Overview & key elements of interventions

- The African Development Bank Group (AfDB) is among the multilateral development partners supporting the Ugandan government. It has been a key player in supporting the water sector in Uganda since 1968.

- Support in the last 6 years has been provided in line with the Uganda Joint Assistance Strategy (UJAS 2005-2009) which was developed and agreed among Development Partners, in consultation with the government, as a strategic framework to assist the government in implementing its 2004 revised Poverty Eradication Action Plan (PEAP). It provided for Budget and projects support among other funding modalities.

- The Bank’s committed support towards the water sector since 1968 is approximately UA 166.8 (approx USD 255 million). The urban subsector has the larger share with *UA106 m while funding for the rural subsector is *UA 60m. Support has been towards 2 studies as well as 7 project/programs of which two have RWSSI input.

- The Bank’s current project portfolio includes 1 on-going sanitation project. The objectives have no component of water development but are rather focussed on improved sanitation in the capital city, Kampala, and reversing the environmental degradation of Lake Victoria. The other on-going program is of a regional nature supporting Water and sanitation in 15 towns in the EAC member states around Lake Victoria, also with a focus of reducing pollution of the lake. And lastly the soon to start Water Supply and Sanitation Program that is going supporting both rural and urban communities and is to implement using country financing and procurement modalities.

- Recent flagship projects in the water and sanitation sector completed in the country with Bank financing include:
  - The 7 Small Towns Water Supply and Sanitation Project with USD 28 m funding
  - The Rural Water Supply and Sanitation programme with earmarked sector budget support of USD 60 m funding

- The Country has also benefited from the African Water Facility / AfDB funding for a total of EUR 1.2 million supporting both urban poor and rural water and sanitation projects.

- Uganda has developed a 5 year National Development plan (NDP) for 2010/11-2014/15 whose long-term vision is a transformed Ugandan society from a peasant to a modern and prosperous country within 30 years. The
Bank at the same time is finalising its next Country Strategy for Uganda 2011-2015 which conforms to the 5 year National Development plan of Uganda.

- In line with the Bank’s Medium Term Strategy 2011-2015 and Uganda’s National Development plan, it is anticipated that the Bank will provide support of *UA 40m towards rural water supply & sanitation through sector budget support and urban piped water supply through project support.

**Recent and on-going projects**

The Bank recently approved a USD 53m loan for Kampala sanitation program phase I, which is co-financed with the German development bank KfW (*UA 15.3m) and the European Union (*UA 6.7m).

The project has refurbished the old sewerage treatment plant at Bugolobi and started works on a new faecal treatment plants at Lubigi in the city suburbs. Procurement for the sewerage pipe network in the city is under way. The bulk of AfDB funds (97%) are to go toward putting in place the two major Waste Water treatment plants with a total capacity of 53,000 cum/day to treat both the city sewerage as well as the effluent in the main water channels draining into the lake. Methane gas generated by the process will be used to generate electricity to run the system, making the project a potential candidate for carbon credit. Detailed designs were completed and a three firm consortium contractor procured for the bigger plant. Arrangements are under way for advance payments to enable the contractor to site immediately. The bids for the second plants are to be submitted at the end of March.

Other recently concluded projects include:

- **Small Towns Water Supply and Sanitation Project (USD 28 m):** The recently concluded project, targeting 7 towns, provided an integrated package of piped water supply, public and school sanitation, storm water drainages and complete solid waste management systems with disposal sites, garbage tractor trailers and collection bins.

- **The Rural Water Supply and Sanitation programme (USD 60 m):** The programme with funding support from the Rural Water Supply and Sanitation Initiative RWSSI, through ear marked sector budget support, contributed towards providing improved rural water supply for 3.3 m to raise the national rural water coverage from 61% in 2005/06 to 65% in 2008/09, while the rural sanitation coverage raised from 57% in 2005/06 to 68% in 2008/09.

- The Country has also benefited from funding by the African Water Facility of EUR 800,000 providing prepaid meters and sanitation facilities to over 13,000 urban poor in the slums of Kagugube parish in Kampala. The fund further provided EUR 449,000 which provided 642 domestic ferro cement tanks (6 cum) in three water stressed districts.

**Recently Approved Operation:**
1.1 On the 5th of October 2011, the Bank approved the Uganda Water Supply and Sanitation Programme which will support the Government of Uganda towards achieving its goals for 2015 for water supply and sanitation. The Programme is in line with the Joint Water Supply and Sanitation Programme Support (JWSSPS) established in 2007 by the GoU and the Development Partners (DPs). The contribution of the Bank of AU 40 million from ADF allocation and AU 3.58 million from the Rural Water and Sanitation Trust Fund (RWSSI TF) is representing 15.3% of the total financing of the JWSSPS.

1.2 A number of Development Partners are contributing to the JWSSPS, including KfW, Austria, EU, and Danida. The objective of the program will benefit additional 2.4 million in rural and small towns. The JWSSPS has seven comments of which the Bank will contribute to three components. These are: rural water supply and sanitation, small towns water supply and sanitation, and Sector Programme Support. The proposed Bank intervention will be implemented in four years 2012/13 to 2015/16.

On the 17th December 2010 the Bank further approved a regional Water Supply and sanitation program for 15 towns around Lake Victoria in the five EAC member states which is designed to address reduction of environmental pollution of the lake. Out of a revised grant of UA 72.98m approved on 14 March 2011, Uganda will get UA 11.13m to address: water supply, hygiene and environmental sanitation, urban drainage improvement and capacity building in the towns Mayuge, Ntugamo, Buwama, Kayabwe and Bukakata. The Grant Protocol Agreement and subsidiary transfer agreements were signed on 4 April 2011 and 15 April 2011 respectively and the program declared effective on 23rd November 2011. The program is to run up to December 2014 and arrangements are under way to replenish the special account.

**Bank role as a sector lead (2011 – 2012)**

Uganda’s donor coordination mechanism is composed at the high level by the Local Development Partner Group (LDGP), which brings on board all heads of development agencies and over 25 diverse macro and thematic sector working groups that meet regularly on a broad spectrum of national issues. The Water and Environment Sector Working Group (WESWG) is the formal decision-making body on water supply, sanitation and environment related issues. The working group is supported by two sub sector working groups: (i) the Water and Sanitation Sub-Sector Working Group (WSSWG) and (ii) the Environment and Natural Resources Sub-Sector Working Group (ENRSWG). Each Subsector working group has a supporting Development Partner Working Group. Water and Sanitation Development Partner group (WSSDPG) is led through a troika arrangement with a chair and two co-chairs (outgoing and incoming chair). The Bank led the WSSDPG during 2007/8 and has once again resumed leadership effective October 2011 for the year 2011/12 and will also be co-chair during 2012/13.