

Water prices in Dar es Salaam

Do water kiosks comply with official tariffs?



Introduction

In Dar es Salaam 38% of households get their water from wells or water vendors, while 62% use tap water. Of these, 8% have their water piped into their homes, 38% obtain tap water from their neighbors and 16% collect tap water from a public water distribution point, often referred to as water kiosk or public standpipe (HBS 2007). What do these people, who go to water kiosks and public standpipes, pay for their water?

The Dar es Salaam Water and Sewage Corporation (DAWASCO) is the sole provider of piped water in Dar es Salaam. To oversee DAWASCO and to make sure DAWASCO does not overcharge for the water it provides, the Energy and Water Utilities Regulatory Authority (EWURA) prescribes at what price water may be sold. For people with their own water meter, the price is set at 0.637 shillings per liter. For people who rely on public standpipes and water kiosks the tariff is 20 shillings per 20 liter or the equivalent of 1 shilling per liter. The latter tariff was set on June 10th 2010 through EWURA order no: 10-017. In the same order, EWURA directed DAWASA, the owner of the water kiosks in Dar es Salaam, to ensure that effective June 30th 2010 the new price was posted at every kiosk. The EWURA order was published in national newspapers (Figure 1).

In August 2010, 4-6 weeks after the EWURA order became effective, Uwazi visited 40 randomly selected water kiosks located in three districts of Dar es Salaam. The aim of these visits was to take a picture of the kiosk, to identify the price charged and to assess whether the EWURA order was publicly displayed. In this brief we present four key facts derived from these visits. They demonstrate that the EWURA order is not followed; the official tariff notice was not on public display; and water was often sold at more than seven times the tariff set by EWURA.



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These facts are reason for concern. They show that orders of the regulator are ignored, and indicate that water may be unaffordable for poor households who pay much more than those who receive piped water directly into their homes. The brief concludes with a call to improve oversight by the relevant authorities to ensure that water at public points remains affordable to all.

Figure 1: EWURA order no 10-017 regarding water at public standpipes



In the matter of a Tariff Review by
 "THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY" ("EWURA")
 For a Tariff Adjustment for Standpipes/Kosks in DAWASCO Operational Area

ORDER No.10-017
 (Issued under Section 17 of the EWURA Act, CAP 414)

On 24th May, 2010 residents of Kimara in Dar es Salaam raised complaints on high water charges which at times goes up to TZS 500 per 20liters bucket as compared to charges which were directed by DAWASCO of not more than TZS 20 per 20 liters bucket at Public Standpipes. The complaints were raised to the President of the United Republic of Tanzania during his tour in various Dar Es Salaam areas to inspect the situation of water supply services.

The tariff of TZS 20 per 20 liters which was directed by DAWASCO is equivalent to TZS 1,000 per cubic meter as against a tariff of TZS 637 per cubic meter (equivalent to TZS 12.37 per 20 liters bucket) which was approved by EWURA. The reason advanced by DAWASCO for not abiding to the approved tariff was that; the approved tariff of TZS 12.74 per 20 litre bucket is not practicable due to non availability of small currency denominations and therefore the tariff was rounded up TZS 20 per 20 liters bucket and the difference was retained by Standpipe Agents as a profit margin. EWURA found that there is a sense in rounding up to a tariff of which customers can easily get the currency for purchasing water in bucket units but observed that, DAWASCO was obliged to request for the tariff from EWURA. In view of the foregoing, it was obvious that a tariff review was necessary and therefore EWURA instituted the Inquiry process.

In the analysis of the tariff review, EWURA has taken into consideration, among other things, the terms in the Lease Agreement between DAWASA and DAWASCO, a letter from EWURA ref. EWURA/44/2/59 addressed to DAWASA and copied to DAWASCO, a reply letter ref. no. DAWASCO/DAW/35/VOL VII/292 from DAWASCO to EWURA and comments and clarifications provided during the consultation process.

A consultative process involving the Consumer Consultative Council (CCC) and the Government Consultative Council (GCC) took place on 2nd June 2010 and 3rd June 2010 respectively and on both meetings DAWASA and DAWASCO representatives were invited to provide clarifications.

Both CCC and GCC were of the opinion that, although a tariff of TZS 12.74 per 20liters bucket is not practicable, DAWASCO should have sought EWURAs approval before directing Standpipe customers to charge not more than TZS 20 for 20 liters bucket. Both CCC and GCC further recommended to EWURA, to round up and approve a tariff of TZS 20 per 20 liters bucket, which constitute readily available currency denominations. Furthermore, both CCC and GCC advised both DAWASCO and EWURA to monitor the tariff being charged at public Standpipes/ Kiosks. Lastly, the Consumers Consultative Council


advised EWURA to ensure that, in future, the approved tariff for a 20 liters bucket at public Standpipes/Kiosks is in readily available currency denominations.


As a result of the Inquiry, EWURA concluded that, the approved tariff by EWURA of TZS 12.74 per 20 liters bucket is not easily implementable.

The Board of Directors of EWURA having met on 8th June, 2010 to consider the tariff review for public Standpipes/Kiosks decided as follows;

- 1.0 The Board approves a water tariff of TZS 20 per 20 liters bucket /container at all public standpipes operated by DAWASCO with effect from 15th June 2010;
- 2.0 With effect from 15th June, 2010, DAWASA shall ensure that DAWASCO sets aside funds obtained from the difference between the old approved tariff of TZS 12.74 and the new tariff of TZS 20 per 20 liters bucket at Public Standpipes for the construction of Public Standpipes in Peri-urban areas;
- 3.0 On or before 30th June 2010, DAWASA shall ensure that DAWASCO presents the implementation plan for the construction of Public Standpipes referred to in item 2.0 to EWURA for approval;
- 4.0 DAWASA shall ensure that DAWASCO submits quarterly implementation reports of the project referred to in item 3.0 latest 30 days after the end of each quarter;
- 5.0 On or before 30th June 2010, DAWASA shall ensure that DAWASCO posts the approved tariff at each standpipe; and
- 6.0 On or before 30th June 2010, DAWASA shall ensure that DAWASCO sign agreements with local government authority in each locality having standpipes, so as to give them responsibility of making sure that Standpipes/Kiosks customers are not overcharged.

This Order shall take effect from 15th June 2010.


 Dr. Geoffrey Mariki
 Deputy Chairman of the Board
 of Directors
 EWURA


 Haruna Masebu
 Director General
 EWURA

Dar es Salaam 8th June, 2010

Source of data: The Citizen, 10 June 2010.

Fact 1: Many water kiosks are not functioning

For this exercise Uwazi randomly selected 40 water kiosks out of a data base of 185 kiosks in Dar es Salaam. Of these many were found to be completely non-functional, that is no water could be obtained. Of the kiosks visited, 25 were functional and 15 were dysfunctional. At times the dysfunctional kiosks were used as dumping places for garbage. In other instances the kiosks were located in areas where there was ongoing road expansion.

Figure 2: Examples of dysfunctional water kiosks in Dar es Salaam



Keko Mwanga B



Near Loyola High School



Kigogo Luhanga Azimio St.

Even for functional kiosks, operations were not optimal. Operators were often not present and in many parts of Temeke, kiosks would only open during the night when the water pressure is enough to pump water.

The visits also revealed a remarkable number of kiosks that were rented out at a monthly fee by local government to business persons. This may create a conflict of interest since local government is also responsible for monitoring the price of water at standpipes and water kiosks according to the EWURA order:

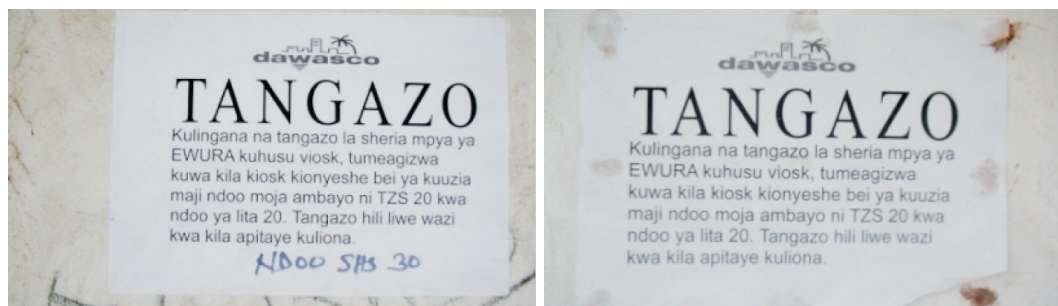
On or before 30th June 2010, DAWASA shall ensure that DAWASCO signs agreements with local government authority in each locality having standpipes, so as to give them responsibility of making sure that Standpipe/Kiosk customers are not overcharged. – EWURA order no. 10-017

Fact 2: The tariff notice is not publicly displayed

EWURA order no. 10-017 announced a new tariff for water bought at standpipes and kiosks. It further stipulated that:

On or before June 30th 2010 DAWASA shall ensure that DAWASCO posts the approved tariff at each standpipe.

Figure 3: Notices of the new water tariff at water kiosks

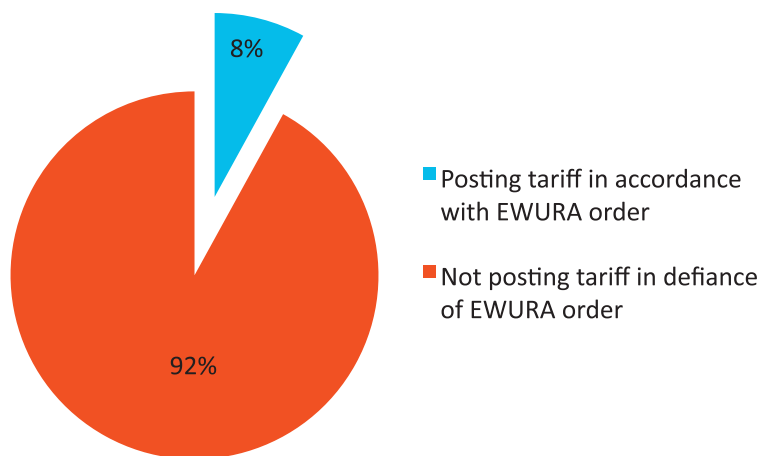


Tip Top

Ubungo Maziwa

Of the 25 functional water kiosks visited, only two abided with this order, Ubungo Maziwa and Tip Top, while the vast majority was observed not to display the notices. Though Ubungo Maziwa and Tip Top gave notice of the new tariff, however, they charged more for water than is allowed. Ubungo Maziwa was ‘closed’ to people who wanted to buy water at 20 shillings. Instead water was sold at 100 shillings for 20 liters to people who agreed to that price. At Tip Top buckets of 10 and 20 liters were sold at a flat rate of 30 shillings per bucket.

Figure 4: Water kiosks (not) following EWURA’s order to publicly display the official water tariff (n=25)



Fact 3: All kiosks charged more than the official tariff

The EWURA order stipulates that:

The Board approves a water tariff of TZS 20 per 20 liters bucket / container at all public standpipes operated by DAWASCO with effect from 15th June 2010.

None of the 25 functional kiosks in our sample charged this tariff. In fact, all asked more and some charged significantly above the set rate.

Figure 5: Prices announced at different water kiosks

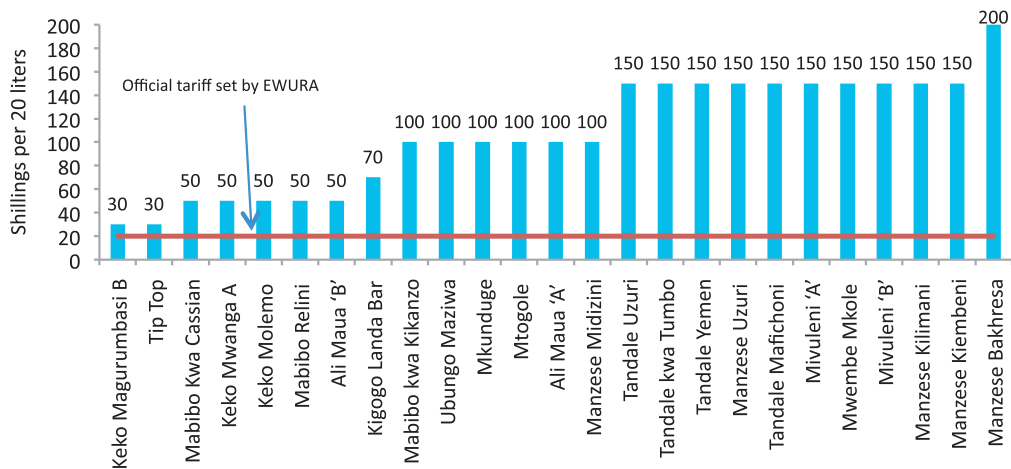


Tandale kwa Tumbo

Keko Magurumbasi

The lowest price demanded for 20 liters was 30 shillings, at two water kiosks, Tip Top and Keko Magurumbasi. These kiosks, while charging 50% more than the official tariff were by far the cheapest amongst the kiosks visited by Uwazi. The next lowest price asked was 50 shillings, charged by five kiosks. At the other end of the spectrum, ten of the twenty five kiosks asked 150 shillings for a 20 liter bucket of water (650% more than the official tariff), and one kiosk, located at Manzese Bakhresa, even demanded 200 shillings.

Figure 6: Prices charged at various water kiosks for 20 liters



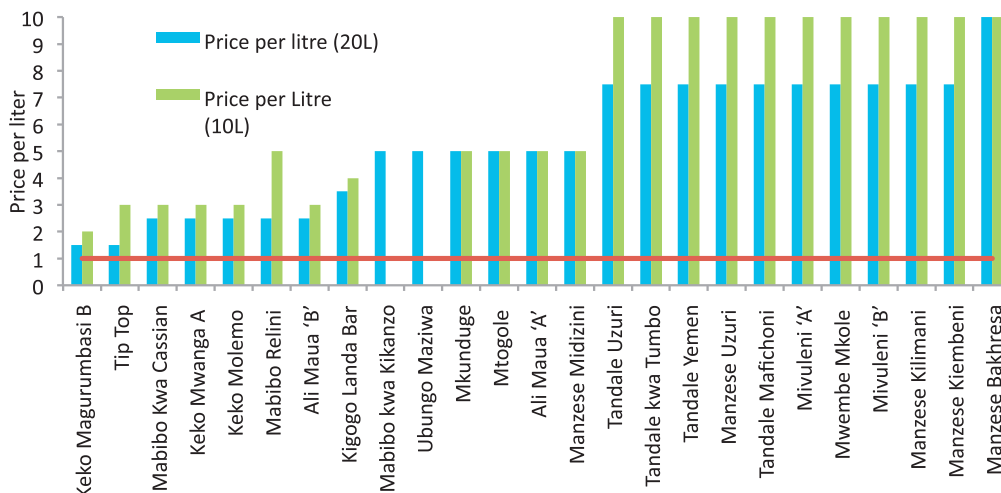
Fact 4: Water collected in 10 liter buckets costs much more

By stipulating a price of 20 shillings for 20 liters, the logical inference is that water at a standpipe or kiosk should not cost more than 1 shilling per liter.

The EWURA order, however, does not mention water collected in smaller quantities. This may be an oversight since many people prefer to get water in 5 or 10 liter containers as these are easier to carry. The majority of kiosks have a separate price for water collected in a 10 liter bucket. As Figure 7 demonstrates, such water is typically more expensive than water collected in 20 liter buckets.

For people collecting water in 10 liter containers, water is extremely expensive. In almost half the kiosks visited by Uwazi, citizens pay 10 shillings per liter, 10 times the price order by EWURA. In the least expensive kiosk, Keko Magurumbasi, one could buy 10 liter of water at the tariff for a 20 liter bucket: 20 shillings.

Figure 7: Price per liter charged for 10 and 20 liter containers respectively



Conclusion

This brief has considered prices charged for water at a randomly selected sample of twenty five water kiosks in Dar es Salaam. Findings reveal that the official tariff of 20 shillings per 20 liter set by EWURA is not followed. None of the visited kiosks charged this price and many charged seven-times or even ten-times as much.

The visits identified a number of additional areas of concern. Many kiosks are not functioning or have limited opening hours. We found that local authorities, who are charged with overseeing adherence to the official tariff, face a conflict of interest as several of them themselves also rent out kiosks to operators, who need to charge a high price for water if they want to recoup the rent they have to pay. And many customers

preferred or could only afford to buy water in 5 liter or 10 liter containers, quantities for which no official tariff has been set.

It is sobering to find that EWURA regulations are so blatantly and widely ignored. Clean, affordable water is a necessity, and it is of importance that local authorities who are charged with verifying that EWURA's orders are followed do their job. Until that happens, EWURA itself may have to increase its oversight over DAWASCO to ensure that piped water remains affordable to all.

Figure 8: Kiosk at Manzese Uzuri



Annex 1: Kiosks visited and prices charged

| Name | Price of 20 liter | Price of 10 liter | Public notice displayed |
|--------------------|-------------------|-------------------|-------------------------|
| Mabibo Kwa Cassian | 50 | 30 | No |
| Mabibo kwa Kikanzo | 100 | | No |
| Keko Magurumbasi B | 30 | 20 | No |
| Keko Mwangi A | 50 | 30 | No |
| Keko Molemo | 50 | 30 | No |
| Kigogo Landa Bar | 70 | 40 | No |
| Mabibo Relini | 50 | 50 | No |
| Ubungo Maziwa | 100 | | Yes |
| Tandale Uzuri | 150 | 100 | No |
| Tandale kwa Tumbo | 150 | 100 | No |
| Tandale Yemen | 150 | 100 | No |
| Mkunduge | 100 | 50 | No |
| Mtogole | 100 | 50 | No |
| Ali Maua | 100 | 50 | No |
| Manzese Uzuri | 150 | 100 | No |
| Ali Maua | 50 | 30 | No |
| Tandale Mafichoni | 150 | 100 | No |
| Mivuleni | 150 | 100 | No |
| Mwembe Mkole | 150 | 100 | No |
| Mivuleni | 150 | 100 | No |
| Manzese Bakhresa | 200 | 100 | No |
| Manzese Kilimani | 150 | 100 | No |
| Manzese Midizini | 100 | 50 | No |
| Manzese Kiembeni | 150 | 100 | No |
| Tip Top | 30 | 30 | Yes |

Source of data: Uwazi water kiosk survey.