SHIFTS IN INTERNATIONAL DEVELOPMENT POLICY AND SOCIAL EXCLUSION: EXPERIENCE FROM THE WATER SECTOR IN UGANDA

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List of Acronyms

GNP	Gross National Product
PSP	Private Sector Participation
UNDP	United Nations Development Programme
WSS	Water Supply and Sanitation
IFI	International Financial Institutions
WHO	World Health Organisation
IDS	Institute of Development Studies
WUA	Water User Associations
WC	Water Committees
IRDP	Integrated Rural Development Projects
PPP	Public-Private Partnerships
BOT	Build Operate and Transfer
BOO	Build Operate and Own
O&M	Operation and Maintenance
FC	Financial Co-operation
SWAP	Sector Wide approaches
RUWASA	Rural Water and Sanitation Programme
NWSC	National Water and sewerage corporation
PEA	Project Executing Agency
GoU	Government of Uganda
KfW	Kreditanstal fuer Wiederaufbau
GTZ	Deutsche Geselleschaft fuer Technische
DANIDA	Danish Agency for International Development
ODA	Official Development Assistance
SIDA	Swedish Development Agency
NGO	Non Governmental Organisation
PO	Private Operator
USAID	United States Agency for International Development
U Shs	Uganda Shilling

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ABSTRACT

A number of theories and strategies have been advanced as the best approach to development. For example, development was for a long time interpreted as economic growth, meaning increases in per capita incomes or Gross National Product (GNP) with or without equity considerations. After many international development efforts failing to have serious impact on poverty, emphasis was put on human development and sustainable development. International development policy has tended to shift, sometimes frequently, along with the concepts on development. While it is commendable to have policy changes especially after learning from past mistakes, some shifts in development policy are largely experimental and can lead to undesirable outcomes. Such shifts may at times lead to failure to meet original development objectives, resulting in exclusion of sections of society from benefits of international development efforts towards poverty reduction.

A typical example of a project, which suffered effects of shifts in international development policy, was a water project in Uganda, conceived on the basis of a community-based approach and implemented in multi-donor supported sector. The intended beneficiaries were meant to participate in the project, be sensitised about the advantages of using improved water supplies and be connected to the public water system free of charge. Thus costs to this effect were planned for and built in the project investment costs. During the planning stage, ideas emphasising private sector participation (PSP) were brought in and it was decided that this project be used as a pilot project of PSP approach under which the community would be encouraged to manage the water network. This would give results to be used in the water sector reform, which was being planned by the Government of Uganda. The sector reform emphasised improved delivery of services with cost-recovery. The requirements for achieving cost-recovery and increased PSP conflicted with original objectives of attracting the community to use improved water supply by first and foremost making it affordable for everyone to get connected to the system. Consequently it was decided that every household pays an equivalent of about $200, which, according to earlier assessment, many people could not afford. Eventually a large section of the community did not benefit from the project as earlier envisaged, partly as a result of shifts in development policy.

1.0 INTRODUCTION

International development policy has been changing with changing times partly due to shifts in the interpretation and understanding of "development" as well as the changes in the nature of problems of the poor people of the world. For example, development was for a long time interpreted as economic growth, meaning increases in per capita incomes or Gross National Product (GNP) with or without equity considerations. After many international development efforts failing to have serious impact on poverty, emphasis was put on sustainable human development (Todaro, 1994; UNDP: 1995; Martinussen, 1996).

Poverty has for a long time been at the centre of development policy debates albeit with varying emphasis and approaches along the way. Originally the principal focus was on the level of income, later attention was put on deprivation, basic needs like health and education, non-income aspects of welfare like participation and empowerment, vulnerability, capabilities, concepts of sustainable livelihood, gender considerations, and rights (Sen, 1983; UNDP: 1995; Pieterse, 2000; Chambers, 1997). Along the way there have been definitions of the international poverty line, national poverty lines, absolute poverty, and more recently chronic poverty. Various strategies to address these defined extents of poverty have been proposed.

Today poverty is a key issue and indeed a buzzword in international development policy, and also a main focus of governments both in the North and South. This is clearly demonstrated in national budgets, policy statements, international commitments, and the millennium development goals. The declared intentions notwithstanding, it is likely that the usual shifts in international development policy will continue. While it is commendable to have policy changes especially after learning from past mistakes, some shifts in development policy are largely experimental and can lead to undesirable outcomes. Such shifts may at times lead to failure to meet original development objectives, resulting in exclusion of sections of society from benefits of international development efforts towards poverty reduction. How the chronically poor will benefit or lose amidst the policy shifts should be of concern to everyone involved in the development field.

Lack of safe water supply and sanitation is one of the common characteristics of people in chronic poverty. National policies and policy actions to address Water Supply and Sanitation (WSS) needs have also been changing almost in tandem with shifts in the understanding of development and the resultant international poverty-eradicating policies. With the shift from considering poverty as only related to low-income levels, WSS is one of those sectors that have gained prominence in the fight against poverty. Recognising that about 1.3 billion people today lacking access to adequate clean water and almost 3 billion people without adequate means of waste disposal, the international community continues to make frantic efforts to address the problem. Some of the major approaches emphasised by international development include community management and community participation, Water user associations, sole government control, private sector participation, public private partnerships, total privatisation of water supplies, and sector wide approaches.

This paper is about WSS as an important component of the requirements for a sustainable livelihood, and conceptualises the linkages between WSS and chronic

poverty. The paper argues that inability of international development to conclusively solve the problems being faced by the poor is partly due to the frequently shifting policies and strategies. Apart from the shifts, many of the policies are not necessarily applicable to local situations. The failure to meet WSS needs contributes to the persistent chronic poverty. The paper does not go into the details of measurement and distinguishing features among the various categories of poverty, but looks at shifts in policy and policy actions in WSS as an example of how individuals in chronic poverty can be "left out" in spite of interventions. A field experience from Uganda WSS sector is narrated as an example of a project affected by shifts in development policy.

The paper is divided into five sections: section one is introduction, section two is about the concepts of chronic poverty, deprivation, basic needs, all in the context of livelihood and WSS as an important building block in overcoming chronic poverty. Section three is about major shifts in policies with specific reference to the development and management of water supply and sanitation systems. Section four is a specific field experience of a project in Uganda WSS where the author was the Project Manager, while section five is a comment on how the poor have been faring amidst these policy shifts. Finally, section six gives some conclusions and recommendations.

2.0 POLICY SHIFTS

Development Context- a Dynamic and Crowded Field

The development field can be said to be dynamic and crowded. Apart from the often-changing policies, the policy environment is characterised by a large number of diverse players, influences, and pressures- political and others. It is comprised of local and international institutions, governments, International Financial Institutions (IFIs), UN agencies, Non governmental Organisations (NGOs), as well as social movements. Development theories, strategies, and policies are also to a big extent shaped by the paradigms that are available in the intellectual market at the time (Pieterse, 2000). Thus academics in various research centres around the world also contribute to the development debates and formulation of policies. All these are located in different parts around the globe and are busy trying to promote varying policies and interests in the name of development. The overall result is that of conflicting policies and at times competing strategies.

Whatever explanations and justifications that may be given for the policy shifts, a bitter fact is that poverty continues to burden a huge number of people. At policy implementation level, shifts lead not only to ineffective actions, but also to confusion amongst development practitioners.

Writing about these ever changing policies, Chambers (1997) sums it up when he states that

> "*Many of the hopes of earlier decades have faded and many beliefs have been challenged and changed. The visions of 1950s and 1960s for a better world with full employment, decent incomes, universal primary education, health for all, safe water supplies, a demographic transition to stable populations, and fair terms of trade between rich and poor countries, have in no case been realised".*

On a more positive note however, Chambers talks about an emerging consensus of putting people first, and a corresponding shift in priorities and thinking that has taken place i.e. from things and infrastructure to people, with development now focussing on well-being, livelihood, capability, equity and sustainability (ibid.).

Some Policy shifts Relating to WSS

There have been a number of international declarations and efforts to have coherent international policies on the management and development of water supply and sanitation services in order to assist the underprivileged members of society. One notable move was the designation of 1981-1990 as the International Drinking Water Supply and Sanitation Decade, by the General Assembly of the UN. This saw increased international co-operation and enhanced investments in WSS**.** Subsequent international fora have called for a holistic approach, linking social and economic development, emphasising the role of women and recognising water as an economic good. Further attempts have been made to have coherent policies on demand management, pricing mechanisms, and regulatory measures. In spite of this apparent consensus, the policy arena has been rapidly changing and continues to change. New recommendations on solutions continue to emerge. Some key policies relating to WSS strongly advocated for by international development are outline below. Note that this list is just indicative of the shifting tendencies but not an exhaustive account of the sequential evolution or all the policies.

Community management

The concept of community management arose mainly from the recognition of the need to have beneficiary communities participate in the planning, implementation and management of development interventions that affect the people themselves (Narayan, 1995; Lazarev, 1994; White, 1999; ODI, 1998). Some of the various approaches, which emerged, included formation of Water User Associations (WUAs) and Water Committee (WCs). These approaches are suitable for many situations and many poor people have benefited especially using low cost technologies. Through this approach, it has been possible for many communities to construct and maintain their own facilities. However, the approach is at times not applicable, especially with large-scale projects. Also the approach is not applicable for some types of financing where well established and professionally operated business entities are preferred in contracting. Community- based maintenance and management system has been practiced with some success in Uganda, under the Rural Water and Sanitation Programme, with support by the Danish Agency for International Development (DANIDA).

Integrated development

Some WSS schemes were implemented as part of integrated development programmes. The programmes originated from the idea of integrated rural development initiated by the World Bank during the 1970s when rural poverty and rural development became priorities for World Bank lending. Around that time, rural development and smallholder farming were judged to have had many related aspects. In that regard, a strategy was developed to tackle the perceived common problems simultaneously. Thus geographical areas would be identified for Integrated Rural Development Projects (IRDPs). Projects that combined simultaneous and coordinated actions, often by different organisations and departments, but with an on-site project management, would be undertaken. Some success was recorded, but as WB later

evaluated, the overall outcome for those projects was a large portion of failures, especially in Sub-Saharan Africa. Failures were attributed mainly to institutional and managerial problems, lack of viable technical packages, supply-driven lending, over-ambitious targets, and expedited large-scale action without pilot projects (Chambers, 1997).

Demand-driven approach

This arose from the apparent disadvantages of the supply-driven approach as mentioned in the case of the IRDPs, which was partly influenced by both the basic needs and participation concepts. The demand- driven approach refers to a development strategy where the people themselves are expected to take the initiative and responsibility for improving their water supply situation rather than being passive recipients of the government services. In this approach, support is given only to activities, which are genuinely required and requested by the beneficiaries. The beneficiaries should be willing and prepared to take over responsibilities for managing the projects and paying for construction, operations and maintenance costs. This implies that the beneficiaries are to be the controllers of their development process and the Programme and the government are facilitators (Pickford, 1995).

Sector-wide approaches

Sector-wide approaches to planning (SWAP) is a mechanism where a government and development partners agree on a strategy to achieve improvements in sector performance, increased resources flows, more effective use of resources through programmes other than stand alone projects. Its is a highly consultative process to ensure that all stakeholders fully participate in the development of the approach. There are some generic features in the development of SWAP and these mainly include:

- ?? The development of a sectoral investment plan: Such plans are developed using consultative processes to set outcomes and outputs desired in the sector, and the investments required to achieve the outputs. Outcomes, roles and responsibilities of different actors in the process are clearly defined.
- ?? The development of modalities for funding: the basic principle of SWAPs is that funding is provided through government budget.
- ?? Periodic reviews: stakeholders are brought together to review the progress of implementation and to correct and/or improve the implementation of programmes if found necessary.

SWAPs call for government/donors to promote, *inter-alia*, uniform disbursement rules and procedures, uniform and stronger accountability systems, common indicators, joint appraisals and reviews.

Discussions at various fora indicates some difficulties in getting consensus among different agencies on adopting uniform rules and procedures. For example at a Joint GoU/Donor Review for the Water and sanitation Sector held in Kampala between 24-26th September 2002, apparent disagreements emerged regarding procedures.

Private Sector Participation and Public –Private Partnerships

Effects of globalisation and the realisation that the state functions better when it concentrates only on a few key tasks have contributed to the growing involvement of

the private sector in the development process. This has led to some new models of development co-operation. In water supply and sanitation sector, partnerships between the private sector and the public sector have emerged as a promising way to improving the performance of public water utilities, expand service coverage and raise the quality of service, improve operating efficiency, provide alternative mechanisms for infrastructure investment, and reduce the burden on public budgets.

One of these models is Public–Private Partnerships (PPP), the cooperation between public and private institutions. In this model the state transfers an existing or planned infrastructure to a private partner who then builds or modernizes and operates it. International finance supports and accompanies the withdrawal of the state from the functions that can be performed by private firms more efficiently. The main feature of PPP is that the private partner participates in the risk of operation or assumes it entirely. Besides, there are opportunities for income and profit which offer sufficient incentive for the private firm to provide the services as long as and as efficiently as possible. PPP solutions also allow the state to continue to put forward its interests directly through its own participation as co-owner or regulator (KfW: 1998).

The focus on the organization of procedures and the realistic assessment of the demand backed by purchasing power are crucial to the design of projects. PPP can be set up under different contractual and ownership arrangements. These include management contracts, leasing and operator schemes like Build Operate and Transfer (BOT), Build Operate and Own (BOO), and direct investments (ibid; Elvera, 1996).

Sector Reforms

The main argument for the reforms is the need to increase WSS services by reducing or removing the burden of providing services from governments. At the commencement of the reform studies in Uganda, the primary goal of the water sector reform was agreed upon as provision of appropriate sanitation and increased use of water that is safe for consumption in order to improve the public heath of the community. It was also noted that such improvements needed to be brought about in a cost effective, efficient, equitable and sustainable manner. In order to achieve these goals, there is need to improve planning, and to have increased coverage of sustainable and affordable WSS services.

To provide a sustainable and affordable water supply and sanitation service to all segments of the population requires reforms in the design of projects to better match demand of the communities, and fundamental reforms in the operation and management of infrastructure. An appropriate and conducive framework for improving the quality of service at the same time needs to be created. Reducing costs at the same time changing the role of Government to that of a policy maker, facilitator and regulator is not simple because governments tend to keep intervening in WSS sector which is considered politically and socially sensitive.

Among other things, these reforms call for increased private sector involvement. This is a new approach with successes in some countries like Senegal and Cote de Voire but also with failures in others. There is no guarantee that the poor will greatly benefit in these changes. There is also the danger of the poor continuing to suffer and chronic poverty remaining intact if the private sector, in search of profits, does not invest in the poor community areas.

3.0 WATER SUPPLY AND SANITATION, AND CHRONIC POVERTY

One of the most important sectors in the development process is provision of portable water supplies, sanitation and hygiene education to urban, peri-urban, and rural communities. Since WSS are considered as basic building blocks in the development process, influencing economic development, employment, agriculture, health, and many other sectors, international focus has been on improving WSS. Accordingly the international community has made substantial investments in the water supply and sanitation sector over the years.

Water supply and sanitation are closely linked to poverty but in a complex relationship. Poverty has many faces, interpretations possibly as many as the people experiencing it. To conceptualise the linkage we may use the livelihoods approach to looking at development. However a common aspect is that of deprivation (Narayan and Patesch, 2002).

Chronic Poverty and Deprivation

Poverty may be viewed as deprivation in terms of a range of capabilities. That is in addition to income, we may consider education, health, human and civil rights, which are themselves significant in their own right and in terms of their own contribution to economic growth and income enhancement. Chronic poverty may be viewed as occurring when an individual experiences significant capability deprivations for prolonged periods, which some researchers think should be about five years or more (Chambers, 1996). An analogy can be made with the assessment of a health condition by medical professionals to be chronic. In this context a condition is said to be chronic after it has been subjected to proven treatment, but the condition has persisted. Borrowing this medical concept urges “proven policy” to be given chance for a definite period and not to encourage shifts. On the other hand “under dose” treatments are also known to contribute to making medical conditions chronic. Furthermore, a combination of therapies can also be helpful in medical practice but abandoning a given therapy (policy) prematurely can just act to reinforce the chronic condition.

The chronically poor people lack for prolonged periods, what is needed for well-being. This deprivation has dimensions, which are physical, social, economic, political, and psychological/spiritual. It includes forms of disadvantage such as social inferiority, physical weakness, isolation, poverty, vulnerability, powerlessness and humiliation (ibid.).

Sustainable livelihoods

The linkage of inadequate safe WSS with chronic poverty can be analysed using the livelihoods approach as a way of thinking about the objectives, scope and priorities for development. Livelihood comprises the capabilities, assets - including both material and social resources and activities required for a means of living. A Livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resources base (Chambers, 1992).

Viewing people as operating in a context of vulnerability, the people have access to certain assets or poverty reducing factors, which gain their meaning and value through the prevailing social, institutional and organisational environment. This environment

also influences the livelihood strategies or ways of combining and using assets – that are open to people in pursuit of beneficial livelihood outcomes that meet their own livelihood objectives.

Five core asset categories or types of capital upon which livelihoods are built are identifiable i.e. Human capital (skills and knowledge), social capital (connectedness and social relations), financial capital, natural capital (e.g. forests, air quality) and physical capital (basic infrastructure). Increasing access, which can take the form of ownership or the right to use these assets, is important for poverty elimination. No single category of assets on its own is sufficient to yield all the many varied livelihood outcomes that people seek. This is particularly true for poor people whose access to a given category of assets tends to be very limited. As a result they have to seek ways of nurturing and combining what assets they do have in innovative ways to ensure survival.

Physical capital

Physical capital comprises of basic infrastructure needed to support livelihoods. In general, infrastructure consists of changes to the physical environment that help people to meet their basic need and to be more productive (ibid.). Adequate WSS is one of the major components of infrastructure, which are usually essential for sustainable livelihoods. Others being affordable transport, secure shelter and buildings, clean and affordable energy, and access to information.

Development of WSS must be led by demand from the intended users. Without a perceived need for the service it is unlikely that the required infrastructure maintenance will be carried out - meaning that the service is likely to become unsustainable.

WSS infrastructure is usually costly. It requires not only the initial capital but also an ongoing commitment of financial and human resources to meet the operation and maintenance costs of the service. The emphasis is therefore on providing a level of service that not only meets the immediate requirements of users but also is affordable in the long term. It is also important to provide simultaneous support to skill and capacity-development to ensure effective management by the local community. Infrastructure will only be an asset in as far as it facilitates improved service provision to enable the chronically poor to meet their needs.

Linkages: Water Supply and Sanitation, Poverty, and Chronic Poverty

A convenient supply and safe drinking water and sanitary disposal of human wastes have long been recognised as basic needs of society, helping to safeguard human health and make possible a more productive life. Water that is not safe for human consumption can spread diseases; water that is not conveniently located results in the loss of productive time and energy of the carrier; and inadequate facilities for excreta disposal reduce the potential benefits of a safe water supply by transmitting pathogens from infected to healthy persons (Kalbematten et al. 1980:1; Baum and Tolbert, 1985:305).

Apart from meeting personal requirements for drinking, cooling and washing, clean water is essential for commercial and industrial activities. Business premises like shops and offices need good water supply. Industrial concerns like textile mills,

abattoirs, and food processing and beverage industries cannot operate without clean water. Removal of wastewater from such premises is another important need, which is often not adequately addresses (Barnes et al, 1981; ibid.).

Consumption of unsafe drinking water and inappropriate sanitation are the major routes for the transmission of water borne and other diseases, which have a high social and economic impact, through the loss of life, cost of health services and the loss of economic production.

Inadequate water and sanitation services to the poor increase their living costs, lower their income earning potential, damage their well-being, and make life riskier. The continuing, nearly universal deterioration of the surface and underground water sources on which people survive means that water and sanitation pressures will simply become worse in the future.

Effects on Education

Children, and particularly girls are often required to help the mothers with the time-consuming task of fetching water. Fetching water has been found in many countries to reduce children's time for schooling or playing. Furthermore, children are vulnerable to waterborne diseases like diarrhoea and if they are ill their school attendance goes down. This may have an overall effect on school enrolment goals, consequently retarding improvement in human capital and tending to lock such a community in chronic poverty.

Gender and Social Exclusion

Vulnerable poor groups may be neglected when WSS services are established. Although women are the primary managers of household water, they are often not included in public decision-making processes concerning water and sanitation services. Geographically dispersed poor groups (often ethnic minorities) may be excluded in the process of setting up community water and sanitation services. Situations in which marginalized groups are excluded from wider community decision making activities will lead to continued use of unsafe water as well as limited access to existing or future services by these same groups.

The economic cost of water

Traditional poverty measures focus on income, but the rural and urban poor may face higher costs for water in addition to lower incomes. The lack of network water connections for the poor, typically leaves them buying from water vendors at high prices, waiting in long queues at or walking long distances to public sources, and incurring additional costs for storing and boiling water (Klugman, 2002).

The lack of convenient and affordable access to water reduces a poor household's consumption of other commodities and services, leaves it consuming less than the optimum amount of water for good hygiene, and impacts health and labour productivity of the household members. It may also reduce income-generating opportunities of the household; thereby further reducing income and consumption.

Threats to water sustainability arise in both quality and quantity dimensions, driven by pollution and competing demands from many sectors, including industry, agriculture, and energy. Environmental degradation reduces labour productivity by

contributing to the increased burden of diseases and by limiting income potentials, especially in aquaculture.

Nationally, dwindling availability of clean water per capita will increase the economic cost of water and, in a situation of scarcity, limit the potential for economic development. The poor have fewer resources; hence, they disproportionately suffer the consequences.

4.0 NAMASUBA WATER PROJECT

Background

Namasuba area is about eight kilometres from Kampala City (in Makindye sub county in Wakiso District), with an estimated population of 45,000 persons who are predominantly low-income. On average the area lies at an elevation of around 1270 metres above sea level, which is somewhat a disadvantage as far as water point sources like wells and springs are concerned because these naturally are at lower elevations. If there is no piped water supply in such an area, people have to go long distances to fetch water from wells. The area did not benefit from previous projects partly because it was outside the boundaries of the Kampala City Council (KCC) water supply area, which closely followed the KCC boundaries. Secondly, the suburb has never had any physical planning, so it was difficult to install infrastructure services - not only water but also roads, drainage, and telecommunication lines to serve the informal settlements. During preparation of earlier projects it was argued that such an area deserved a special project because of its informal settlement/slum characteristics.

Objectives of project

- ?? Improve health conditions through better water supply, excreta disposal, waste water management services
- ?? Alleviating poverty and improving the lot of women and children who spend a lot of their time fetching water which quite often is of poor quality
- ?? Reduce environmental degradation through better waste management

Project financing

The project was financed under the French-Ugandan Protocol signed in May 1995. The French government gave a grant of FF 10.5 million, which was committed to financing primarily foreign costs of the project. The Uganda side undertook to contribute 10% of the project budget mainly consisting of local costs. The Project Executing Agency (PEA) was the National Water and Sewerage Corporation (NWSC), a government parastatal responsible for WSS in large urban centres.

Project Description, Scope and implementation

The project was divided into two phases. Phase I comprised of a technical study, planning, and installation of physical infrastructure. Phase II was concerned with provision of technical assistance to enable initial operations and setting up of management structures, to carry out the operation, maintenance, and management of the network.

The water supply system was designed to benefit at least 5,130 households. The main components of the project were:

- ?? 0.8 km of large diameter main pipeline
- ?? A 70,000 litre water storage reservoir
- ?? 20 km of small diameter water distribution network
- ?? Supply of assorted materials for service extensions, metering, and new house connections

Project implementation was contracted to a French contractor, M/S Sogea, and the project commenced after one and half years of preparation in December 1996. After

installing the infrastructure, the contractor was meant to give technical assistance to support NWSC to establish Namasuba Water Operator who would operate and manage the system on behalf of NWSC. The local community would be involved in the management of the scheme through a water committee or water user association, which would be delegated to operate public water standpipes and kiosks. As described below management options changed due to policy shifts.

Consumer Survey

A consumer survey was carried out mainly to establish the level of service desired by the community, willingness-to-pay, and affordability. This was not an easy and straightforward exercise given the diverse nature of the community income disparities, the informal nature of settlements, lack of previous planning, and the prevalent poverty situation. Questionnaires were prepared and circulated to 3895 households each with 30 questions. Note that this was not an attempt to measure poverty levels. However, from the questions asked and observations recorded about what people own, level of service, and rent payable, the exercise serves to give a rough idea or indication on the proportion of people who cannot afford the service, which is largely influenced by their income levels and general living conditions.

Below are some of the key observations as responses from the community represented by a sample of 3895. Apart from the frequency and percentages the detailed statistical analysis is not given in this paper.

Question 11 – Where do you currently get most of your water from?

Water Source	**Frequency**	**Percent**
Non-response	44	1%
Rain Water	65	2%
Protected Spring/Well	1573	40%
Boreholes	11	0%
Neighbour	505	13%
Water Vendor	1242	32%
Water Tanker	393	10%
Tap	62	2%
Total Observations	**3895**	**100%**

Question 12 – How much do you currently pay for a 20-litre jerry can?

Price of 20 litre – U Shs	**Frequency**	**Percent**
Non-response	1570	40%
<25	12	0%
25-30	4	0%
31-50	1406	36%
50-100	903	23%
Total Observations	**3895**	**100%**

Question 13 – Are you willing to have a piped water supply?

Consumer willingness	**Frequency**	**Percent**
Non-response	58	1%
Yes	3335	86%
No	502	13%
Total Observations	**3895**	**100%**

Question 15 – If willing to have piped water supply, what level of service?

Service level	**Frequency**	**Percent**
Non-response	583	15%
House Connection	726	19%
Yard Tap	1856	48%
Closer Stand-Post	730	19%
Total Observations	**3895**	**100%**

Question 16 – How much would you accept to pay for House/yard tap connection?

Connection Cost U Shs.	**Frequency**	**Percent**
Non-response	1406	36%
<130,000	2173	56%
131,000 – 200,000	308	8%
201,000 – 250,000	7	0%
>250,000	1	0%
Total Observations	**3895**	**100%**

Question 17 – If landlord, how much are you willing to pay to have improvements in your water supply?

Landlord Improvement Cost	**Frequency**	**Percent**
Non-response	1711	44%
<50,000	1940	50%
51 – 100,000	209	5%
101 – 150,000	26	1%
>150,000	9	0%
Total Observations	**3895**	**100%**

Question 20 – How many people do you have in your household?

Household population	**Frequency**	**Percent**
Non-response	257	7%
Less than 5	1362	35%
From 5 to 9	1904	49%
From 13to 17	45	1%
From 17 to 21	10	0%
21 and more	2	0%
Total Observations	**3535**	**100%**

Question 29 – How much would you accept to pay for you monthly water bill?

BILL COST WILLING	Frequency	Percent
Non-response	1166	30%
<10,000	1787	46%
11,000 – 15,000	648	17%
16,000 – 20,000	165	4%
>20,000	129	3%
Total Observations	**3895**	**100%**

Some Comments on the Observations

Non-response this can only be a speculation that people were not interested in answering because it should be obvious for every one that the need for piped water is there. Significant portion of the dwellings (33%) were *mizigos* these are of semi communal nature and usually one roomed and in a group of up to 2-20 units with a room sometimes accommodating between 1-6 people. People in this kind of housing, share water and sanitation facilities.

Only 2% of the people had tap water, and 40% were getting their water from protected spring or well, whose quality was checked and found to be inadequate. Most people were paying very high prices for water. For example 36% said they were paying up to Shs 50 while 23% said were paying up to Shs 100 shillings which is 12 times the statutory price approved by government and actually payable by those connected to the public water supply. 86% were willing to get new service, 48% wished to have yard tap indicating their inability to have installations inside their houses or foreseen use for waterborne sanitation facilities in the near future. Most people (56%) said they would accept to pay less than Shs130, 000. Eventually they were asked to pay Shs 320,000. Landlords said they were willing to improve services at a cost of less than Shs 50,000. In most households (58%), there were over 5 people indicating need for large quantities of water per household. 46% of the people would be willing to pay less than 10,000 per month for water bills (note lowest bill on average was about Shs 15,000).

Special Consideration of the Poor

From inception, this project was meant to assist an area predominantly inhabited by low-income people. The community was meant to fully participate in the planning, design an implementation of the project, and finally take the management. However due to a number of policy shifts, this approach was dropped and an idea was developed that the community would be given mandate to manage water standpipes and kiosks for people who could not afford domestic water connections to their premises.

Another special consideration for the poor was that the people could not afford house connections, which at the time was Ushs 300,000 (equivalent to US $ 200 at that time). With the per capita income of Uganda estimated to be US $ 230 at that time, asking for the equivalent of US $ 200 for a water connection was clearly unreasonable. It is only those whose earnings were above average that could afford. In the planning of the project provision was made to waive the connection fees and all required materials were to be given free. The materials were ordered and delivered during the supply of other project inputs.

How the poor were left out/ marginalized

During early stages of project preparation, there were some consultations and involvement of the people. From inception, it was intended that since the project was meant to assist an area predominantly inhabited by low-income people, it would be beneficial for the community to fully participate in the planning, design an implementation of the project, and finally take on the management. This would not only enhance sustainability but also let the people earn some income. It later became clear that according to the Bilateral Protocol, construction had to be undertaken by a French company. Thus opportunity of community participation in the installation was lost. However, an idea was developed that after construction, the community be given mandate to manage water standpipes and kiosk for people who could not afford domestic water connections to their premises.

In yet another shift, plans for management by the community were dropped in favour of appointing a Private Operator (PO) who would undertake the running of the scheme on a pilot basis. This was in line with the general trend of involving the private sector in the delivery of services. Consequently an advert was placed in the newspapers and applications from potential operators received. However, around the same time, a national sector reform study was launched and half way through the tendering process for selecting a PO, the idea of piloting was also dropped in favour of waiting for results of the sector reform study. Finally it was decided that the scheme be operated along conventional approach of NWSC and charge the tariff applicable to other areas of the city until the implementation of the sector reforms. Accordingly the idea of free connection policy was dropped. All in all the poor were "left out" even on what was originally meant for them.

Some Reasons advanced for not giving free connection

Sustainability

From project inception, measures to ensure participation were to have the community form a water committee and arrange all management. Be involved in the formulation and entire project cycle management.

After establishing that the majority of the population could not afford the connection fees, it was arranged that connections to the supply would be free, and materials were provided for this purpose. However, counterarguments were that when you give connections free, it gives an attitude of free service such that the community becomes reluctant to pay for their consumption. This undermines the sustainability of the investments.

Cost-recovery

Original terms of the funding were that the grant was to be channeled to the PEA on same terms, as a grant, to the PEA as government capital contribution. However, later Government of Uganda (GoU) adopted anti-subsidy policy and changed the terms that now the funds had to be on-lent to NWSC at 10% interest rate. Faced with this situation, the PEA had now to change course and start charging even for new connections, which were meant to be free of charge.

Commercial orientation versus subsidies

Due to government policy of not susidising State-Owned Enterprises (SOEs) and due to the prevailing macro-economic policy, the PEA has adopted a commercial orientation of providing the WSS service in a business-like manner. An idea like providing free connections could not be in line with the obtaining policy.

5.0 HOW HAVE THE POOR BEEN FARING IN GENERAL?

Investments

In most of the investments, there has not significant deliberate efforts to target the poor. For example over the past twenty years there have been significant support to the water sector from development partners including World Bank, European Union, Austrian Government, German Government through the Kreditanstalt fuer Wiederaufbau (KfW) and the Deutsche Geselleschaft fuer Technische (GTZ), Swedish Development Agency (SIDA), Danish Agency for International development (DANIDA), and also through Non-governmental Organisation (NGOs). A close look at Official Development Assistance (ODA) to the urban water sector reveals that there has not been a specific project in Uganda targeting the urban poor (See Table 1.0). Out of an estimated US $ 230 million availed for development of WSS in the large urban centres covering a period of 20 years, only US $ 2.5 (or 1.1 %) is now going to target the poor. This project, now under preparation for the past two years already faces a lot of difficulties and questions regarding cost recovery, and ability of the poor communities to pay for user charges. Apart from the worry about whether the poor will be able to pay the bills, the other concern is how to technically handle infrastructure development in the informal settlements where there are "no roads". Thus the poor have tended to be "left out".

Table 1.0: Major Projects supported by International Development Co-operation 1985-2005

Item	Period	Project	Funding Agency	Amount (US $ million)
1	1985-1987	Seven Towns Water Supply and Sanitation	World Bank	28.0
2	1989-1992	Gaba II Water Project	European Union	20.0
3	1990-1995	Uganda Second Water Supply Project	World Bank	60.0
4	1994-2003	Small Towns Project	World Bank	28.0
5	1995-1998	Kampala Network Rehabilitation Project	Austrian loan	18.5
6	1995-1998	Namasuba Water supply Project	French Trade Commission	1.81
7	1997-2003	Kabale Water Supply and Sanitation Project	KfW	13.5
8	1997-2003	Lake Victoria Environmental Management Project	World Bank	2.96
9	1999-2005	Entebbe Water Project	KfW	16.3
10	1999-2004	Gaba I Emergency Rehabilitation Project	European Union	5.0
11	2002-2005	Gaba III Water Project	KfW	23.5
12	2003-2005	Kampala Sanitation Master Plan	KfW	2.0
13	2002-2005	Water Supply for Kampala Urban Poor	KfW	2.5
14	1996-1998	Urban Water and Sanitation Project Western Uganda	KfW	8.0

Source: Constructed by Author

Tariffs

In many of these policy shifts, the poor have largely been disadvantaged. When emphasis is put on levying co-recovery user charges, the poor may not afford to pay the market rates. If the government subsidises the operations, sustainability becomes questionable. Thus pricing policies might promote cost recovery and sustainability of services, at the same time making it difficult to give services to the poor.

Overall the urban poor have been losers and end up paying more than the rest of the community. One World Bank report has observed that the

> *"Problem of lack of water services hits the poor in the slum areas of the large cities in developing countries. Often the only choice for low-income household that cannot afford a house connection is to buy water from private vendors at a relatively high price, sometimes 100 times more than that provided by public authorities"* (Klugman, 2002).

Some examples from different places around the developing world are shown in Table 2.0 below.

Table 2.0: Ratio Between Prices Charged by Vendors and by Public Utilities

Country	City	Ratio
Bangladesh	Dacca	12 – 5
Colombia	Cali	10
Ecuador	Guayaquil	20
Haiti	Port-au-Prince	17 – 100
Honduras	Tegucigalpa	16 – 34
Indonesia	DKI Jakarta	4 – 60
Indonesia	Surabaya	20 – 60
Ivory Coast	Abidjan	5
Kenya	Nairobi	7 – 11
Mauritania	Nouakchott	100
Nigeria	Lagos	4 – 10
Nigeria	Onitsha	6 – 38
Pakistan	Karachi	28 – 83
Peru	Lima	17
Togo	Lome	17 - 10
Turkey	Istanbul	10
Uganda	Kampala	4 – 9

Source: R. Bathia and M. Falkenmark. 1993. "Water Resource Polices and the Urban Poor: Innovative Approaches and Policy Imperatives. "Water & Sanitation Currents. United Nations Development Program – World Bank Water and Sanitation Program, Quoted in Klugman, J. (Ed.) (2002), A source book for Poverty Reduction Strategies, volume 2: Macroeconomic and Sectoral Approaches, World Bank, Washington, 2002.

Community Participation and Management

If community participation and management is chosen who will be responsible for management. The poor sometimes are looked at as a group who cannot easily organise themselves.

Procurement Rules and Regulations

Procurement policy may make community participation not practical. For example under certain types of international financing, elaborate and restrictive procurement

guidelines are given, depending on the funding agency. These, among other things, will require experienced companies meeting certain business criteria, which are very difficult to satisfy. In this kind of environment, community contracting will not be possible.

Like in the Namasuba Project, works were contracted to a French company, which satisfied several criteria. Actually, some of the works components like labour-intensive activities such as excavations for pipeline trenches could have been done by the community thus promoting community participation and getting income for the locals. Secondly, the people were convinced that this was meant to be a project to be managed by the community. Thus when at the time of initiating the aborted procurement of a Private Operator, the communities contacted the NWSC for discussing the possibility of organising themselves to manage the operations and maintenance of the network. Once again because of strict criteria, the communities could not be considered. Thus the preference of the private sector tended to favour wealthier segments of society and ended up leaving out the poor.

Chosen Technology

Nowadays technology changes very rapidly, but standards may not necessarily keep pace. In this case, new and cheaper engineering solutions may be ignored, to the detriment of the poor. For example an expensive network may be seen as a solution whereas a relatively less costly infrastructure with provision for standpipes could serve the community at affordable rates.

Broad-based nature of policies

Policy interventions are typically broad based and therefore may not be exclusively targeted to the poor. Depending on what is being stressed by a certain policy, the poor may be completely left out. For example in an attempt to protect national water resources you may find the poor being squeezed instead. A related example has been the gazetting of forests in the interests of protecting the environment. Many poor people who depend on forests for their fuel source end up suffering because gazetting has not been followed by alternatives like electricity.

6.0 CONCLUSIONS AND RECOMMENDATIONS

Policy shifts
During the Namasuba project, the poor people did not benefit as originally planned. First and foremost, they missed out during the detailed planning and later in the management of the scheme. Secondly, due to the high tariff the poor could not afford the user charges even if connections had been given free. Because they could not afford the connection fees, many poor people remained using their old sources of water. The shifts from the originally intended community management, to PSP, piloting with a Private Operator, and later to the planned privatization, also contributed to the poor losing out. Given that the people are already poor, development policy acted to leave chronic poverty intact.

Water as a Social and Economic good
Water is a basic requirement for life, and this fact has social implications. This should influence the extent to which the commodity can be competitively commercialised. Water as a social and economic good, should be managed in the best way so that consequent benefits, from infrastructure and economic development, accrue to the poor as a special group.

Market forces
The overall emphasis on market forces of supply and demand does not help the poor people in this case, because the poor cannot have effective demand. Because of the uniqueness of water and sanitation sector, the emphasis on allowing market forces to be left to freely act in the context of services such as power and telecommunications, should be re-examined in cognisance of the plight of the poor.

Public WSS utilities are often characterised by inefficiency, which drives up service costs, restricts coverage, and leads to needlessly high tariffs or equally needless subsidies. When coverage is restricted or tariffs are increased it is the poor to suffer, all in the name of letting the market forces free.

Pro-poor tariff policy
While planning for interventions the needs and demands of the poor should be specifically assessed. Tariffs should give special consideration for the poor. Cross-subsidy between rich and poor communities should be encouraged.

Cost Recovery
Full-cost recovery for water and sanitation supplies investments need not conflict with reducing poverty. Evidently, poor people already pay high prices and a significant proportion of their income for water supply. They often have little choice to pay those costs if they buy water from private suppliers, as do so many of the urban poor. Ways should be sought, however, to ensure that the poor have access to a minimum volume of water necessary to meet their basic needs at an affordable price. Some investments should be directly targeted at the poor communities. For example new connections, which are very costly, could be subsidized.

Participation
Participation of communities should be encouraged especially where chronic poverty is prevalent. The efficiency of the private sector notwithstanding, NGOs seem to be a

better choice and should be given more priority when governments are seeking partners in serving the poor.

It is not very certain that private companies will necessarily be willing to make large investments in the water sector in very poor developing economies or in poor communities. Thus the drive to involve PSP may actually undermine people's access to improved physical capital thus leaving chronic poverty intact if not reinforcing it.

Future researcher linkage between shifts and chronic poverty

A number of policy shifts have been cited in this paper with specific reference to water supply and sanitation services. However, policy shifts cut across all sectors. In the case cited in this paper there was a tendency for the deprived segments of society to be "left out" as policies shifted, and for those already well-off to benefit from all the changes. There seem to be a linkage between policy shifts and deprivation. Do policy shifts, which occur during interventions, enhance the occurrence of chronic poverty?

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