

Profile: JIRAMA

Delivering water to low-income customers in Madagascar through a hybrid management model



Challenge

Few people in Madagascar have access to clean piped water. Even in the capital, Antananarivo (known as Tana), only a quarter of households have a private water connection. The majority of the population gets its water from standpipes and water kiosks, according to Water and Sanitation for the Urban Poor (WSUP).

Innovation

JIRAMA, Madagascar's state-owned water utility, delivers water to low-income consumers via kiosks, in partnership with underserved communities. The program has been piloted in Tana, where JIRAMA has an extensive piped network. Under the model, water is distributed through JIRAMA's pipe system to kiosks in low-income neighborhoods, which form water users associations. The municipality awards a management contract to the water users association to manage the sale of water at kiosks and to maintain the kiosks. The municipality, the association, and JIRAMA agree on a social tariff. The association collects payments from people buying water at the kiosk and pays JIRAMA for the water used at the agreed rate. Connection costs, which the municipality and utility pays, are repaid over time from the water revenue.

Customers pay less than USD 0.01 for 20 liters of water. Most water user associations earn a small margin on revenues, which they use to fund water, sanitation, and hygiene projects that benefit the community. These projects include cross-subsidies to the innovative community-based platforms developed under the WSUP program, which provide environmental services, including drainage canal cleaning and solid waste management.

By creating a single point of contact and billing, the model reduces the number of transactions between JIRAMA and customers, enabling it to manage the challenges of serving low-income areas. As an extension of the model, JIRAMA is offering better-off customers individual water connections through an easy payment arrangement.

Impact

The scheme has grown beyond its original pilot, and as of July 2017, the program serves about 700,000 low-income residents in Tana, about a third of the city's population, providing them with clean drinking water for the first time. Ninety-five percent of water user associations involved in the program in Tana report recovering their operating and maintenance costs. The program projects that 86 percent of kiosks in urban areas will be covering operating and maintenance costs within 10 years and will have paid off connection charges and other capital costs in this time. The success of the model has led water user associations to take on other responsibilities related to water, such as operating community laundries. A platform representing all of the associations has been formed, increasing the voice of low-income citizens in a range of governmental planning processes.

Scaling Up

The catalytic role of organizations such as the Water and Sanitation for the Urban Poor program has been essential to enable the development of a new model and to build the capacity of the Water Use Associations and local stakeholders. More investment is also needed to scale the model further. The lack of funds to cover the costs of kiosk infrastructure and connections is a major constraint. Additional investment is also needed to increase the treated bulk water capacity in JIRAMA's system.