

## Setting up an LIC Unit: DWASA's approach to serving low-income communities in Dhaka



Urban water utilities face complex challenges in extending services to low-income communities (LICs). This note looks at DWASA's evolving approach to serving LICs in Dhaka, one of the world's fastest growing cities.



Staff from DWASA's LIC unit

Dhaka is now considered one of the world's 'megacities', with a population that continues to expand by around 400,000 people each year. Most of these people move into one of the city's low-income communities. Historically the residents of these communities - now estimated at 4 million - have been deprived of a formal water connection, and forced to pay above the odds to illegal vendors for water with high levels of faecal contamination. The utility DWASA has publicly stated its commitment to ending this situation by providing safe drinking water to all Dhaka LICs: to help achieve this goal, a specialised unit was set up within DWASA with advisory responsibility for serving LICs.

### DWASA's LIC unit: structure and personnel

DWASA's LIC unit was established in 2010 with permission from the Ministry of Local Government, under the title "Community Programme and Consumer Relation Division" (CP&CRD). Led by LIC manager Khoda Box, the unit currently has 8 staff with responsibility for coordinating services to LICs, 4 of whom joined on secondment from WSUP in 2013. DWASA had considered distributing these staff across the utility's zonal offices, but lacked the required office space for this arrangement; the 8 staff members are currently located in the office of the Commercial Manager within DWASA's head office. The unit maintains close collaboration with the zonal offices, and particularly with engineering and revenue collection staff.

### Water connections: what is an appropriate model for Dhaka LICs?

A key function of the unit is to facilitate new water connections to LICs, achieved by coordinating the activities of the many NGOs working in LICs with the activities of DWASA staff. Individual household connections are difficult to provide in Dhaka LICs because of the transient nature of these settlements, and the fact that many individuals do not have legal residence; as a pragmatic solution, DWASA have encouraged residents living in close proximity to form user associations which function as one legal customer and pay a single bill for a shared connection. Over the past 2 years the unit has assisted the installation of 1600 such water points in Dhaka LICs, with coverage in Korail slum now approaching 100%. A longstanding problem in Dhaka is the presence of 'mustans' who take control of these connections and extort money from consumers; to prevent this DWASA have advocated for each connection to have a designated president as named customer. Sustainability is further promoted through the provision of operation, maintenance and financial management training to each user association.

This model is by no means a perfect solution; in many cases user associations remain too dependent on the support of NGOs, whose continued presence in the area is uncertain. Nonetheless the model has provided a foundation for DWASA to extend services to LICs. In addition to facilitating connections, the unit has largely focused on improving revenue collection; its achievements to date are detailed on the next page.

# DWASA's LIC unit: achievements to date



DWASA customer in Kalshi slum benefitting from improved water services

## Improved billing

Prior to the formation of the LIC unit, DWASA was aware that many existing LIC customers were going unbilled. The unit worked closely with the engineering and revenue departments to identify reasons for non-payment, most of which could be attributed to 'system breakdown': some LIC customers had made payments but these had not been acknowledged on the system, while others had simply never received a bill. A first step in resolving this issue involved cleaning up the customer database: the unit visited the communities and conducted a door-to-door survey to develop accurate records of all LIC connections and identify illegal connections. Efforts to reduce Non-Revenue Water have been supported by the introduction of District Metered Area (DMAs), helping to provide more precise data on water flow within LICs.

## Improved customer service

Staff from the LIC unit interact directly with customers through water point inspections and via text messaging: whereas in the past a connection might have been cut off without warning if customers repeatedly failed to pay their bills, these customers now receive text messages advising them of the situation, and inviting them to contact the unit via a call centre where customers can register concerns or complaints.

## Improved revenue-generation from LICs

The above activities of the LIC unit are already starting to impact on the utility's financial bottom line. In the past year, 2000 previously non-paying customers have paid their outstanding bills, generating an additional 4.1 million Taka in revenues (USD 52,000); in Korail slum the revenue collection rate has improved to 99%. The coordinating efforts of the unit are now supported by evidence of an upward trend in revenue generation, helping to persuade departments across the utility of the commercial relevance of serving LICs.

The work of the LIC unit has been accompanied by a media campaign, including a television advert outlining the process for serving LICs and featuring interviews with DWASA staff and low-income consumers. DWASA is now being cast as a sector leader within Bangladesh, and the campaign has attracted attention from national media: in September 2014 DWASA's Managing Director and WSUP Country Programme Manager Abdus Shaheen appeared on national television to discuss the progress being made.

## Challenges and next steps

**Scale of the problem:** Extending services to Dhaka LICs is an enormous challenge. A 2005 survey estimated there are 4,500 slums of varying size within the DWASA service area; DWASA's LIC team have so far focused on 399 larger slums generally built on public land.

**Creating a self-sustaining LIC unit:** although DWASA initiated the LIC unit, 4 of the current team are seconded from WSUP and financed with support from DFID. WSUP is working closely with DWASA to ensure the unit expands and acquires a ring-fenced budget of its own; in time, these extra resources could facilitate the distribution of LIC staff across DWASA's zonal offices.

**Improving water quality in Dhaka LICs:** faecal contamination of water supply remains a huge issue in Dhaka. While water extracted directly from new water points is relatively clean, coliform levels increase dramatically as the water travels further from the source. Solutions include improving the existing chlorination facilities, improving the environmental cleanliness of these slums through better faecal sludge management, and large-scale behaviour change campaigns to improve water storage practice.

**Clamping down on illegal vendors:** such vendors continue to proliferate in Dhaka LICs. While DWASA has succeeded in legalising these connections in some slums, it will take years of sustained effort and the engagement of local leaders to complete the process.

**Credits:** The work described here was financed by UNICEF and DFID. This Practice Note was written by Sam Drabble with important inputs from Anisur Rahman Sarkar, Abdus Shaheen and Anita Layden. We are very grateful to Uttam Roy (Commercial Manager, DWASA) and Khoda Box (LIC Manager, DWASA) for giving their time to interview for this publication. Production Coordinator: Gemma Bastin. Design: AlexMusson.com. Version 1, March 2015.

This publication is produced by WSUP, a tri-sector partnership between the private sector, civil society and academia with the objective of addressing the increasing global problem of inadequate access to water and sanitation for the urban poor and the attainment of the Millennium Development Goal targets, particularly those relating to water and sanitation. [www.wsup.com](http://www.wsup.com) This is a copyright-free document: you are free to reproduce it.