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Delivering water services at the local level in Vietnam

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In the 1990s, the water supply agencies in Vietnam faced struggles to reduce unaccounted-for-water and increase water revenue. This resulted from the Vietnamese Government's decision to leave the water supply sector without subsidies in the late 1980s. The water supply agencies were no longer production units of a central planned economy, but they had to begin to operate on a self-financing basis. They had to start planning their operations, optimizing water production, installing meters, developing billing and revenue collection systems, applying new accounting practices and adopting maintenance and repair programs. The agencies also had to start thinking of customer services as an integral part of their image and operation.

Water users could no longer be beneficiaries of a free water supply service. They had to begin to pay for water but the water supply service did not satisfy their demand. For example in Haiphong at the time, especially during summer in a major part of the water supply network, people had to queue all night for water at public tabs or they had to stand watch by their in-house tabs for water. On the other hand, where the network pressure was good people let their water tabs open 24 hours a day. 70 per cent of water produced was unaccounted-for. People also made illegal connections, broke the water supply pipelines and drilled wells. Water was vended at a price 25 times the price of piped water but at the same time the Haiphong Water Supply Company could collect only 20 per cent of billed water charge.

The water supply network was not designed taking into account management aspects and revenue collection. Practically there were no water meters in the network. In the alleys the house connections were usually constructed as big bouquets of pipes so that it was very difficult to distinguish which pipe belongs to what connection. Network maps were also missing. So, when customers refused to pay saying that there had not been water, either, the company could not tell whether it was true or not. When payments were long overdue the company could not disconnect the customers. When customers complained about inadequate water supply the company could not always find out the reason for it, and consequently, could not take any actions to remedy the situation. Relations between the water company and water users were sometimes severely strained. People even attacked employees of the Haiphong Water Supply Company.

However, the illegal connections, broken pipes, the drilling of wells and the blooming water vending business were indicators of the water users' needs, willingness and ability to arrange water supply for themselves. This was a resource that the Haiphong Water Supply Company had to tap and turn to the advantage of the development of the whole water supply system instead of satisfying the needs of individual households. A clear need for consumer participation and community management arose. (T. M. Anh Thu 1994, 1995).

The Haiphong Water Supply Company took initiative in building relations to water users. The company had to gain their confidence in its ability to produce water supply services and commit in doing so. The company started the rehabilitation of the water supply network in 1993. The principle is that the service level of water supply is improved by constructing and rehabilitating the water supply network of a whole phuong (ward) at a time, master meters are installed to record input flow, consumption meters are installed to every household and a local consumer service office is established at the phuong to offer easily accessible and prompt services to the customers.

A phuong is the smallest unit in the Vietnamese administrative system. It is usually an area of about 1.0 km² with 10,000 to 16,000 inhabitants. A Phuong People's Committee executes power in a phuong. The bureau of Phuong People's Committee has the authority to keep record of the residents and to issue certificates and permissions such as residence certificates, birth certificates, marriage certificates etc. Phuong authorities are also responsible for military service recruitment and arranging small scale infrastructure improvement projects in phuong. A phuong has a police bureau of its own.

In December 1997 the Haiphong Water Supply Company failed to install a master meter because of a site clearance problem. The company contacted the phuong authorities and the site was cleared immediately. The company was reminded that it should have informed the phuong before hand.

In February 1998 when a branch manager of the Hanoi Water Business Company and a team of workmen were disconnecting a public tab in a phuong they were arrested by the phuong police, put into jail and accused for breaking public property. The team did not inform the phuong authorities of their operation in advance.

There are four districts and 38 phuongs in Haiphong city. Now, in 1998, the water supply network in 23 phuongs has been rehabilitated and 23 customer service offices, phuong...
From the image, we can observe that the document is discussing the operation of customer service offices, specifically phuong offices, in the context of water supply management. The text highlights several aspects of these offices, including their responsibilities, organization, and the advantages they offer over traditional systems. Here is a structured summary of the key points:

1. **Responsibilities and Functions**
   - Administrative tasks such as revenue collection and meter reading.
   - Handling of complaints and requests.
   - Leak detection and minor repairs of meters.
   - Receiving applications for water use contracts.

2. **Organization of Phuong Offices**
   - In a customer service group, 4 to 17 phuong offices are usually referred to as phuong offices or the phuong People’s Committee.
   - Each group is in charge of 1 to 3 phuong offices, which are actually district bureaus, not phuong offices.
   - Phuong offices are in charge of the 27 phuong offices.

3. **Advantages of Phuong Model**
   - Provides opportunities for career development.
   - Helps to ease interrelated problems of overstaffing and the need for more people.
   - Supports the systematic approach to the development of the water supply service level.

4. **Financial and Operational Benefits**
   - Phuong offices cost less than VND 270 million on average.
   - The proportion of non-revenue water has been reduced.
   - Water revenue is 2.5 billion a month.

5. **Comparative Analysis**
   - The rehabilitated area has seen fewer cases of misdeeds and improper behavior.
   - The number of staff members is less compared to the non-rehabilitated area.
   - The renovation of the water supply network has improved customer satisfaction and service levels.

The text concludes by noting the planned rehabilitation of the whole water supply network by the end of the year 2000, emphasizing the success of the phuong model in improving water supply services and customer satisfaction.
fied with the service level and with the staff than before. Relations to the local authorities and the media have also improved. The Haiphong Water Supply Company has been making a profit since 1995.

The phuong model is also an example of turning the characteristics of the local culture and administrative structure from a nuisance to an asset. In the case of Vietnam anything is possible with the co-operation of the local authorities, and impossible, at least very difficult, without them.

References


TRAN MINH ANH THU, Consumer Services Adviser, Haiphong Water Supply and Sanitation Programme.

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