

## ABSTRACT

This report presents an analysis of supply chain management practices in the water sector, with a particular emphasis on modelling and performance measurement systems prevalent in Tanzanian urban water supply authorities. Regardless of the vitality of water to the human life, few empirical studies have been undertaken in water sector related to supply chain management, due to among others, low level of competition, heavily regulated industry, high economies of scale and involvement of other stakeholders and interest groups of varied grounds in the water sector. Specifically, the study aimed at building the supply chain framework/model based on the existing practices; identify key performance indicators and key success factors in the efficient and effective provision of water and related services in Tanzania.

The research strategy was case-based with Arusha Urban Water Supply and Sewerage Authority as an entity under investigation. Both primary and secondary data were collected using participatory observation, documentary review, interviews and library-based literature search. With such limitations as limited time and resources to do an exhaustive data collections, the researcher was successful in obtaining the required data – both qualitative and quantitative – whose analysis, interpretations lead to conclusions calling for managing water supply activities based on the principles of supply chain management as a philosophy and practice.

Key performance measurement systems in place for urban water supply authorities have to be redesigned based on supply chain best practices, building capacity based on the identified key success factors such as increasing investment beyond the recommended 15%, improving reporting, using gravity systems. The study calls for further research on the effective adoption of supply chain management with a particular emphasis on model analysis for the purpose of testing the practicality of various options of improving performance in water services provision in related areas of study.

