Water & Sanitation Sector

GOVERNMENT OF UGANDA

MINISTRY OF WATER, LANDS AND ENVIRONMENT

WATER AND SANITATION SECTOR

MEDIUM TERM BUDGET FRAMEWORK PAPER
FY 2004/05 to FY 2006/07

March 2004

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EXECUTIVE SUMMARY

Mission of Government for the Water Sector: is " Integrated and sustainable management, development and use of Water Resources in Uganda for the present and future generations". The mandate of DWD, the lead sector agency is derived from the mission, thus: "To manage and develop the water resources of Uganda in an integrated and sustainable manner in order to provide water of adequate quantity and quality for all social and economic needs for the present and future generation".

The Water sector is undergoing reform since 1997 with a long-term objective ensure that services are provided with increased performance and cost effectiveness, to decrease the government burden while maintaining the government's commitment to equitable and sustainable water sector services in Uganda.The water sector reform studies were/are undertaken under four (4) component studies- Rural Water and Sanitation Services, Urban Water and Sanitation Services, Water for Production and Water Resources Management.

The Reform studies have prepared Strategic Investments plans(SIP) where Rural water and sanitation requires US 608 or US$ 950 million to increase the coverage to 77% or 95% - 100% by 2015 respectively. Urban water and sanitation sub-sector requires investment of US$ 481 million by 2015. Water for Production requires US $ 168m Preparation SIP for the Water resources management is underway.

Sector Objectives and goals: Consistent with the vision, mandate and its functions, my Ministry intends to achieve the following Strategic Policy Objectives (SPOs) within the next financial year as well as in the medium term with a deep focus on the Poverty Eradication Action Plan(PEAP) of Government, H.E the President's Election Manifesto (2001) and binding international obligations. The Strategic objectives for the sector are:

- **Provision of Sustainable Safe Water Supply and Sanitation Facilities**

In the rural WSS, the underpinning approaches are (i) community driven demand and extension management, (ii) planning and management at the district level, (iii) facilitation of this by the central government, and (iv) private sector involvement. For over five years now, we have registered accelerated results in this new demand driven approach by involving the communities and lower level governments in the identification, design, development and management of their water supply and sanitation facilities through Water and Sanitation Groups (WUGs) each led by a Water and Sanitation Committee (WSC) elected democratically by members of the WUG. Our objective is to reduce the walking distance to 1.5km in rural areas and 0.3km in urban areas for common/public point sources thereby allowing the people a chance to devote the time saved into increasing their incomes as well as improving the quality of their lives (pillars 3 & 4 of the PEAP) an well as enhancing Good Governance when the people are organized to manage their affairs at local level.

- **Hygienic Use of Water**

We recognize that provision of safe water sources is not enough to assure the safety of the water throughout the water chain and hygiene use. Very often, safe water gets re-contaminated during collection, transportation, and storage or during use at household level. We have therefore continued to educate and sensitize the communities and household members on the safe methods of handling water and this continues to be an

open-ended challenge as behavioral change that time to emerge. Improvement in the quality of life of the people advocated in Pillar 4 of the PEAP cannot be attained if the water and sanitation practice at household levels does not improve.

- **Variable Urban Water and Sewerage Systems**

In urban WSS, the underpinning approaches are (i) the achievement of efficiency and commercialized operations through the participation of private sector in service delivery, (ii) Investment planning and management of assets through Public bodies with professional personnel, and (iii) regulation by an independent Regulator.

The basic principle adopted for this sub-sector is commercialisation and use of the private sector to improve on efficiency and reduction in operation cost to a level of breakeven and surplus funds from self-generated revenue from tariff. NWSC and Water Authorities will concentrate on strengthening operation management, asset inventory planning, monitoring the projects and commercial operations.

- **Integrated and Sustainable Water Resources Management**

Integrated and sound Water resource management practice is key to sustained forward and backward linkages in ecological framework as well as economic and health benefits. Agricultural productivity, water supply, environmental management among others depends on the level of water resource management. Our approach therefore is promote integrated and sustainable management of the resource at the lowest appropriate level, increased participation of the private sector, rational prioritization of allocation among the different users and regional/international cooperation for equitable and conflict-free use of shared water resources.

Provision and Effective use of Water for production

Water for Production refers to water for agricultural development (Irrigation, livestock and fisheries), rural industries, recreation, etc. Water for production is an area of increasing importance for Uganda's future development of the agricultural sector in line with the Plan for Modernization of Agriculture (PMA). Availability of adequate water is vehicle for development and is one of the intervention areas for modernization of agriculture and mitigates effects of climatic variations on rain-fed agriculture; will contribute towards increasing the ability of the poor to raise their income (Pillar 3 of PEAP).

The sector goals and targets have been set as:

a) "To promote co-ordinated, integrated and sustainable water resources management to ensure conservation of water resources and provision of water for all social and economic activities."
b) "Sustainable safe water supply and sanitation facilities, based on management responsibility and ownership by the users, within easy reach of 65% of the rural population and 80% of the urban population by the year 2005 with an 80%-90% effective use and functionality of facilities. Then eventually to100% of the urban population by 2015 and 100% of the rural population by the year 2015".
c) "To promote development of water supply for agricultural production in order to modernise agriculture and mitigate effects of climatic variations on rain-fed agriculture"

Sector Performance

The Sector Performance has improved over the last 3 years.

Financial contribution from Government resources were shs 51.77bn(FY 2001/02), shs 48.66bn(FY 2002/03) and shs 61.12bn(FY 2003/04) , resulting to an increase in Water sector share of the Government budget from 0.5% (1997/98) to 2.8% (2003/04). The donor budgets were shs.85.31bn ,86.50 bn and shs50.08bn over the same period. Some projects delayed to start due to none fulfillments of donor conditions by GOU. NWSC's turnover for the year ended June 2003 showed an increase of Shs 3.1 billion from shs 34 billion in the previous financial year, to Shs 37 billion

The following physical achievements were registered:

Rural Water & Sanitation sub-sector:A total of 10,849 water points were provided in the last 3 FYs, serving a population of 2,503,800 people giving an increase in coverage by 9%. The coverage is projected to increase to 61 percent by June 2004. Achievements by technology option include 3,758 springs protected, 4,235 shallow wells constructed, 1,608 boreholes constructed 1,248 gravity flow scheme tapstands constructed ,838 boreholes rehabilitated,1,078 Rain Water Tanks provided to primary schools,379 Rain Water Tanks constructed for communities in water stress areas.,75 Valley Tanks/Dams constructed for livestock, 156 Production Wells/Boreholes for Piped Water for RGCs drilled and 236 Public Latrines in RGCs constructed.

Small towns and Sanitation sub-sector: By FY 2002/03 *37 water supply schemes, including 11 Rural Growth Centres,* completed serving a *design population of 650,644* with a *service coverage of 28.5%* for the small towns. *58 Water Supply Areas* were gazetted and appointed *Water Supply and Sewerage Authorities (WSSA) , 49 towns water systems are being run by Private Operators*, under management contracts.

Large towns WSS Under NWSC: The Service coverage of the NWSC Water supply system has improved from 60% in 2001/2002.to 63% by June 2003. In the various towns operated, progress has been attained in the capacity to deliver services. Total water production is currently at an average of 146,396 m^3 per day from 128,492 m^3 in 2001. The services in the large urban center have been improving, where the Unaccounted for Water (UfW) reduced from 43% in 2001 to39% in 2003, collection efficiency increased from 85% in 2001 to 92% in 2003. Total connections increased from 66,234 (48,960 active) in June 2001 to 87,172 (69,173 active). By June 2003, metered connections increased from 56,951 to 82,492, new connections per year increased from 6,798 to 11,548. Staff per thousand connections reduced from 16 to 11. In regard to sewerage services, the sewage effluent was remarkably improved. Although the number of sewer connections increased by about 104 during the year, there was a four fold increase of sewer tankers emptying into the NWSC's Bugolobi Sewerage Treatment Plant. During the year, the NWSC also commenced the Sanitation Master Plan Study for Kampala, and it is envisaged that the recommendations of the Study will provide the framework for improving sanitation services in all the NWSC operated towns.

Water for Production: During the Last 3FYs (2001/02 to 2003/04) a total of 60 reservoirs were constructed i.e. 5 new large valley tanks 3 old dams rehabilitated, 52 new small tanks, storing a total of 1.296 billion liters of water which is enough to cover an estimated 4.6% of the national livestock herd (tropical livestock units) for a continuous dry period of 5 months

Water Resources management: Activities during the last 3years the focus was on the sustainable management of the water resources of Uganda but do not translate into water coverage. Under the water resources management, achievements include the following:

i. National water Policy, Plan, regulations and standards have been developed.
ii. 70 surface water monitoring stations, 16 groundwater observation wells, 112 water quality sampling sites and 18 climatic stations have been established country wide and they are operational
iii. A national water quality laboratory has been established and equipped and is in the process of obtaining international accreditation.
iv. Water resources data and information has been provided to users.
v. Water resources and management and development studies have been completed including groundwater assessment studies, Environmental Impact Assessment studies, Hydropower potential enhancement studies, hydro geological mapping.
vi. International and regional collaboration with riparian states regarding the Nile River and Lake Victoria is taking place.
vii. Institutional and capacity development of the WRM department has been carried out

Sector Capacity Development: Water For Production reform commenced in May 2002 and completed in December 2003. Water Resources Management reform commenced in commenced in July 2003 and completed in April 2004. MIS has been established in DWD and MWLE, with 10 databases. The GIS for Rural WSS facilities have been established with location maps for 52 districts , except Gulu, Kitgum and Pader districts. The first Joint GOU/Donor Technical review was held in march 2003 and the Third Joint GOU/Donor Review for the Water and Sanitation Sector was held in September 2003.

Plans activities over this MTBF include:

Rural Water & Sanitation sub-sector –a total of 3800 water points and 240 public Latrines during FY 2004/05 ; 3940 water points and 280 public Latrines during FY 2005/06 and 4000 water points and 300 public Latrines during FY 2006/07 giving an increase in coverage from 58%(June 2003) to 68%(June 2007).

Small towns and Sanitation sub-sector , the plan activities over the last 3FY's in include: construction of 33 new water systems, with priority given to newly gazetted District headquarters, construction of 16 new sewerage systems, drilling 86 production wells and 150 boreholes for Hand pumps, Provide technical and management support to new water authorities, water Boards, and to the young private operators to consolidate gains ,Provide water supply and sanitation services to the urban poor.

Large towns WSS the plan activities over the last 3FY's in include Constructions of Gaba III and Entebbe WSS; extension of water to Mukono, Rehabilitation of Gulu Water sysyem, Installing 24,000 water and 3000 sewer connections and 450 water kiosks.

Water for Production, the plan activities over the last 3FY's in include: completuion ff 15 dams/Valley tanks and 300 small dams/valley tanks to serve the dry season livestock water requirement by additional 18%.

Water Resources Management: The areas to be addressed include :the impelemataion of WRM Reform Study recommendations that undertaken in FY 2003/04 , Decentralization of the water resources management already piloted in 3 districts (Mbale, Tororo, and Kasese),mapping of water resources ,Mitigation of natural disasters. Water source protection, Strengthening of water resource regulations including awareness raising on the importance of water resources management, Support to activities of the Nile Basin Initiative and East African Community ,Water quality monitoring and surveillance

Water Sector Capacity Development :Focus will be on expediting the institutional reforms focusing on the structure and staffing of DWD and District Water Offices to adequately handle the new tasks effectively as recommended by the institutional and organizational study, this will include: Reorganisation and Staffing of DWD and DWOs, Building the capacity at the national, district and community levels, including the private sector, NGOs, CBOs to undertake their new roles. This will include training and HRD, Strengthening the MIS in DWD/MWLE and Establishment of MIS in all Districts Implementation of SWAP framework for the Sector .

ISSUES DISCUSSED WITH MFPED

(i) District Water and Sanitation Development Grant

Comparing the MFPED and the Rural WSS 5-Year Operation plan (OP5) depict a shortfall of US$ 128m. Danida and Sida have provided funds under their 5-year plan (2003 -2007) to be remitted to the district as PAF conditional grant to the tune of US$6.27m,US$ 8.25m and US$ 9.51m for FY 2004/05, FY 2005/06 and FY 2006/07 respectively. The Sector capacities at the Local Governments are being built and will be in position to absorb the additional funds.

The Ceiling the District Water and Sanitation grant should be increased accordingly i.e by Shs13.26bn, shs18.17bn and shs21.76bn for FY 2004/05, FY 2005/06 and FY 2006/07 respectively.

This request is being considered by MFPED

(ii) Ministerial Development projects

Water sector Ministerial development projects funds are quite inadequate to meet the sector's planned activities , with funding gap of shs 33.7bn. VAT and other taxes obligations. Yet, over 80% of the sector funds (both form GOU and Donors) are used for payment to service providers (consultants, Contactors, suppliers etc) that are VAT inclusive, in line with the current tax policy.

More funds should be allocated, at least to meet the VAT provision for the sector for FY 2004/05 by shs 8.8bn.

This request is being considered by MFPED

(iii) New programme for Recurrent budget

New programme be created for the recurrent budget of the Department for Urban Water and sewerage services (newly established) .The budget provision is within the ceiling

This request is being considered by MFPED

Un-funded sector programmes on order of priories are:

(iv) Provision of Water and Sanitation services to the IDP

The districts affected by the conflict or in case of any other natural disaster, don't have the resources, both Money and human, to provide timely and adequate water and sanitation services. The Central Government, in particular DWD, should have budget and personal to intervene and help the affected districts and communities. In the FY 2004/05, DWD intend to construct 10 piped water systems to serve the IDPs in Anaka, Atiak, Pabbo and Palenga, Lokung, Mucwini, Agoro, Padibe, Palabekal . **For FY 2004/05 this requires additional budget Shs 3.09bn**

MFPED advised that this should be funded within the sector ceiling.. However only shs 500m has been provided under the Support to Rural Water programme. The grant to districts should to targeted to IDPs. Additional fund is still required.

(v) Water for Production

A strategic intervention program to promote exports within the agricultural sector has been designed, under which about 1400 small valley tanks and about 34 strategic surface water reservoirs will be constructed over a period of five years. It is planned that some boreholes in Karamoja with high yields will be powered by use of windmills to supply water to livestock. It is envisaged that the development of irrigated cotton and other high yielding crops will be facilitated. The Programme will support the Livestock Productively Project being supported by ABD . For FY 2004/05. **these requires additional funds to the tune of shs 8.872bn**

This request was deferred by MFPED, until the finalisation of PEAP revision and WFP reform study.

(vil) Medium Towns WSS

The provision of water and sanitation services to the medium sized towns of Iganga, Mityana, Mpigi, Nebbi, Apac, Pakwach and Kigumba needs immediate attention. These towns have for long been earmarked for ADB support and currently a study is in progress .Due to the acute need for water in these towns and considering that the gestation period for the ADB funding has been long, it is important that mini-piped water supply schemes be implemented in some of the towns under financing by the GOU **During the FY 2004/2005 it requires additional funds of shs 3.5bn**

This request was deferred by MFPED, until conclusion of the loan arrangement with BADEA

WATER AND SANITATION SECTOR
MEDIUM-TERM BUDGET FRAMEWORK
FY 2004/05 to FY 2006/07

1 INTRODUCTION

This process is the seventh year in which a consultative and participatory process on the Public Expenditure Review and an open discussion on the Medium Term Budget Framework Paper involving the main stakeholders in government, private sector and the donor community.

The Water Sector Working Group(WSWG) Chaired by the PS-MWLE and comprising of representatives from MWLE/DWD/NWSC and other line ministries (MFPED, MOH, MOLG) to create a policy consensus, formulate sector strategies and prepare Medium Term Expenditure framework (MTEF) paper.

This Medium-Term Expenditure Framework (MTEF) paper was prepared a consultative and participatory process by WSWG from October-December 2003 and draft final document submitted to the Ministry of Finance, Planning and Economic Development (MFPED) on 31st December 2003. The MTEF paper were reviewed at meetings between MFPED and MWLE at Technical level on13th Jan 2004 and Ministerial level on 3rd Feb 2004

The MTEF paper addresses the water resources management and provision of water and sanitation/sewerage services in the country. The MTEF paper presents the policy reform issues, outturns for FY 2001/02 to 2003/04, performance review, actions to further improvement including the ROM and planned programmes with budget allocations for FY's2004/05-2006/07.

2 REVIEW OF WATER SECTOR POLICIES AND PLANS

2.1 WATER SECTOR ORGANIZATION

The Water Sector Organization can be briefly described as follows:

(i) **Ministry of Water, Lands, and Environment (MWLE)** has overall responsibility for initiating the national policies and for setting national standards and priorities for water management

(ii) **Directorate of Water Development (DWD)** is the Government sector lead agency and is responsible for managing water resources, co-ordinating and regulating all sector activities and provides support services to the local governments and other service providers.

(iii) **National Water and Sewerage Corporation (NWSC),** an autonomous parastatal entity established in 1972[1] is responsible for the delivery of water supply and sewerage services in 15 large urban centers with a total population of about 2.1million. These centers are Kampala, Jinja/Njeru, Entebbe, Tororo, Mbale, Masaka, Mbarara, Gulu, Lira, Fort-Portal, Kasese, Kabale, Bushenyi/Ishaka, Soroti and Arua.

[1] NWSC was established by Decree No.34 of 1972. This decree was repealed by Statute No.8 of 1995, referred to as the "NWSC Statute", which now governs all operations of NWSC

(iv) **Local Governments** (Districts, towns and lower local governments) together with the communities, are responsible for implementing, operating, and maintaining water supply and sanitation facilities (except in the large urban centers under NWSC) .

2.2 MISSION OF GOVERNMENT FOR THE WATER SECTOR:

"Integrated and sustainable management, development and use of Water Resources in Uganda for the present and future generations".

The mandate of DWD, the lead sector agency is derived from the mission, thus:

"To manage and develop the water resources of Uganda in an integrated and sustainable manner in order to provide water of adequate quantity and quality for all social and economic needs for the present and future generation".

2.3 POLICY AND LEGAL FRAMEWORK

The Water Sector Reform studies reviewed the policy and legal framework so as to harmonize them with the agreed principles . The existing policies and laws[the Constitution, the Local Governments Act (1997), the Water Statute (1995), the NWSC Statue (1995) , NEMA Statute (1995) and the National Water Policy (1999) and NEMA policy]represent a comprehensive regulatory framework for the management of the sector,. The current policies reflect the socio-economic, development and financial fabric prevailing in present day Uganda with foresight to the future. However, there is need to review some provisions of the laws in order to incorporate some sector reform proposals ,harmonize the existing laws and regulatory functions; to allow greater participation of all stakeholders, including the private sector, to improve the delivery of sector services.

2.4 REVIEW OF SECTOR POLICIES AND PLANS

The Water sector is undergoing reform since 1997 with a long-term objective ensure that services are provided with increased performance and cost effectiveness, to decrease the government burden while maintaining the government's commitment to equitable and sustainable water sector services in Uganda.

The water sector reform studies were/are undertaken under four (4) component studies- Rural Water and Sanitation Services, Urban Water and Sanitation Services, Water for Production and Water Resources Management, as follow:

- The rural water supply and sanitation sub-sector study was undertaken from January 1999 to June 2000, from which the Rural Water and Sanitation Strategy and Investment (SIP) Plan for 15years that requires US$ 608million and US$ 950million to increase the coverage to 77% and 95% by 2015 respectively. The SIP provisions are being used to guide the allocation of the District Water and Sanitation Development grants (DWSDG) to districts

- The Urban water supply and sanitation sub-sector reform study was undertaken from September 1999 to January 2001 The Investment plan of US$ 481million to provide 100% urban water and sanitation coverage by 2015 .

- The Water for production reform study commenced in May 2002 and completed in December 2003. Final report was submitted in December 2003 and has proposed the Institutional Framework, Strategy and Investment Plan for the Sub-sector to the tune of US$ 168.8m by 2015, of which US$ 135.2m will be financed by public coffers.

- The Water Resources Management reform study commenced in July 2003 and completed in April 2004

The Water and Sanitation Sector Gender Strategy have been prepared in January 2003 with vision statement is: 'Gender mainstreamed in all tasks of the water sector for enhanced empowerment, sustainability and poverty alleviation'. This strategy aims to develop empowering approaches that will end hence gender equity, participation and access& control to resources in the water sector leading to poverty alleviation.

The World Summit on Sustainable Development (WSSD) held in Johannesburg, South Africa, in 2002, upheld the **Millennium Development Goal (MDG)**on water to **halve by the year 2015 the percentage of people without access to clean safe water and to follow a similar goal for sanitation.** The main task is devise strategies of confronting water challenges of policy, water financing management capacity and adoption of appropriate technology in order to achieve the millennium target. Also prioritized were water resources management and the protection of the environment. The outcomes of WSSD, also do, among other things create obligations on Member States and challenges of meeting the targets and implementing the WSSD and Agenda 21 Agenda. The emerging financing and global development strategies through partnerships and regional programmes especially on integrated water resources management will entail higher participatory costs and broadening the scope of water sector development strategies and programmes. The MTBF will be used to mobilize additional resources within the content of WSSD outcomes and opportunities under Types I & II partnerships within sector ceilings under Government budget. There are, therefore, opportunities from this type 2 Partnerships like those of EU, USA, UK, Sweden and others, for which strategies to access the resources have to be developed.

The African Water initiative has been prepared by the African Development Bank (ADB) to address the challenge of providing accelerated access to safe drinking water supply and sanitation services to the rural population in Africa. The Initiative is one of the Bank Group's contributions to achieving the African Water Vision targets and the Millennium Development Goals (MDG) for water supply and sanitation .Uganda has been selected as one of the countries to participate in the implementation of the Rural Water Supply and Sanitation Initiative (RWSSI).

2.5 RELATION TO PEAP OBJECTIVES

Poverty eradication is a fundamental objective of Uganda's development strategy for the next two decades. The Poverty Eradication Action Plan(PEAP),1997, revised 2000, and being revised (2003) gives the guiding framework for the achievement of poverty eradication. It adopts a multi-sectoral approach, recognizing the multi-dimensional nature of poverty and the inter-linkages between the influencing factors. Within the context of continuing macro-economic stability and broad-based economic growth, it aims to promote the following four pillars:;

- Pillar 1; Creating a framework for economic growth and structural transformation,
- Pillar 2; Ensuring good governance and security,
- Pillar 3; Directly increasing the ability of the poor to raise their incomes,
- Pillar 4; Directly increasing the quality of life of the poor.

Inaccessibility to safe water supply was reported as one of the ten community priority problems in the Uganda Participatory Poverty Assessment Project (UPPAP, 2000). Provision of safe water for all, improved health and increased income through water resource development for various uses (domestic, industrial, agricultural, etc) has been recognized as one of the services for socio-economic development hence poverty alleviation.

To ensure the objectives of PEAP there is need to ensure availability of water of adequate quantity and good quality when and where it is needed for the different uses now and in future and ensuring that the planned programmes do not have adverse negative effects on the quantity and quality of water resources and the general environment. Availability of adequate water resources as one of the intervention areas for Modernization of Agriculture and will contribute towards increasing the ability of the poor to raise their income. Similarly availability of adequate and good quality water for hydropower generation and other activities will contribute towards improving the quality of life of the poor and increasing economic development.

The Water and Sanitation activities can be linked to 3 pillars of current Poverty Eradication Action Plan (PEAP).

- Pillar 1: Creating a framework for economic growth and structural transformation includes Urban WSS provides infrastructure that is essential for industrial and economic growth.
- Pillar 3- Directly increasing the ability of the poor to raise their incomes, includes Water for Production and Water Resources Management.
- Pillar 4-Directly increasing the quality of life of the poor, includes Water Supply and Sanitation.

The revised PEAP document(2003) for the Water and Sanitation sector clearly demonstrated the need for public interventions in the sector services ,positive trends in the service delivery with well defined beneficiaries ,the sector institutional set up at national, districts/ local governments and community levels, policy issues for reform and investment and financing plan.

2.6 RELATION TO MINISTERIAL POLICY STATEMENT AND PRESIDENT'S MANIFESTO

The Water and sanitation is one of the priority areas of government. The Ministerial Policy statement presented to Parliament in July 2003 intends to achieve the following Strategic Policy Objectives (SPOs) within the next finicial year and medium term with a deep focus on the Poverty Eradication Action Plan(PEAP) of Government, H.E the President's Election Manifesto (2001) and binding international obligations. The Strategic objectives for the sector are:

- **Provision of Sustainable Safe Water Supply and Sanitation Facilities**

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this by the central government, and (iv) private sector involvement. For over five years now, we have registered accelerated results in this new demand driven approach by involving the communities and lower level governments in the identification, design, development and management of their water supply and sanitation facilities through Water and Sanitation Groups (WUGs) each led by a Water and Sanitation Committee (WSC) elected democratically by members of the WUG. Our objective is to reduce the walking distance to 1.5km in rural areas and 0.3km in urban areas for common/public point sources thereby allowing the people a chance to devote the time saved into increasing their incomes as well as improving the quality of their lives (pillars 3 & 4 of the PEAP) an well as enhancing Good Governance when the people are organized to manage their affairs at local level.

- **Hygienic Use of Water**

We recognize that provision of safe water sources is not enough to assure the safety of the water throughout the water chain and hygiene use. Very often, safe water gets re-contaminated during collection, transportation, and storage or during use at household level. We have therefore continued to educate and sensitize the communities and household members on the safe methods of handling water and this continues to be an open-ended challenge as behavioral change that time to emerge. Improvement in the quality of life of the people advocated in Pillar 4 of the PEAP cannot be attained if the water and sanitation practice at household levels does not improve.

- **Viable Urban Water Supply and Sewerage/Sanitation Systems**

In urban WSS, the underpinning approaches are (i) the achievement of efficiency and commercialized operations through the participation of private sector in service delivery, (ii) Investment planning and management of assets through Public bodies with professional personnel, and (iii) regulation by an independent Regulator.

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- **Integrated and Sustainable Water Resources Management**

Integrated and sound Water resource management practice is key to sustained forward and backward linkages in ecological framework as well as economic and health benefits. Agricultural productivity, water supply, environmental management among others depends on the level of water resource management. Our approach therefore is promote integrated and sustainable management of the resource at the lowest appropriate level, increased participation of the private sector, rational prioritization of allocation among the different users and regional/international cooperation for equitable and conflict-free use of shared water resources.

- **Provision and Effective use of Water for production**

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The President's Manifesto stresses the importance of provision of water supply and sanitation services, among others, as being central to Uganda's poverty eradication

and economic growth strategy. The President's Election Manifesto stresses the importance of provision of water supply and sanitation services, rural electrification, Modernisation of Agriculture and industrial development as being central to Uganda's poverty eradication and economic growth strategy. These will however depend on availability of adequate good quality water. Implementation of the above programmes will inevitably lead to conflicts as a result of water shortage and may also lead to pollution of water resources. Proper management of these conflicts and control of pollution therefore requires adequate assessment, monitoring and regulation of water resources which will result in rational

Manifesto statement: for the sector include;:
Rural WSS To introduce new conditional Grant for Water development(Activity 81-Done),Physical facilities include: protect 568 springs ;construct 1,362 new boreholes,700 shallow wells, 20Gravity Flow schemes, 30 piped water to RGCs and 1,671 institutional latrines(activities 97 to 102),
Urban WSS: "to complete 30 piped schemes for small towns and rural growth centers and 20 large schemes will be designed(Activities 82 to 87);extend water network in Kampala(to Segulu, Lubowa, Bunamawaya, Kireka, Bweyogerere,Seeta,Mukono and Nasana(activity 91); Rehabilitate and expend water in EntebbeJinja/Njeru, Kabale and Gulu(activity 92), Extend NWSC services to Busheyi, Soroti, Kitgum and Aura(Activty 93); Extend water to Biharwe and Kaberbere(activity 94).
Water for Production: complete dams/valley tanks for Karamoja(activity 101) and 15 dams/valley tanks under the Livestock project(activity 106);construct 47 small tanks in different parts of the country(activity 108); rehabilitate Mbaira dam(Mbarara) and Kodukul dam(Kumi)(activity 109); construct 1400 Valley Tanks/Dams at parish level in the Cattle Corridor districts(activity 111)

The Ministry will endeavor to implement the Strategic Policy Objectives and the President's manifesto.

2.7 RELATION WITH NEMA AND MAJOR ENVORNMENTAL POLICY IMPLICATIONS OF THE ACTIVITIES.

The Directorate of Water Development, as the lead agency in the water sector, has a shared responsibility with the National Environmental Management Authority (NEMA) for ensuring that water resources are not over exploited or polluted through regulating water use, setting water quality standards, standards for discharge of effluent into water, setting limits on the uses and management of lakes and rivers banks, review of EIAs etc

2.8 RELATION TO THE SUB-SECTOR PLANS

The specific sub-sector plans as follows.

2.8.1 Rural Water Supply and Sanitation

Sub- Sector goal and target have been set as follows:

"Sustainable safe water supply and sanitation facilities, based on management responsibility and ownership by the users, within easy reach of77% or 95% of the rural population by the year 2015,with an 80%-90% effective use and functionality of facilities"

Strategy and plan for the sub-sector is based on 5-year Operational Plan (that was prepared to implement the SIP15 during the years 2003 to 2007) and the Rural Growth Centres (RGCs) Strategy. The underpinning approaches in the Operational Plan are (i) community driven demand and extension management (ii) planning and management at district level (iii) facilitation of this by the central government, and (iv) private sector involvement (v) strengthened O&M (vi) integration with sanitation and hygiene education.

The Rural Growth Centre Strategy elaborates the transition and long term approaches to the implementation of RGCs. For the ongoing interventions in the RGCs, DWD will play a more active role in the short-term. Presently Districts have different levels in respect of capacity for implementation. I the transition period it is important to assist the districts in building capacity to undertake the responsibility for planning and management of implementation of water supply/sanitation services for RGCs. The planned implementation for the 56 selected RGCs will facilitate the training of District Water Officers (DWOs) in all districts.

It is recommended that the whole cycle of implementation of the 56 selected RGCs be completed and coordinated at national level and if the selected RGCs in some districts fail to fulfil the obligations [land, etc] another RGC in the same district be selected to ensure that the district is included in this first phase of implementation. When this first phase of implementation is completed, the principles of the decentralised implementation will be followed and the DWOs will take the responsibility for project implementation in each district.

2.8.2 Urban Water Supply and Sanitation

The sub-sector Goals and targets

Sustainable safe water supply and sanitation facilities, based on management responsibility and ownership by the users, within easy reach of to100% of the urban population by 2015".

The main challenge now is to develop a framework to operationalise the Urban Water and Sanitation Sub-sector reform Investment Plans. The Urban Water Sector Reform programme in place was mindful of the existing policy, legal and institutional framework and where inevitable a review has been agreed to harmonize them with the agreed principles but also create accelerated access to efficient and effective urban water and sewerage services to 100% by 2015. The following are the specific sub-sector **strategies:**

a) **Small towns WSS under DWD**

The Small Towns Water Supply and Sanitation sub-sector is defined to include district headquarters, established town councils and trading centres with populations above 5,000 people. It includes towns that will be under the jurisdiction of the Assets Holding Authority (AHA) but currently outside the National Water and Sewerage Corporation (NWSC).

The ***Long-Term Strategy for Investment Planning, Implementation and Operation and Maintenance of Water Supply and Sanitation in Small Towns*** defines the road-map and guides the arrangements for actions to be undertaken in this sub-sector upto the year 2015. The strategy clearly indicates the financing investment plan and funding requirements, approach to implementation of programmes, institutional arrangements and management of operation and maintenance of small towns.

According to the Long-Term Strategy, a total of 141 small towns, including completed 11 centres which were implemented under the Small Towns programme, are considered for provision of water supply and sanitation services by the year 2015 and with a total design population of about 2.284 million. A total of 51 towns and 11 Rural Growth Centres under small towns have piped water supply systems that are fully functional as they are either new installed facilities or they have received some rehabilitation in the recent past. The remaining towns have either no piped systems or need major rehabilitation and expansion. The design population in 51 served towns is 851,440 people while the present population in unserved towns is 832,496people. There are about 15,900 active connections in all Small Towns representing an approximate ratio of 1 connection for every 54 people in served towns. With the basic minimum criteria of 1 connection per household of average size of six (6) people, this implies the present level of accessibility to the service is 27.3% in small towns.

The ownership of assets fall in the public sector domain. A central level Government entity, the Urban Water and Sewerage Department (UWSD) oversee sthe development of the WSS in the towns. The management and fiscal autonomy is achieved through the creation of autonomous WSS Authorities to manage these systems. The WA'S are regulated through a performance contract with the centre. The efficiency and economies of scale are achieved through the consolidation of WSS authorities where feasible and practical. The WSS authorities are tasked with managing their WSS systems using commercialized and cost recovery principles. The WSS authorities contract the management, operations and maintenance of the systems to private operators (and regulate the PO using the management contract), promoting efficient technical, commercial and pricing through transparent and competitive contracting process. The UWSD will continue to provide adequate and visible back up technical and management support to the new WSS authorities while creating the requisite capacity for effective technical and economic regulation not only at the local governments' level but also at the centre.

A demand Responsive Approach (DRA) for new schemes is continuously strengthened, where the Local Governments and the community participate and choose the level of services they want and can afford. Emphasis is put on community awareness and empowerment *with* all software aspects associated with the water supply provision such as mobilization, community-based planning and monitoring, hygiene education, maintaining a safe water chain, promotion of sanitation, gender mainstreaming, capacity building at user level required for continued use and sustainable operation of the water schemes.

b) **Large towns under NWSC**

The NWSC currently operates in 15 urban centres of Kampala, Jinja /Njeru, Entebbe, Tororo, Mbale, Masaka, Mbarara, Gulu, Lira, Fort-Portal, Kasese, Kabale, Bushenyi/Ishaka, Soroti and Arua. These 15 large urban centres have a total population of about 2.1 million.

A number of change management strategies have been undertaken in order to strengthen the operational and financial status of WSS prior to private sector involvement in the provision of water and sewerage services.

The NWSC activities are guided by a Corporate Plan which has a rolling three year planning cycle. The Corporate Plan for the period 2003 to 2006 has been prepared as the guiding policy document for the next three years. In tandem with the long term planning process, the Performance Contract with Government which expired in June 2003, is to be renewed for a further period of three years so as to maintain the momentum of efficiency gains within the NWSC.

The NWSC has continued with the implementation of short term enhancement programmes as the main vanguard for operationalisation of the longer term strategies. As mentioned in the earlier budget submission papers, the initial enhancement programmes included 100 Days Programme", the "Service and Revenue Enhancement Programmes (SEREP I & II)", the Area Performance Contracts (APC I ,II, III) undertaken from 1999 to 2002.

Recent programmes carried out have included the Stretch Out Programme and the One Minute Management Programme which have both emphasised team building, worker involvement and instilling of self-confidence among workers all aimed at increasing worker productivity.

It can summarily be mentioned that the outcome of the above mentioned programmes has resulted into a turn-around of the performance of the Corporation.

Regarding the involvement of the private sector, the NWSC has privatised most of its non-core activities such as Guard Services, Building maintenance, and cleaning services. On a larger scale, the NWSC entered into contract with a private firm, ONDEO Services (a French utility management Company), to manage the water supply and sewerage service area of Kampala, which accounts for 70% of the Corporation's activities. The contract was signed in January 2003 and is for a period of two years.

2.8.3 Water for Production

Sub-Sector Objective have been set as:

"To promote development of water supply for agricultural production in order to modernise agriculture and mitigate effects of climatic variations on rain-fed agriculture"

The recent sub-sector reform study and the ongoing PEAP review process has taken into account the relevant objectives of the MDGs, i.e. addressing the food insecurity situation by reducing the number of people without all time physical and economic access to sufficient food, the main focus of the sub-sector is to increase the access to water by the poor to facilitate/contribute to: (i) optimum cultivation field and vegetable crops, (ii) improvement of the livestock herds, (iii) engagement in pond fish production and (iv) establishment of rural based agro-industries. In accordance with the framework set out by the PMA, the water for production sub-sector reform study has re-affirmed that, in order for the water sector

interventions to have meaningful impact on agricultural production among the poor, there other sub-sector complementary interventions that must be undertaken. Therefore, the pertinent water sector interventions will only be undertaken in those areas that have been identified by the agricultural sector on the basis of other complementary interventions being undertaken in those areas.

2.4.2.5 Water Resources Management

The overall policy objective of the Government for water resources management is "to manage and develop the water resources of Uganda in an integrated and sustainable manner, so as to secure and provide water of adequate quantity and quality for all social and economic needs of the present and future generations with the full participation of all stakeholders"

The goal is: *" to promote co-ordinated, integrated and sustainable Water Resources Management to ensure conservation of water resources and provision of water for all social and economic*

The development strategies will be based on the following fundamental principles:

- Management of the Water resources at the lowest appropriate level
- Increased participation of the private sector in monitoring and management of the resource,
- Rational prioritisation and sustainable allocation of water among different users
- Demand-driven responsible approach and effective user participation, contribution and management to ensure sustainability of facilities and services.
- Promoting regional co-operation for equitable and conflict-free use of shared water resources
- Outsourcing some of the WR activities to the private sector such as: (1) WR Assessement services for water development purposes (2) Some WR Assessment studies (3) Community sensitization/bazaars in some areas of the country on water resources field equipment to reduce on vandalism. WRMD will carry out a similar activity in Some areas.

The general framework for integrated water resources management in Uganda is enshrined in the National Water Policy, 1999. The National Water Policy promotes an integrated approach to manage the water resources in ways that are sustainable and most beneficial to the people of Uganda. The approach is based on the continued recognition of the social value of water, while at the same time giving much more attention to its economic value. Allocation of both water and investments, in water using schemes, aims at achieving the maximum net benefit to Uganda from its water resources now and in the future.Water Policy development was based on the Water Action Plan (1995) which was a review of the water resources management issues and which provided the foundation for the subsequent water policy and legislation.

The framework in which the water resources management sub sector currently functions consists of the Water Action Plan, National Water Policy, the Water Statute (1995), the Water Resources and Waste Water Discharge Regulations (1998). The current policies reflect the socio-economic, development and financial fabric prevailing in present day Uganda with foresight to the future.

3 REVIEW OF PAST PERFORMANCE

3.1 FINANCIAL PERFORMANCE

The Sector Financial Performance over the last 3 FY's are as shown in Table 1 below

Table 1: Financial Performance (Donor US$M, GoU shs Billion)

INSTITUTION /PROGRAM	Source	2001/02			2002/03			2003/04		
		Budget	Outturn	% +(-)	Budget	Outturn	% + (-)	Budget	Proj	%+(-)
Recurrent										
WSD	Wage	0.200	0.200	0	0.259	0.259	0			
	Non-Wage	0.275	0.254	(8)	0.215	0.206	(4)			
	Sub-Total	**0.475**	**0.454**	**(4)**	**0.474**	**0.465**	**(2)**			
WRMD	Wage	0.201	0.201	0	0.249	0.249	0			
	Non-Wage	0.235	0.168	(21)	0.152	0.140	(8)			
	Sub-Total	**0.436**	**0.369**	**85**	**0.401**	**0.389**	**97**	**0.436**		
Directorate of Water	Wage	-	-		0.026	0.026	0			
	Non-Wage	-	-		0.163	0.150	(8)			
	Sub-Total	**-**	**-**		**0.189**	**0.176**	**(7)**			
TOTAL		**0.911**	**0.823**	**90**	**1.038**	**1.038**	0			
Conditional Grants										
District Water & San Dev. Grant	GOU	24.49	23.31	(5)	24.49	24.49	0	29.6	28.12	(5)
	Donor	0	0							
Urban Water Supply O&M	GoU	1.29	1.27	0	1.29	1.09	(15)	1.31	1.244	(5)
	Donor	0	0		0	0				
Min Dev. Programmes										
Rural WSS	GoU	6.829	6.829	0	4.049	4.049	0			
	Donor	26.92			7.7	5.7	(26)			
Small Towns WSS	GoU	11.15	11.149	0	7.186	7.186	0	7.689	7.689	0
	Donor	20.18	n.a		11	3.8	(66)	15	4.76	(68)
Large Towns WSS	GoU	0	0	0	0.900	0.900	0	6.460		
	Donor [2]	6.05	n.a		1.2	1.2	0	10.4		
Water for Production	GoU	6.843	4.003	(42)	6.818	4.184	(39)	5.776	5.276	(9)
	Donor	0			0	0		0	0	
Water Res. Management	GoU	1.647	1.647	0	1,729	1.729	0	1.918		
	Donor	6.19	6.19	0	5.05	5.05	0	6.61		
Sector Capacity Development	GoU	1.92	1.92	0	1.278	1.278	0	0.974		
	Donor	4.08	2.24	(45)	6.6	4.4	(33)	3.70		
SUB TOTAL	GoU	51.75	51.748	0	21.91	21.91	0	28.941		
	Donor				31.95	20.15	(37)	45.50		
TOTAL	GoU	52.259	51.77	(1)	48.75	54.34	0			
	Donor				31.95	20.15	(37)			

The contribution from Government resources were shs 51.77bn(FY 2001/02), shs 48.66bn(FY 2002/03) and shs 61.12bn(FY 2003/04) , resulting to an increase in Water sector share of the Government budget from 0.5% (1997/98) to 2.8%

[2] These does not include Projects financed by NWSC funds

(2003/04). The donor budgets were shs.85.31bn ,86.50 bn and shs50.08bn over the same period. Some projects delayed to start due to none fulfillments of donor conditions by GOU.

Table 1(b) NWSC Financial and Investment Report. shs bn

SOURCE	2001/02			2002/03			2003/04 (Projected)		
	Budget	Outturn	%	Budget	Outturn	%	Budget	Outturn	%
Revenue	33	34.05	103%	34.5	37.1	108%	38.5	38.5	100%
Recurrent	23.2	27.1	117%	23.9	29.1	122%	27.4	23.6	86%
Investment Self	4.4	4.8	109%	7.3	6.8	93%	8.05	6.8	84%
Donor	33.8	17.1	51%	28.6	12	42%	30.16	12.0	40%

NWSC's turnover for the year ended June 2003 showed an increase of Shs 3.1 billion from shs 34 billion in the previous financial year, to Shs 37 billion. The Corporation achieved an operating profit before depreciation of Shs 8.1 billion which represents an increase of 16% over the previous year's shs 7 billion. Most of all, for the first time since 1997, the Corporation has been able to post a substantial operating profit of Shs 778 million after depreciation. Although this is a modest achievement by other standards, the ability of a water utility to cover all its operating costs is in this industry a commendable achievement. For the NWSC, this is the beginning of a realisation of the long-term turn-around strategy started in the financial year 1998/1999. We are therefore confident that in the next years to come, the Corporation shall continue to cover all its costs and to post more and more profits.

The NWSC continued with its drive to expand its network primarily through the use of its internally generated funds. The total network length increased during the year from 1,846 km to 2,200 km or an increase of 354 kms. Apart from the 80 kms carried out with the assistance from our development partners, all mains extensions were financed from the internally generated funds. Significant extensions were made to the peri-urban areas in Kampala including areas such as Bunamwaya, Seguku, Lubowa and along Gayaza Road.

NWSC's funds from internal sources as a percentage of total capital expenditure was maintained at 39% in the financial year 2002/2003

3.2 PHYSICAL PERFORMANCE

The sector's tangible achievements in the Last 3 FY's for sub-sectors are as shown in table 2 below:

Table 2: Physical Performance

Description of Benchmark	2001/02			2002/03			2003/04		
	F'cast	Actual	%+(-)	F'cast	Actual	%+(-)	F'cast	Actual	%+(-)
Rural WSS									
Spring protected	1520	1605	5	1252	1233	(10)	924	920	0
Shallow Well protected	2200	1800	(18)	1410	1395	(1)	1,095	1040	(59

Borehole Rehabilitated	346	418	20	150	185	(23)	243	238	(2)
Borehole Drilled	1118	265	(76)	912	812	(11)	590	531	(10)
Rain Water Tanks(Sch)	520	522	0	423	423	0	133	133	0
Rain Water Tanks(Com)	135	120	(12)				288	259	(10)
Valley Tanks/Dams	49	43	(12)	26	24	(7)	8	8	0
Gravity Flow Sch.(Taps)	26(390)	19(380)	(13)	38(353)	38(353)	0	36(573)	32(515)	(10)
Production Wells/BH	126	52	(59)	123	94	(23)	10	10	0
Piped Water at RGCs									
Latrines in Schools	1272	1037	(18)	0	0	0	0	0	0
Latrines in RGCs	121	90	(26)	26	26	0	122	120	0
Small Town WSS									
Production Wells/BH (No.)	86	86	0				65	62	
Intake/Treatment Works (m^3/d)	914	894	(2)	1506	1634		4327.1	4327.2	
Ground Water Pumping Stations (No.)	9000	8890	(1)	9	7		11	11	
Surface Water Pumping Stations (No.)	597	13	(97)	3	3		6	6	
Reservoir Capacity Installed (m^3)	6,000	5800	(3)	2140	1650		4417	4449	
Pipelines laid (km)	96	28	(71)	173	155.45		220	220.1	
Private Connections (No.)	12.3	11	(91)	1808	2068		5000	5301	
Public Standposts (No.)	156	16	(90)	36	36		79	75	
Handpump Boreholes (No.)	4.4	4.0	(9)				16	16	
Springs Protected (No.)				1	1		2	2	
Water Offices Constructed(No.)				2	2		6	6	
Public Latrines/Toilets				1	1		26	25	
Water Produced (Mill m^3)				2.5	2.1		2.5	2.305	
Service Coverage (%)				28.5	28.5		37.3	37.3	
Accessibility in served towns (%)				19.7	19.7		27.3	27.3	
Billing Efficiency (%)							97	97	
Collection Efficiency (%)				81	81		72	72	
Unaccounted for Water (%)				25.5	22.33		22	22	
Active Connections (No.)					4,738		15,900	15,900	
Large Towns WSS, Under NWSC									
Water Produced (Mill m^3)							97	97	
Pipe Lines Laid (km)				81	81		72	72	
Public Stand-posts				25.5	22.33		22	22	
New House Connections	6300	7,764	23	9,430	11,548	(7)	11,500	4,322	
Sewerage Connections	200		100		104		119	52	
Service coverage		60%		65%	63%	(3)	65%	64%	
Billing Efficiency	65%	60%	(8)	62%	61%	(2)	62%	62%	
Collection Efficiency		92%		92%	92%	0	94%	95%	
Unaccounted Water (%)		40%		38%	39%	(2)	38%	38%	
Staff/1000 connections	15	12		9	11	(19)	10	10	
Water for Production									
Increase in coverage (%)	15	2.2	(85)	14	0.6	(99)	14.6	1.8	(88)
Large Dams Constructed	0	0	0	0	0	0	0	0	
Small Dams Constructed	2	2	0	0	0	0	0	0	
Old Dams rehabilitated	16	2	(77)	16	0	(100)	14	1	(93)
Large Valley Tanks Cons.	6	0	(100)	6	5	(17)	3	0	(100)

Small Valley tanks Cons.	50	0	(100)	50	0	(100)	50	50	0
Water storage created (1000 cubic meters)	4349	636	(75)	4013	170	(96)	3928	460	(88)
No. of wind powered boreholes				20	0	(100)	0.	0	
Water source Committees Trained							67	51	(24)
Water Resources mgt									
surface water stations ground water stations water quality stations	57 20 153	52 16 122	(9) (20) (20)	72 33 153	72 23 153	0 (30) 0	72 33 153	72 33 153	0 0 0
water resources assessments carried out	8	6	(25)	10	8	(20)	10	10	0
water permits issued	213	171	(20)	250	200	(20)	250	250	0
waste water discharge permits issued	42	22	(48)	30	30	0	30	30	0
Well maintained water resources databases	5	5	0	5	5	0	5	5	0
Full participation in Nile Basin Initiative activities	Yes	Yes	0	Yes	Yes	0	Yes	Yes	0
Timely and accurate water resources data provided to users	400	460	15	800	760	(5)	1000	900	(10)
Advise given on the quality of water resources ,through samples analyzed	400	384	(4)	800	734	(8)	1000	900	(10)
Policy & Sector Capacity Development									
Policies & standards on water sector management	Policy in use	Yes	0	Policy in use	Yes	0	Policy in use	Yes	0
Sector Investment plans	2	2	0	3	2	(33)	4	4	0
MIS and Operational Databases	10	6	(40)	10	7	(30)	10	10	0
Functioning WPC (Meetings)	2	1	(50)	2	1	(50)	2	2	0
Staff Trained	200	117		200	200	0	250	250	0
Joint Reviews	1	1	0	2	2	0	2	2	0

** 40,800mill m3 is the total installed capacity of all the water works under NWSC.

Table 3: Unit Output Costs

Description of Benchmark	2001/02			2002/03			2003/04		
	F'cast	Actual	%+(-)	F'cast	Actual	%+(-)	F'cast	Actual	%+(-)
Rural Water and sanitation									
Spring protected	1.5	1.2	20	1.5	1.6	(6)	1.5	1.7	(13)
Shallow Well protected	2.8	3.0	(7)	2.8	3.1	(10)	2.8	3.5	(25)
Borehole Rehabilitated	3.0	3.0	0	3.0	2.5	16	3.0	2.2	26
Borehole Drilled	15.6	15.0	4	15.6	12.5	20	15.6	13.5	13
Rain Water Tanks(Sch)	1.5	1.5	0	1.5	1.5	0	1.5	1.8	(20)
Rain Water Tanks(Com)	10.1			10.1	10.8	(6)	10.1	11	(9)

Valley Tanks/Dams	20			20	33.2	(66)	20	34.1	(70)
Gravity Flow Sch.(Taps)	0.6	0.6	0	0.6	0.62	(3)	0.6	0.65	(8)
Production Wells/BH				25	25	0			
Piped Water at RGCs									
Stand-posts									
Latrines in RGCs	2.7	2.8	(4)	2.7	3.1	(15)	2.7	3.5	(29)
Small Town WSS									
Production Wells/BH (/No.)	22.6	20.8	0.92				18.48	10.53	
SurfaceWater Intake/Treatment Works (/m^3)								0.6	
Ground Water Pumping Stations (/No.)									
Grid Power				40	44.7	89.49	37.92	40.57	
Solar Pumping							61.70	61.70	
Surface Water Pumping Stations (/No.)									
Reservoir Capacity Installed (/m^3)				0.9	0.8	112.5	0.93	0.93	
Pipelines laid (/km)									
Dia. above 150mm				25.9	32.0	80.94	41.80	39.75	14
Dia. 100 - 150mm				14.5	16.0	90.63	20.90	20.25	3
Dia. 50 - 100mm				5.2	8.8	59.09	17.12	16.62	3
Dia. below 50mm							5.25	5.25	0
Private Connections (/No.)							0.23	0.23	0
Public Standposts (/No.)				0.3	0.4	75	1.50	1.68	(11)
Handpump Boreholes (/No.)									
Springs Protected (/No.)							2.99	2.99	0
Water Offices Constructed(/No.)							66.00	66.00	0
Public Toilets - 5-Stance Ecosan (/No.)							23.60	23.60	0
Public Toilets - Water-Borne(/No.)							8.20	8.20	0
Water Produced (/Mill m^3)									
Large Towns WSS,									
Pipe Lines Laid (km)									
Public Stand-posts									
New House Connections									
Sewerage Connections									
Water for Production									
Large Dams Constructed									
Small Dams Constructed									
Old Dams rehabilitated									

Summary of achievements include:

Rural Water & Sanitation sub-sector:

A total of 10,849 water points were provided in the last 3 FYs, serving a population of 2,503,800 people giving an increase in coverage by 9%. The coverage is projected to increase to 61 percent by June 2004. Achievements by technology option were:

- 3,758 springs were protected serving a total population of 563,700 people.
- 4,235 shallow wells were protected serving a total population of 1,270,500 people.
- 1,608 boreholes were constructed serving a total population of 482,400 people.
- 1,248 gravity flow scheme tapstands were constructed serving a total population of 187,200 people.
- 838 non-functional boreholes were rehabilitated.
- 1,078 Rain Water Tanks were provided to primary schools.
- 379 Rain Water Tanks were constructed for communities in water stress areas.
- 75 Valley Tanks/Dams were constructed for livestock.
- 156 Production Wells/Boreholes for Piped Water for RGCs were drilled.
- 236 Public Latrines in RGCs were constructed.

The detailed WSS facilities by district are provided in Annex 1 indicating that the service coverage for water varies between districts, ranging from 29 – 86%.

Small towns and Sanitation sub-sector:

By FY 2002/03 ***37 water supply schemes, including 11 Rural Growth Centres,*** completed serving a ***design population of 650,644*** with a ***service coverage of 28.5%*** for the small towns.

Over the past years and by the end of FY 2003/04, the following achievements will have been made:

- ***51 small towns water supply systems,*** completed serving a ***design population of 851,440,*** in addition ***17 Rural Growth Centres*** also completed.
- ***Service coverage of 37.3% for small towns,*** increased by 8.8% in one year.
- ***Design production capacity of 24,108 m^3/day*** installed.
- An estimated ***total pipeline length of 1003 km*** for transmission and distribution network.
- ***16259 private service connections,*** 5301 connections were made in FY 2003/04 alone reflecting an increase of 33% in the year.
- ***459 public water points*** provided.
- ***9 water supply schemes*** were rehabilitated under the emergency intervention serving a population of ***155,195*** *people.*
- ***29 water offices*** constructed.
- ***89 public toilets constructed*** to improve sanitation.
- ***58 Water Supply Areas*** were gazetted and appointed ***Water Supply and Sewerage Authorities (WSSA)***
- ***49 towns water systems are being run by Private Operators***, under management contracts.
- ***29 town water supply systems are under design*** and/or tendering for works stages. These will increase service to an additional ***666,616 design population.***
- ***Water losses due to leakages*** have been reduced to a minimal of less than ***10%*** in most cases.
- ***Billing efficiency*** which is in ***excess of 85%*** compared to systems still under Local Government.
- ***Revenue collection efficiency*** in ***excess of 90% up from as low as 40%.***
- Reduction of ***Unaccounted for Water(UfW)*** to ***20-22% down from 50%-60%.***

- ***Cost recovery*** for O&M costs has been achieved in about ***70% of the towns.*** This is a critical achievement for sustainability.

Large towns WSS Under NWSC:

The Service coverage of the NWSC Water supply system has improved from 60% in 2001/2002.to 63% by June 2003. In the various towns operated, progress has been attained in the capacity to deliver services. Total water production is currently at an average of 146,396 m^3 per day from 128,492 m^3 in 2001. The services in the large urban center have been improving, where the Unaccounted for Water (UfW) reduced from 43% in 2001 to39% in 2003, collection efficiency increased from 85% in 2001 to 92% in 2003. Total connections increased from 66,234 (48,960 active) in June 2001 to 87,172 (69,173 active). By June 2003, metered connections increased from 56,951 to 82,492, new connections per year increased from 6,798 to 11,548. Staff per thousand connections reduced from 16 to 11. In regard to sewerage services, the sewage effluent was remarkably improved. Although the number of sewer connections increased by about 104 during the year, there was a four fold increase of sewer tankers emptying into the NWSC's Bugolobi Sewerage Treatment Plant. This signified that though many people rely on on-site sanitation facilities, the treatment is still passed on and carried out by the NWSC. During the year, the NWSC also commenced the Sanitation Master Plan Study for Kampala, and it is envisaged that the recommendations of the Study will provide the framework for improving sanitation services in all the NWSC operated towns.

Water for Production:

During the Last 3FYs (2001/02 to 2003/04) a total of 60 reservoirs were constructed i.e. 5 new large valley tanks 3 old dams rehabilitated, 52 new small tanks, storing a total of 1.296 billion liters of water which is enough to cover an estimated 4.6% of the national livestock herd (tropical livestock units) for a continuous dry period of 5 months

Water Resources management:

Activities during the last 3years the focus was on the sustainable management of the water resources of Uganda but do not translate into water coverage. Under the water resources management, achievements include the following:

viii. National water Policy, Plan, regulations and standards have been developed.
ix. 70 surface water monitoring stations, 16 groundwater observation wells, 112 water quality sampling sites and 18 climatic stations have been established country wide and they are operational
x. A national water quality laboratory has been established and equipped and is in the process of obtaining international accreditation.
xi. Water resources data and information has been provided to users.
xii. Water resources and management and development studies have been completed including groundwater assessment studies, Environmental Impact Assessment studies, Hydropower potential enhancement studies, hydro geological mapping.
xiii. International and regional collaboration with riparian states regarding the Nile River and Lake Victoria is taking place.
xiv. Institutional and capacity development of the WRM department has been carried out

General and Sector Capacity Development:

Water For Production reform commenced in May 2002 and expected to completed in December 2003. Water Resources Management reform commenced in July 2003 and expected to completed in April 2004.

. MIS has been established in DWD and MWLE, with 10 databases. The GIS for Rural WSS facilities have been established with location maps for 52 districts , except Gulu, Kitgum and Pader districts.

- The first Joint GOU/Donor Technical review was held in march 2003 and the Third Joint GOU/Donor Review for the Water and Sanitation Sector was held in September 2003.

4 EMERGING POLICY ISSUES AND FUTURE SPENDING PRESSURES

4.1 GENERAL

General consensus has been reached on a Sector Wide approach for the sector. A SWAP Framework for the water and sanitation sector was prepared and adopted in September 2002 . The third Join GOU/Donor review for the sector held in September 2003 harmonized the Joint Reviews and PRSCs processes. The implementation the following concrete actions as undertakings and priority issues within the next one year:

- Revise sector investment and operational plans (objectives, targets, allocation principles, service levels, etc.);
- Develop and initiate implementation of a subsidy policy and strategy for the sector as a whole (waters supply), water for production, sanitation, etc) that emphasizes provision of accelerated and sustainable access to water services for the poor.
- Accelerate the implementation of the institutional reform process in the urban WSS sector.
- Establish a sub-sector working group for sanitation (under WSWG) to coordinate and liaise with sanitation stakeholders and operationalise the Memorandum Of Understanding (MOU) on sanitation by three ministries; (MWLE, MOH, MOES)
- In order to facilitate the operalization of the MOU, the sub sector working group will also establish i) clear budget mechanisms for sanitation at all levels; and ii) test models in selected districts and urban councils to guide future strategy, workplans, budgets, implementation mechanisms and coordination at district level.
- Carry out comprehensive performance monitoring for the sector, based on the recommended Performance Measurement Framework;
- Carry out Value for Money and Tracking studies as required for the centre and local government levels.
- Implement O&M strategies to improve functionality.
- Develop and implement strategy and guidelines for response to emergency water and sanitation situations.

Other strategic policy issues

- Identify model local government structures for management of the implementation of water and sanitation activities;
- Development of pro-poor and consumer-empowering approaches to sector funding and cost recovery.
- Improved sector coordination, management and leadership;
- Review procurement procedures to allow faster procurement, without loss of quality in the procurement process;
- Develop pro-poor strategies for sanitation to include the urban poor, IDPs and people in marginalized districts.
- Expediting the completion of the reform study for water for production.

- Expediting the reform study for water resources management

Other Focus areas will include the expediting the institutional reforms at the Directorate of Water Development(DWD0 and District Water Offices(DWOs) to adequately handle the new tasks effectively as recommended by the institutional and organizational study, this will include:

- Implementation of Reorganisation and Staffing of DWD
- Restructuring and staffing of DWOs.
- Building the capacity at the national, district and community levels, including the private sector, NGOs, CBOs to undertake their new roles. This will include training and HRD

4.2 Rural Water Supply and Sanitation

- **Provision of Water and sanitation services to the Internally Displaced People (IDP) camps** : According to the Department of Disaster Management and Refugees in the Office of the Prime Minister, about 1,034,000 people have been internally displaced as a result of armed conflicts in Northern Uganda (in Gulu, Pader, Kitgum and Katakwi districts). These people are living in a total of 117 unproductive camps commonly known as "Internally Displaced Peoples" camps (IDPs). Presently, water provisions in IDPs have been point sources mainly in form of hand-pumped boreholes or protected springs. Such interventions have not alleviated the water supply situation, since it is quite evident that point sources alone cannot provide adequate quantities of safe water required for the highly concentrated population in the camps e.g., Pabo (63,000), Atyak (47,000), Anaka (47,000). It would appropriate to provide piped water to the camps, based on the recently prepared strategy for Rural Growth Centres/ Small towns WSS. The main approach would be to drill a few production wells (or modify one or two existing boreholes), which could then be motorised to pump water to raised reservoir(s) and a distributed to stand-posts. The design will be based on low cost, reliable, and easy to operate/maintain materials or components (like HDPE tanks and pipes) and ease of access to spares and maintenance. Choice of a source of energy (diesel, wind or solar energy) to power the pumps should be investigated for each situation.

Presently funds for rural water supply and sanitation are disbursed to all districts as conditional grants. Since most rural people in these districts are presently living in camps, these funds should mostly be used for water/sanitation service provision in the IDPs. It debatable whether the districts affected by the conflict or in case of any other natural disaster, have the capacity to provide timely and adequate water and sanitation services. The Central Government, in particular DWD, should have budget and personal to intervene and help the affected districts and communities.

- **Supply Chains for Hand pumps parts:** A study on supply chains in 2002 found that despite major efforts at establishment, spare parts dealers (SPD) only 13 are operational in the country.. The lack of spares for hand pumps is a major contributor to the high level of non-functionality registered. Other main problems are the low rate of turnover and hence profitability of spare parts sale and the low capital base of the dealers, and the high proliferation of different types of hand pumps moreover with questionable quality. The supply chains study report recommended an approach to support pre-qualified and licensed national manufacturers and/or suppliers to develop regional distribution networks in partnership with District Spare Parts Dealers as licensed outlets for hand pumps and spare parts. Communities would continue to buy the hand pumps and spares directly from the District Spare Part Dealers using their community contributions **Government will initially offer soft financing to purchase the spare parts** to kick-start the distribution system up to district level. A budget provision has been made (under the

Joint Fund established in DWD) for initial financing of the distribution system during the FYs 2003/04 and 2004/05.

4.3 URBAN WATER SUPPLY AND SANITATION

The prompt Implementation of the Reform programme is crucial if the targets of 100% by 2015 have to be met. The following are therefore the emerging issues for immediate attention;

Emerging Policy issues for Small towns WSS include:

- Provision of water services to Medium Sized Twons (Iganga, Mityana, Mpigi, Nebbi, Apac, and newly gazetted District headquarters
- Technical and Management support to new water authorities, water Boards, and to the young private operators to consolidate gains already made
- Water supply and sanitation services to the urban poor, beside Kampala
- Towns physical Planning

Emerging Policy issues for National Water and Sewerage include:

- **Reform of the Urban Sector/Involvement of the Private Sector**

As part of the JSRC held in September 2003, one of the key outputs was a need to accerelate the reform process in the Urban Water Sector. In line with the recommendations, the NWSC will review its functions and responsibilities, and implement a functional structure aimed at enhancing efficiency and enabling the NWSC achieve its Corporate Goals. The structure will also take into account the NWSC's future role in the reformed Urban Water Sector. This will include the transformation of Area Performance Contracts into Area Management Contracts, and the strengthening of the NWSC headquarters' monitoring and overall planning roles.

- **Debt Strategy**

The NWSC accrued debt as at June 2003 was estimated at shs 84.9 billion (Ush 53.5 billion IDA, Ush 27.7 billion Austria, Ushs 3.7 billion French Government. Total debt servicing per year is equivalent to Shs 13 billion per year equal to 60% of the NWSC's core operating expenses (excluding depreciation) for FY 2002/03.

Although NWSC has made considerable efficiency gains over the past few years in terms of increased water sold, increased revenue and staff reductions, the current NWSC tariff is not a full cost recovery tariff, and therefore covers operation and maintenance plus depreciation costs, but does not cover debt service obligations, i.e. interest and principal payments. For loan servicing to be possible, the current tariff would have to be increased by about 90%, which is not a feasible option.

Until recently the Corporation has been confronted with the legacy of poor investment decisions which have led to oversized systems and underutilized systems capacity in several towns, this has meant that the huge burden of debt incurred in constructing these systems is not sustainable. Using the available internally generated funds to repay GoU on these unsustainable debts will mean that the Corporation will need to look at more expensive external sources to fund the expansion of coverage and therefore plunging it further into non-sustainable debt. In addition the Corporation will need funds to make extensions to serve the poor and meet critical rehabilitation works and counterpart funding requirements of on-going or planned investments rather than enter into new borrowing from external sources to finance such activities. Hence the issue of the debt needs to be resolved in light of the tariff limitations, and the need to commit the financial gains to the much needed investment.

Under a second performance contract with GoU (2003 –2006), MFPED is planning to postpone NWSC's outstanding interest payments and continue adding them to the already huge debt burden. However, the problem of how to re-schedule and write-off the existing debt and accumulated interest payments has not been resolved. The NWSC is to pursue the debt issue with the Ministry of Finance for a possible write off.

- **Financing Plan:**

The tariff limitations, coupled with the reform strategy, whereby assets will remain in public holding, the need for system expansions in Kampala, Entebbe and Gulu, coupled with the debt burden mean that the Government and its development partners will remain the major source of investment within UWSS for the medium to long term. Investment in UWSS thus remains part of the MTEF.

4.4 WATER FOR PRODUCTION

Funding and full-scale implementation of all the water for production sub-sector components awaits the completion and approval of the on-going reform study to prepare the Water for Production Sub-sector Strategy and Investment Plan. This will guide the sub-sector development from 2003 to 2015 through goals, priority interventions, appropriate legal and institutional frameworks, institutional capacity building, research and demonstration of appropriate technologies.

The Water for Production Reform Study has estimated overall investment requirements at US$ 168.3m over the next 12 years up to 2015, taking into account all social, institutional and environmental factors. The investment is to facilitate **water supply development interventions** (through MWLE) and **water use management interventions** (through MAAIF). The **water supply development interventions** mainly include building capacity of local government water resources development institutions and capital investments in water supply infrastructure, while **the water use management interventions** are mainly concerned with on-the-farm water management practices, including the on-the-farm rainwater harvesting. 25% of the investment is envisaged to be private sector investment, mainly in commercial irrigation and large-scale aquaculture schemes.

Spending pressure within the immediate future will be based on the recently inaugurated "Strategic Interventions to Promote Exports in the Agricultural Sector" under which a number of livestock watering facilities are proposed to be constructed for the poor farmers within the predominantly cattle keeping areas, providing water for irrigation and building farmers' capacity to manage water on their farms. The reform study document is presently being refined to enable future allocation of resources to the water and agricultural sectors in accordance with the respective institutional mandates. Otherwise the budget allocation for the immediate medium term will continue to go towards the water for livestock component of the on-going strategic interventions program.

Further, the spending pressure during the immediate medium term will come from the outstanding presidential pledge to construct additional animal water sources in Karamoja, where the intervention is has a two pronged effect of increasing the availability of water for livestock and curbing insecurity in the districts located in the immediate neighborhood of Karamoja districts

4.5 WATER RESOURCES MANAGEMENT

Spending pressures in the sub sector will be based on both Regional/International

and National Water Resources management issues which have recently intensified. The areas to be addressed include:

- Implementation of the Reform Study recommendations .
- Decentralization of the water resources management already piloted in 3 districts (Mbale, Tororo, and Kasese)
- Mapping of water resources
- Water Quality Monitoring and surveillance
- Mitigation of natural disasters.
- Water source protection
- Strengthening of water resource regulations including awareness raising on the importance of water resources management
- Support to activities of the Nile Basin Initiative and East African Community

5 AN ASSESSMENT OF RESOURCE REQUIREMENTS AND COST IMPLICATIONS INCLUDING PROPOSED MEDIUM TERM BUDGET ALLOCATIONS.

(a) RESOURCES

HUMAN RESOURCES

i) DWD RE-ORGANISATION AND STAFFING

Functional analysis has been carried out in line with the new mandate of the Directorate of Water Development and a proposal with recommendation for implementation was submitted to the Ministry of Public Service for further action. **Ministry of Public Service approved the re-organization of DWD in March 2003.** The new structure recommends creation of a new department for Urban Water and Sewerage and 4 new divisions for Water For Production, Water Authorises, Water sector Liaison, and Regulation of water resources , among other realignments. The proposed personnel need to be immediately recruited for timely provision of the required service.

ii) WATER SECTOR INSTITUTIONS IN THE LOCAL GOVERNMENTS.

There has been considerable increase of resources to the local governments (districts and towns) by way of conditional grants to implement water and sanitation activities. However the on-going re-structuring of Local Governments has not provided adequate staffing to the Water Sector. DWD/MWLE advises MPS and Local Governments that District Water offices should at least comprise of:

- One Senior Water Engineer
- One Water Engineer(Water Supply/Hydrologist/ Hydro-geologist)
- Hygiene Education or Sanitation officer
- Social economist or Mobilisation Officer
- Planner/MIS Officer
- One Laboratory Technician
- One County water officer, per county
- One urban Water Officer, per Town Council.
-

Efforts will be made to strengthen collaboration and coordination with other sectors (health, Education, Social Development, Agriculture) and other players (Private sector, NGO and CBOs and civil society)

Ministry of Public Service should review the proposed District Water office structures accordingly. Adequate recurrent budget be provided in each Local Government to meet the operation costs.

iii) THE ASSET HOLDING AUTHORITY (AHA)

As recommended by the urban reform study an Assets Holding Authority (AHA) will be established to manage the assets, plan and implement investments and carry out day-to-day contract management of the Lease/private operator.

iv) SECTOR REGULATOR

As recommended by the urban reform study an independent sector regulator is to be established to regulate the water sector. This is vital especially at this time when private operators are being introduced to participate in service delivery.

MATERIALS AND SERVICES

Under bilateral support Danida facilitated the WRMD to rehabilitate the Water Quality Laboratory. The Laboratory requires continuous supply of chemicals and other consumables. Similarly, water resources monitoring stations were established around the country and require consolidation and extension with new installations and materials in order to continuously provide vital water resources information needed for planning of water development programmes. In addition the department will require consultancy services in areas where its capacity is limited and in order to speed up implementation of its activities.

EQUIPMENT AND TRANSPORT

DWD` prepared a transport strategy in October 2003 and has established the optimal number and models of vehicles that will serve the Directorate best. The strategy made recommendations on vehicles to retained, those to be brooded off and new ones to be brought and operation & maintenance of new and existing vehicles for implementation of water sector activities.

The water sector institutions at the Centre and Local Governments will also need laboratory and field equipment, Computers, photocopies continued support is required to obtain appropriate equipment

(b) COSTS

The Cost of most of the services provided by the water sector including the construction of various water and sanitation facilities can easily be determined and Bill of Quantities (BOQ) prepared with engineering estimates by DWD/NWSC/districts.

(c) Expenditure Criteria

The sector has adopted the SWAP and has agreed on the following criteria and financing mechanisms during this MTBp:

i) Donor funds, for RWSS investments, will be transferred to the GoU consolidated fund for inclusion in the PAF and earmarked for the water sector .All funds (GOU /Donor) will then be remitted to Districts as Conditional Grant in line with the Fiscal Decentralization strategy (FDS).

ii) Donor funds, for some sub-sector programmes, will be pooled together as" Partnership Fund "to implement agreed activities under the ministerial development projects and managed in line with the Memorandum of understanding signed by the participating donors. The proposed joint funding arrangements are for :
   - Support to Rural water, focusing on Technical Support Units(TSUs)
   - Support to Small Towns WSS
   - Support to Water Resources Mgt Dept(WRMD)
   - Policy and Sector Capacity Development(PSCD)

iii) The funding for other ministerial development projects will be in line with the financing agreements signed between GOU and the Donor

Justifications for Public Interventions to the Water and Sanitation sector include:

- **International Obligations:** The World Summit on Sustainable Development (WSSD) in 2002 upheld the millennium development goal (MDG) in water to halve the number of people without access to clean drinking water by 2015. A target to halve the proportion of people who do not have access to adequate sanitation by 2020 was also set. The WSSD also recognised the fundamental importance of the protection and management of natural resources, such as water.

- **The Human Right to Water and Sanitation;** The human right to water is enshrined in the Constitution of the Republic of Uganda (1995): "The State shall endeavour to fulfil the fundamental rights of all Ugandans to social justice and economic development and shall, in particular, ensure that all Ugandans enjoy rights and opportunities and access to education, health services, **clean and safe water**, work, decent shelter, adequate clothing, food security, and pension and retirement benefits."

- **Water and Sanitation as a Public Good:** The provision [and protection] of [sustainable] water sources is essentially a public good, being both non-rivalrous (up to a point) and difficult to exclude those who have not paid. Sanitation per se is a public concern as unhygienic behaviour by a small minority of the community can lead to spread of water borne diseases throughout the community.
- **Water and Sanitation for Health**: The main impact improved water supply and sanitation is for prevention of transmission of the diarrhoeal diseases (including cholera, dysentery) and intestinal worms. Diarrhoea alone accounts for approximately 19% of infant mortality in Uganda, improving water and sanitation will tend to reduce infant mortality. An analysis of 1995-2000 established that IMR for households without access to safe water is twice as high as those households with access .In addition, IMR was found to be higher for household with no sanitation facilities vis-à-vis households with a pit latrine or flush toilet.

- **Time Savings from Improved Water Supplies**: Improved access to water supply releases household members', especially women's, time from fetching water. An assessment of the time used to carry water in Africa (Malmberg-Calvo, 1994) found that water carrying can amount to as much as 1,000 hours per household per year, and that water transport involves more effort than other tasks involving transport.
- **High Capital Investment and Maintenance costs:** Rural communities cannot afford the high up front costs of even low technology water supply assets and therefore public

investment is justified for the foreseeable future . GoU's policy for operation and maintenance of water supply systems in rural and peri-urban areas follows the principles of Community Based Maintenance, where village water source committees are responsible for collecting funds from users for preventative maintenance and repairs. The average cost of operation and maintenance of a handpump facility is around $6 dollars per year, which is well within the means of even the poorest communities. However, public funds may also be required for rehabilitation and repairs which are beyond the capacity of the community and thus require Government subsidies and interim support for supply chain through public as a start up funds is currently under consideration.

The investment requirements for the urban sub-sector are in the order of $380 million over the next 12 years. Small town WSS O&M is not commercially viable although arrangements to improve efficiency under management contracts are in place. The investment in sewers, especially for Kampala, is currently being analysed in the Kampala Sewerage and Sanitation Master Plan study.

- **Water Resources Management** ;Protection of Uganda's water resources is of paramount importance to ensure sustainable fisheries, ecosystem water requirement is an important and essential water use which cannot be valued in monetary terms thus discouraging private investment. The whole of Uganda's water resources is part of the Nile basin, shared by ten countries. In order to protect Uganda's interests there is need for continued involvement of the Ugandan Government on the regional programs, in particular the Nile Basin Initiative and the Lake Victoria Environmental Management Program.

- **Modernisation of Agriculture:** The Water for Production and Water Resource Management sub-sectors are key components of the PMA. The on-going Water for Production Sub-sector Reform Study, expected to be completed early 2004, shall give justification and guidance to government and the private sector on the opportunities and investment planning; resource mobilisation; implementation, management, and operation and maintenance framework; necessary technical assistance and capacity building for provision of adequate, affordable and sustainable water supply for production.

Expected returns *:* Water is a key strategic resource, vital for sustaining life, promoting development and maintaining the environment. Access to clean and safe water and improved sanitation facilities and practices leads to improved health and are essential investments in human capital and therefore have a direct and immediate impact on the quality of life and contributing to long-term social and economic development, thus eventual elimination of poverty.

6 PERFOMANCE TARGETS

Government seeks to improve efficiency and effectiveness leading to maximising the delivery of services to the end user. To achieve this, Government is introducing the ROM principles in Ministries and Local Governments. For the water sector the ROM and related sector outputs are as reflected in table 3.

Table 4: Description of ROM Outputs and Related Sector Outputs

INSTITUTION	ROM OUTPUTS	RELATED SECTOR OUTPUTS

WRMD	Capacity of key persons and institutions dealing with international aspects of water resources improved and their participation and commitment increased	Equitable sharing and sustainable management of trans-boundary water resources
	Water resources management decentralised to district level	Advice on water resources management and development. Water resources utilized according to established policies/regulations and standards
	Established water resources monitoring network consolidated	Well maintained country wide network of stations monitoring quantity and quality of surface and groundwater resources
	New stations established and included in monitoring network	Well maintained country wide network of stations monitoring quantity and quality of surface and groundwater resources
	Water resources assessment studies undertaken	Well maintained and managed national information on water resources
	ROM OUTPUTS	**RELATED SECTOR OUTPUTS**
	Data processing facilities fully upgraded	Timely and accurate water resources data provided to users
	Water Permit system maintained	Water resources utilized according to established policies/regulations and standards
	Guidelines and procedures for waste discharge regulations developed and implemented	Policies and standards on water resources management operational High quality of water bodies maintained and pollution levels controlled
	Public awareness campaign on water resources issues carried out	Water resources utilized according to established policies/regulations and standards
	Water quality laboratory consolidated and accredited for physical chemical and microbiological parameters	Advise given on the quality of water resources
	Laboratory upgraded and developed to perform chemical testing for heavy metals and pesticides	Advise given on the quality of water resources

	District water resources maps produced	Well maintained and managed national information on water resources Advice on water resources management and development Timely and accurate water resources data provided to users
	Preparedness for disaster management in place	Advice on water resources management and development
	Technical support provided to dredging activities of Lake Kyoga blockage	Advice on water resources management and development
	Technical support offered to stakeholders	Advice on water resources management and development
RWD	Water for Livestock provided	Dams and Valley tanks constructed.
	Water for production strategy and investment plan developed and submitted for approval	Rational framework for preparation of MTBF for countrywide Water for Production needs.
	Development and management guidelines developed and issued to districts	Capacity Built for Local Governments to implement Rural Water Supply and Sanitation Development Activities
	Regional TSUs established	
UWSD	Water for domestic use provided	Improved health and productivity of the urban population.
	Urban water supply data bank developed and operational	Well planned WSS improvement programmes for urban centres
	O & M guidelines developed and issued to urban authorities	Introduction of good practices increased efficiency and use of resources
Directorate of Water	M.I.S developed and fully operational in the DWD and MQWLE HQ's	Operation Databases including the Finance Management Information System, Water Resources and Water and Sanitation Databases
	Improved Sector performance	Achieving targets
	Improved cost effectiveness	Reduction in unit costs and use of Lease cost options.

6.1 THE SECTOR OUTCOMES

The overall **outcomes** of the water sector are:

- **Improvement in health standards**, through the provision of safe water for domestic use, reducing the occurrence of water-borne **diseases.**
- **Improvement in socio- economic conditions**, through a reduction in walking distances for water collection, resulting in substantial **time saved and energy** by households (especially women and children) for other productive or leisure activities.

The immediate **outcome** for the water and sanitation sector services are:

- Increased satisfaction and equity with the WSS services

- Increased access and usage of WSS services

The outputs and outcomes for the water sector are reflected in table 4 below

Table: 5: Description of Sector Outputs and Expected Outcomes

PROGRAMME	OUTPUTS	OUTCOMES
Rural WSS		
	Water facilities built	Reduction in walking distance Reduction of water related diseases People served, % coverage
	Facility maintained	Functionality of WSS facilities
	Hygiene Education conducted	Safe water chain maintained
Small Town WSS		
	Water and sanitation facilities constructed	Improved health of population through reduction of diseases. 100% coverage.
	WSS infrastructure better managed	Functionality ensured
Large Towns WSS		
	Water and sanitation facilities constructed	Improved health of population through reduction of diseases. 100% coverage.
	WSS infrastructure better managed	Functionality ensured through private independent operators
Water for Production		
	WfP facilities built	Increased availability of water for livestock and crop production.
	WfP facilities maintained	Reduced migration of cattle in search of water
Water Resources Management		
	♦ Water resource assessments successfully carried out ♦ Water resources monitoring network set up and fully operational ♦ Water permits issued ♦ Tools developed and	♦ Rational advice on the utilization of the country's water resources. ♦ Sustain ably developed and managed water resources ♦ Availability of adequate and good quality water resources for various uses ♦ Improved regional cooperation in protection and sharing of Nile waters

	harmonized for improved use and sharing of Nile Water Resources for economic development ♦ Catchments management plans developed for the lake basins Tools for control of pollution & degradation of water resources developed and implemented	♦ Controlled catchments degradation resulting in improvement in economic developments ♦ Improved quality of water resources
Policy and Sector Capacity Development		
MIS	MIS System established.	Informed decisions made.
SWAP	SWAP principles adopted.	Increased coordination, collaboration and rational use of resources
	Improved cost effectiveness.	Reduction in unit costs and use of Lease cost options.
	Improved sector performance.	Performance targets attained.
Training and HRD	Sector equipped with well trained, skilled and motivated manpower.	New mandate implemented
Reform Implementation	Appropriate Legal and Regulatory framework established.	Sustainable services which are effectively managed with increased performance and cost effectiveness
	Functional Institutional framework with appropriate incentives established.	Reduction in the Government financial burden towards subsidizing sector operations.
	Increased Private Sector Participation in service delivery.	Delivery of reliable and affordable services especially to the urban poor.
	Improved operational and financial performance of utilities.	Efficient and effective utilization of resources.

The expected outputs over the MTBF period are reflected in table 5 and the expected outcomes of the sector interventions over the MTBF period are reflected in table 6 below:

Table 6: Forecast Sector Output Performance Indicators

PROGRAMME	INDICATOR	PERFORMANCE		
		2004/05	2005/06	2006/07
Rural Water and Sanitation				
Springs protected	Nos.	900	758	800
Shallow wells constructed	Nos.	1000	1000	1200
Boreholes drilled	Nos.	800	1000	1200

Boreholes rehabilitated	Nos.	250	200	100
Gravity flow scheme (Taps)	Nos (Taps)	33(330)	28(280)	12(120)
Piped water at RGCs	Nos (Stand Posts).	12(120)	15(185)	18(200)
Pipeline Laid	KM	380	400	600
Public Latrines at RGCs	Nos.	280	300	300
Technical Advice to L Gov'ts	% of availability	80	87	90
Small Towns Supply and Sanitation				
New Water Systems	Nos.	15	12	12
Pipeline laid	Kms	350	500	500
Large Borehole Drilled	Nos.	30	25	12
Small Boreholes Drilled	Nos.	50	45	25
Springs Protected	Nos.	20	20	45
Sewerage Systems (New)	Nos	4	4	20
Public Latrines	Nos	350	180	4
House Connections	Nos	21,500	22,500	22,500
Stand Posts	Nos	260	280	180
Meters installed	Nos	20000	280	
Sewer Connections	Nos	500	450	450
Large Towns Supply and Sanitation				
Pipelines laid	KM	249	292	295
Water connections	Nos.	12,000	12,500	12,500
Kiosks installed	Nos.	170	170	170
Sewerage Connections	Nos.	126	133	140
Water Produced	Mil m3	53.1	55.1	56.7
Water for Production.				
Large dams constructed	Nos.	5	5	5
Small Dams Constructed	Nos.	210	263	263
Water Resources Management				
Well maintained country wide network of stations monitoring quantity and quality of surface and groundwater resources	Surface water Groundwater Water quality	87 30 163	87 30 163	87 30 163
Advice on water resources management and development	Assessments and EIA reports reviewed	16	20	20
Water resources utilized according to policies /regulations and standards	Permits issued	400	450	450
Water resources management decentralised to district level	Number of districts	56	56	56
Equitable sharing and sustainable management of trans-boundary water resources in place	Not measurable	Yes	Yes	Yes
Timely and accurate water resources data provided to users	Station years/number of well records	1800	2000	2000
Advise given on the quality of water resources	Samples analyzed	1300	1500	1500
High quality of water bodies	Waste discharge	48	54	54

maintained and pollution levels controlled	permits issued			
Preparation of Ground Water Resources District Maps		5	10	10
Policy and Sector Capacity Development				
Clear and practical policies and standards on water sector management operational	Policy in use	Policy in use	Policy in use	Policy in use
Fully updated and operational databases		5	5	5
Well maintained and managed national information on water sector.	Fully updated and operational databases.	10	10	10
District Water Sector -Mgt Information system Established	District groundwater resources maps	20	55	55
Staff Trained	Nos.	200	200	200

Table 7: Forecast Outcome Indicators

PROGRAMME	INDICATOR	FORECAST			FINAL YEAR & OBJECTIVE
		2004/05	2005/06	2006/07	
Rural WSS					
Rural Water coverage	%	63	65	68	72
Functional of WSS activity	%	85	88	90	90
Small Towns Water Supply & Sanitation					
Service coverage	%	70	73	75	100
Functional of WSS activity		85	92	94	95
Billing efficiency	%	60	70	75	95
Large Towns Water Supply & Sanitation					
Un accounted for water	%	38	37	36	25
Billing Efficiency	%	62	63	64	75
Service Coverage	%	67	70	73	100
Water for Production.					
Increased water for Livestock	%	6	6	6	41
Water Resources Management					
Rational advice on the utilization of water resources	Nos. EIA reviews	16	20	25	30
	District GW maps	5	10	35	56
Sustainably developed and managed water supplies	% of monitoring wells	80	85	90	100
Available adequate and good quality water resources	% of permits issued	75	82	85	100

Improved regional cooperation in protection and use of Nile water resources	% of the level of agreement to NBI principles	70	80	90	100
Controlled catchment degradation and flooding	% reduction in flood levels	45	65	75	100
Policy and Sector Capacity Development					
Functionality of Management routines	No of Senior Mgt. Meetings	4	4	4	4
Functionality of Water Sector Working Groups	Nos of meetings	6	4	4	4
Cost-Efficiency in performances	% in unit cost reduction	5	7	10	20

7 SECTOR PROGRAMMES AND SPENDING PROJECTIONS

7.1 FUNDED PROGRAMMES

The spending priorities are based on the new concepts and strategies envisaged under the water sector reform and geared towards eradicating poverty. The Budget and expenditures are guided by the reform proposals.

The priority programmes supported within the sector ceiling are:

(i) RECURRENT BUDGET

The Directorate of Water Development currently is composed of 3 recurrent programmes, Water Resources Management Department (WRMD)-programme 05 and Water Supply Department (WSD) - programme 06 and the Director of DWD, programme 13. The recurrent budget is quite insufficient to meet DWD operations. Government should increase the wage and non-wage recurrent budget for the existing programmes and create a new programme for the Department for Urban Water and sewerage services (newly established). The recurrent budget allocations are as shown in Annex 4.

It is hereby being proposed new programme be created for the recurrent budget of the Department for Urban Water and sewerage services (newly established. The budget provision is within the ceiling.

(ii) DISTRICT WATER AND SANITATION DEVELOPMENT GRANT

From the GOU resources Shs 31.09bn and shs 34.8bn and shs36.3bn are earmarked for FY's 2004/05, 2005/06 and 2006/07 r espectively and allocated to districts to enable them provide water and sanitation service to the rural areas, including Rural Growth Centers with population less than 5000 people.

The funds are allocated to Districts based on their rural water and sanitation investment requirements. The investment plan was prepared based on the policy principal of SOME FOR ALL AND NOT MORE FOR SOME. The following criteria were used to determine the investment requirements for each district:

- Population of the district, projected from the 1991 census (using individual district growth rates).
- The target is set to raise the current rural water coverage progressively to 95-100% by 2015
- Villages with scattered population (< 2000 people) are to be served by point water sources and Small towns/rural growth centers with population between 2000-5000 are to be served by simple piped water systems.
- Water technology mix/options for point sources of a particular district were determined; this depends on the water resources endowment, including quantity and quality.
- Hygiene Education and Community Mobilisation is budgeted for as a component of water supply interventions.
- Public Latrines in rural growth centers are in the budget/plan.
- Districts with low Service coverage and the un-served communities will be targeted and given priority to ensure that all Districts achieve at least 50% by 2007

The Investment plan will be reviewed using the new census results and the District 5 Year Investment plans prepared.

The formula used to allocate the grant to district, is

$$F_D = \frac{I_D \times F}{I_T}$$

Where, F_D = fund to district; I_D= District Investment Plan
F = Total Available funds; I_T= Total Investment Plan

Annex 2 gives budget allocations to districts for the District Water Development Conditional Grants for this FY and over the MTBF period.

Comparing the funds allocated by MFPED and the Rural WSS 5-Year Operation plan (OP5) , then there are short falls to the amount US$ 128m Danida and Sida have provided funds under their 5-year plan (2003 -2007) to be remitted to the district as PAF conditional grant to the tune of Shs13.26bn(US$6.27m, shs18.17bn(US$ 8.25m) and shs21.76bn (US$ 9.51m) during the FY 2004/05, FY 2005/06 and FY 2006/07 respectively. The Sector capacities at the Local Governments are being built and will be in position to absorb the additional funds.

***The Ceiling the District Water and Sanitation grant should be increased accordingly i.e by* Shs13.26bn, shs18.17bn and shs21.76bn for FY 2004/05, FY 2005/06 and FY 2006/07 respectively.**

This request is being considered by MFPED

(iii) DISTRICT WATER SUPPLY O& M CONDITIONAL GRANT

For O & M of urban water systems shs.1.58bn, shs.1.70bn and shs 3.20bn have been earmarked for FY 2004/045, FY 2005/06 and FY 2006/07 respectively to subsidize

and meet the funding gaps in the Business plan for the towns WSS systems. The subsidy concept will be reviewed following the recommendations of the on-going Small Town WSS strategy and Tariff studies.

Annex 3 gives budget allocations to the districts and respective towns.

(iv) **WATER & SAN. MINISTERIAL DEVELOPMENT PROGRAMMES**

MWLE/ DWD will continue to implement the following projects to their final conclusion as per the existing financial agreements:

a) **Rural Water & Sanitation Programme** - Four (4) on going projects will be implemented{ WI10(C) Support to Rural Water & Sanitation; WI13(A) Rural water Supply- central Uganda;(WI05(H) Energy for Rural Transformation(WI14(C) School/Community Sanitation & water}.

b) **Small Towns Water and Sanitation Programme:** The following six (6) on going donor assisted projects will be undertaken [WI04 (E)- South Western Towns WS,WI04(J)-Mid-Southern Towns WS, WI04(I)-Mid-Western Towns WS, WI04(G)- Small Towns WS (ADB),WI04(N)-Support to Small Towns WS(GOU/ Danida) to include support to Water Authorities and WI04 (R) Small Town WSS - BADEA

c) **Water for Production-** one project with several components will continue with the emergency program focusing on livestock watering needs, by constructing dams and valley tanks in the most needy areas.

d) **Water Resources Management -** During the MTBF period, 4 on going projects will be implemented i.e. [108(A): Support to Water Resources Management Department , NR 44(A)-Lake Victoria Environment Management (Water Quality and Ecosystem Component) , W112(A)-Capacity Building for Nile Basin Water Resources, 108(D)-Mitigation of Lake Kyoga flooding Project]

e) **Water Sector Capacity Development-** During the MTBF period, three (3) on going programmes i.e WI10 (A) –Training and HRD , WI10 (B)-Policy and Management Support (PMS) , Donor funds for the two projects are pooled together under the Joint Partnership Fund and WI10(D) –Urban Water Reform Implementation.

f) **Large towns WSS:** NWSC will continue to rely on funding from the GoU and donor partners and self generated funds to increase water production capacities and expand the distribution network in its towns of operation. The projects include:

- **Provision of Services to the Urban Poor.**

In Kampala, the majority of the poor are living in the Slums like Katanga, kamwokya-kifumbira, Wabigalo e.t.c. Service coverage is <10% in these areas. Incidences of water borne diseases are rife. Funds have been earmarked from different Donors for the supply of water to the Urban Poor. Donors include the German Government (5 million DM) , French Government (AFD) (3.8 million Euro) and Swedish Government, SIDA (for environmental sanitation). The KfW project will require counter part funding

as shown in the Table 1 below. During the FY 2002/2003, the GoU provided funding for Urban poor project to the tune of Shs 400 million. It is estimated that about Shs 500 million per annum will be required from the Government for the next three years. The NWSC will contribute a total of about Shs 300 million to the above project.

The NWSC will promote activities aimed at expanding supply to the low income urban dwellers. As mentioned earlier, the NWSC will continue with the erection of standposts, and will go further to evaluate the use of yard taps as an additional alternative to supplying water to the poor. The NWSC intends to ring fence "a new connections fund" which will be used to facilitate the poorer communities to connect to piped water services. In addition, the NWSC is to establish a new unit, "the Community Management Unit", within the Commercial Division to among others spearhead the provision of Services to the Urban poor through determining their geographic locations and establishing modalities for extending the network.

- **Investments support to Bushenyi, Arua and Soroti .**

During the FY 2003/2004, the Ministry of Finance Planning and Economic Development made provisions for operation, maintenance and investment funds for the new towns of Bushenyi/Ishaka, Soroti and Arua. Projections carried out within the NWSC indicate that grants/subsidies will be required for the next three years. The GoU is requested to make a contribution of Shs 1.5 billion over the next three years, while the NWSC will continue to carry out its routine expansions in the system.

- **Implementation of Donor Funded Projects:**

With the assistance of donors, the NWSC will continue its investment drive to increase the water production capacities and expand the distribution network in its towns of operation. The investment activities will cover all the towns with major projects being carried out in **Kampala (Gaba III), Entebbe**, and the extension of services to the peri-urban and poor settlements. The other towns will under go minor rehabilitation and extension of services. Funding for some of these activities have been obtained from the German Government, with GoU providing counterpart funding.

- **Sanitation**

During the period 2003 – 2006, the NWSC will continue with the implementation of the Kampala Sanitation Master Plan which is due to be completed in the year 2004. The recommendation of the study will establish the framework within which downstream activities will be implemented. However, in the interim, the Corporation will continue with its extension of the sewerage network using its internally generated funds. It is targeted to connect a total of 378 new connections during the plan period 2003 -2006.

- **Refurbishment of Gulu Water Supply System**

The Gulu system is currently over burdened by the influx of the population into the town. The system was designed to cater for 40,000 people, but the census population established the population in the town at over 100,000 people. There is thus urgent need to expand the production capacities. As external funding is sought, the NWSC will finance specific interventions of the rehabilitation of the Gulu water and sewerage systems, which will be implemented in a phased manner so as to allow financing from own cash generation. However, Government is requested to consider the Gulu water

supply system as a priority in terms of provision of funding. This will ensure that water supply in Gulu is improved.

- **Water Supply to Mukono**

NWSC will finance extension of water to Mukono in a phased approach. The First phase will entail laying a transmission main form Namanve to Mukono and erection of a low level Reservoir in Mukono with limited distribution network

Annex 5 gives the budget allocations to water sector Ministerial Development projects/programmes within the MFPED ceiling.

The analysis of the allocation of funds to the ministerial development projects (table 8) shows the funds are quite inadequate to meet the sector's activities and there is a funding gap of shs 33.7bn In particular, the VAT and other taxes obligations should be met, since over 80% of the sector funds (GOU and Donors) are used for payment to service providers (consultants, contactors, suppliers etc)that are VAT inclusive, in line with the current tax policy. ***MFPED should allocate more resources , at least to cover VAT provision for the sector for FY 2004/05should be increased by shs 8.8bn*** ,This request is being considered by MFPED

Table 8: **Analysis of the budget allocation of the Min Dev projects within ceiling**

Code	Project Name	FY 2004/05 Provision		
		Requirements	MTEF Alloc.	Gap
W104(E)	South/West Towns Water & San.	2,502,000	1,046,000	1,456,000
W104(G)	Rural Towns Water ADB	2,764,920	550,000	2,214,920
W104(I)	Mid-Western Towns Water & San.	4,164,000	772,000	3,392,000
W104(J)	Mid-Southern Towns Water Supply	4,103,500	950,000	3,153,500
W104(N)	Support to Small Towns WSS	6,354,000	5,754,000	600,000
WI04(R)	North Eastern Towns WSS - BADEA	3,560,000	555,000	3,005,000
Small Towns	**Subtotal**	**23,448,420**	**9,627,000**	**13,821,420**
WI04(O)	Kampala Network Rehablitation*	467,990	467,990	
WI04(S)	Emergency Rehabiliation Gaba 1	100,000	100,000	-
WI04(V)	Entebbe Water and San Project*	2,900,000	2,400,000	500,000
WI04(W)	Gaba III*	3,500,000	2,700,000	800,000
WI04(X)	Water and San for Urban Poor*	900,000	400,000	500,000
WI04(Y)	Kampala Sanitation Project	102,000	102,000	-
WIo4(Z)	Invesment Subsidy , Aura, Soroti, Bush*	500,000	300,000	200,000
Large Towns	**Subtotal**	**8,469,990**	**6,469,990**	**2,000,000**
WI13(A)	Rural Water Supply - Central Uganda	482,000	95,400	386,600
W110(C)	Support to Rural Water Sector	9,167,210	4,492,428	4,674,782
WI05(H)	Energy for Rural Transformation	200,000	123,085	76,915
WI14(C)	SCh/Comminity San & Water		-	-
Rural WSS	**Subtotal**	**9,849,210**	**4,710,913**	**5,138,297**
AG53(A)	Water for Production	14,574,000	5,506,700	9,067,300
WfP	**Subtotal**	**14,574,000**	**5,506,700**	**9,067,300**
W108(A)	Support to the WRMD	2,515,600	1,249,900	1,265,700
NR 44(B)	Lake Viv Env. Mngmt Prog -Water Quality	323,000	280,000	43,000
W108(D)	Mitigation of L. Kyoga Floods	725,000	206,700	518,300
WI12(A)	Oper. Water Resources Mag't-Nile Basin	300,000	294,680	5,320
WRM	**Subtotal**	**3,863,600**	**2,031,280**	**1,832,320**
W110(A)	Water Sector Human Resources Devt.	302,000	202,000	100,000
W110(B)	Policy & Management Support	1,198,000	677,000	521,000
WI10(D)	Urban Water Reform Implementation	1,656,600	385,840	1,270,760
GENERAL	**Subtotal**	**3,156,600**	**1,264,840**	**1,891,760**
	Total	**63,361,820**	**29,610,723**	**33,751,097**

7.2 UN-FUNDED SECTOR PRIORITIES

Un-funded sector programmes on order of priories are:

(i) Provision of Water and Sanitation services to the IDP

The districts affected by the conflict or in case of any other natural disaster, don't have the resources, both Money and human, to provide timely and adequate water and sanitation services. The Central Government, in particular DWD, should have budget and personal to intervene and help the affected districts and communities.

Next FY 2004/05, DWD intend to construct 10 piped water systems to serve the IDPs in Anaka, Atiak, Pabbo and Palenga, Lokung, Mucwini, Agoro, Padibe, Palabekal , with the budget as shown in table 9 bellow:

Table 9: Cost estimates for Construction of pipe water in 10 IDPs.

Item	Description	Unit	Quantity	Rate, shs Million	Total ,shs Million
1	Drilling of production wells	No	20	20	400
1	Supply and installation of Pumps and Prime movers	No	10	30	300
2	Supply and installation of 60m3 Tanks	No	10	50	500
3	Pumping Mains@ 3km per camp	Km	30	20	600
4	Distribution Mains@5km per camp	m	50	10	500
5	Fittings	LS			50
6	Construction of Tap stands	No	500	0.2	100
7	Supervision and software	LS			200
8	Pump houses	No	10	4	40
	Total				2,690
	Add 15% O&M, etc				400
	Grand Total				**3,090**

For FY 2004/05 this requires additional budget of Shs 3.09bn

MFPED advised that this should be funded within the sector ceiling.. However only shs 500m has been provided under the Support to Rural Water programme. The grant to districts should to targeted to IDPs. Additional fund is still required.

(ii) Water for Production

A strategic intervention program to promote exports within the agricultural sector has been designed, under which about 1400 small valley tanks and about 34 strategic surface water reservoirs will be constructed over a period of five years. It is planned that some boreholes in Karamoja with high yields will be powered by use of windmills

to supply water to livestock. It is envisaged that the development of irrigated cotton and other high yielding crops will be facilitated. The Programme will support the Livestock Productively Project being supported by ABD

Table.10 Budget for un-funded priorities for water for production, shs bn

Acitvity	2004/2005	2005/2006	2006/2007
Small Valley Tanks	7.458		
Installation of Windmills in Boreholes in Karamoja	0.580		
Water supply for Irrigation	0.417		
Livestock Productively Project(ADB)	0.151		
Total	8.872	9.328	9.888

For FY 2004/05, these requires additional funds to the tune of shs 8.872bn

This request was deferred by MFPED, until the finalisation of PEAP revision and WFP reform study.

(iii) Medium Towns WSS

The provision of water and sanitation services to the medium sized towns of Iganga, Mityana, Mpigi, Nebbi, Apac, Pakwach and Kigumba needs immediate attention. These towns have for long been earmarked for ADB support and currently a study is in progress.The preliminary and feasibility studies have been undertaken that indicate that the required investment is up to US$22.72m. A Project Appraisal Mission is set for June 2004 and loan approval by the ADB Board will be by October 2004.Detailed designs, and tender documents will be ready by June 2004 and construction should follow without further delays.

Due to the acute need for water in these towns and considering that the gestation period for the ADB funding has been long, it is important that mini-piped water supply schemes be implemented in some of the towns under financing by the GOU during the Financial year 2004/2005.These schemes will be an integral part of the major water supply systems and are to utilize the boreholes drilled in those towns during the water resources investigation phase of the study. In the final analysis this input will constitute part of Government contribution for the construction of the total works with the funding from the African Development Bank that is to come into effect during the later part of the Financial Year 2004/05.

Table 11 Budget for un-funded priorities for Urban WSS, US$m

Activity/Town	Estimated cost	2004/2005	2005/2006	2006/2007
Iganga	3.91	0.64	1.90	1.37
Mityana	5.75	0.50	3.24	2.01
Mpigi	1.37	0.25	0.64	0.48
Apac	2.19		1.41	0.78
Nebbi	6.08		3.95	2.13
Pakwach	1.62	0.20	1.05	0.37

Kigumba	1.80		1.17	0.63
Total , US$	**22.72**	**1.59**	**13.360**	**7.77**
Total , shs bn		**3.50**	**29.39**	**17.78**

During the FY 2004/2005 it requires additional funds of shs 3.5bn

This request was deferred by MFPED, until conclusion of the loan arrangement with BADEA

8 CONSTRAINTS TO IMPLEMENTATION

i) The capacity at district and lower levels to plan and implement sector activities is low and this has consequently caused low absorption of the improved disbursements by Government to the sector. Adequate recurrent budget be provided in each Local Government to meet the operation costs.

ii) Inadequate capacity in DWD to fully implement activities due to inadequate structure, vacant posts and limited number of posts as DWD personnel still does district work due to low capacity at the district.

iii) P rivate sector participation in Uganda especially for Dam construction, drilling and drilling supervision has been limited.

iv) Accumulation of arrears undermines the NWSC's plans to expand and to improve services. As at June 30th, 2002, the Corporation was owed Shs. 24.08 billion, which represents about 11 months of billing. Out of this, Government Ministries owed Shs. 7.9 billion, equivalent to 31% of total arrears.

v) **Value for Money:** DWD/MWLE carried out Value for Money and technical audit in 55 districts in 2002 and findings from most districts indicate that we are not getting the "Value for Money" as most of the works are shoddy and the quality of the constructed facilities is poor and unit cost for the constructed water and sanitation facilities is increasing. These could be due to wrong tender process and awards, weak supervision, inadequate monitoring and in some cases outright corruption and misappropriation of funds.

vi) **Inadequate monitoring and support supervision**: Sector monitoring should be strengthened and streamlined, with DWD taking the lead role. There is need to develop clear sector outcomes, outputs with smart indicators to measure sector performance against given inputs.

vii) Delays in implementation of the Memorandum of Understanding on sanitation between MWLE, MOH, and MOES that apportion the institutional arrangement and responsibility for sanitation at the Central government level has hampered service delivery by Local government.

viii) Coordination with the agricultural sector continues to be a hinderance, especially regarding identification of priority areas for irrigation. The major cause of the problem has been the lack of differentiation between water supply development which the mandate of the water sector and water use management which is which is a mandate of the agricultural sector. This problem has been addressed by the subsector reform study and it will be overcome through the continued

dialogue which is facilitated by the institution and strengthening of the water for production sub-sector working group.

ix) Inadequate information, education and communication (IEC) to the community to ensure change of attitudes and practices in effective utilization of water and sanitation facilities

x) Delays in land acquisition for water sources and installations caused implementation delays in some cases.

xi) Government requirement that permit processing fees paid by applicants be deposited in the consolidated fund as revenue. Yet these fund are meant for processing of permits within the 90 days stipulated by law and not revenue. Lack of funds for processing water permits is therefore making regulation of water resources use and pollution ineffective.

ANNEXES

Annex 1: Rural Water facilities and Coverage in Districts by June 2003

Annex 2: Allocations of District Water and San Dev Grant FY 2003/04-2006/07

Annex 3: Allocations of District O&M Grant FY 2003/04-2006/07

Annex 4: Allocations of Recurrent Budget

Annex 5; Allocations to Ministerial Development projects

Annex 1: Rural Safe Water Supply Service Levels, June 30, 2003

District	Population Census (September, 2002)				Protected Spring	Handpumps		Gravity Schemes		Service Levels	
	Urban	Rural	Rural-Urban Ratio	Total		Deep B/holes	Shallow Wells	No. of Schemes	No. of Taps	People Served	%age
Bundibugyo	12,792	200,092	6.0%	212,884	334	40	33	6	182	111,620	55.8%
Bushenyi	43,470	679,957	6.0%	723,427	1,401	421	121	17	524	488,880	71.9%
Kabale	45,757	426,026	9.7%	471,783	1,322	112	26	20	385	355,270	83.4%
Kabarole	40,605	318,575	11.3%	359,180	760	122	416	8	151	265,770	83.4%
Kamwenge	17,745	277,568	6.0%	295,313	855	59	172	3	95	235,940	85.0%
Kyenjonjo	22,856	357,506	6.0%	380,362	563	138	110	4	34	177,220	49.6%
Kasese	53,446	479,547	10.0%	532,993	857	208	-	14	1,359	365,680	76.3%
Kisoro	13,185	206,242	6.0%	219,427	405	15	-	6	104	100,200	48.6%
Mbarara	69,208	1,019,843	6.4%	1,089,051	1,053	815	94	21	366	483,660	47.4%
Ntungamo	23,243	363,573	6.0%	386,816	729	248	83	7	73	236,190	65.0%
Kanungu	12,324	192,771	6.0%	205,095	869	113	29	6	121	139,130	72.2%
Rukungiri	18,549	290,147	6.0%	308,696	1,309	149	69	19	526	262,120	90.3%
Total (South - W	**373,180**	**4,811,847**	**7.2**	**5,185,027**	**10,457**	**2,440**	**1,153**	**131**	**3,920**	**3,221,680**	**69.1%**
Hoima	20,983	328,221	6.0%	349,204	479	412	174	4	44	243,040	74.0%
Kalangala	2,203	34,458	6.0%	36,661	27	2	36	2	16	16,920	49.1%
Kibaale	24,838	388,515	6.0%	413,353	514	219	225	-	-	209,360	53.9%
Kiboga	13,924	217,794	6.0%	231,718	202	304	222	3	60	175,640	80.6%
Luwero	28,520	446,107	6.0%	474,627	138	760	439	-	-	315,360	70.7%
Masaka	61,300	706,459	8.0%	767,759	463	537	394	-	-	316,040	44.7%
Masindi	28,234	441,631	6.0%	469,865	387	534	143	1	11	241,530	54.7%
Mpigi	24,922	389,835	6.0%	414,757	576	381	443	2	31	317,610	81.5%
Wakiso	57,518	899,762	6.0%	957,280	342	202	366	-	29	209,070	23.2%
Mubende	34,623	671,633	4.9%	706,256	284	278	415	1	28	227,320	33.8%
Nakasongola	7,529	117,768	6.0%	125,297	-	205	76	-	-	67,440	57.3%
Rakai	28,350	443,456	6.0%	471,806	268	359	224	-	-	193,520	43.6%
Sembabule	11,067	173,111	6.0%	184,178	-	117	60	-	-	42,480	24.5%
Total (Central)	**344,011**	**5,258,750**	**6.1**	**5,602,761**	**3,680**	**4,310**	**3,217**	**13**	**219**	**2,575,330**	**53.2%**
Adjumani	12,108	189,385	6.0%	201,493	23	186	78	1	19	70,810	37.4%
Apac	40,635	635,609	6.0%	676,244	350	591	211	-	-	262,480	41.3%
Arua	45,883	809,172	5.4%	855,055	851	651	102	3	29	355,270	43.9%
Yumbe	15,222	238,103	6.0%	253,325	29	468	33	-	-	126,040	52.9%
Gulu	113,144	355,263	24.2%	468,407	619	363	107	-	-	236,600	66.6%
Katakwi	18,449	288,583	6.0%	307,032	44	338	68	-	-	106,240	36.8%
Kitgum	42,929	243,193	15.0%	286,122	-	548	81	-	-	150,960	62.1%
Pader	17,647	276,032	6.0%	293,679	-	206	32	-	-	57,120	20.7%
Kotido	35,821	560,309	6.0%	596,130	30	487	80	1	-	142,080	25.4%
Kumi	23,315	364,700	6.0%	388,015	228	286	198	-	-	161,760	44.4%
Lira	89,871	667,892	11.9%	757,763	756	446	286	-	54	334,980	50.2%
Moroto	10,246	160,260	6.0%	170,506	21	441	19	5	15	116,850	72.9%
Nakapiripirit	9,245	144,617	6.0%	153,862	7	268	9	-	-	67,880	46.9%
Moyo	12,013	187,899	6.0%	199,912	71	340	66	3	36	117,040	62.3%
Nebbi	26,047	407,419	6.0%	433,466	515	676	127	4	53	303,670	74.5%
Kaberamaido	7,386	115,538	6.0%	122,924	46	174	39	-	-	60,320	52.2%
Soroti	41,470	330,516	11.1%	371,986	113	556	206	-	-	205,480	62.2%
Total (Northern	**561,430**	**5,974,491**	**8.6**	**6,535,921**	**3,703**	**7,025**	**1,742**	**17**	**206**	**2,875,580**	**50.2%**
Bugiri	25,629	400,893	6.0%	426,522	36	327	64	-	-	124,500	31.1%
Busia	37,947	190,234	16.6%	228,181	105	224	42	-	-	100,800	53.0%
Iganga	38,009	678,302	5.3%	716,311	107	819	103	-	-	298,000	43.9%
Mayuge	19,623	306,944	6.0%	326,567	34	261	31	-	-	94,400	30.8%
Jinja	86,520	327,417	20.9%	413,937	212	188	147	-	-	142,900	43.6%
Kamuli	42,788	669,291	6.0%	712,079	6	994	168	-	-	349,800	52.3%
Kapchorwa	11,628	181,882	6.0%	193,510	345	34	-	5	121	97,350	53.5%
Mbale	70,437	650,488	9.8%	720,925	696	306	35	12	300	286,500	44.0%
Sironko	17,540	274,366	6.0%	291,906	453	61	34	1	21	122,250	44.6%
Mukono	99,819	708,104	12.4%	807,923	1,206	86	446	2	16	403,200	56.9%
Kayunga	17,851	279,230	6.0%	297,081	178	569	204	-	-	267,500	95.8%
Pallisa	31,382	490,872	6.0%	522,254	150	357	36	-	-	147,900	30.1%
Tororo	42,473	517,055	7.6%	559,528	109	872	10	2	-	286,400	55.4%
Total (Eastern)	**541,647**	**5,675,077**	**8.8**	**6,216,724**	**3,637**	**5,098**	**1,320**	**22**	**458**	**2,721,500**	**48.8%**
Kampala	*1,208,544*	*0*	*100%*	*1,208,544*							
Grand Total	**3,028,812**	**21,720,165**	**12.2%**	**24,748,977**	**21,477**	**18,873**	**7,432**	**183**	**4,803**	**11,913,021**	**55.3%**

Notes:

1. Data sources are as follows: (i) Statistics Dept. for population projections; (ii) GFS Unit for GFS figures and (iii) District reports for data on handpumps & springs.

2. *Assumed SOURCE-MAN Ratio ==> (a) Springs = 200 persons; Handpumps (BHL, SW, HAW & HDW) =300pple @ 80% function rate; GFS = 150pple/tap.*

(b) ** low population density districts ==> Springs = 150 persons; Handpumps =200pple @ 80% function rate; GFS = 100pple/tap.

Annex 2 : Allocations of District WSS Development Grant, 2003/04 to 2006/07, shs '000

		Budget		Indicative Budget Figures(IBF),VAT inclusive		
VOTE	DISTRICT	FY 2003/04	VAT	FY 2004/05	FY 2005/06	FY 2006/07
150	ARUA	788,580	113,950	958,127	1,096,831	1,144,105
151	GULU	455,768	65,858	547,744	613,551	639,995
152	LIRA	600,661	86,796	719,483	805,614	840,336
153	MBALE	761,048	109,971	1,034,164	1,189,296	1,240,554
154	TORORO	645,898	93,332	802,563	882,701	920,745
155	JINJA	299,264	43,244	365,373	420,360	438,478
156	MUKONO	871,339	125,909	1,069,609	1,277,792	1,332,865
157	MPIGI	984,558	142,269	1,205,186	1,405,407	1,465,980
158	MASAKA	741,217	107,106	908,400	1,053,959	1,099,385
159	MBARARA	1,040,177	150,306	1,259,201	1,405,333	1,465,902
160	KABAROLE	650,000	93,925	787,560	897,785	936,480
161	KABALE	675,493	97,609	820,890	958,523	999,835
162	RAKAI	604,220	87,310	727,549	812,810	847,842
163	APAC	597,075	86,277	721,904	743,894	775,956
164	BUSHENYI	818,342	118,250	1,002,514	1,150,482	1,200,068
165	HOIMA	321,751	46,493	389,554	351,906	367,073
166	IGANGA	1,034,324	149,460	1,257,842	1,415,486	1,476,493
167	KAMPALA			-	-	-
168	KASESE	303,363	43,836	365,287	409,461	427,109
169	KISORO	199,407	28,814	241,861	289,985	302,484
170	KITGUM	649,544	93,859	786,278	864,219	901,467
171	LUWERO	563,607	81,441	692,560	747,648	779,872
172	MOYO	152,792	22,078	179,520	206,971	215,891
173	MUBENDE	532,277	76,914	644,976	738,215	770,032
174	NEBBI	430,579	62,219	523,201	549,559	573,245
175	RUKUNGIRI	554,542	80,131	669,276	721,987	753,104
176	SOROTI	629,062	90,899	778,446	872,124	909,713
177	KALANGALA	61,585	8,899	72,317	104,196	108,687
178	KIBAALE	224,524	32,444	269,058	297,433	310,252
179	KIBOGA	233,191	33,696	282,673	321,662	335,525
180	KUMI	497,256	71,854	619,003	722,140	753,265
81	MASINDI	517,010	74,708	503,234	561,139	585,324
182	KOTIDO	324,331	46,866	390,001	376,209	392,424
183	MOROTO	449,523	64,956	550,492	579,302	604,270
184	NTUNGAMO	485,420	70,143	594,174	624,066	650,963
185	KAPCHORWA	259,239	37,460	307,510	358,265	373,707
186	KAMULI	810,310	117,090	988,529	1,027,302	1,071,579
187	BUNDIBUGYO	153,546	22,187	184,708	217,733	227,117
188	PALLISA	596,249	86,158	731,295	861,343	898,467
189	ADJUMANI	121,891	17,613	145,091	178,360	186,047
190	BUGIRI	336,464	48,619	411,031	472,192	492,543
191	BUSIA	209,006	30,201	251,763	289,618	302,101
192	KATAKWI	411,144	59,410	511,009	591,331	616,817
193	NAKASONGOLA	232,373	33,578	288,990	337,712	352,267
194	SEMBABULE	344,341	49,757	421,838	493,481	514,750
1N5	MAYUGE	307,418	44,422	374,796	421,081	439,230
1N6	SIRONKO	291,951	42,187	356,165	410,792	428,497
1N7	YUMBE	130,467	18,852	155,917	196,087	204,538
1N8	WAKISO	624,859	90,292	763,722	884,590	922,716
1N9	KAYUNGA	264,412	38,208	324,722	388,126	404,854
1P1	KYENJOJO	637,164	92,070	749,937	698,091	728,178
1P2	PADER	346,990	50,140	418,842	459,227	479,020
1P3	KAMWENGE	496,924	71,806	242,078	254,167	256,241
1P4	KABERAMIDO	208,844	30,178	255,001	289,181	301,645
1P5	KANUNGU	201,179	29,070	240,334	268,685	289,265
1P6	NAKAPIRIPIRIT	187,498	27,093	226,706	234,589	244,700
	TOTAL	**25,869,997**	**3,738,215**	**31,090,000**	**34,800,000**	**36,300,000**

Annex 3: CONDITIONAL GRANTS FOR OPERATION AND MANTAINANCE OF URBAN WATER SUPPLY & SEWERAGE SYSTEMS SCHEDULE OF MEDIUM TERM ALLOCATIONS

VOTE	TOWN	2004/5	2005/6	2006/7
052	LIRA(Dokolo)	30,000,000	24,000,000	60,000,000
053	MBALE (Lwakhakha)	12,000,000	24,000,000	44,000,000
054	TORORO(Busolwe)	24,000,000	24,000,000	36,000,000
055	JINJA (Buwenge)	36,000,000	48,000,000	72,000,000
056	**MUKONO**	**96,000,000**	**96,000,000**	**156,000,000**
	Nkonkonjeru	48,000,000	36,000,000	60,000,000
	Lugazi	48,000,000	60,000,000	96,000,000
058	**MASAKA**	**24,000,000**	**48,000,000**	**72,000,000**
	Bukomansimbi	12,000,000	24,000,000	36,000,000
	Kalungu	12,000,000	24,000,000	36,000,000
062	**RAKAI**	**156,000,000**	**156,000,000**	**300,000,000**
	Rakai	60,000,000	48,000,000	72,000,000
	Kyotera	12,000,000	24,000,000	60,000,000
	Kalisizo	36,000,000	36,000,000	84,000,000
	Lyantonde	48,000,000	48,000,000	84,000,000
065	HOIMA	54,000,000	48,000,000	72,000,000
066	IGANGA	108,000,000	96,000,000	168,000,000
	Iganga	84,000,000	60,000,000	120,000,000
	Busembatia	24,000,000	36,000,000	48,000,000
068	KASESE(Katwe-Kabatoro)	48,000,000	60,000,000	72,000,000
070	KITGUM	24,000,000	36,000,000	48,000,000
071	**LUWERO**	**120,000,000**	**108,000,000**	**252,000,000**
	Luwero	36,000,000	36,000,000	96,000,000
	Wobulenzi	36,000,000	36,000,000	84,000,000
	Bombo	48,000,000	36,000,000	72,000,000
072	MOYO	36,000,000	36,000,000	84,000,000
073	MUBENDE	48,000,000	48,000,000	72,000,000
075	RUKUNGIRI	36,000,000	48,000,000	84,000,000
077	KALANGALA	24,000,000	36,000,000	72,000,000
079	KIBOGA	36,000,000	48,000,000	96,000,000
080	**KUMI**	**108,000,000**	**108,000,000**	**180,000,000**
	Kumi	60,000,000	60,000,000	108,000,000
	Ngora	48,000,000	48,000,000	72,000,000
081	MASINDI	60,000,000	48,000,000	72,000,000
082	KOTIDO	36,000,000	48,000,000	84,000,000
084	NTUNGAMO	36,000,000	36,000,000	72,000,000
085	KAPCHORWA	24,000,000	36,000,000	72,000,000
086	**KAMULI**	**60,000,000**	**60,000,000**	**132,000,000**
	Kamuli	36,000,000	36,000,000	84,000,000
	Kaliro	24,000,000	24,000,000	48,000,000
087	BUNDIBUGYO	36,000,000	36,000,000	60,000,000
088	**PALLISA**	**36,000,000**	**60,000,000**	**120,000,000**
	Pallisa	12,000,000	36,000,000	72,000,000
	Budaka	24,000,000	24,000,000	48,000,000
089	ADJUMANI	36,000,000	36,000,000	72,000,000
090	BUGIRI	36,000,000	24,000,000	60,000,000
091	BUSIA	36,000,000	48,000,000	96,000,000
093	NAKASONGOLA	36,000,000	24,000,000	84,000,000
095	KABERAMAIDO	24,000,000	36,000,000	60,000,000
099	KAYUNGA	36,000,000	44,000,000	84,000,000
1N6	SIRONKO (Budadiri)	24,000,000	24,000,000	72,000,000
ON4	MOROTO	44,000,000	48,000,000	120,000,000
ANNUAL TOTAL		**1,580,000,000**	**1,700,000,000**	**3,200,000,000**

Annex 4: Recurrent Budget Allocations FY 2004/05 -2006/07

PROGRAMME				5	6	13	NEW	Total
NAME				RWSD	WRMD	DWD	UWSD	
FY 2004/05 Budget Allocation, shs'000								
Code	DESCRIPTION							
211101	Salaries			210,343	384,000	47,810	168,230	810,383
	Sub Total(Wage)			**210,343**	**384,000**	**47,810**	**168,230**	**810,383**
211103	Allowances			28,000	48,000	12,600	24,000	112,600
221006	Committees, Councils and Boards			5,000		10,600	6,660	22,260
221008	Computer supplies and IT Services			7,600		3,820	5,600	17,020
221009	Recreation, Welfare and Entertainment.			6,800	10,600	6,800	6,400	30,600
221011	Pirnting, Satalonary , Photocoping, Bindir			8,000	27,000	6,600	9,000	50,600
221012	Small Office Equipment			9,500	31,800	6,600	9,400	57,300
222001	Telecomminications			4,800		13,200	4,800	22,800
227001	Travelling and Transport of person (Inlanc			26,400	25,440	12,600	20,600	85,040
227002	Travelling and Transport of person (Aboa			5,600	13,780	7,200	5,200	31,780
227004	Fuel, Lubicants and Oils			22,400	28,620	7,620	20,800	79,440
228001	Maintenance -Civil			3,500	12,720	3,500	3,500	23,220
228002	Maintenance -Vehicals			11,600	26,500	12,600	10,400	61,100
228003	Maintenance -Machinery, equipmnet, and			3,600		2,600	3,400	9,600
262101	Contribution to international Organisation					70,300		70,300
321401	District Unconditional grants				21,200			21,200
	Sub Total (Non-Wage)			**142,800**	**245,660**	**176,640**	**129,760**	**673,660**
	Total Programme			**353,143**	**629,660**	**224,450**	**297,990**	**1,484,043**
	MFPED Ceiling							**1,440,000**
FY 2005/06 Projections				**374,332**	**667,440**	**237,917**	**315,869**	**1,573,086**
	MFPED Ceiling							1,480,000
FY 2006/07 Projections				**396,791**	**707,486**	**252,192**	**334,822**	**1,667,471**
	MFPED Ceiling							1,480,000

Annex 5; Allocations to Water Sector Miinistrial Dev. Projects FY 2003/04 -2006/07, Donor US$m, GOU ' Shs '000'

Code	Project Name	FY 2003/04 Budget		FY 2004/05 Allocation		FY 2005/06 Projection		FY 2006/07 Projection	
		Donor	GOU	Donor	GOU	Donor	GOU	Donor	GOU
W104(E)	South/West Towns Water & San.	2.05	708,142	4.23	1,046,000		1,108,760		1,175,286
W104(G)	Rural Towns Water ADB	0.72	339,000		550,000		2,251,920		4,503,840
W104(I)	Mid-Western Towns Water & San.	10.01	1,470,000	9.72	772,000				-
W104(J)	Mid-Southern Towns Water Supply	0.59	2,920,000	0.12	950,000				-
W104(N)	Support to Small Towns WSS	0.60	4,176,000	1.00	5,754,000		6,099,240		6,465,194
WI04(R)	North Eastern Towns WSS - BADEA	3.14	336,000	4.3	555,000		588,300		623,598
Small Towns	**Subtotal**	**17.11**	**9,949,142**	**19.37**	**9,627,000**	-	**10,048,220**	-	**12,767,918**
WI04(O)	Kampala Network Rehablitation*	1.04	441,500		467,990				
WI04(S)	Emergency Rehabiliation Gaba 1	1.20	451,000	1.00	100,000				-
WI04(V)	Entebbe Water and San Project*	2.04	1,654,000	8.65	2,400,000	2.94	2,600,000	0.5	200,000
WI04(W)	Gaba III*	4.84	2,473,000	10.25	2,700,000	5.30	2,300,000	0	400,000
WI04(X)	Water and San for Urban Poor*	0.80	798,600	3.00	400,000	2.00	500,000		500,000
WI04(Y)	Kampala Sanitation Project	0.50	152,000	0.34	102,000				-
Wlo4(Z)	Invesment Subsidy , Aura, Soriti, Bushenyi*		490,000		300,000		300,000		300,000
Lrage Towns	**Subtotal**	**10.42**	**6,460,100**	**23.24**	**6,469,990**	10.24	**5,700,000**	**0.50**	**1,400,000**
WI13(A)	Rural Water Supply - Central Uganda	0.06	90,000		95,400		101,124		107,191
W110(C)	Support to Rural Water Sector	5.10	4,238,140	4.62	4,492,428		4,761,974		5,047,693
WI05(H)	Energy for Rural Transformation	0.18	116,118		123,085		130,470		138,298
WI14(C)	SCh/Comminity San & Water	2.32	-		-				-
Rural WSS	**Subtotal**	**7.66**	**4,444,258**	**4.62**	**4,710,913**	4.90	**4,993,568**	**5**	**5,293,182**
AG53(A)	Water for Production	-	5,195,000	0	5,506,700		5,837,102		6,187,328
WfP	**Subtotal**	-	**5,195,000**	-	**5,506,700**	-	**5,837,102**	-	**6,187,328**
W108(A)	Support to the WRMD	1.30	1,165,800	1.40	1,249,900		1,437,700		1,509,800
NR 44(B)	Lake Viv Env. Mngmt Prog -Water Quality	3.91	280,000		280,000		296,800		314,608
W108(D)	Mitigation of L. Kyoga Floods	-	195,000		206,700		219,102		232,248
WI12(A)	Oper. Water Resources Mag't-Nile Basin	1.40	278,000		294,680		312,361		331,102
WRM	**Subtotal**	**6.61**	**1,918,800**	**1.40**	**2,031,280**	-	**2,265,963**	-	**2,387,759**
W110(A)	Water Sector Human Resources Devt.	0.90	102,200		202,000		214,120		226,967
W110(B)	Policy & Management Support	1.80	508,200	2.84	677,000		717,620		760,677
WI10(D)	Urban Water Reform Implementation	1.00	364,000	1.17	385,840	0.88	408,990		433,530
GENERAL	**Subtotal**	**3.70**	**974,400**	**4.01**	**1,264,840**	0.88	**1,340,730**	-	**1,421,174**
	Total	**45.50**	**28,941,700**	**52.64**	**29,610,723**	16.02	**30,185,583**	**5.69**	**29,457,361**
	MFPED ceiling	**50.08**	**28,690,000**	**42.21**	**29,610,000**	43.94	**34,800,000**	**45.66**	**34,900,000**

*In additional to self financing by NWSC