

UGANDA

Water and Sanitation Profile

POPULATION AND HEALTH STATISTICS	
Population (2008)	31.7 million ^a
Proportion of population living in urban areas (2008)	13% ^a
Average annual urban/rural population growth rates (1990-2008)	4.2 / 3.1% ^a
Under age 5 mortality rate (2007)	131/1000 live births ^b
Under age 5 mortality rate due to diarrheal disease (2004)	15.5% ^b
<small>Note: Most recently available data provided. ^a World Bank. 2009 World Development Indicators (WDI) Database. ^b World Health Organization (WHO). World Health Statistics 2009.</small>	

WSS SECTOR OVERVIEW

Uganda is a largely rural country with ample water resources. However, much of the population still lives without access to safe water or adequate sanitation. Uganda has had significant success in reforming its water supply and sanitation (WSS) sector in recent years, with a steady improvement in WSS coverage. In fact, improved drinking water coverage has increased by 24 percent between 1990 and 2008.¹ Uganda has been so successful at reforming its WSS sector and increasing sustainable WSS service that it now advises other sub-Saharan African utilities and nations, including Kenya, Tanzania, Ghana, Zambia, Nigeria, Malawi, Mozambique and Rwanda.^{2,3,4}

Uganda's 2004 Poverty Eradication Action Plan (PEAP) heavily advocated the reform and expansion of WSS services and led to water and sanitation coverage targets that are more aggressive than the

¹ WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP). *Progress on Sanitation and Drinking Water, 2010 Update*.

² Public Services International Research Unit. *Public-Public Partnerships (PUPS) in Water* (2009).

³ NWSC. *Improving Performance: Case of NWSC* (2006).

⁴ The Daily Monitor. *100 Days That Changed Life for Water Supplier* (September 8, 2009).

Millennium Development Goals (MDGs). Beginning with reforms in the mid-1990s, Uganda's WSS sector, and particularly the lead utility, the government-owned National Water and Sewerage Corporation (NWSC), has focused on management, an institutional culture of accountability, and highly trained staff.

Uganda's reforms focused on increasing the number of connections (rather than increasing rates) as a means for increasing revenue and sustainability within the WSS sector. NWSC was particularly successful with this strategy, which included drastically reducing connection fees and a streamlined customer permitting process. NWSC also developed an effective computerized billing system, improved customer relations, invested heavily in human resources, and developed creative approaches for accommodating poor urban populations.

Uganda has already met the MDG for urban drinking water. Based on previous trends, Uganda is on track to meeting the target for overall water supply but is likely to lag behind in sanitation coverage. Nevertheless, the WSS sector remains one of the top priorities for the Government, which is aiming to

WATER AVAILABILITY IN UGANDA	
Renewable internal freshwater resources per capita, m ³ /person/year (2008)	1,232 ^e
Water withdrawals, m ³ /person/year (2002)	12 ^e
Projected water resources per capita, m ³ /person/year in 2015	986 ^d
<small>Note: Most recently available data provided. ^e UN Food and Agriculture Organization (FAO). <i>FAO Aquastat Database</i>. "Freshwater resources" refers to estimates of runoff into rivers and recharge of ground water and does not include flows from other countries. ^d Note this value was calculated using a straight-line calculation based on average population growth rates (1990-2008) with no adjustment for consumption or technology changes. Data was obtained from <i>World Bank WDI Database</i> (population) and <i>FAO Aquastat Database</i> (water resources).</small>	

achieve the MDGs as well as the country's more aggressive sector targets as laid out in Uganda's Sector Investment Plans (SIPs).⁵

WSS SECTOR FRAMEWORK

The Ministry of Water and Environment (MWE) maintains overall responsibility for formulating national WSS policies. Within the MWE, the Directorate of Water Development (DWD) provides support services to local governments and service providers. DWD is also the lead agency that coordinates and regulates the WSS sector.

The NWSC is a commercialized, publicly owned utility established in 1972, providing water supply and sewerage services to a total of 24 cities, towns, and other municipalities. NWSC currently owns and manages the WSS assets of many of the largest municipalities in Uganda. Other large towns are managed by NWSC under a performance contract arrangement with the Government.

In small towns, WSS control is decentralized but somewhat disorganized. Rural WSS facilities are typically managed by private operators accountable to local Water Authorities. There are 98 small towns with operational piped water supply, and of these, the majority are legally established as water supply areas under local Water Authorities. Many of these also operate under performance contracts with MWE (thus enabling MWE to monitor their performance). Eight small towns (whose water supply is an extension of the NWSC supply system) are managed by NWSC. Three water supply schemes are directly managed by town councils (Moroto, Kotido and Kyotera).⁶

Uganda does not have an autonomous WSS regulator, but it is creating a transparent regulatory system through legal contracts including a performance contract between NWSC, MWE and the Ministry of Finance, Planning and Economic Development (MFPED). 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

KEY GOVERNMENT AGENCIES

Agency	Description	Contact Information
MWE	<ul style="list-style-type: none"> National policy and strategy development. 	Maria Mutagamba, Minister mutagamba@dwd.co.ug 256-41-342931/3
DWD	<ul style="list-style-type: none"> Oversees and supports rural WSS service; WSS regulator. 	Mr. Sottie Bomukama Director 256-414-505-640/945 sottie.bomukama@mwe.go.ug
NWSC	<ul style="list-style-type: none"> WSS service provider in urban areas; Consulting to rural areas. 	Dr. William Muhairwe, Managing Director 256-414-315-100 muhairwe@nwsc.co.ug
Local governments and Water Authorities	<ul style="list-style-type: none"> Provide rural WSS service in areas outside of NWSC jurisdiction (in liaison with DWD). 	
MFPED	<ul style="list-style-type: none"> Coordinates distribution of donor funding. 	Ms. Syda Bumba Minister 256-41-25088

on progress and achievements against their own contracts with local operators.

Sector financing has been based on medium and long-term financial planning. NWSC is judged to be credit-worthy and is increasing its borrowing through the bond market. Rural areas however, derive most of their funding from Government grants or other outside donor funding. It is estimated that only about 17 small towns are able to independently cover their operations and maintenance (O&M) costs.⁷

Lastly, non-governmental organizations (NGOs) and community-based organizations (CBOs) are very active in the provision of WSS services, including the construction of facilities and hygiene promotion. It is estimated that more than 150 NGOs/CBOs are implementing WSS projects throughout Uganda.⁸

THE URBAN SUB-SECTOR

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

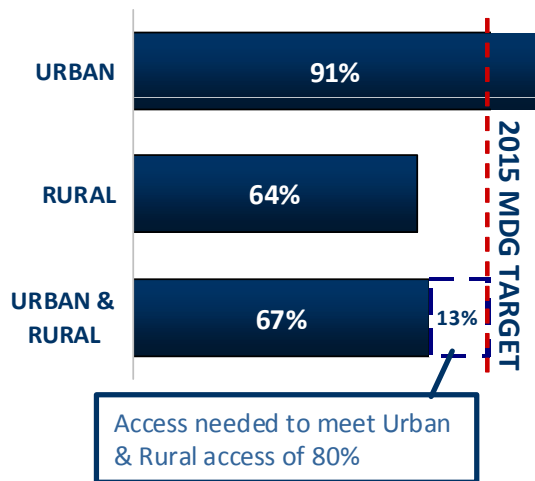
⁵ AfDB. *African Economic Outlook: Uganda* (2007).

⁶ Government of Uganda MWE. *Water and Sanitation Sector Performance Report* (September 2006).

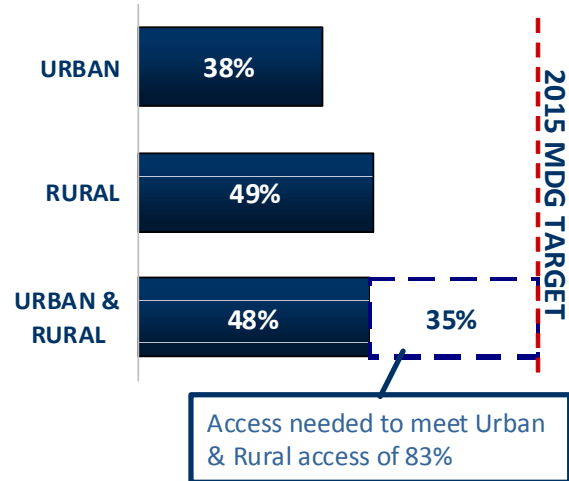
⁷ AfDB. *African Economic Outlook: Uganda* (2007).

⁸ Ibid.

Meeting MDG 7: Access to Water in 2008



Meeting MDG 7: Access to Sanitation in 2008



Data Source: WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation (JMP), *Progress on Sanitation and Drinking Water, 2010 Update*. Note on comparing baseline data from earlier reports: The JMP methodology uses all available data in each successive report. This means that estimates may be recalculated for earlier years if more data becomes available. The JMP notes that these new estimates may affect the baseline reported in earlier data sets.

compensation of top management are linked with performance outcomes.

The utility has performed very well and has gained International Organization for Standardization (ISO) 9001:2000 certification for nine of its service areas, including Kampala, which constitutes over 60 percent of NWSC's business. Metering is extensive in cities and large towns. NWSC is able to cover operating costs and is beginning to have an ability to re-invest. Increased billing and collection effectiveness, plus lowering the connection fees, have increased revenues significantly. However, the utility will need to increase collection efficiency even more and lower non-revenue water in order to attract investment and remain financially solvent. According to NWSC, between 1998 and 2003, staff productivity improved from 36 to 11 staff per 1,000 connections, unaccounted-for-water reduced from 51 to 39 percent, customer base grew from 50,000 to 93,000, and collections increased from 60 percent to 94 percent. Profit also increased from US\$ 1.5 to 4M.⁹

NWSC is also responsible for sewerage and sanitation, yet coverage remains low despite NWSC's robust performance in the water sub-sector. Nevertheless, sanitation master plans and strategies have been completed for Kampala and 14 other towns. In addition, NWSC has lobbied the Ugandan

government to exempt customers from being assessed a value added tax (VAT) on their individual bills, because the VAT reduces affordability of services, particularly for 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. 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, and 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 procure not only O&M, but construction services and technical assistance as well. Although improvement and expansion in rural areas is subsidized by the MWE, the primary source of funding is donor contributions that are passed through MFPED to the programs administered by MWE.

DONOR INVOLVEMENT

The Uganda Water and Sanitation NGO Network (UWASNET) was launched in 2000 and promoted by DWD, development partners, and NGOs as an

⁹ NWSC. *Performance Enhancement Programs in NWSC (2004)*.

umbrella association to promote improved coordination between the government and donor organizations. It performs advocacy and lobbying, maintains a database of NGOs and CBOs, works to build the capacity of member organizations, promotes networking and collaboration, and provides advisory services. In 2002, Uganda adopted a Sector-Wide Approach (SWAP) for its WSS improvements. The SWAP improves the channeling of funds to where it is needed and has garnered the participation from stakeholders throughout the sector.

A significant amount of WSS spending in Uganda is financed by donors. Major donors include the African

Development Bank (AfDB), which assisted with rural water supply and sanitation (US\$ 61M). The Joint Water and Sanitation Sector Program Support (JWSSPS), begun in 2008, includes US\$ 150M in planned spending; this effort is supported by multiple donors are involved with the JWSSPS, most notably the Danish International Development Agency (DANIDA). Other donors under JWSSPS include AfDB, the European Union, the governments of Austria, Sweden, United Kingdom, Germany, and the United Nations (UN). UN-HABITAT is leading the Lake Victoria Region Water and Sanitation Initiative, which includes the construction of sanitation facilities in secondary urban towns in Uganda.

DONOR	ACTIVITIES	CONTACT INFORMATION ^e
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. 	Mukaila Ojelade UGFO@afdb.org Tel: 256-414-236-166
Austrian Development Agency	<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. 	Grace Katuramu grakat@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
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. 	Thomas Schild, thomas.schild@gtz.de Tel: 256-414-303-901
Sweden (SIDA)	<ul style="list-style-type: none"> ▪ Partner in JWSSP; ▪ Integrated water resources management improvements via water quality improvements in Lake Victoria. 	ambassaden.kampala@foreign.m inistry.se Tel: 256-41-340 970
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 World Bank	<ul style="list-style-type: none"> ▪ Urban and rural WSS infrastructure rehabilitation and expansion; ▪ Institutional capacity building; ▪ Supporting design-build-operate contracts in rural areas. 	Francis Ato Brown fbrown@worldbank.org Tel: 255-22-2163200
^e Contact information may change frequently and therefore be different from what is noted above.		

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Additional information and sources that aided in the completion of this report include: World Bank Online Country Profile – Uganda (2009); NWSC *Annual Activity Report July 2007-June 2009*; UN-HABITAT, *Lake Victoria Region Water and Sanitation Initiative* (2008); African Ministers' Council on Water (AMCOW), et al., *Getting Africa on Track to Meet the MDGs on Water and Sanitation* (2006); UN Educational, Scientific, and Cultural Organization (UNESCO), *2nd UN World Water Development Report, Case Studies: Uganda* (2006).

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