Sub-Saharan Africa • Uganda

Association of Private Water Operators in Uganda: Affordable and Safe Water for the Urban Poor

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Sector • Water
Enterprise Class • Local SMEs
Introduction

One of the worst problems facing poor people in Sub-Saharan Africa is lack of access to clean water.¹ The need for safe water cannot be overemphasized. Water is necessary for life itself, and water scarcity results in great hardship including life threatening diseases. It is not uncommon for low-income people to trek long distances for small volumes of (unsafe) water in rural Africa or to wait for long periods in queues to pay exorbitant prices in urban areas. Twenty litres of water typically costs US$0.30 in East African cities. The 20 litres will then have to be stretched to cater for the bathing, cooking and cleaning needs of an entire household for that day. For those living on less than a dollar a day in urban Africa, this is the grim reality.

Uganda, a landlocked East African country, has a population of 21 million people, 80 percent of whom live in the rural areas and are engaged in agricultural production. Unlike other countries in the region that regularly suffer from drought, Uganda is not dry;² nevertheless, water supply for the urban and rural populations stands at 60 percent and 55 percent respectively, with the low-income end of the market being most underserved. Life expectancy in Uganda is 42 years, with water-borne diseases and poor sanitation causing 50 percent of child mortality³ in the country.

Uganda went through political and economic devastation during the reign of Idi Amin in the 1970s and 1980s. As a result, poverty worsened considerably and was eventually addressed through the structural adjustment reforms of the 1990s during which Uganda gave priority to water and sanitation. The majority of Ugandans live in rural areas but over two million of the country’s 21 million people live in small towns in which water supplies are poor. The majority of the people in these towns are low-income, and lack of water had aggravated poverty and encouraged disease.

Uganda consequently embarked on water sector reforms that have enabled low-income people to gain easy access safe and affordable water. An important part of this initiative is the provision of water by private operators in small towns across the country.

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¹ WHO/UNICEF, 2000 The Water Supply and Sanitation Collaborative Council estimated the global number of people with inadequate service levels in water and sanitation at 1.1 billion and 2.4 billion respectively. The people most affected by this deficiency are those with low-income levels, and those living in low-income settlements.

² Uganda is 1,000 to 1,300 meters above sea level

Association of Private Water Operators in Uganda

INAUGURATION

Eight founding companies formally established the Association of Private Water Operators (APWO) of Uganda in December 2003, with technical and financial assistance from the German Technical Corporation (GTZ). The companies, including Kalebu Ltd (see Appendix A for the company profile) and WSS (U) Ltd, had all bid for and won small town contracts but were experiencing many challenges in their task of water and sewerage service provision. They wished to associate in order to think together about common problems and strengthen their position in collective bargaining. The vision of the Association is: “To be the most effective and competent advocate for private water operators in the water sector in Africa.” APWO’s founding mission was: "To unite its members in the delivery of high quality, reliable, environmentally sustainable, economically efficient and satisfactory water and sanitation services to the communities they serve".4

APWO sees its main roles as follows:5

- Bring together all private water operators in Uganda under one umbrella, coordinate activities, advocate and lobby for members’ interests among all stakeholders in the water sector
- Promote capacity building through training of its members
- Set minimum requirements for Private Operators and regulate professional conduct of its members
- Coordinate procurement (water meters, services for water quality testing, etc)
- Advise Private Operators and Water Boards on technical and service standards for towns under Private Operator management
- Facilitate the process of tariff design and setting for APWO member operated towns
- Increase membership, design membership fee structure, prepare renewable annual membership certificates, publish annually a list of members in appropriate public media and collect membership and annual subscription fees
- Hold annual general assemblies and executive meetings
- Act as a focal point for communication, networking and promote affiliation with other sister organizations
- Establish a competent secretariat to coordinate fundraising, maintenance of a database and the planning and administration for the organization and its members

ORIGIN

During the mid 1990s Uganda went through structural adjustment reforms that emphasized increased private sector participation (PSP). The government’s Water, Environment and

4 Ibid.
Sanitation sector was among the first to be affected, and under the reforms, the role of civil servants changed drastically from implementation to statutory. Under the new paradigm shift the civil service was in charge of quality assurance, regulation and contract management, while implementation was farmed out to the private sector. Therefore, private water suppliers entered the mainstream water market. Over time the number of private water suppliers increased, and they now operate under an umbrella body known as the Association of Private Water Operators (APWO).

The National Water Policy implemented in 1999 operationalized these reforms with the result that that one million people have gained access to clean water since 1998. This first phase saw the government commission a series of boreholes in villages across the country. Private contractors carried out the work, and once ready, the boreholes were handed over to the various communities for management. Initial funding for water and sanitation reform in Uganda came mainly from the Poverty Action Fund (PAF) whose contributors are listed below:

- The Ugandan government 35%
- Debt Relief 34%
- Donor support 31%

The Government of Uganda estimates that access to water now stands at 50 percent overall, up from 40 percent in 1997. Therefore, it looks likely that Uganda will attain the Millennium Development Goal (MDG) of halving the population without access to safe drinking water by 2015.

The Ugandan government through its Directorate of Water Development initiated the Small Towns Water and Sanitation Project in collaboration with the International Development Agency (IDA). The initial sites for the project were 11 small Ugandan towns: Wobulenzi, Rakai, Ntungamo, Rukungiri, Lyantonde, Luwero, Kyotera, Kalisizo, Lugazi, Malaba and Busia. The initial cost of the project was US$22.9 million.

At the start of the reform process the Ugandan government considered contracting international water operators to provide the service, but it soon became clear that this would not work. The international firms regarded even the largest Ugandan towns, such as Kampala, as small and risky markets, and their quotes were proportionately high. Thus the Ugandan private sector was encouraged to participate. In July 2001, two pioneer firms successfully bid for and were awarded the contracts to manage seven of the towns for two years. The two firms were Kalebu Ltd and WSS (U) Ltd.

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7 Uganda is classified as a highly indebted country and was thus eligible US$2 billion for debt relief. (Burungi, 2003)
CURRENT STATUS

The Association of Private Water Operators in Uganda is made up of 15 local private operators of which 11 are limited companies. The rest of the members are individuals. The companies are listed below:

1. Bika Limited
2. Bisons Ltd
3. Bright Technical Services
4. Able Holdings
5. George and Company Ltd.
6. Irumu and Associates
7. Iowa Engineering Services
8. Kalebu Ltd.
9. Kikaaya Investments
10. Trandint Ltd.
11. WSS Services

The APWO currently serves over 490,000 people in Uganda with water or sewerage services daily in 57 small towns (see Figure 1). There are 18,944 connections with annual turnover of two billion Uganda shillings (US$1.2 million) per annum (see Table 1). The operators also provide employment for 800 people.

Figure 1: Towns Operated by APWO Members

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9 Mutikanga (2005)
10 Kalebu (2006)
Table 1: Collective Performance Indicators of APWO Members

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<tr>
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<tbody>
<tr>
<td>Water Produced (m³)</td>
<td>2,110,655</td>
<td>2,666,873</td>
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<td>Water Supplied (m³)</td>
<td>1,554,434</td>
<td>2,016,704</td>
<td>2,767,049</td>
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<td>Un-accounted For Water (%)</td>
<td>22.3</td>
<td>24.4</td>
<td>18.4</td>
<td>20.7</td>
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<td>Total Connections (No.)</td>
<td>10,375</td>
<td>12,372</td>
<td>16,061</td>
<td>18,944</td>
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<tr>
<td>Active Connections (No.)</td>
<td>8,704</td>
<td>9,939</td>
<td>13,096</td>
<td>16,076</td>
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<td>New Connections (No.)</td>
<td>2,047</td>
<td>1,259</td>
<td>2,444</td>
<td>2,600</td>
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<td>Extensions Made (m)</td>
<td>43,004</td>
<td>37,618</td>
<td>75,784</td>
<td>82,421</td>
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<td>Total Bills (Ushs.)</td>
<td>1,244,159,518</td>
<td>1,758,513,227</td>
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<tr>
<td></td>
<td>(US$712,577)</td>
<td>(US$1,007,167)</td>
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<td>-</td>
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<tr>
<td>Total Collections (Ushs.)</td>
<td>987,602,202</td>
<td>1,595,898,024</td>
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<td>-</td>
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<tr>
<td></td>
<td>(US$565,637)</td>
<td>(US$914,031)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Collection Efficiency (%)</td>
<td>72</td>
<td>90.8</td>
<td>86.0</td>
<td>84.7</td>
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<td>Cost per Unit (Ushs./m³)</td>
<td>1,624</td>
<td>1,231</td>
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<tr>
<td></td>
<td>(US$0.93)</td>
<td>(US$0.71)</td>
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<tr>
<td>OPEX Funded by Revenue (%)</td>
<td>59</td>
<td>70.4</td>
<td>-</td>
<td>-</td>
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<td>Staff/1000 water connections</td>
<td>No data</td>
<td>47</td>
<td>31</td>
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The Business Model

THE PARTNERSHIP

The essence of this model is a private public partnership, which specifically involves the ministry in charge of water and local enterprise. The Ugandan Ministry of Water, Lands & Environment (MWLE) through the Directorate of Water Development (DWD) appoints Town Councils as urban Water and Sewerage Authorities (WSA). The Directorate of Water Development is a parastatal of the ministry (MWLE), and it is responsible for policy issues. The WSA assumes responsibility for supply of water within the boundaries of the town. Each town council then appoints a Water Board\(^\text{12}\) to set charges and regulate the activities.

The MWLE/DWD transfers the water supply assets of the town to the WSA by signing three-year performance contracts.\(^\text{13}\) The WSA then signs management contracts with local private water operators for two or three years under which the private operators undertake the management of the technical, commercial and financial operations of both water and sewerage services (see Figure 2). The private operators are not expected to assume any

\(^\text{12}\) A Water Board is made up of The Town Clerk (Secretary), the Chairperson of the social services committee in the town council, 2 representatives of water users (domestic & Institutions) and a representative of the former Water Users Association (WUA).

\(^\text{13}\) Kalebu, W. (2007). New policies have been drafted with regard to tariffs and the length of contracts and are about to be implemented.
commercial risk but they are expected to pre-finance all operations a month ahead. All collected revenue is banked in an escrow account to which the town clerk and the private operator are signatories. All dues are then paid out from this account as follows; 85 percent as management fees to the operator, five percent to the Water Board and ten percent is re-invested for sustainability (see Figure 3).

Figure 2: Contractual Framework for Water Supply Services in Uganda

There are two types of management fee computations currently being used in Uganda to pay private operators for their monthly services in the small towns.

1. In the first type, fees per month are paid on the basis of fixed and variable costs:
   - **Base Fee:** This is negotiated and fixed at the beginning of the contract to cover the operators’ fixed and overhead costs. It should not exceed 50 percent of the value of bills issued.
   - **Water Sales Fee:** This covers production costs for water sold (rate for volume of water sold)
   - **Billing Fee:** Covers costs of bill production and delivery to customers (rate for number of customers billed)
   - **Pipe Network Maintenance Fee:** Covers costs of routine maintenance of the pipe network (rate per length of pipeline)
   - **New Connections Fee:** Covers costs of making new connections (rate per new connection)

2. In the second type (commonly used in the Eastern part of Uganda), the fees of the private operator are based on a percentage of revenue collected from water sales. The operator is paid 85 percent of revenue collected, five percent is for Board expenses and ten percent is re-invested into the water system to make it more commercially viable.

   *Source: Mutikanga, H. (2005)*

**THE PROCESS**

Each member in the partnership has a specific role to play.

**The Government**

In collaboration with development partners, the Ugandan government identifies suitable water sources and shoulders the cost of drilling boreholes. Sometimes the sites are on community property, but sometimes they are on private property. In the latter case, the government facilitates the community in purchasing the land from the owner. The government is also responsible for the construction and maintenance of the reservoir and the water treatment plant. Government policy is to provide clean water at the lowest possible cost to as many Ugandans as possible, therefore the government subsidizes water provision. For example it costs US$321 to connect a single household, but households pay only US$35 (in instalments if desired), while the government pays the difference. In general, the relationships between the community, water operators and government are amicable which contributes to the success of this model.

**The Local Private Water Operator**

The water operator is responsible for distributing the water. This entails engaging technical staff to operate the machines, ensuring a steady power supply, billing, tracking payments and providing general system maintenance. The operator must also ensure safety by sending samples to the National Water Board for testing. This must be done every six months at the very least but could be done more often or in case of doubt. The operators have the option of retailing water themselves or subcontracting out the function. Retail outlets for water include
water shops, water kiosks\textsuperscript{15} or individual household connections. The higher the volume of water sold (and revenue collected) the higher the earnings for the operators. The volume of water supplied by the members of APWO has increased from 1.55 million cubic metres in 2002 and 2003\textsuperscript{16} to 2.53 million cubic metres in 2005 and 2006.\textsuperscript{17}

The Water Board

The five member Water Board actually owns the assets, sets the tariffs for water in their community and formulates local water policies. The Board also regulates water services in the town and takes part in the selection of the private operator. Water boards mediate between private water operators and the community when the need arises.

Challenges

The private water operators face the following challenges whilst providing water to the towns:

POOR INFRASTRUCTURE

A lot of the infrastructure in Uganda is old fashioned and inadequate. For instance, the electricity supply has frequent power outages. This increases operational costs for the water operators (due to diesel fuel for power generators) and also makes service delivery less efficient.

INSTITUTIONAL CHALLENGES

The policy framework for private participation in water generation is due for an overhaul to cater for issues such as sub-contracting, sliding-scale subsidies, discrimination of lowest income groups, tariff setting, procurement practices, APWO representation in key committees and fine tuning the role of the partners. The operators frequently encounter interference in daily activities like disconnections and mains extensions from the Water Boards and town councils. In addition, it is acknowledged that governance issues such as political interference, lack of transparency and corruption impact negatively on water provision. Besides, the rule that stipulates that water samples must be frequently tested puts strains on the water operators because testing facilities are few and far between.

FINANCIAL CHALLENGES

The Water Boards tend to set tariffs without input from the water operators, which creates a disincentive for the water operators. In addition, a considerable financing gap is created because consumers sometimes pay their bills erratically and government institutions also delay payments to the water operators. In 2005 the operators were owed US$172,000. Value-added tax is levied on connections and makes affordability more difficult particularly for the lowest income groups. Managing kiosks on a daily basis with small consumers is also a challenge, as opposed to the metered users who use bigger quantities of water and may not

\textsuperscript{15} Water kiosks are modest (smaller) versions of water shops.
\textsuperscript{16} Mutikanga (2005).
\textsuperscript{17} Kalebu (2006).
need daily monitoring. The operators also experience escalating operational costs due to frequent upward adjustments of electricity (while water is heavily regulated), costly diesel, costly chemicals, etc.

**LACK OF SKILLS**
The water operators tend to have engineering backgrounds and therefore further need to improve their skills in business, and social interaction.

**BUSINESS THREATS AND DETRACTORS**
The operators are well aware of competitive threats posed by alternatives such as springs, rainwater harvesting and boreholes. Besides, the model has its detractors among the civil society who oppose privatization as exploitative towards the poor.

**Innovations**

**INCENTIVES FOR SERVICE PROVIDERS**
The private water operators are engaged in business with the universal entrepreneur’s motivation of profit maximization. The model allows the entrepreneurs to maximize profits while benefiting the residents of small towns by providing them with an affordable and reliable water supply. In addition to this, the model has built in incentives in that water operators who exceed their connectivity targets are able to earn a 25 percent bonus.

**PRO-POOR PROVISIONS**
The model has several pro-poor provisions including the following:
- The tariffs are set by the local Water Boards
- The government subsidizes water connections to households
- Water kiosks ensure that those who cannot afford to get connected can still access affordable and safe water
- The government insists that the water operators treat the customers with sensitivity. For example, the operators are obliged to make monthly visits to all connected households

**WATER OPERATORS**
The private water operators have innovated in a number of ways ranging from systems such as control dispensing systems, which deliver pre-measured volumes of water, coin-operated water kiosks and installing billing software that increases efficiency. The water operators have also innovated by organizing themselves into the Association for Private Water Operators of Uganda. To ensure sustainability of the water supply, APWO has set up an accreditation manual to guarantee that members have experience and qualifications before joining the Association. In addition, training sessions, both technical and administrative, sponsored by GTZ and the government, are provided to APWO members. However, the sustainability of the systems is challenged by decentralization, which gives districts the autonomy to conduct their own procurement, and sometimes procure sub-standard operators outside APWO.
Development Impact

The model has had an impact on human development in Ugandan small towns and their environs. Above all, it has enabled easy access to clean water, which has allowed many Ugandans to spend their time in ways other than collecting and purifying water. In particular, female children can now concentrate on their schooling, while their mothers have been released from spending several hours a day fetching water. Furthermore, improved access to clean water lessens the incidence of many infectious diseases. The net result is lower medical costs and increased productivity. The fact that economic activity usually increases in towns that are in the project areas bears this out.

The model is superior to the previous one which typically involved drilling a borehole in a village. If the residents drilled the borehole themselves, they were often badly built or they were too shallow and would dry up. Later, boreholes dug by the government were well-built but the communities were expected to maintain them, often with dismal results. The private water operators, on the other hand, are creating networks of piped water to homes and retail outlets on a financially sustainable basis.

The improved access to water has inspired the start-up and expansion of many small-scale businesses such as poultry farming, vegetable stalls, food sellers and car-wash businesses. These businesses create employment and thus extend the ripple effect of the economy. Lastly, the 15 APWO water operators employ 800 people, maintain 18,944 connections, provide water for 490,000 people and generate a turnover in excess of US$1.2 million. That all this has been achieved since they came into existence in 2003 is remarkable.

Scalability & Replicability

This programme is scalable as evidenced by the fact that the number of poor people connected and private water operators continues to increase. So far only 57 of the 180 small towns in Uganda have benefited through this project and less than half a million people out of a potential two million (growth rate 3.2 percent). The potential for growth is vast, since ideally all future households will be connected to a water service provider. The model can also be replicated in neighbouring countries and beyond, because all Sub-Saharan countries face the same challenges in water service provision. The model could also potentially be applied to other utilities such as electricity or connectivity with appropriate variations as necessary. In Uganda the immediate priority is for the private water operators to expand their services to the 123 towns that are yet to be covered.

The government of Uganda estimates that access to water now stands at about 55 percent overall, up from 40 percent in 1997, therefore it looks likely that Uganda will attain the Millennium Development Goal (MDG) of halving the population without access to safe drinking water by 2015.
References


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Interviews


Appendix A: Profile of a Private Water Operator

Joshua and Winifred Kalebu, Kalebu Ltd

Inception

During the first phase of the structural adjustment programmes (SAPs), The Ugandan government partnered with development agencies, NGOs and the private sector to construct a series of boreholes that availed water to poor communities. The water was either sold at rates affordable to these communities or provided free of charge to the poorest of the poor. The acknowledged problems with this programme included unsafe water, inadequate production, poor management and lack of repair and maintenance of the boreholes.

During the early nineties Engineer Joshua Kalebu (MSc. Engineering) recognized the need for water service improvement to urban, semi-urban and rural communities in Uganda and dreamed of collaborating with the Ugandan government in availing water to all Ugandan people. However it soon became apparent to him that that this was unlikely to happen in the near future, and he concluded that the only model that could work was that of private operators. Engineer Kalebu had already spent 15 years in the US gaining valuable experience in engineering design and management practice. Thus Kalebu and his wife, Winifred, incorporated Kalebu Ltd- a limited liability company on 17 January 1995. Kalebu Ltd became the pioneering local company in the design, development and management of community water supply schemes in Uganda. Engineer Kalebu is the Chairman of the company, while Winifred is the Managing Director. Winifred is currently the Chairperson of the Association of Private Water Operators (APWO) in Uganda.

Two years prior to the registration of Kalebu Ltd, US based Ugandan Engineer Kalebu had visited Uganda and had been struck by the pressing need to develop better water systems in Uganda. This time he decided to do something about filling in the gap. He had some savings that he could invest in the venture and thought that this made him eligible for financing. He also hoped that once the government became convinced that the system worked, then they would partner with him in the business. However, when Kalebu approached several financial institutions to lend him the money, they were hesitant because the recovery period for the loan was long-term. In the end, none of the financial institutions would finance the venture. Undeterred, the Kalebus decided to go ahead. They were confident of high demand for the water, despite the financial obstacles. They were also confident that the low-income end of the market could be profitably served. They were proved right, because in 1998 Kalebu’s corporate turnover reached US$120,000.

Kalebu likewise encountered a problem when he tried to convince the government to partner with them in the venture. The borehole project was popular in government circles, thus they saw no need for government involvement with Kalebu Ltd. The turning point came when a team from the World Bank visited and observed the impact the project was having. They consequently arranged for a meeting between the government and the directors of Kalebu Ltd, which resulted in the pilot programme of 2001.
Partnership with government

In 2001, the World Bank and other donors persuaded the government to utilize the private sector. The performance of Kalebu Ltd in the towns of Seguku, Mityana and Mukono was instrumental in convincing the government that the private sector was a resource worth exploiting. There was open bidding for pilot projects in several towns, and Kalebu Ltd secured the first five towns: Busia, Malaba, Luwero, Wobulenzi and Lugazi. Despite problems caused by poor contract implementation, (i.e. resistance from the local authorities, lack of regulation and poor monitoring and evaluation) the two-year contract resulted in excellent performance.

Innovations

Cycontrol System: Kalebu Ltd began business by installing the cycontrol system on the national water lines as dispensing units. The Kalebus are very proud of cycontrol, which was their earliest innovation, and they believe it to be unmatched by any other system. The cycontrol dispensing system delivers pre-measured volumes of water and has the following advantages:

▪ Eliminates waste/spillage by dispensing an automatically pre-measured volume of water
▪ Does not require attendants and, therefore, has limited management cost
▪ Ensures 24 hour water supply to customers

Kalebu Ltd installed nine units within the suburbs of Kampala city and Entebbe in Kinawattaka, Kabalagala, Kansanga, Kireka, Nakasero Market 1 & 2, Kibuye market, and Bayita ababiri locations. These worked very well for a period of three to four years until the time they sought government buy-in to provide continued support for expansion and maintenance. Instead of government partnering with them, Kalebu’s efforts to sustain this service received no support and the National Utility Manager actually disconnected the water supply due to accumulated bills.

Own Drilled Water Systems: With its own resources Kalebu Ltd then constructed its own drilled water systems on which it installed the cycontrol system in the semi-urban towns of Seguku, Mityana, and Mukono. The improved water supply boosted the growth of these towns; demand soon outstripped supply. Again Kalebu attempted to obtain support from both the government and the financial institutions in order to expand- again these efforts were in vain and bore no fruit.

Dual supply services: Kalebu Ltd supplies water through two delivery systems: through coin-water operated water kiosks and through house connection services.

Winifred Kalebu: A Gender Perspective

From the beginning, the Kalebus decided that Winifred would manage Kalebu Ltd on a day-to-day basis, and she has gained vast experience over the years. She is pleased with her achievements as a pioneer water operator, managing director and as a woman in a male dominated world. Currently she is the chair of the APWO. Along the way she has also had her share of challenges, some of which are general and others that are due to the fact that she is female. She is understandably much more resentful of the latter.

The general challenges include the following:

▪ In the course of their business activities, there are several delaying tactics by both the Water Boards and the government authorities.
One of the other problems that they have with the National Water Board is that the Water Board can come and take over a town at any time. This creates uncertainty for the Private Water Operators, because it doesn’t matter whether you have a contract or not- the National Water Board can come and take over before the contract ends. This is a problem for the water operators because when this happens abruptly, the company loses income and may not have recovered their costs.

The government rarely conducts arbitration, monitoring or evaluation, nor does it have the human resource capacity to adhere to its end of the partnership. Consequently the private operators feel that the government is not very conversant with the situation on the ground. At the same time the private operators complain that there is a great deal of political interference in their operation.

The private operators also feel that they are not consulted in key policy issues such as the Water Act, which was revised for the last time in 1997 and 1998 and does not mention anything about the contribution of the private sector.

Kalebu Ltd had to lose one town that was among the towns allocated to them, because the local community felt that they were not involved in the bidding process. Thus, although the contract was signed, they had to let it go.

The water tariffs are decided by the Ministry and the Water Boards in the various communities, therefore the tariffs frequently don’t cover the costs. In some areas the tariffs have actually been reduced, which is very frustrating for the operators because the government plays a silent role and doesn’t take depreciation into account. Kalebu Ltd is currently owed 160 million Uganda shillings (US$91,500) by the water authorities.

Uganda is currently experiencing severe power shortages and sometimes towns can go without power for up to a week at a time. That means that businesses like Kalebu Ltd have to depend on generators, which are expensive.

Although the operators have met many of their targets, others still remain elusive. For example, overall water access in small towns is 36 percent (only 57 out of 180 towns are covered), and the average distance for fetching water is now 0.5 km, but this still a long distance for women to carry water.

Gender based challenges have their genesis in the fact that Uganda is still highly traditional in outlook, and culturally women were supposed to subjugate themselves to men. Winifred battles this prejudice daily as she goes about her day-to-day activities. The situation is heightened by the fact that she is the only female private water operator in the country and also by the fact that most of the people she has to interact with in the course of her work are men. Examples of the problems that she faces include the following:

- It is much easier for private water firms that are headed by men to get distribution of pipes and even have access to certain forms of information.
- Because Winifred is the chairperson of the Association of Private Water Operators, she has advance knowledge of decisions by the Water Boards. Yet more often than not, they keep her out of quite a number of issues and only invite her to forums when it is unavoidable.

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18 Functionality is at 93%, 95% of the water supplied conforms to quality standards, and collection efficiency is at 85%. (Kalebu, 2006)
Quite often during meetings, she clearly is not expected to express her opinion and just as clearly expected to agree with whatever has been decided.

At some of the forums she is asked to show men more respect or alternatively to humble herself when addressing them. Water Board members and minor officials in the towns expect to summon her to them rather than seeking her out when they need to. She is adamant that this would not happen if she were a man.

**Examples of the Impact of Kalebu Ltd**

*Mr. Scenting:* In Mekong town Mr. Scenting, a local resident, owned a very small restaurant that also had five rooms to let. Mr. Scenting says that his business was not connected to water before Kalebu Ltd came to town. In those days he had to fetch water from a borehole, and he used to pay people to do so. But within six months of Kalebu connecting him to water, he had more than doubled his profits and increased his room capacity to double the previous number. He has now constructed several restaurants.

*Mr. Keyway:* Mr. Keyway is the proprietor of a small-scale bakery in Mukono, Mukono Bakery, and he has a lot of good things to say about the privatization of water. Initially, he supplied bread to his local town from his small premises, but he did this on a limited basis due to the fact that the water supply from the borehole was inadequate. After his business was connected to water, he increased his output considerably and employed more people. He says that when people know that you have adequate water, they are more inclined to trust the hygiene of your business. Over time, he has constructed bigger premises and a store to keep his bread. These days he supplies bread to three towns, including Kampala.

*Collins Hotel:* A member of the staff at Collins Hotel in Mukuno town narrated how he has watched its growth since the introduction of the privatization of water. He said that prior to privatization, the water they would get would be dirty and sometimes scarce due to the electricity problems. Consequently, they could only cope with a few guests at a time. Water privatization increased water supplies considerably and business picked up. They even started receiving guests from neighboring towns. Previously they had no capacity to host many guests at a time, but now that is a thing of the past. They no longer have to limit the number of guests that they host. In fact, they have since constructed more rooms. He said that an indicator of how much business has improved is the hotel’s water bill. When they were first connected to the water they paid 200,000 Ugandan shillings (US$114) per month, but nowadays they pay over 700,000 Ugandan shillings (US$400) per month. The staff member comments that he has also noticed other changes in the town: there are more people moving into the town as a result of the water, and the rent for housing has increased. In addition to these outcomes, there are more small businesses sprouting up. He added that culturally Ugandans love good food, and although they have suitable weather for agriculture, the hilly terrain limits most homesteads from growing much food. Also, that which is cultivated is usually for home consumption rather than for sale. As a result, the food industry tends to be good business in Uganda.

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19 The staff member wished to be cited as anonymous