

VENDOR MANAGED WATER SERVICES FROM SALES AT YARD TAPS

Case Study of Vingunguti, Tanzania

s. Debomy. Water Utilities Partnership Project 5. 2000.

The Practice

The purchase of water by vendors from owners of private water connections located in areas with regular utility water services, and transporting it on pushcarts for sale in areas without water services. This practice resulted from the need by vendors to earn a living and the shortage of water in poor peri-urban areas. About 80% of the water is bought from private connections and then resold to consumers.

Service Coverage and Market Size

Water is delivered door to door and sold according to the immediate social needs and economic ability of the customers. The market is distinctly medium and low-income areas located far from safe water sources. The average water consumption under the socio-economic conditions of the peri-urban settlements is ordinarily in the range of up to 20 litres per capita per day. Given that a vendor is able to make an average four trips of six jerrycans per day, the number of people served by 100 vendors reported in Vingunguti area is 100,000 in 2,400 households.

Management

This is a market-regulated practice that is practically self-managing with respect to customer needs and water supply conditions. There was no distinct management arrangement or structure noted. The vendors and the connection holders manage the micro-level operations. DAWASA has no specific role in this business beyond being the primary provider of water services.

Stakeholders matrix

<i>Stakeholders</i>	<i>Roles</i>	<i>Responsibilities</i>
DAWASA	Primary Provider	Provide Water
Connection Holder	Secondary Provider	Pay Water Bills
Cart Owners	Investors	Provide Carts
Vendor	Tertiary Provider	Vend Water
End-User	Consumer	Pay Vendor

Contractual Arrangements

The key item in the water vending business is the trolley used for transporting the water. The trolleys are welded metal carts on push-cycle tyres. About 60% of the vendors do not own trolleys. The relationship between the trolley owners and the vendors is a very important factor in the small scale water commerce. Two distinct relationships exist: 1) the trolley owner and the vendor were known to each other before the hire arrangements were initiated, and 2) where the two parties had never met before the hire agreement was negotiated. In the second situation two "sureties" are needed to introduce a prospective vendor to the trolley owner. The sureties must themselves be well-known to the trolley owner. Some trolley owners require the vendor to deliver a trip of water to their homes at the end of each day in lieu of payment for hiring the trolley.