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“Analysis of the Water Sector Reforms in Tanzania, Kenya and Uganda -

Decentralisation and Private Sector Participation as Poverty Alleviating
Measures.”

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Abstract

During the last three decades, Tanzania, Kenya and Uganda faced serious problems in providing drinking water and sanitation facilities to their entire population. After many different water policies and measures failed to improve the situation, all three countries started new efforts to address the problem in the year 2000. Motivated by the Millennium Development Goals and pressured by Donor Agencies, the Governments introduced new Water Policies, emphasising the economic value of water, the importance of higher efficiency and cost recovery. Decentralisation and Private Sector Participation are the chosen methods to achieve the goal of 100 % coverage of water supply and sanitation for the first time within the following two decades.

In all three countries, the Water Sector Reforms are part of poverty reducing strategies, which are supposed to determine the present policies in all sectors. Because of this relationship between water and poverty it is pointed out why access to safe water is an important factor to alleviate poverty. After comparing the three Water Sector Reforms, it is concluded that in fact there are almost no differences to be found. The reason for this lies in the strong influence that Donor Agencies, most notably the World Bank and the International Monetary Fund, had on the content of the reforms. Whereas official government papers assure the inclusion of the Civil Society, many stakeholders criticised the preparation process as dominated by the Governments and the two international donor agencies. It is also because of these agencies' policies, that Decentralisation and Private Sector Participation are meant to improve the water sector, although, as this study concludes, there is a long list of negative experiences caused by these strategies. Nevertheless, if well implemented, these approaches may also lead to positive developments in the water sector. Finally, a case study carried out in northern Tanzania shows one possible outcome of a privatised organisation of a water supply system. In this case, positive developments as higher coverage and more secure access to water in the area face negative results, such as lack of transparency and unequal allocation of investments in the area.

The whole study was carried out mainly by literature research, supplemented by qualitative interviews used in the case study. The case study was carried out in close collaboration with the Institute of Financial Science and Infrastructure Politics of the Technical University Vienna and the Institute of Sanitary Engineering and Water Pollution Control of the University of Natural Resources and Applied Life Sciences, Vienna. Both provided the opportunity to contact a range of stakeholders, who were consulted during the research. On-site, the Karatu District Council, the Kaviwasu Company and CPAR, a Canadian NGO, were the most important consulted organisations.

Abstract auf Deutsch

Während der letzten drei Jahrzehnte sahen sich die Länder Tansania, Kenia und Uganda mit großen Problemen in der Versorgung der Bevölkerung mit Trinkwasser und sanitären Einrichtungen konfrontiert. Nachdem eine Reihe von politischen Maßnahmen nichts an diesem Zustand änderten, starteten die Regierungen im Jahr 2000 eine weitere Reformoffensive. Durch eine neue, von Dezentralisierung und Einbeziehung des Privaten Sektors gekennzeichnete, Wasserpolitik soll innerhalb der nächsten zwei Jahrzehnte in jedem der drei Länder der Zugang der gesamten Bevölkerung zu sauberem Trinkwasser und adäquaten sanitären Einrichtungen gesichert werden.

Die Wassersektorreformen sind jeweils übergreifenden Strategien zur Armutsreduzierung untergeordnet, welche die Politik aller Sektoren bestimmen. Aufgrund des Zusammenhanges zwischen Wasser und Armut weist die vorliegende Arbeit zunächst darauf hin, wie der Zugang zu sicherem Trinkwasser einen Beitrag zur Armutsreduktion leisten kann. Der anschließende Vergleich der drei Reformen führt zu dem Ergebnis, dass sich diese kaum voneinander unterscheiden. Die Ursache dafür findet sich im starken Einfluss der Geberorganisationen, insbesondere der Weltbank und des Internationalen Währungsfonds, auf die Inhalte der Reformen. Offizielle Dokumente der Regierungen weisen zwar auf die Zusammenarbeit mit der Zivilbevölkerung hin, diese kritisierte den Prozess jedoch als von den Wasserministerien sowie den internationalen Geberorganisationen dominiert. Die Politik der zwei größten Geberorganisationen ist auch verantwortlich für die Fokussierung auf Dezentralisierung und Privatisierung im Wassersektor, welche ambivalent zu bewerten ist: Während zahlreiche Studien auf negative Erfahrungen mit diesen Ansätzen hinweisen, zeigt diese Arbeit auch, dass die zwei Strategien unter bestimmten Voraussetzungen durchaus positive Wirkungen erzielen können. Eine im Norden von Tansania durchgeführte Feldstudie zeigt mögliche Auswirkungen einer privat organisierten Wasserversorgung. Im Fallbeispiel steht eine deutliche Verbesserung der Versorgungssituation in den vergangenen zehn Jahren negativen Auswirkungen wie mangelnde Transparenz und eine ungleiche Verteilungssituation gegenüber.

Die gesamte Arbeit wurde überwiegend anhand von Literaturrecherchen ausgearbeitet, welche durch die in der Fallstudie durchgeführten qualitativen Interviews ergänzt wurden. Die Fallstudie wurde in enger Zusammenarbeit mit dem Institut für Finanzwissenschaft und Infrastrukturpolitik der Technischen Universität Wien sowie dem Institut für Siedlungswasserbau, Industriewasserwirtschaft und Gewässerschutz der Universität für Bodenkultur Wien durchgeführt, welche eine Reihe von forschungsrelevanten Kontakten herstellten. Die wichtigsten Partner vor Ort waren das Karatu District Council, das Wasserversorgungsunternehmen Kaviwasu sowie CPAR, eine kanadische NGO.

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List of Acronyms

COWSO	Community Owned Water Supply Organisation
CS	Civil Society
CSOs	Civil Society Organisations
DWD	Directorate of Water Development
DWP	District Water Point
GDP	GrossDomesticProduct
GTZ	Gesellschaft für Technische Zusammenarbeit
GoK	Government of Kenya
GoT	Government of Tanzania
GoU	Government of Uganda
HDI	Human Development Index
HDR	Human Development Report
HIPC	Heavily Indebted Poor Countries
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MoW	Ministry of Water
MWI	Ministry of Water and Irrigation
NAWAPO	National Water Policy
NRWSSP	National Rural Water Supply and Sanitation Programme
NGOs	Non Governmental Organisations
NWSC	National Water and Sewerage Corporation
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
PSP	Private Sector Participation
SWAp	Sector Wide Approach
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNDP	United Nations Development Programme

UWSSP	Urban Water Supply and Sewerage Programme
WSP-WB	Water and Sanitation Programme of the World Bank
WRMP	Water Resources Management Programme
WSDP	Water Sector Development Programme
WSR	Water Sector Reform
WSP	Water Service Provider
WSB	Water Services Board
WSRB	Water Service Regulatory Board
WSRS	Water Sector Reform Secretariat
WSRSC	Water Sector Reform Steering Committee
WSS	Water Supply and Sanitation
WSSA	Water Supply and Sewerage Authority
WUG	Water Users Group

1 Introduction

1.1 Problem statement

In Tanzania, Kenya and Uganda the population has been facing insufficient access to water and sanitation facilities for many decades. Although the Governments started several efforts to improve the situation in the last 30 years, average coverage numbers for access to water were still at 36 %¹ in 1990. Regarding access to sanitation facilities, with only 45 % coverage the situation was not much better. As a consequence, the Governments of the three countries started another attempt in the early 2000s by introducing new water policies. These shall not only improve the situation of water supply and situation, but by doing this contribute to the alleviation of poverty in the countries. This means, that the water policies must especially address the water situation of the poor population. In contrast to the centralised and governmental owned water systems of the past, this time all three Governments decided to decentralise the water sector and to strengthen the private sector for water supply. Although the former approach could not adequately solve the problems, international experiences show that the policies of Decentralisation and Private Sector Participations also contain a lot of risks if not well implemented. Another significant change is that, while earlier water sector reforms have been initiated and worked out by the particular central governments on their own, the current reforms are embedded into international development structures, such as the MDGs or the Water and Sanitation Programme of the World Bank, and follow up to date development strategies and guidelines.

This research study gives an overview of the situation of water supply and sanitation in Tanzania, Kenya and Uganda and shows the necessity for improvements of this sector. It further analyses the background and the role of the different stakeholders in the planning process of the water policies and compares their specific contents. By comparing experiences of other countries current policies are evaluated if they are adequate to improve the water situation, especially for the poor, and which factors are of importance for the success or failing of the reforms.

¹ EUWI et al. 2006:34,84,92

1.2 Objectives of the study

The main objective of this thesis is to find out if the current Water Sector Reforms of Tanzania, Kenya and Uganda may lead to improvements in the water supply and sanitation for the customers, particularly the poor. The objective shall be reached by answering the following questions:

- How and by what means is water scarcity contributing to the intensification of poverty?
- Were the planning processes of the sector reforms as country owned and participatory as claimed by the Governments of each country and, if not, which stakeholders had the most influence?
- What are the similarities and what are the differences between the sector reforms of the three countries?
- Are Decentralisation and Private Sector Participation adequate policies to improve water supply and sanitation?
- What are the determining factors contributing to success or failure of the newly followed strategies?
- Does the case study fit into the overall picture gained by this thesis and, if not, how does it differ from other experiences?

1.3 Structure and content of the thesis

In the first chapter information of the background and the objectives of this thesis is provided. Also, the present situation of water supply and sanitation (WSS) in the three countries is described to show the importance of changes in the countries' water policies.

Chapter two describes the selected methods that were used to finally answer the questions stated in the objectives.

The interdependency between water and poverty is described in chapter three. An answer is thought why the WSRs are combined with other sectors into overall poverty reducing strategies, and how improvements in the water sector can contribute to this reduction.

Chapter four addresses the objective whether the WSRs were initialised by the Governments themselves and worked out in co-operation with the Civil Society (CS). This is achieved by discussing the roles and influencing power of the different stakeholders in the process.

In chapter five the contents and strategies of the WSRs are analysed. Based on the outcome of these results, the similarities and differences between them are described, in order to find possible reasons why some concepts and measurements may work in one country but not in another.

The experiences with political strategies of Decentralisation and Private Sector Participation are described in chapter six. The first part presents the historical and theoretical background of these approaches. The second part is the analysis of experiences and lessons learned so far, which shows some factors of crucial importance for the success of the reforms.

In chapter seven a case study conducted a few years after the introduction of the Water Sector Reform in a rural region in northern Tanzania is described. The example is not meant to give overall answers if a certain strategy works or works not, but shall demonstrate one of many possible outcomes of the water sector reforms.

The thesis closes with chapter eight, conclusions and recommendations. These also guide the way forward to the further development and the research that still needs to be done.

1.4 Research limitations

The research suffered from some limitations in the process of gathering data. The three Water Sector Reforms were introduced just a few years ago, so that outcomes measured by figures and percentages are rare. Also detailed analyses about outcomes regarding the working process and interaction between the different stakeholders in the water sectors after the reform process are missing.

Data collection through review of electronic documents often was limited in quality and quantity. Whereas the Ministries' homepages provide digitised and profound information about the water policies, little information published by Local Governments or Civil Society, which are important stakeholders in the new organised water sectors, could be found.

The comparison of the contents, objectives and outcomes of the reforms also provided a few difficulties. The question how to measure improvements in the water sector is high on the international agenda and far from being solved. Consequently, Donor Agencies, multilateral organisations and Governments follow different goals, standards and definitions, which complicates inter-country comparisons.

During the case study the most limiting factor was shortage of time, of both researcher and local partners. Within only three weeks, every important stakeholder had to be found and interviewed,

some of them a few times. Also, detailed information from officials of Local Government of Karatu was affected by fear of reprisal should the outcomes of the research be implicating or controversial. The same can be said for the information provided by workers of the Kaviwasu Company.

1.5 The situation of water supply and sanitation in Tanzania, Kenya and Uganda

Tanzania, Uganda and Kenya are not only neighbours situated in the south-west of the “African Horn”, but also share a strong political relationship. Together with Burundi and Rwanda, they are aligned in the East African Community as well as in the Nile Basin Initiative, which was founded in 1999. The latter organisation in particular is a strong tool to harmonise the water management and utilisation of the three countries of a major water source commonly shared, namely the Nile River.

Altogether, the three countries share about 112.4 million² inhabitants, spread about equally into three thirds (Fig. 1).

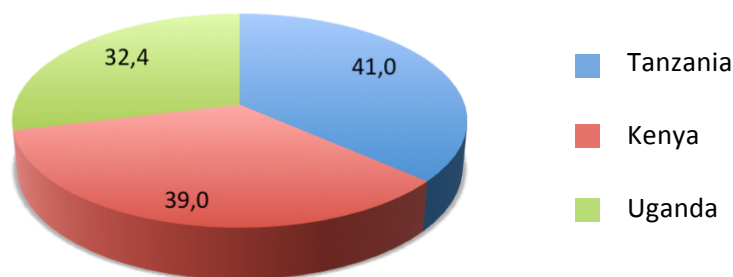


Figure 1: The population in Tanzania, Kenya and Uganda in mio. inhabitants

Source: adapted from <https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html>

All three countries are situated in the tropical climate zone and, in theory, are supplied with a relative high amount of fresh water. The average rainfall of the countries is varying between 500 mm and 2000 mm, what is about the same variation as in Austria. Nevertheless, rainfall in some regions is as low as 250 mm/year (e.g. see distribution of rainfall in Kenya, Fig. 2). As well as the strong variation of the regional amount of rainfall, seasonal (Fig. 3) and annual (Fig. 4) rainfall also vary a lot in many regions.

² <https://www.cia.gov/library/publications/the-world-factbook/geos/ke.html>

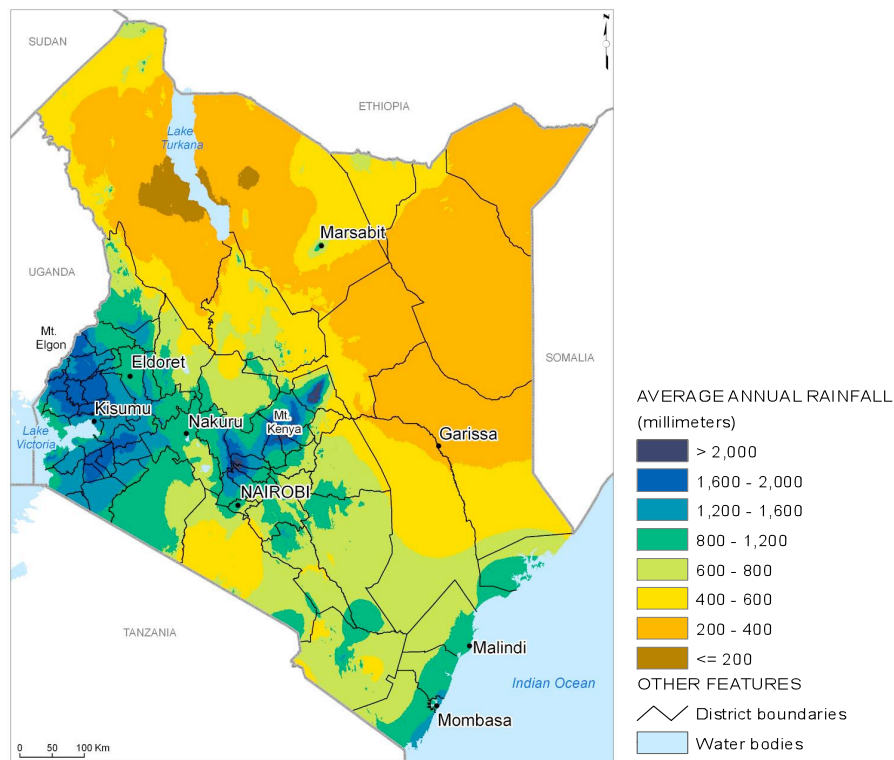


Figure 2: Average annual rainfall in Kenya
Source: World Resources Institute 2007:Map 3.1

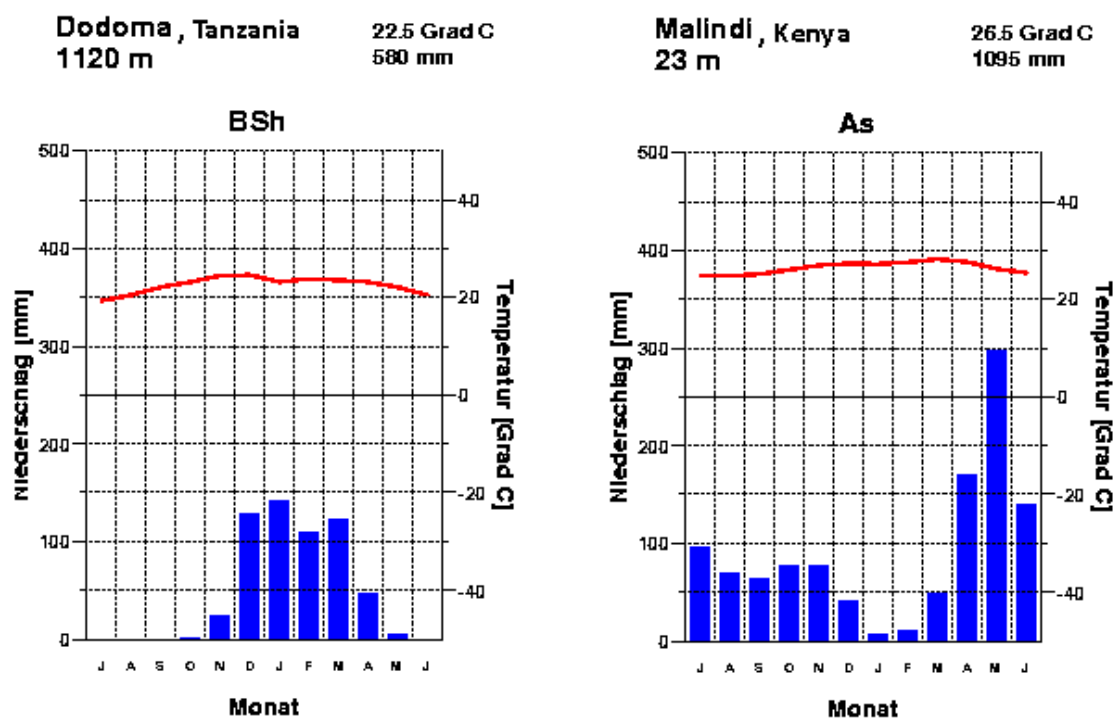


Figure 3: Climatograms from Dodoma, Tanzania and Malindi, Kenya
Source: http://www.klimadiagramme.de/index_2.html

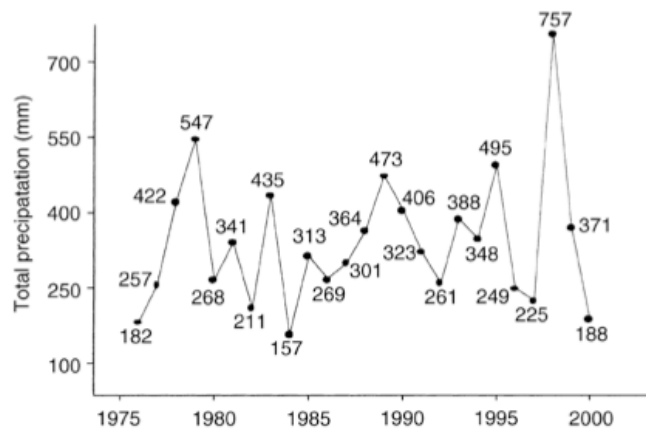


Figure 4: Annual rainfall in Amboseli, Kenya, 1976-2000

Source: Altmann et al. 2002:250

Figure 5 shows that the provision of Tanzania, Kenya and Uganda by surface water from river basins does not stand out as extremely bad compared to other countries on the map. According to this figure, in these countries the annual renewable water supply per person varies between 500-1000 m³/person/year and 1700-4000 m³/person/year. In areas where per capita water supply drops below 1700 m³/year, the situation is defined as “water stress” - a situation in which disruptive water shortages can frequently occur.³ Together with Figure 3 and Figure 4 this figure shows, that the current situation of water supply in Tanzania, Kenya and Uganda may be influenced, but is not determined only by geographical and natural conditions. The figures underline that “for the water crisis in mainly one of distribution of water, knowledge and resources and not one of absolute scarcity. As such, questions of access and deprivation underlie most water decisions.”⁴

³ http://earthtrends.wri.org/maps_spatial/maps_detail_static.php?map_select=265&theme=2

⁴ Selborne 2000:5

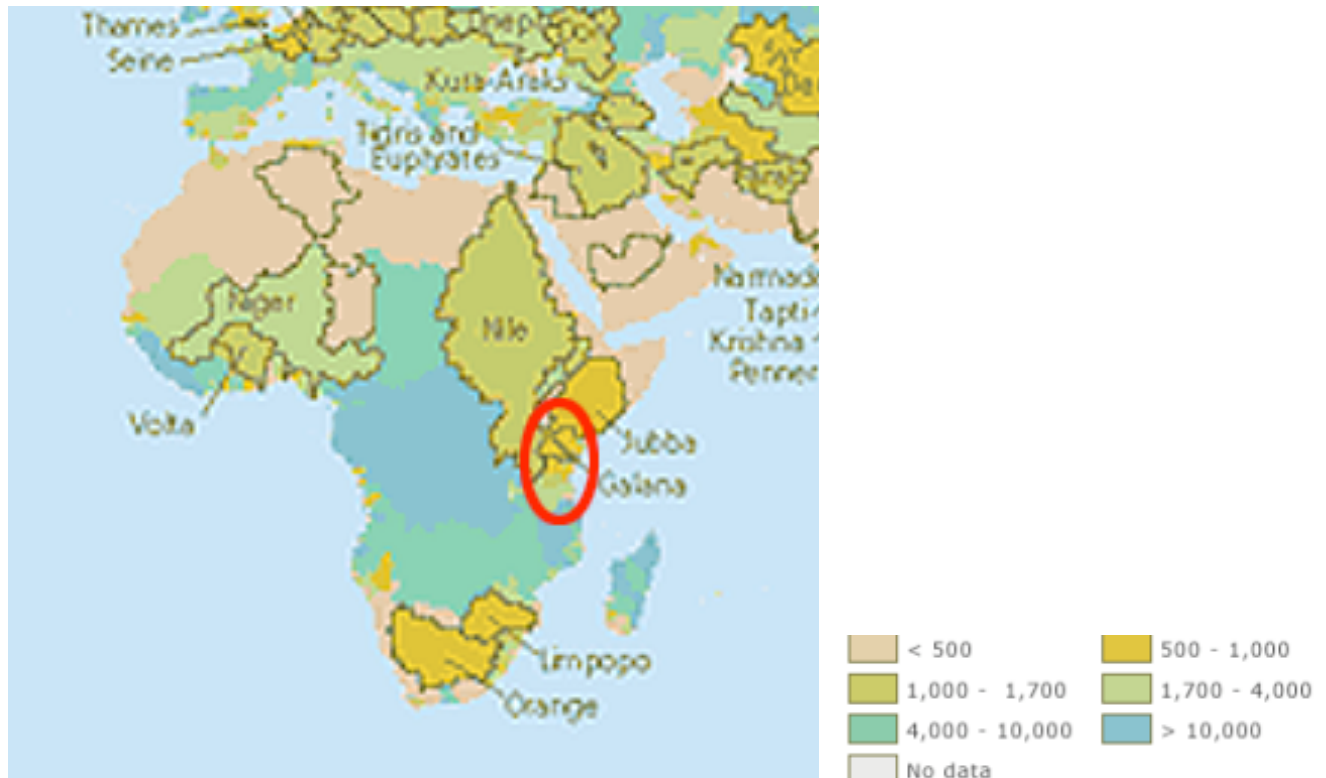


Figure 5: Annual renewable water supply in m³/person/ year

Source: http://earthtrends.wri.org/maps_spatial/maps_detail_static.php?map_select=265&theme=2

Regarding the actual amount of domestic water consumption per capita, the available figures vary a great deal. According to the HDR 2006, in Austria an average amount of 260 l/person/day is used. In comparison, Ugandan average consumption in rural areas ranges from 12 to 14 litres a day.⁵ The Austrian Ministry of Water states a number between 140 and 150 l/person/day.⁶ Exact figures about water consumption in Kenya, Uganda and Tanzania are even harder to find, but different sources state an amount of 20 to 60 l/person/day.⁷ The minimum threshold for water consumption is defined by the UN with 20 litres a day.⁸ Figure 6 is based again on different numbers, which are litres/person/day 268 in Austria, 8.2 in Tanzania and Uganda and 35.6 in Kenya⁹, and shows the proportion of all water used for domestic purposes in the world.

⁵ UNDP 2006:33

⁶ <http://land.lebensministerium.at/article/articleview/16626/1/4988>

⁷ <http://www.lboro.ac.uk/well/resources/Publications/Country%20Notes/CN3.1%20Kenya.htm>;

<http://www.hydrologie.uni-oldenburg.de/ein-bit/11686.html>; <http://www.water-for-africa.org/de/afrika/wasserverbrauch.html>

⁸ UNDP 2006:5

⁹ Dorling 2007: Worldmapper Dataset 324: Domestic Water Use

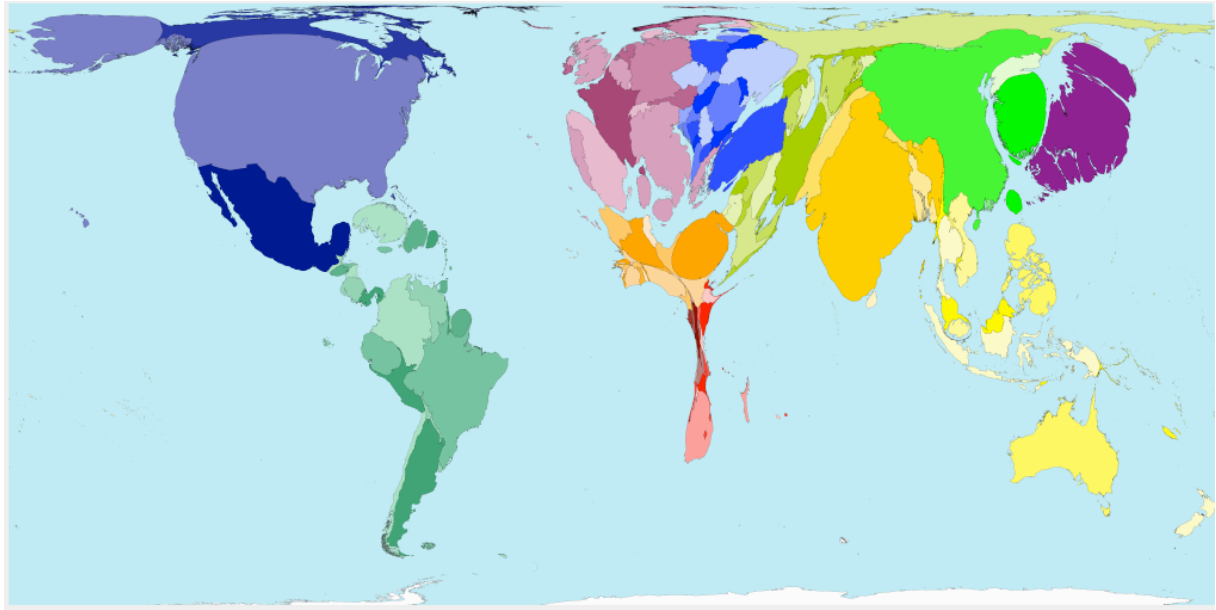


Figure 6: Proportion of domestic water use per person

Source: <http://www.worldmapper.org/display.php?selected=324>

The coverage of water supply and sanitation services is illustrated in Table 1 for the situation in the three countries. In each of them, coverage is significantly different between urban and rural areas. Water supply coverage is only between 46 and 62 percent in rural regions, these areas were considerably neglected in the past. Also sanitation in rural areas tend to have half the coverage rates of urban areas. Although the urban population are served quite well in relation, it is most likely that the urban poor receive a lower quality of service since coverage numbers do not tell the whole story about the level of services and related costs. Nevertheless, it has to be noted that in all three countries, the drinking water coverage has improved by at least 25 %, in Tanzania even by 92 %, between 1990 and 2002. From the right side of the table it can be seen that the level of sanitation service in all three countries remained about the same or even decreased a few percent.

Country	Region	Population		Water Supply	Sanitation
		Total (thousands)	% of total inhabitants	% of total inhabitants	% of total inhabitants
Kenya	Urban	11 990	38	89	56
	Rural	19 550	62	46	43
	Total	31 540	100	62	48
Uganda	Urban	3 000	12	87	53
	Rural	22 004	88	52	39
	Total	25 004	100	56	41
Tanzania	Urban	12 334	34	92	54
	Rural	23 942	66	62	41
	Total	36 276	100	73	46

Table 1: Water supply and sanitation coverage in percent of total inhabitants

Source: UNICEF; WHO:2004 25-30

Figures 7 and 8 on access to drinking water and sanitation facilities show the extreme differences between urban and rural areas. As seen in Figure 7, the proportion of population without access to water (red bar) is much higher in rural areas than in urban areas. In 2004, between 45 % and 55 % of the rural population in all three countries did not have access to water compared to only 10 % to 20 % in urban areas. The green bar shows that the percentage of people with access to water by household connection is much higher in urban than in rural areas.

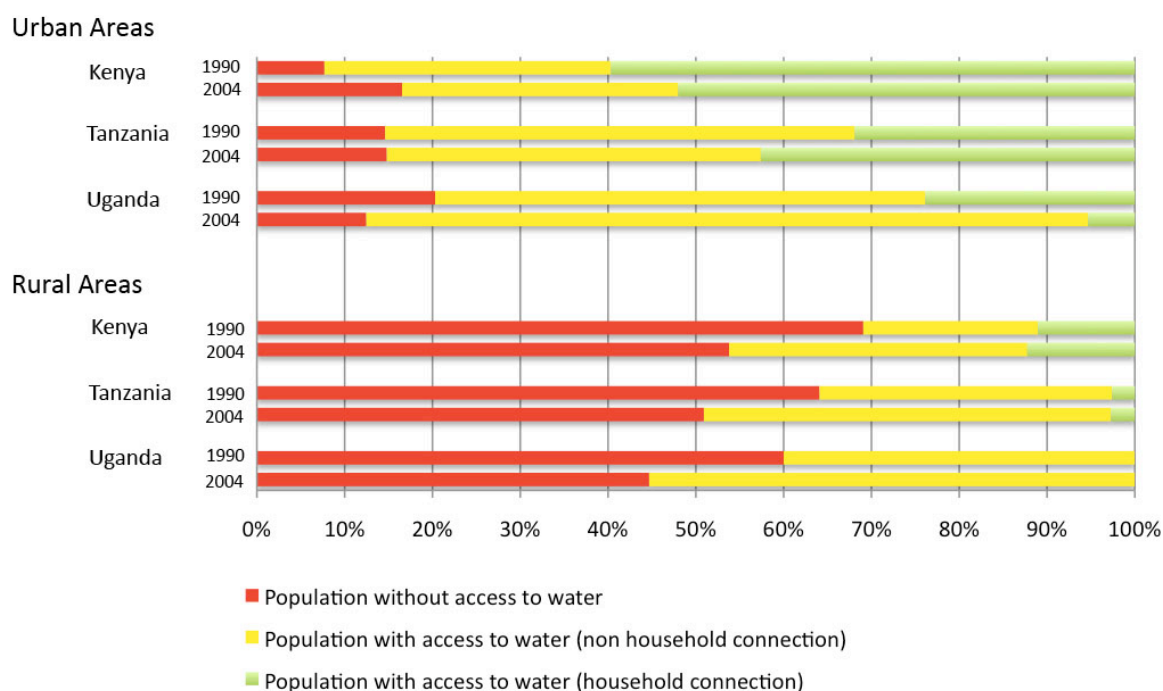


Figure 7: Disparities in access to drinking water between urban and rural areas in percentage of the population

Source: adapted from Kauffmann; Pérard 2007:4

Figure 8 also shows the differences of access between rural and urban areas, this time regarding access to sanitation facilities, which can be anything from a simple pit latrine or septic tank up to a sewer connection. In all three countries rural areas access to sanitation is at about 40 %, the coverage rate in urban areas lies between 55 % and 60 %.

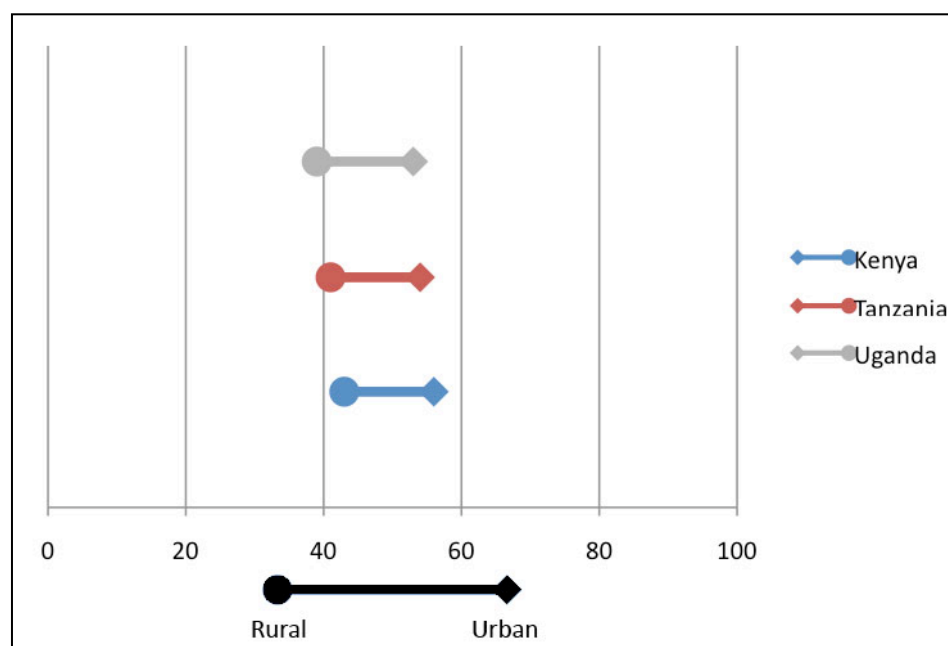


Figure 8: Disparities in access to sanitation between urban and rural areas in percentage of the population

Source: UNICEF; WHO 2004:25-30

2 Methodology

Two different tools were used for data collection and analysis, literature review and qualitative research interviews. The first parts of this thesis are all based on literature, whereas the case study described in the final chapter of the thesis is mainly based on interviews.

2.1.1 Literature review

The first step of the research consisted of a literature review about the existing legislative regulatory and juridical framework of the water sector reforms in Tanzania, Uganda and Kenya. The main sources of information were governmental institutions, particularly Ministries of Water (MoW). International institutions which were included in the composition of the sector reforms, e.g. the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) or the Water and Sanitation Programme of the World Bank (WSP-WB), also provided a lot of papers on this issue. The literature for the analyse of stakeholder involvement into the elaboration of the reforms was provided by governmental institutions and big Donor Agencies such as the World Bank, but also by different development research institutes and local Non Governmental Organisations (NGOs) that participated in the progress. The chapter related to Decentralisation and Private Sector Participation is based again on the analysis of a wide range of different stakeholders, so that the high number of, often contradictory, perspectives were included and hence provide a comprehensive picture.

2.1.2 Qualitative research interviews

The theoretical basis of the interviews is the so-called Grounded Theory, which can be categorised as a systematic qualitative research methodology. In this theory data sampling, data analysis and theory development are not seen as distinct and disjunct, but as different steps to be repeated until one can describe and explain the phenomenon that is to be researched.¹⁰

The major stakeholders of every level taking part in the water supply in the analysed area were identified and are listed in Table 2.

¹⁰ Charmaz 2006:10ff.; Strauss; Corbin (1998):15ff.

Continuum	Level	Stakholder
Macro ↓ Micro	National	Ministry of Water
	National	GTZ
	Regional	Local Government
	Regional	CPAR (NGO)
	Local	Kaviwasu (water supplying company)
	Local	Customers

Table 2: Stakeholders in the water supply sector in Karatu

The field research started with the interviews at the highest level and finally ended up at the customers' level. In the first interviews only a very few major questions were defined so that the interview partners could constitute the research questions and major problems of the sector on their own. This type of interviews can also be classified as Unstructured Interviews, which let the conversation develop within an area of general interest and concern.¹¹

The questions and answers of the interviewees were taken into account for the following literature review, which was again followed by more structured interviews one level below. This approach reflects the theory of repeating data sampling, data analysis and theory development. At the middle level, e.g. Local Government or a water supplying company, semi-structured Interviews could be used. This type is characterised by predetermined questions, but the order and wording is open.¹² Finally, the interview method used at the lowest level was Structured Interviews, which contain a fixed set of questions with pre-specified and standardised wording. The answers in this method can vary between fixed, pre-specified or open-ended.¹³ In this research, most questions contained the last option. To include the knowledge and views of all types of customers and in addition reach a significant number of answers, the interviews, which were performed directly at the District Water Points, had to be carried out differently. Their character changed between one-to-one interviews, group interviews or interviews with groups of one sex or similar age. By this approach, persons of all

¹¹ Robson 2002:270

¹² Robson 2002:278f.

¹³ Robson 2002:251

sex and ages could contribute to the research. Altogether, 28 persons were interviewed individually, while all the other interviewees, numbering about 50, could be integrated into the research.

3 The relationship between water and poverty

Tanzania, Uganda and Kenya have embedded their Water Sector Reforms into overall poverty reducing strategies, which are the Vision 2025 in Tanzania¹⁴, the Vision 2030 in Kenya¹⁵ and the Poverty Eradication Action Plan (PEAP) in Uganda.¹⁶ Next to many others, the Water Sector Reforms are part of these politics. The following abstracts show how water supply and sanitation influence other sectors' achievements and finally the well-being of the population and therefore, why it was necessary to include the water sector in the poverty alleviating strategies.

3.1 The definition of poverty

"Poverty is still the gravest insult to human dignity and is still with us despite decades of international efforts to eradicate it."¹⁷ This is how the former Chair of the World Commission on Environment and Development, and former Prime Minister of Norway, Gro Harlem Brundtland, characterised poverty.

Poverty can be defined in absolute and relative terms. Absolute poverty, on the one hand, refers to the abilities of individuals to meet their basic needs. This means, individuals do not have the resources to meet their basic needs for healthy living and a dignified existence. They do not have the resources to provide for food, shelter, clothing and medical services. Relative poverty, on the other hand, compares the status of individuals against others in a community or society in terms of an income and wealth standard. According to this definition, the poor are those who have significantly less resources than others in their society.¹⁸

Amartya Sen categorises poverty into "income deprivation" and "capability deprivation"¹⁹, terms that could be loosely be equated to the above characterisation. It has to be noted, however, that income and capability deprivation, though different, are not necessarily independent of each other. Although not all capabilities are determined by income, income nevertheless plays a significant part in generating capabilities. A study based on the work of Amartya Sen and examined in 2004 tried to measure the interrelation between income poverty and capability deprivation. One final result

¹⁴ GoT, Ministry of Water 2006:1

¹⁵ <http://www.planning.go.ke/>

¹⁶ Robinson 2002:2

¹⁷ Oyen et al. 1996:Foreword by Gro Harlem Brundtland

¹⁸ Dixon; Macarov 1998: 1-15

¹⁹ Sen 1999:87ff

indicates that the association between poverty and material well-being exists across all the well-being measures used, though the magnitude does vary.²⁰

The United Nations, who were mainly responsible bringing the relationship between water and poverty on the international agenda, define poverty as

“a human condition characterised by the sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights.”²¹

In practice, various institutions dealing with poverty have given different numbers of levels of poverty, as the international poverty line of 1.25\$²² used by the World Bank. This absolute concept has faced a lot of criticism, mainly by arguing that this definition departs from the established concepts and procedures for measuring poverty. Although the purchasing power parity is applied, the arbitrary “dollar a day” does not have a realistic basis in terms of representing poverty across localities and boundaries. The same argument goes for the categorisation of countries as being poor or rich based on their GDP per capita (e.g. the International Monetary Fund, World Bank, CIA²³ or UNDP²⁴). This disregards distribution and other aspects of capabilities and access to other goods and services that contribute to the quality of life.²⁵

In the following abstract, the relationship between water and poverty is based mainly on the poverty definition of the United Nations. Nevertheless, the relationship is supported by statistical data referring to absolute measures of poverty.

²⁰ Iceland 2004:15,18

²¹ http://portal.unesco.org/shs/en/ev.php-URL_ID=3905&URL_DO=DO_TOPIC&URL_SECTION=201.html

²² <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20153855~menuPK:373757~pagePK:148956~piPK:216618~theSitePK:336992,00.html>

²³ [http://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(nominal\)_per_capita](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_(nominal)_per_capita)

²⁴ <http://hdrstats.undp.org/indicators/5.html>

²⁵ Kulindwa; Lein. 2008:1f

3.2 The contribution of water to enhance poverty

Nkonya states that

“the degradation of water resources contributes to poverty and undermines economic development. Protection of environment and water is a social and economic necessity and a crucial ingredient of sustainable development.”²⁶

This chapter explains why the quotation above is applied by showing the extent of how water affects poverty.

The link between water and poverty is complex, but at the same time simple to understand. Access to adequate amounts of clean water is essential for maintaining good health, and access to water for agriculture is essential for food production. Inadequate and/or unequal access to water are, thus, both a result and a cause of poverty. The close link between water and poverty is made clear in the United Nations Millennium Declaration, which targets

“to halve, by the year 2015, the proportion of the world’s people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water.”²⁷

Many of the MDGs and their specific targets rely on improvements in the water sector. For example, “MDG 1: Eradicate extreme poverty and hunger” will not be fulfilled without providing more water for agriculture. It is estimated, that easy access to water will halve the proportion of people who suffer from hunger and whose income is less than 1 \$ a day. “MDG 3: Promote gender equality and empower women” is especially dependent on the water sector. Access to water supply will reduce the multiple burdens on women and girls, as they are the primary collectors, providers, users, and managers of water in the household. Another goal influenced by water and sanitation is the “MDG 6: Combat HIV/Aids, malaria, and other diseases”, as better water quality and sanitation services will reduce children’s and expectant mothers’ susceptibility to diseases and generally improve health. It will prevent pregnancy and birth complications, and increase people’s ability to combat HIV/Aids, malaria, and other diseases.²⁸ Because of the broad effects of inadequate access to water and sanitation to many other sectors, the “reduction by half of the proportion of people without

²⁶ Nkonya 2008:25

²⁷ <http://www.un.org/millennium/declaration/ares552e.htm>

²⁸ <http://www.adb.org/Water/Knowledge-Center/statistics/water-sanitation-mdgs.asp>

sustainable access to safe drinking water and basic sanitation”²⁹ became an important target of the MDGs.

Water usage can be divided into two categories, domestic use and productive use of water, and efforts in both types of water use are essential to finally achieve some of the MDGs. Domestic water use refers to water used for household purposes, such as drinking, cooking, bathing, washing clothes or hygiene. Productive water is defined as the quantity of water over and above domestic basic needs.³⁰ Whereas domestic water supply and sanitation programmes have good potential for impact in water-related diseases, access to productive water is of special importance for food production for millions of smallholder farmers.³¹ The quantity of water sufficient for both domestic and productive use is estimated between 50 and 150 litres per capita per day.³²

A more detailed classification of the broad effects of water and sanitation divides the different types of poverty alleviation impacts of improved water and sanitation services into eight categories. These are growth-enhancing impacts, increase of economic opportunities specifically targeted to the poor, direct savings, improved education, improved governance framework, improved health, direct impact on well-being, fiscal impact (coupled with pro-poor policies).³³ The types and strengths of the impacts of improved water and sanitation services are listed in Table 3. The number of “+” next to an impact reflects the strength of evidence for that impact.

²⁹ <http://www.undp.org/mdg/goal7.shtml>

³⁰ Moriarty et al. 2004:22

³¹ FAO 2008:xii

³² Moriarty et al. 2004:21

³³ Brennenman; Kerf 2002:1

	Underpinning Growth	Increasing economic opportunities specifically targeted to the poor	Direct savings	Improving education
Water and Sanitation	Increasing productivity of business (+)	Saving time and efforts, hence, increasing productivity (+)	Lowering costs of water (+++)	Improving access to education because of reduction of time spent fetching water (++)
		Improving health, hence, increasing productivity (+)	Reducing medical expenditures (+)	Improving educational performance due to reduction of water-related diseases (+)
		Increasing productivity of businesses that employ the poor (+)		
	Supporting effective governance	Improving health	Direct impact on well-being	Fiscal impact (coupled with pro-poor policies)
Water and Sanitation	Empowering women (+)	Improving hygiene and health (+++)	Reducing time and effort needed to fetch water (++)	

Table 3: Types of poverty alleviation impacts of improved water and sanitation services

Source: Brenneman; Kerf 2002:5f.

The widespread effects of the water sector are also reflected in the attempts to measure water poverty. One method to do so is the International Water Poverty Index which measures a countries' position relatively to each other in the provision of water. Besides of components referring to resources, access and use of water, the index includes data like purchasing power parity per capita

income, mortality rates, education enrolment rates and gini coefficients, a measure of inequality of income or health.³⁴

Although it has been shown that insufficient access to water and sanitation effects a whole country's society and economy, the literature agrees that it is especially the poor who suffer the most. The Human Development Report of 2006 shows that poor people are likely to

- have less access to water than the more wealthy in society.
- receive water of lower quality.
- have to pay more for the same amount of water, in form of labour or money.³⁵

Figure 9 underlines the last mentioned point, showing that the poor often have to pay a price a few times higher than people living under more wealthy conditions.

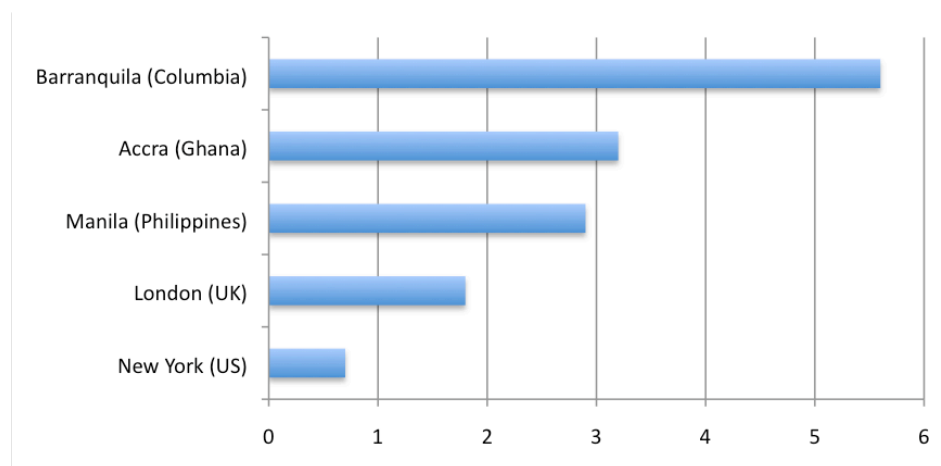


Figure 9: Water prices comparison in US\$/m³

Source: UNDP 2006:53

Although the links between water and poverty seem to be easy to grasp, the issue of how to organise the water distribution so that the poor gain access to the water needed for consumption and production is complex and highly contested. The problem of securing water is often presented as a question of physical lack of water available for human use. But the facts easily erode these statements. For instance, most African countries face large problems in securing sufficient and clean water for the whole population, but physically the continent has 1.5 times more water available per capita than Europe.³⁶ Of course, this average conceals large regional variations both in Europe and Africa. In reality, water scarcity, which is defined by the UN as

³⁴ Lawrence et al. 2002:8

³⁵ UNDP 2006:48-54

³⁶ Jones 1997:47

“the point at which the aggregate impact of all users impinges on the supply or quality of water under prevailing institutional arrangements to the extent that the demand by all sectors, including the environment, cannot be satisfied fully”³⁷,

is the result of the interplay between resource availability, consumption patterns and the (mis-)management of the resources. Water scarcity is thus linked to water governance rather than to shortage in the absolute physical sense of term.³⁸Water governance, especially the link between sustainable water governance and poverty, is the core theme of this paper.

The acute shortage or inadequacy of water has a direct impact on the overall well-being of a society with limited alternatives and coping strategies. People that are continuously deprived of and denied access to safe drinking water in sufficient quantities are vulnerable and in every sense poor and lacking a decent livelihood. Inadequate supply of safe drinking water, therefore, has the potential to sustain and reproduce poverty³⁹, as observed by a recent study of the International Water Management Institute:

“One facet of water deprivation, that is widely recognized as a typical characteristics of poverty, is subminimal access to near, safe water and sanitation facilities, which results in severe waterborne diseases and often in exorbitantly high costs in labour or cash. But a comprehensive approach is needed, one which recognizes that that poor people’s water needs are multifaceted. Water especially affects income generation, another major element of well being of which poor people are typically deprived. Poor people’s self-employment and wage employment opportunities in urban and especially rural areas depend on water, in addition to other factors.”⁴⁰

Table 4 is intended to support the views mentioned above, all saying that there is a strong relationship between water scarcity and poverty, by simple comparison of a country’s percentage of population without access to safe water and its rank in the Human Development Index (HDI). Although the HDI has often been criticised as a too absolute way to measure poverty, the figure shows that there is some kind of correlation. The greater the proportion of the population not accessing safe water, the lower the country’s ranking by HDI. Among the 15 countries compared in this table, both Kenya and Tanzania are among those with the highest level of population without access to safe water.

³⁷ UNDP 2004a:2

³⁸ Kulindwa; Lein 2008:2ff

³⁹ Aderinwale, Ajayi 2008:66f

⁴⁰ Koppen 2000:7

Country	Percentage of population without access to safe water source		HPI		Country rank by HDI	
	1	2	3	4	5	6
	2002	2004	2002	2004	2002	2004
DRC	54	54	42.9	40.9	168	167
Nigeria	40	52	35.1	40.6	151	159
Zambia	45	42	50.4	45.6	164	165
Kenya	38	39	37.5	35.5	148	152
Tanzania	27	38	36.0	36.3	162	162
Cameroon	37	34	36.9	35.6	141	144
Ghana	21	25	26.0	33.1	131	136
CAR	25	25	47.0	47.8	169	172
Zimbabwe	17	19	52.0	46.0	147	151
Morocco	20	19	34.5	33.4	125	123
Côte D'Ivoire	16	16	45.0	41.5	163	164
Algeria	13	15	21.9	21.5	108	102
Namibia	20	13	37.7	32.5	126	125
South Africa	13	12	31.7	30.9	119	121

Table 4: The relationship between poverty and access to water

Source: Aderinwale, Ajayi 2008:70

Some of the major issues that are affected by water scarcity have been worked out by the UNDP. Amongst others, effects have been detected on state economy, personal income, health, education and gender equity. Some more are:

- Diseases and productivity losses linked to water and sanitation in developing countries amount to 2 % of GDP, rising to 5 % in Sub-Saharan Africa—more than the region gets in aid.
- The poorest households pay as much as 10 times more for water as wealthy households.
- Water is a vital productive input for the smallholder farmers who account for more than half of the world's population living on less than 1 \$ a day.
- Mounting pressure to reallocate water from agriculture to industry threatens to increase rural poverty.
- Deprivation in water and sanitation perpetuates gender inequality and disempowers women.
- The absence of adequate sanitation and water in schools is a major reason that girls drop out.

- Diarrhoea caused by unclean water is one of the world's greatest killers, claiming the lives of five times as many children as HIV/AIDS.
- Achieving the Millennium Development Goal target for water and sanitation would reduce the costs to health systems of treating water-related infectious diseases by 1.7 billion\$, increasing the resources available for HIV/AIDS treatment.⁴¹

Figure 10 provided by the FAO shows the huge potential for poverty reduction in Sub-Saharan Africa (SSA) just by water interventions, especially through increased access to productive water.

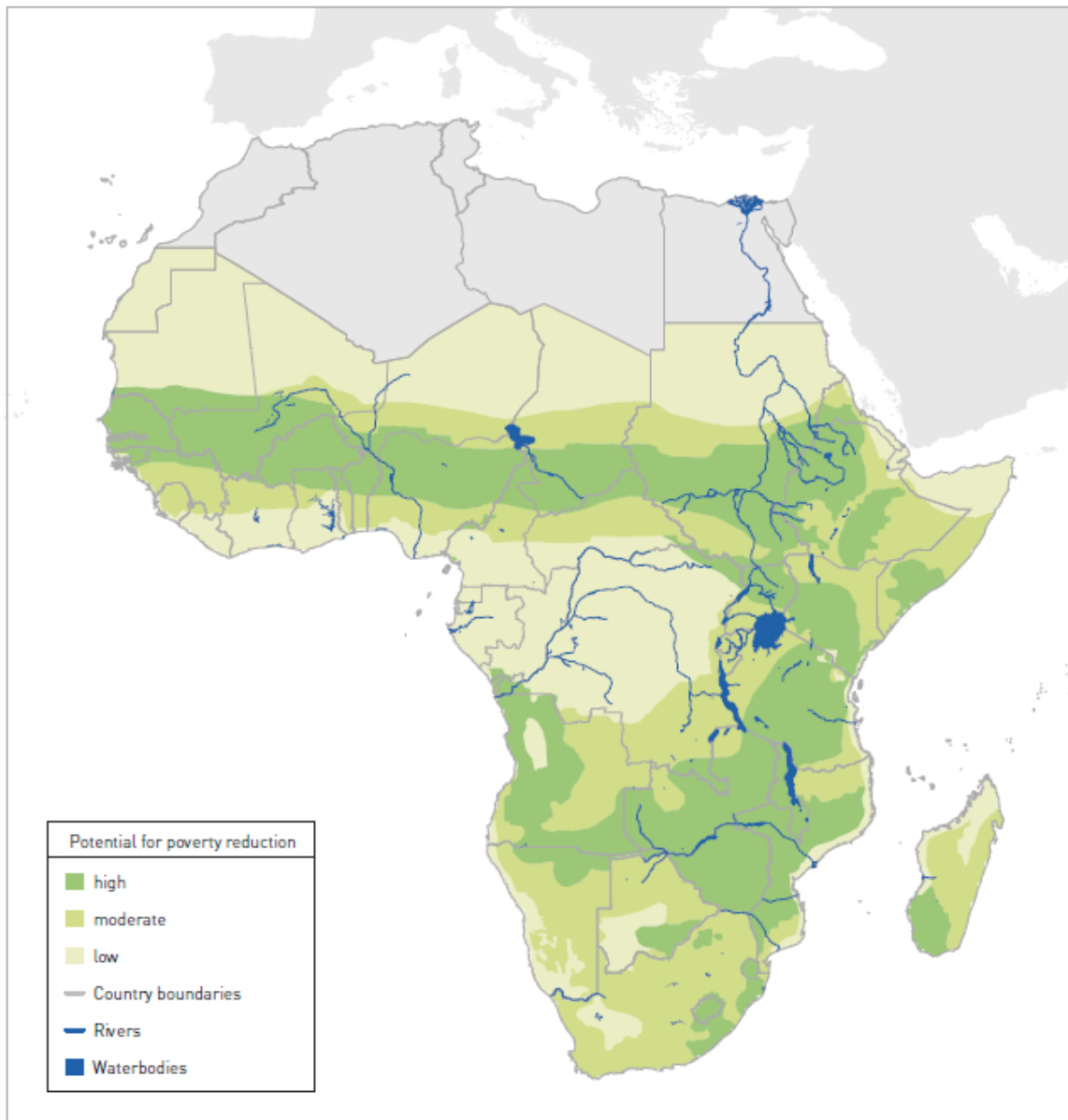


Figure 10: The potential for poverty reduction in SSA through water interventions

Source: FAO 2008:39

⁴¹ UNDP 2006:22ff.

As a result of all these studies, it can be argued with great certainty that lack of access to safe water does intensify the poverty of individuals and even restrains a whole state's economy. Based on the list of possible effects of water scarcity to human well-being, the strong relationships between water and income, health and food contributing to poverty will be explained in the following.

3.2.1 The relationship between water and income

One major correlation between water and poverty can be described by comparison of income and expenditures for water. First, distance from the utility inflates prices. As water passes through intermediaries and each adds transport and marketing costs, prices are ratcheted up. Consequently poor people, especially the ones without private connection, living in urban slums as well as in rural areas often pay 5-10 times higher prices per litre of water than wealthy people living in the same area.⁴² Second, in poor areas a much higher percentage of income is spent on water. For example, the cost of water in four analysed Nigerian cities in 2008 (Kano, Ibadan, Kaduna, Port Harcourt) ranged from 0.18\$ to 0.35 \$ per 25 litres. An average family will need about 240 litres for daily survival, meaning that about 1.73-3.36 \$ are required for daily provision of water.⁴³ With more than 60 percent of the Nigerian population living below 1 \$ per day, a common family will have to spend all of its total income and even borrow to meet its water needs. Allocating such a high proportion of income to water makes many families economically vulnerable or instantly aggravates the situation of families already living in poverty. Furthermore, families without daily access to safe water face a high incidence of water-borne diseases, which further reduce people's productivity and income generation capacity.⁴⁴ Figure 11 and Figure 12 below show the correlation between income and access to water. In general, the lower the income, expressed in the figures as GDP per capita, the higher the vulnerability to inadequate access to water and the lower the daily water consumption rate per person.

⁴² UNDP 2006:12

⁴³ Aderinwale, Ajayi 2008:65

⁴⁴ Aderinwale, Ajayi 2008:76f.

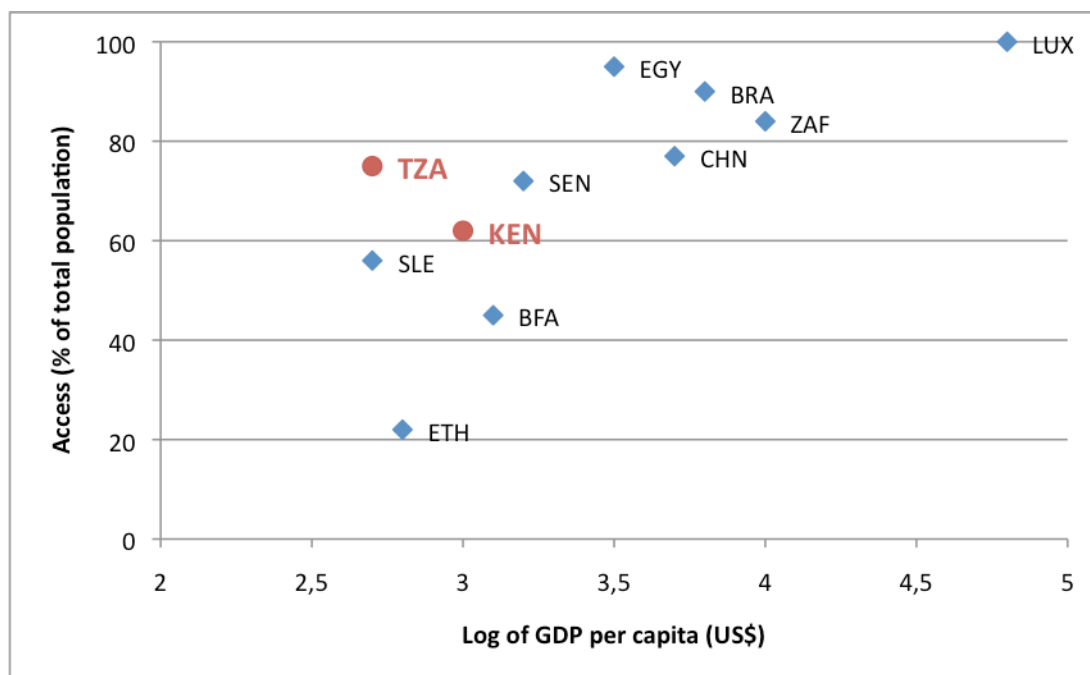


Figure 11: Access to water and income levels

Source: adapted from Prasad 2006:9

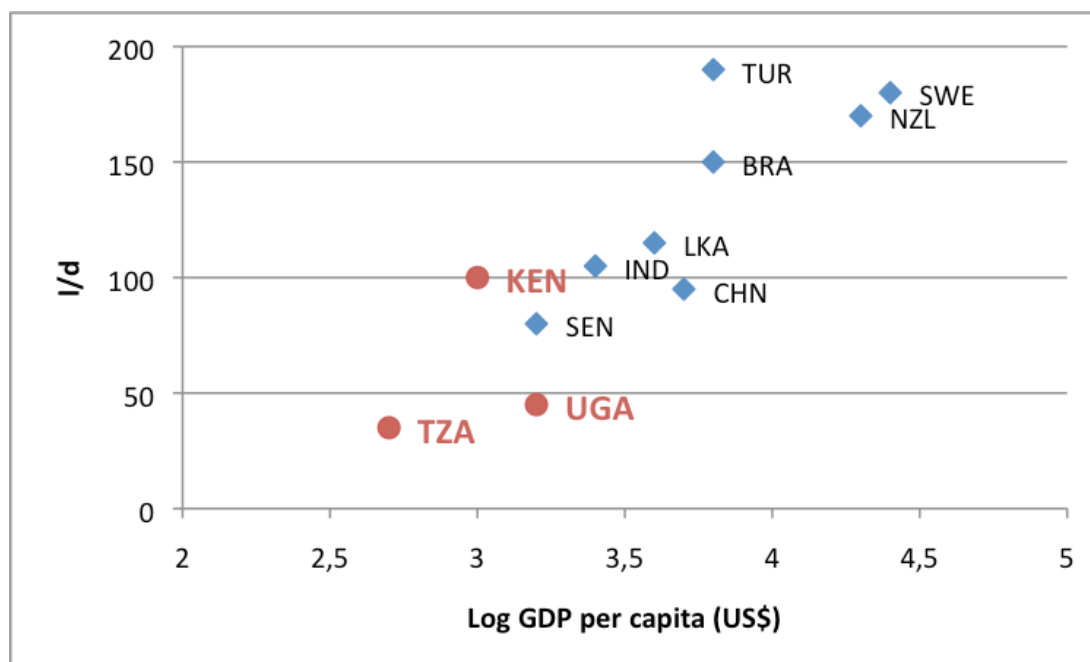


Figure 12: Water consumption and income levels

Source: adapted from Prasad 2006:10

3.2.2 The relationship between water and health

Human health depends on safe, adequate, accessible and reliable drinking water. Amongst many other possibilities, contamination may occur in the form of agricultural chemical inputs, such as pesticides and fertilisers, industrial waste, and municipal waste including domestic waste. These provide doses of pollution, which are directed to water bodies (streams, rivers, lakes, swamps, etc.) and finally, often by animals, are transferred to consumers, resulting in illnesses and deaths. Water related diseases, such as typhoid, cholera and diarrhoea, are among the most significant causes of deaths among children under the age of five years in Asia and Africa. However water-related diseases are not only associated with avoidable child deaths. Instead, they account for about 5 % of the global burden of disease.⁴⁵ When people in poor households fall ill, their productivity declines and with it their ability to generate income or grow food.⁴⁶ This may translate into food insecurity for families living on the edge of existence. As a further result, cost of medicine may arise, straining the income of a household by diverting it from daily basic necessities. Furthermore on a national level, Governments have to incur higher expenditures on medicines, mounting emergency preventive and curative campaigns.⁴⁷ To reduce the number of by water-born diseases, efforts in sanitation and water supply should go hand in hand, as access to adequate sanitation facilities can reduce the incidence of infectious diseases by 20 % to 80 % by inhibiting disease generation and interrupting disease transmission.⁴⁸

3.2.3 The relationship between water and food

Water is essential for food production, around the world and especially in low-income countries where agriculture is a key sector for income generation. For millions of smallholder farmers, fishermen and herders in SSA, water is one of the most important production assets, and securing access to water is a key factor in enhancing their livelihoods. Globally, an estimated 70 % of available freshwater resources are used for irrigation, and irrigated agriculture is of crucial importance for food production, contributing up to 40 percent of the world's food production.⁴⁹ Consequently, water scarcity can translate into a national food production constraint. Especially countries highly dependent on agriculture are vulnerable.⁵⁰ Irrigation allows expansion of crop production in both time and space and also may give higher gross yields per unit of land through higher yields per crop,

⁴⁵ http://www.who.int/water_sanitation_health/diseases/burden/en/index.html

⁴⁶ Kulindwa 2008:121ff.

⁴⁷ UNDP 2006:43

⁴⁸ Selborne 2000:25

⁴⁹ <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTWAT/0,,contentMDK:21752798~menuPK:4602436~pagePK:148956~piPK:216618~theSitePK:4602123,00.html>

⁵⁰ Selborne 2000:13

by more crops per year or by growth of heavier-yielding crops. Irrigation may also reduce yield fluctuations and allow more continuous and adaptable production. To summarise, irrigation increases the productivity of the farm, thus reducing the minimum farm size necessary for supplying one household.⁵¹ Other advantages of irrigation are more employment opportunities for labour, cultivation of more crops per year and more labour-intensive crops, and the possible long-term effect to lower food prices in the region, which will benefit the consumers. Conversely, the latter may have negative effects on the farmers themselves. Nevertheless, cross-country research shows that poverty levels are often 20 % - 30 % lower within irrigated systems than in non-irrigated areas⁵² (Figure 13).

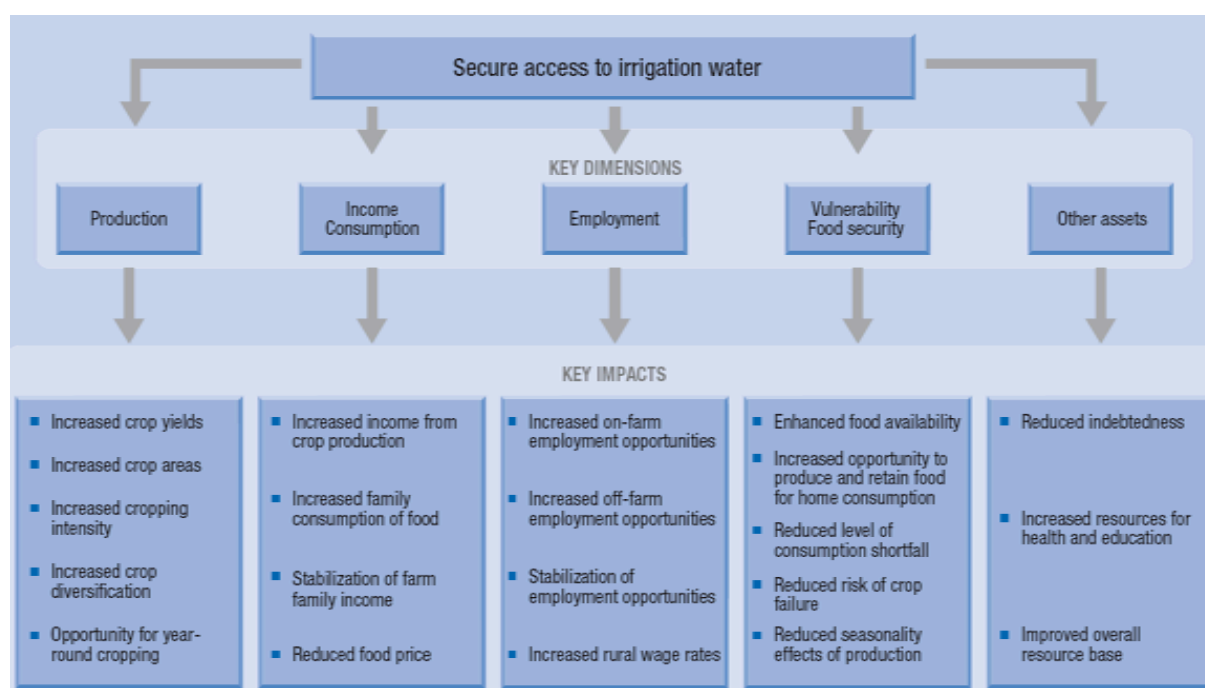


Figure 13: Effects of irrigation on poverty reduction

Source: UNDP 2006:175

⁵¹ UNDP 2004b:30ff.

⁵² UNDP 2006:175

4 The planning process of the Water Sector Reforms

4.1 The role of World Bank and International Monetary Fund

The most influential donor agencies in the Water Sector Reform in all three countries were the International Monetary Fund (IMF) and the World Bank. With the introduction of the Poverty Reduction Strategy Paper (PRSP) approach in 1999, they provided the basis for the reforms a few years before they were finally implemented. PRSPs are used as a framework for developing poverty reduction strategies at country level. They provide the basis of concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) initiative.⁵³ In theory, five core principles underlie the PRSP approach. According to the IMF, poverty reduction strategies should be

- country-driven, promoting national ownership of strategies through broad-based participation of civil society.
- result-oriented and focused on outcomes that will benefit the poor.
- comprehensive in recognising the multidimensional nature of poverty.
- partnership-oriented, involving coordinated participation of development partners (government, domestic stakeholders, and external donors).
- based on a long-term perspective for poverty reduction.⁵⁴

Soon after the development of the PRSP approach Kenya, Uganda and Tanzania made significant efforts to be admitted to this program, which all of them achieved between 2000 and 2001. In Uganda, the PRSP was based on the Poverty Eradication Action Plan (PEAP) from 1997. The PEAP suggested that the national policy in general should focus on decentralisation and privatisation to address the challenges of poverty alleviation. It was intended to guide the government and its development partners in policy, planning and resource decisions. The PEAP set out specific goals, among them access to safe drinking water. This framework provided the basis for the Uganda Poverty Reduction Strategy Paper (PRSP), which was signed by the World Bank and the International Monetary Fund in 2000 and therefore qualified Uganda for debt relief under the HIPC Initiative.⁵⁵ In Kenya, the process of preparation of the PRSP started in 1999 and was completed two years later in 2001. The stakeholders in the consultations included the private sector, civil society, the development partners and local communities. A national steering committee that included all the stakeholders was formed to spearhead the process and ensure inclusion at all levels. The

⁵³ <http://www.uneca.org/prsp/Default.html>

⁵⁴ <https://www.imf.org/external/np/exr/facts/prsp.htm>

⁵⁵ Robinson 2002:2f.

Government of Tanzania had a full PRSP endorsed in December 2000 after a process led by a Committee of Ministers and the Governor of the Bank of Tanzania. This committee was also the main point of contact for Civil Society Organisations participation in the planning process.

By the tool of PRSPs, the World Bank and the IMF had a big influence on the new Water Sector Policies in Tanzania, Kenya and Uganda. In the Kenyan PRSP, „decentralising delivery of public services“⁵⁶ and the „ unleashing of private sector participation“⁵⁷ are stated as important instruments for achieving economic growth and poverty reduction. Both instruments are also found in the country’s WSR. Private sector development and the privatisation of public enterprises are measures found in the Tanzania PRSP⁵⁸ and are implemented in its WSR. Also, in the PRSP the Tanzanian government aims to implement „efficiency-promoting structural reforms“⁵⁹ As shown later, the World Bank has been a major supporter for Decentralisation and PSP for decades, so it is not surprising that these approaches are found in the WSR of Tanzania as well. Efficiency, Private Sector Participation and Decentralisation are also keywords in the WSR and the PRSP of Uganda.⁶⁰

As mentioned above, PRSPs claim to promote national ownership strategies through broad-based participation of civil society. As the PRSPs provide the basis for the later following WSRs, it is important to take a look if this has been the case in the three countries. Afterwards, it will be discussed which stakeholders played what kind of role in the formulation of the particular water policies.

4.2 The role of the Civil Society in the preparation of the PRSPs

“Water development and management should be based on a participatory approach, involving users, planners and policy-makers at all levels.“⁶¹ This is one of four principles stated in the Dublin principles on water, which were worked out within the framework of the Earth Summit 1992 in Rio de Janeiro. Referring to this principle stakeholders in every country are able to claim voice in the organisation of water supply.

The PRSPs of Tanzania, Kenya and Uganda provide a list of all stakeholders that took part into the process of formulation and the way they contributed to the paper. According to these papers, the

⁵⁶ IMF 2005:63

⁵⁷ IMF 2005:v

⁵⁸ IMF 2000:18

⁵⁹ IMF 2000: 14

⁶⁰ <http://www.imf.org/external/NP/prsp/2000/Uga/01/#2>

⁶¹ <http://www.gwpforum.org/servlet/PSP?iNodeID=1345>

participation process was implemented quite well. In practice, in all three countries participation has generally been limited to consultation, leading to frustration among many civil society actors.

4.2.1 The case of Tanzania

In Tanzania, two parallel participatory processes occurred for the PRSP. The government-led process consisted of a series of regional and national consultations, plus the incorporation of selected civil society figures into key drafting and monitoring committees. The civil society process consisted of the formulation of an alternative strategy and lobbying for the integration of this with the draft produced by the Government of Tanzania. Summarising the view of many CS actors, neither process had significant impact on the PRSP. Most critics on the participation process were about a rushed timetable, poor information sharing, superficial consultations rather than opportunities for meaningful participation or collaboration by CS and Government vagueness on the consultation process and its objectives.⁶² The Government's argument for the rushed time-frame was the interest in accessing HIPC funds that had to be signed quickly. But as a result, the scope and depth of the participation process was very limited. Officially, about 40 Civil Society Organisations (CSOs) were involved in the process, amongst them the key CS players Tanzanian Social and Economic Trust, Tanzania Coalition on Debt and Development and Oxfam Tanzania. There was some criticism that the selection criteria for CS representatives was not transparent. During the preparation process, the Government organised seven regional workshops which were held all on the same day. By this measure, adequate preparations or meaningful interaction was precluded. The general feeling held by CSOs on the first PRSP is that they did not really have any impact on the policy content of the strategy and that the document does not reflect civil society's perspectives or inputs in a meaningful way. The rushed consultation process was restricted to some selected areas and CSOs were not permitted to take part in economic decision-making. Furthermore even in the areas that were discussed, CSOs produced no shifts in the direction of the Government's policies.⁶³ Others complained of the lack of any feedback to CS on its submissions, which suggests that their inputs were not taken seriously.⁶⁴ All these reasons let the CS doubt that the GoT was really willing to involve them into the process.

4.2.2 The case of Kenya

In Kenya, district-level consultations were carried out in each district, where among others members of Parliament, NGOs, and government department heads participated. At least in one district the

⁶² Evans; Ngalwea 2001:9ff.

⁶³ Curran 2005:11

⁶⁴ McGee:67

consultations were limited to one day. Often only a few stakeholders were present during these consultations and civic leaders dominated the meetings by speaking on behalf of the communities.⁶⁵ Moreover, the first Interim-PRSP of Kenya had already been done by the Kenyan Government without citizen's participation.⁶⁶ Later, in the progress of the full PRSP, the CS claimed that during national consultation workshops the government was reticent to consider issues which were not already mentioned in the I-PRSP and that the CS input was simply filed away.⁶⁷ However, a rushed consultation process has left CS sceptical of Government commitment to the principles and practice of participation from the outset. From the civil sector, critics have been stated that the PRSP was only a dictate of donors and therefore was only being carried out because government wanted renewal of loans from WB and IMF. Even where CS was successful in influencing the PRSP it appears time constraints were only overcome because CS had previously prepared policy positions. All in all, there are concerns by donors and GoK representatives that donors and government dominated PRSP content.⁶⁸ Bonfas Owinga from the Social Development Network described the PRSP process in Kenya as consultative, instead of truly participative, arguing that the civil society actors could do nothing but react to already prepared government views.⁶⁹

Nevertheless, the formation and activities of the Pastoralist Strategy Group provide an example of civil society in Kenya organising outside the government-led process to considerable effect on the PRSP.⁷⁰ Also the efforts of the Collaborative Centre for Gender Development stand out as a rare successful example to bring the gender issue into both PRSP process and content.⁷¹ In this context, it has to be noted that at the same time, the World Bank just developed a new gender strategy, so it remains unclear as to whether it was the CS causing the effects.

4.2.3 The case of Uganda

Uganda presents one of the most comprehensive and country-owned participatory PRS processes to date. Already before introducing the PRSP, a high number of civil society organisations were involved into poverty alleviation programmes worked out earlier.⁷² In contrast to other countries the agenda for consultation had been set through a broadly participatory process in which CS lobbying played a strong part. The consultations often arose from proactive organising and proposals led by CS rather

⁶⁵ Hughes 2002:9f.

⁶⁶ Mokku 2001:1

⁶⁷ McGee et al. 2002:48ff.

⁶⁸ Hanmer et al. 2007:184f.

⁶⁹ Owinga 200?:Interview

⁷⁰ Mokku2001:1

⁷¹ http://www2.gtz.de/gender-budgets/english/budgetinitiative_kenia.html

⁷² McGee et al. 2002:21f.

than in response to a Government invitation. The different stakeholders, GoU, donors, academics, NGOs and other CS actors were brought together in the Poverty Forum set up in 2000.⁷³ For example, in January 2002, CSOs organised a consultative meeting with Government and World Bank officials, which over 45 CSOs attended. Among many other meetings, 21 two-day workshops were organised at which community representatives were invited to discuss the draft PEAP documents. A chronological list of meetings starts in December 1999 and ends in August 2000.⁷⁴ Although many notes of civil society were incorporated into the draft, the CSOs were more left out of the later stages of the process, when they were excluded from the discussions about the PRSP that was finally presented to the IMF and World Bank Executive Boards. During the whole process, there were numerous contacts with Government officials, but only a few with the two donor organisations that also were more general.⁷⁵

4.3 The role of the different stakeholders in the Water Sector Reforms

All papers provided by the governments regarding the Water Sector Reform claim to have included all kind of stakeholders from all levels into the planning stage to ensure comprehensiveness and acceptability. Led by the Ministry of Water, the preparation process of the new water policies included other Ministries, e.g. Ministry of Health, Local Government, International Donor Agencies and Civil Society. Consultations, meetings, technical workshops and national conferences were organised to include all the key stakeholders. Unfortunately, all papers describe this approach in just a few phrases and never go into detail, how the participants took part into the reform process. When looking at the implementation plan of the NWSDS of Tanzania, it is obvious that almost all responsibilities stayed in the hand of the Ministry of Water.⁷⁶ According to Water Aid, a Kenyan NGO, the Water Act 2002 was undertaken largely with government and partner donors in the driving seat.⁷⁷ This view is also shared by a review of the GTZ. According to this analysis, evidence from the three countries suggests that multi-lateral and bi-lateral partners, with the World Bank at the head, have played a major role in sector reform planning and implementation and often put pressure on governments to initiate the reform processes. In both Tanzania and Kenya the only important national player in the preparation process was the Ministry of Water, working together closely with the donor agencies. Communication with other stakeholders was kept to a minimum. In contrast,

⁷³ McGee et al. 2002:72

⁷⁴ Gariyo 2002:29

⁷⁵ Gariyo 2002:32

⁷⁶ GoT, Ministry of Water 2006:B-1

⁷⁷ Brocklehurst 2007:3

Uganda was the only country that engaged in an active stakeholder dialogue and actively encouraged stakeholder participation.⁷⁸

A comparison of the papers of the World Bank's Water and Sanitation Program (WSP) and the contents of the respective water policies supports the revisions from above. The WSP is meant to "effect the regulatory and structural changes needed for broad water and sanitation reform."⁷⁹ Among 23 other countries, the WSP works directly with client governments at the regional and national level in Uganda, Kenya and Tanzania, where they share "best practices".⁸⁰ Consequently, through the WSP, the World Bank was a well-involved donor agency in the preparation of the new Water Policies right from the beginning. One major project of the WSP regarding the WSRs is the Domestic Private Sector Participation Initiative (DPSPi). The WSP launched this initiative to "leverage effective and competitive local private sector opportunities in the water and sanitation sector" and because "the local private sector is well suited to service the poor because of their knowledge and understanding of the needs of their communities".⁸¹ Not very surprisingly, this approach can be found again in the WSRs of all three countries. The influence of this major donor on the Water Policies in Tanzania, Kenya and Uganda can also be recognised from some of the project papers on the WSP-Homepage of the World Bank. Many of them concern the development of WSS-strategies or supporting the Sector Reforms in the particular countries. Although the WSP include a wide range of partners, they usually tend to be big international donor agencies, as GTZ, Oxfam or UN organisations.

All in all, literature about the planning stage is rare, and detailed analysis of the role of the civil society or Local Governments in the planning process of the Water Policies would require on-site research. What can be concluded is that all the ideals of the Bretton Woods Organisations are inherited into the Water Sector Reforms. This relationship can be traced back already to the PRSPs. Tanzania, Kenya and Uganda were looking for financial support and debt relief under the HIPC-Initiative, and therefore had to put their policies in accordance with the donor principles. As seen above, the World Bank remained a major partner in the elaboration of the Water Policy and an important donor in its implication.

⁷⁸ Richards 2008:15f.

⁷⁹ http://www.wsp.org/index.cfm?page=page_disp&pid=1503

⁸⁰ http://www.wsp.org/index.cfm?page=page_disp&pid=1503

⁸¹ http://www.wsp.org/index.cfm?page=page_disp&pid=1584

5 The contents of the three Water Policies

In all three countries, the history of the recent reform processes can be traced back to the period of the 1960s and 1970s when larger programmes with ambitious targets and substantial funding were developed to improve the access to water supply and sanitation. However, most of these reforms and decentralisation programmes were cancelled or undermined by the Governments, due to inter alia the lack of political will and commitment, political interference, conflicts and limited knowledge and experience in sector reforms. In the 1970s and 80s, water services deteriorated rapidly as a result of the declining ability of governments to provide the necessary funds, poor management, misuse of funds, low or non-existent charges for services and an unprecedented growth in demand caused by rapid population growth and urbanisation. The UN Water Decade of the 1980s initiated a new thinking on reforms, but the most powerful impetus for reform appears to have resulted from external factors such as public health crisis arising from poor water services, major droughts, flooding or other climatic extremes. New economic reform policies such as civil service reform or the liberalisation and privatisation of public utilities created the enabling framework for reforms in the water sector. In the late 1990s and beginning of the 21st century the international debates on best practices and targets for water service provision intensified, resulting in pressure on governments to show results.⁸²

5.1 The Water Policy of Tanzania

5.1.1 Background

Drinking water supply came high on the agenda in Tanzania in 1971, when the ruling Party declared that by 1991 the whole population should have access to safe water within 400 metres from each household. At this time, the water system of Tanzania was characterised by non-involvement of the beneficiaries, use of inappropriate technologies, use of a top-down approach and lack of decentralisation. Despite the big investments in the sector during the 1970s and 1980s, the government failed to sufficiently address the goal of adequate water supply and sanitation in the country. In 1991, the government responded to the failure with the introduction of a new National Water Policy, which emphasised community empowerment and control, but paid little attention to cost-recovery, sector-coordination and decentralisation.⁸³ A water sector review conducted in 1993 already revealed that the water policy failed to address many of the set up goals.

⁸² Richards et al. 2008:7

⁸³ Garriga 2007: 29

Nine years later, the National Water Policy 2002 (NAWAPO 2002) should have recognised the country's water supply system once again. In contrast to the situation of the last decades, the responsibility for water supply and sanitation should no longer only be carried out by the central government, but by various governmental and private institutions over the whole country. Through coming together in Water Users Groups, the population could take over the business for water supply.⁸⁴ In general, the sector strategy is incorporated into three different programmes: The National Rural Water Supply and Sanitation Programme (NRWSSP), the Urban Water Supply and Sewerage Programme (UWSSP), and the Water Resources Management Programme (WRMP). These are consolidated into the Water Sector Development Programme (WSDP). In brief, the government aims to bring together the three sub-sectors – rural water supply, urban water supply and sewerage, and water resources management – under one comprehensive investment and one regulatory regime.⁸⁵

5.1.2 Content and strategy

The Water Sector Reform can be separated into two parts, the National Water Policy 2002 and the National Water Sector Development Strategy (NWSDS). Whereas the NAWAPO defines the goals and major changes of the sector, the NWSDS of 2006 sets out how the National Water Policy will be implemented and describes the institutional and legislative changes required.

The National Water Policy 2002 gives four overall objectives:

- To address cross-sector interests in water, watershed management and participatory integrated approaches in water resources planning, development and management.
- To lay a foundation for sustainable development and management of water resources in the changing roles of the government from service provider to that of coordination, policy and guidelines formulation and regulation.
- To ensure full cost recovery in urban areas with considerations for provision of water supply services to vulnerable groups through various instruments including lifeline tariffs.
- To ensure full participation of beneficiaries in planning, construction, operation, maintenance and management of community based water supply schemes in rural areas.⁸⁶

The main objective of the NWSDS is to develop a coherent, holistic and integrated strategy for the Water Sector in order to implement the National Water Policy. This will then allow the on-going sub-sector initiatives and projects to be set within the overall strategic and planning framework for the

⁸⁴ GoT, Ministry of Water 2002:15f

⁸⁵ Garriga 2007:30

⁸⁶ Doering 2005:35

sector. The NWSDS is designed to cover the period from 2006 to 2015 and will be subject to a comprehensive review in the year 2011.⁸⁷

With the new strategy, river basins should be the planning and management units rather than regions. The role of the ministry of water will change into policymaking, support and capacity building, monitoring, and quality assurance, and regulation. Instead, Local Governments will have the future responsibility for public service provision including water. The strategy also looks forward to handing over the responsibility for provision of water to the users. A legal registration of water user entities, e.g. Water Users Associations, will be instituted to ensure that communities are the legal owners of their water supply schemes. Another two important changes in the new strategy are the liability for cost recovery in urban areas and the inclusion of private companies into the water allocation system. Altogether, with the new water policy and strategy the Tanzanian government forces the decentralisation of the water sector. The responsibilities for different parts of the whole system, formerly held together in the central government, are now spread to a wide range of different organisations, e.g. Local Government, private companies or water users.⁸⁸

The most important goals of the current National Water Policy and the major strategies for the implementation of the policy are summarised in Table 5.

⁸⁷ GoT, Ministry of Water 2006:10

⁸⁸ GoT, Ministry of Water 2002:15-28

Goals	Strategies
- Water supply coverage increased from 53 % (2003) to 82 % in rural and from 73 % (2003) to 95 % in urban areas by 2015 - Sewerage coverage increased to 30 % in urban and access to basic sanitation increased to 95 % by 2009/10. - Private Sector Participation increased from 5 to 10 commercial schemes by the year 2010/11. - Cost of water resources management financed from user charges increases from 10 % in 2005 to 80 % by 2015 80 % of rural water supply schemes owned by communities by 2015 - Basin and national water resources development and management plans prepared by 2009/10.	- Ministry only responsible for policy and organisation - River Basins become the planning stage - Private Sector Participation - Cost recovery - Decentralisation - Creation of Water Users Associations for management and operation of water services

Table 5: Summary of goals and strategies of the WSR Tanzania

Source: GoT, Ministry of Water 2006:A-5

5.1.3 Institutional Set-up

Figure 14 shows the new institutional framework for water resources management under the new Water Policy. The figure is followed by the description of the main functions of the most important organisations shown in the framework.

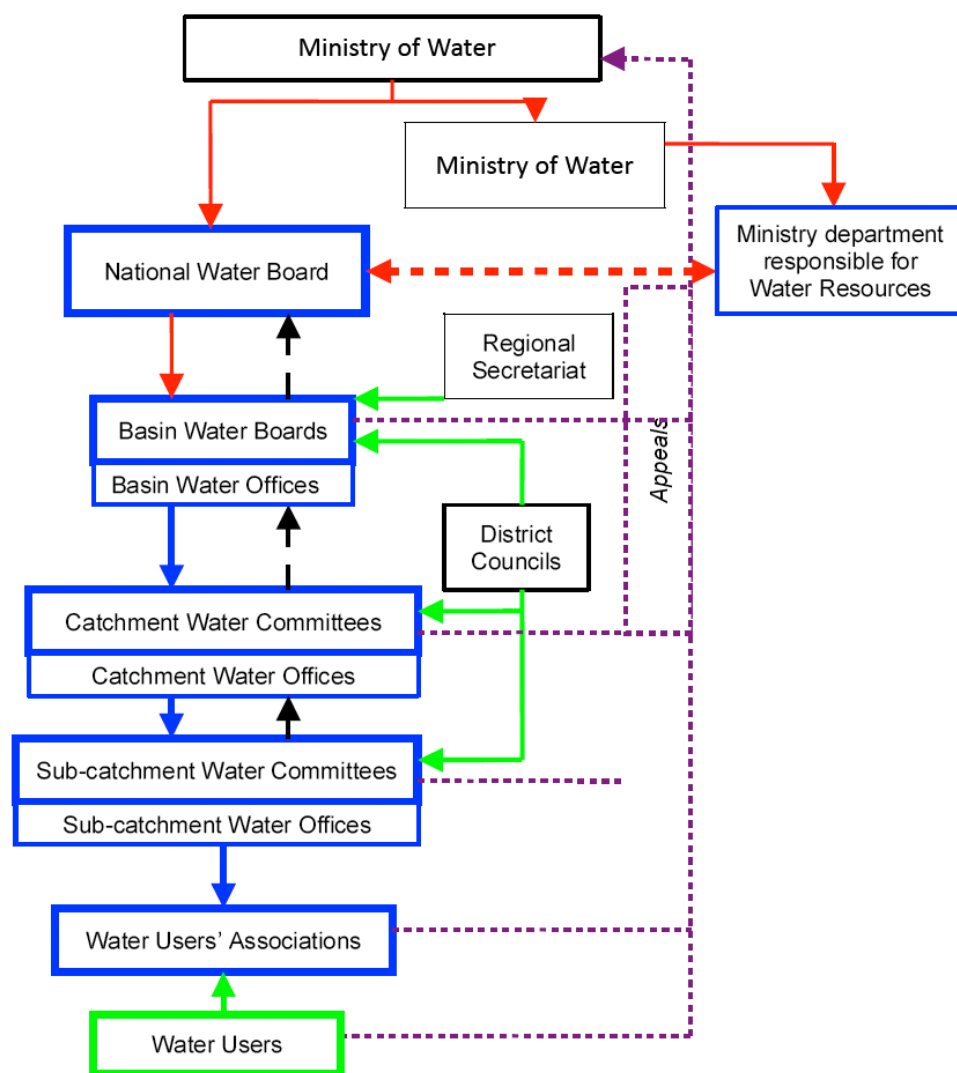


Figure 14: New Institutional Framework for Water Resources Management

Source: GoT, Ministry of Water 2006b:27

Ministry of Water

The role of the ministry will change from being a service provider to being responsible for coordination, policy and guideline formulation, and regulation. Also it will ensure that the policies and strategies are implemented.

National Water Board

The National Water Board integrates the inter-sector planning and coordinates the basin planning and management. Further tasks are the determination of investment priorities and financing patterns as well as supervising and coordinating the data collection and the resource assessment.

Basin Water Board

The main functions of this institution are data collection and resource assessment of the basin. The Basin Water Board also has to approve and revoke the water use and discharge permits and to enforce pollution control measures. Resolving conflicts and co-ordinating stakeholders are among its other responsibilities.

Water Users Associations

Water Users Associations are the lowest level of management of the water supply system. These associations are responsible for local level management of allocated water resources, mediation of disputes among users, collection of various data and participate in the preparation of water utilisation plans. They provide legitimate representatives in the Basin Boards and Catchment committees.⁸⁹

Water Supply and Sewerage Authorities

The Water Supply and Sewerage Authorities (WSSAs), which are not mentioned in Figure 14, are the organisations responsible for the management and operation of water supply systems. They are financially autonomous statutory organisations, based on the commercial viability of providing these services in a designated area. This may require clustering of water supply and sewerage responsibilities across a number of Local Government authority areas. The clustering can be based either on regional and local government boundaries, or on river basins, depending on criteria such as potential viability, social or cultural factors, and geographical proximity. Each authority either provides the services themselves or contracts a Service Provider, which can be public or private. There are two different forms of WSSAs, Service Providers and Community Owned Water Supply Organisation. Figure 15 shows how WSSAs are included into the service delivery system.

⁸⁹ GoT, Ministry of Water 2006:25f

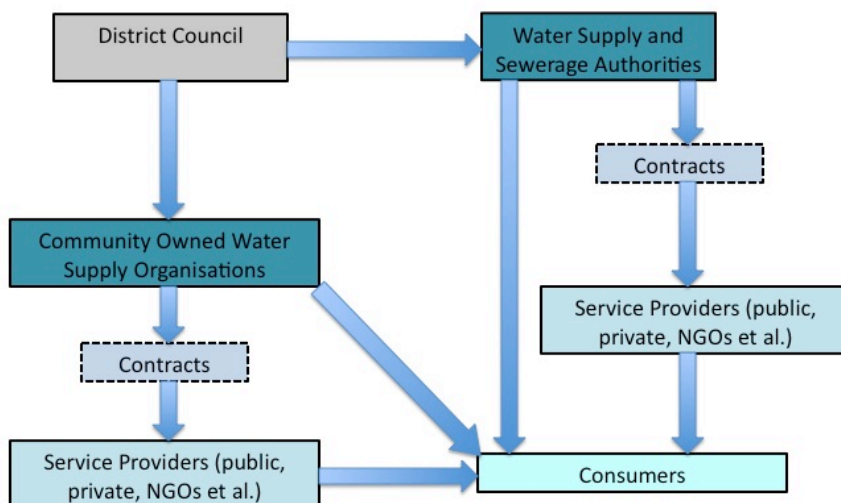


Figure 15: Institutions for the provision of water supply

Source: adapted from GoT, Ministry of Water 2006:46

Service Providers may be responsible for providing water supply and sewerage services on behalf of the WSSAs under varying contractual arrangements. A Service Provider may be a company established by one or more Local Government Authorities, or may be from the private sector, or may be a Non-government or Community Based Organisation.

The Community Owned Water Supply Organisations (COWSOs) are bodies legally constituted by a community to own, operate and maintain the water supply systems on behalf of the community. The COWSOs have to meet all the costs of operating and maintaining their water supply systems through charges levied on the consumers. The COWSOs may contract part or all of their operation and maintenance responsibilities to private companies, individuals or Non-government Organisations. The performance monitoring and regulation of COWSOs is the responsibility of the ministry of water, but delegated to the district councils.

5.2 The Water Policy of Kenya

5.2.1 Background

In 1974, the Kenyan government launched the National Water Master Plan whose primary goal was to ensure availability of potable water, at a reasonable distance, to all households by the year 2000. The plan aimed to achieve this objective by handing over all responsibilities to the Government, as providing water services to the consumers, making policy, regulating the use of water resources and financing activities in the water sector. In the 1980s the Government began to face budgetary constraints and it became clear that it would not achieve its goals. Nevertheless, it was not until 1997 that the Government published a manual giving guidelines on handing over rural water supply systems to communities. Another two years later the Government developed a full policy, the National Water Policy 1999 (Fig. 16).

The new policy stated that the Government's role would be redefined away from direct service provision to regulatory functions. The direct service provision would be left to municipalities, the private sector and communities. Facilities should be handed over to those responsible to encourage proper operation and maintenance. The strategy for the implementation of the new Water Policy was devised in the Water Act 2002.⁹⁰ Also, the current National Development Plan (2002-2008) puts great emphasis on the value of water for achieving the country's development objectives. The vision for the Kenyan water sector is the achievement of sustainable development and management of the country's water resources as a basis for poverty reduction and promotion of socio-economic development.⁹¹

⁹⁰ Ngigi; Macharia 2006:3f.

⁹¹ Mair 2007:10

Year	Event
1999	• Launch of Sessional Paper No. 1 of 1999 on National Policy on Water Resources Management and Development to guide the reform process • Task force formed to revise the Water Act Chapter 372 laws of Kenya
2002	• Water Act 2002, enacted by Parliament in July as Act No. 8 of 2002 and received Presidential Assent in October
2003	• Water Act 2002 became effective on March, 18, 2003 • Water Sector Reform Secretariat was formed in the Ministry of Water and Irrigation
2004/2005	• The new institutions under the Water Act 2002 (WSRB, WSTF, WRMA, WSBs, WSPs) established and become operational • MWI transfers functions, responsibilities, assets and equipments to these new institutions with effect from 1st July, 2005.
2006	• MWI focuses on its core functions of coordinating the sector and consolidating the reforms by commissioning SWAp study • Partnership principles signed • Launch of SWAp and Interim Sector Investment Plan (SIP) and Sector Information System (SIS) prepared • Consolidation of reforms in the new institutions.

Figure 16: Reform timeline of the WSR in Kenya

Source: Kisima 2001:11

5.2.2 Content and strategy

The long-term objective of the Government is to ensure “access to clean and potable water for all”.⁹²With the new Water Act, passed by the Government in the year 2002 and going into effect in 2003, the key instrument for implementation of the new policy and therefore for reaching the long-term objective was developed. The Water Act established an autonomous Water Resources Management Authority, designed to manage and protect Kenya’s resources. The responsibility for providing services was decentralised and devolved from the Ministry of Water to seven regional Water Services Boards (WSB). The decision making process in respect to water resources has been decentralised by adopting three water resources management levels at National, Catchment and Sub-catchments levels. Another essential aspect of the reform outlined in the Water Act is the separation of water and sanitation from the management of resources.⁹³

The overall goal of the Water Act 2002 is to “eradicate poverty through the provision of potable water for human consumption and water for productive use.”⁹⁴To achieve these goals, the strategy follows three core principles. These are:

- To achieve equitable access to water, that is, equity of access to water services, to the use of water resources, and to the benefits from the use of water resources.
- To achieve sustainable use of water by making progressive adjustments to water use with the objective of striking a balance between water availability and legitimate water requirements, and by implementing measures to protect water resources.
- To achieve efficient and effective water use for optimum social and economic benefit.

In the new Water Sector Reform, several strategic actions are designed to provide an effective and efficient response to the challenges in the Kenyan water sector. Under the revised system, the Ministry for Water and irrigation is responsible only for formulating the National Water Policy and for carrying out reforms by bringing together all the stakeholders in the water sector. One key principle underlying this reform is a decentralised decision making by separation of policy, regulation and service provision within the water and sanitation sector. The management of the water systems will be delegated to the local level and the provision of water and sanitation services transferred to private companies as a part of the decentralisation process.⁹⁵ In the new Water Policy, water is seen as a social, but also as an economic good, which makes cost-recovery a major principle of the reform.

⁹² GoK, Ministry of Water and Irrigation 2002:4

⁹³ Ngigi; Macharia 2006:5

⁹⁴ GoK, Ministry of Water and Irrigation 2007:10

⁹⁵ Ngigi; Macharia 2006:4

The new policy is expanded by the commercialisation of water related services and private sector participation.⁹⁶ (Table 6)

Goals	Strategies
• Reach at least 50 % of the underserved urban and rural population with safe and affordable water by 2015 (MDG) and thereafter, move to access to all by 2030 • Reach through sewage collection, treatment and disposal systems 40 % of the urban and 10 % of the rural population by 2015 • Increase access to safe and improved basic sanitation facilities particularly for the poor to 77.5 % in the urban setting and 72.5 % in the rural setting by 2015	• Ministry only responsible for policy and organisation • River Basins become the planning stage • Private Sector Participation • Cost recovery • Decentralisation • Creation of Water Service Boards for management and operation of water services • Gender in Water Resources Management

Table 6: Summary of goals and strategies of the WSR Kenya

Source: GoK, Ministry of Water and Irrigation 2002:iii

⁹⁶ Netwas 2006

5.2.3 Institutional Set-up

With the Water Sector Reform a whole set of new institutions was created. In general, the authority over the sector has been decentralised by dividing the responsibilities to all levels of operation, from the Ministry of Water and Irrigation (MWI) down to the communities themselves. Figure 17 illustrates the new institutional set-up under the Water Act 2002.

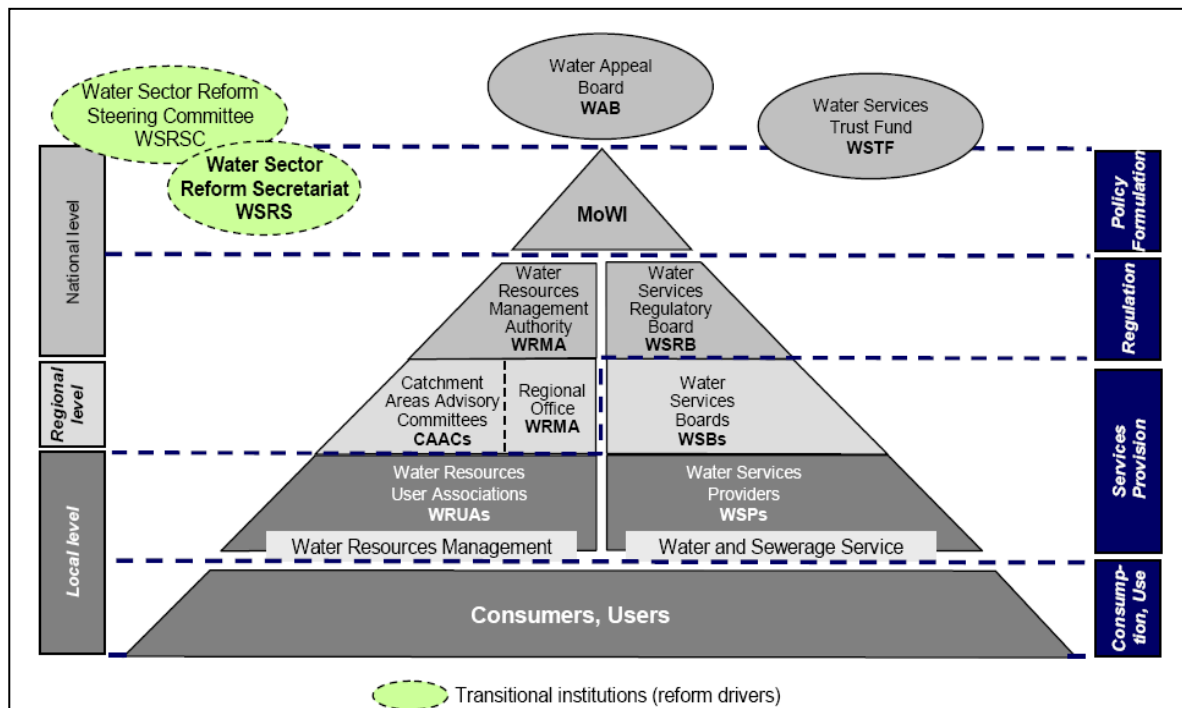


Figure 17: Institutional Set-up under the Water Act 2002

Source: Mair 2007:11

The Water Sector Reform Steering Committee (WSRSC) and the Water Sector Reform Secretariat (WSRS) are transitional institutions acting as reform drivers. While the WSRSC as an inter-ministerial institution guides the reforms and coordinates the process, the function of the WSRS is to implement its decisions.⁹⁷

In the following abstract, the most important institutions in the new Kenyan water policy and their responsibilities will be described.

Ministry of Water and Irrigation

With the new Water Sector Reform, the role of the ministry is now limited to the development and formulation of the water policy, sector coordination, planning and financing, direction and

⁹⁷ Mair 2007:11

supervision of the public institutions. Operational functions are no longer included into the Ministry's responsibilities.

Water Resources Management Authority

The Water Resources Management Authority is responsible for the sustainable management of the country's water resources. For that purpose, the nation has been divided into six catchment areas, where regional managers are in charge of the management of the watershed. The responsibilities of the Authority amongst others include development of principles, guidelines and procedures for the allocation of water, management, protection and conservation of the catchment and the quality of the resource, receiving and enforcing permits for water use and determining charges for the use of water.

Water Service Regulatory Board

The Water Service Regulatory Board (WSRB) is the national institution for the regulation of water services and is responsible for the implementation of Government policies and strategies in connection with WSS. Three major tasks of its work are licensing of Water Services Boards, determination of service standards and development of tariff guidelines.

Water Service Boards

The responsibility for the provision of water services is vested in the Water Services Boards. They were established on regional levels and their area of jurisdiction is delineated on the basis of catchments, administrative boundaries and economic viability. The functions and responsibilities of WSBs include the development of facilities and management of the systems, preparation of business plans and performance targets, applying regulations on water services and tariffs and purchasing, leasing or acquiring water and sewerage infrastructure and land. WSBs are realising their mandate in service provision by contracting Water Service Providers (WSPs) with so-called Service Provision Agreements, which have to be confirmed by the WSRB.

Water Service Providers

Water service providers have the sole mandate to provide water and sanitation services. The Water Service Provision may be undertaken by the communities themselves or third parties. Whoever provides water to either "more than twenty households, more than twenty-five thousand litres of water a day for domestic purposes or more than one hundred thousand litres of water a day for any

purpose”⁹⁸ has to be registered as a WSP. WSPs have to bid for service provision, operate and maintain the facilities, comply with quality standards and service levels as well as bill and collect the revenue from consumers of water services.⁹⁹

5.3 The Water Policy of Uganda

5.3.1 Background

In the past, the water sector in Uganda was characterised by a heavy dependence on external support and the implementation of discrete and uncoordinated projects. Previous activities were generally donor-driven, and were often piecemeal, with approaches varying depending on the players involved. This caused duplication, inappropriate sequencing, and led to inefficiencies in the government system, thus reducing the benefits of investments and decreasing the sustainability of the water and sanitation services provided.¹⁰⁰ Against the background of these problems, the Ugandan Government started a reform of the water and sanitation sector in 1998. The reform was embedded into the 1997 Poverty Eradication Action Plan, a development framework that sets out specific sector-wide goals, including universal access to primary education, primary health care, and safe drinking water.¹⁰¹ The superior goals of the sector reform were in the first place “to ensure that water supply and sanitation were provided with increased performance and cost effectiveness”¹⁰² and in the second place “to reduce the government’s financial burden”.¹⁰³ In 1999, the National Water Policy (NWP) was introduced, which envisages the strengthening of the regulatory framework and provides a basis for cost recovery. The superior objective of this reform 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, with the full participation of all stakeholders, and so as not to leave the future generations any worse off than the current population.”¹⁰⁴

5.3.2 Content and strategy

The National Water Policy provides the overall policy framework for the water sector and promotes the principles of integrated water resources management as a means to ensuring sustainable management and utilisation of Uganda’s water resources. This new approach is based on the

⁹⁸ Mair 2007:15

⁹⁹ Meijerink 2007:26ff.

¹⁰⁰ Unesco 2005:10f.

¹⁰¹ Robinson 2002:2

¹⁰² Robinson 2002:3

¹⁰³ Robinson 2002:3

¹⁰⁴ Syngellakis; Arudo 2006:5

continuing recognition of the social value of water, while at the same time giving much higher attention to the economic value of water.¹⁰⁵

The overall goal of the water sector Uganda 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 for the present and future generations with the full participation of all stakeholders.”¹⁰⁶

They key water sector objectives include:

- To promote coordinated water resources management to ensure provision of water for all social and economic activities.
- To achieve safe water supply and sanitation facilities based on management responsibility and ownership by the users.
- To promote the development of water supply for agricultural production in order to mitigate effects of climatic variations on rain-fed agriculture.¹⁰⁷

The strategies to achieve the goals sound similar to the ones of Tanzania and Uganda. The role of the Ministry of Water is now limited to policy-making and coordination. Instead, local authorities, the private sector and communities are responsible for planning, implementation and operation and maintenance of rural water and sanitation facilities. The Government policies in the water sector now focus on Decentralisation, Private Sector Participation and the inclusion of NGOs, Civil Society and beneficiary communities. It is also highlighted that women shall participate at all levels in sector institutions and in decision-making.¹⁰⁸ As the new policy describes water as an important economic good, the water sector has to work under cost recovery.¹⁰⁹ The implementation of a Sector Wide Approach (SWAp) directly after the NAWAPO 1999 should also contribute to higher efficiency of the sector and participation of all stakeholders of water sector activities.¹¹⁰ This comprehensive sector strategy included the sub-sectors Rural Water Supply and Sanitation, Urban Water Supply and Sanitation, Water for Production and Water Resources Management.

¹⁰⁵ Unesco 2005:12

¹⁰⁶ UNESCO 2005:11

¹⁰⁷ GoU, Ministry of Water and Environment 2005:11f.

¹⁰⁸ GoU, Ministry of Water and Environment 2007:4f

¹⁰⁹ WATSAN Resource Center 1999:1

¹¹⁰ UNESCO 2005:10f

As done above, the goals and strategies of the Water Sector Reform are summarized in Table 7.

Goals	Strategies
• Achieve 100 % safe water coverage and 100% sanitation coverage in urban areas by 2015 • Achieve 77 % safe water coverage and 95 % sanitation coverage in rural areas by 2015	• Ministry only responsible for policy and organisation • Private Sector Participation • Cost recovery • Decentralisation • Creation of Directorate of Water Development responsible for policy guidance, coordination and regulation of all water sector activities • Participation of women in all sector activities

Table 7: Summary of goals and strategies of the WSR Uganda

Source: UNESCO 2005:12

5.3.3 Institutional Set-up

Ministry of Water, Lands and Environment

Some of the most crucial responsibilities of the Ministry of Water are policy formulation, setting standards, strategic planning, coordination and capacity building. Furthermore, it assures water quality and provides technical assistance. Provision of water is not included into the tasks of the ministry.

Directorate of Water Development

The Directorate of Water Development is the government lead agency responsible for policy guidance, coordination and regulation of all water sector activities including provision of oversight and support services to the local governments and other water supply service providers. The major functions of the DWD include promotion of the rational management and use of the waters, to

promote the provision of clean, safe and sufficient supply of water for domestic purposes to all persons and to control water pollution. Further responsibilities are progressive introduction and application of appropriate standards for use, control, protection and management of water resources, and Co-ordination of all public and private activities regarding the water sector.¹¹¹

Local Governments

The Local Governments must provide and manage water and sanitation services in rural and urban areas in cooperation with the DWD.

User Communities

The main responsibilities of User Communities are planning, implementation, operation and maintenance of the rural water and sanitation facilities. User communities are also obliged to pay for urban water and sanitation services provided by the National Water and Sewerage Corporation (NWSC) and other service providers.¹¹²

Service Providers

The new Water Policy provides three possibilities of Service Providers, which are Local Governments, User Communities, and Private Companies as the NWSC.

The NWSC is an autonomous entity responsible for the delivery of water supply and sewerage services in the major towns and large urban centres. In smaller cities and rural areas, other private companies or the User Communities take over this responsibility for planning, implementation and operation and maintenance of the water and sanitation facilities.¹¹³

5.4 Comparison of the Water Sector Reforms

5.4.1 Chronology of the Water Sector Reforms

Before going into the comparison of the contents of the reforms, the most visible similarity of the reforms can be seen in Figure 18, namely the similar time frame. The introduction of the Water Sector Reform in all three countries started with the presentation of a new water policy in the late 1990s. Also, the water policies were all followed by an implementation strategy up to the year 2002. The last big updates on the reforms took place in Kenya and Tanzania with the introduction of the

¹¹¹ Syngellakis; Arudo 2006:6

¹¹² Unesco 2005:19

¹¹³ Unesco 2005:16

SWAp in 2007, a strategy Uganda already followed since 2000. By this approach, other ministries related to water, as the ministry of health, get included into the water policy.

	TIMING											
	Pre 1997	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Kenya				Policy			Water Act			Regulator		SWAp Strategy Investm. Plan
Tanzania	1. Policy 1991						New Water Policy				Strategy Regulator	SWAp Develop. Plan
Uganda	Act 1995			Policy	SWAp	Strategy		Investment Plan urban				

Figure 18: Time schedule of the Water Sector Reform in Kenya, Tanzania and Uganda

Source: Richards et al. 2008:15

Besides of the similar chronology, the new water policies of Kenya, Uganda and Tanzania show several similar contents, but also some considerable differences. On the following pages, the most important commonalities and differences will be described, which are:

- Institutional Set-up of a Reform Management Unit
- Inter-ministerial coordination
- Institutional Set-up
- Policies, strategies and legislation
- Stakeholder awareness and participation

5.4.2 Institutional Set-up of a Reform Management Unit

As big reforms require a significant level of input in addition to the normal business of governments, they often decide to create temporary institutional bodies to be able to manage the reforms effectively. In Kenya, the Sector Reform Secretariat and the Water Sector Reform Steering Committee were created as a unit within the Ministry of Water and Irrigation directly reporting to the Permanent Secretary, and were entirely staffed by officials of the MWI. This may partly explain why there has been little enthusiasm for the Water Sector Reform in other government ministries. Similarly, in Uganda, a Reform of the Urban Water Sector Unit was established within the Ministry of Water, Lands and Environment. However, in contrast to Kenya, stakeholders seem to agree that the experience with this arrangement has been generally positive. This is probably due to the limited role of other ministries in WSS. In Tanzania, there is no separate reform unit and responsibility for reform

rests within the Directorate of Policy and Planning in the Ministry of Water. As this directorate is less influential than the technical directorates of the Ministry, coordination of reform activities has been a constant challenge.¹¹⁴

5.4.3 Inter-ministerial coordination

Effective inter-ministerial coordination and cooperation is essential to establish harmonised policies across various sectors and as a consequence achieve higher efficiency. In the Water and Sanitation Sector, besides the Ministry of Finance, the most important partner is the Ministry of Health. In all countries, the MoW has handed over the responsibility of sanitation either to Ministry of Health or Local Governments. Consequently, sanitation remains the weak point of sector reform processes in all three countries and still has to be adequately addressed.¹¹⁵ Nevertheless, in two of the three countries inter-ministerial coordination mechanisms were established at the start of the reform process, which are the

- Inter-ministerial Steering Committee in Kenya and the
- Inter-ministerial Coordinating Committee in Tanzania.¹¹⁶

In Uganda, no such institution was created, although, because of following a Sector Wide Approach, a lot of ministries are involved in the Water Sector, as the Ministry of Health, Ministry of Gender, Labour and Social Development, and the Ministry of Agriculture, Animal Industries and Fisheries. Nevertheless, the experience of the last year shows that, although the structures exist in Kenya and Tanzania, the coordination with other ministries involved in the reform process not only partly failed, but in some cases the reform process was actively blocked at certain stages.¹¹⁷ For example, Simon Lerise from the GTZ in Dar-es Salaam stated, the Ministry of Water and Ministry of Health are “looking at each other”,¹¹⁸ meaning that is all what they do in communication.

5.4.4 Institutional Set-up

The institutional set-up of the three countries and the responsibilities of the particular institutions seem to be very similar. Above all, the Ministry of Water is responsible for policy-making and coordination. Below, the WSRB in Kenya, the DWD in Uganda, and the National Water Board in Tanzania were implemented as lead agencies responsible for policy guidance, coordination and

¹¹⁴ Richards et al. 2008:12

¹¹⁵ Richards et al. 2008:14

¹¹⁶ Richards et al. 2008:13

¹¹⁷ Richards et al 2008:13

¹¹⁸ Lerise 2009:Interview

regulation of water sector activities. In Tanzania the National Water Board has some further tasks such as data collection and resource assessment. Whereas in Tanzania and Kenya the focus of water management now is on river basins and catchment areas, this approach could not be found in the Ugandan Water Policy. As a consequence, institutions at this level exist only in two of the three countries, which are the Catchment Areas Advisory Committee in Kenya and the Basin Water Board in Tanzania. The reason for this difference may be found in the fact that the Nile Basin constitutes about 98 %¹¹⁹ of the total area of the country and responsible institution for the allocation of Nile water is the international Nile Basin Initiative. In all three countries, the exact role of Local Governments in the new Water Policies, although mentioning their importance, remains unclear. They may work as service providers, but regarding responsibilities of management of water resources their tasks are not explained in detail. At the lowest level, which is the provision of water, all countries provide three options. First, Water Users Associations, which are organisations founded by the Civil Society, can provide the service for water supply and sanitation. Second, as mentioned above, Local Governments take over this responsibility. Thirdly, the inclusion of private companies in the operation and maintenance of water supply services is a priority goal of the three Governments.

To ensure the interaction between the different levels, the Ugandan Government has created the District Water and Sanitation Committees and the Inter-district Co-ordination Committees. The first mentioned institution includes representatives from Local Governments, NGOs and the private sector and was set up to improve co-ordination at the Local Government level and ensure interaction between the relevant departments, private sector, NGOs and local communities. The Inter-district Co-ordination Committees shall review the process of implementation of WSS activities in neighbouring districts and share experiences. Although a better interaction between Local Governments and the Ministry of Water is a defined goal in the other Water Policies as well, no such institutions have been created in Kenya and Tanzania.

Finally it has to be mentioned that although the objectives of the Water Policies include improvements of provision of water as well as sanitation facilities, no country installed an institution responsible for this issue. Sanitation is only regarded as part of the WSS sector when it relates to sewerage systems, whereas on-site sanitation is regarded as the responsibility of the Ministry of Health or Local Governments. Consequently, sanitation remains a weak point of the sector reforms in all three countries.¹²⁰

¹¹⁹ Syngellakis 2006:4

¹²⁰ Richards et al. 2008:14

5.4.5 Strategies

When looking at the right column of the figures above summarising the strategies of the water policies, it is obvious that they do not differ a lot. Consequently, a review of the respective policies shows that the three countries follow very similar principles (Table 7).

Strategies	Tanzania	Kenya	Uganda
Separation of water management and supply	✓	✓	✓
Role of Government limited to policy and coordination	✓	✓	✓
Decentralisation of responsibilities	✓	✓	✓
Private Sector Participation	✓	✓	✓
Water supply services done by WUAs, Local Governments or private companies	✓	✓	✓
Cost recovery	✓	✓	✓
Level of water management at river basins	✓	✓	
Gender focus		✓	✓
Sector Wide Approach	✓*	✓*	✓

Table 8: Comparison of water strategies

* Since 2007

As shown, the water policies of Tanzania, Kenya and Uganda were published within the same time frame and contain almost the same strategies to achieve the policies' goals. With the introduction of the SWAp in Tanzania and Kenya in 2007, the strategy for implementation of the Water Policy became even more similar. However since the implementation of the SWAp in Tanzania, most of the other activities, which were part of the comprehensive reform process, have been clearly slowed down. The complex implementation mechanisms of the SWAp seem to result in a further delay of parts of the reform, especially the decentralisation process.¹²¹ Nevertheless, when looking at this

¹²¹ Richards et al. 2008:17

figure it can almost be stated that in fact one policy has been worked out and afterwards been implemented by the respective Governments.

5.4.6 Goals and standards

Besides in the Water Policy of Tanzania, the specific goals remain focused on the coverage of water supply and sanitation. The targets in coverage vary between the countries in both percentages and time frame and are based on the coverage statistics at the time of introducing the WSRs. Whereas Tanzania wants to reach water supply coverage for 82% of rural and 95% of urban population by 2015, Kenya is in total accordance with the MDGs, aiming to reach at least 50% of the underserved urban and rural population by 2015. At this time, Uganda already is expecting a coverage rate of 100%. Regarding sanitation, Tanzania looks forward to cover 95% by 2015, Kenya 72.5% (rural) and 77.5 % (urban) by 2015 and Uganda 100% in urban and 95% in rural areas by 2015.¹²²

Obviously the particular definitions of coverage of each country have to be regarded in order to compare these figures. As all three countries put their overall poverty reduction strategies in accordance with the MDGs, the UN definition will be noted first.

The UN definition of water supply coverage refers to the percentage of the population with reasonable access to an adequate amount of water from an improved water source. First, improved water sources are further defined as:

- Piped water into dwelling, plot or yard
- Piped water into neighbour's plot
- Public tap/standpipe
- Tubewell/borehole
- Protected dug well
- Protected spring
- Rainwater¹²³

Second, reasonable access to one of these sources is defined as „the availability of at least 20 litres a person a day from a source within one kilometre of the dwelling.“¹²⁴ The Kenyan government uses the same definition.¹²⁵

¹²² GoT, Ministry of Water 2006:A-5; GoK, Ministry of Water and Irrigation 2002:iii; UNESCO 2005:12

¹²³ http://www.wssinfo.org/en/122_definitions.html

¹²⁴ http://www.developmentgoals.org/Definitions_Sources.htm

¹²⁵ <http://ddp-ext.worldbank.org/ext/CSIDB/getCountryStatInfoXML?id=404&format=CSIDBSCORE2>

In Tanzania, the definition of coverage is not in accordance with the MDGs. There, coverage means the „supply of 25 litres of potable water per capita per day, through water points located within 400 meters from the furthest homestead and serving 250 persons per outlet.“¹²⁶

In Uganda, again another definition is used. In the new Water Policy, the definition of water supply coverage relates to percentage of the population with access to an improved water source within a walking distance of 1.5 km in a rural and 0.2 km in the urban area. For sanitation, coverage refers to the percentage of the population with sanitation facilities in their place of residence.¹²⁷

According to UN definitions, sanitation coverage is measured by the access to any improved sanitation facilities, which are:

- Flush or pour-flush to:
 - Piped sewer system
 - Septic tank
 - Pit latrine
- Ventilated improved pit latrine
- Pit latrine with slab
- Composting toilet¹²⁸

To get a better overview, the figures mentioned in this abstract are summarised in Table 9.

¹²⁶ GoT, Ministry of Water 2002:34

¹²⁷ UNESCO 2005:12

¹²⁸ http://www.wssinfo.org/en/122_definitions.html

Country		Water Supply		Sanitation		By year	Standards			
		coverage		coverage			Distance		Amount	
		[%]		[%]			[km]		[l/p/d]	
Area		rural	urban	rural	urban		rural	urban	rural	urban
Tanzania		82	95		95	2015		0.4		25
Kenya			*	72.5	77.5	2015		1		20
Uganda		100		95	100	2015	1.5	0.2		?

Table 9: Comparison of Targets and Standards

* reach at least 50% of the undeserved urban and rural population by 2015

Source: GoT, Ministry of Water 2006:A-5; GoK, Ministry of Water and Irrigation 2002:iii; UNESCO 2005:12

The coverage targets provided by Government documents are not consistent with the figures of the MDGs. For example, according to UN figures the target for water supply coverage in Tanzania in 2015 is 64 % in rural and 90 % in urban areas.¹²⁹ The figures of the other countries, regarding both water supply and sanitation, do not correspond either. The difficulties in comparing the countries are even strengthened by the varying standards and definitions. As a consequence, comparisons of current water supply and sanitation coverage rates have to be regarded with suspicion.

6 The policy of Decentralisation and Private Sector Participation

As the strategies of Private Sector Participation and Decentralisation play an important role in the current water sector strategies of Tanzania, Kenya and Uganda, the general experiences of Private Sector Participation in the water sector will be discussed here. This abstract shall give an overview of possible developments of the water sector of the three analysed countries by regarding other countries' experiences with these strategies.

6.1 Decentralisation

6.1.1 Definition

Decentralisation can be defined as “the transfer of responsibility for planning, management, and the raising and allocation of resources from the central government and its agencies to lower levels of

¹²⁹ EUWI et al. 2006:84

government [...] or nongovernmental private or voluntary organizations.”¹³⁰ In practice decentralisation adopts many forms and has several dimensions. However, the development literature identifies three dimensions and three modes of decentralisation, which are deconcentration, delegation, and devolution. Deconcentration occurs when the central government disperses responsibilities for certain services to its regional branch offices. This does not involve any transfer of authority to lower levels of government and is unlike to lead to the potential benefits of decentralisation. In contrast, the central issue for both delegation and devolution relates to the balancing of central and local interests. Delegation refers to a situation in which the central government transfers responsibility for decision-making and administration of public functions to Local Governments. This form of decentralisation can be characterised as a principal-agent relationship, with the central government as the principal and the Local Government as the agent. Finally, devolution, a more extensive form of decentralisation, refers to a situation in which the central government transfers authority for decision-making, finance, and management to autonomous units of Local Government.¹³¹ Devolution usually transfers responsibilities for services to municipalities that elect their own mayors and councils, raise their own revenues, and have independent authority to make investment decisions. In a devolved system, local governments have clear and legally recognised geographic boundaries over which they exercise authority and within which they perform public functions.¹³² In Uganda, Tanzania and Kenya, decentralisation by devolution is the declared policy of decentralisation. The three dimensions and modes of decentralisation are summarised in Figure 19.

Dimensions	Modes
<i>Administrative decentralization</i> —How responsibilities and authorities for policies and decisions are shared between levels of government and how these are turned into allocative outcomes	<i>Devolution</i> —The deepest form of decentralization, in which a government devolves responsibility, authority, and accountability to lower levels with some degree of political autonomy
<i>Fiscal decentralization</i> —The assignment of expenditures, revenues (transfers and/or revenue-raising authority), and borrowing among different levels of governments	<i>Delegation</i> —Some authority and responsibilities transferred, but with a principal-agent relationship between the central and lower levels of government, with the agent remaining accountable to the principal
<i>Political decentralization</i> —How the voice of citizens is integrated into policy decisions and how civil society can hold authorities and officials accountable at different levels of government	<i>Deconcentration</i> —The shallowest form of decentralization, in which responsibilities are transferred to an administrative unit of the central government, usually a field, regional, or municipal office

Figure 19: Dimensions and modes of decentralisation

Source: World Bank 2008:4

¹³⁰ Rondinelli et al. 2008:58f.

¹³¹ Litvack et al. 1998:6

¹³² Kazuya 2007:4f.

6.1.2 Background

During colonial time and post-colonial periods in most African countries governance was structured and practiced in a highly centralised manner. After independence, military dictatorships replaced the former status in many countries and executed governance in a more personalised form.¹³³ After decades of disappointment, many African nations were seeking alternative form governance, paving the way for a broad decentralisation process.¹³⁴ For the past two decades, decentralisation is a major concern of developing countries, the international development community and researchers. Although following the same idea, the precise dimension, level of responsibility, and set of government authorities involved has varied widely by country.¹³⁵

With the diversion of fiscal, political, and administrative powers, decentralisation theoretically has a very multidimensional aspect. First, it can affect a wide range of issues from service delivery to poverty reduction to macroeconomic stability. Second, the management of decentralisation requires intimate knowledge of local institutions and a nuanced understanding of the process of decentralisation. Third, limited empirical evidence exists about what works and what does not. Together, these three factors pose a daunting challenge for those responsible for designing and managing decentralisation.¹³⁶

6.1.3 The theoretical impact of decentralisation

There are as many reasons for decentralisation as levels of implementations. By decentralisation, governments may aim to integrate separation movements or minority groups in the political process, consequently leading to more freedom in a specific region. Furthermore, an increase of engagement of civil society and the inclusion of local knowledge can be expected. Above all, decentralisation is about political accountability of government acting, vertically between politicians and the population and horizontally between politicians and executives.¹³⁷

In general, decentralisation is thought to improve governance in public service provision by two channels of influence: the political impact and the economic impact. Hence, three major dimensions of poverty – voicelessness, vulnerability, and limited access to social services – might be influenced by decentralisation policies (Fig. 20).

¹³³ Kazuya 2007:3

¹³⁴ Tordy:10

¹³⁵ Worldbank 2008:3f.

¹³⁶ Litvack et al. 1998:6

¹³⁷ Francis; James 2003:325-337

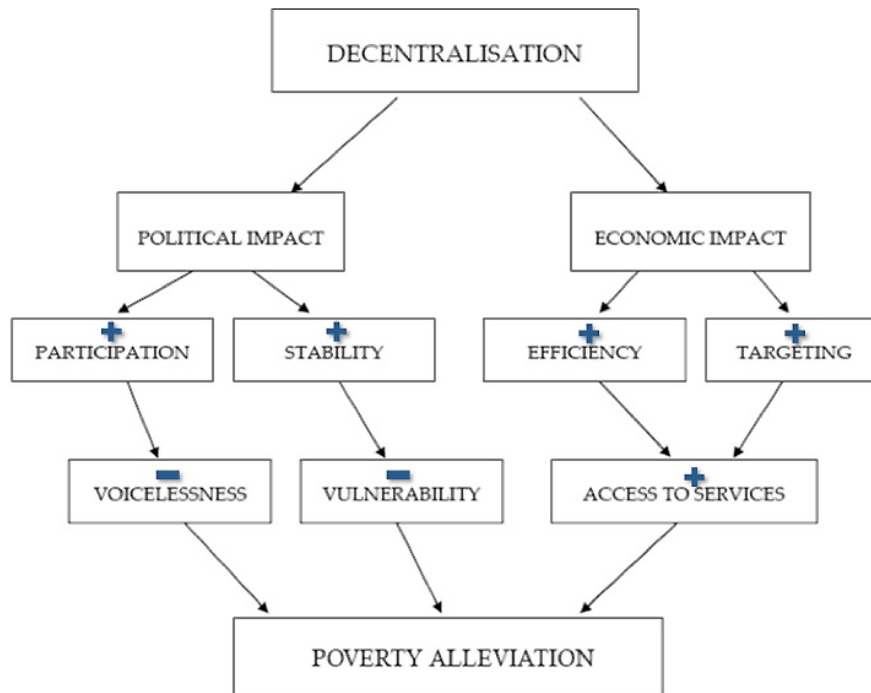


Figure 20: Decentralisation and poverty: channels of influence

Source: adapted from Jütting et al. 2004:10

Political decentralisation is expected to offer citizens the possibility of increased participation in local decision-making processes. Improved representation of formerly excluded people could, in turn, give the poor better access to local public services and social security schemes, thus reducing vulnerability and insecurity. With respect to the economic channel, decentralisation is expected to have a strong and positive impact on poverty alleviation through increased efficiency and better targeting of services. Enhanced efficiency in service provision could directly improve poor people's access to education, health, water, sewage and electricity, which are all highly important poverty-related concerns.¹³⁸

These arguments are supported and augmented by the analysis of Walter Thomi, who mentions three categories of positive effects of decentralisation:

1. Political participation and civil society
2. Effectiveness of the public sector
3. Development and justice in allocation¹³⁹

¹³⁸ Jütting et al. 2004:10

¹³⁹ Thomi 2001:35ff

In addition to the practical and logical arguments, Mishra states that “decentralisation is an ideological principle associated with objectives of self-reliance, democratic decision-making [...] and accountability of public officials to citizens.”¹⁴⁰

Summarised, decentralisation aims to reach following positive effects on poverty alleviation:

- Deepening democracy by more intensive grassroots democracy and participation
- Inclusion of citizens in development and implementation of projects
- Inclusion of informal mechanisms for conflict resolution and resource allocation
- Cooperation between governments and NGOs or other local organisations
- Accountability of elected representatives and public institutions
- Demand-responsive approach
- Transparency of governmental actions
- Empowerment of women
- Political stability¹⁴¹

In the following, two of the most used arguments for decentralisation will be looked at in more detail. Finally, some of the theoretical risks of decentralisation will be discussed.

Allocative efficiency

One of the most common theoretical arguments for decentralisation is that it improves the efficiency of resource allocation. This assumption holds that local governments are likely to be better able to match public goods to local preferences. Because they are closer to the people than the central government, they have better information about the preferences of local populations and therefore can respond adequately to the variations in demands for goods and services.¹⁴² Moreover, by promoting competition among sub-national governments, decentralisation is thought to increase the likelihood that governments will respond to local demand. Competition allows for a variety of bundles of local public good to be produced, and individuals can reveal their preferences for those goods by exerting some form of exit option, e.g. moving to those jurisdictions that satisfy their tastes. By these means, if local governments fail to address the preferences of their constituents, they risk the loss of tax revenues.¹⁴³

¹⁴⁰ Mishra 1991:1f.

¹⁴¹ Becker 1985:329-347

¹⁴² Litvack et al. 1998:5

¹⁴³ Worldbank 2008: 51f.

Productive efficiency: accountability and cost recovery

The productive efficiency argument states that local governments can produce the same goods at lower costs than central governments. Since sub-national governments are evidently closer to the people, citizens may be more aware of sub-national governments' actions than they are of central government activities. Thus, citizens can exert pressure on government more easily near the location of service delivery. Also, there are fewer bureaucratic filters between elected officials and implementers, which means that the potential for conflicts between principal and agent is reduced and monitoring is easier. Finally, amongst many other reasons, decentralisation may make it easier for government to recover the costs of public services. In other words, making services more demand-responsive may have the added benefit of increasing households' willingness to pay for services. Moreover, a relatively close match between supply and local demand, if coupled with transparency and with local cost recovery, can provide the incentives and information base for effective local monitoring.¹⁴⁴

Risks

Although, in theory, the number of positive aspects outweighs the number of the negative ones, decentralisation might be used by governments for following aspects, hence resulting in negative consequences for the affected population. Decentralisation might be used to:

- Elevate local personalities in positions where they can be used for central government's interests.
- Pretend to democratise the local levels, while instead keeping the responsibilities of local institutions in narrow frames by doing nothing but a deconcentration, meaning to enhance the power of the central government at local level.
- Fulfil the demands and expectations of donor countries and organisations.¹⁴⁵

The arguments against decentralisation can be divided into two main categories, those focusing on national effects and those concerned with local effects. First, sub-national governments may use their newfound power in ways that exceed the boundaries of rational distribution of authority and resources from a national perspective. For example, local government may engage in policymaking in areas that have clear inter-jurisdictional crossover, hence would be more appropriately located within a higher level of government.¹⁴⁶ Another example is the adoption of local policies that

¹⁴⁴ Kimenyi; Meagher 2004:21ff.

¹⁴⁵ Crook; Manor 1998:38f.

¹⁴⁶ Litvack et al. 1998:25

undermine national policy. Here, the devolution of tax and regulatory authority may lead to a decentralisation of corruption and hence a rise in overall cost and a decrease in predictability.¹⁴⁷

The second major argument against decentralisation concerns the possibility of elite capture of local government. Decentralisation increases the probability of this by sharing authority and resources with government units outside the capital, many of them in rural areas, where political restraints on capture are likely to be weaker.¹⁴⁸

6.1.4 Experiences with decentralisation

In the last decades, a lot of research and analysis have been done on the effects of decentralisation processes, leading to a broad variety of theories, results and recommendations. There is neither theoretical nor empirical agreement on the relation between decentralisation and the rate of economic growth. There are more contradictory views about the issues of equity and distribution. Whereas some analysts argue that in circumstances local governments achieve such goals more effectively than central governments, others argue that central redistribution is needed to achieve higher effectiveness. Another pro-decentralisation argument, which assumes that decentralisation is to improve the competitiveness of governments, could not be approved either. The argument, that decentralisation supports good governance, is just as unclear in empirical terms.¹⁴⁹ A recent study by Azfar and Meagher in 2001 analysed the governance of decentralised public service delivery in the Philippines and Uganda. First, it found that corruption at the local level was seen in the same amount as at the national level. Second, local officials had limited authority to adjust service delivery. Third, participation of community at the local level was hampered by limited information.¹⁵⁰

Although decentralisation has been a highly discussed issue in the development area for decades, there is little literature on the impact of this process to women. Manor notes that “it appears that the empowerment of arenas at or near the local level, where prejudices against women are often stronger than at higher levels, may damage their prospects unless provisions are made to give women a meaningful voice”.¹⁵¹ A possibility to empower women in the context of decentralisation is to reserve a certain number of seats of local institutions for women. Nevertheless, Manor also notes that “gains for women are more a hope than a reality”.¹⁵² Doing a research on Uganda, Kloess found several effects of decentralisation on the empowerment of women, including effects on personal,

¹⁴⁷ Crook; Manor 1998:61f.

¹⁴⁸ Kimenyi; Meagher 2004:24

¹⁴⁹ Litvack et al. 1998:5

¹⁵⁰ Kimenyi; Meagher 2004:25

¹⁵¹ Manor 1999:97

¹⁵² Manor 1999:98

juridical, social, political, and economical empowerment. Regarding personal empowerment, the impacts were rather positive, whereas effects on juridical empowerment were either not visible or negative. For example, women were more insecure on their personal rights and access to local courts was often more difficult than to central courts before. No big changes or improvements could be recognised on social empowerment. The process of decentralisation improved the situation in political empowerment, meaning the participation in public institutions. Finally, the effects on economical empowerment were diverse. Whereas the effects on awareness about property and property rights were negative, access to resources and influence on economical decisions improved.¹⁵³

Another study on the effects of the decentralisation process in Luwero Town, Uganda, carried out in 2008 concludes that the present real situation does not correspond with the expected implications of the reform. One reason is that the financial power is still in the hand of the Central Government. Between 70 and 90 percent¹⁵⁴ of the budget allocated by the Central Government to the Local Governments is carried out under the “conditional grant”, hence are attached to certain conditions. Local Governments are allowed to use this budget only in the sectors determined in the Poverty Eradication Action Plan. In fact, the Local Governments are only free to decide about the use of the remaining 15 % of the budget. As a consequence, even if the local population takes part in the budget planning process, their suggestions can only be implemented constricted. The relationship between the analysed Local Government and the community does not show a better result of the reform. The limited budgetary capacity and the low number of employees in the council have the consequence that the intended standards, e.g. regular meetings, information of the population about political processes, measures to include the population into decision-making processes, have not been adequately or even have not been implemented at all. In fact, the former existing structures have even been strengthened. The people that take part in political meetings now are the same people that always participated. Because of its own structure and language, the local political system is hard to identify and does not stimulate new persons to enter it. As a result, the majority of the population is excluded from political processes.¹⁵⁵ The study concludes with another study of Devas and Grant, which finally remarks that “it is clear that the assumptions that decentralisation of decision-making will automatically result in decisions that reflect the needs and priorities of local citizens is naive”.¹⁵⁶

¹⁵³ Kloess 2004:115f

¹⁵⁴ Tordy 2008:86

¹⁵⁵ Tordy 2008:91ff.

¹⁵⁶ Devas; Grant 2003:14

6.1.5 Lessons learned

As shown by the experiences of the last decades, empirical evidence on the theoretical impacts of decentralisation is either nonexistent or conflicting. Especially in developing countries, because of the weakness of institutions, information and capacity, the implementation of a good working decentralised government seems to be particularly difficult. Nevertheless, evidence suggests that the problems associated with decentralisation in developing countries reflect weaknesses in design and implementation more than any inherent outcome of decentralisation.¹⁵⁷ While the practice does not strongly support a general theory of decentralised governance and its effects on service delivery, it is clear that a high number of factors influence to its performance. These include:

- The central government must be willing to hand over power and responsibilities to local levels.
- Local governments must be supported by adequate financial and personal capacities.¹⁵⁸
- The constitution should adequately express basic principles and constrain potential changes to enhance stability. The legal framework emanating from the constitution should be such as to ensure the credibility, accountability and transparency of institutional structures.
- The central government needs to be able to monitor sub-national governments.
- To promote overall government accountability, government budgets and expenditure programmes need to be disclosed also to the public.¹⁵⁹
- If the central government makes no effort to redistribute resources for poorer areas, fiscal decentralisation will result in growing disparities. Similarly, if provinces do not redistribute within their jurisdiction, poor people may lack access to public services.
- If decentralisation is done without controlling the deficit behaviour of local governments may only fail to improve local service delivery, but even national destabilisation is risked.¹⁶⁰
- Increasing accountability of local government can be done by implementing stronger rules and regulations and by changing the incentives facing various parties.
- The participation of the community in decision-making processes. Enough resources have to be provided to the population to be able to take part into the politics. Finally, the suggestions of the population have to be taken into account.¹⁶¹

¹⁵⁷ Litvack et al. 1998:7f.

¹⁵⁸ Tordy 2008:14f.

¹⁵⁹ Kimenyi; Meagher 2004:39

¹⁶⁰ Litvack et al. 1998:18

¹⁶¹ Litvack et al. 1998:18f

Overall, it can be said that decentralisation is a very complex process whose success depends strongly on the design of decentralisation and the institutional arrangements that govern its implementation. Also, decentralisation should not be a goal in itself but one of many possible instruments for achieving more effective service delivery systems, opening institutions of governance to wider civic participation, and for increasing public trust in government.¹⁶² Regarding the politics of some influencing donor agencies, this maybe has exactly been the case in the last two decades and therefore was a major reason for the implementation of decentralisation politics in many countries in the last years. Moreover, this policy seems to be continued without any strong concerns.

6.2 Private Sector Participation

6.2.1 Definition

While the term “Private Sector Participation” is in common use, there is a high ambiguity about its exact meaning. Generally speaking, the term “private sector” is used to refer to formal and profit-making enterprises, but can also denote any organisation that is not public. In the context of PSP in the water sector, the focus is almost entirely on formal water companies, which can be large, multinational, local, small-scale, or many other types of operators. So, in the water sector, the term Private Sector Participation usually refers to the involvement of formal private companies in a contractual agreement with a public agency. This common understanding is used in this analysis. The term “privatisation” is also widely used in this paper and refers to increasing private sector involvement, which can be seen equally as participation of the private sector.¹⁶³

In general, the Private Sector Participation in water supply involves three categories of private organisations:

- International privately owned companies, including nationally registered subsidiaries of foreign-owned companies.
- National formal privately owned companies.
- Local informal private sector operators, know as Small Water Enterprises.

International and national consulting and construction companies have traditionally been active in the water sector in the design and construction phases, whereas the advent of international companies as water operators on a significant scale is relatively recent. In general, international private operators are more risk averse than national private water supply companies. The national

¹⁶² Peterson 1997:32

¹⁶³ Budds; McGranahan 2003:8f.

private sector often continues to operate in areas of conflict where the international private sector usually does not venture.¹⁶⁴

Types of contractual forms for private sector participation vary from simple service contracts handling over little responsibility to concession contracts having almost no restrictions for the contractor. With (i) service contracts, public authority retains overall responsibility and private companies do only maintenance of specific system components. Further reaching (ii) management contracts are more comprehensive and involve the transfer of responsibility for overall management of, for example, operation and maintenance. Lease contracts (iii) transfer the commercial risk to the private sector and include operation and management as well as revenue collection. The final concession contracts (iv) give full responsibility to private companies and cover operation and maintenance of the public utility's assets and investments. Concession contracts are designed to attract private investment in the sector and tend to be long duration contracts, often up to 25 years. Furthermore, service contracts and management contracts are simpler forms of PSP where the public sector transfers limited responsibility to the private sector.¹⁶⁵

6.2.2 Background

Privatisation of public infrastructure became the mantra of many development agencies since the late 1980s. Water supply was not an exception and different forms of Private Sector Participation in water supply have been experimented. Among the policy circles, privatisation became the objective in itself rather than a means of increasing access or helping the poor and increasing the overall performance of the economy. In the last ten years, the results of this approach have been an issue of highly politicised discussion and even now, PSP in water is one of the most controversial debates of the development discourse.¹⁶⁶ On one side are the proponents who argue that government has failed providing access to everyone. Because of lack of funding to improve the water infrastructure, development countries are caught into the “low-level equilibrium”¹⁶⁷ implying low operational efficiency leads to low quality service. The private sector can solve this problem by using the market principles. Those in favour of the involvement of private sector in water supply argue that this step would improve efficiency, increase extension of service, bring more investments, and will relieve governments from budget deficits.¹⁶⁸

¹⁶⁴ Cotton 2006:2

¹⁶⁵ Cotton 2006:1f.

¹⁶⁶ Prasad 2006:3

¹⁶⁷ Prasad 2006:3

¹⁶⁸ World Bank 2004:1f.

On the other side of the spectrum are those who consider that water is a common good and should not be in the hands of the private sector. They argue that since water is unlike any other resource and because of the fact that water is the essence of life itself, it should not be treated like a commodity based on market principles. Access to water for everyone then becomes a human right and it is the state's obligation to provide this vital resource to everyone. A third group that is situated between these two opposing views argues that a solution can be found considering water as an economic good and a human right at the same right.¹⁶⁹

6.2.3 The theoretical impact of Private Sector Participation

There are several theoretical reasons why people and government benefit from privatisation, but they all underlie the theory that private ownership is more efficient in delivering services compared to the state. In general, there are four major objectives of privatisation:

1. To achieve higher allocative and productive efficiency.
2. To strengthen the role of private sector in the economy.
3. To improve the public sector's financial position.
4. To free resources for allocation in other important sectors such as social policy.¹⁷⁰

The PSP strategy refers to the Washington Consensus, which is based mainly on the competition and argument. Consequently, PSP was introduced to bring investment, increases access, and improve quality of the water supply.

Even when accepting these points of the neoliberal theory, it has to be stated that the water sector differs from other industries. The initial assumptions of the market theory are that there are no externalities, the good is not public, the market is not monopolistic, and no asymmetry of information exists. The case of water supply contradicts many of these exceptions and is considered as a natural monopoly. But also compared to other natural monopolies, such as gas or electricity, some major differences can be found. For example, the separation between upstream production and distribution, which is key to the structure of gas and electricity, does not exist in the water industry. A water customer might be supplied using several alternatives such as a local borehole, well or reservoir.

In addition, the water industry is very capital intensive with a high proportion of the fixed assets. The price of water services is usually influenced more by the cost of building and maintaining assets than

¹⁶⁹ Prasad 2006:3ff.

¹⁷⁰ Sheshinski; Lopez-Calva 2003:429-459

by the daily costs involved in operation. The relative high transportation costs are another element distinguishing the water industry from other sectors. Since water does not have a substitute, and is directly linked to public health and environmental concerns, affordability is one of the key concerns. Consequently, the competitive elements of the supply chain comprise only a small element of the overall costs and leave little potential for efficiency improvements.¹⁷¹ It is argued by Balance and Taylor that even if competition were possible, the benefits of such competition would be minimal.¹⁷² A study carried out by the Water Research Centre (WRc) for the European Commission on competition in the water sector concluded that “the water industry does not fit easily into standard economic theory with regard to market competition. There are significant externalities (social costs and benefits) and many parts of the industry are widely viewed as natural monopolies.”¹⁷³

6.2.4 Experiences with Private Sector Participation

Various studies analysing the issue of poverty and privatisation examined in different countries all over the world in the last years found all spectrums of possible results. Some studies stated access and coverage improvements. Others showed that it is the poor who benefit the most, and again some others resulted in the quite opposite, saying that it is especially the poor facing negative impacts in terms of job loss and decrease in income and reduced access to basic services.¹⁷⁴ Amongst many other institutions the World Bank, one of the first and most resolute proponents for the inclusion of the private sector in the water supply has done several studies on this issue. After many studies in favour of PSP, recent ones argue that PSP does not necessarily improve coverage.¹⁷⁵ In another study Estache et al. demonstrate that although the total welfare increases as a result of PSP, the gains are not shared with the poor. They show that there appears to be no difference between private and public operation in terms of efficiency performance.¹⁷⁶ In a joint publication, IMF and World Bank recognise that PSP is not necessarily superior to the public sector in the provision of water services.¹⁷⁷ Despite all the varying results, it probably can be said that the majority of PSP programs did not achieve what was intended by the PSP. Over the time, a lot of negative results, as bribery, corruption, non-compliance of contractual agreements, layoffs, tariff increase, and environmental pollutions, occurred after implementation of PSP programs.

¹⁷¹ Balance, Taylor 2005:11f.

¹⁷² Balance; Taylor 2005:18

¹⁷³ WRc 2002:26

¹⁷⁴ Prasad 2006:19f.

¹⁷⁵ Prasad 2006:7

¹⁷⁶ Estache et al. 2005:12f.

¹⁷⁷ IMF 2004:3

On the following, the experiences of the effects of PSP on some major dimensions are discussed more detailed.

Water price

With water prices, the studies done are slightly more conclusive than most of the others. An outcome often surveyed after the introduction of PSP in an area was an increase of water prices. Raising water prices is counterproductive and increases inequality, taking into account the low level of prices and income elasticity for water. In other words, water consumption varies very little with income since water needs of each person are similar in terms of drinking, hygiene, sanitation, etc. So people will have to pay no matter how high the prices would be. For example, water consumption in Europe varies around 75 % between the first and last income deciles, whereas income varies around 600 %.¹⁷⁸

In Figure 21, the first two columns show that internationally the price for water with public utilities and private networks are about the same, but that public utilities are still cheaper. The price for water not delivered to households by water pipes but by water carriers is even a few times higher.

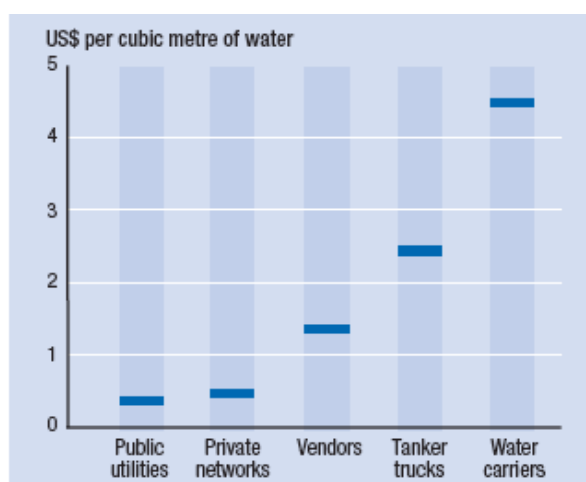


Figure 21: Water price by type of operation

Source: UNDP 2006:83

On the contrary, it is argued by PSP proponents that many governments set prices for infrastructure services below the levels required to finance investments in meeting demand. Consequently, governments have to recognise that revenues from user fees have to rise through price increases to meet cost recovery. Further argumentation suggests that private provision reduce costs in the order of 10 % - 30 %. So, if former prices were not much below costs, PSP usually did not result in price

¹⁷⁸ Smets 2004:11

increases.¹⁷⁹ Nevertheless, water price has a strong impact on access to food and while it is acknowledged that water cannot be free of charge, it must be made available at a fair price that does not provoke social unrest.¹⁸⁰

Access and accountability

Regarding access and accountability, the results of the studies done are again inconclusive. They are not able to show whether private sector was responsible for increasing coverage, since coverage rates also increased in areas with public sector management. As for the connection rates for poor, there is no evidence that this increase can be associated with the private sector.

Service expansion

According to Harris, the evidence suggests that in many cases the private sector does as well, or better, than public provision. In many cases the biggest gains from private provision come through increased investments to meet increasing demand and serve previously unattended consumers. Well-designed private water schemes have also seen impressive results in terms of service expansion. Evidence from a number from a number of private water projects indicates that access increased after private provision was introduced, for water (Fig.23) and for sanitation (Fig. 22).

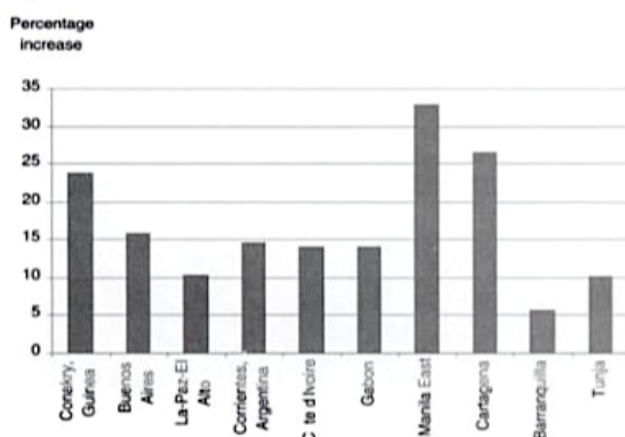


Figure 23: Water increases in access following private participation

Source: Harris 2003:19

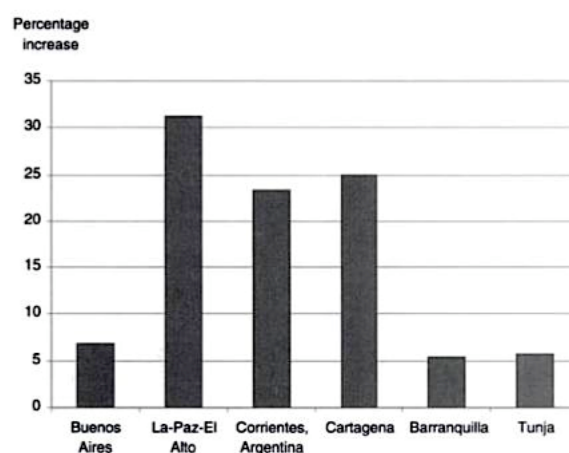


Figure 22: Sanitation increases in access following private participation

Source: Harris 2003:19

Although these figures show that PSP can lead to improved utility performance, there is little evidence to show the extent to which service expansion has been extended to urban poor in areas of implementation. In any strategy aiming for the increase to better and affordable levels of water

¹⁷⁹ Harris 2003:23f.

¹⁸⁰ Selborne 2000:42

service for the (urban) poor, small water prices are likely to be essential. If the primary goal of a PSP is to improve access and service delivery especially for the poor, then this has to be specified in the contract documents that will ultimately be the basis for engaging the private sector. However in practice, only very few PSP contracts contain explicit pro-poor references. If such a requirement is not included in the contract there is no obligation on the contractor to address this specific problem, and it is no reasonable to expect a pro-poor outcome.¹⁸¹

Efficiency

The theory expects that PSP is more efficient compared to public utilities. However, the impacts of private sector involvement have been mixed. For both industrialised and developing economies, studies do not robustly support the view that water sector PSP has improved firm-level efficiency. Moreover, two recent World Bank studies concluded “there is no statistically significant difference between the efficiency performance of public and private operators in the water sector.”¹⁸²

Addressing the poor

Public provision of infrastructure has often been defended by the argument that it provides services to the poor and the private sector will not. According to Harris, there is little evidence to suggest that this has actually been the case, which shall be underlined by Figure 24.

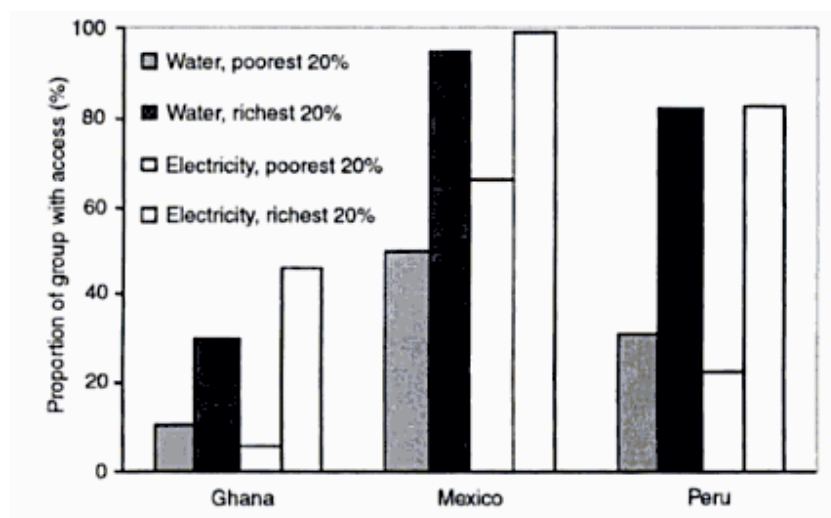


Figure 24: Population with access to water and electricity by income quintile

Source: Harris 2003:27

Following the introduction of private participation in the provision of water in Dhakar, Senegal, coverage of low-income households increased by 3.2% per year. This privately managed utility did

¹⁸¹ Cotton 2006:1f.

¹⁸² Estache et al. 2005:12

better at connecting the poor than eight publicly managed utilities in Africa for which data was available.¹⁸³ On the contrary, other studies show that experiences of PSP in water supply worldwide point out that there is conflict between social development, public health, environmental concerns and poverty reduction on the one hand and the motive of profit maximising of the private sector on the other. The profit-seeking motive of the private sector seems difficult to reconcile with providing service to the poor. In other words there is a diverging interest between the public sector, private sector and consumers, which seems hard to reconcile. Although the financial sustainability is considered vital, financial profitability should not be the main goal of the water services. The PSP in water supply which is mainly based on commercial and profit motives may not achieve the benefits it was supposed to bring to the poor.¹⁸⁴

6.2.5 Lessons learned

The evidence shows that the success of PSP is mixed, with different PSP models having potential to deliver different benefits. Also, there is no agreement on basic definitions of key performance indicators for use in comparative performance monitoring of PSP contracts. Table 10 indicates the changes to utility performance as a result of PSP contracts for a number of key performance indicators. These show significant improvements.

	Unaccounted for water (%)		Connections (%)		Collection rates (%)	
	Before	After	Before	After	Before	After
Guinea	50	47	38	47	75	60
Gabon	n.a.	14	49,3	62	n.a.	93
Senegal	31	22	80	82	91	97
C. D'Ivoire	n.a.	16	n.a.	84	n.a.	n.a.

Table 10: Selected performance indicators before and after privatisation

Source: Böhl;Goncalves 2007:58

However, in general it cannot be assumed that the improved performance necessarily results in better access for poor people. In the last years, a lot of reasons have been identified for failing PSP programs. Amongst them are:

- Lack of understanding of the local context in which reform is taking place
- Vested interests combined with politics
- Lack of proper communication
- Disregarding sensitive social issues

¹⁸³ Harris 2003:25ff.

¹⁸⁴ Prasad 2008:28

- Missing of any specific policity framework¹⁸⁵
- Poor understanding of the social and political realities
- Lack of regulatory mechanism in place¹⁸⁶

As shown in this section, PSP in the WSS sector in developing countries has often fallen short of expectations. A main result is that PSP is not a panacea for all the problems in the WSS sector as some development practitioners had thought in the early 1990s. Nevertheless, certain circumstances could be observed under which PSP were more likely to produce good results. For example, this often was the case when

- enabling policy and institutions were in place.
- innovative approaches are used to create competition.
- regulatory mechanisms and contract enforcement is feasible.
- flexible approaches are used to suit the local conditions.
- transparent and participatory consultative process precedes the privatisation process.¹⁸⁷

Probably the most critical issue remaining is the question, were projects that could have been considered as successful able to enhance the live standard of the poor people? The outcomes of PSP for this group are especially dependent on a wide range of different factors, for example households already connected to the network before PSP often obtained an increase in the levels of service. On the other side, the effects for households not connected at this time are not so clear. Another issue is the location of a poor household. In many cities in developing countries, the poor live amongst and alongside the not so poor. It may therefore not be practical and may not make business sense to have a dedicated infrastructure service for the poor to the exclusion of the not so poor. Many PSP contracts do not take into account those living in informal settlements, in part because the city authorities regard these as illegal or temporary settlements. Overall, the success of a PSP depends a lot on pro-poor contracts¹⁸⁸

The lessons point out that synergy between the public sector, enforcing effective contracts and installing effective regulatory mechanisms, and the private sector, finding ways to reduce costs and increase efficiency, can eventually determine socially optimal outcomes of PSP in the WSS sector. However when an enabling business environment and policy and regulatory measures are largely not

¹⁸⁵ Foster 2004:5

¹⁸⁶ Guntilake; Carangal 2008:25f.

¹⁸⁷ Guntilake; Carangal 2008:19f

¹⁸⁸ Cotton 2006:1

in place, reforming the public utilities should be given detailed consideration.¹⁸⁹ Selborne concludes, that “the debate over organising water distribution must move beyond choosing between the poles of privatisation or public administration to explore the myriad options that lie between them; it is essential to avoid imposing policies based on experiences not shared by those for whom they are being prescribed.”¹⁹⁰

7 Case Study

7.1 Overview

In a study personally done in February 2009 in Karatu town, Tanzania, the local situation of water supply and sanitation was analysed. Karatu town is the capital of the district of the same name Karatu, where in 2002 lived 18,000 out of the whole district’s 180,000 inhabitants¹⁹¹. The town is situated 120 km north-west of Arusha in the highlands of Tanzania at a sea level of 1400 m (Fig. 25). In this region, the average temperature is 20°C and the average annual rainfall varies between 600 mm and 1500 mm. For comparison, this is about the same amount of rainfall as in Austria. The economy of the region is strongly dominated by the agrarian sector, which is responsible for 80 % of the income.¹⁹²

Karatu itself can be called a “tourist-transit” town, because all safari tourists going from Arusha to the Ngorongoro crater or the Serengeti National Park pass through Karatu on the asphalt road shortly before arriving at the tourist attractions.¹⁹³ As a consequence, Karatu provides a lot of safari tourism infrastructure, such as banks, petrol stations or garages. Nevertheless, as most of the tourists just path through or only stay for short time, Karatu does not benefit very much from its visitors. However, as the tourist number increase, a number of new hotels and lodges have been constructed both inside Karatu town and in the surroundings.

¹⁸⁹ Guntilake; Carangal 2008:19f.

¹⁹⁰ Selborne 2000:42

¹⁹¹ <http://www.tanzania.go.tz/census/census/districts/karatu.htm>

¹⁹² http://www.sido.go.tz/UI/Arusha_Region.aspx

¹⁹³ <http://www.reiseweltatlas.de/Karatu.html>



Figure 25: Location of Karatu Town, Tanzania

7.2 Water supply and sanitation in Karatu town

The first water supply system in Karatu town was developed in 1953 and was envisaged to supply water to Karatu town and four villages in the vicinity, but until recently, water was delivered only to the Karatu urban area and Tloa village. With the increasing number of the population, especially in Karatu town, the situation of the already failing water supply system worsened. For at least the past 20 years, Karatu has experienced an acute shortage of water. To improve the situation of water supply, a water board was founded in 1999, known as Karatu Villages Water Supply (Kaviwasu). Today, Karatu town and five surrounding villages are connected to the water supply system of Kaviwasu. These five villages are:

- G. Lambo
- G. Arusha
- Gongali
- Tloma
- Ayalabe

In 2009, in all six towns together, 41.000 persons have to be supplied with water, a figure which is currently growing by 3 % per year.¹⁹⁴ Besides the 700 households, which have a private connection, all the other housholds get their water from one of the total 83 District Water Points (DWPs). In the

¹⁹⁴ Kaviwasu Bureau Karatu 2009

same year, the coverage of the area with DWPs was at 80 %, which by definition of the Tanzanian Government means that the closest DWP is situated not more than 400 metres away from any household.¹⁹⁵ According to the Karatu District Council, through working in close collaboration with the District Authorities and the Roman Catholic Church Mbulu diocese, the problem of inadequate water supply was considerably solved, by and large or at least reduced, by the year 2000. Now, the only major remaining problem is the quality of water, which is not classified as potable. This problem is especially severe, as many Karatu residents are not aware of it and use the water straight from the tap, i.e. un-boiled. As a result, water-borne diseases such as diarrhoea, cholera and typhoid are not uncommon.¹⁹⁶

With regard to the situation of sanitation, there is no wastewater disposal system in Karatu. The wastewater is usually left to flow out of the houses into the backyards and ultimately onto the roads. The water finally ends up in ditches that become breeding centres for mosquitoes and hence a health hazard.¹⁹⁷

Figure 26 shows the design of the water grid in Karatu town and the surrounding. In Karatu and north of it, much more water pipes can be seen on the map than there are in the southern area.

¹⁹⁵ GoT, Ministry of Water and Livestock Development 2002:15

¹⁹⁶ Karatu District Council 2002:1f.

¹⁹⁷ Karatu District Council 2002:3

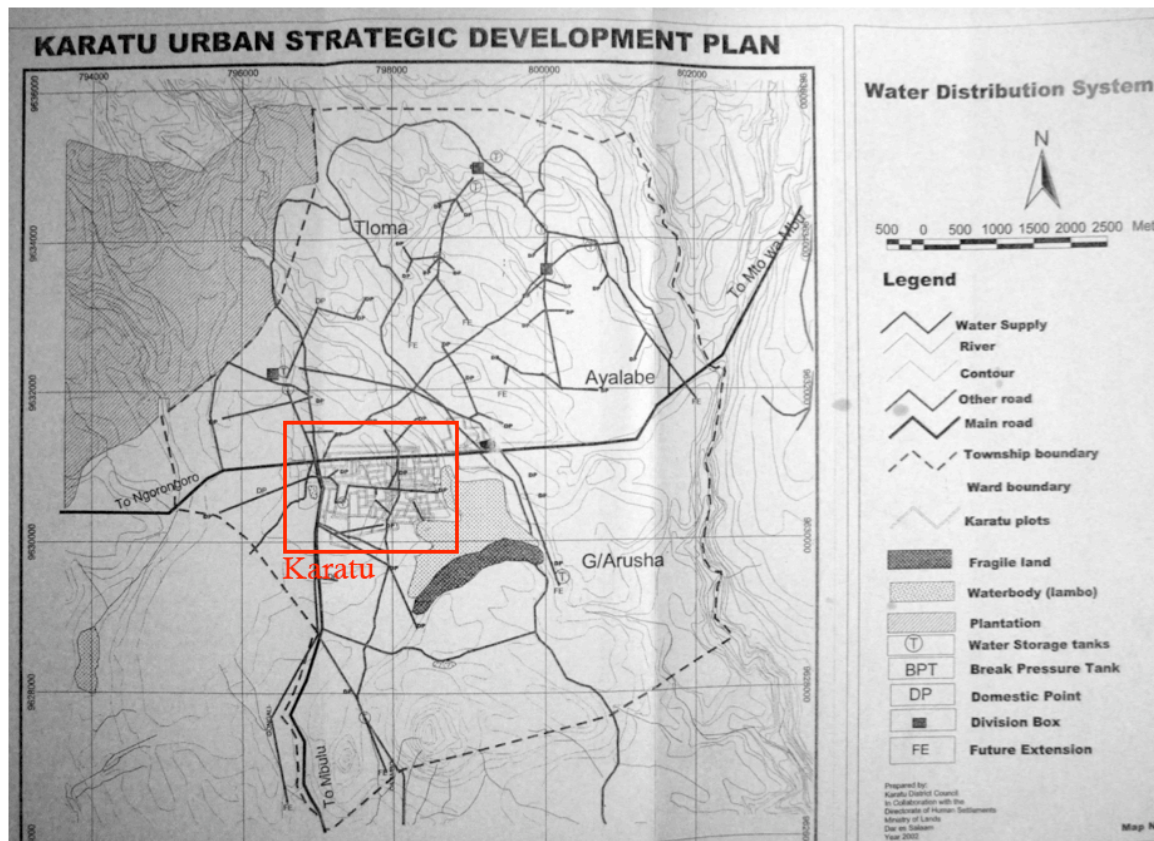


Figure 26: The water distribution system in Karatu and vicinity

Source: Karatu District Council 2002: Map No.1

On Figure 27 it can be seen that all water comes from three sources located in the forested highlands in the North of Karatu. Karatu and four of the five supplied villages are marked in the map.

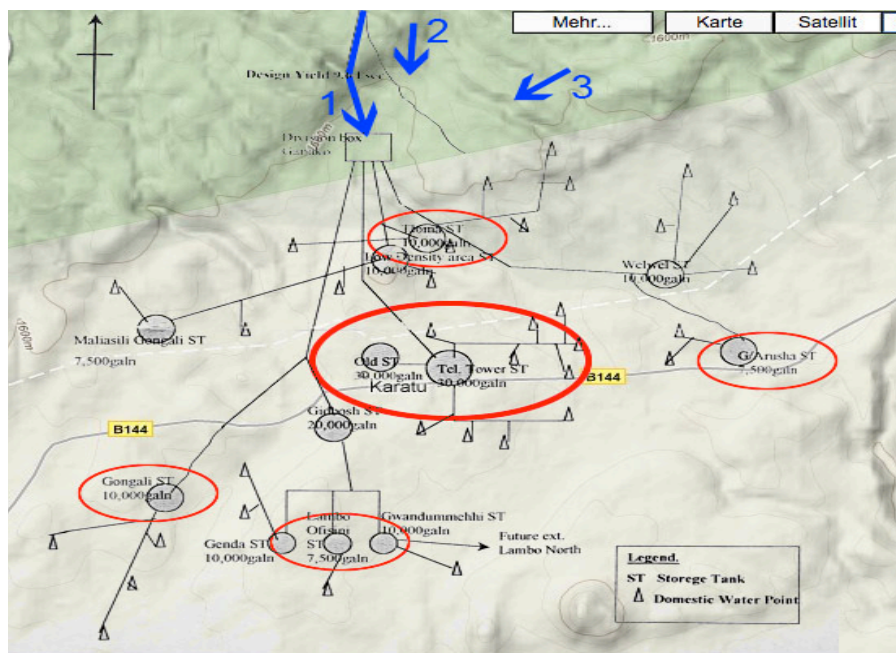


Figure 27: Karatu water sources and supplied villages

Source: adapted from Kaviwasu Bureau Karatu 2009

7.3 The water supply system in Karatu

As already mentioned, in Karatu town and the five surrounding villages the Kaviwasu Company is responsible for the water supply of the people there. The organisation was founded in 1999 out of a few former Water Users Groups (WUGs), which is why it likes to call itself a grass-roots organisation. After registration at the Ministry of Justice as “registered board of trustees”, the Company started to operate in 2001. Kaviwasu is company independent of the Government, but licensed by the Central Government to supply water to 6 villages. For these villages, Kaviwasu is the only responsible organisation for water supply and does not have to report about their work to any Local or Central Government. According to the Company, as a grass-roots organisation founded by the people, they are not interested in making a profit for themselves, but invest almost all their revenue for maintenance and new inventions.

7.3.1 Organisation and responsibilities

The company has four operational levels with each having different responsibilities, described in Table 11.

Level	Organisation	Responsibilities
Domestic Water Point (each)	Water Users Groups	Demand Assessment Control of DWP Water Fee Collection
Village(each)	Village Water Committee	Control of all DWPs of the village and the supply system.
Supply Area	Main Office Karatu	Construction of new facilities Maintenance
Supply Area	Water Board	Project Decisions Construction of new facilities Maintenance

Table 11: Structure of organisation and responsibilities at operational level

Water Board

The Water Board of Kaviwasu has eight members. The population of each of the six villages supplied with water elect one member directly to the board. The two remaining seats are filled by the Karatu District Executive Director and the Development Co-ordinator of the Diocese of Mbulu. In February 2009, two women were working on the highest hierarchical level.¹⁹⁸ The Water Board is responsible for all project decisions, investments and planning the future for the whole supply area. The Water Board usually meets four times a year.¹⁹⁹

Main Office Karatu

Currently, the company has ten employees, some of whom are engineers, working in the office in Karatu, where all the daily management and organisational activities are carried out. The engineers employed there are responsible for the construction and maintenance of District Water Points, the tapping of springs, the water pipes and other parts of the infrastructure.

Village Water Committee

The members of the six village water committees are elected directly by the village population. At the village level, these committees monitor all existent District Water Points as well as the pipeline system.

Water Users Groups

For each DWP, there is one small WUG, whose members are chosen by the households in the vicinity. Each WUG chooses one or more persons to work directly at the DWP. They are responsible for collecting the fees that are sent to the Main Office about once a week. As they usually are the first to witness technical problems at the DWP, they also inform the Kaviwasu Bureau in Karatu about them. A further assignment of the WUGs is the assessment of demand. They inform the Village Water Committees about areas lacking an adequate coverage of DWPs. The elected members of the Water Board carry this information from the village to the Water Board for discussion.²⁰⁰

¹⁹⁸ Hilgers 2000:11

¹⁹⁹ Hilgers 2000:11

²⁰⁰ Kimaro 2009:Interview

7.3.2 The budget and price for water

The company earns almost 100 % of its budget out of the fees collected at the DWPs. There is no Government support, and usually funds are received only for concrete investments. For example, the borehole was partly financed by Miserio, a German NGO, and SNV, a Dutch NGO.

The company provides two possibilities to get water, directly at a DWP or by having a private connection. The price of the water depends on the way the water is received.

In February 2009, the price for water collected directly at a DWP was 0.03 €/20 l.²⁰¹ With a private connection, the double price, 0.06 €/20 l, was charged. For comparison, the current water price in Vienna is 1.3 €/m³ or 0.03 €/20 l.²⁰² This means, that the price for water in Karatu and Vienna is about the same, whereas the GDP per capita 2008 in Tanzania was about 30 times lower than that of Austria.²⁰³

7.4 The sanitation system in Karatu

At the ministry level, there is no law concerning the supply of the population with sanitation facilities. Optionally, village councils can implement by-laws concerning sanitation. Consequently, some villages and cities do have by-laws while others do not have any laws at all regarding sanitation. In Karatu, there are no by-laws, and neither the local government nor Kaviwasu has any responsibility to supply the population with sanitation facilities. There is no sewerage, and because of the high costs of such a system, it will not be constructed within the near future.²⁰⁴ Consequently, the only responsible institution caring about sanitation is that of the village council, and then only when the inhabitants themselves have decided that there is a need for sewerage. The most common private sanitation facilities in the area are pit latrines, which are constructed usually in the gardens next to the houses. In Karatu town, about 90 % of the residents have access to a private pit latrine, compared with 80 % of the population in the rural area.²⁰⁵ Fortunately, because of the local geology, the groundwater table is 100 to 200 metres deep, and so the groundwater is not contaminated by the wastewater or the faeces collected in the pit latrines.²⁰⁶

²⁰¹ <http://www.oanda.com/convert/classic>, Rate from 20.02.2009

²⁰² <http://www.wien.gv.at/amtshelfer/finanzielles/abgaben/wassergebuehr.html>

²⁰³ <https://www.cia.gov/library/publications/the-world-factbook/geos/au.html>

²⁰⁴ Karatu District Council:3

²⁰⁵ Central Census Office 2004:96

²⁰⁶ Kimaro 2009:Interview

7.5 Customer's perception of the water and sanitation system

The general opinion of the consumers, with regard to the water supply and sanitation system, was revealed in interviews that were given on the spot at five water points in different locations. All the interviewees were in agreement that big improvements have been made in the water supply sector in the past ten years. Today, there are not only many more District Water points than in the past, also the reliability of the supply has improved. Nevertheless, some problems still remain. In the villages south of Karatu, the number of DWPs in relation to the number of persons to be supplied is much less than in the rest of the area, and so, for most households, it takes more time to fetch water than on the average. During the dry season, from June to October, it is very likely that the southern villages (e.g. Gongali) will have a shortage of water, because they are situated at the far end of the water pipelines. When there is water shortage, many of the southern DWPs have water for only a few hours a day. If one DWP is out of water, people not only have to walk much further, but also the waiting time at the next DWP will be longer. Besides the inadequate quantity of available water and the unequal allocation of water points, the third remaining major problem is the poor quality of the water. This problem will not be solved unless the surface water sources are cut off from the water mains so that the only water source used for the area will be groundwater. Currently a second borehole is in the planning stage, but even then, this will still not provide enough water to be able to abandon the two rivers. Most of the persons interviewed knew about Kaviwasu and its responsibility, and seemed to be content with the work of the company. There are seldom technical problems, and when there is one, the repair is usually carried out fairly quickly. Although there are many more DWPs than 10 years ago, the construction of new ones should be a priority for the future. All the interviewees said they have a pit latrine next to their house and described the sanitation situation as sufficient.

7.6 Findings of the case study

Because of the fact, that Kaviwasu was founded in 1999, three years before the new Nation Water Policy was published, it is hard to define the causes for the current, decentralised type of organisation of the water supply sector in Karatu. Another reason that makes it hard to describe whether the water policy is the major cause for the present situation, is that only very few interviewed people in responsible positions, at Kaviwasu as well as the District Council, were well informed about the policy. Moreover, none of the interviewed customers had ever heard about this paper, published seven years ago. Nevertheless, this type of organisation is in accordance with the current water policy. Besides of the organisation, the cost recovery goal of the Water Policy was

achieved. Regarding the policy's goal of participation of the community, the picture is different. On the one hand, the population is directly involved into the practical work, e.g. fee collection at the DWP or the information about technical problems. Also, in theory, Water Users Groups and the Village Water Committees are involved into the demand assessment for new DWPs. On the other hand, regarding the distribution of the DWPs, it is hard to believe that all communities were integrated in this process equally. Whereas Karatu town and the northern villages, which are closer to the sources, usually are supplied well over the whole year, the people living at the end of the water pipes usually face lack of water for many months of each year. But also during the rainy season, when the amount of water is sufficient, the walking distances to the next Water Point tend to be much longer in the southern villages than in the well-covered areas. Because of the unequal allocation of sufficient water supply in the region, the author cannot agree with the Karatu District Council, saying that "by the year 2000 the problem of inadequate water supply was considerably solved or reduced".²⁰⁷ Although the situation improved a lot in the last decade, the fact that Kaviwasu is a private company that does not have to legitimate their actions to any institution seemed to have brought some negative effects. As already mentioned, coverage is not achieved in the southern villages where longer and consequently more expensive pipes would be necessary for construction. But without being forced to reach 100 % coverage and the fact that DWPs in Karatu town are cheaper to construct and bring higher revenues, there does not seem to be a focus on that goal. Also, no one has an overlook about the exact revenues and the expenditures of the company, so it is hard to prove if really almost all money is used for maintenance and only little money left for the construction of new DWPs. One of the most crucial points of criticism comes from a Canadian NGO called CPAR working in Karatu, saying that even during dry season, when there is limited water at many DWPs, tourist lodges connected to the public water pipes always are able to fill their swimming pools.²⁰⁸

As a result, on the one side it can be stated that the situation of water supply improved since the private company Kaviwasu took over the responsibility. On the other side, it is evident that specific pro-poor approaches and goals as area-wide provision of water have to be defined in contracts between the company and the Local Government. Also, regulation and consequent monitoring would be needed to achieve a better outcome for the whole population of the area and not just parts of it.

²⁰⁷ Karatu District Council 2002:1

²⁰⁸ Goerzen 2009:Interview

8 Conclusion

At the beginning of this thesis it was shown that unsecure access to water doubtless enhances poverty of people and even may retain a whole country's economy. The reasons for this relationship are based on a broad number of factors, such as food security, health, education or income. It also was shown that the people suffering the most of water scarcity are people already living on the edge, facing problems to meet basic needs every day. It is especially the poor whose income depends mainly on agriculture and who have to rely on rainfall without having access to water for irrigation. Because Africa being the continent which will suffer the most under global warming,²⁰⁹ the relationship between water and food will become even more severe in the foreseeable future.

Because of all these factors how water is affecting poverty, the Governments of Tanzania, Kenya and Uganda included the Water Sector Reforms into their particular Poverty Reduction Strategies. The implementation of comprehensive Poverty Reduction Strategies is the first of four reasons for the implementation of the new Water Policies. The second one is simply based on the little quality of water supply and sanitation in the last decades. When the MDGs were introduced in 2000, which is the third reason for the reforms, all three countries were far from reaching their goals defined in the years or decades before, so they had to change their policies to meet the goal of halving the number of people without sustainable access to safe drinking water by 2015. Finally, the last reason is the pressure of donor agencies, mainly World Bank and IMF, which made debt reliefs dependent on structural reforms under the HIPC initiative. The PRSPs envisaged achieving higher efficiency of the state as well as the abatement of Governments financial burden, which, amongst other strategies, should be achieved by Decentralisation and Private Sector Participation. Consequently, the water sector had to follow these approaches and needed to be changed.

The role of World Bank and IMF in the WSRs is leading directly to the third part of the thesis, which was to describe the influence of different stakeholders in the formulation of the WSRs. Although more field research would be needed to get a clear and detailed answer on this process, it can be stated that there were not many stakeholders that were able to influence the policies. The Ministries of Water in the three countries all claim to have included Civil Society into the process, but papers published from NGOs and other organisations in the three countries draw a different picture, mostly arguing that participation was kept at a minimum level. In the end, the policies were worked out by the MoWs under support of Donor Agencies, which again were mainly the World Bank and the IMF.

²⁰⁹ <http://www.sciencedaily.com/releases/2006/11/061126115458.htm>

The strong influence of these two institutions on the reforms is probably the reason, why almost no differences could be found between the three Water Policies. The only aspect where they differ from each other are the targets the Governments set up and the standards of how to measure them.

The question, if Decentralisation and Private Sector Participation are adequate tools to reach the goals in the water sector cannot be answered with yes or no. What can be said is that there are no guarantees for success just because of the introduction of these strategies. As described above, experiences from other countries led to a wide range of possible outcomes, some showing positive, but many others showing negative results. But even many of the positive examples could not address one crucial target of the reforms, which is to improve the water supply and sanitation especially for the poor. If privatising the organisation and maintenance of water supply in any specific region, two determining factors of special importance are the need of strict contracts, including pro-poor commitments, and regular monitoring of any governmental institution. Especially in development countries the latter requirement often is difficult to be carried out with sufficient quality, as weak economies also result in little capacity of governmental institutions, particularly of Local Governments. Overall, if not implemented well and with caution, Decentralisation and PSP contain a lot of risks, which easily can lead to the failure of the Water Sector Reforms.

Regarding the case study, some of the outcomes fit into the theory in favour of PSP, while others are in accordance with some of the negative examples of privatisation experiences in the water sector. Comparing the situation of water supply and sanitation in Karatu ten years ago and today, it is undeniable that the situation improved a lot. This improvement can be seen as an argument for the theory, saying that PSP leads to higher allocative and productive efficiency. Also, as no governmental institution is involved in the water supply of this area, the privatisation helped to improve the public sector's financial position. Nevertheless, lack of control resulted in negative aspects, amongst them lack of transparency regarding revenues and expenditures and unequal allocation of DWPs and secure water supply.

Finally, the implementation of the new Water Policies is a long process started just a few years ago, so it will take more time to see the first outcomes. During this time, Governments should constantly monitor the process of the reforms and be willing to react to any unwanted developments in the water sector before being faced with the same failures already seen in the past.

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Appendices

Appendix A: List of interviewees

Appendix B: Questions for customer interviews

Appendix C: Lebenslauf

Appendix A: List of interviewees

Name	Profession	Location	Date
Lerise, Fred	GTZ – Support to the WSR in Tanzania. Coordination and Advisor – Capacity Development	Dar-esSalaam	02.02.2009
Lugomela, George	NDSS Spezialist - Tanzania, MoW		
Kimaro, Geoffrey	Chief Technician of Kaviwasu	Karatu	10./11./17.08.2009
Goerzen, Jean	Country Director of CPAR – Canadian Physicians for Aid & Relief (Tanzania)	Karatu	19.02.2009
Deemay, Safari	District Water Engineer, District Council Karatu	Karatu	19.02.2009
Number of interviewed customers (C)		Location	
C – 1		DWP 1, Karatu	22.02.2009
C – 2		DWP 2, Karatu	22.02.2009
C – 3		DWP 2, Karatu	22.02.2009
C – 4		DWP 2, Karatu	22.02.2009
C – 5		DWP 2, Karatu	22.02.2009
C – 6		DWP 2, Karatu	22.02.2009
C – 7		DWP 3, Karatu	22.02.2009
C – 8		DWP 3, Karatu	22.02.2009
C – 9		DWP 3, Karatu	22.02.2009
C – 10		DWP 3, Karatu	22.02.2009
C – 11		DWP 3, Karatu	22.02.2009
C – 12		DWP 4, Karatu	22.02.2009
C – 13		DWP 4, Karatu	22.02.2009
C – 14		DWP 4, Karatu	22.02.2009
C – 15		DWP 5, Gongali	23.02.2009
C – 16		DWP 5, Gongali	23.02.2009
C – 17		DWP 5, Gongali	23.02.2009
C – 18		DWP 5, Gongali	23.02.2009
C – 19		DWP 5, Gongali	23.02.2009

C – 20		DWP 5, Gongali	23.02.2009
C – 21		DWP 6, Gongali	23.02.2009
C – 22		DWP 6, Gongali	23.02.2009
C – 23		DWP 6, Gongali	23.02.2009
C – 24		DWP 6, Gongali	23.02.2009
C – 25		DWP 6, Gongali	23.02.2009
C – 26		DWP 6, Gongali	23.02.2009
C – 27		DWP 6, Gongali	23.02.2009
C – 28		DWP 6, Gongali	23.02.2009

Appendix B: Questions for customer interviews

1. Since when do you get the water from this DWP?
2. Where did you get the water before?
3. Who constructed this DWP?
4. Who is monitoring this DWP?
5. Are there sometimes any problems with this DWP? -> How many weeks or months of the year is there a lack of water at this DWP?
6. What happens if there are technical problems at the DWP?
7. Who is responsible for the construction of sanitation facilities?
8. Do you have a private sanitation facility?
9. Who is responsible for the water supply in this area? -> What is Kaviwasu?
10. Who do you contact if you need any help or support regarding your water supply?
11. Regarding water supply, what do you expect from
 - a. The Local Government
 - b. The Central Government
 - c. Kaviwasu (if known)
 - d. Others
12. Have you recognized any changes or improvements in the water supply system in the last 5 - 10 years?
13. Elders: How was the water sector organised in the past (about 15 years ago)? How is it organised today compared with the past?
14. Have you heard about the National Water Policy 2002?

Appendix C: Lebenslauf

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