

**Second Meeting of East African Community Ministers of Water,
Ministers of Finance, and Development Partners of the Lake Victoria
Water and Sanitation Initiative** Entebbe, Uganda 23rd April 2009

Scaling Up of the Lake Victoria Region Water and Sanitation Initiative

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Summary of Proceedings

I Introduction

- 1 The Second Meeting of the East African Ministers of Water, Ministers of Finance, and Development Partners on the Lake Victoria Region Water and Sanitation Initiative (the meeting) was held in Entebbe, Uganda on 23 April 2009.
- 2 The meeting was also attended by representatives of the Ministers of Finance from the East African Community member states whose participation was deemed critical in view of the focus on reviewing investment needs and exploring possible financing mechanisms for the second phase of the Lake Victoria Water and Sanitation Initiative.
- 3 The meeting, a follow up of the First Ministerial Meeting held in Nairobi in September 2008, was jointly organized by the United Nations Human Settlements Programme (UN-HABITAT), the East African Community Secretariat (EAC) and the Government of Uganda.
- 4 The objectives of the meeting were to:
 - a. Define investment needs in a way that is complementary with other Development Partners,

making sure that the next phase of the Lake Victoria Water and Sanitation Initiative addresses gaps identified in sanitation, solid waste management, local governance and the environment.

- b. Explore possible financing mechanisms (both grants and loans) with a view to promoting efficiency, value for money and long term sustainability; and
- c. Develop an overall framework for the next phase of the programme and define the role to be played by UN-HABITAT in implementation of the expanded programme.

(The Meeting Agenda is attached as appendix 1)

II Participants

- 5 Government delegations attending the meeting were from The Republic of Burundi, the Republic of Kenya, The Republic of Uganda, The United Republic of Tanzania, and The Republic of Rwanda. Development Partners represented were the African Development Bank (ADB), the European Investment Bank (EIB), the Water and Sanitation Programme – World Bank (WSP –WB), the



Water and Sanitation Sector Development Partners Group of Uganda (WSSDPG), the Lake Victoria Basin Commission (LVBC), the National Water and Sewerage Corporation (NWSC) – Uganda, the United Nations Development Programme (UNDP), and representatives of the media.

- 6 The delegations from the five East African Community member states were led by their respective Ministers of Water: Hon Deogratias NDUWIMANA, Minister of Water, Environment, Urban and Land Use Planning Burundi; Hon. Mwangi Kiunjuri, Assistant Minister, Ministry of Water and Irrigation - Kenya; Eng. Albert Butare, Minister of State in Charge of Energy and Water, Ministry of Infrastructure – Rwanda; Hon. Mark Mwandosya, Minister of Water Development and Irrigation, Tanzania; and Hon. Maria Mutagamba, Minister of Water and Environment - Uganda.
- 7 The UN-HABITAT delegation was led by Dr. Anna Kajumulo Tibaijuka, Under- Secretary General and Executive Director, and the EAC delegation by Dr. Tom Okurut, Executive Secretary of the Lake Victoria Basin Commission.

- 8 The meeting was chaired jointly by UN-HABITAT and the Lake Victoria Basin Commission.

(The list of participants is attached as Appendix 2)

III Preparatory Meeting of the Technical Committee

- 9 The Second Ministerial Meeting was preceded by a one - day meeting of technical experts. The main objectives of this meeting were to review the progress of the LVWATSAN, examine the investment needs in the larger urban centres and develop a consolidated proposal on the scaling up of the LVWATSAN to the large towns, for consideration by the Ministers.
- 10 The Meeting of Technical Experts was officially opened by the Permanent Secretary in the Ministry of Water and Environment of the Government of Uganda, who drew attention to the achievements of the LVWATSAN in the initial 10 towns, while noting that that there were over 200 urban centres in the Lake Victoria Basin



which needed similar interventions. He pointed out that the Ministerial Meeting would be expected to endorse the scaling up of LVWATSAN to five large towns and emphasized the importance of exploring appropriate funding modalities acceptable to each country.

- 11 On behalf of UN-HABITAT, Mr. Bert Diphorn gave an overview of the UN-HABITAT Water and Sanitation Trust Fund which had been established to provide an effective mechanism to fast track investments to meet the MDGs for water and sanitation. He noted that the Trust Fund had been used as a channel for investments in the first phase of LVWATSAN, which has achieved good results, both in the area of physical infrastructure and capacity building. He called on the Technical Experts to develop a concrete and implementable proposal for the scaling up of the programme to the large towns.

Noting that it was the first time a meeting on the Lake Victoria Water and Sanitation Initiative had representatives from both the Finance and Water Ministries from the member states of East Africa Community, Dr. Graham Alabaster, Chief, Water and

Sanitation Section I, UN-HABITAT outlined the progress that had been made since the first Ministerial meeting held in Nairobi in September 2008. He pointed out that a preliminary assessment of the large towns had been completed by November 2008 and a concept paper had been presented to the EIB by UN-HABITAT by December 2008. Subsequently, UN-HABITAT had briefed the Ministry of Water in each member country about potential new projects, or projects that would complement interventions in the first phase of the programme.

He identified key areas of focus for the technical committee as defining investment needs for water supply and sewerage; reviewing available financing mechanisms – grants and loans; defining the role of UN-HABITAT; and ensuring greater emphasis on sanitation and solid waste management. The committee would also review local governance structures, the impact of climate change on the environment, and the sustainability of recommended interventions



He urged member countries to finalize the Concept Proposals, for endorsement by the Ministerial Session the following day.

- 12 In his introductory remarks, Mr. Stephen Hart, Representative of the European Investment Bank welcomed the invitation extended to the EIB to participate. He identified broad areas of potential intervention by the EIB as issues related to shared river basins in the Lake Victoria Region, and a structured approach to addressing municipal sources of pollution.

He expressed satisfaction with the participatory approach adopted by the programme in which stakeholders are engaged in designing and monitoring interventions, the sharing of experiences between participating towns, and peer exchanges of lessons learnt.

- 13 Noting that the EIB will only give considerations to technically and financially sound proposals, he emphasized the need to give ample consideration to technical, social, financial, environment, and gender aspects, which make the proposals more viable.

The deliberations of the Technical Experts involved presentations of Concept Notes for each of the five East African Community Countries, a discussion on funding modalities which was led by the respective Permanent Secretaries of the Ministries of Finance and the preparation of the consolidated proposal.

(The Report on the Meeting of the Technical Experts is attached at Appendix 3)

IV Opening Statements

- 14 Statement by the Executive Secretary of the Lake Victoria Basin Commission, Dr. Tom Okurut.

The Executive Secretary of the Lake Victoria Basin Commission Dr Tom Okurut expressed appreciation to UN-HABITAT and the Government of Uganda for organizing and hosting the Second Ministerial Meeting. He commended member countries of the East African Community and development partners for supporting the Lake Victoria Water and Sanitation Initiative. Noting the high level of participation by all stakeholders, Dr. Okurut



thanked UN-HABITAT for the key role it has played in ensuring the success of the programme.

The EAC Common Market Protocol recognizes improving access to clean water and basic sanitation as a key entry point to development in the region, said Dr. Okurut. Poor planning in many of the towns in the Lake Victoria region impacts negatively on infrastructure development and contributes to the worsening pollution of Lake Victoria, he said, adding that the EAC is currently preparing a Water Vision to highlight key issues and mobilize support for the water and sanitation sector in the region.

Welcoming the commencement of the second phase of the programme that will cover 15 additional towns (the formulation exercise started on 20 April 2009), Dr. Okurut urged national governments to support the expanded phase of the programme to ensure its success. Thanking the African Development Bank for supporting formulation studies for the second phase, and its commitment to supporting expansion of the programme to cover Rwanda and Burundi, he observed that there is still need for additional funding to the Programme to enable it cover

more towns, especially the larger towns and welcomed the European Investment Bank's commitment towards this end.

15 Statement by UN Under-Secretary General and Executive Director of UN-HABITAT, Dr. Anna Kajumulo Tibaijuka.

The Executive Director of UN-HABITAT welcomed all participants to the meeting and commended the East Africa Community for its support in organizing the meeting, and continued partnership in implementation of the Lake Victoria Region Water and Sanitation Initiative. The demand for water and sanitation services is huge and growing in most towns around Lake Victoria, she noted. There is thus an urgent need to expand the programme to cover more towns, especially the large ones.

Thanking the development partners for their contribution to the UN-HABITAT Water and Sanitation Trust Fund and support for its first phase, Dr. Tibaijuka said the programme has supported sustainable local economic development in the 10 towns that participated in the first phase. She hailed the African Development Bank (AfDB)



for its commitment through the East Africa Community, to fund Phase II of the Programme.

She further expressed her gratitude to the European Investment Bank (EIB) for demonstrating their commitment to supporting expansion of the Initiative to the larger towns in the region, following the request made during the first ministerial meeting in Nairobi. She appealed to the member countries of the East African Community to continue supporting the programme by offering expertise and through counterpart funding. Noting with satisfaction the progress achieved so far, she emphasized that the Initiative has provided basic services targeting the poor by addressing their immediate needs for water and sanitation. It has also supported the establishment of institutional arrangements to improve service delivery, helped the participating towns to build managerial and operational capacity, and set up mechanisms for involving beneficiaries in programme design, implementation, and monitoring. She however lamented that sanitation still requires urgent and concerted efforts in order to achieve the Millennium Development Goals.

She concluded by urging the national governments of the East African Community to maintain the momentum built by the programme by providing the required counterpart funding and further strengthening the partnerships with East African Community, the African Development Bank, the European Investment Bank, and other partners and stakeholders.

- 16 Welcoming Remarks and Official Opening of the Meeting by the Minister of Water and Environment, Government of Uganda
- 17 Hon. Maria Mutagamba, Minister for Water and Environment, Uganda welcomed participants to the meeting, and to Uganda and expressed her gratitude to UN-HABITAT for arranging the meeting, which she noted, was a follow up of the first meeting held in Nairobi. This gave ministers from member countries of the EAC a good opportunity to get updates on progress by the Initiative, and to review the state of water and sanitation in the towns around Lake Victoria.



Commending UN-HABITAT, the EAC and member countries for supporting the Programme, the minister enumerated benefits that have accrued from the Programme in Uganda, including Infrastructure improvements, capacity building of water utilities, and development of urban plans for the towns which will guide the long-term interventions of the programme.

The Minister observed that it was an opportune time to consider the viability of expanding the programme to cover larger towns, and other needy secondary towns.

She noted that although the immediate interventions by the Lake Victoria water and Sanitation Initiative have demonstrated that MDG targets for water and sanitation are achievable, scaling up the programme will require substantial financial commitments.

V Report of the Technical Committee on the Investment Proposals

18 Presented by: Eng. Peter Oganga Mangiti Head, Donor Coordination Ministry of Water and Irrigation - Kenya

Following a one-day meeting of the Technical Committee held on April 22, 2010, the committee presented a summary of its deliberations to the Ministerial session.

The presentation included background information to the region and the Lake Victoria Water and Sanitation Initiative, and gave an overview of water and sanitation status in the proposed new towns – Kisumu, Mwanza, Kampala, Kigali, and Gitega. The report also outlined the proposed scope of infrastructure interventions for each town, the related cost estimates, funding modalities, and coordination and implementation arrangements.

(The report of the Technical Committee is attached as Appendix 4)

VI Ministerial Statements and Responses to the report of the Technical Committee

19 H.E. Eng. Albert Butare, Minister of State in Charge of Energy and Water, Ministry of Infrastructure – Rwanda expressed his appreciation to UN-HABITAT, for hosting the meeting and to all the participants for attending the



meeting, which he considered to be extremely important in view of the critical need to expand the LVWATSAN.

The Minister appreciated the joint initiative, which promotes the sharing of experience and resources, and noted that Uganda has a good record in water resource management. He reiterated that Rwanda attached great importance to the meeting, and would benefit greatly from the joint mobilization of resources, and is looking forward for scaling up of the programme to cover Kigali, under the large towns initiative.

Noting that Rwanda's landscape consists of steep slopes, and thus prone to serious soil erosion to the River Kagera, and eventually to Lake Victoria, he expressed Rwanda's commitment to ensure the programme is successful, and urged the EIB, UN-HABITAT, the EAC and other partners to hasten the start up of the phase II interventions.

20 Minister of Water, Environment, Urban and Land Use Planning expressed his appreciation to UN-HABITAT, EAC and the Government of Uganda for hosting the meeting and all the participants for attending this important

meeting. He noted that the Initiative is timely for Burundi, which has just achieved a political settlement to civil conflict, and is turning its focus to development activities.

The Minister expressed concern that as a result of the civil war, clean water and sanitation coverage in Burundi had dropped significantly over the years. The war had also caused many people to relocate to urban centres for relative security, thereby straining the already stretched resources in these centres.

He expressed optimism that the second phase of the Lake Victoria Water and Sanitation Initiative would address the basic aspirations and needs of the people, improve the access to water and sanitation, especially for poor urban populations, and help to protect the environment in Burundi.

The Minister reaffirmed that the programme is in line with the water sector reforms being undertaken in Burundi. The reforms, funded by GTZ, focus on building capacity in water and sanitation, taking into account gender considerations, and ensuring sustainability.



As the country is just recovering from civil war, the minister made a special case for Burundi, requesting that the funding be in the form of grants rather than loans. Burundi endorses and supports all efforts towards ensuring the success of the programme, said the minister, adding that as the Vice-Chair of African Minister's Council On Water, he felt challenged to strengthen the water and sanitation sector, and contribute significantly to the attainment of the MDGs for water and sanitation.

Expressing appreciation for the role played by EAC in harmonizing water policies in the region and in the management of trans-boundary waters, he thanked development partners represented at the meeting, and urged them to quickly come up with action plans and implementation schedules. He invited the organizers to hold the next ministerial meeting in Bujumbura, Burundi.

- 21 Hon. Mwangi Kiunjuri, Assistant Minister, Ministry of Water and Irrigation - Kenya expressed his gratitude to UN-HABITAT and the Secretariat of the EAC for arranging the meeting, which, he noted, offered a good opportunity for the Ministers from the EAC to exchange views on

water and sanitation issues in the towns around Lake Victoria.

He reiterated that the Government of Kenya is committed to the achievement of the MDG targets for water and sanitation, and will make their counterpart contribution to the Lake Victoria Water and Sanitation Initiative to ensure its success.

The Minister noted that Kenya's Lake Victoria Basin is a high potential area which contributes 50 percent of the water resources in Kenya, and supports 40 percent of the country's population. However, despite the vast water resources, the area faces a serious lack of water and sanitation, particularly in the urban centres.

He noted that Kisumu, which is the third largest city, has low investment in water supply and sanitation, facing a supply gap of over 24,000 cubic metres per day for clean water.



Welcoming the proposed new funding, he endorsed the Lake Victoria Water and Sanitation Programme, noting that the first phase of the programme has delivered tangible impacts, with the second phase expected to cover 3 more towns.

The minister emphasized the need for a Sector Wide Approach (SWAp) to ensure greater focus on sanitation in order to address the frequent outbreaks of water borne diseases in the lake region.

- 22 Hon. Mark Mwandosya, Minister of Water Development and Irrigation, Tanzania expressed his appreciation to UN-HABITAT, the EAC, and the Government of Uganda for hosting the meeting, noting with satisfaction that these meetings provide a good opportunity for fruitful deliberations as they bring together all the Water Development Ministers from the EAC member states.

He thanked the Executive Director of UN-HABITAT for launching the Lake Victoria Water and Sanitation Initiative saying it has had great success in the Phase I towns in Tanzania - Muleba, Bukoba and Mutukula.

Underscoring the importance that Tanzania attaches to this programme, the minister confirmed that there is strong high-level political commitment to the programme, with the President having laid the foundation stone for the project in Muleba, and the Vice - President inaugurating the Bukoba Project.

The minister welcomed the second phase of the programme covering three new towns in Tanzania. He emphasized that the Government attaches great importance to expanding the Programme to Mwanza town and the small towns around Mwanza. He commended UN-HABITAT and the EAC for the success of the initiative, and expressed the hope that it would be replicated in Rwanda and Burundi.

The Minister reiterated Tanzania's full commitment to the Initiative, saying his country will provide the required counterpart funding in full, and mobilize additional funding from other sources to support the programme. He also suggested that a donor conference should be held as soon as possible to ensure that the scaling up of the programme received the necessary support.



23 H.E Hon. Maria Mutagamba, Minister for Water and Environment, Uganda thanked the Technical Committee for coming up with the Draft Consolidated Investment Plan.

She emphasized the need to consider various sustainability factors, including the effects of climate change, the need to support regular studies and research on water resources, especially Lake Victoria, and the impact of inadequate sanitation, particularly for the poor, as a major source of pollution of Lake Victoria. The minister recommended that Integrated Water Resource Management be made a priority in planning, with solid waste management being integrated into various initiatives in order to maximize synergy.

Urging the technical departments, especially the ministries of finance in the member countries to work diligently in mobilization of counterpart funding, she noted that it will take only six years to make a difference. It would therefore be prudent to include the proposal in the national budgets for 2010-2011, starting in September 2009.

Congratulating the Government and people of Rwanda for Kigali being declared the cleanest city in the region, the minister proposed that a regular competition be established by the Lake Victoria Water and Sanitation Initiative as a way of continuously engaging the participating towns and promoting hygiene and cleanliness. She thanked the development partners – Danida, AfDB and EIB.

24 Statement and Response: EIB – Mr. Carmelo

He acknowledged the important role of the LVWATSAN, especially on the environment and confirmed the Bank's willingness to support the initiative.

He mentioned that the EIB will provide the loan component, while EU Africa Infrastructure Trust Fund and ACP Water Facility will provide the grant component.

He urged the programme to come up with proposals that are technically feasible for the components proposed in the target towns and pointed out that the Bank would



work with UN-HABITAT and other stakeholders to initiate the project formulation process for the large towns.

25 Statement and Response: Mr. Benedict Kanu Resident Country Representative, African Development Bank, Uganda.

He expressed the Bank's appreciation for the long association with UN-HABITAT and the Lake Victoria Water and Sanitation Initiative, and stated that AfDB will partner with EIB in furthering the objectives of the Initiative. He noted with satisfaction the contribution that the Initiative has made in supporting small towns in the Lake Victoria region towards achieving the water and sanitation targets of the MDGs. Stating that the AfDB had made a tentative allocation for the second phase of the programme, he called on upon member states to meet their commitments for counterpart contributions.

Following the responses by various delegations to the report of the technical committee, Dr. Graham Alabaster of UN-HABITAT read out a statement which had been endorsed by all the ministers (The Ministerial Statement).

(The full text of the Ministerial Statement is attached as appendix 4)

VI Closing Remarks - Dr Anna Tibaijuka, UN Under-Secretary General and Executive Director of UN-HABITAT

The Executive Director of UN-HABITAT closed the meeting by expressing her gratitude to the ministers from the EAC for their active participation, commitment to, and continued support for the Lake Victoria Water and Sanitation Initiative. She thanked all participants for attending the meeting.

She thanked the EIB and the AfDB for participating in the meeting. She also thanked the UN- HABITAT team for the hard work they have always done to ensure success of the Initiative. She expressed special thanks to Dr. Graham Alabaster for the valuable inputs he has made into the programme.

Noting that the planning aspects have not come out prominently in the programme, she emphasized that during the scaling up, urban planning should be given more attention. essence, and urged all to play their roles in the quest to achieve the MDGs.

The Executive Director declared the meeting officially closed at 13.45 pm and invited all participants to the evening cocktail party which began at 19.30.



Proceedings of the Technical Committee

of

Second Meeting of East African Community Ministers of Water, Ministers of Finance, and Development Partners of the Lake Victoria Water and Sanitation Initiative Held on 22 April 2009, at Imperial Resort Beach Hotel, Entebbe, Uganda

I Opening Remarks - Mr. David O. O. Obong, Permanent Secretary, Ministry of Water and Environment, Uganda

Mr. Obong welcomed all participants to the Second Ministerial Meeting and commended member countries of the East African Community for supporting the Lake Victoria Region Water and Sanitation Initiative. He welcomed their commitment to providing counterpart funding for the programme, and thanked the East African Community, through the Lake Victoria Basin Commission, and the representatives the African Development Bank (ADB) and the European Investment Bank (EIB) for their support.

He noted that the programme had made significant achievements in its first phase, implemented in 10 towns around the Lake Victoria region. With its integrated approach to improving access to water supply and basic sanitation, supporting solid waste management, drainage, urban catchment management, and capacity building, the Initiative is a clear and strong indicator that

the MDGs for water and sanitation are achievable in these towns.

Highlighting the objectives of the Second Ministerial Meeting, he observed that the Lake Region has more than 200 urban centres, most of which urgently require similar interventions.

In this regard, he said, member countries welcomed new funding support for the Initiative from the African Development Bank and the European Investment Bank through the Lake Victoria Basin Commission, to expand the programme to an additional 15 towns (3 from each of the five member states of the East African Community).

The ministerial session would be expected to endorse the partnership with the EIB who have expressed interest in funding a follow-up phase covering the major towns of Kisumu (Kenya), Kampala (Uganda), Mwanza (Tanzania), Kigali (Rwanda) and Gitega (Burundi), said Mr. Obong. The meeting would also explore and propose funding modalities acceptable to each country.



II Overview of the UN-HABITAT Water Sanitation Trust Fund - Mr. Bert Diphoom, Ag. Director, Human Settlements Financing Division, and Chief Water, Sanitation and Infrastructure Branch, UN-HABITAT.

The UN-HABITAT Water and Sanitation Trust Fund (WSTF) was established over five years ago with the support of Sweden, The Netherlands, Canada, Denmark and Spain, with the main objective of initiating interventions that support the achievement of the water and sanitation targets of the MDGs. The interventions are targeted at research, water supply and sanitation, solid waste management and capacity building, with special focus on poor residents of secondary towns around the Lake Victoria Region. The private sector, including Google and Coca Cola, have since come on board to support the Fund.

Mr. Diphoom urged professionals gathered at the meeting to deliberate exhaustively and make recommendations on appropriate mechanisms for up-scaling the programme to larger towns.

III Aims and Objectives of the Technical Committee Meeting - Dr. Graham Alabaster, UN-HABITAT

Dr. Alabaster noted with appreciation that it was the first time a meeting on the Lake Victoria Water and Sanitation Initiative had representatives from both the Finance and Water Ministries of the East African Community member states.

He updated participants on progress following the first ministerial meeting held in Nairobi in September 2008. By November 2008, UN-HABITAT had completed project formulation for the large towns, and a concept paper was presented to the EIB in December 2008. Subsequently, UN-HABITAT briefed the respective Ministries of Water in each member country on potential opportunities for participation, including new projects, or projects that would complement on-going interventions.

He highlighted key areas of focus for the technical committee in formulating country proposals as: Defining investment needs for water supply and sewerage;



identifying appropriate financing mechanisms – grants and/or loans; defining the role of UN-HABITAT; and focusing attention on sanitation and solid waste management. Special attention would also need to be given to creation of accountable local governance structures, reviewing the effect of climate change, and ensuring long-term sustainability. He emphasized the need for member countries to finalize their concept proposals for endorsement by the ministerial session the following day.

IV Remarks by the Representative of the European Investment Bank - Mr. Stephen Hart

Mr. Hart welcomed the convening of the meeting and expressed appreciation for the invitation extended to the EIB to participate.

He identified development of shared river basins and a structured approach to addressing municipal sources of pollution as some of the areas of interest for EIB.

He also expressed satisfaction with the approach to implementation of the Lake Victoria Water and Sanitation Initiative, particularly stakeholder engagement in project design, implementation, and monitoring, and the exchange of best practices and experiences among participating towns.

Emphasizing that the EIB would only consider technically and financially sound proposals, Mr. Hart advised countries to pay attention to technical, social, financial, environmental, and gender aspects to enhance the viability of proposed projects.

V Presentation of Country Concept Notes

Member countries had an opportunity to present their respective concept notes to the plenary session of the meeting and to get feedback from the plenary.

To ensure uniformity, the presentations were structured as follows:

- Introduction/Background



- ❑ On-going key interventions undertaken in each town, identifying investment gaps
- ❑ Challenges/constraints/problems faced
- ❑ Training and capacity building needs – for improved efficiency and performance
- ❑ Coordination and implementation arrangements
- ❑ Proposed solutions and investment needs – with clear separation of loans and grants

Following presentation of the country proposals, representatives of the ministries of water and the ministries of finance of the member countries addressed the plenary.

VI Permanent Secretary, Ministry of Water and Irrigation, Kenya - Eng. David Stower

Following the country concept notes on proposed interventions in the five large towns, Eng. Stower chaired a plenary session to discuss the following issues:

- ❑ Development of concrete proposals for up-scaling the Lake Victoria Water and Sanitation Initiative.

- ❑ Identification of infrastructure needs in the large towns and selected small towns, and recommendations on the nature of financing required to meet them (loan financing and/or grant support)
- ❑ Recommendation of appropriate Training and Capacity Building packages for the participating towns to ensure efficiency and sustainability in management, operations and maintenance.
- ❑ Establishment of coordination and implementation arrangements, and a tentative time – line for implementation of the recommended interventions.

Opening the session, he noted that the presentations by the five towns indicated that they faced similar problems and challenges, although they will require different levels of funding, based on their respective needs. He reiterated the need for the regional approach, through harmonized proposals and common message, and was hopeful that block bargaining by the EAC member countries would fast track funding, enabling the countries to address the environmental challenges facing Lake Victoria in unison.

He noted that diverse programme implementation structures are expensive, and suggested that the water



and sanitation policies of the EAC member countries be harmonized through the Lake Victoria Basin Commission. This would facilitate joint identification of capacity gaps, which he said must be addressed for sustainability. Improving the efficiency of water utilities, and establishing common tariff review mechanisms would help improve their financial viability, he said.

Eng. Stower observed that the resource envelope is limited, and thus the meeting should work out a clear road map, phase it out, and develop clear criteria for prioritizing areas of intervention.

VII Deputy Permanent Secretary, Ministry of Water Development and Irrigation, Tanzania - Mr. Leonard Bihondo

Mr. Bihondo thanked the Government of Uganda for the warm welcome and excellent organization of the meeting. He also thanked development partners represented at the meeting for supporting interventions aimed at helping member countries to achieve the MDG targets for water and sanitation.

Noting that the Lake Victoria Water and Sanitation Initiative has been a major success in the towns of Bukoba, Muleba and Mutukula, he said the programme has also begun work in Bunda. In the second phase, the towns of Musoma, Sengerema and Geita will be targeted. The programme will also be extended to Mwanza, one of the five large towns identified for phase II interventions, with the main focus being improving access to water and sanitation in peri-urban low income areas.

Tanzania uses the Sector Wide Approach (SWA), whose key components are community demand, decentralized management, and delegated management. It supports the Initiative fully and it has been integrated into the National Water Framework to avoid duplication of efforts, thereby improving efficiency in addressing gaps in the sector. He suggested that the preparation phase be fast-tracked to allow for quicker implementation of the second phase, which would result in the MDG targets being realized faster.

Commending the Lake Victoria Basin Commission for its role in mobilizing financial resources for the programme



and coordinating implementation of interventions, he noted that as the concept proposals presented by the partner states required substantial investments, they would need to be integrated into the national programmes in order to bridge potential funding gaps through mechanisms such as national sector basket funds. He recommended focus on interventions with high impact potential.

VIII Permanent Secretary, Ministry of Water and Environment, Uganda - Mr. David O. O. Obong

Mr. Obong emphasized the importance of reviewing country needs critically and developing exhaustive, relevant, and realistic funding proposals. The role of UN-HABITAT must be defined clearly, taking into account levels of available funding, and the different financing options available to member countries.

Noting that the presentation by Uganda only covered activities of the National Water and Sewerage Corporation (NWSC), he advocated for a broader

approach that incorporates solid waste management and capacity building. Mr. Obong reiterated the commitment of the Government of Uganda to ensuring the success of the programme.

IX Permanent Secretary in the Ministry of Finance, Rwanda - Mr. John Wangombwa

Mr. Wangombwa hailed the regional dimension of the Lake Victoria Water and Sanitation Initiative, saying it would enhance project prioritization and harmonization of country proposals. Given the vast needs of the region, this should result in improved efficiency in the utilization of limited financial and human resources.

In order for the expanded phase of the programme to succeed, it would be necessary to establish clear guidelines for accessing programme funding, determine criteria for loan and grant components of projects, and agree on clear implementation procedures.

At the country level, implementation mechanisms need to be established, taking into account the peculiar



circumstances and experiences of each country, and the degree to which various stakeholders including central governments, local authorities, civil society, and the private sector would be involved in implementation.

Observing the need for a scoping visit to establish the broader water and sanitation situation on the ground more clearly, Mr. Wangombwa said that in developing its proposal, Rwanda had limited itself to the most critical needs.

X Director General, Ministry of Water, Environment, Urban and Land Use Planning, Burundi - Mr. Idi Buhanga Pressadi

Mr. Pressadi observed that the presentations revealed similarities in the challenges facing the region. Stating that the Burundi National Water Policy aims at achieving the MDGs for water and sanitation, he said it supports infrastructure improvements targeting the poor as part of an integrated water resource management strategy with environmental conservation at its core.

He appealed for special support for Burundi to enhance the capacity of utilities in operations and maintenance of water supply and sanitation systems, a critical need for the country which is emerging from civil war.

XI Executive Secretary, Lake Victoria Basin Commission - Dr. Tom O. Okurut

Dr. Okurut presented Phase II of the Lake Victoria Water and Sanitation Initiative, which targets 15 towns, 3 each in Tanzania, Kenya, Uganda, Rwanda and Burundi, with populations ranging from 10,000 – 100,000 people.

Design of the second phase of the Lake Victoria Water and Sanitation Initiative was undertaken with support from UN – HABITAT. The feasibility and detailed technical study was launched on 20 April 2009 in Kisumu, and is being carried out by a consulting firm, Mott MacDonald. The scope of work for the consultancy includes preparation of investment plans for each of the towns, with clear separation of the loan and grant components. Sanitation will be given special attention as



the lack of basic contributes significantly to environmental degradation around Lake Victoria.

The consultancy has been divided into two groups with Group I covering Uganda, Rwanda and Burundi, to be based in Kampala, while group II covering Kenya and Tanzania, and will be based in Kisumu, Kenya.

The towns that have been proposed for phase II interventions are:

- ❑ Geita, Sengerama and Musoma in Tanzania
- ❑ Kayabwe-Buwama-Bukakata, Mayuge-Ikulwe, Ntungamo in Uganda
- ❑ Kericho, Keroka and Isebania in Kenya
- ❑ Kayonza, Nyanza, Nyagatare in Rwanda, and Ngozi, Muyinga, Kayanza in Burundi.

Implementation of the second phase of the programme will be coordinated by the Lake Victoria Basin Commission, while UN-HABITAT will provide technical support. A Project Steering Committee with representation from all the member countries has been

established to oversee implementation. Partner states will assist in project formulation (by the consultants), and have been requested to designate officers to be the National Focal Points. UN - HABITAT will provide the consultants with supporting studies, publications and reports.

XII Resident Country Representative, African Development Bank, Uganda - Mr. Benedict Kanu

In his brief intervention, Mr. Kanu raised the following four key issues:

1. Regionalization of the Initiative – emphasizing the regional dimension of the programme enhances its overall capacity to address poverty alleviation in the Lake Victoria region.
2. The global financial crisis could trigger a shortfall in financing, and thus needs to be factored into the proposals.
3. The role of the private sector in water supply and sanitation provision in the region is limited and



more needs to be done to improve private sector participation.

4. Although capacity building is critical, it is only one of the many aspects which will need to be addressed to ensure sustainability of programme interventions.

XIII Chief, Water and Sanitation Section I, UN-HABITAT - Dr. Graham Alabaster

Dr. Alabaster observed that programme design for the second phase of the Lake Victoria Water and Sanitation Initiative incorporates key aspects of water supply and sanitation, urban planning, catchments management (environmental protection, drainage), capacity building, and solid waste management.

The expertise that UN-HABITAT had built up over the years, and its extensive network of partners in the region would enable it to provide effective Technical Assistance (TA) in the next phase of the programme. UN-HABITAT would also continue mobilizing support from donors and National Governments to ensure successful

implementation of the second phase of the Lake Victoria water and Sanitation Initiative.

XIV Representative of the European Investment Bank and European Union Infrastructure Trust Fund - Mr. Carmelo A. Cocuzza

The EIB representative observed that the regional dimension of the programme poses a challenge in the delivery of services. He said funding levels will depend on the packaging of the proposals, and those addressing cost cutting, improved efficiency, and enhanced revenue generation will have a better chance of success. He proposed that the focus be on projects that would deliver quick results, incorporate monitoring and evaluation mechanisms, and result in extending services to un-served segments of populations in participating towns.

General Comments – Plenary

Despite the challenges it poses, regionalization was recognized as a positive aspect as it promotes sharing of knowledge and experiences, and promotes capacity



building at the regional level, thereby contributing to joint management and conservation of the shared resources of Lake Victoria.

The grant components of the proposals should be applied to addressing the social components of the programme which cover wealth creation, income generation, catchment management, water quality management and monitoring.

At the country level, there is a need to integrate the programme into national sector plans to ensure that counterpart contributions are factored into the plans, and the impact of the programme is captured in the sector monitoring process.

For the proposals (concept notes) to be properly targeted there is need to outline the financial arrangements, and also take into account the impact of the global financial crisis.

XV Financing Modalities – Representative of the European Investment Bank - Mr. Stephen Hart

Following a brief presentation on the EU Africa Infrastructure Trust Fund, Mr. Hart moderated a session during which representatives of the ministries of finance from the member countries presented their views on preferred financing modalities based on their country experiences and practices, followed by plenary discussions.

XVI Director of Water Resources Management - Eng. Mugisha Shillingi

Mr. Mugisha stated that Uganda follows the Guiding Principles as contained in the World Bank Guide, noting that partners would be expected to provide 50 percent of project funding to complement EIB funding. He stated that while National Water and Sewerage Corporation qualifies for a corporate loan application, EIB needs to table the applicable interest rates.

Observing that the funding available from the EU Africa Infrastructure Trust Fund is limited (98m Euro), Mr. Mugisha said the consolidated proposal must focus on priority areas, and meet the eligibility criteria of the



Ministry of Finance. To be included in the 2010-2011 financial year, submissions would have to be made to the Development Committee by December.

XVII Chief Economist, Head World Bank Division, Ministry of Finance, Kenya - Mr. Moses Kanagi

Mr. Kanagi stated that Kenya welcomes the Initiative, and is willing to support the programme through counterpart contributions of 10 – 20 percent. He advocated for low interest loans with a long repayment period.

Noting that the government carried out on-lending to organizations that are not necessarily governmental, he said that for the Lake Victoria water and Sanitation Initiative, the Ministry of Finance would sign an agreement with the Lake Victoria South Water Services Board.

The method of disbursement will depend on the systems of the lending agencies, but would be in line with the terms of the African Development Bank and the World

Bank. He noted government systems would need to be supported to build local capacity, driven by the needs of recipient countries.

XVIII Permanent Secretary, Ministry of Finance and Planning – Tanzania - Mr. Ramadhani Khijjah

Mr. Khijjah lauded the regional perspective of the programme, as opposed to individual initiatives by national governments, saying it enables the member countries to exploit synergies and enjoy economies of scale.

Noting that Tanzania manages her loans through a National Debt Management Committee, he said borrowing is channeled through the Ministry of Finance, which signs all agreements on behalf of the government, and then allocates funding to the relevant units.

All counterpart allocations for EIB funding would be drawn from a basket of funds with contributions from multiple donors. Disbursements take various forms –



direct to programmes, general budget support, or basket funding (multiple donors).

It was therefore important to know the lending terms for the loan components of agreed interventions and the minimum requirements for such funding.

Observing that preparation of the 2009-2010 budget for the national government was already in progress, Mr. Khijjah said no new proposals could be incorporated, unless this was done under special conditions. Moreover, there was a need to carry out a thorough assessment at the utility level, to help gauge the level of government contribution required, and review potential financing sources for various components. He further noted that it was still unclear how the global economic crisis would impact on Tanzania's national budget. General Plenary Discussions

Participants urged the EIB to facilitate project formulation through grants from the EU Africa Infrastructure Trust Fund. The need for the EIB to exhibit some flexibility was widely expressed, as was the need to convene a donor

conference urgently to mobilize support for new towns or specific components of the programme.

It was recognized that the meeting offered an opportunity for political endorsement and commitments to up scaling the programme, including possible government counterpart contributions, in line with national priorities.

It was also noted that since the required resources would be spread over the project life cycle (rather than over one financial year), lending requirements needed to be clear to help member countries package their proposals appropriately.

The importance of regional synergy in programme design at the technical level was emphasized by participants who also pointed out the need to ensure that financing proposals were in line with the requirements of national governments.

Input from the plenary was incorporated into the concept proposals and a consolidated proposal was developed for presentation to the ministerial session.

The consolidated proposal for scaling up the Lake Victoria water and Sanitation Initiative is included as Appendix 5.

Statement of the East African Ministers of Water

on

“Scaling Up of the Lake Victoria Region Water and Sanitation Initiative”

April 23rd, 2009, Entebbe, Uganda

I Preamble

The Lake Victoria Region Water and Sanitation Initiative (LVWATSAN) is a regional programme whose aim is to assist in reversing the environmental deterioration of Lake Victoria and improve living conditions in the lake basin. Formulated by UN-HABITAT at the request of the governments of Kenya, Tanzania and Uganda, the initiative is implementing an integrated package of interventions including rehabilitation and expansion of dilapidated and inadequate water supply and sanitation infrastructure and improvements to drainage and solid waste management systems. To ensure long-term sustainability of these interventions and enhance operational efficiency within water and sanitation utilities in the towns, a comprehensive capacity building programme is being implemented simultaneously. Ultimately, the Initiative seeks to demonstrate that the Millennium Development Goals for water and sanitation can be achieved in the project towns within a relatively short time frame and that these gains are sustainable over the long term.

Rwanda and Burundi are a part of the upper watershed that drains into Lake Victoria through the Kagera River and between them, occupy about 18% of the Lake catchment. Following their integration into the East African Community, action has been taken by UN-HABITAT to ensure that these two countries are included in the next phase of the programme.

The programme has already demonstrated good results on the ground and every effort is now being made to expand activities to additional towns in the lake basin so as to maximize its positive impact in improving living conditions and reversing the deterioration of Lake Victoria. The initial 7 towns have already been increased to 10 and UN-HABITAT and the East African Community are working in partnership with the African Development Bank to expand the programme to another 15 towns. A project formulation study for these additional 15 towns is already in progress. A further extension of the programme to medium sized and large towns in the lake basin is also being prepared.

II Statement

We, the East African Ministers of Water, meeting in Entebbe, Uganda, on 23rd April 2009

1. Endorse the scaling up of LVWATSAN to further address the water and sanitation problems in the over 200 urban centres in the Lake Victoria Basin Region.
2. Further endorse the consolidated investment proposal, including funding modalities, which will form the basis for a detailed project formulation study to expand LVWATSAN to medium sized and large towns in the Lake Victoria Basin.
3. Recall that the first Meeting of East African Ministers of Water and Development Partners on LVWATSAN held in Nairobi, Kenya, on September 5th, 2008 which called upon the European Investment Bank (EIB) and other development partners to consider financing capital investments and capacity building activities for an expanded LVWATSAN through concessional loans and grants.
4. Commend the African Development Bank for providing financial support through the African Water Facility for the preparation of the second phase of the Programme which will extend activities to another 15 towns, 3 each for the East African Countries of Burundi, Kenya, Rwanda, Uganda and Tanzania.
5. Further commend UN-HABITAT for providing overall programme coordination and for initiating consultations with the EIB in light of the mandate given to assist participating countries in securing funding for up scaling of LVWATSAN.
6. Welcome the EIB interest and positive response to UN-HABITAT's proposal to prepare investment plans focusing on 3 large towns of Kisumu, Mwanza and Kampala.
7. Reaffirm our commitment to working with UN-HABITAT, the EAC Secretariat and our development partners to ensure that the MDGs for water and sanitation are achieved in the Lake Victoria Basin Region.

- 8 Recognise the need for UN-HABITAT to channel lessons learnt in Phase I of LVWATSAN into the expanded programme and to maintain its regional character.
- 9 Further recognise the need to build on the ongoing capacity building activities and prioritise gender and women's and vulnerable groups' empowerment in the expanded programme.

III Resolution

We, therefore, in the spirit of regional cooperation, and with a common goal

- 1 Resolve to fully support the up scaling up of LVWATSAN by committing our Governments to contribute the required counterpart support and provide loan guarantees to support the programme.
- 2 Jointly agree to initiate consultations with the EIB and other development partners for loans for the purpose of financing water and sanitation infrastructure investments outlined in the consolidated proposal.
- 3 Call upon EIB and UN-HABITAT to ensure that the grant package, to be funded by the EU-Africa Infrastructure Trust Fund, is maximised, especially for the benefit of the poor residing in low-income settlements in the target towns.
- 4 Further call upon other development partners to support the scaling up of LVWATSAN Programme.
- 5 Request the EIB to immediately expedite the project formulation and appraisal process, under the supervision of UN-HABITAT.
- 6 Further request the EIB and other development partners to support UN-HABITAT through the Water and Sanitation Trust Fund to facilitate the training and capacity building component of the Programme.
- 7 Urge UN-HABITAT to work closely with our Governments, donors and the East African Community, through the Lake Victoria Basin Commission in coordinating programme activities.

- 8 Decide to meet within a year to assess progress made.
- 9 Thank the Government of the Republic of Uganda for hosting the 2nd Ministerial Meeting.

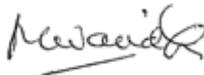
Delivered on 23rd April 2009 during the Meeting of East African Ministers of Water, and Development Partners on the Lake Victoria Region Water and Sanitation Initiative.



Hon. Maria Mutagamba, Minister of Water and Environment, Republic of Uganda



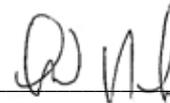
Hon. Mwangi Kiunjuri, Assistant Minister of Water and Irrigation, Republic of Kenya



Hon. Prof. Mark Mwandosya, Minister of Water and Irrigation, United Republic of Tanzania

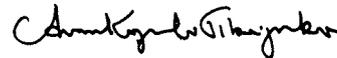


Hon. Deogratias Nduwimana, Minister of Water, Environmental, Land and Urban Planning Republic of Burundi



Hon. Dr. Albert Butare, Minister of Water, Environment, Land and Urban Planning, Republic of Rwanda

Witnessed by:



Dr. Anna Tibaijuka, Under-Secretary General UN and Executive Director UN-HABITAT



Dr. Tom Okurut, Executive Secretary, Lake Victoria Basin Commission

Proposal

for

Scaling up Lake Victoria Region Water and Sanitation Initiative (LVWATSAN)

1 Background and Context

Lake Victoria is the world's second largest freshwater lake and the largest in Africa, with a total catchment of 250,000 square kilometres, of which 68,000 sq.km is the actual lake surface. Located in the upper reaches of the Nile River Basin, the lake waters are shared by the three East African Countries of Kenya (6%), Uganda (43%) and Tanzania (51%). Rwanda and Burundi are a part of the upper watershed that drains into Lake Victoria through the Kagera River and between them, occupy about 18% of the lake catchment. The lake is a major trans-boundary natural resource that is heavily utilized by its bordering countries for fisheries, transportation, tourism, water supply and waste disposal. The Nile river outflow is an extremely important freshwater resource for the countries of Uganda, Sudan and Egypt.

With an estimated population of 35 million people, the Lake Victoria Basin supports one of the densest and poorest populations in the world. Average per capita income is estimated to be less than US\$270, which is about 40% of the average per capita income in sub

Saharan Africa. The problems of human poverty and unemployment are widespread, and are compounded by the rapid increase in population, the ongoing public health challenges posed by the high incidence of HIV/AIDS and malaria, unplanned urbanization and environmental degradation.

For the past 30 years, Lake Victoria has been under considerable pressure from a variety of interlinked human activities, including overfishing, destructive fishing practices, pollution from human and industrial activities, siltation from the erosion of deforested watersheds and enhanced urban runoff with high sediment loads and large volumes of waste products. The sources of pollution are many, and include, untreated sewage, human and animal waste discharged into rivers and drainage channels, maritime transport waste and direct contamination of lake water by human activities on the shore line. The cumulative impact of these activities are now clearly in evidence with Lake Victoria showing various signs of severe environmental distress, including depleted oxygen levels, eutrophication, and reduced

transparency and increasing levels of microbiological and chemical pollution.

1.1 The Lake Victoria Region Water and Sanitation Initiative

The Lake Victoria Region Water and Sanitation Initiative (LVWATSAN) was formally launched on August 16th, 2004 by the Ministers responsible for water from Kenya, Tanzania and Uganda, with the aim of achieving the Millennium Development Goals (MDGs) for water and sanitation in the secondary towns within the Lake Victoria Basin. LVWATSAN was designed by UN-HABITAT at the request of the East African Ministers of Water. The programme comprises an integrated package of interventions, including water supply and sanitation improvements, solid waste management, drainage improvements in key areas, as well as capacity building and training.

The overall goal of the Initiative is to meet the MDG targets in water and sanitation in the project towns and to ensure the long term sustainability of the physical interventions. The specific objectives are as follows:

- i. Support pro-poor water and sanitation investments in the secondary urban centres in the Lake Victoria Region;
- ii. Build institutional and human resource capacities at local and regional levels for the sustainability of improved water and sanitation services;
- iii. Facilitate the benefits of upstream water sector reforms to reach the local level in the participating urban centres;
- iv. Reduce the environmental impact of urbanization in the Lake Victoria Basin.

The Initiative is seeking to demonstrate that the MDGs can be achieved in a relatively short time frame (3 years) and that investments can be sustained over the long term by effectively integrating physical infrastructure works, training and capacity building into a balanced and cohesive programme of interventions. The Initiative seeks to develop the right balance between investments on water and sanitation infrastructure in the secondary

towns and capacity-building at the local and regional level to sustain programme benefits. It uses a phased approach to implementation which focuses first on immediate interventions designed to deliver immediate results followed by long term interventions requiring larger investments.

Since the joining of Rwanda and Burundi in EAC, the countries have expressed a wish to join the Initiative. Preliminary assessments have been carried out in Rwanda and Burundi to identify the towns to be included in the programme and a list of 5 towns in each country has been established.

LWATSAN complements the other ongoing regional as well as country-based programmes active in the Lake Victoria Basin. Key regional initiatives undertaken in the Lake Victoria Basin include the Nile Basin Initiative (NBI), the East African Communities Organization for the Management of Lake Victoria (ECOVIC), the Lake Victoria Environmental Management Programme (LVEMP), and the Lake Victoria Local Region Local Authorities Co-operation (LVRLAC).

2 The Target Towns

2.1 Kisumu, Kenya

Kisumu is the third largest town in Kenya with a population of 597,000 persons, of which over 60% live in informal settlements. It is a key regional hub in the entire Lake Victoria Region and the Basin. Poverty levels are high at over 50%, as compared with the national average of 29%. The town experiences severe water and sanitation problems, due to low production capacity, limited service coverage of the network, compounded by low operating efficiencies of KIWASCO, especially in the area of unaccounted for water which is over 54%. In the informal settlements, there is widespread dependence on water vendors and on shallow wells, boreholes and springs which supply water of questionable quality. The town experiences recurrent outbreaks of cholera and faces ongoing public health challenges caused by deficiencies in the water and sanitation service. Kisumu town is also a major contributor to the pollution load entering Lake Victoria.

2.2 Mwanza, Tanzania

Mwanza City lies along the southern shores of Lake Victoria, North West of the United Republic of Tanzania. The town has a population of over 600,000 persons and is fast developing as a centre of regional economic development. About 70% of the population live in unplanned settlements mostly in hilly areas which create difficulties to provide water and sanitation services and generates pollution to the water sources. There is low sewerage coverage and unwillingness of the people to get connected to the sewerage network. The responsibility for water and sewerage services lies with MWAUWASA, a water authority established on 1st July 1996 which became fully autonomous since 1998. It provides water supply and sewerage services in Mwanza City & Kisesa in Magu District. Its service area covers about 84% of the population of the 2 districts and the township. Only 8% of the population are connected to the sewerage system. There is insufficient distribution network and water losses are between 36% - 40% due largely to old pipes.

2.3 Kampala, Uganda

Kampala is the capital of Uganda with a population of 2.5 million persons. As the major economic, commercial and administrative center in Uganda, the city is experiencing an extremely rapid rate of urbanization of over 5.6%. Over 60% of the city population lives in informal settlements with poor water and sanitation coverage. Kampala water supply coverage now extends beyond KCC's Municipal boundaries into the districts of Wakiso and Mukono. Water coverage in the Kampala Water Supply and Sewerage Service Area is now at 70%, while sewerage coverage is at only 6 %, septic tank coverage 18 %, pit latrine 32 (not shared), shared pit latrines 38 %.

2.4 Kigali, Rwanda

Kigali city is the capital of Rwanda with a population of about 800,000 persons. The city is facing a problem of shortage in drinking water and poor sanitation. People living in suburban areas of Kigali are spending many days without water supply in their houses, and when they have to buy it from water vendors the price is very high. The

current water production stands at 35,000 cu.m; but there is no sewerage network. Solid Waste collection is by private operators. There is a need for production of another 35,000 cu.m to meet the requirement of 70,000 cu.m.

Owing to earlier poor planning, the city lacks sewerage and sewerage systems. Liquid Waste are solely handled through septic and soak away pits as a situation that does not allow sustainable waste handling and treatment. The ground in the city is getting saturated and if nothing is done very soon, the city population is going to face serious sanitation catastrophe.

2.5 Gitega, Burundi

Gitega is the second largest town in Burundi with a current population is 150,000 people. The town's population is increasing at about 6% a year and is expected to reach around 300,000 inhabitants in 2020. About 80% of the population is living in conditions of poverty, without any water and sanitation infrastructure. Lack of access to piped water forces some of the

population to rely on water from vendors who sell drinking water at very high prices compared to the cost of REGIDESO (the power and water utility in Burundi). Most town residents rely on streams, wells and other sources which are polluted. There are widespread problems of water borne diseases caused by poor water and sanitation.

3 Proposed scope of infrastructure investment

An indicative Investment plan is proposed amounting to USD. 313 Million broken down by country, as follows.

- ☐ Uganda – USD 122.5 Million
- ☐ Kenya – USD 71.8 Million
- ☐ Rwanda- USD 45 Million
- ☐ Burundi – USD 24.2 Million
- ☐ Tanzania - USD 49.3 Million

This will be complemented by the investment package from the AfDB for the 15 secondary towns which is expected to be of the order of US\$65 million.

The investment plan shows a relatively large allocation for Kampala which is the capital city of Uganda with a population at least 4 times the population of the other large towns.

(For detailed breakdown see the annexed table 1)

4 Training and capacity building

In order to improve sustainability and efficiency of the proposed investments, Training and Capacity Building will form a key component of the programme including:-

- Utility Management,
- Integrated Water Resources Management
- Stakeholder Participation
- Urban Planning
- Gender Mainstreaming and enhancing the role of Women and Vulnerable Groups
- Participatory Monitoring and Evaluation

5 Funding modalities

The Loan component has to be channeled through respective Ministries of Finance, including the possible Grant component from EIB to lower the rate of Interest. This is to be formalized during Loan negotiations. Grant funding from the EU-Africa Infrastructure Trust Fund will be maximized to address the training and capacity building and the extension of services to the urban poor.

6 Coordination and implementation arrangements

Coordination and implementation arrangements should maintain and enhance the regional dimension of the programme. The envisaged roles of the National Governments, the Lake Victoria Basin Commission, UN-HABITAT and the national water boards and utility companies are as follows:

6.1 National Governments

National Governments will be responsible for the formulation of policy, integrating the projects into national water and sanitation sector programmes, project planning and design and the setting of national standards. The respective Finance Ministries will have primary responsibility for ensuring that the programme is integrated into the national budgeting framework, negotiating and finalizing the loan packages and on-lending agreements (if applicable), funds management and disbursements, allocating counterpart funding and national resource mobilization.

6.2 Lake Victoria Basin Commission

The Lake Victoria Basin Commission will be responsible for regional coordination and will be the political focal point for interface with governments. LVBC will also ensure effective coordination with other regional development initiatives in the Lake basin, such as the Lake Victoria Environmental Management Programme. The Basin Commission will also be responsible for the harmonization of environmental management policies, standards and practices, assistance with resource

mobilization and enhancing the role of the programme in the promotion of regional integration, in collaboration with other stakeholders, including UN-HABITAT.

6.3 UN-HABITAT

The key role of UN-Habitat will be to provide technical assistance (through earmarked contributions to the Water, Sanitation and Infrastructure Trust Fund) for training and capacity building focusing on, i) utility management, ii) community participation techniques, iii) gender mainstreaming and the role of women and vulnerable groups, iv) advocacy and awareness issues, and v) urban planning. In this regard, UN-HABITAT will prepare a project document to provide a basis for the mobilization of Technical Assistance funds to finance these activities from the EIB and other donors, as appropriate. UN-HABITAT will also assist the countries in setting up a monitoring system to provide baseline socio-economic data and monitor progress in meeting the MDGs. UN-HABITAT will provide further support for the mobilization and management of grant funds through the Water and Sanitation Trust Fund for the extension

of services to the low income settlements of the target towns.

6.4 Water Service Boards and Utilities

Water Service Boards and Utilities and City Councils will be the main implementing agencies for the national components of the programme. They will be responsible for preparation of the detailed designs, engagements of consultants, progress reporting operational and maintenance of facilities and ensuring sustainability of the long term investment.

7 Key action points for follow- up

- UN-Habitat, LVBC and EIB to undertake the formulation of the overall Investment Proposal; in consultation with the 5 governments.
- Initiate consultation and negotiations with respective Ministries of Finance to incorporate the programme into the National Budget Frameworks;
- Commencement of Technical Projects preparation (feasibility studies, detailed designs and

implementation documents) using the EIB grant facility

- EIB, LVBC, AfDB and UN-Habitat to Convene a Donor Conference within three months to mobilize additional funding to complement possible EIB financing;

8 Proposed time schedule

- Programme Formulation by October 2009
- Incorporation into National Budgeting Process by December 2009
- Capacity Building Launch by January 2010

Table 1: Proposed Infrastructure Investment

Component	Sub-category	Country					Total (USD)
		Uganda	Kenya	Tanzania	Rwanda	Burundi	
1. Water Supply							
Intake / Treatment	New	26	40			2.5	68.5
	Rehab	13					13
Distribution Network	Rehab (urban)	32		4			36
	Rehab (Peri-urban/ informal)	13		1.33		0.5	14.83
	New (Urban)	13	3	4.56		0.6	21.16
	New (peri-urban)		5		12	3	20
Storage		10	5		2	0.8	17.8
Controls/ Regulation				1		1.7	
2. Sewerage and Sanitation							
Treatment	Rehab						
	New				16	4.4	20.4
Networks	Rehab (urban)						
	Rehab (peri-urban)						
	New (urban)		5		10		15
	New (peri-urban)					1.6	1.6
On-site Sanitation	Peri-urban		0.1	12.38		0.7	13.18
Small Bore sewers	Peri-urban		5	0.15		0.2	5.35
3. Urban Catchment Management							
Environmental san management – drainage		0.5	1			0.4	1.9
Water Source catchment protection		2.5	1		1	0.3	4.8
Water quality monitoring/ testing		3.5	1		1	0.2	5.7
4. Capacity Building and Training							
Staff training/ water utility		0.5	1		0.4	2	3.9
Institutional support			2		0.3	1	3.3
M&E			0.5		0.3	1	1.8
Gender Mainstreaming					0.4		0.4

Component	Sub-category	Country					Total (USD)
		Uganda	Kenya	Tanzania	Rwanda	Burundi	
1. Water Supply							
5. Solid Waste Management				2			2
Communication and Awareness		2	0.1			0.5	2.6
Equipment Support		3	1		1.2	1.1	6.3
Capacity Building and Training		1.5	0.1		0.4	0.5	2.5
6. Others		2		15.3		1.2	18.5
TOTAL		122.5	71.8	49.22	45	24.2	312.72

SUMMARY

Activity	Country					Remarks
	Uganda	Kenya	Tanzania	Rwanda	Burundi	
1. Proposed Scope of Infrastructure Investments	107	64.1	22.42	40	15.9	
2. Training and Capacity Building	15.5	5.8	11.5	5	5.1	
3. Funding Modalities	Concessional Loan through GoU Grants	Loan by Govt (Treasury) to on-lend Grant to Treasury then channeled to LVSWSB	Basket fund	Sector Budget Support	Basket Fund	
4. Coordination and implementation Management	Infrastructure investments and capacity building relating to NWSC to be coordinated by NWSC others coordinated and implemented through line institutions	Min. of Finance – borrow and coordinate - MOWI – policy, coordination and supervision - LVSWSB –implement - UN-Habitat – TA support and capacity building - LVBC – regional coordination	Ministry of Water, UN-Habitat, LVBC Ministry of Finance	NINECOFIN – Financial Coordination MININFRA- Technical Coordination UN-Habitat- TA and Capacity Building	Finance Ministry, M.E.E REGIDESO SETEMU UN-HABITAT	

Activity	Country					Remarks
	Uganda	Kenya	Tanzania	Rwanda	Burundi	
5. Key Action Points for Follow-up	Feasibility study					
	Detailed Design					
	Appraisal by partner EIB					
	Agreement with MoF					
6. Others			14.30			

List of Participants

Lake Victoria Region Water and Sanitation Initiative 2nd Meeting of East African Ministers of Water and Development Partners Entebbe, Uganda, April 22-23rd, 2009

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