Equity and community engagement in the transfer of water supply management

John Allen and Caroline Muturi

Efforts are under way in Uganda's refugee settlements to transfer responsibility for water services from NGOs to the country's utilities. The transition needs to be carefully managed if it is to succeed.

Uganda hosts an estimated 1.4 million refugees mainly from South Sudan and the Democratic Republic of Congo. To improve long-term sustainability, Uganda's Ministry of Water and Environment (MWE) and UNHCR have begun transferring management of water supply schemes to the country's water utilities. Currently, humanitarian agencies (mostly NGOs) are responsible for the provision of water services to both refugees in Uganda and neighbouring host communities. As part of this, it has been agreed to begin charging water tariffs in refugee settlements.

Current efforts by actors in the water, sanitation and hygiene (WASH) sector have focused on a range of aspects, including upgrading water supply systems in advance of their handover, identifying tariffs that refugee users can afford to pay, and building the capacity of the regional water utilities (known as Umbrella Authorities, UA). However, there are fears that the transition in its current form could increase inequality, and result in water services being inaccessible – in terms of their physical location and people's ability to pay – for an already vulnerable population.

Oxfam undertook a study in 2020 focusing on a number of aspects of the utility transition: economics, community engagement, and governance and

accountability.[1] The study involved a literature review, key informant interviews and focus group discussions, held in Uganda in January and February 2020, focusing on four refugee settlements at different stages of the transition: Rwamwanja and Kyaka II in midwestern Uganda, and Rhino and Imvepi settlements in the West Nile sub-region. Several areas for improvement have emerged, which could lead to a more equitable, participatory and ultimately effective transition.

Context and risk

Generally, refugees in Rwamwanja and Kyaka II were knowledgeable about fees charged to water users; however, the concept was new in the West Nile sub-region. Most refugees (across both regions) said they would be willing to pay if services were high quality – that is, if safe water was available at all times at a nearby tapstand, with limited queueing time, and if they had livelihood opportunities to increase their incomes. However, refugee representatives in West Nile reported that livelihood opportunities were limited. The communities' preferences regarding receiving cash or vouchers for water (assuming funds were available for either) were split along age, gender and geographical lines. A key trend that emerged was a slight majority of men preferring cash, which they argued was better because of its multiple uses, while women largely preferred vouchers because of their negative experiences with cash given for food. Looking at these varied findings, stakeholders should not assume that one model for transitioning water services will fit all contexts.

Instead, approaches should be informed by in-depth contextual analyses to tailor utility transition to the local context. Stakeholders should identify formal and informal stakeholders, and trusted information sources and providers, at the community level. It is further recommended that the implementing WASH actor – alongside other relevant stakeholders – should analyse all possible risks of the proposed transition, drawing on qualitative data and ensuring that risk analysis is undertaken throughout the transition process rather than at just one point.

Financial monitoring

Utilities and sector stakeholders recognise that tariffs are needed in order to meet operational expenses and to contribute to the lifecycle costs of water service delivery. However, this study and others have identified that detailed expenses data are often lacking.

The construction in refugee settlements of communal pre-paid water dispensers, also known as 'water ATMs', is a nascent development in the sector. These dispensers allow service providers to adjust tariff rates, so that subsidies can be gradually phased out. There is uncertainty over the willingness and ability of end users in different refugee settings in Uganda to pay for water; the data produced by these pre-paid dispensers, however, offers an opportunity to determine rates based on usage and people's actual history of payments.

In advance of the formal tariffs to be charged by utilities, WASH agencies have introduced informal water user fees, typically at a rate of UGX 1,000 per household per month (equivalent of 28 US cents). These are not enough to cover monthly operating expenses but are seen to represent a valuable intermediate step before the introduction of formal tariffs. Asset management remains a major challenge in water supply management in refugee settlements, particularly the planning and budgeting of capital maintenance.

Effective financial monitoring in a successful utility transition requires key WASH agencies and stakeholders to:

- establish a monitoring and learning tool for pre-paid communal dispensers to document water usage and tariffs
- establish a sector-wide approach to testing and introducing tariffs and subsidies in systems without prepaid dispensers
- develop a common template and system for tracking operating expenses and improving transparency

Women collect water at a protected water point in West Nile region.

- adopt a sector-wide asset management system for planning capital replacement schedules and budgets
- reach consensus across the sector on the intermediate introduction of informal water user tariffs in locations where the utility transition has not yet begun.

Improvement of financial models and planning

Upgrading existing piped water supply systems in advance of their handover to utilities is a major focus of WASH actors. The allocation of resources for capital expenditure on water supply systems contributes to both the sustainability of systems under their future management and to improved equity in access to safe water. Such expenditures include the extension of private connections to individuals seeking their own tapstands. However, these private connections are subsidised, and this raises the risk that the transition might benefit economically advantaged people at the expense of the most vulnerable populations who still lack access to public connections. Private connection costs should not be subsidised, unless targeting vulnerable populations. Nevertheless, users of private connections pay higher tariffs and so contribute to the revenue-generating potential of the water supply system, so may be beneficial – as long as complementary investments are made to ensure water supply access for all at public tapstands.

Uganda's National Water and Sewerage Corporation (NWSC), in agreement with UNHCR, has taken over operation of the water supply in the Rwamwanja and Bweyale refugee settlements where it charges refugees and host communities according to its 'pro-poor' rate of UGX 25 per 20 litres of water. However, the six Umbrella Authorities operate as limited companies and their water tariffs are determined on a system-by-system basis, based on the cost of operation and maintenance, and can vary from UGX 15 to 80 (from 0.4 to 2 US cents) for 20 litres. Water users must also pay a fee to operators of public standposts (PSPs). While much attention in the sector has been placed on utility tariffs, little progress has been made on determining what these PSP rates should be. A current risk is that PSP margins will be high and will price users out of water

access. However, refugee settlements offer an environment where the regulation of set rates is possible. The rates should be determined with the relevant stakeholders as part of the tariff consultation process that is carried out for UA tariff rates. Rates should be established that will provide enough financial incentive for PSP operators to take on responsibilities but that do not price out end users.

Inclusion, participation and accountability

None of the communities consulted during the Oxfam study was aware of the current or future role of the UAs or NWSC in managing water supply. Communities felt that they would be obliged to accept the transition to water supply management by utilities if that was UNHCR's policy. On the management aspects, refugee communities expressed higher levels of satisfaction with Refuge Welfare Councils (RWCs) – administrative structures for refugee representation – than with other bodies such as the Water User Committees (WUCs) which are often responsible for everyday running of tapstands. Refugees participated in the election of RWCs, whereas WUC members were sometimes selected by NGOs based on their proximity to water points. Refugees expressed concern about the WUCs' lack of proper record-keeping of user fee payments. Communities had no objections to WUCs collecting water user fees if WUC representatives were elected in a more transparent manner involving the RWCs and NGOs. This shows that participation of end users is paramount for behaviour change that will lead to a culture change towards paying for water.

A number of steps are needed to enable inclusion, participation and accountability:

- Implement a **communications strategy** targeting specific needs and local languages; this should allow for two-way communication with communities, including addressing complaints and acting on feedback to improve services and keep WASH actors accountable.
- Develop a tool for **measuring community participation**, ensuring that participation is inclusive and that all sections of the community are involved in decision making.
- Provide **key information to end users**; increased access to information enables communities to scrutinise the work of utilities and put pressure on the latter to be accountable, perform better and shun corruption. End users should have access to information on: water quality, pricing and tariff structures; the availability of subsidies; and systems for paying bills.
- Develop detailed **referral pathways** according to an agreed governance structure, with a clear link between the utilities and the communities through their trusted structures for representation. Water users should be able to give feedback and raise concerns through clear referral pathways that allow utilities to respond transparently.
- **Empower existing community structures** (such as WUCs and RWCs) to advocate for meeting their water needs including through raising awareness of issues of exclusion. NGOs could support existing community-based organisations through funding and/or capacity building to raise their own voices.

For this transition to truly benefit refugees it is critical that utilities and stakeholders have the capacity to improve equity, monitoring and inclusion. Relevant training and ongoing support by specialists in community engagement, economics and accountability would aid this process.

John Allen *John.Allen@oxfam.org*
Water and Sanitation Engineer, Global Humanitarian Team

Caroline Muturi *@CarolMahighups*
caroline.muturi@oxfam.org
Public Health Promotion (WASH) Adviser, Global Humanitarian Team

Oxfam

1. For more information, see Allen J and Muturi C (2020) *Transition for All: Equity and community engagement in the transition of water supply management to utilities in refugee settlements in Uganda*, UNHCR and Oxfam bit.ly/uganda-water-transition