

UGANDA

Water and Sanitation Profile

POPULATION AND HEALTH STATISTICS	
Population (2006)	29.9 million
Proportion of population living in urban areas	13%
Urban/Rural population growth rates (1980-2000)	0.5 / -0.9%
Diarrheal deaths/year (2004)	26,800
Under age 5 mortality rate	138/1000 live births
Under age 5 mortality rate due to diarrheal disease (2000)	17.2%

SECTOR OVERVIEW

Uganda is a largely rural country with ample water resources. However, about 50 percent of the rural population still lives without access to safe water. It is estimated that 70 percent of the urban population lack sanitation access and more than 90 percent of the rural populations are in the same situation.

However, Uganda has been very successful at reforming its sector and increasing urban coverage in a short time. Uganda has been so successful at reforming its WSS sector and increasing sustainable water supply and sanitation (WSS) service that it now advises other sub-Saharan African utilities. Uganda's Poverty Eradication Action Plan (PEAP) has heavily advocated the reform and expansion of WSS services to improve public health and increase productivity. Beginning with reforms in the mid-1990s, Uganda's WSS sector, and particularly its lead utility National Water and Sewerage Corporation (NWSC), has led via clear management, a strong institutional culture of accountability, and a highly professional staff.

Interestingly, Uganda's reforms focused on increasing the number of connections rather than starting the process with rate increases. NWSC was particularly

successful at increasing connections through an effective computerized billing system, improving customer relations, investing in human resources, and creating approaches that accommodated the unplanned nature of Uganda's urban poor communities. Reducing drags on permitting and drastically reducing the connection fees for new subscribers allowed NWSC to increase its own viability through selling greater volumes. NWSC has been a utility leader in effective corporatization and accountability creating a rigorous system of performance contracts, incentive-based compensation, and performance monitoring.

SECTOR FRAMEWORK

The lead ministry with overall responsibility for formulating national water and sanitation policies is the Ministry of Water and Environment (MWE). MWE is also the agency that coordinates and regulates the WSS sector. Within the MWE, the Directorate of Water Development (DWD) acts as the executive branch and provides support services to local governments and other service providers.

The NWSC is a commercialized, publicly owned utility established in 1972 providing water supply and sewerage services to 22 cities and large towns.

WATER AVAILABILITY IN UGANDA	
Renewable water resources per capita, m ³ /person/year (1960-2007)	2,133
Water withdrawals, m ³ /person/year (2000)	12
Projected water resources per capita, m ³ /person/year in 2015	1,651
Note: 2015 projected water resources per capita is a straight-line regression calculation based on population growth rates with no adjustment for consumption or technology changes	

KEY AGENCIES

Agency	Description	Contact Information
The Ministry of Water and Environment (MWE)	<ul style="list-style-type: none"> National policy and strategy development 	Maria Mutagamba Minister 256-41-342931/3
Directorate of Water Development (DWD)	<ul style="list-style-type: none"> Oversees and supports rural WSS service WSS regulator 	S. M. Bomukama
National Water and Sewerage Corporation (NWSC)	<ul style="list-style-type: none"> WSS service provider in urban areas External consulting services to rural areas and other African nations 	Dr. William Muhairwe, Managing Director NWSC
Local governments and Water Authorities	<ul style="list-style-type: none"> Provide rural WSS service 	

NWSC currently owns and manages the WSS assets of many of the largest towns in Uganda. Assets of the remaining towns are owned and managed by the municipal town councils, a result of the government's decentralization program.

Small towns between 5,000 and 30,000 inhabitants control their own WSS services, and have often times created Water Authorities, which contract out operations to local private firms. The local private sector currently serves 61 towns and has achieved water supply coverage rates of 67 percent, often through local operations which operate under performance contracts to NWSC.

Uganda does not have an autonomous WSS regulator, but it is creating a transparent regulatory system through legal contracts. There are performance contracts between the Water Authorities and the MWE, and there is a performance contract between NWSC and MWE/Ministry of Finance, Planning and Economic Development. The Water Act of 1995 puts DWD in charge of technical regulation in the sector and it oversees these contracts through a performance contract review committee. In turn, NWSC and the Water Authorities oversee and report on progress and achievements against their contracts with local operators.

The MWE supports both the small towns and more rural areas in conjunction with the local government authorities and the Ministries of Health and Education and Sports.

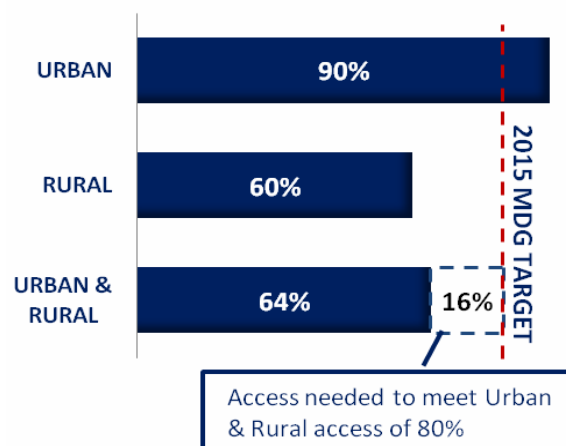
Sector financing has been structured through medium and long-term financial planning. NWSC has credit-worthy standing and is increasing borrowing through the bond market. Rural areas however, derive most of their funding from grants or other outside donor funding. The government should consider allocating more resources to areas that attract donor funding rather than steering government allocations away, simply because non-budgeted resources are attracted to the area.

THE URBAN SUB-SECTOR

There have been two international private sector contracts in recent years in the form of management contracts for Kampala. The NWSC holds a performance contract with the national government to serve urban areas. In turn, the NWSC employs Internally Delegated Area Management Contracts (IDAMCs) with its area offices. The IDAMCs spell out the service expectations of the local operations and the compensation of top management and staff are linked with performance outcomes.

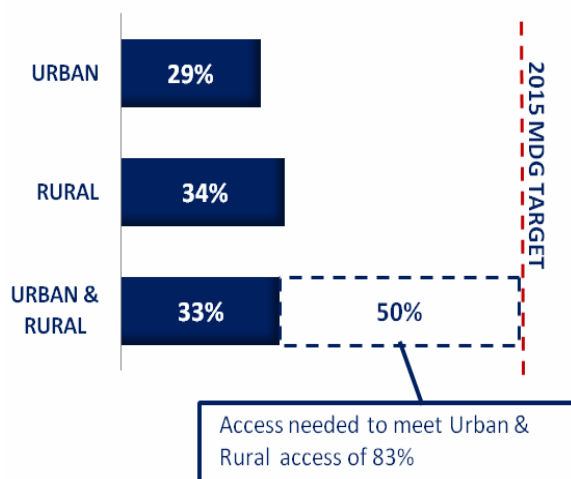
The utility has performed very well and has managed to receive ISO 9001:2000 certification (quality management systems) for nine of its service areas, including the capital Kampala. Metering is extensive

Meeting MDG 7: Access to Water in 2006



Data Source: UN MDG Indicator Database

Meeting MDG 7: Access to Sanitation in 2006



Data Source: UN MDG Indicator Database

in cities and large towns. NWSC is able to cover operating costs and is beginning to have an ability to re-invest. Billing and collection effectiveness, plus lowering the connection fees, have increased revenues significantly, however the utility will need to collect arrears and lower non-revenue water in order to attract investment and remain financially solvent. Interestingly, NWSC engaged in two international service/management contracts before determining that it was able to pursue a reform agenda on its own, driven in large part by aggressive and charismatic leadership.

NWSC is also responsible for sewerage and sanitation, yet coverage remains very low despite NWSC's robust performance in the water sub-sector. Nevertheless, sanitation master plans and less detailed strategies have been completed for Kampala and 14 other towns. The studies confirmed the capital intensive nature of expanding piped sewerage services beyond the currently reported six percent coverage. Finally, NWSC continues to lobby the Ugandan government to zero out value-added taxes that have reduced access to water and sanitation, especially the poor.

THE RURAL SUB-SECTOR

Uganda's rural sub-sector is dominated by local government-owned utilities. The creation of water authorities in this area has increased the number of private operators providing O&M under management

contracts. UN-Water indicates that approximately 50 operations of this type are active in small towns around the country. Although, operations have been contracted out, significant increases in water rates have not occurred. The national government via the MWE continues to subsidize the WSS service in rural areas, therefore significant improvements have been made without the cost of the improvements being passed down to the ratepayers.

Private sector involvement in the rural areas continues to grow as water authorities contract out not only O&M, but construction, materials, and technical assistance as well. Although improvement and expansion in rural areas is subsidized by the MWE, the primary source of funding is outside donor contributions that are passed through the Ministry of Finance, Planning, and Economic Development to the programs administered by MWE.

DONOR INVOLVEMENT

In 2002, Uganda adopted a Sector-Wide Approach (SWAP) for its WSS improvements. The SWAP has garnered the full participation of all stakeholders at each level of the sector. In addition, Uganda is implementing a Joint Water and Sanitation Sector Program Support (JWSSPS), which is aligned with Uganda's PEAP. Multiple donors are involved with the JWSSPS at varying levels of financial commitment.

DONOR	ACTIVITIES	CONTACT INFORMATION
The World Bank	<ul style="list-style-type: none"> ▪ Urban and rural WSS infrastructure rehabilitation and expansion ▪ Institutional capacity building ▪ Supporting further PSP via design-build-operate contracts in rural areas 	Francis Ato Brown fbrown@worldbank.org Tel: 255-22-2163200
Water and Sanitation Program	<ul style="list-style-type: none"> ▪ Engagement with Local Private Operators 	Samuel Motono smutono@worldbank.org Tel: 256-77-284-3383
The African Development Bank (AfDB)	<ul style="list-style-type: none"> ▪ Rural WSS support including infrastructure rehabilitation and expansion ▪ Capacity building and support for additional private sector participation ▪ Institutional support for central ministries to carry out WSS sector responsibilities 	M.A. OJELADE UGFO@afdb.org Tel: 256-414-236-166
GTZ/KfW	<ul style="list-style-type: none"> ▪ Partner in SWSSP ▪ Expanding WSS services to rural areas. ▪ Urban sub-sector reforms and financial and managerial capacity building 	Fiditjof Behnsen Fridtjof.behnsen@gtz.de
Austrian Development Agency (ADA)	<ul style="list-style-type: none"> ▪ Partner in JWSSP 	EHMEIR Walter kampala@ada.gv.at Tel: 256-312-235-104
Denmark/DANIDA	<ul style="list-style-type: none"> ▪ Major development partner in the JWSSP ▪ Expanding WSS services to rural areas 	kmtamb@um.dk Tel: 256-312-263-211
European Union – Water Facility	<ul style="list-style-type: none"> ▪ Financial support of WSS infrastructure ▪ Partner in JWSSP 	Vincent DE VISSCHER Tel: 256-41-470-10-00
Swedish International Development Agency (SIDA)	<ul style="list-style-type: none"> ▪ Partner in JWSSP ▪ Integrated water resources management improvements via water quality improvements in Lake Victoria 	Tel: 256-41-340 970

Additional information and sources: Statistics were compiled from the WHOSIS database, WRI-Earthtrends Water Resources and Freshwater Ecosystems database, and the UN MDG Indicators database. Other sources include the 2006 African Development Bank's "Getting Africa on Track to Meet the MDGs in Water Supply and Sanitation," 2007 OECD-Uganda Annual Economic Outlook Report, National Water and Sanitation Sewerage Corporation Annual Activity Report July 2007-June 2008, World Bank Online Country Profile - Uganda.

This Water and Sanitation Profile was prepared under the **Advancing the Blue Revolution Initiative (ABRI)**. ABRI is funded by the U.S. Agency for International Development and addresses some of the most challenging water issues in the Middle East and Africa including the lack of access by the poor to improved water and sanitation services, inefficient and nonproductive water use, and transboundary river basin management. ABRI works closely with host country governments, actively pursues co-investments from the private sector, reaches out to like-minded foundations, and partners with regional institutions.