



**Ministry of Water, Lands and Environment (MWLE)
Directorate of Water Development (DWD)**

Pro- Poor Strategy
for the
Water and Sanitation Sector

March 2006

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Abbreviations

DWD	Directorate of Water Development
EIA	Environmental Impact Assessment
IDP	Internally Displaced Persons
MWLE	Ministry of Water, Lands and Environment
NWSC	National Water and Sewerage Corporation
O&M	Operation and Maintenance
PEAP	Poverty Eradication Action Plan
PMA	Plan for Modernization of Agriculture
SIM	Sector Investment Model
WA	Water Authorities
W&S	Water and Sanitation
WPF	Water for Production

1 INTRODUCTION

The objective of the pro-poor strategy is to improve effectiveness of the water and sanitation sector in providing services to the poor.

This strategy is based on the outcome of the deliberations of the Finance Thematic Sub-sector Working Group led by the Directorate of Water Development (DWD) with the participation of the main stakeholders. A pro-poor concept note was produced in 2004 which reviewed the pro-poor performance of current policies, strategies and practice.

The main findings concerning policies and strategies were that:

- *Water sector policies and strategies are broadly directed towards improving the social and economic situation of all Ugandans.*
- *The overall subsidy policy is well founded on the principles of ensuring that subsidies are directed at ensuring a minimum basic supply but there is room within the strategies for revision and clarification of how the principles can be applied in practice.*
- *The policies and strategies recognize very strongly the principle that financially viable and well-run service provision is in the long term interests of the poor and at least in urban areas that subsidies should not be provided in the long term.*
- *Recognition of the poor as a specific target group is weak except in the water for production sub sector as a result there are few specifically pro-poor policy measures.*
- *The social mission of the government is alluded to in some of the documents but this concept and its implications remain unclear.*

The main findings concerning current practice were that

- *The pro-poor policy practice of urban water and sanitation¹ provision for large towns is in compliance with medium term policies and strategies and a pro-active approach is being taken in trying to serve the poor.*
- *The practice in small towns has not in the past followed the policy (flat tariffs which mean the poor, who often access water through vendors, end up paying more than the well off; operation and maintenance are subsidized for those already served leaving the unserved without). There still remain political constraints in raising the tariff combined with ineffective regulation are leading to inadequate performance of water authorities and monopoly providers are delaying the adoption of the long-term policy vision of an efficient market for water services. Such a market would create the best conditions for pro-poor services.*
- *The presence of donor funding of subsidies, in principle, can also delay the onset of the incentives and conditions necessary to take the necessary long-term decisions.*

¹ Sanitation refers to both on and off site sanitation (sewerage)

- *In rural areas the compliance with policy is patchy (contributions are not always made and operation and maintenance is subsidized) with, in some cases, negative consequences for the poor.*
- *Tracking studies have indicated that the money allocated to the sector reaches the sector but value for money studies indicate inefficiencies in the use of the funds.*
- *The overall per-capita cost of supply has varied significantly over the years.*
- *The strategy for Water for production has not yet been implemented in practice since funding has not been available and the reform study and strategy approval have taken much longer than envisaged .*
- *Water resources management follows policy, but this policy is poor neutral rather than pro-poor.*
- *Sector allocation in practice has not followed the Poverty Eradication Action Plan and sector targets. Urban areas have received a disproportionate amount of the funding and will for that reason attain their targets in advance of the rural areas – although there is always likely some pockets of unserved given the social economic situation in Uganda. This situation is now being rectified – already in the MTBF of 2006/7. There is a commitment to better allocate funding to the sub sectors using a sector investment model.*

The concept note reviewed the various definitions of the poor² that are used in Uganda and more specifically the role of the water and sanitation sector in eradicating poverty as presented in the Poverty Eradication Action Plan (PEAP).

This document summarizes the pro-poor strategies and presents both general strategies and strategies that are specific to rural water supply and sanitation; small towns water supply and sanitation; large towns water supply and sanitation; water for production and, water resources management.

The major concern has been to develop a simple and short, action biased strategy. A 30 point strategy is presented to cover all the specific areas of the water and sanitation sector within the mandate of the Directorate of Water Development and the National Water and Sewerage Corporation (NWSC).

Once adopted it is up to the relevant institutions (DWD and its various departments, NWSC, NGOs, private sector etc) to implement the strategy. The strategy will be reviewed and where necessary updated after a period of two years.

² See concept note 2004 page 1 "Many studies have been made to identify who the poor are. In Uganda, the poor are defined against a number of criteria both quantitative and qualitative. An often-used limit for poverty is the expenditure of 1 USD/ day or less. With this criterion it is reported that 38% of Ugandans are poor. Poverty is a complex and multi-definition concept. In Uganda poverty can be seasonal and vary with time, it varies from person to person and it varies in acuteness (degree of poverty) as well as how long lasting it is (chronic). Poverty involves much more than any one simple quantitative factor can describe. Readers interested in the subject are referred to "The Face of Chronic Poverty in Uganda as seen by the Poor Themselves Charles Lwanga-Ntalea and Kimberley McCleanb.(undated)" and "Julian May, An Elusive consensus: Definitions, measurement and analysis of poverty" – both of which are based much on conditions in Uganda."

2 GENERAL PRO-POOR STRATEGIES

#	General Strategies	Description
1.	Allocate sub-sector budget equitably	A more equitable sub-sector allocation in budgeting will allow subsidies to better reach the poor. The allocation will be guided by the Sector Investment Model (SIM). Currently the rural sub-sector receives less than 50% of the total budget for delivering services to more than 85% of the population.
2.	Improve overall sector performance using the performance framework	Improving overall sector performance will ensure that public funds go further in providing services and that these services are better targeted. The sector performance measurement framework will be used as a guide to identify issues that need to be addressed to improve performance particularly those directly related pro-poor strategies such as equity of access to Water and Sanitation (W&S) services.
3.	Lower costs of service delivery	Reducing the cost of services has a double impact for the poor. Firstly it makes services more affordable and second it makes more funds available (money saved from cost reductions) to be used on targeted services to the poor. Examples of financing approaches that could lead to lower costs include Output Based Aid/subsidies for the Rural Growth Centers as well as the simplified new connections policy of the NWSC. Other initiatives include anti-corruption measures and improving procurement, contract management; operation and maintenance and regulation.. In certain circumstances higher capital investment costs will be considered for water supply technologies when it leads to substantially lower O&M costs.
4.	Improve sanitation and hygiene practice	Poor hygiene and sanitation exerts the highest toll on the poor. The poor suffer health consequences, are least able to cope with the cost of illness. Public funds will be used for training, continuous promotion including use of social marketing techniques, campaigns and competitions, incentives and sanctions, coordination, leveraging the private sector participation and monitoring. Due consideration will be made for gender issues and people with disabilities.
5.	Monitoring the impact of	In order to continuously improve the pro-poor strategy

	W&S services on the poor	the sector will, where possible, the monitor the impact of the pro-poor strategy on the poor and subsequently make adjustments to as necessary. Indicators need to be developed for inclusion in the Sector Performance Report. Collaboration will be strengthened with the Uganda Bureau of Statistics to make maximum use of their studies (e.g. NSDS, NDHS, UPPAP). Where necessary in-depth studies will be carried out to fill the knowledge gaps.
6.	Gender, people with disabilities and HIV/AIDS mainstreaming	Women play a vital role in water supply and sanitation particularly domestic level where they are usually responsible for water collection, water use, sanitation and hygiene activities. Priority will therefore be given in ensuring their participation as beneficiaries of services and adequate representation management of services at all levels e.g. WUC, Local and Central Government. Vulnerable groups such as the disabled and those effected by HIV/AIDs level will also be prioritised in service delivery.
7.	Implement Integrated Water Resource Management (IWRM)	IWRM encourages participatory mechanisms such as Water User Associations (WUA), Water Boards or Catchment Agencies. These mechanisms give the poor a voice, that they would otherwise not have, in the control of water resources which are often crucial to their livelihoods e.g. fishermen who depend on pollution free waters; farmers who need supplementary irrigation.

3 RURAL WATER SUPPLY AND SANITATION

#	Rural Strategies	Description
8.	Empower communities through participation to ensure cross-subsidy	Communities themselves are in the best position to define who is poor and the most appropriate way to assist them (e.g. support in-kind and cross-subsidy for capital and O&M contributions). If the communities are empowered by being involved in key decisions and trained to undertake the main responsibilities the facilities will be better managed and will be more effective in serving the poor. Rural sector guidelines will help mainstream this action.
9.	Target W&S services towards the poor and unserved	W&S capital subsidies will be targeted to the unserved and underserved (improving distance to source) through the district allocation formula. Increasing the total conditional grant will ensure that additional funds go to those districts with lowest levels of water coverages. Guidelines will be developed (as part of the sector schedules) to ensure that W&S services are better targeted within districts. Services will also be targeted for emergency/special situation such as the Internally Displaced Persons (IDP) camps in the North of Uganda.
10.	Increase density of water points / networks and thus reduce distance to water source	Currently, rural access to safe water is defined as an improved water source within 1.5 km of the home. The sector is committed to reducing the distance to source so that collection time is reduced. This should result in either more water used per capita or potentially more time is available for economic activity, education and child care. More specifically it will: <ul style="list-style-type: none"> • Free women's time spent on fetching water and that potentially can be used for income generation and child care. • Help provided better water access to people with disability, HIV/AIDS and the elderly.
11.	Encourage self supply based on markets solutions	The sector will encourage those who have the resources to build their own private water supply where this is appropriate. Experience has shown that many consumers have access to private supplies and this takes some of the burden away from public sources (both in terms of reducing distance source and number of users per source (relating to queuing time). A study will be launched to assess and develop the possibilities further.

12.	Promoting Rain Water Harvesting (RWH)	RWH can greatly reduce time/effort spent in collecting water which can be particularly important for the old and disabled. It also helps to relieve the burden on traditional water sources. Experience from pilot studies by NGOs/GoU has been used in developing a strategy for promoting RWH nationally. Some form of subsidy will be considered in areas with poor surface and ground water where traditional water sources are not appropriate.
13.	Water Quality Protection and monitoring	The pro-poor impact of regular water quality monitoring for rural areas is similar to that for urban. In rural areas regular monitoring will help in the selection of water technologies that can eliminate or minimize expensive treatment. This will tend to reduce unit costs and enable subsidies to reach more of the poor. It will also tend to reduce the operational costs of water supply thus increasing the income available for other purposes.

4 WATER FOR PRODUCTION

#	WfP Strategies	Description
14.	Prioritize interventions in poorest geographical areas	Subsidies will be provided for water services (through construction of small valley tanks and dams) to vulnerable groups which comprise of subsistence farmers. The subsidies will be managed so that they can be targeted at the poor rather than all farmers (especially since many cattle owners are relatively rich).
15.	Phase out use of grants for operation and maintenance	Conditional grants are being provided through the rural water sub sector to local governments to meet the O&M requirements of the existing communal water facilities these will be phased out so that the limited funds can be directed at providing facilities to those not yet served.
16.	Involve women in planning and management	A participatory approach empowering the poorest of the poor and especially women will be adopted. Women and communities will be encouraged to participate in the management of water facilities put in place.
17.	Subsidize bulk rural supplies in highly disadvantaged areas	The water for production sub sector is pursuing bulk water supply for multi-purpose use to rural areas with the aim of increasing accessibility to areas which have hitherto been disadvantaged. Subsidies in form of lower tariffs will be considered.

5 SMALL AND LARGE TOWNS WATER SUPPLY AND SANITATION

The pro-poor strategy for small and large towns will address both the immediate needs of the very poor but also the longer term economic and social benefits that will arise from the improved prospects for economic growth in urban centres that are reliably served with water and sanitation services. Thus the strategy has two parts.

Strategies with an immediate pro-poor impact

#	Urban Strategies	Description
18.	Enhance access by densifying the network and expanding to unserved areas.	Networks will be expanded to clearly defined geographical locations hereunder urban poor settlements so as to bring the water services nearer to the users. The target is that all in a small town area have access to a pipeline within a distance of 200 meters.
19.	Directly serve the poor by establishing Public water points	Public water points in the form of authorised yard taps or water kiosks (or possibly - wells fitted with a hand pump) should be established at an intermediate distance of 400 meters in all areas of a small town which are underserved, in order to serve the part of the population (i.e. the poor and disabled), who cannot afford individual yard and/or house connections. Women will be encouraged to manage the “public water points”.
20.	Directly serve the poor by continuously updating a Pro-poor tariff	Appropriate means of cross-subsidy is available in the tariff regulations e.g. the tariff for water from public water points (authorised yard connections, water kiosks, wells etc.) is less than the tariff for water to ordinary house/yard connections but this has yet to be fully implemented. Often the poor in urban areas cannot afford house/yard connections and therefore cheaper water from public water points (authorised yard connections, water kiosks, wells etc.) directly benefits the poor. The aim is that the poor who use public water points should not pay more for water than other better served customers. There is a need to constantly survey how well the tariff is serving the needs of the poor and to update accordingly.
21.	Directly serve the poor by subsidising yard connections serving as authorised public water points	In poor areas of a small town the water authority may select authorised yard tap dealers and finance the connection in full which in return serves as a “public water point” managed by the “owner”. A condition should be that the owner on license undertakes and manages on-sale for a period of at least two years under supervision and control of the authority.

#	Urban Strategies	Description
22.	Directly serve the poor by providing smart subsidy to operation and maintenance	In the long term subsidies are a threat to sustainability and increased coverage (there is only O&M subsidy for small towns). Smart subsidies for the poor (e.g. lower tariff for water from standposts) and cross-subsidies between towns (so towns are not punished because the environment in which they are located) are appropriate so long as the total subsidy to the O&M of small towns is phased out. Subsidies are better reserved for those that still don't have water rather than for those that already do.
23.	Directly serve the poor by continuously monitor water quality	Operational and compliance water quality monitoring need to be intensified by service providers to ensure the poor are consuming safe water. Monitoring will enable protection from activities which undermine water quality and allow early prediction of deteriorating water quality and implementation of appropriate corrective actions. Regular monitoring can also help plan the best response in cases of emergencies or extreme pollution events.

Strategies with a longer term economic benefit

#	Urban Strategies	Description
24.	Enhance access by expanding the network to rural parts of a gazetted Water Supply Area.	This strategy will ensure that the poor on the peri-urban fringes to also benefit from reliable water supplies if point sources are unsuitable for technical or geographic reasons e.g. saline groundwater. At the same time it will expand the urban areas and improve the prospects for greater economic integration of rural areas.
25.	Enhance coverage by subsidising yard and house connections (after completion of initial stage of a system)	High connection costs inhibit the demand for house connections. It has therefore been decided that in order to enhance easy access to clean water, yard and house connections should be subsidised. Such subsidy should decrease over time. In towns or areas where affordability studies indicate that households can pay the full connection fee - there should be no subsidy.
26.	Enhance use of improved latrines	The poor will not, in the near or foreseeable future, be able to afford off site facilities. But in urban areas the on-site options are declining due to densification. Therefore the Water Authorities (WA) and other local authorities should enhance use of improved latrines (e.g. ecological latrines) in areas where off site sanitation is not appropriate due to technical or financial reasons.
27.	Provide sanitation services in institutions and public places	WA and local authorities should enhanced adequate and improved facilities in institutions (schools, clinics etc) and establishment of public toilets in public places (bus stations, markets etc) where such facilities are inadequate or not existing.
28.	Seek financing for off site sanitation (sewerage) where appropriate	This measure is aimed at sustaining and improving the overall environmental quality of the urban areas and also at preventing public health problems due to inadequate management of sanitation. The measures will help both rich and poor. The poor will benefit because they are disproportionately exposed to the environment and health problems of poor urban sanitation.

6 WATER RESOURCE MANAGEMENT

#	WRM Strategies	Description
29.	Regulate water abstraction and wastewater discharge	The regulation for water abstraction and wastewater discharge will be strengthened. The poor are usually most affected by limited availability of water resources due to excessive, uncontrolled and competing water abstractions especially in peri-urban areas, which are densely populated. In addition pollution of water resources due to wastewater discharge, onsite sanitation, refuse disposal and poor land use practices affect the quality of water resources and hence have direct impacts on the health of the poor and on the cost of water due to high water treatment costs. Water regulation and allocation will also ensure that highest priority is given to water use for domestic demand particularly for the needs of the poor rather than those already supplied.
30.	Exempt small users from abstraction permits	All users of motorised pumps and those abstracting or impounding water in excess of 400M ³ /d have to obtain a permit. The issuance of this bulk water abstraction is to not only to ensure safeguards to the developer but also to ensure that the poor are not deprived of their water rights for domestic use. All other abstractions using hand pumps or any other lesser means that is commonly used by the poor are not subject to permits.
31.	Assess environmental impact of large WR development projects	Environmental Impact Assessment (EIA) on water resources developments as well as continuous reviews and audits will be strengthened. The water resources of the poor are often affected by large scale developments. In addition, protection of water resources is of paramount importance to ensure sustainable fisheries which depend on high quality water resources.
32.	Continuously monitor, assess and map water resources	Assessment and mapping of water resources in various parts of the country will be to be intensified. Water resources assessment and mapping provides water development programmes with key information on the availability and distribution of water resources, and the feasible water supply technology options. This will not only result in sustainable water development programmes but will also lead to lower costs in water provision to the poor and hence increase in water supply coverage. Availability of groundwater maps will lead to a reduction in failure of wells and cost of the initial investments and operation and maintenance of water

#	WRM Strategies	Description
		supply systems thus making more funds available to increase water supply coverage for the poor. Availability of runoff and hydro-climatic maps would also ensure good planning and development of water that is essential under the Plan for Modernization of Agriculture (PMA).
33.	Reduce the vulnerability of the poor to water related natural disasters	The poor, both in the urban and rural often live and work in low lying areas that are susceptible to floods or are in areas that experience limited water supplies and often droughts. They therefore are vulnerable to excessive droughts and floods and often lose their land, animals and food supplies due to these disasters. Continuous monitoring and assessments is a step in the right direction but also requires further development of real time monitoring and early warning system.
34.	Decentralize management of Water Resources	Management of water resources at the lowest appropriate level should be promoted as it will benefit the poor and lead to greater decision-making at local levels. The poor, including women, will be able to make decisions regarding monitoring, assessment, regulation and allocation of water resources and thus ensure that their interests regarding access to adequate and safe water are properly addressed.
35.	Continuously monitor water quality monitoring	Effective implementation, coordination and supervision of national water quality monitoring programs need to be intensified to ensure that the poor people are consuming and utilizing water fit for the intended purpose. The rich live in pollution free areas whilst the poor often live in areas polluted from improper faecal disposal, municipal and industrial wastes. Reducing the risk of disease transmission especially to children and the elderly helps free women of the burden and time taken in caring for sick. Moreover, people with HIV / AIDS will be less vulnerable to opportunistic diseases. Data collected will be used to regulate safe water provision, water handling and waste disposal, inform and guide public on water potentials, set guidelines/standards and remedial actions in order ensure sustainable management and development of resources. Community involvement in water source O&M should be linked to catchment or watershed management protection of the environment.
36.	Participate in transboundary water resources	Uganda will continue to fully participate in transboundary water resources programmes in order to ensure that the country obtains its fair share of the Nile water resources and

#	WRM Strategies	Description
	programmes	guarantee its proper protection against overexploitation and pollution. Availability of adequate and good quality water resources will benefit the poor by ensuring that all their water related demands from the transboundary water resource are met in a cost effective manner.