths Priority one	Weakness Priority one
<ul style="list-style-type: none"> <li>• It was noted that, the IKELA WSC has strength of running a demand driven scheme, users and committees interviewed confirmed that the scheme was initiated on the community request and their participation was very good</li> <li>• More than 80% of population had knowledge on future water fee payment This contributes very well on today's willingness to pay</li> <li>• There is strength of user participation in the company, which was evidenced during planning and construction, where users contributed both by cash and by manual work</li> <li>• Users and their WUG committee are jointly participating in seeking for proper operation and maintenance on their DWPs.</li> <li>• Good co-operation among the females and males was noted While the females are specifically involved in cleaning DWPs, men are more involved in hard works like cleaning mud out of the drainage furrow (flume)</li> <li>• Women involvement and participation in WUG level is a very good strength in IKELA WSC This has been ensured by their constitutional provision that women representation should be 50%</li> <li>• The government officers and politician from the ward and districts are influential to users because of advises they give, and because of the authority they have on assisting the company</li> <li>• WUG have developed a tendency to</li> </ul>	<ul style="list-style-type: none"> <li>• For the past 12 months, no formal training was carried out either for women, or on gender awareness raising. This is a weakness because through training, women are expected to fulfil some obligation as key participants in community development and specifically on water issues</li> <li>• No single meeting was held for one-year period, between the traditional or opinion leaders and the BoD. The two sides should meet, and failure to do so is a weakness on company's communication and co-operation</li> <li>• 65% of water users are defaulters – In IKELA WSC the percentage was noted with comments that system of fees collection is loose and the users willingness to pay is very low</li> <li>• No single extra meeting between the BoD and the members in the last 12 months This indicates a weakness in communication</li> <li>• Population growth in IKELA areas is more than 5% and annum be the villages around is where Kilombero Sugar Company gets seasonal workers</li> <li>• For more than 10 days per year in IKELA, the users get saline water especially during dry seasons</li> <li>• Days without water exceed 20 per year</li> </ul>



<p>ask for assistance from the BoD. The main subject of their consultation is on water fees</p> <ul style="list-style-type: none"> <li>• From users contacted, average trust to their WUG is reaches 75%. This is very good and the percentage is based on good water services they get</li> <li>• The IKELA water source is reliable and water is sufficient throughout.</li> <li>• Only 1 DWP is not operating and this was closed on request of the community.</li> <li>• Economic base is good because more than 40% of IKELA (Mkamba and Kidatu) population are eligible. Also, more than 95% of the families/household are able to pay the water fees. This strong base contributes to WSC sustainability</li> </ul>	
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Strengths Priority two	Weakness Priority two
<ul style="list-style-type: none"> <li>• The IKELA scheme has community management strength in terms of experience because the company is on 4<sup>th</sup> years of community management</li> <li>• In IKELA, there is co-operation strength due to existence of 2 internal and 2 external organisations out in the community, which are readily available to help support the company</li> <li>• IKELA WSC has got enough social supports whenever imposing sanctions to fee defaulters. There are few noted difficulties, but these are well under the control of the community</li> <li>• Co-operation between the village government and the WSC has some strength. The VG is influential in terms of authority, and have met with WSC three times so far</li> <li>• The communication between WSC and village has got some strength and about 6 contracts were made in a bid to share information.</li> <li>• Users have expressed their appreciation of service level (80%). Because of good water services less than 5% of</li> </ul>	<ul style="list-style-type: none"> <li>• The percentage of females in WSC membership is only 10%. This is a weakness for a company, which want to involve women as direct users of water for its improved community participation</li> <li>• Ownership of the WSC is still unclear among the users who were interviewed. Most of them responded that currently the WSC ownership is under BoD and not themselves</li> <li>• In the average, the BoD is trusted by only 35% of users. It is a weakness because if users do not trust their BoD then BoD will operate with minimum co-operation from the users</li> <li>• There is a weakness in the company's water system. In one year, between 7 to 10 days were reported to have breakdowns in the system</li> </ul>

<p>IKELA population do not use the water from the scheme in IKELA (Mkamba and Kidatu) These facts provide a conducive environment for the WSC</p>	
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6.3 Financial issues

Strengths Priority one	Weaknesses Priority one
<ul style="list-style-type: none"> <li>• IKELA WSC has made a sufficient provision for depreciation costs in its budgets</li> <li>• The total O+M costs are high and indicate the willingness of IKELA BoD to spend more on O+M than on overheads.</li> <li>• Tariff collection ratio - effective payments of water fee/water due-is high for the house connections and business connection categories of water consumers (81 % for house connection users and 94 % for business connection users in 1998)</li> <li>• Only several water supply mechanics (fundis) can ensure regular maintenance of water supply system (1 technician for 1000 users)</li> <li>• The budget and the actual income and expenditure reports are annually presented to members, discussed and approved annually</li> <li>• Money is safely deposited in a bank account to ensure safety and avoid misappropriation</li> </ul>	<ul style="list-style-type: none"> <li>• IKELA WSC does neither have an internal auditor, nor is it auditing its accounts Since the company started no accounts audit was undertaken.</li> <li>• Sanctions given by IKELA WSC to defaulters in payment of water fee are mild and ineffective (only social pressure used to try to make defaulters pay)</li> <li>• The profitability of IKELA WSC is low, (3.7 % loss in 1998) IKELA WSC doesn't break even and therefore cannot face the challenges brought about by future emergency rehabilitation needs, nor can the company ensure adequate provision of safe water to a growing population</li> <li>• The tariff collection ratio for water users at the DWP is very low (only 45 percent) and consequently the revenue collected from the majority of the water consumers is insufficient, rendering the cash flow of the company very weak</li> <li>• IKELA WSC does neither employ an accountant nor does it have an account's auditor in-house</li> <li>• Progress reports are never discussed with the members and this situation raises suspicion of members towards BoD management about possible misappropriation of funds Lack of transparency in financial management results in reduction of trust of members towards the elected BoD</li> <li>• There is total absence of credit facilities</li> </ul>

<p style="text-align: center;"><b>Strength Priority two</b></p> <ul style="list-style-type: none"><li>• IKELA Water Supply Company presents its budget proposals to members for approval every year</li><li>• The basis for water tariffs is cost recovery</li></ul>	<p>ties, financial and technical assistance other than the ones provided by DWSP</p> <p style="text-align: center;"><b>Weaknesses Priority two</b></p> <ul style="list-style-type: none"><li>• Insufficient use of financial manuals and formats</li><li>• Insufficient budget for maintenance costs</li><li>• Insufficient funds' safety. Money is deposited into a bank account sometime after three days, a long period for an office with no safe or funds custody facilities</li></ul>
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## 7 CONCLUSIONS

### 7.1 Institutional issues

#### 7.1.1 Conclusions from SWOT analysis

IKELA WSC has started to operate in a smooth manner. A clear legal framework (the company is registered as a private company), skilled management and staff facilitate such good running. Including a qualified part-time accountant and an experienced manager. In addition, a committed BoD and qualified technicians ensure proper O+M and reliable water service delivery. With further inputs in management, IKELA WSC has a chance of building up its sustainability, provided that other factors such as availability of the adequate source of water and water payment are effective.

IKELA WSC is faced with the weakness of poor communication between the BoD and the users. In addition, the company members do not know their legal and operational roles and responsibilities. This situation worsened by the double role of individuals holding the position of director and executive, (executive and control function) is an issue, which needs an urgent remedy. Without rectification of this weakness, accountability and transparency will be further reduced, leading to dissatisfaction of water users. Such dissatisfaction can increase the risk for sustainability since it can lead to a diminution of the willingness to pay and to participate in operation and maintenance.

IKELA WSC can capture the opportunity of having the continued financial and advisory support of DWSP, and the revenue from the able Kilombero Sugar Company, a major income provider to the company.

It is however important for IKELA WSC to be always aware of the threat of having insufficient water during dry seasons and tap water from an intake owned by a third party, e.g. TANAPA. Improved relationship between IKELA WSC and the local politicians (Village Government and Councillor) is a condition for a higher participation of water users and increased company income through users.

#### 7.1.2 Conclusions from sustainability risk analyses

- WSC structure
- WSC personnel
- Management Style
- Management System and Process
- WUG Committee
- Networking, Collaboration and External Advisory Support

##### (a) WSC - Structure

The Manager and Treasurer, who are directors in the WSC Board, also function as executives of the company. This is a risk because the Board of Directors is responsible for controlling the Company and evaluating activities for what is implemented by executives. For this case, it will be impossible for few directors to question the other directors, who are also responsible on results of own implementation.

*Recommendations*

- *To develop a clear task description for BoD and executives*
- *To separate the authority and powers of executives and leaders, this can be done through employing a full or part-time manager, with clear task description*

**(b) WSC Personnel**

In IKELA WSC there is no company staff, no task description and mandate, executives are neither trained no experienced in the fields they're working in. Those who are currently implementing most of company activities were just picked. The risk is that, although it is cheap to keep them, (i.e. no salaries paid), these officers have proved to be poor in business and management, and this adversely affects management capacity of the company and its credibility.

*Recommendations*

- *To recruit personnel, full or part-time*
- *To provide the condition in the by-laws or constitution, in order that personnel of the WSC must have specific minimum skills and experience*
- *To give advises and on-job training to existing WSC personnel*

**(c) Management Style and Communication**

In IKELA, formal and informal contacts are very weak. The BoD sits on information, which could improve management, for example, since the moment the BoD members were elected, they have never held meetings with stakeholders including the members. The risk is that the management is not transparent and accountable to users, which in turn negatively affects the company's sustainability.

*Recommendations*

- *To advise the BoD on effective communication channels*
- *To encourage the BoD to use WSC members as a link between BoD, WUG, and the community*

**(d) Management Process and System**

In IKELA, most of operations are top down, ad-hock and non-standardised. There is neither staff work quality nor business plan, nor company monitoring system. This is a serious weakness, which affects the company's sustainability. If this trend is continued, what will happen to poor repairs, depreciation, replacements, major repair, which may not have been put into plans expansion in Batini, handing-over to come, and so on?

*Recommendations*

- *To assist the company to develop simple and manageable procedures for staff quality control, long-term planning and monitoring system*
- *To orientate the BoD and Members on self-assessment and joint analysis of the results (SWOT)*

**(e) WUG Committees**

IKELA WSC has not been able to utilise fully the WUG and committees. The WUG Committee is an important social entity and basic management unit, but in IKELA, these roles and responsibility are not clear. WUG committees don't know their roles, not even about company constitution. The weakness is serious because the committees are responsible for communication link between users and BoD, collecting water fees, maintaining DWP, do some minor repairs, and can give many relevant inputs to both users and BoD.

*Recommendations*

- *To empower the committees, give them specific authority, give them resources and recognition*
- *To sensitise committees on new National Rural Water Policy*

**(f) Networking, collaboration, external advisory support and assistance**

In IKELA, there is no engineering or contracting firms with technical skills on water supply system and management. Only two donor organisations are readily available to support, and there is no referral organisation responsible for back-up services. At present, the supporting organisations are gradually preparing to leave and let the company to stand on its own. The risk is that for example, if DWSP stops and there is no referral organisation for WSC, the sustainability of the WSC will remain at the high risks.

*Recommendations*

- *To facilitate private sector for near future technical support*
- *To facilitate the Company to get external advice on different aspects, e.g. technical, financial, managerial and organisational*
- *District and DWSP gradually to hand-over their responsibilities, authorities, operations and assets which may come under IKELA WSC*

**7.2 Social / community issues****7.2.1 Conclusions from SWOT analysis**

One of the strong achievements of IKELA WSC is the common recognition that the users own the DWPs and that the water is not free any more. For the water users, knowing that they could pay for water is an added advantage for a successful community managed water scheme. In addition, the impressive involvement of women in cleaning the DWPs and in the WUG committees is signs that the community has accepted the scheme. This acceptance is a benchmark from which the Mkamba Kidatu community can lead IKELA WSC to future sustainability.

Although most users believe that they own the DWP, the majority of them do not know the owner of the company. There is therefore a need for more awareness campaign to the users, to educate them on the company ownership.

## 7.2.2 Conclusions from sustainability risk analyses

### High sustainability risks area in IKELA WSC

- Participation and Gender
- Communication
- System functionality
- Ownership Commitment and trust

#### (a) Participation and Gender

While men and women together are increasingly contributing to water development activities, cleaning the DWPs apron (mostly women), cleaning the drainage furrow (mostly men), and tariff contributions (both), their effective participation differs in community management for O+M for instance in decision making, future planning and control over resources. In IKELA, it was noted that 90 % of WSC members are men. Further information provided that for the last 12 months, no formal training was carried out either for women, or specifically to raise gender awareness. It was urged that women themselves are not competing with men during elections, some respondents added that men are more educated, more skilled and these facts give them greater chances, mobility, powers and hence suitability to be elected as decision makers. However, it was obvious to the same user respondents that women are more direct consumers of water than men are. Therefore, main users of IKELA scheme water are not promoted to the level of decision making. In this respect, decisions on water issues, which are based on men (90 %), are definitely not expected to meet requirement, and solve problems of men and women users, and that is where the risk begins.

#### *Recommendations*

- To make it a constitutional requirement that decision-making bodies at all levels are gender-balanced. This move will ensure that gender representation and involvement in decision making is well addressed.
- To facilitate stakeholders and the community on gender awareness through training.

#### (b) Communication

In IKELA WSC, communication was clearly noted to be poor and ineffective. For example, the company executives claimed that they have tried to call users meetings, which could enable contacts and discussions, but they were not successful. But it was also noted that users tried, though not successfully, to meet their leaders because they needed to know the income and expenditures of their O+M funds. The leaders and users seem to have conflicting agenda, while users are interested on minimising costs, the leaders want to maximise revenues. Most of the successful contacts noted were vertical on the request of District officials. The BoD has already contacts with districts influential officers but never with members. This is a high risk because meetings or contacts with influential officers tend to be more directive, and instructional rather than participatory. Instructions and directives have a record of failing to motivate people to participate successfully. If the users and the community in general are not given chances to participate in the process of planning, and making decisions, the chance of implementation being a success is adversely affected and sustainability is at a high risk.

*Recommendations*

- *To workout two way communication channels, which ensure horizontal contacts and which reflect the communication needs of different stakeholders expenditures for users and income for management*
- *To carry out training on self-assessment (risk assessment) skills, which will focus on internal motivation for users to look for information, share analyse and take actions together for own water development*

**(c) System functionality**

Major weaknesses of IKELA scheme include saline water, seasonal interruptions and system breakdowns. In the past, the District Water Engineer and junior district staff have been in the forefront to support and train local artisans to rectify most of the system problems. With handing over responsibility to community based management there is indication that users may not be able to sufficiently do the necessary O+M. It was also revealed that some of the breakdowns are within the technical competence of local artisans. The management of the WSC has remained inactive or delayed for technical issues they would have taken actions if they to be more responsible. There is a serious risk that these problems would undermine the system functionality and the financial sustainability of the WSC.

*Recommendations*

- *To prepare management and operation guidelines and to monitor water intake and distribution system*
- *To establish a remuneration system for maintenance work, in such a way that maximum reward for minimum downtime*
- *To involve the private sector as stakeholders in technical assistance e.g. Sugar Company (ILLOVO) and business firms*

**(d) Ownership commitment and trust**

Within the revised Rural Water Policy principles, sustainability has prerequisites, which includes that the beneficiaries themselves should own and manage their water scheme. Thus, communities, being the owners of the scheme, are expected to plan design, construct, operate and maintain their water supply company. During this study 95 % of the interviewed users in IKELA said that ownership of the company is under the BoD and was commissioned by District Council and Domestic Water Supply Programme. Users claimed that what the District, and the programme want to happen in the WSC is what will happen. Members of the company have never met with the BoD or whosoever to discuss water issues, the day they could remember to meet is the day they elected the BoD. Users trust is uncertain between 10 - 35 % because they suspect the BoD on embezzlement of water funds. When election comes, quite new directors will replace the one-year only BoD. The present board, without real commitment, passively accepts it because BoD members are avoiding being accused of mismanagement. Many good leaders and executives may quit the office because of social pressure. This implies that in the future, next committees will come and go. There is a risk that, by this trend, users will not actively participate in their own water supply issues, and because of such a situation the potentials for sustainability are reduced.



*Recommendations*

- *To sensitise users on the new Rural Water Policy and to give users a chance to come up with strategies on how to implement transition from the traditional supply driven to a demand responsive approach, with consideration of own environment*
- *To employ a competent manager in a bid to solve the problems of poor collection of funds*
- *To hire private financial experts to develop and conduct regular auditing for sound financial management reports and recommendations*

### **7.3 Financial issues**

#### **7.3.1 Conclusions from SWOT analysis**

The sustainability of any WSC depends first of all on the willingness and ability of the users to pay water fee. In IKELA WSC, a powerful company, (Kilombero Sugar Company) pays promptly its water bills, the private connections pay regularly. In addition, many users are aware that water is not free. Such understanding shows that IKELA WSC has already a good base for building up company sustainability.

However, there is a low willingness of the WUGs to pay water fees, because they believe that the water fee per household is a high rate. IKELA WSC has in addition a rather unclear fee collection procedure and has failed to ensure the sanctioning of private water users who sell water to users registered at the DWPs. This is a weakness, which should be corrected soonest.

Special attention should be directed to financial management. This is an area where IKELA WSC is weak. Poor financial management is reflected in lack of reserves, high operating cost, inefficiencies in operation and misuse of funds.

There is a great need to improve the management skills of IKELA WSC personnel. The chance for future sustainability of IKELA WSC are bright, specially if the opportunity offered by the presence of Kilombero Sugar Company (a good customer and technical adviser) is seized.

#### **7.3.2 Conclusions from sustainability risk analyses**

##### **High sustainability risk areas**

- Lack of auditing and accounting skills
- Insufficient sanctions against defaulters in payment of water fee
- Low profitability
- Low collection of water fee
- Lack of transparency in financial management
- Absence of credit facilities

##### **(a) Lack of auditing and accounting skills**

As in all three WSCs, there is a lack of accounting and auditing skills in-house. The size of IKELA WSC involves important cash flows, complex water fee collection procedures and

need for financial monitoring. A Company of such a size requires internal accounting skills. In addition, employing qualified accountants is a legal requirement.

*Recommendations*

- *IKELA WSC should recruit a qualified accountant at least on part-time basis. Employment of accountants on permanent terms should be considered when the cash flow of the company allows it.*
- *DWSP should consider giving assistance in accounting to IKELA WSC (e.g. on the job training of one or two persons until basic accounting skills are used as a routine).*
- *Professional services of auditors should be used to audit the company's final accounts.*

**(b) Insufficient sanctions against defaulters**

A number of water users do not pay water fees for several reasons. Reasons include insufficient awareness of the need for paying promptly, lack of trust towards the BoD, insufficient purchasing power, and dissatisfaction because of the quality of services.

*Recommendations*

- *A campaign should be organised to increase awareness of the need for paying water fees and to explain the implications of implementing sanctions provided for under the by-laws.*
- *Prosecution should be done only as a last solution to avoid community conflicts. Education, marketing promotion, social pressure and fines should be used first.*

**(c) Low profitability**

Low profitability is basically a result of insufficient water fee collection. It is an area of high risk for sustainability since the company can fail to ensure the functionality of the water scheme if the company has low income and insufficient funds for maintenance or reserves, which can be used for future growth.

It is noted that the largest part of IKELA WSC income comes from Kilombero Sugar Company. If Kilombero Sugar Company stops paying for any reason, IKELA WSC might fail to operate and this risk should be taken seriously.

*Recommendation*

- *A package of measures to tackle the problem of low water fee collection should be made and include an educational campaign (awareness raising), which can be organised by the community possibly with low input external assistance.*
- *A three-year corporate plan for IKELA WSC should be prepared and implemented.*
- *A study of the economic situation of the IKELA water users with the objectives of finding strategies to raise the purchasing power of the water user community through promotion of income-generating activities.*

- *On-the-job training of IKELA WSC management with the objective of bringing into the company the required management skills including skills in financial control*

**(d) Low collection of water fee**

The low collection of water fee has resulted into low income, and is one of the reasons for low profitability. Insufficient low collection of water fee puts therefore the sustainability of IKELA WSC at high risk. Only 54 % of the water consumers from WUG had paid their bills by December 1998.

*Recommendations*

- *Stiff measures against defaulters should be re-enforced*
- *A marketing campaign should be on follow-up of defaulters and profitability*

**(e) Lack of transparency**

Lack of transparency in financial management results from insufficient communication between the BoD and the users. The income and expenditure reports are not sent to the users for discussions and this brings about lack of trust towards the BoD. Lack of trust is one of the causes for insufficient low collection of water fee.

*Recommendations*

- *The BoD should prepare, as a routine activity, quarterly financial reports and the copies of reports should be available to all water users at the representatives' houses*
- *Arrangement to put a notice board at the DWP to give information to WUG should be made*

**(f) Absence of credit facilities**

IKELA WSC received financial assistance only from DWSP. No networking is undertaken by the company and as a result, no knowledge of how to secure credit or grant. In addition, the financial situation of the company cannot attract financiers at this stage.

*Recommendation*

- *An overall umbrella federation of WSCs should be created with the objective of providing management and technical back-up to the WSCs including IKELA WSC.*

## 8 RECOMMENDATIONS

The following overall recommendations are made for IKELA WSC

### 8.1 Institutional issues

- A part or full time competent manager should be recruited to run IKELA WSC.
- Job descriptions should be prepared for all office bearers, and all company personnel
- The company constitution should be received so that it becomes possible to make amendments geared to improve company efficiency
- IKELA WSC should be assisted in the development of simple and manageable procedures for staff quality control and long term planning
- The BoD and the members should receive an orientation on self-assessment and joint analysis of the results by using SWOT or similar participatory tools
- The District and the DWSP should hand-over progressively their responsibilities, authorities, operations and assets to IKELA WSC

### 8.2 Social / community issues

- The community should be trained on gender issues, and gender issues should be included in all water development activities. In addition, gender balance should be ensured in decision making bodies of all levels through the company constitution
- A management information system (MIS) for IKELA WSC should be prepared and implemented. The MIS should show the flow of information, the frequency and the responsibility for reporting
- A management and operations guideline should be prepared and implemented. The guidelines should show, among other things, the procedures for monitoring the water intake and the water distributions system

### 8.3 Financial Issues

- The Company should recruit a qualified accountant
- IKELA WSC should use the professional services of external auditors to carry out annual accounts auditing
- Education, marketing promotion, social pressure and fines should be used to entice the defaulters to pay, and legal prosecution should rather be used in extreme cases only so that the social cohesion is maintained
- Detailed financial manuals should be prepared and implemented

- An overall umbrella federation for all WSCs should be created to give back-up services to WSCs
- Action planning and quarterly monitoring system should be introduced as part of financial procedures
- A marketing promotion for WSC should be prepared and implemented This should start by a short-term marketing study aiming at the choice of the most appropriate marketing tools and methods
- A three years corporate plan should be prepared and implemented
- A study of the economic situation of the Mkamba Kĩdatu water users should be carried out with the objective of finding strategies to raise the purchasing power of the water user community through promotion of income generating activities

## APPENDICES

- 1 Sustainability risk analysis – Company scores – Institutional issues
- 2 Sustainability risk analysis – Company scores and ranking (institutional)
- 3 Sustainability risk analysis – Company scores – Community / social issues
- 4 Sustainability risk analysis – Company scores and ranking (community / social)
- 5 Sustainability risk analysis – Company scores – Financial issues
- 6 Sustainability risk analysis – Company scores and ranking (financial)
- 7 Income and expenditure 1998
- 8 Gross margin 1998
- 9 Summary of water fees and fee collection rates
- 10 Summary of gender in WSC Board, members and WUG committees
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**APPENDIX 1**

**Sustainability risk analysis**

**– Company scores –**

**Institutional issues**

SUSTAINABILITY RISK ANALYSIS – IKELA WATER SUPPLY COMPANY

INSTITUTION ISSUES - COMPANY SCORES

Key areas/factor	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
1 WSC structure	1 1 Legal frame work	Available of registration certificate	Registration certificate available Yes	+ Yes	- No	-- No registration No	Cert. No. of 29.8 95	A company should be registered under specific laws to operate as legal entity	Regist & Cert Available
	1 2 Organisation frame work	Separation of authority tasks between leadership and executives	Yes	Yes some of them	No	No	Secretary and treasurer are also executive Managers also the BoD members	The function of executive and the function of control should be separated in a company for accountability	No
	1 3 Tasks and responsibilities	Task definition	All tasks defined and documented	Major tasks defined and documented	Tasks defined	No definition and documenting of task existed	Defined in the constitution	Tasks must be defined and documented in a soundly managed company	Major tasks defined and documented
	1 4 Organisational capability	Experiential capacity to complete operations tasks assigned	Very high	High	Medium	Low	BoD and WUG committees have the necessary experiences from previous leadership position	A sustainable WSC has to get capable executives who can perform and accomplish task assigned to them	High



2 BoD performance	2 1 Election of BoD	Procedures for election	Written and communicated	Written but not communicated	Oral	Not available	Written in the constitution	BoD are credible if elected on the basis of written and communicated procedures	Written but not communicated
	2 2 Roles and responsibilities written in a policy document	Policy document with roles and responsibility of the BoD	Written and communicate	Written but not communicated	Oral	Non available	Written in the constitution	Performance is certain if roles and responsibilities are spelt out in a policy document	Written but not communicated
	2 3 Roles and responsibilities communicated								Available not communicated
	2 4 Termination of directors	Procedures to sanction directors	Written and communicate	Written but not communicated	Oral	No procedure	Written in the constitution	Sound company management should install documented procedures to reprimand or sack directors and these procedures need be known / communicated to members and other concerned	Written but not communicated
	2 5 Average officer terms – period of present directors	Terms of holding an office	3	2	1	<1	Provided in the constitution	The terms of office should be long enough to get a good exposure and experience for improved performance (but not too long to avoid boldness in management)	On year

	2 6 Responsiveness to complaints / problems	Availability of procedures to solve dispute	Procedures available and followed	Procedures available	No procedures but disputes solved any how	No dispute solutions	The disputes are not so serious	For a sustainability of a company has procedures to solve dispute when they occur need to be in place and followed	No procedures but disputes solved
3 WSC personnel	3 1 Recruitment procedures	Availability of recruitment procedures	Written used adhered to	Written not used	Known but not written	No recruitme nt procedue	The company has no staff yet recruitment on the final stages	Written recruitment procedures which are used and adhered to implies an efficient personnel management	Procedures not used
	3 2 Tasks description and mandate	Job and tasks description	Job and task description available and adhered	Job and task description available	Job description not adhered to	No job/task descriptio n	No staff recruitment yet process under way	Efficient personnel management implies availability and adherence to job/task description with clear indication of limit and authority	No job and task description

	3 3 Management capacity	<p>Level of employees trained in required subject.</p> <p>-Chairman (Manager) Treasure in management /water engineering</p> <p>-Technician</p> <p>-Secretary</p> <p>-Treasurer</p> <p>-No of years of experience of senior personnel (manager, chairman, treasurer secretary)</p>	<p>BA or equivalent</p> <p>Full Trade Test certificate</p> <p>BA in administration/Law/management</p> <p>CPA or equivalent</p> <p>5 years or more</p>	<p>Diploma or equivalent</p> <p>Trade Test certificate</p> <p>Diploma in administration/Law/management</p> <p>Accounting technician certificate</p> <p>3 to 5 years</p>	<p>Form VI</p> <p>Short courses</p> <p>Certificate of business management</p> <p>Form VI</p> <p>2 years</p>	<p>No training</p> <p>Less than Form VI</p> <p>No technician Certificate</p> <p>No certificate</p> <p>No training in accounts</p> <p>Less than 2 years</p>	<p>The secretary is a form IV leaver with store experiences Manager is ex-personnel of Kilombero Sugar Company The chair person is trained technician on Water technology in Ifunda, Dar and Jamaica + Germany. Manager and technicians have worked for WSC for 4 yrs Secretary Treasurer, and the Chairperson have been with WSC for only from Feb. 1999</p>	<p>The management capacity of a WSC company depends mainly on the trained senior personnel</p>	<p>Short courses training</p>
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	3 4 Overall staff capacity	Establishment of planning levels	Established manpower planning	Planning of manpower on-going	Manpower planning started	No manpower planning	No plans	Planning of a sustainable company should include the manpower planning.	No plans
	3 5 Salary level and other incentive	No of personnel receiving a salary  -Type of incentives provided to personnel (training, transport, medical care, training and others	All employee  Housing transport medical care training	0-100% of employees  Housing + training	0-50% of employees  Only training	No salary paid to employee  No incentives provided	Executives are also BoD members who receives only allowances No incentives	Personnel efficiency is a function of attractive salaries and incentives Efficient personnel contribute to WSC sustainability	No salaries but allowances
	3 6 Team work and shared values	Number of staff consultation meetings in last 12 months	12 or more	Between 12 and 6	Between 6 and 3	Less than 3	Only meetings No consultation	Team work results in increased transparency and staff / skills complementarity which leads to improved services by water supply company	3 consultation meetings
	3 7 Occurrence of labour disputes	Number of labour serious dispute during the last 12 months  No of personnel sacked / left during last 1 year	No disputes  Less than 5%	At most 2 dispute  10%	3-5 disputes  10 to 50%	More than 5  More than 50%	No serious disputes because most of decisions makers are also implementers  Only few junior personnel who are not involved in decision making	Serious labour disputes can result into low output and high labour turn over which negatively effect the WSC sustainability  The more democratic decisions made the more efficient is the WSC and 5 consultations per week indicates a strength of WSC	No disputes  None

	4 6 Learning attitude and flexibility	Management ability to accept views from staff in the last 12 months	>80%	30 – 80%	1 – 30%	None	Manager also the BoD member	The management flexibility and readiness of staff to implement management decision is WSC management strength	100%
	4 7 Transparency and accountability attitude	Percentage of classified or confidential documents / files	Less than 20%	Between 20% and 30%	Between 30% and 95%	More than 95%	Nothing is confidential and there is no classification of documents or files	More than 70% information should be open to staff in a transparent and efficient company This improves awareness, accountability and trust which leads to transparent management	Less than 20%
5 Management system / process	5 1 Standardised operational guidelines	Availability and use of standardised operational guideline	More than 4 times	Have used between 1 - 4	Have not used at all	Not available	Manual for financial administration available but not used regularly	Availability and use of standardised operational guidelines improve management system where use once per week is a strength	Available not used
	5 2 Staff work quality	Availability per month and use of quality control procedures	More than 4 times	Have used between 1 - 4	Have not used at all	Not available	Currently No staff	Quality control improves staff's work quality where used once per week is a strength	Not available
	5 3 Business plan (investment / management plan)	Adherence to business plan and availability	Per year more than 4	Per year 1 - 4	Have but not used	Not available	Don't have the long term business plans	Preparation of a business plan and to use it is a conditions of company improvement where used 4 times a year is a strength	Not available

4 Management Style	4.1 Decision making process	No of consultation made by manager to the junior personnel per week for decision making	More than 5	3 - 5	1 to 2	None	Only 6 Junior personnel so it is easier to consult	The more democratic decisions made the more efficient is the WSC and 5 consultations per week indicates a strength of WSC	More than 5
	4.2 Communication between directors (horizontal)	No of BoD meetings per year	More than 6 meetings	6 to 4	3 to 1	None	Agenda and minutes not provided	Frequent meetings between directors improve company communication and performance bi-monthly meeting is considered ideal	4 meetings
	4.3 Communication users	No. of ordinary users meetings for the last 12 months	4	3	2	1	Met during election and twice on water fees and the changes	A meeting between management and members improve communication between members and management One meeting per quarter is considered a strength for a WSC	3 meetings
	4.4 Informal communication with committee, users and even stakeholders	Use of informal contacts with stakeholders	More than 7	Between 3 - 7	Between 1 - 3	None	No contracts made by WSC	Use of informal improve trust and efficiency needed for improved communication	None
	4.5 Relationship between manager and other staff (see)	Level % of relationship between he manager and other staff	100%	50 - 100%	25 - 50%	Below 25%	Use experience we got over 4 yrs	Better institution relations between manager and other staff improve chances for company sustainability	100%

	5 4 Yearly plan of operations	Availability and use of annual plans per month	Used as more 12 month	Used between 6 - 12	Available	Not available	Only annual budget no action plans	The yearly plan of operation is management tool used at least every month for the efficient company	Available not used
	5 5 Monitoring procedures for improved planning	Use standardised monitoring system	Used as a routine	Used sometimes	Used rarely	Not available	Dependency on district and the water programme monitor and give feed back to WSC	Improved WSC planning per performance need monitoring system with definite procedures.	Not available
6 WUG and committee	6 1 Roles and responsibilities of committee	Policy document with definition of roles and responsibility	Constitution available made known to WUG and committees and used	Constitution available known to WUG committee but not used	Constitution need used, nor known by WUG committee	No constitution / policy document which defines roles and responsibilities of WUG committee	Committee not aware of he constitution	The WUG and committee of a responsible company should know their roles and responsibilities as stipulated in the constitution	Constitution neither known nor used
	6.2 Appreciation of responsibilities / tasks WUG committee by he users	Number of WUG committee meetings per year with users	12	12 to 6	6 to 3	Less than 3	Did one election meeting and two on water fees	1 Regular Meetings held between WUG and committees improve the knowledge of the roles and responsibilities of the WUGs committees	Only 3 meetings

	6.3 Election process of WUG committee	Availability of electoral procedures	Electoral procedures availability known to users and adhered to	Electoral procedures availability known to users but not adhered to	Electoral procedures availability known to users but not adhered to	Electoral procedures not available	Election was preceded by the reading of the procedures	Electoral process is better defined by electoral procedures which, when adhered to improve trust	Electoral procedures available known and adhered to
	6.4 Communication between committees	Number of users meeting per year	12	12 to 6	6 to 3	Less than 3	The current committee were elected only on Feb.'99 Did two on water fees issues and one on election	Frequent meetings of committees improve communication between committees well as the users and this improve their performance	5 times since Feb 1999
7 Networking collaboration and external advisory support and assistance	7.1 Availability of private sector for mission of technical skills	Number of engineering / contracting firms with technical skills in water supply system management	1 or more	1	No firm	No firm	Two in the village ILLOVO TANESCO	Availability of firms at least one, specialized in water supply for technical support of WSC	2 contracting firms
	7.2 Availability of private sector for spares	Number of suppliers of spare parts for water supply systems	3 or more	3 - 2	1 firm	No supplier available in the area	6 suppliers in Mkamba and Kidatu	Sustainability of WSC will depend on availability of supply of spare parts in the area	6 shops
	7.3 Technical assistance	No of donor organisation actual in contact with WSC	5 or more	5 to 3	Less than 3	No donor organisation	Only DWSP and Irish aids	Relations with donor organisation may result into advisory technical assistance	Less than 3



	7 4 Training opportunity	No of training programmes for water supply personnel in the area (management administration, maintenance and engineering	More than 1	Only one	No training programme in the area	No training plans for such programme	They say no plans because they have no money	Availability of training programmes in the area can improve networking and collaboration of the external institution	No training programme
	7 5 Referral organisation	No. of referral organisation responsible for back-up services	More than 1	Only one	No referral organisation but plans underway	No plan for such organisation	For them the DWSP is satisfying	Availability of referral organisation for back-up support will ensure that the company get managerial, financial and technical support	No plans under way for such organisation

## APPENDIX 2

### **Sustainability risk analysis** **– Company scores and ranking –** **Institutional issues**

## INSTITUTION ISSUES

### SUSTAINABILITY RISK ANALYSIS – IKELA WSC – COMPANY SCORES & RANKING

Key areas/factor	Sub-area	Indicator	WSC Score	WSC Rank
1 WSC structure	1.1 Legal frame work	Availability of registration certificate	Available	1
	1.2 Organisation frame work	Separation of authority tasks between leadership and executives	No	3
	1.3 Tasks and responsibilities	Task definition	Major task defined	2
	1.4 Organisational capability	Executive capacity and experience complete task assigned	High	3
2 1 BoD Performance	2.1 Election of BoD	Procedures for election	Written but not communicate	2
	2.2 Roles and responsibilities written in a policy document	Policy document with roles and responsibility of the BoD	Written but not communicated	2
	2.3 Roles and responsibilities communicated	Policy document with roles and responsibilities of the BoD	Available but not communicated	2
	2.4 Termination of directors	Procedures to sanction directors	Available not communicated	2
	2.5 Average officer terms – period of present directors	Terms of holding an office	One year	3
	2.6 Responsiveness to complaints / problems	Availability of procedures to solve dispute	No procedures but disputes are solved	2
3 WSC personnel	3.1 Recruitment procedures	Availability of recruitment procedures	Procedure available	2

Key areas/factor	Sub-area	Indicator	WSC Score	WSC Rank
	4.4 Informal communication with committee, users and even stakeholders	Use of informal contacts with stakeholders	None	4
	4.5 Relationship between manager and other staff (see)	Level % of relationship between the manager and other staff	100%	1
	4.6 Learning attitude and flexibility	Management ability to consider views from staff in the last 12 months	100%	1
	4.7 Transparency and accountability attitude	Percentage of classified or confidential documents / files	Nothing real confidential (less than 20%)	1
5 Management system / process	5.1 Standardised operational guidelines	Availability and use of standardised operational guideline	Available not used	3
	5.2 Staff work quality	Availability per month and use of quality control procedures	Currently no staff	4
	5.3 Business plan (investment / management plan)	Availability of business plan	Not available	4
	5.4 Yearly plan of operations	Availability and use of annual plans per month	No action plan	3
	5.5 Monitoring procedures for improved planning	Use standardised monitoring system	Dependence on District	4
6 WUG and committee	6.1 Roles and responsibilities of committee	Policy document with definition of roles and responsibility	Policy document not available to WUG	4
	6.2 Appreciation of responsibilities / tasks WUG committee by the users	Number of WUG committee meetings per year with users	3 meetings	3
	6.3 Election process of WUG committee	Availability of electoral procedures	Available, adhered	1

Key areas/factor	Sub-area	Indicator	WSC Score	WSC Rank
	3 2 Tasks description and mandate	Job and tasks description	No job and task description	3
	3 3 Management capacity	Level of employees trained in required subject. - Chairman (Manager) - Treasure in management /water engineering - Technician - Secretary - Treasurer - No of years of experience of senior personnel (manager, chairman, treasurer secretary)	Short course      Less than 2 yrs	3      4
	3 4 Overall staff capacity planning	Establishment of planning levels	No plans	4
	3 5 Salary level and other incentive	No of personnel receiving a salary -Type of incentives provided to personnel (training, transport, medical care, training and others.	No salaries but allowances	4
	3.6 Team work and shared values	Number of staff consultation meetings in last 12 months	No consultations	3
	3.7 Occurrence of labour disputes	Number of labour serious dispute during the last 12 months  No of personnel sacked / left during last 1 year	No serious disputes  No staff sacked	1  1
4. Management Style	4 1 Decision making process	No of consultation made by manager to the junior personnel per week for decision making	None	4
	4.2 Communication between directors (horizontal)	No of BoD meetings per year	4 meetings	3
	4 3 Communication users members	No. of ordinary members meetings for the last 12 months	3 meetings	2

Key areas/factor	Sub-area	Indicator	WSC Score	WSC Rank
	6 4 Informal communication between committees and users	Number of committee contacts with users meeting per year	3 meetings	3
7. Networking collaboration and external advisory support and assistance	7 1 Availability of private sector for mission of technical skills	Number of engineering / contracting firms with technical skills in water supply system management	2 firms	1
	7.2 Availability of private sector for spares	Number of suppliers of spare parts for water supply systems	6 suppliers	1
	7.3 Technical assistance	No of donor organisation actual in contact with WSC	DWSP + IRISH AID	3
	7 4 Training opportunity	No of training programmes for water supply personnel in the area (management administration, maintenance and engineering	No plans/ programme	3
	7 5 Referral organisation	No. of referral organisation responsible for back-up services	No plans underway	4

## APPENDIX 3

### Sustainability risk analysis – Company scores – Community / social issues

**SUSTAINABILITY RISK ANALYSIS – IKELA WATER SUPPLY COMPANY**

**COMMUNITY/SOCIAL ISSUES**

**COMPANY SCORES**

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
8 Demand – driven project and participation and gender	8.1.1 Scheme history initiative, demand driven and community inputs.	Person / institution who request the water scheme / rehabilitation	Users and community members	Village govt. politicians	Ward and district govt. + politicians	Regional National Donors	Water by the govt. scheme was not enough	Successful water schemes where there is great participation are those requested by the beneficiaries rather than others	User and community members
	8.1.2 Scheme under community management	Period under community management	More than 5 years	Between 3 – 45 years	Between 1 - 3	Below 1 year	The scheme was completed on May 95	The longer the WSC under community management the more the chances of strengths for sustainability	4 years



Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	8.2 Information clarity on payment for water during planning / construction	Existence of payment knowledge on water fee payment	Above 75%	50 – 75%	25 - 50%	0.25%	It was made known to most users that water will be paid for	There is a need for users / communities to know about payments of water in future during project planning and construction in order to participation especially during O&M thus sustainability for the WSC.	80%

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	8.3 Enthusiastic users participation during planning and construction	Percentage participated users in kind and in cash	Above 50%	Between 50% but no cash or 25-50% plus cash	Between 50% and 25% no cash	<25% and no cash	Users wanted to have reliable water	<ol style="list-style-type: none"> <li>1. Enthusiastic users should participate during planning and constructions</li> <li>2. A turn up of 50% of users during construction plus contribution in cash is considered a good strength sustainability</li> </ol>	70%
	8.4 Participation in O&M	Group of users participating in O&M	Users plus WUG comm.	WUG comm	WSC - BoD	Others e.g private sector	Well mobilized by WUG committees	Users who requested a water scheme are willing to participate in O&M	Users and WUG comm

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
		Groups which cleaning DWPs	Male plus female	Females only	Youths females	Others	Good cooperation made clear from the beginning	Participation users male and females is contributing towards the sustainability of WSC	Males and females users
	8.5 Gender specificity during planning and decision making and training.	Women percentage on WSC membership	40%	Between 40% and 30%	Between 30% and 10%	Less than 10%	Only 5 women out of 50 members	Women as important stakeholders and key participants in O&M at least 30% should be involve in the membership of WSC	10%
		Membership of women in WUG committees	40%	Between 40% and 30%	Between 30% and 10%	Less than 10%	By the constitutions males and females numbers should be the equal	For enhancement of WSC sustainability women participation requires their involvement at least 30% in the respective WUG, committees.	50%

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
		Percentage of trained women / year	40%	Between 30 - 40%	Between 10 - 30%	Less than 10%	No formal training and no gender awareness	Women effective participation (for sustainability) requires their involvement at least 30% training to meet expectation on performance	Not at all
9 Community and political dynamics	9.1 Presence of internal and external resource and non-cohesive factions within the community with or without interests on water development	No. of internal resources for support	>5	Between 2 - 5	Only 1	None	Village Govt + WSC	Where there is internal.	2
		No of external resources for support	>3	Between 1 - 3	Applica-tion only	None	DWSP and Distr Council	And external resources to support the WSC this a strength for sustainability	2
		No. of factions which and against WSC.	None	Between 1 - 3	Between 3 - 5	Above than 5	None	Presence of non-cohesive factions in the community system is not a good indicator for WSC sustainability	1

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	9.2 Defaults and the sanctions	Social support and social pressure	Effective support to sanctions and social pressure	Users support	No support to sanctions	No sanctions at all	Users understand the importance of water company	For sustainability a water company should get support from the community by social pressure to defaulters.	User support
		Difficulties encountered on such sanctions	No	No	Yes	Yes	Users and community knows the necessity of water fees	Absence of social control pressures out to block such sanctions allow for sustainable WSC	Not much
	9.3.1. Influences of village government and politicians	What makes village government and politician influential	Knowledge and work positions (Advisory)	Work position	Money	Beliefs e.g witchcraft	Village Govt and politicians	Politicians and government officials will be supporting appropriately to WSC because of their knowledge and at least work position	Work position and authority

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	9.3.2 Attitude and support of village govt. and politicians	No of meetings between BoD and VG per year	>4	3	<2	0	There is always a conflict with VG and politicians VG feels that the WSC is capturing their powers	<ol style="list-style-type: none"> <li>Success of community managed water supply system depends on support given by village politician and this support is shown by willingness of VG to meet regularly with BoD</li> <li>One meeting every quarter is considered as strength</li> </ol>	3
	9.4.1 Influencing of govt. and politician of ward/district level	What makes govt and politicians of ward and district influential to users/WSC	Knowledge and work / employment (thro advises)	Work position and their employment	Money	Others e.g. witch-craft	The district is parthenalistic to WSC	Politicians and govt. will be supporting appropriately to WSC because of their knowledge (Advices) and at least work positions	Advices + Authority

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	9.4.2 Attitude and support of ward / district politicians	No of meetings between BoD and ward / districts politicians per year	>4	3	<2	0	Contacts made possible by the DWSP	<ol style="list-style-type: none"> <li>1. Willingness of politicians to meet BoD and WUG is a sign of support.</li> <li>2. One meeting per quarter shows good support</li> </ol>	5 contacts
	9.5 Attitude / support of traditional and opinion leaders	No of meetings between BoD or WUG committee and traditional and opinion leaders	>4	3	2	0	The company do not see the direct link	<ol style="list-style-type: none"> <li>1. Good relations with traditional leaders and opinion leaders is a sign of support</li> <li>2. One meeting per quarter is considered good for enhancing sustainability</li> </ol>	None

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
10 Ownership, commitment and trust	10.1 Ownership clear and accepted	Persons owning the scheme according to WUG committee	WUG through the WSC members representatives	WUG committee	BoD	Others	It is not clear at present who is the real company owners	There is a commitment and trust if there are clear ownership (essential for sustainability) of water supply scheme by users group	BoD
	10.2 Trust towards elected cadres	The number of consultation of BoD meet by the WUG per year	>4	3	<2	0	BoD meets with WUG to clarify policy and new issues	1. The water users group who have trust towards elected cadres consult regularly the BoD. 2. Four consultations per year show high trust	> 4
	10.3 Willingness to pay	Percentage of defaults per year	<10%	Between 10% and 20%	Between 20% and 40%	>40%	Willing but not committed	The number of defaulters is high when the users have no willingness to pay	65%



Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	10.4 Trust on WUG by users	% of users who trust their WUG committee	Yes	Yes	No	No	Trust expressed terms of water services	Trust of users to their WUG committee is a strength for sustainability	75%
	10.5 Trust on WSC BoD by WUG and users.	% of users / WUG who trust their WSC BoD	Yes	Yes	No	No	There is poor relations at village level and lack of efforts to compromise/rectify the situation	Trust of users to their BoD is a strength for sustainability	6 contacts

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
11 Communication	11.1 Communication between WSC and village, ward and district politician (system and channels)	No of exchange and information sharing formal and informal sent from WSC to village, ward, per year	>12	Between 12 and 6	Between 6 and 3	Between 3	There are several attempt to meet/ harmonise the conflicting interests between VG and WSC	<ol style="list-style-type: none"> <li>1. There is good communication when two institutions can share information's regularly.</li> <li>2. One contact per month is rated good strength for a sustainable WSC</li> </ol>	12 times
	11.2 Frequently of meeting of BoD with members	No of meetings between BoD and members	4 extra meeting	2-3 extra meetings	1 extra meetings	No extra meeting	BoD believes that "extra" it is too costly to meet the members	<ol style="list-style-type: none"> <li>1. There is good communications when the BoD have about 4 extra meeting with WSC.</li> <li>2. One meeting per 3 months (quarter a year) is rated good</li> </ol>	Not one

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
12 Functionality system	12.1 Population growth and future demands	Rate of population growth	<3%	Between 3 and 4%	Between 4 and 5%	More than 5%	Because the Kilombero areas is becoming more production centre the population is increasing very fast	1 The population growth should not grow faster than the WSC capacity to meet demand. 2 The acceptable and sustainable growth is estimated at 3%	More than 5%
	12.2 Water source reliability	No of days without water per year	0	1-5 days	Between 5-10 days	More than 10 days per year	Water is sufficient most of the time	Water source is reliable if at most 5 days are noted without water	0

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	12.3 Water adequacy in quality, and safety	No. of days that same DWP's and private connections did not receive water per year	0	Between 1-5 days	Between 6-10 days	More than 10 days	Because of main pipes break-down and during dry season	Strength for sustainability depends on water availability and supplies only if O&M works properly i.e. when intake or borehole, pipes, DWP's are properly functioning.	> 10 days
	12.3.2 No of days reported that some/all DWP's receive saline or dirty water (turbid)	No. of days reported that DWP's water with saline or with dirty water (turbid)	0	1-5 days	6-10 days	More than 10 days	Intake for the new scheme is from the saline sources and mostly during dry season	Safe water should not be saline. Safe water should not be dirty. Dirty water is often the origin of water borne diseases. It is a strength of sustainability to have water which is neither saline nor dirty	More than 10 days

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	12.4 Functionality	Frequent of breakdowns per year	Less than 3 times a year	Between 4 and 6 times a year	7 – 10 times a year	More than 0 times	El-nino catastrophe and poor repairs and incompetent technicians	Less than 3 breakdown per year is considered acceptable.	7 – 10 days
	12.5 Functionality	Days without water per year because of breakdown system	Less than 5 per year	Between 5 and 10 per year	Between 10 and 20 per year	More than 20 per year	(as above)	Absence of water for less than 5 days per year is acceptable	> 20 days
	12.6 Functionality DWP	Percentage of DWPs not operational	Less than 5%	Between 5% and 10%	Between 10% and 20%	More than 20%	Only one DWP not operational	Lack of operations on 5% of DWPs is acceptable	< 2%
13 Usage, benefits and appreciation	13.1 Only domestic or also for business and even for productive purposes	Real benefits of water users (domestic, business, production etc.	80% and above expressed at least two benefits	50-80%	25-50%	Less than 25%	Users are aware of the real benefits they get from users	A water scheme which is appreciated if used by all categories of water users and have at least two real benefits	90%

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
	13.2 Expressed appreciation of service levels and other benefits	Expressed appreciation of service i.e. DWPs, private connection good quality of water and quantity of water.	80% above appreciate service level	50 – 80%	25 – 50%	Less than 25%	Interviewed users expressed their satisfaction by water sufficiency	Water users can express themselves about appreciation of water supply when asked.	80%
	13.3 Non-coverage (utilization)	Percentage population not using water scheme.	Less than 5%	Between 5% and 10%	Between 10% and 50%	More than 50%	Not every body use new scheme water every time	If users appreciate the benefits of a water scheme, more people will use it in the community	5 - 10%
	13.4 Availability of reliable water supply alternatives	No. of other sources and types of water supply available to water users	Only one	2 to 3	4 to 5	More than 5%	They have – old Scheme Water - rivers water	The sustainability of water scheme will be facilitated by the absence of alternative reliable water supply	2

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
14 Economic bases	14.1 Eligibility to pay	Percentage of population eligible to pay tariff	More than 35%	Between 30 and 35%	Between 25 and 30%	Less than 25%	Generally youths under 18 years and elders count up to 50%	A higher than 35% percentage of population eligible to pay strengthen the economic base of the community of users. Note that about 50 years of pop is under 15 years & we have old and hand capped	40%
	14.3 Water from scheme available for productive use (small scale irrigation inclusive)	Number of small scale irrigation per DWP and per 10 private connections	>5 per DWP and 6 per private connection	Between 3 and 2 per DWP and 4 per 10 private connection	1 per DWP and 2 per 10 private connection	0	Because of higher rates. Some users do not want to disclose their productive usages.	Productive small scale irrigation increase the economic base of a WSC and users collecting water free from the scheme	>5 DWPs And >6 Private connections

## APPENDIX 4

### **Sustainability risk analysis** **– Company scores and ranking –** **Community / social issues**



**SUSTAINABILITY RISKS ANALYSIS**

**IKELA WATER SUPPLY COMPANY**

**COMMUNITY/SOCIAL ISSUES ANALYSIS-COMPANY SCORES & RANKING**

<b>Key areas/factors</b>	<b>Sub-area</b>	<b>Indicator</b>	<b>WSC Score</b>	<b>WSC Rank</b>
8 Demand – driven project and participation and gender	8.1.1 Scheme history initiatives, demand driven and community inputs.	Person / institution who request the water scheme / rehabilitation	Users & Community members	1
	8.1.2 Scheme under community management	Period under community management	4 years	2
	8.2 Information clarity on Payment for water during planning / construction	Existence of payment knowledge for water fee	80%	1
	8.3 Enthusiastic users participation during planning and construction	Percentage participated users in kind and in cash	70%	1
	8.4 Participation in O&M	Group of users participating in O&M	Users plus WUG committee	1
		Social Groups cleaning DWPs	Males + females users	1
	8.5 Gender specificity during Planning and decision making and training.	Women percentage on WSC membership	10%	3
		Membership of women in WUG committees	50%	1

		Percentage of trained women / year	Not at all	4
9 Community and political dynamics	9.1 Presence of internal and external resource and non-cohesive factions within the community with or without interests on water development	No. of internal resources for support	2	2
		No of external resources for support	2	2
		No of factions which and against WSC interests	1	2
	9 2 Defaults and the sanctions	Social support and social pressure To defaulters and sanctions	No	2
		Difficulties encountered on such sanctions	Not much	2
	9 3.1 Influences of village government and politicians	What makes village government and politician influential	Work position and authority	2
	9.3.2 Attitude and support of village govt and politicians	No of meetings between BoD and VG per year	3	2
	9 4 1 Influence of govt and politician of ward/district level	What makes govt. and politicians of ward and district influential to users/WSC	Advises authority	1
	9 4 2 Attitude and support of ward / district politicians	No of meetings between BoD and ward / districts politicians per year	5 contacts	2
	9.5 Attitude / support of traditional and opinion leaders	No of meetings between BoD or WUG committee and traditional and opinion leaders	None	4
10 Ownership, commitment and trust	10 1 Ownership clear and accepted	Persons owning the scheme according to WUG (users)	BOD	3

	10.2 Trust towards elected cadres	The number of consultation of BoD by the WUG per year	> 4	1
	10.3 Willingness to pay	Percentage of defaults per year	65%	4
	10.4 Trust on WUG by users	% of users who trust their WUG committee	75%	1
	10.5 Trust on WSC BoD by WUG and users.	% of users / WUG who trust their WSC BoD	35%	3
11 Communication	11.1 Communication between WSC and village, ward and district politician (system and channels)	No of exchange and information sharing formal and informal sent from WSC to village, ward, per year	6 contacts	2
	11.2 Frequently of meeting of BoD with members	No of meetings between BoD and members	None	4
12 Functionality system	12.1 Population growth and future demands	Rate of population growth	More than 5%	4
	12.2 Water source reliability	No of days without water per year Because of source realibility	Nil	1
	12.3 Water adequacy in quality, and safety	No. of days that same DWPs and private connections did not receive water per year	More than 10 days	4
	12.3.2 No of days reported that some/all DWPs receive saline or dirty water (turbid)	No of days reported that DWPs water with saline or with dirty water (turbid)	More than 10 days	4
	12.4 Functionality 1	Frequency of breakdowns per year	7 – 10 days	3
	12.5 Functionality 2	Days without water per year because of breakdown system	More than 20	4

	12 6	Functionality DWP	Percentage of DWPs not operational	Less than 2%	1
13 Usage, benefits and appreciation	13 1	Only domestic or also for business and even for productive purposes	Real benefits by water users (domestic, business, production etc)	90%	1
	13 2	Expressed appreciation of service levels and other benefits	Expressed appreciation of service i.e DWPs, private connection good quality of water and quantity of water	80%	2
	13 3	Non-coverage (utilization)	Percentage population not using water scheme.	5 – 10%	2
	13 4	Availability of reliable water supply alternatives	No of other sources and types of water supply available to water users	2	2
14 Economic bases	14 1	Eligibility to pay	Percentage of population eligible to pay tariff	40%	1
	14 2	Ability of families or households to pay	% of families and households able to pay	95%	1
	14 3	Water from scheme available for productive use (small scale irrigation)	Number of small scale irrigation per DWPs and per 10 private connections	5 DWPs 6 private connection	1

## APPENDIX 5

### Sustainability risk analysis

– Company scores –

**Financial issues**

FINANCIAL ANALYSIS

IKELA WATER SUPPLY COMPANY

COMPANY SCORES

Key areas/factors	Sub-area	Indicator	Strengths		Weaknesses		Reason For Score	Assumption About the area/factor	WSC Score
			++	+	-	--			
15 Financial procedure	15.1 Use of financial formats and manuals	Number of financial manuals/formats used	15 or more	10 - 15	5 to 10	Less than 5	Ikela WSC uses the following manuals formats 1 Cash payment voucher 2 Receipt Book at DWP 3 Receipt book for general payments 4 Budget 5 Cash book for water fee collections 6 Cash book for income expenses 7 Pro-forma Invoice 8 Savings book 9 Water uses register at DWP	Sound financial management of a water supply company requires the use of the following manuals/formats 1 Financial management guidelines 2 Water tariff setting formats 3 Budget format 4 Monthly cash/bank income and expenditure format 5 Water users register 6 Monthly water tariff receipts 7. Register of monthly water tariff receipts 8 Cash book/analysis book 9. Bank book	9

								10 Profit and loss statement 11 Balance sheet 12 Audited accounts 13 Payment voucher 14 Receipt books 15 List of fixed assets	
	15 2 Adherence to financial formats and manuals	Number of financial formats / manuals strictly adhered to	15 or more	10 to 15	5 to 10	Less than 5	The formats mentioned in 15 1 are adhered to	Sound management of a company implies that managers adhere strictly to financial regulations and use formats accurately	9
16 Financial management	16 1 Yearly auditors report	Number of external auditors reports since 1997	3	2	1	0	The accounts of Ikela WSC have never been audited	Sound financial management requires the submission of annual financial reports to external auditors for auditing	N/A
	16 2 Yearly budget and quality	Number of budgets approved by the members since 1997	3	2	1	0	1997 & 1998 budget were approved	Sound financial management and transparency requires that budgets are approved by members every year	2
	16 3 Discrepancies between planned budget and actual financial achievement	Discrepancies in % between planned income and expenditure and achievement in income and expenditure	< 10%	10 - 20%	20 - 40%	>40		Efficient budget management implies that there is no discrepancy between the planned budget and the actual budget achievement.	
	16 4 Criteria for water tariff setting (DWP) and private connection	Basis for water tariff setting	Tariff based on production cost recovery and provision for company growth	Tariff based on cost recovery.	Tariff based on cost recovery with adjustment by WUG according to their ability to pay	Tariff set by water users on the basis of their ability to pay	Tariff based on recovery of total costs	Sustainability of WSC implies cost recovery through economic water tariff	Tariff based on cost recovery
	16 5 Sanctions to defaulters	Type of sanctions taken against	Stiff sanction including court		Disconnection of water at the	Social pressure	Defaulters are taken to Sub-village	Sustainability of a water supply company	Social pressure

		defaulters	prosecution	Fine	DWP		chairman or ward secretary for counselling	depends on strict control of water use and aggressivety in water fee collection	
17 Financial performance 17 1 Income and expenditure		Gross margin	>0 25	0 20- 0 25	0 25-0 35	< 0 35	High operating costs and low income	<p>1 The ratio measures the profitability of a WSC before selling and administrative expenses, and fixed charges</p> <p>2 Gross profit must be able to cover at least administrative and selling expenses and fixed charges</p> <p>3 A low ratio many indicate high costs of water or low water tariffs Cost of water reflects operation and maintenance policies, type of water supply system, and production efficiency</p>	-0 7
	17 2 Maintenance costs	Maintenance costs/total investment costs	>0 03	0 03	0 03-0 02	<0 02	Calculated using final accounts 1998	<p>1 A Sustainable WSC must make a provision for regular maintenance service of all water supply installations</p> <p>2 A ratio of 0 03 of maintenance costs to total cost is considered adequate for WSC</p>	0 02



								Sustainability	
	17.3 Depreciation costs	Depreciation costs / depreciation period	More than or equal to investment cost of scheme	Equal to investment cost of scheme	Less than investment cost of scheme	No depreciation costs	Shs 7.76 million	<p>1 A sustainable WSC should have a sound depreciation policy</p> <p>2 Depreciation should reflect the life period of investment</p> <p>3 In a sustainable water supply scheme, the investment must equate the annual depreciation costs multiplied by the depreciation period (or life period of the investment).</p>	More than 1 investment cost of scheme
	17.4 Cost of operation and maintenance	Total operation and maintenance costs / total costs	0.60	0.60-0.50	0.50-0.70	<0.40	The overhead represent a small proportion of the total cost.	<p>1 The major function of a WSC is to carry out operation and maintenance of a water supply system. Therefore, the major costs of a WSC should be on operations and maintenance</p> <p>2 A ratio of 0.60 of cost of O &amp; M over total cost is adequate for a sustainable WSC</p>	0.94
	17.5 Profitability	Net surplus / total sales	>0.15	0.15-0.10	0.10-0.05	<0.05	Ikela made a loss in 1998	<p>1 The ratio (net surplus / total sales / net income / total sales) measure the return on all assets used to generate</p>	-3.7

								<p>sales</p> <p>2 Other assumptions as under gross margins (see 17 1)</p> <p>3 Return on assets of 15% is admissible for a concern providing basic services like a WSC, since the surplus is only used to meet the cost of major emergency repair and the provision for minimum company growth</p>	
	17 6 Liquidity	a) Current ratio	3	2	2 to 1	<1	No current liabilities liability indicated in the balance sheet 1998	<p>1 The current ratio (current assets/current liabilities) measures the ability of a WSC to meet its short term maturing obligations using its reserve of current assets</p> <p>2 Role of thumb for optimal ration is 2 1</p> <p>3 A ration &lt;2 1 means under investment in current assets which indicates impending insolvency</p>	N/A
		b) Quick ratio	2	2 to 1	1	<1		<p>1. The quick ration (quick assets/current liabilities) is a</p>	N/A

								stringent measure of liquidity indicating the ability of the WSC to meet its short term maturing obligations without liquidating neither its stock nor its pre-payments and other advances	
								2 The rule of thumb is a ratio 1 1, and a ration < 1 risks the possibility of insolvency	
	17 7 Tariff collection ratio	Tariff collection ratio							
		- WUG	0 80	0 80-0 70	0 70-0 60	<0 60	Water fee payment is low for WUG but high for house connection and business connection Those users who request private connections have a higher economic status Disconnection is made for defaulters in household user groups and business users group	1 The tariff collection ratio (annual water fee collected / annual water fee due) measures the extent to which water users pay their water bill	0 44
		- House connection	0 80	0 80-0 70	0 70-0 60	<0 60		2 A high ratio means that water fee collection will increase the company revenue and therefore increase the ability of the company to improve water supply service	0 99
		- Business connection	0 80	0 80-0 70	0 70-0 60	<0 60			3 A ratio above 80% is considered good
								4 The ratio shows also the willingness to pay and its relationship to production and	

								level of income	
	17.8 Production efficiency	O & M/1000 users						The cost of O&M per 1000 users is low in an efficient WSC	Shs 473,269
	17.9 Personnel efficiency	Number of water supply technicians (fundis) per 1000 users	1	2	3	4	Only 2 technicians give maintenance and repair services at a satisfactory level	Water supply technicians (fundis) are efficient if they can under services to a great number of users at a low cost	0.76
	17.10 Critical skills	a) Number of qualified accountants	2	1	0	0	No qualified accountant works for the company	<ol style="list-style-type: none"> <li>1 Qualified accountants have the ability to initiate financial procedures implement them and exercise financial control</li> <li>2 Qualified accountants are important adviser to Board of Directors</li> <li>3 A law prohibits employment of non qualified accountants</li> <li>4 A well managed company must have a qualified internal auditors</li> </ol>	Nil
		b) Number of qualified internal auditors	1	1	0	0	No auditor works for the company	As above (17.10a)	Nil
	17.11 Reserves	Retained earning / total assets	>0.10	0.10-0.05	0.05-0.01	<0.01	In 1997 the company had above Tshs 1.0 mil Accumulated profit	<ol style="list-style-type: none"> <li>1 Reserves are built from retained earning.</li> <li>2 Reserves enable a company to face major rehabilitation costs</li> </ol>	0.02

								3. Reserves enable further future investments and assets replacement 4. Annual reserve of 10% in considered sufficient for a sustainable WSC	
18 Transparency and reporting	18.1 Number of financial reports sent to members and discussed with them during the last 12 months	Budget Income and expenditure Progress reports Audited accounts	1 1 4 1	1 1 3 1	0 0 2 0	0 0 1 0	- In 1998 one budget meeting and one meeting to discuss progress reports - Three emergency meetings in 1998	Transparency improves when a feedback mechanism using reports and meetings is done on regular basis.	1 1 3
19 Accountability	19.1 Safety valves against funds misappropriation	Methods of funds custody  Frequency of bank deposit per week	Bank  5 times	Safe  4 times	Home  1 to 3 times	Other  Less than once	Money received is usually rushed to the bank account as soon as possible	Using a bank account reduces the risk of cash losses and misappropriation  Making daily bank deposit eliminates the risk for misappropriation	1 to 3
20 Access to alternative financing	20.1 Access to bank credit facilities	Mortgageable assets value	>shs 20 0 mil	Between shs. 20 0 and 10 0 mil	Less than 1 0 ml	0	Ruaha WSC has bank accounts worth more than shs 1 0 mil	Possessing mortgageable assets is a condition for accessing to bank credit facilities	1 0
	20.2 Access to grants and subsidies	a) Number of grants / subsidies received since the establishment of the company b) Number of donor agencies cooperating in with the WSC in the area	2  5	1  4	0  3	0  1		Organisation which have obtained grants / subsidies in past attract easily additional grants  Cooperation with donors increase the opportunity of obtaining grants	0  0

## APPENDIX 6

### **Sustainability risk analysis** **– Company scores and ranking –** **Financial issues**

**SUSTAINABILITY RISK ANALYSIS  
IKELA WATER SUPPLY COMPANY  
FINANCIAL ANALYSIS: COMPANY SCORES AND RANKING**

Key areas/factors	Sub-area	Indicator	WSC score	Rank
15 Financial procedures	15.1 Use of financial formats and manuals	Number of financial manuals/formats used	9	3
	15.2 Adhere to financial formats and manuals	Number of financial formats/manuals strictly adhered to	9	3
16. Financial management	16.1 Yearly auditors report	Number of external auditors reports since 1997	0	4
	16.2 Yearly budget and quality	Number of budgets approved by the members since 1997	2	2
	16.3 Discrepancies between planned budgets And actual financial achievement	Discrepancies in % between planned income and expenditure, and achievement in income and expenditure	N/A	N/A
	16.4 Criteria for water tariff setting (DWP's) And private connection	Basis for water tariff	Cost recovery	2
	16.5 Sanctions to defaulters	Type of sanctions taken against defaulters	Social pressure	4

Key areas/factors	Sub-area	Indicator	WSC score	Rank	
17 Financial performance	17.1 Income and expenditure	Gross margin	- 77	4	
	17.2 Maintenance costs	Maintenance costs/total investment costs	0 02	3	
	17.3 Depreciation costs	Depreciation costs times depreciation period	Shs. 776 Mil.	1	
	17.4 Cost of operation and maintenance	Total operations and maintenance costs/total costs	0.94	1	
	17.5 Profitability	Net surplus/total sales	- 3.7	4	
	17.6 Liquidity		Current ratio	N/A	-
			Quick ratio	N/A	-
	17.7 Tariff collection ratio		Tariff collection ratio		
			WUG	0 45	4
			H/connections	0 81	1
			Business connections	0.94	1
17.8 Production efficiency		O & M /1000 users	Shs.1 55 mil	N/A	
17.9 Personnel efficiency		Numbers of water supply technicians (fundis) per 1000 users	0.3	1	
17.10 Critical skills		- Number of qualified accountants	1	4	
		- Number of qualified internal auditors	1	4	
17.11 Reserves		Retained earnings/total assets	N/A	-	



Key areas/factors	Sub-area	Indicator	WSC score	Rank
18 Transparency and reporting	18.1 Number of financial reports sent to members and discussed with them during the last 12 months	<ul style="list-style-type: none"> <li>- Budget</li> <li>- Income &amp; expenditure</li> <li>- Progress reports</li> <li>- Audited accounts</li> </ul>	<p style="text-align: center;">1 1 0 0</p>	<p style="text-align: center;">1 1 4 4</p>
19 Accountability	19.1 Safety valves against funds insappropriation	<ul style="list-style-type: none"> <li>- Methods of bank custody</li> <li>- Frequency of bank deposit per week</li> </ul>	Bank 1 to 3 times	1 3
20 Access to alternative financing	20.1 Access to bank credit facilities	<ul style="list-style-type: none"> <li>a) Number of grants/subsidies received since the establishment of the company</li> <li>b) Mortgageable asset value</li> </ul>	0	4
		<ul style="list-style-type: none"> <li>c) Number of donor agencies co-operating with the WSC in the area</li> </ul>	0	4

**APPENDIX 7**

**Income and expenditure 1998**

IKELA WATER SUPPLY COMPANY  
 INCOME EXPENDITURE - 1/1/1998 - 31/12/98

INCOME	TSHS
Water fee	3,471,200 00
Other income	255,000 00
<b>TOTAL INCOME</b>	<b>3,726,200 00</b>
<b>EXPENDITURE</b>	
<b>OPERATIONS</b>	
Depreciation	15,519,000 00
Revenue collection commission	96,000 00
Furniture purchase	58,000 00
Bicycle purchase	124,000 00
Other operating expenses	397,050 00
<b>TOTAL OPERATIONS</b>	<b>16,194,050 00</b>
<b>MAINTENANCE</b>	
Technical allowance	214,500 00
Project Consumable	22,000 00
Casual labourers	91,000 00
Bicycle maintenance	3,000 00
<b>TOTAL MAINTENANCE</b>	<b>330,500 00</b>
<b>OVERHEADS</b>	
Professional fee	40,000 00
General overheads	926,490 00
Miscellaneous	9,255 00
<b>TOTAL OVERHEADS</b>	<b>975,745 00</b>
<b>TOTAL EXPENSES</b>	<b>17,500,295.00</b>
<b>NET SURPLUS/LOSS</b>	<b>(13,777,095.00)</b>

Source Calculated from Ikela WSC accounts

DHV Consultants BV

## APPENDIX 8

### Gross margin 1998

**IKELA WATER SUPPLY COMPANY**  
**GROSS MARGIN: 1/1998 - 12/1998**

	<b>TSHS.</b>
TOTAL INCOME	3,726,200 00
Less operation costs	16,147,050.00
Less maintenance costs	330,500.00
<b>GROSS MARGIN</b>	<b>(12,798,350 00)</b>
Less overhead	975,745 00
<b>NET SURPLUS/LOSS</b>	<b>(13,777,095.00)</b>

Source Calculated from Ikela WSC accounts

## APPENDIX 9

### Summary of water fees and Fee collection rates

SUMMARY OF WATER FEES AND FEE COLLECTION RATES

(based on 1998 and/or first quarter 1999)  
Fees in TSh

WSC	Domestic Water Point		House Connection		Business Connection	
	Water fee/ household per month	Fee collection rate (%)	Water fee/ connection per month	Fee collection rate (%)	Water fee/ connection per month	Fee collection rate (%)
Rudewa	400	18	1000	100	11,000	83
Ruaha	200	44	1000	99	3,000	99
Ikela	200	45	1000	81	3,000	94
Kambala	500/adult	11	-	-	50/calf	0
Ndole	200	42	500	52	-	-
Makanga	200	5	400	49	1,000	-
Isongo	200	6	500	32	2,000 and 3,000	72
average	200 for gravity 700 for pumped	26	730	69	2,400 (Rudewa and Kambala not included)	87 (Kambala not included)

**APPENDIX 10**

**Summary of gender in WSC Board,  
Members and WUG committees**



SUMMARY OF GENDER SPECIFICITY IN WSC BOARD, MEMBERS AND WUG COMMITTEES

As per June/July 1999

WSC name	Board of Directors			Members			WUG Committees		
	total	women	Women %	total	women	Women %	total	women	Women %
Rudewa	7	1	14	19	4	21	84	No data	
Ruaha	10	1	14	33	2	6	204	No data	
Ikela	10	2	20	50	5	10	468	No data	
Kambala	7	1	14	14	5	36	42	No data	
Ndole	6	2	33	12	6	50	36	No data	
Makanga	7	1	14	14	6	43	66	No data	
Isongo	10	2	20	36	6	17	102	No data	
Average %			18			26			40-50

## APPENDIX 11

### Sustainability risk analyses Compound scores

SUSTAINABILITY RISK ANALYSIS				1999	IKELA WSC
No.	Key factor	sub-area	score	factor score	compound score
1.	WSC structure	1.1	1	2.3	
		1.2	3		
		1.3	2		
		1.4	3		
2	BoD Performance	2.1	2	2.2	
		2.2	2		
		2.3	2		
		2.4	2		
		2.5	3		
		2.6	2		
3	WSC Personnel	3.1	2	2.8	
		3.2	3		
		3.3.1	3		
		3.3.2	4		
		3.4	4		
		3.5	4		
		3.6	3		
		3.7.1	1		
3.7.2	1				
4.	Management	4.1	4	2.3	
		4.2	3		
		4.3	2		
		4.4	4		
		4.5	1		
		4.6	1		
		4.7	1		
5.	Management System/process	5.1	3	3.6	
		5.2	4		
		5.3	4		
		5.4	3		
		5.5	4		
6	WUG and Committee	6.1	4	2.8	
		6.2	3		
		6.3	1		
		6.4	3		
7	Networking, collaboration and external advisory support and assistance	7.1	1	2.4	2.6
		7.2	1		
		7.3	3		
		7.4	3		
		7.5	4		
8	Demand-driven project and participation and gender	8.1.1	1	1.7	
		8.1.2	2		
		8.2	1		
		8.3	1		
		8.4.1	1		
		8.4.2	1		
		8.5.1	3		
		8.5.2	1		
8.5.3	4				
9	Community/political dynamics	9.1.1	2		
		9.1.2	2		
		9.1.3	2		
		9.2	2		
		9.2.1	2		
		9.3.1	2		

		9.3.2	2		
		9.4.1	1		
		9.4.2	2		
		9.5	4	2.1	
10	Ownership, commitment, trust	10.1	3		
		10.2	1		
		10.3	4		
		10.4	1		
		10.5	3	2.4	
11	Communication	11.1	2		
		11.2	4	3.0	
12	Functionality System	12.1	4		
		12.2	1		
		12.3.1	4		
		12.3.2	4		
		12.4	3		
		12.5	4		
		12.6	1	3.0	
13	Usage, benefits and appreciatio	13.1	1		
		13.2	2		
		13.3	2		
		13.4	2	1.8	
14.	Economic bases	14.1	1		
		14.2	1		
		14.3	1	1.0	2.1
15.	Financial procedures	15.1	3		
		15.2	3	3.0	
16.	Financial management	16.1	4		
		16.2	2		
		16.3	na		
		16.4	2		
		16.5	4	3.0	
17	Financial performance	17.1	4		
		17.2	3		
		17.3	1		
		17.4	1		
		17.5	4		
		17.6	n a.		
		17.7.1	4		
		17.7.2	1		
		17.7.3	1		
		17.8	n a		
		17.9	1		
		17.1	4		
		17.11	na	2.2	
18	Transparency and reporting	18.1.1	1		
		18.1.2	1		
		18.1.3	4		
		18.1.4	4	2.5	
19	Accountability	19.1	1		
		19.1.2	3	2.0	
20	Access to alternative financing	20.1	4		
		20.2	4	4.0	2.8
				overall score	2.5

## APPENDIX 12

### **Sustainability risk analyses Comparative scores**

SUSTAINABILITY RISK ANALYSIS									
No	Key factor	Rudewa	Ruaha	1999 0 Ikela	Makanga	Isongo	Kambala	Ndole	average
	<b>INSTITUTIONAL OVERALL</b>	2.8	2.8	2.6	3.0	2.8	3.1	3.2	2.9
1	WSC structure	2.3	2.3	2.3	2.5	2.3	2.5	2.8	2.4
2	BoD Performance	2.3	2.3	2.2	2.8	2.5	2.8	2.7	2.5
3	WSC Personnel	3.2	3.2	2.8	3.2	2.9	3.3	3.2	3.1
4	Management	2.4	2.4	2.3	2.4	2.7	2.9	3.0	2.6
5	Management System/process	3.6	3.6	3.6	3.6	3.0	3.8	3.8	3.6
6	WUG and Committee	2.8	2.8	2.8	3.3	3.0	3.0	3.5	3.0
7	Networking, collaboration etc	3.2	3.2	2.4	3.4	3.4	3.6	3.8	3.3
	<b>SOCIAL AND COMMUNITY OVERALL</b>	2.3	2.0	2.1	2.0	2.2	2.2	2.1	2.1
8	Demand-driven, part & gender	1.9	1.9	1.7	1.9	2.3	1.9	2.1	2.0
9	Community/political dynamics	2.2	2.2	2.1	1.9	2.0	1.7	2.0	2.0
10	Ownership, commitment trust	2.4	2.4	2.4	3.6	2.6	2.4	2.2	2.6
11	Communication	4.0	3.0	3.0	1.5	2.5	3.0	3.0	2.9
12	Functionality System	3.3	2.9	3.0	1.9	2.6	2.7	1.6	2.6
13	Usage, benefits and appreciation	1.0	1.0	1.8	1.8	1.5	1.5	1.0	1.4
14	Economic bases	1.7	1.0	1.0	1.7	1.7	2.0	2.7	1.7
	<b>FINANCIAL OVERALL</b>	2.9	2.4	2.8	3.2	3.0	3.6	3.3	3.0
15	Financial procedures	3.0	2.5	3.0	3.0	3.0	3.0	3.0	2.9
16	Financial management	3.0	2.2	3.0	3.5	2.5	3.5	4.0	3.1
17	Financial performance	2.8	2.7	2.2	2.3	2.5	3.3	3.0	2.7
18	Transparency and reporting	2.5	1.7	2.5	4.0	4.0	4.0	4.0	3.2
19	Accountability	2.0	2.0	2.0	2.5	2.0	4.0	2.0	2.4
20	Access to alternative financing	4.0	3.5	4.0	4.0	4.0	4.0	4.0	3.9
	<b>OVERALL SCORE</b>	2.7	2.4	2.5	2.8	2.7	3.0	2.9	2.7

**APPENDIX 13**

**Company profile**

## PROFILE OF THE IKELA WATER SUPPLY COMPANY

As per December 1998

1	Type of scheme	Gravity	
2	Short history of scheme	Scheme completed by DWSP July 1997	
3	Number of villages served	2 villages	
4	Population served	27693      10658 House hold	
5	Number of DWPs	78	
6	Number of house and business connections	250 (old gravity scheme)	
7	Invested value of scheme (million TSh)	244 9million	
8	Registration date of WSC	August 1995	
9	Number of WSC Members	50      (5 females)	
10	Number of Directors in Board	10      (2 females)	
11	Average term (in years) of Board Directors since registration	1 year (constitutionally)	
12	Number of employed staff and functions (and no. staff per 1,000 users)	None	
13	Average monthly income (last 12 months) (kilo TSh)	310.50	
14	Average monthly recurrent expenditure (last 12 months) (kilo TSh) (and recurrent expenditures per 1,000 users)	1,458.40 (52 70)	
15	Present bank balance for recurrent expenditures (kilo TSh) (% of monthly recurrent expenditure)	1,176 80.6%	
16	Present bank balance for future investments (reserve) (kilo TSh) (% of asset value)	1,474 70 0.6%	
17	Tariffs DWP / House-connection / Business connection	DWP Shs 200 per household in July 1999. House connection Shs 1000 Business connection : Shs 1500 to 3,800	
18	Revenue collection rate DWPs (average last 12 months) (%)	44%	
19	Revenue collection rate private connections (average last 12 months) (%)	99%	
20	Frequency BoD meetings (times per year) and presence of minutes	24 meetings per year	
21	Frequency of meetings between BoD and Members (times per year)	1 per year	
22	Number of decisions taken during last Annual General Meeting	-	
23	Presence of business plan (investment and management plan) (planning period in years)	None	
24	Frequency of financial reporting to Members and WUGs (times per year)	1 per year	
25	Yearly external audit (report available)	None	
26	Functioning rate of DWPs (%)	95%	
27	Average number of days per month without water (average last 12 months)	-	
28		-	
29	Trust from users	Average	
30			



**APPENDIX 14**

**List of participants  
in stakeholders workshop**

## WORKSHOP PARTICIPANTS

1. M.E Munisi, Chairman BOD Kidatu
2. Victory Tangalahela , Secretary BOD, Kidatu
3. Athumani Lityau, BOD member
4. Abdallah A Mpoka, BOD member
5. Mary Komba, Representative
6. Haji Babuni, BOD
7. Gaspar Mazaulla, Mechanics
8. Nova Simfukwe, BOD member
9. R A Mkini, Director, Mkamba
10. O C. Mahimbali – Chairman, BOD
11. E J. Kinata, Director Kidatu “A”
- 12 Hashim Ndalama, member, Kidatu “B”
13. P A. Mutiganzi, District Water Engineer
- 14 J. Sambu, Regional Water Supply Engineer
15. C. Ngogoro, Representative DWP No.15
16. Mrs Mbogoso WUG committee member
17. Paul Mjokonde, representative
- 18 Samwel Chitatula, representative
19. Shafri Msuya, user/member
20. Tofani Ngogoni, village leader
- 21 Helmati Michael, village leader
22. Helena Kanoga, village leader
- 23 J.C Mtemahanji, District Community Development officer
24. Lazaro H Chuwa, Private sector
- 25 S Ndachua, Private sector

## APPENDIX 15

### WSC and the Rural Water Policy

## WSCs AND THE RURAL WATER POLICY

(based on July 1999 draft version)

### KEY POLICY PRINCIPLES FOR EXISTING WSCs

#### Social principles

- Use of water for human consumption has first priority

#### Economic principles

- Development of water for productive purposes is treated as an economic good requiring efficient management

#### Environmental principles

- Water sources are protected from human-induced land degradation
- Water sources will be protected and conserved
- Promotion of health through integrating water, sanitation and hygiene education programmes

#### Sustainability principles

- Management of water schemes at the lowest appropriate level
- Ownership and management by the users
- Full cost-recovery for operation and maintenance, replacement and system expansion
- Private sector supplies spares and know-how for repair and maintenance
- Standardisation of equipment
- Selected technology within economic capacity of users
- Women are principal actors in provision of rural water supply services

### PRIVATE SECTOR PARTICIPATION WILL BE ENCOURAGED TO IMPROVE EFFICIENCY AND EFFECTIVENESS.

#### Private sector is expected to perform the following tasks:

- Mobilise and train communities for responsive demand
- Assist communities to plan, design, supervise, construct and manage their systems
- Construct water and sanitation facilities
- Supply, install and service plant and equipment
- Operate and maintain facilities under contracts with communities
- Promote and train communities in hygiene and health education
- Carry out innovative research and development, and dissemination of technology
- Facilitate communities to have access to credit

### GOVERNMENT WILL CHANGE ITS ROLE FROM BEING AN IMPLEMENTOR TO A REGULATOR, FACILITATOR, PROMOTER AND CO-ORDINATOR

#### Roles of the Central Government:

- To provide clear policy framework
- To provide adequate legal framework and review water resources management legislation
- To develop performance standards for all actors
- To facilitate research and development of appropriate technology and dissemination
- To promote institutional capacity, including private sector
- To create enabling environment for private sector participation
- To allocate water rights and provide legal framework for ownership of schemes by water user entities
- To co-ordinate sector development including donor support

- 
- To provide technical and financial support to construction of new schemes, and rehabilitation and expansion of existing schemes

#### Roles of the Local Governments

- To monitor and provide back-up support to the communities
- To plan for rural water supply based on community demand
- To provide technical and financial support to construction of new schemes, and rehabilitation and expansion of existing schemes
- To support capacity building at district and community level and in the private sector
- To assist communities in contracting private sector services for the design, construction and management of water and sanitation facilities
- To provide technical and management support for communities to maintain their water facilities
- To provide adequate legal framework for safeguarding ownership of water supply schemes by water user entities and private sector investments using provisions of the Local Government Authority Acts
- To monitor and facilitate protection and conservation of catchment areas for enhanced water quality and quantity
- To co-ordinate sector development at district level
- To facilitate participatory monitoring and evaluation at district and community levels

## APPENDIX 16

### Critical key sustainability risk areas

## INSTITUTIONAL ISSUES

- 1 WSC structure
  - 1 1 legal framework
  - 1 2 organisational framework
  - 1 3 roles and responsibilities Members
  - 1 4 capabilities of organisation (e.g. absorption capacity)
  - 1 5 election procedure Members
- 2 BoD credibility
  - 2 1 election procedure BoD
  - 2 2 roles and responsibilities BoD
  - 2 3 term and procedure to "sack" Directors
  - 2 4 average function-period present Directors
  - 2 5 separation of powers BoD and executives
  - 2 6 trust from Members Committees and users
  - 2 7 responsiveness to complaints/problems
- 3 WSC Personnel
  - 3 1 Recruitment procedure
  - 3 2 Task description and mandates
  - 3 3 Management capacity: qualification and skills
  - 3 4 Overall staff capacity in number (Sufficiency/efficiency)
  - 3 5 Salary level and other incentives
  - 3 6 Teamwork or authoritarian/shared values
  - 3 7 Occurrence of conflicts
- 4 Management style
  - 4 1 Decision-making process
  - 4 2 Communication between Directors (horizontal)
  - 4 3 Communication with Members
  - 4 4 informal communication with Committee and users
  - 4 5 relationship between manager and other staff
  - 4 6 learning attitude and flexibility
  - 4 7 Transparency and accountability attitude
- 5 Management system/processes
  - 5 1 Availability of operational guidelines and their use
  - 5 2 staff's Work quality control-procedures
  - 5 3 business plan available (investment/ management plan)
  - 5 4 Yearly Plan of Operations
  - 5 5 Monitoring procedures for improved planning
- 6 WUG and Committee
  - 6 1 Roles and responsibilities of Committee
  - 6 2 Appreciation of responsibilities/ tasks Committee
  - 6 3 Election process of Committee
  - 6 4 Communication between Committee and users
- 7 Networking, collaboration and external advisory support and assistance
  - 7 1 Availability of private sector for technical skills
  - 7 2 Availability of private sector for spares
  - 7 3 Availability of advisers/expertise (managerial, organisational, financial and funding, technical)
  - 7 4 availability of training opportunities

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## COMMUNITY/SOCIAL ISSUES

- 1 Demand-driven project and participation and gender
  - 1 1 scheme history initiative, demand-driven and community inputs
  - 1 2 good information/clarity on payment for water during planning/construction
  - 1 3 enthusiastic users' participation/ co-operation during planning/construction
  - 1 4 participation in present O&M
  - 1 5 gender specificity during planning, in meetings, decision-making, representation, management, training
  
- 2 Community/political dynamics
  - 2 1 sanctions and social peer pressure on defaulters
  - 2 2 attitude/support of village politicians
  - 2 3 attitude/support of ward/district politicians
  - 2 4 attitude/support of (traditional and formal) opinion leaders
  
- 3 Ownership, commitment and trust
  - 3 1 ownership clear and accepted
  - 3 2 trust towards elected cadres
  - 3 3 willingness to pay
  
- 4 Communication
  - 4 1 communication between WSC and village, ward and district politicians (systems and channels)
  - 4 2 Frequency of meeting with Committee/Members
  
- 5 Functionality system
  - 5 1 Population growth
  - 5 2 water source reliable
  - 5 3 water adequate in quantity and quality
  - 5 4 functionality 1
  - 5 5 functionality 2
  - 5 6 functionality DWP
  
- 6 Usage, benefits and appreciation
  - 6 1 only domestic or also for business and even for productive purposes
  - 6 2 expressed benefits
  - 6 3 expressed appreciation of service levels and other benefits
  - 6 4 non-coverage (utilisation)
  - 6 5 availability of reliable water supply alternatives
  
- 7 Economic base
  - 7.1. eligible to pay
  - 7 2 ability to pay
  - 7 3 economic base 1
  - 7 4 economic base 2
  - 7 5 water from scheme available for productive use (irrigation)



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## FINANCIAL ISSUES

- 1 Financial procedures
  - 1 1 using advised financial formats and manuals (or similar acceptable)
  - 1 2 following advised financial guidelines/regulations
  - 1 3 following financial procedures and controls
  - 1 4 fee collection procedure and quality
- 2 Financial management
  - 2 1 Availability of yearly auditor's report
  - 2 2 yearly budget and quality
  - 2 3 discrepancy budget/expenditures
  - 2 4 criteria for tariff setting (for DWPs and private connections-tariffs)
  - 2 5 enforcement of defaulters
- 3 Financial performance
  - 3 1 Income/expenditure 98/97/96
  - 3 2 Profit/loss 98/97/96
  - 3 3 Balance 98/97/96
  - 3 4 Tariff collection ratio (private connections and DWPs)
  - 3 5 Liquidity 98/97/96
  - 3 6 Efficiency in O&M 98/97
  - 3 7 Efficiency in personnel 98/97
  - 3 8 reserves for future 98/97
- 4 Accountability
  - 4 1 Safety valves against funds misappropriation (cash custody/bank depositing)
- 5 Transparency and reporting
  - 5 1 financial reporting and quality
- 6 Access to alternative financing
  - 6 1 Access to bank credits (overdrafts)
  - 6 2 Loan trustworthy
  - 6 3 Access to loans and grants

**APPENDIX 17**

**Compiled results from SWOT meetings**

## COMPILED RESULTS FROM SWOT MEETINGS

## WEAKNESSES

### IKELA WATER SUPPLY COMPANY (Mkamba – Kidatu)

#### SATISFACTION/APPRECIATION (SERVICE LEVEL AND FUNCTIONING OF SYSTEM)

1. water quality is not good: unsafe (causes typhoid and salty in dry season, and has cement taste) (4x)
2. water quantity low during some hours (4x)

#### OWNERSHIP/TRUST

3. users do not know who is owner of WSC (4x); several see BoD as owners (2x) (they are appointed owners)
4. not much trust in BoD (5x) and in WUG Committee (2x)

#### BoD AND MANAGEMENT STRUCTURE AND FUNCTIONING

5. BoD members are not skilled enough and they are not confident to efficiently run WSC as business: no job description for BoD and management
6. double role of directors: executive and director: reduces accountability and transparency
7. BoD does not meet regularly with WSC members on WSC affairs; BoD is weak in convincing Members and users
8. No regulations and guidelines for management operations (e.g. due delay in response to requests for private connections; too frequent and ineffective BoD meetings; unclear employment conditions of fundis; favouritism in employment; type&level of incentives for BoD)
9. BoD puts social pressure on users to pay and be responsible but users want to have more say

#### COMMUNICATION AND REPORTING

10. distance between users and BoD is too big; no regular meetings and poor communications with users (or Committees) (6x); also no communication to Village Government
11. no transparency through reports on financial issues: income/expenditures to users (6x); unclear how water tariff was calculated; present tariff was set under pressure by KSC (3X)

#### FINANCIAL ISSUES

12. low willingness to pay water charges of TSh 200/household (4x)
13. water fee collection is unclear and very poorly done (2x); users renting rooms may pay twice (to landlord and to Committee if private connection does not give water) (2x); misuse of owners with private or business connection: they sell water
14. too big dependency on payment from KSC
15. poor financial management: insufficient reserve for future replacements etc.; operational costs are too high; operations are not efficient; BoD misuses funds because of too high expenditures on seating allowances of BoD (too many meetings)

#### WSC MEMBERS

16. Members do not know their roles and responsibilities towards WSC (re. legal/operational issues); Members are only used as messengers to inform users on BoD decisions

#### WUG COMMITTEES

17. WUG Committee elections are poorly performed; members are not serious; they do not know their roles and responsibilities and users do not know it either; Committees do not meet regularly with users (3x); only on O&M of DWP and few users come to Committee meetings (2x); WUG does not have budget for DWP maintenance; no training WUG Committees on roles/responsibilities

#### O&M AND TECHNICAL ISSUES

- 18 No. of skilled fundis is too limited and therefore O&M not promptly (late) done and not of good workmanship resulting in poor condition of DWPs; no certification by users/committees of work done by the fundis

## COMPILED RESULTS FROM SWOT MEETINGS

## STRENGTHS

### IKELA WATER SUPPLY COMPANY (Mkamba – Kidatu)

#### SATISFACTION/APPRECIATION (SERVICE LEVEL AND FUNCTIONING OF SYSTEM)

1. Safe and sufficient water for domestic and productive use lead to reduction of water-related diseases (7x); increased number of DWPs; water is close to homesteads (2x)

#### OWNERSHIP/TRUST

2. DWP owned by users(3x)

#### BoD AND MANAGEMENT STRUCTURE AND FUNCTIONING

3. good overview of all defaulters
4. skilled management and staff: skilled manager, qualified accountant and good, qualified fundis (fundis 3x)
5. BoD commitment to deliver a good service

#### FINANCIAL ISSUES

6. prompt payment by KSC (3x) and private connections
7. people understand that water is not free of charge
8. willingness to pay for water (4x) although the awareness for payment is increasing still
9. ability to pay tariffs (2x)

#### WUG COMMITTEES

10. committees and members co-operate well
11. committee members willing to manage DWPs and they are strong (2x)

#### O&M AND TECHNICAL ISSUES

12. technical problems well known by BoD
13. O&M promptly done by qualified fundis and BoD (4x)

#### OTHER ISSUES

14. participation of women in cleaning DWP (3x), and men and women participated in digging trenches and laying pipes (5x)
15. Committees are consisting of both men and women

## COMPILED RESULTS FROM SWOT MEETINGS

## THREATS

### IKELA WATER SUPPLY COMPANY (Mkamba – Kidatu)

1. Water source is insufficient during dry season and water quality is poor (4x)
2. Intake is in National Park and WSC does not have ownership over source and surroundings; source is owned by TANAPA; threatening environment (snakes, bushes etc.) going to intake in National Park prevents fundis to do needed O&M of intake
3. DWSP hands over all assets and management responsibilities to Ikela WSC (2x)
4. KSC uses other water sources than the Ikela WSC, KSC develops owns wells because of fear that Ikela can not supply enough water to them; KSC pulls out because of inefficiency of WSC
5. MP and Councillor are not adequately supportive to WSC; there is insufficient communication between BoD and MP and Councillor; poor communication between users and MP and Councillor; MP's advice to WSC is based on wrong perception
6. Poor communication between Village Government and BoD, which leads to VG informing people not to pay (as they contributed free labour during construction) (2x); politicians look at their own interest only (get votes) and to gain popularity they advice people not to pay for water
7. District support has to be paid for in future
8. District and regional advisers give contradicting advice/information to users
9. Poor economic base for majority of users and so many users do not have financial capacity to pay the monthly water fee (4x), particularly now so many taxes have to be paid and young girls do not easily get paid jobs
10. Important spare parts for the pipeline are not locally available
11. Spare parts become very expensive
12. Awareness training on payment etc does not reach the target group
13. Poor workmanship by external contractors and inadequate supervision by consulting engineers (e.g. DWE)

## COMPILED RESULTS FROM SWOT MEETINGS

## OPPORTUNITIES

### IKELA WATER SUPPLY COMPANY (Mkamba – Kidatu)

1. Good and reliable source of water
2. Good demand for water services and many requests for private connections
3. Continued support from the donor-supported DWSP (financial and advisory) (4x)
4. Continued technical (work supervision and certification) and advisory assistance (for organisational issues) from district council as also Ikela WSC communicates adequately with district council
5. Good relationship with KSC and they give technical assistance in major repairs and other civil technical activities
6. Village Government is able to mobilise the people for community work (as was done in the construction phase) and supports work of WSC (BoD and WUG Committees); (Village Chairman is invited in WSC Board meetings)
7. Private sector can supply all spare parts needed
8. Educational status sufficient to accept payment and to have trust in WSC

## APPENDIX 18

### Methodology and programme for workshops

## METHODOLOGY AND PROGRAMME FOR WORKSHOPS WITH ALL STAKEHOLDERS OF WSCs

### Objectives of the workshop:

- To validate the information collected during the SWOT discussions in the villages
- To reach consensus on priority setting of most important strengths, weaknesses, opportunities and threats
- To utilize prioritised SWOTs to formulate strategies to overcome weaknesses and threats by using opportunities and strengths

### Basic Question

How to improve the sustainability of the water supply services to the users and the functioning/performance of the Water Supply Company?

### Focus of the analysis

The Water Supply Company WSC

### Workshop Methodologies

- Group discussions and presentations
- Plenary discussions
- SWOT – Strategic orientation

### Programme

Component	Time needed	output	Who		
			Fac	Co-fa	Rapp
1 Get organised	15 min				
2 Introduction	30 min				
3 Strengths and Weaknesses	2h15min	Consensus on 5 most important S and 5 most important W			
1. lists of S and W, plus clarifications	1. 5				
2. Explain methodology for groupwork	2. 5				
3. Groupwork S&W	3. 45				
4. Plenary presentations S	4. 10				
5. Plenary discussion S	5. 30				
6. Plenary presentation W	6. 10				
7. Plenary discussion W	7. 30				
4 Opportunities and Threats	1h10min	Consensus on 5 most important O and 5 most important T			
1. lists of O and T, plus clarifications	1. 5				
2. Explain methodology for groupwork	2. 5				
3. Groupwork O&T	3. 20				
4. Plenary presentations O	4. 5				
5. Plenary discussion O	5. 15				
6. Plenary presentation T	6. 5				
7. Plenary discussion T	7. 15				
5 Recommendations: strategies and activities; BoD and Nembers only	1h35min	Indication of main strategies to overcome weaknesses and threats			
1. introduction	1. 15				
2. indicate strategies using opportunities to overcome weaknesses	2. 40				
3. indicate strategies using strengths to overcome threats	3. 40				
4. Closure	5 min				



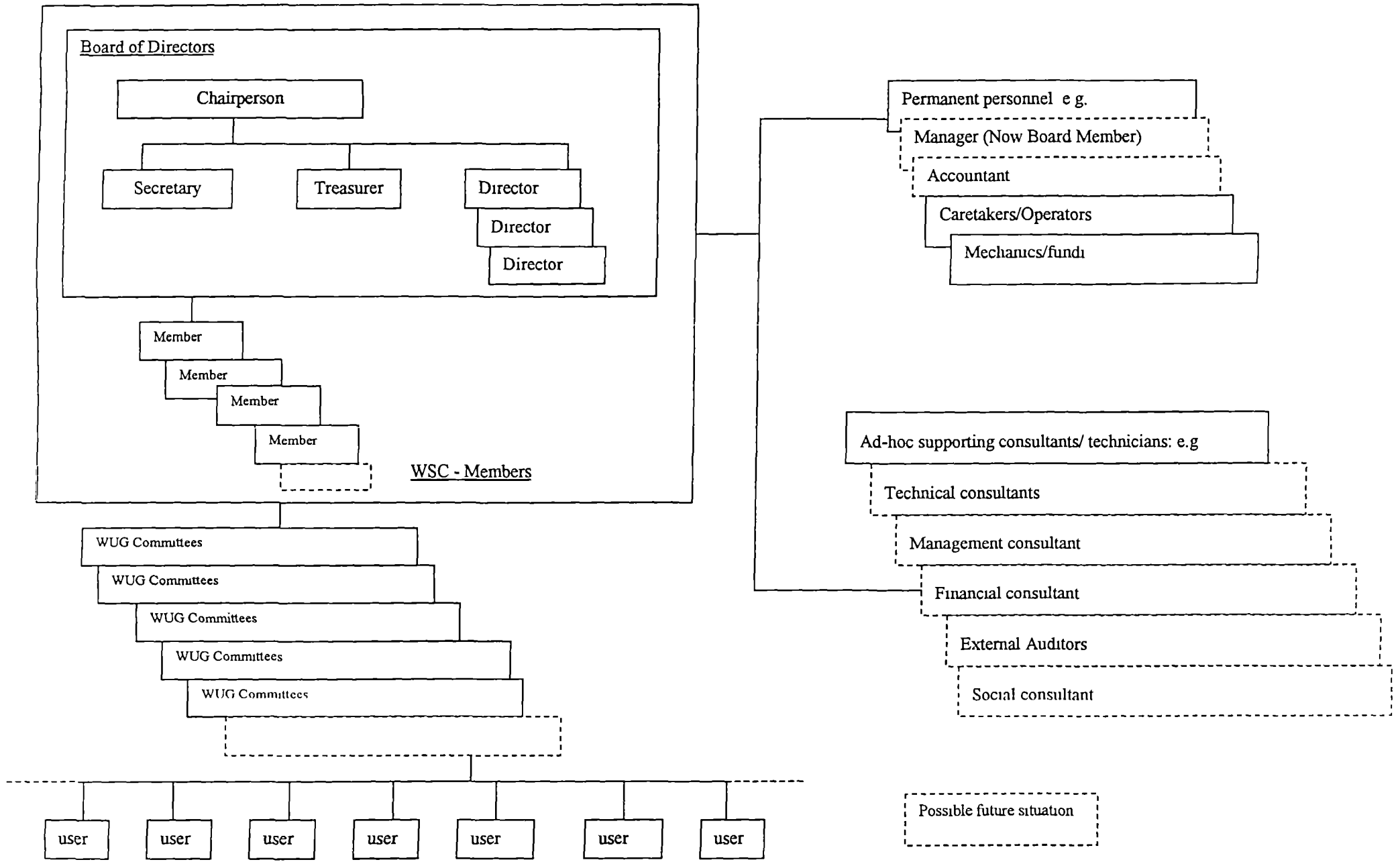
## FIGURES

- Figure 1 Organisation structure of Water Supply Company
- Figure 2 Spheres of influence on sustainability of WSCs
- Figure 3 Relations between WSC and main stakeholders
- Figure 4 Sustainability factors for the WSC
- Figure 5 Technical system and service delivery of the WSCs
- Figure 6 Relation between IKELA WSC and various actors as perceived by District  
functionaries
- Figure 7 Relations between IKELA WSC and various actors as perceived by BoD
- Figure 8 Integrated organisation model (IOM) Water Supply Company IKELA

**FIGURE 1**

**Organisation structure of Water Supply Company**

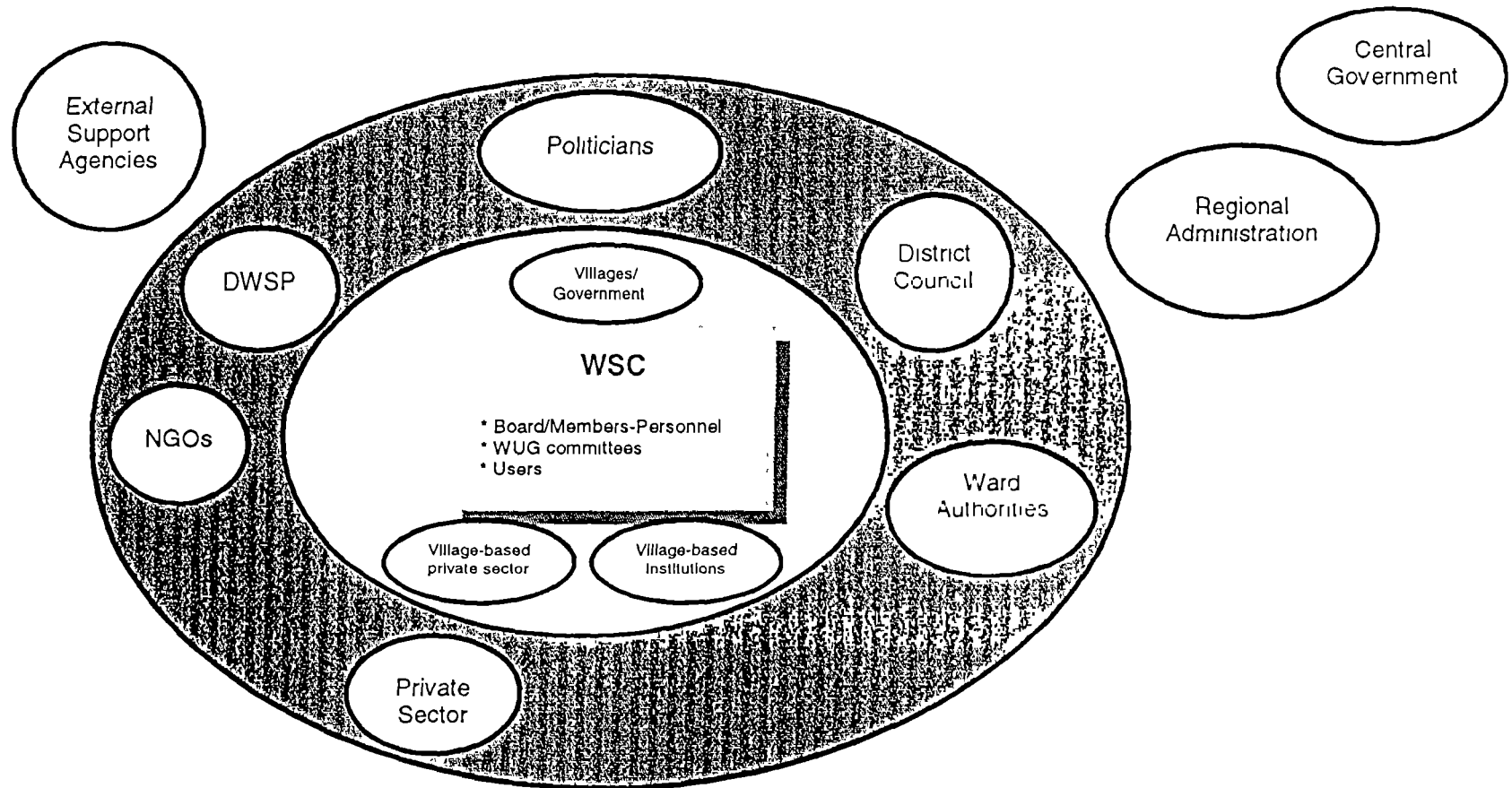
# ORGANIZATION STRUCTURE AND MANAGEMENT OF WATER SUPPLY COMPANY



**FIGURE 2**

**Spheres of influence on sustainability of WSCs**

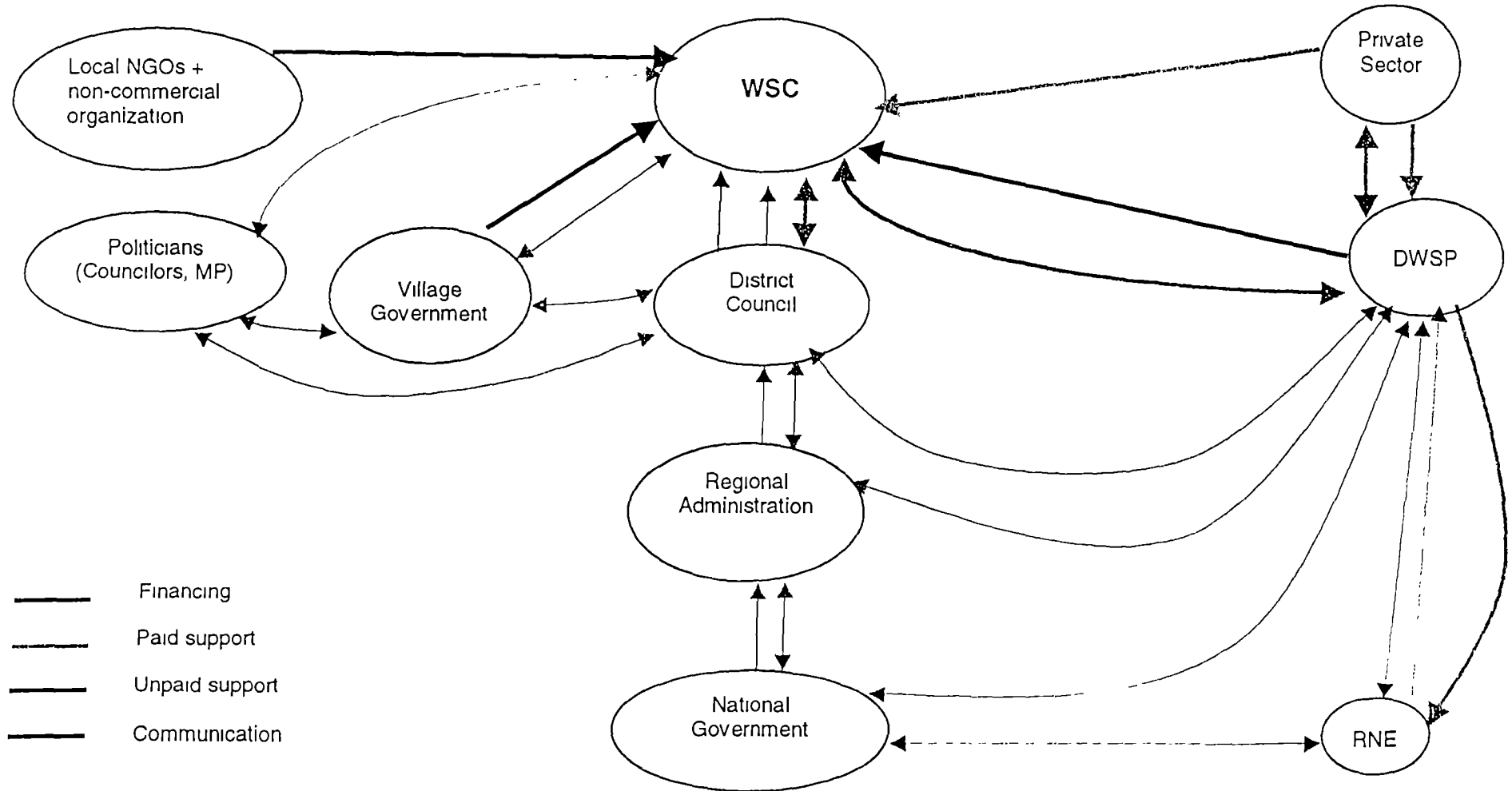
SPHERES OF INFLUENCE ON SUSTAINABILITY OF WSCs



**FIGURE 3**

**Relations between WSC and main stakeholders**

# RELATIONSHIP BETWEEN WSC AND MAIN STAKE HOLDERS

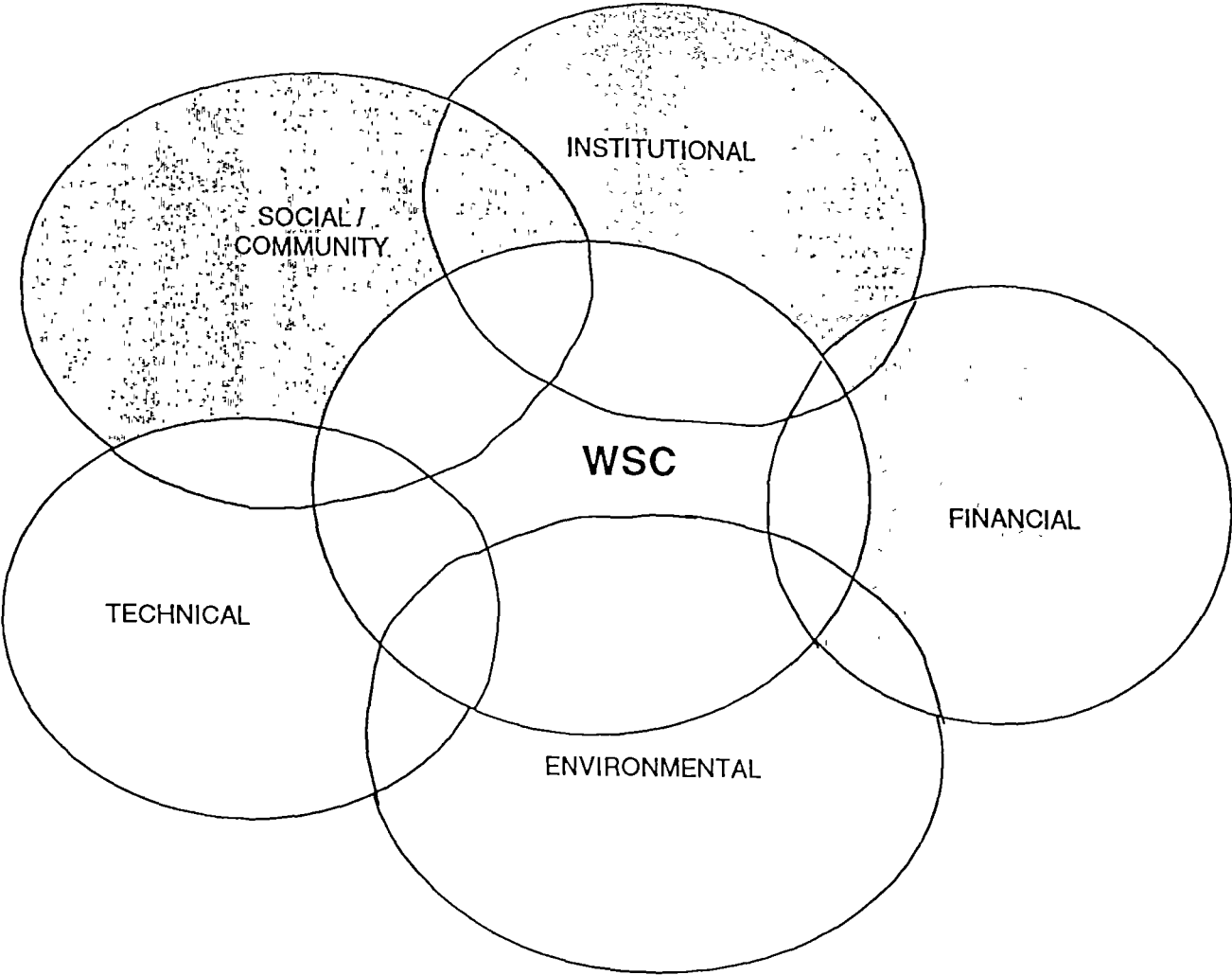


**FIGURE 4**

**Sustainability factors for the WSCs**

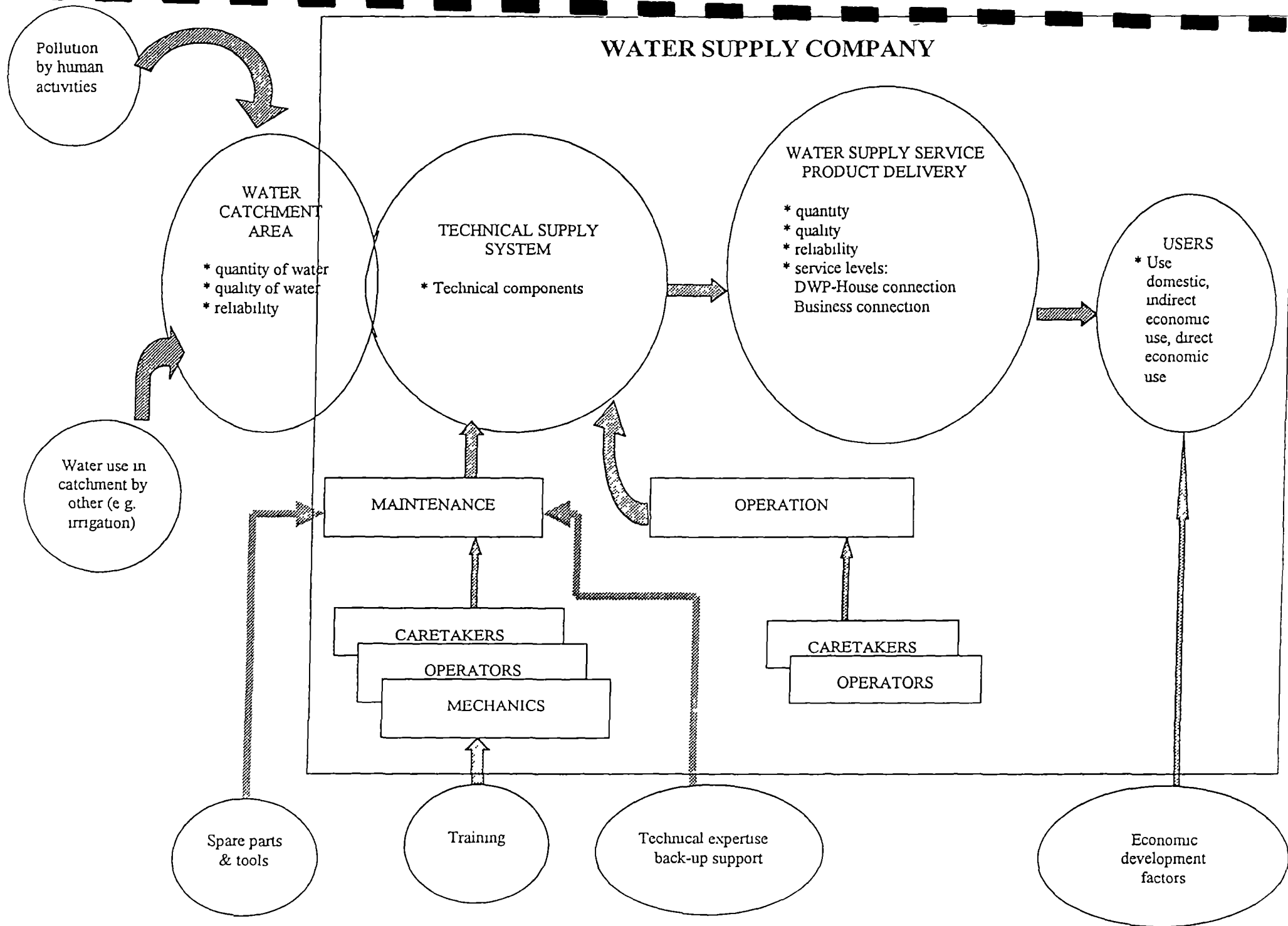


SUSTAINABILITY FACTORS  
FOR THE WSCs



**FIGURE 5**

**Technical system and service delivery of the WSCs**



**FIGURE 6**

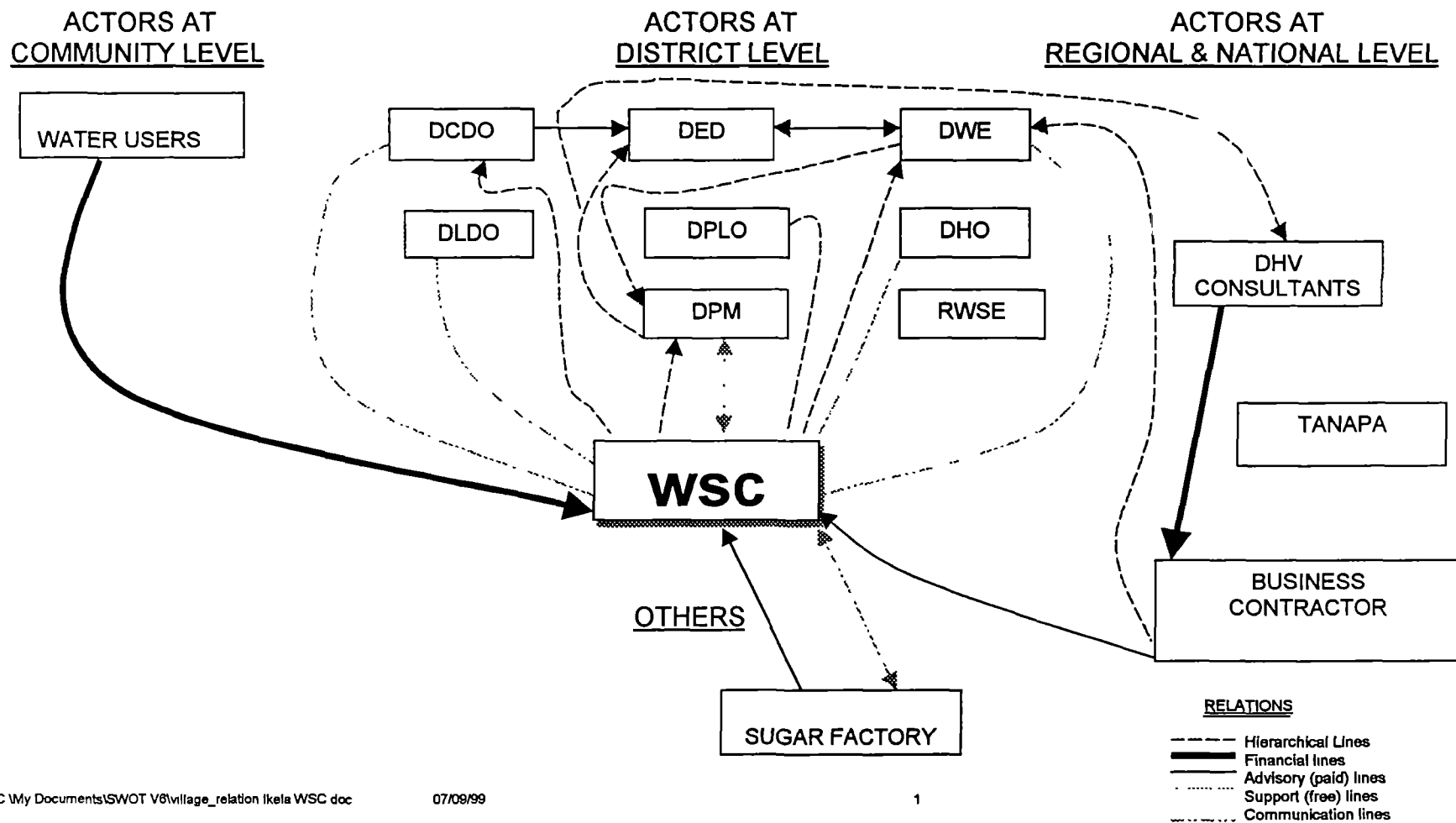
**Relations between IKELA WSC and various actors  
as perceived by District functionaries**

### INSTITUTIogramme: RELATIONS BETWEEN IKELA WSC AND VARIOUS ACTORS AS PERCEIVED PERCEIVED BY DISTRICT FUNCTIONARIES

Date: 24/5/99

Scheme: IKELA

Village: MAKANGA, KIDATU, SUMBUGULU & KI + KII KSC



**FIGURE 7**

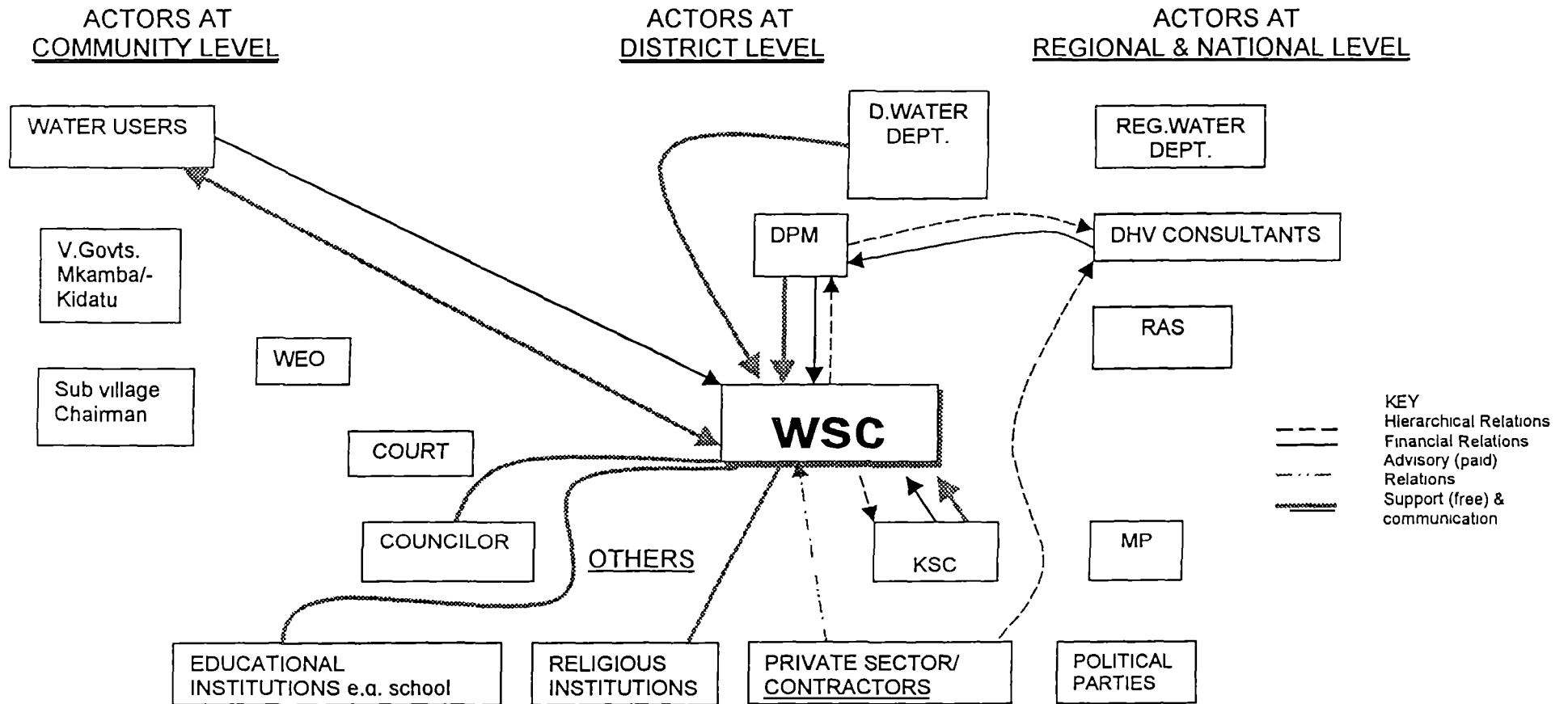
**Relations between IKELA WSC and various actors  
as perceived by BoD**

### INSTITUTIIOGRAMME: RELATIONS BETWEEN IKELA WSC AND VARIOUS ACTORS AS PERCEIVED BY BOD

Date: 24/5/99

Scheme: IKELA

Village: MAKANGA, KIDATU, SUMBUGULU & KI + KII KSC

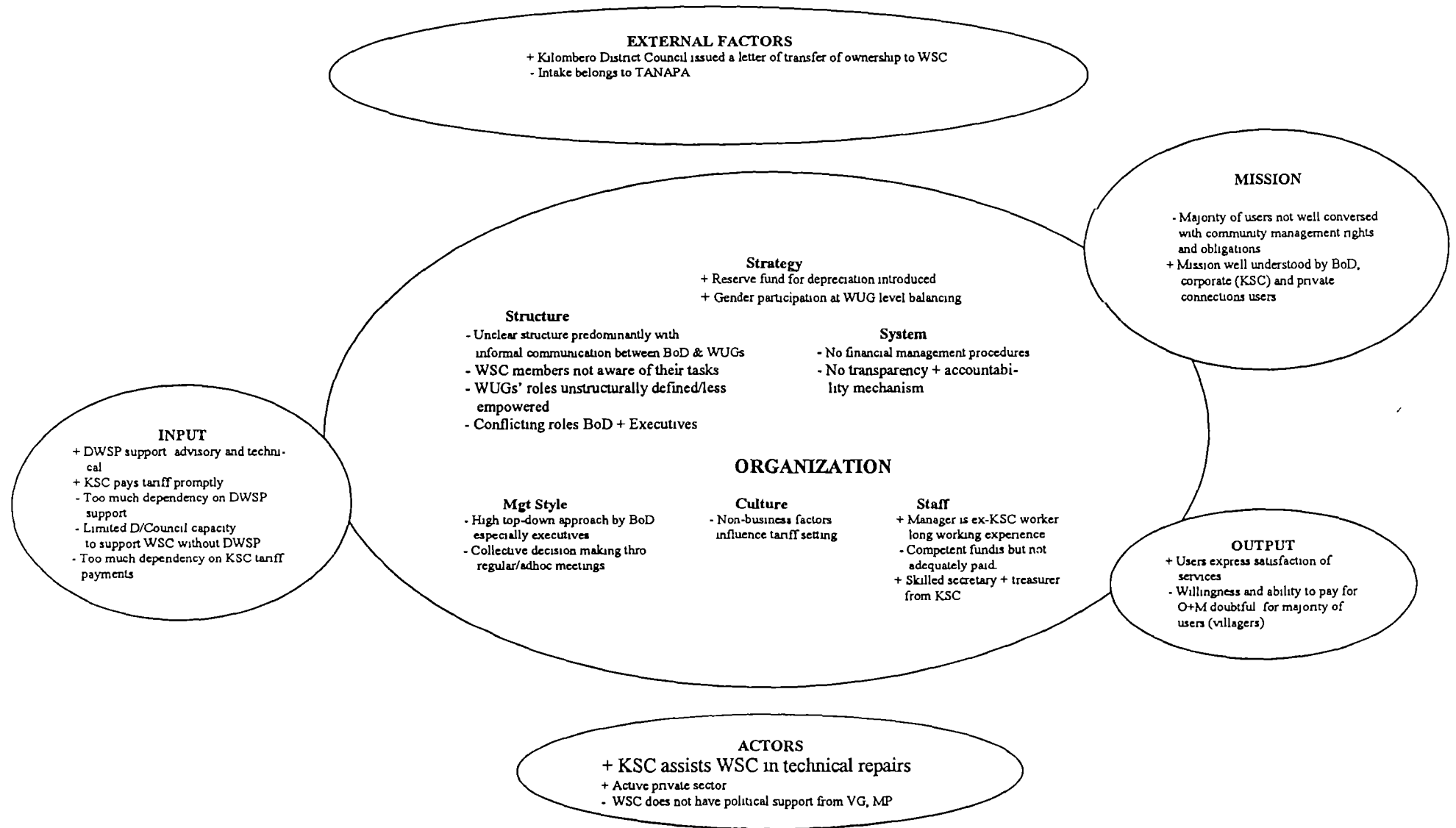


**FIGURE 8**

**Integrated Organisation Model (IOM)  
Water Supply Company IKELA**

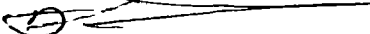


# INTEGRATED ORGANIZATION MODEL (IOM) WATER SUPPLY COMPANY: IKELA



**KEY**  
 + Positive elements  
 - Negative elements

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Client	Royal Netherlands Embassy Dar es Salaam Tanzania
Project	SWOT Report
Length of report	37 pages
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Date	31 August 1999
Authorisation	

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