

Tanzania

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- ²¹ HBS 2000/1 reported percentage of people below basic needs poverty line to be 38.7% in rural, 17.6% in Dar es Salaam, 25.8% in other urban areas
- ²² United Republic of Tanzania (2003). *Poverty and Human Development Report 2003*
- ²³ United Republic of Tanzania, Ministry of Water and Livestock Development (2002). *Public expenditure report for financial year 2001/2*
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Where local councils are allocated just \$0.11 for each person they are expected to provide with safe water and sanitation



WaterAid – water for life
The international NGO dedicated exclusively to the provision of safe domestic water, sanitation and hygiene education to the world's poorest people

This report, written by Dominick de Waal, is one in a series assessing the water sectors in the countries where WaterAid works that accompanies *Getting to boiling point – Turning up the heat on water and sanitation*, a report analysing the findings from 14 country programmes. To read more visit www.wateraid.org/boilingpoint

WaterAid – calls to action

- District councils must receive a conditional grant for rural water supply from central government if the Millennium Development Goal (MDG) water supply targets are to be given a chance of success
- The ministry responsible for water should set up a sector coordination mechanism that is led by government and that involves all development partners
- Sanitation facilities in schools, health centres, markets and other public places should get direct government investment and should conform to government standards by 2009.

Introduction

Tanzania's total land area is 945,000 square kilometres and it has a population of 33.5 million people.

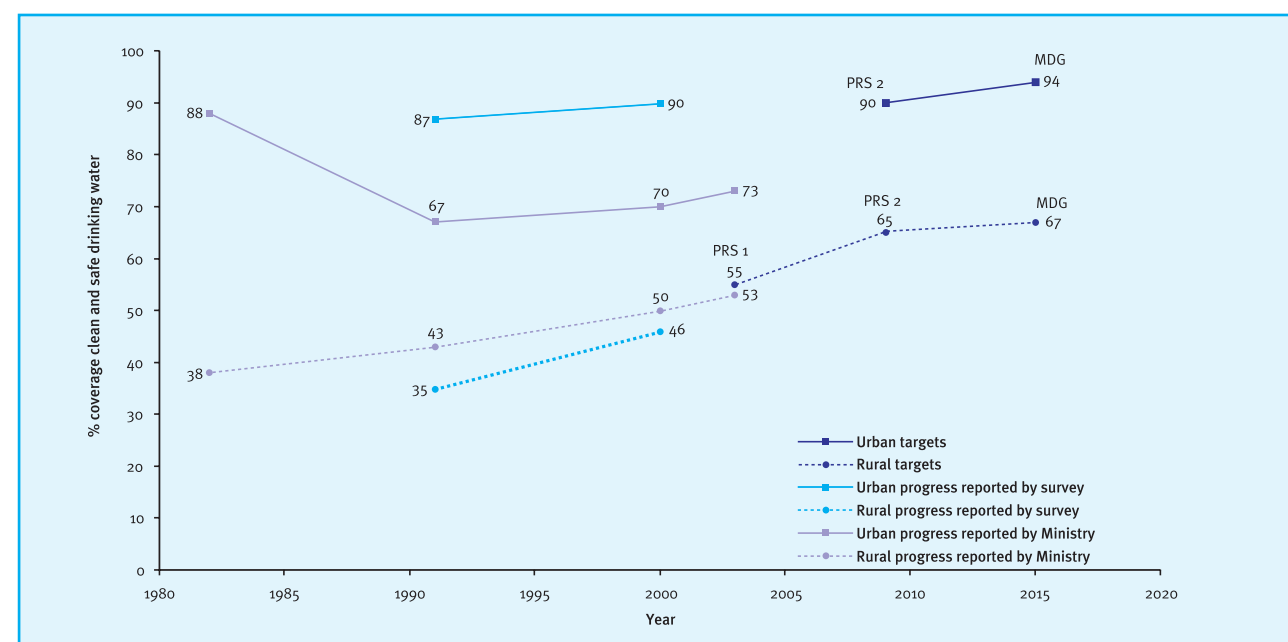
Economic reforms, especially those since 1995, have improved macro-economic performance and stability. The GDP growth rate has risen consistently in the past six years, reaching 6.2% in 2002 although it did fall back to 5.6% in 2003 due to drought. Inflation has dropped to 4.4% in 2003 from 6% in 2000.

However, these macro-economic achievements have not translated into significant benefits for the vast majority of Tanzanians. The 2000/1 Household Budget Survey estimated that there has been only a small reduction in the numbers of people living below the basic needs poverty line (36% down from 39% in 1991/2) and the food poverty line (19% down from 22% in 1991/2).

Since 2000 Tanzania has benefited from debt relief under the enhanced Highly Indebted Poor Countries (HIPC) initiative as well as year on year increases in general budget support from development partners. In the first of its HIPC Poverty Reduction Strategy Papers (PRSP), Tanzania included water as one of five key sectors that were prioritised (others were health, education, agriculture and roads).

Progress against the MDGs (targets agreed by all world governments to reduce poverty by 2015) is variable. In education the number of children going to school is significantly up, but there are now more children dying before their fifth birthday and more mothers dying while giving birth. For water (Figure 1) assessments are complicated by inconsistent data.

Figure 1: Progress towards urban and rural water supply targets in Tanzania



Fact box

	Rural	Urban
Mainland population 2002 ¹	26.5 million	7.9 million
Mainland population predicted for 2015 ²	30.7 million	12.9 million
Access to safe water ³	46%	90%
Access to basic sanitation ⁴	87%	87%
Productive days lost annually to diarrhoeal disease ⁵	0.8 million	
School days lost annually to diarrhoeal disease ⁶	1.8 million	
Monthly households target for sanitation MDG ⁷	10,000	8500
Sanitation annual finance need to meet MDG	\$9 million	\$26 million
Monthly households target for water MDG	12,000	8500
Number of new/rehabilitated water points required per year	3012	–
Current annual water spend (2002/3 development budget) ⁸	\$9 million	\$20 million
Current annual water spend (2002/3 actual expenditure) ⁹	\$8 million	\$4 million
Water sector annual finance need for water supply MDGs	\$31 million	\$65 million
Water sector annual MDG finance gap	\$23 million	\$61 million
Annual national debt service payment ¹⁰	\$141 million	

Key events¹¹

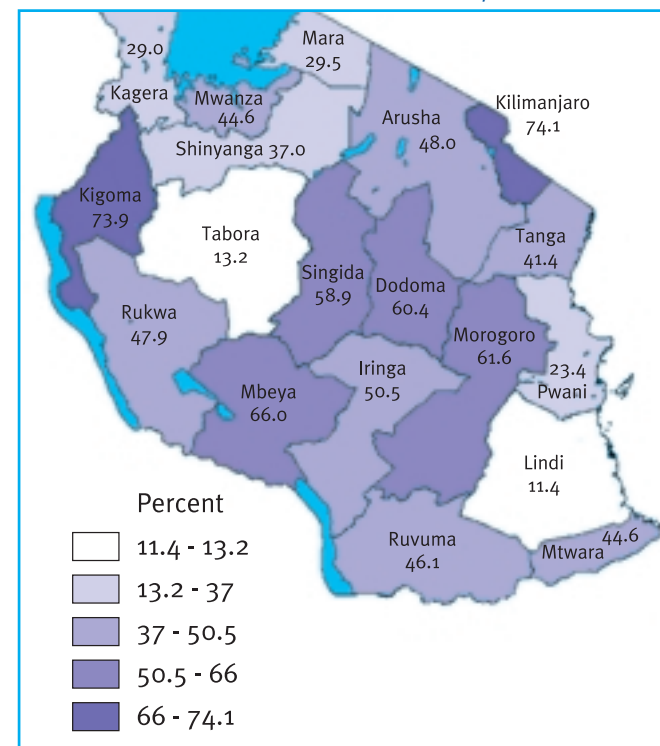
- | | | | |
|----------------|---|------------------|--|
| 1961 | Tanzania gains independence and centralises service provision | 1986 | IMF and Tanzania agree a programme of structural adjustment |
| 1967 | Arusha declaration increases emphasis on policies of equality and self-reliance while also signalling further state control over social and economic development | 1995 | The Tanzania Revenue Authority is formed |
| 1967-76 | Villagisation. People moved into 'Ujamaa' villages where large-scale programmes are attempted to deliver improved health, water and education services. Increasingly authoritarian measures see 70% of mainland rural people registered in villages by 1977 | 1999-2000 | HIPC completion point reached, Poverty Reduction Strategy Paper (PRSP) drafted, and, Medium Term Expenditure Framework (MTEF) introduced |
| 1977-83 | Following the break up of the East African Community, growing trade imbalances and the war against Amin's Uganda, Tanzania falls into economic crisis | 2000 | Millennium Development Goals set, including target to halve by 2015 the proportion of people without access to safe water |
| 1983-86 | Combination of internal and external shocks creates commodity scarcities. People in many parts of Tanzania leave 'Ujamaa' villages and return to their homesteads | 2002 | World Summit on Sustainable Development agrees corollary sanitation to halve the proportion of people without access to sanitation by 2015 |
| | | 2003-4 | PRSP revised |

Water sector characteristics

In history

Shortly after independence the government under Julius Nyerere put in place a policy of 'free' water. Central government took back responsibility from local government for all construction costs for rural water schemes.¹³ From 1965 the government was financing all water supply investments and in 1970 began to finance the costs of operation and maintenance as well. From 1970 rural water supply systems provided water at no charge to users. In urban areas water was free from public stand posts.

Figure 2: Percentage of households with access to safe and clean water in rural areas of Tanzania in 2000/1



In rural areas

In the mid 70s donors took responsibility for water supply in specific regions of Tanzania largely bypassing government systems. Donors built and then transferred infrastructure to regional water engineers who had no budget to operate and maintain these water supplies. As a consequence stark variations developed – and remain – in regional access to safe water.

Despite these disparities the Government's 1991 National Water Policy paid little attention to sector coordination and decentralisation. Implementation of the policy required US\$523 million, equivalent to 50% of the Government's annual development budget over the following 10 years. Progress was therefore dependent on a handful of remaining donor-funded programmes (Dutch, German and Swedish) while the ministry responsible for water became all but irrelevant.

In the mid nineties two major policy shifts began to reverse this: Tanzania under Benjamin Mkapa began to reform the revenue system and bilateral donors, questioning project and programme approaches, started experimenting with general budget support.

Tanzania's revenue reforms created the political space for the Ministry of Water to make considerable progress in reforming the urban public utilities. But in parallel the year on year increases in budget, and the entrance of a number of new donors to the sector, have led the Ministry to implement a number of expensive and quite possibly unsustainable national projects such as Chalinze and most recently the Lake Victoria to Shinyanga pipeline.

This centralisation of budget and control at ministry level is inconsistent with a number of other government reform processes, including the Ministry's own 2002 National Water Policy, the Local Government Reform and the Poverty Reduction Strategy. These conflicts however are yet to be resolved.

What works?

Shinyanga

The water MDG requires 3000 new water points per year in rural Tanzania. In fact only a few hundred water points are being built each year. However, over 200 of these are being built in just one region, Shinyanga. The seven district councils in Shinyanga receive a special purpose water supply grant from Netherlands. By subcontracting works to local private sector the councils overcome their limited direct implementation capacity.

If all regions in Tanzania performed comparably around 4000 water points could be built each year, easily meeting the MDG target. While some elements of the Shinyanga formula, such as the shallow well technology, are not applicable in all parts of Tanzania, other key elements such as the special purpose or conditional grant for water and sanitation could be set up by central Government for all districts councils in Tanzania.

In towns and cities

In urban areas, other than Dar es Salaam, the Ministry has managed the reform of public utilities. These reforms have turned over half the urban utilities from being subsidy dependent (especially for electricity bills to pump water) to breaking even or better.¹⁵ However, households across all urban areas are on average spending more time to fetch water than they did 10 years ago.¹⁶ This is an indication that population growth is putting pressure on the existing infrastructure. A considerable number of urban projects are now starting and this may relieve the pressure and improve coverage by both measures.

Dar es Salaam is served by a water and sewerage authority (DAWASA) that is institutionally separate from the Ministry. Over the past 10 years the number of households getting their drinking water from piped systems has dropped by 7%. Households have largely replaced this piped source by turning to protected wells (4%), tankers and vendors (2%).¹⁷

In 2003 the billing, tariff collection, operation and routine maintenance component of DAWASA's portfolio of responsibilities was taken over by a private operating company called City Water under a 10 year lease contract. The rehabilitation and development of the whole system will remain the responsibility of DAWASA. Loans of \$143 million have been made to DAWASA for this rehabilitation and development. As yet there is no reliable data on the progress of these works. Both DAWASA and the private operating company will be regulated by the Energy Utility and Water Regulatory Authority (EUWRA).¹⁸

In sanitation

As the water sector developed, similar centrally planned activities were initiated in health to expand sanitation facilities. In 1973 the government introduced a 'latrinisation' campaign under a programme called "Mtu ni Afya" (You are your health) aimed at ensuring each household would have a latrine. The campaign was given added impetus following a cholera outbreak in 1977. Latrine coverage increased from 20-50 percent between 1973 and 1980¹⁴.

Since the 'Mtu ni Afya' campaign very little has been achieved in improving basic sanitation. Cholera remains endemic to Tanzania. Outbreaks are frequent in urban areas, particularly the larger cities and in rapidly expanding unplanned areas. Piped sewerage systems cover less than 20% of urban households with the rest having to resort to onsite solutions, predominantly pit latrines. In poorer areas people often do not have access to basic sanitation. The houses they live in are often rented and there is no space to build a latrine. Disposal of faeces in polythene bags – "flying toilets" – is not uncommon. Flooding due to inadequate storm drainage exacerbates the problem spreading the contents of poorly constructed latrines around whole neighbourhoods. Cholera also gets exported to rural areas with fatal consequences. This is despite the fact that over 80% of rural households have latrines and is evidence that much more needs to be done to promote basic hygiene practices and improvement of existing facilities. Furthermore sanitation facilities at public institutions, particularly schools and health centres, are often inadequate, for example, not even meeting the basic government guideline of 25 students per latrine.

The PRS 2 (Poverty Reduction Strategy 2) operational outcomes for sanitation are to increase coverage of urban piped sewerage from the current 17% to 30% by 2009 and to reduce waterborne and water washed diseases in urban and rural areas by half.

Planning for sanitation is already largely decentralised with most sanitation related activities being carried out by local authorities. However, budgets are small and fragmented while expenditure is difficult to monitor. In the past hygiene promotion and sanitation in rural areas were embedded within water and sanitation projects. With less aid flowing though projects some components of sanitation and hygiene promotion must now be funded by government.

Sanitation facilities in schools, health centres, markets and other public places need direct government investment as do improvements to storm drainage in poor and unplanned urban areas. In solid waste management there is more opportunity for private sector participation through contracting and cost recovery.

Household sanitation is more complicated. In urban areas water and sewerage authorities need to put more of their revenue into sewerage as well as working with local authorities to promote innovative onsite solutions such as 'dry' sanitation, small bore sewers, communal septic tanks and waste transfer stations. In rural areas the role of government is to promote and educate; carrying out hygiene promotion using PHAST¹⁹ methodology and encouraging households to build and use improved latrine facilities (eg lined pits). There is significant scope for local authorities to work in partnership with private sector and NGOs drawing on their creativity and networks for mobilising and campaigning.

An inter-sectoral approach to sanitation is needed. The Ministry of Health should institute and lead a coordinated inter-sectoral approach to sanitation involving the Ministries of Water, of Local Government, of Education, and of Lands and well as local authorities. Plans and progress should be influenced by and reported to both joint health and joint water sector reviews. **In this way sanitation facilities in schools, health centres, markets and other public places should get direct government investment and should conform to government standards by 2009.**

Finance

Needs

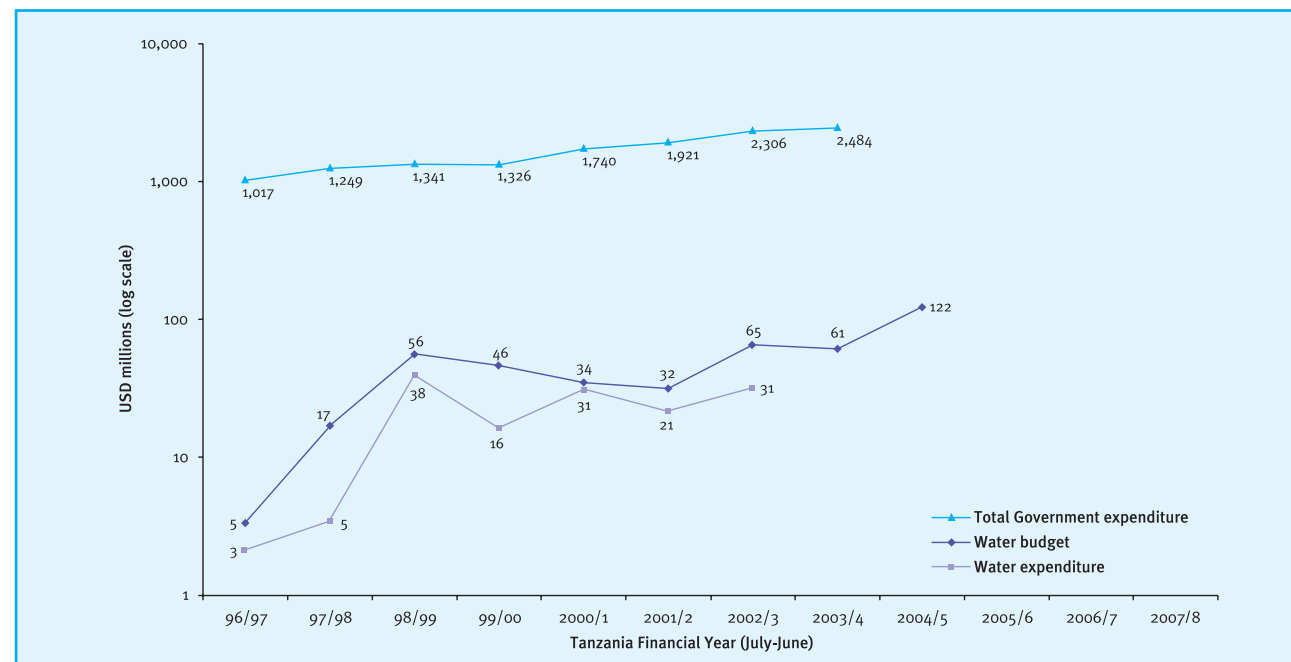
WaterAid's own calculations are that the water MDG target alone requires spending of \$96m each year. The sanitation target requires a further \$35m, though this would have to come from households building toilet facilities rather than from public money. The development budget for water supply in 2002/3 was \$29m although actual expenditure was just \$12m. Public spending on water supply therefore needs to increase by \$84m per year.

This position is despite public water expenditure in Tanzania having increased tenfold in the last eight years (compared with only a doubling of overall public spending – Figure 3). Part of this apparent dramatic increase is the result of improvements in the way that donor expenditure is captured by the ministries of water and of finance. It is also far from clear whether actual increases in spending are being reflected in sector output. While the monitoring and recording of inputs has improved the monitoring of sector output still is very weak.

Share of total public spending

The water sector finance gap is potentially much greater than this due to the limited scope for both targeting the available finance at the locations where need is greatest and also in selecting the most appropriate mix of technology in order to get both maximum impact and to ensure sustainability.

Figure 3: Public Expenditure in Tanzania (US\$ millions)



Donors

The level of pre-negotiated sector financing leaves the Ministry's planning directorate little room for refocusing budgets for poverty reducing impact. For example, 62% of the \$69m donor-funded component of the development budget for 2004/5 was targeted at urban projects. Of the remaining 38% of donor funding a large chunk was for small towns leaving less than 10% for village water supplies.

While these donor funds clearly add to sector financing they also undermine core planning and reform processes. There is little incentive for the central ministry to compete for central government budget resources on behalf of local government if there are donors willing to fund the ministry directly. As a result direct allocations to local government have remained very low. In 2004/5 only 10% of approved sector expenditure will be disbursed to local authorities.

Core reform processes, while being undermined by direct financing, are themselves being implemented very slowly, diluting what should be a strong decentralising force. This financial year 2004/5, partly as a result of not implementing a formula for decentralising budget to local councils, the central ministry has been allocated a large domestic development budget (\$29 million up from \$6 million in 2003/4) – 93% of which will now go to fund the first phase of the Lake Victoria to Shinyanga pipeline. Though the Ministry of Finance initially cut the proposed budget allocation to this project by two thirds, the project reappeared in the final budget while a large proportion of the proposed allocation to district councils was dropped.

So, budget resources initially intended for all district councils in Tanzania are instead to be spent in one region; a region already receiving \$2.5 million a year in direct development assistance for water supply. The Shinyanga region does have relatively low coverage of improved water supplies and Shinyanga Municipality does need a new water source. However, budget resources that could have delivered improved water supplies to people at under \$20 per capita will now be used to deliver water supplies at \$140 per capita.

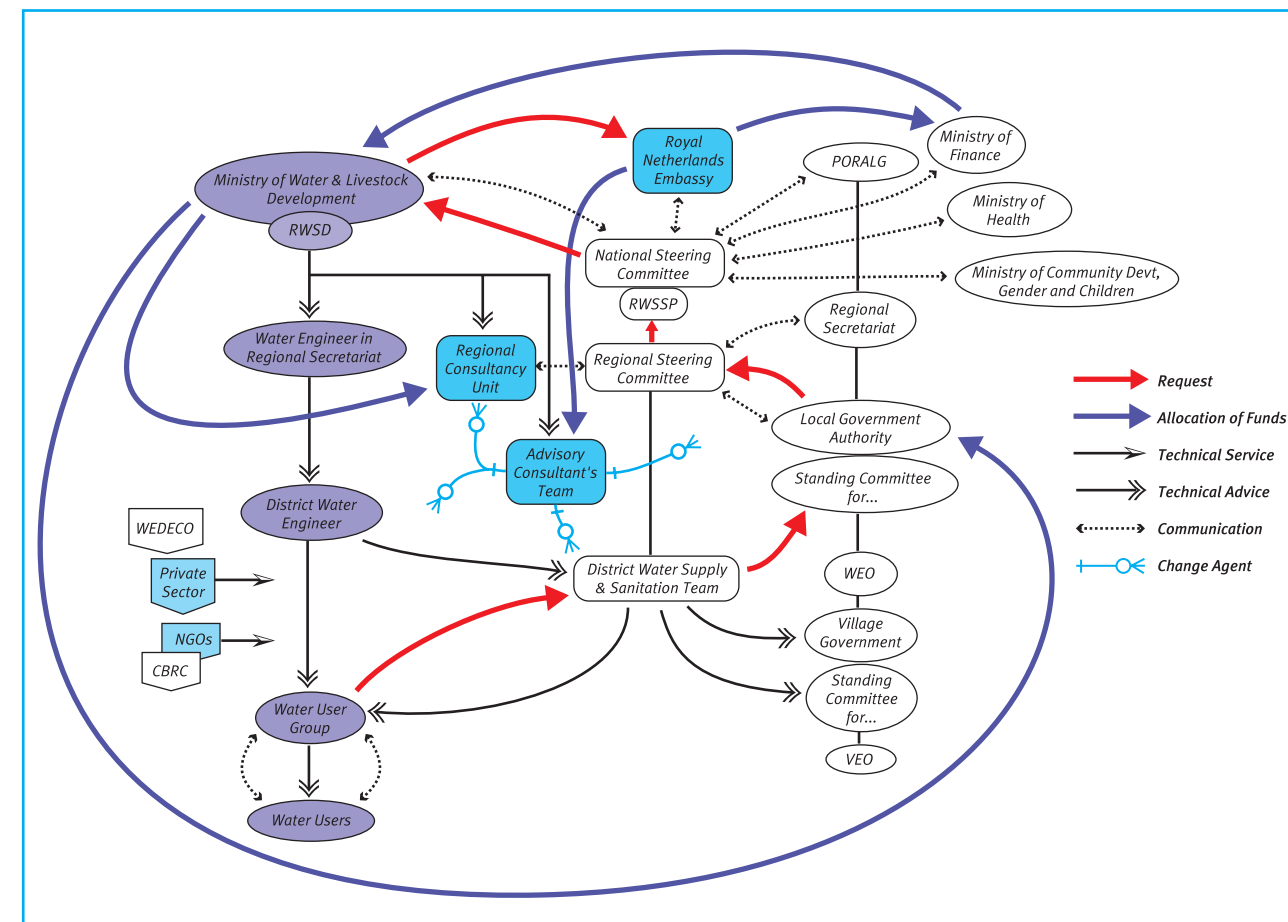
Investment choices in the water sector need to be better informed and coordinated. In three successive public expenditure reviews the link between sector inputs and sector outputs has not been provided in enough detail to make any assessment of year on year sector performance. In the budget guidelines from the Ministry of Finance there has been no real discussion of sector investment decisions. Without a serious technical debate on how to get the best returns from public sector finance the performance and impact of public expenditure is unlikely to improve and may even deteriorate despite the fact that central government allocations are increasing.

Sector coordination

In the 70s and 80s a certain level of coordination was achieved simply by allocating donors to regions of Tanzania. To an extent this still occurs but most donors have made genuine efforts to hand over project ownership and programme implementation to government. However, the result of this partial handing over is a complicated matrix of parallel advisory and steering committees, project implementation units, funding mechanisms, monitoring and reporting structures. Figure 4 shows a typical example of these parallel governance mechanisms taken from a Dutch-funded rural water supply project in Shinyanga. Although this project is delivering significant outputs, the multiple parallel processes suggests that it could do so still more efficiently.

Over the past two years there has been discussion among sector stakeholders about the need to move towards a Sector Wide Approach (SWAp) to planning but as yet no single coordination mechanism has been adopted. The formation of the public expenditure review sector working group (PER-SWG) in 2002 has helped bring sector stakeholders together in a discussion about sector financing, sub-sector allocation principles and formulas for allocating budget to local councils. However, the PER-SWG is not a decision making body. **What is urgently required is one sector coordination mechanism which is led by government and that involves all development partners.**

Figure 4: Institutional arrangements for Shinyanga Rural Water Supply and Sanitation Project

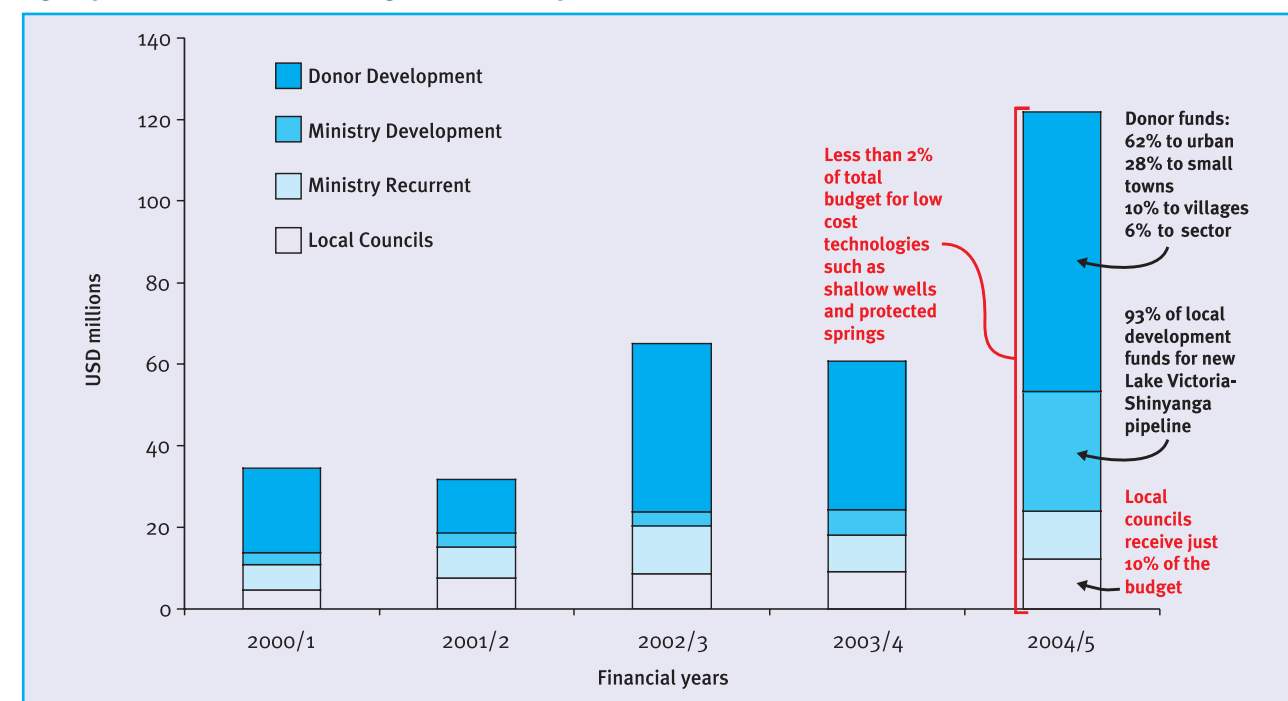


Decentralisation

Despite their significant responsibilities for water and sanitation, only 10% of approved expenditure will be disbursed to local authorities in 2004/5 (Figure 5). Most of the district allocation is spent on staff salaries. What

remains for building new or rehabilitating old water points is equivalent to just \$0.11 for each person currently without access to safe and clean water. Even the simplest hand-dug wells cost \$20 per capita to build. At this level of financing it would take councils over 100 years to deliver the water supply MDG.

Figure 5: Tanzania water sector budgets 2000 to 2005



In December 2003 the Ministry's budget request to the Ministry of Finance included a proposed allocation formula for decentralising a large chunk of both recurrent and development budgets to district councils. It was proposed that recurrent grants be based simply on district population figures determined from the 2002 Housing and Population Census. In rural areas there is a policy of full cost recovery and so the recurrent budget should only be required to cover salaries and routine tasks of the district water engineers namely planning, monitoring and evaluation.

The proposal for the development budget was more complicated. There are many districts with very low coverage of safe and clean water. It was therefore proposed that a conditional grant be allocated to each council on the basis of the number of unserved people in each district. In order to limit the effect of local data manipulation the number of unserved was to be determined by weighting district routine data figures with regional figures from the Household Budget Survey carried out by the National Bureau of Statistics. The resulting figure is a weighted estimate of the number of people who are not served which was to be the basis for dividing up the pool of resources available for district conditional grants. Disappointingly the Ministry of Water's proposal was neither acknowledged nor discussed in the Ministry of Finance's 04/05 budget guidelines.

If MDG water supply targets are to be given a chance, district councils must receive a conditional grant for rural water supply from central government.

Those not in favour of decentralisation in the water sector commonly argue that councils do not have the capacity to plan and manage the development of water supplies. However, there is a considerable number of district councils in Tanzania which receive financing from bilateral and NGO sources. These councils are able to plan and deliver successful water and sanitation interventions, some at scale (over 50 water points a year) with little advisory support and often no graduate engineers.

Considering that Tanzania only needs to deliver 3000 water points a year to meet its MDG target for water supply in rural areas the districts implementing 50 water points should be seen as a model to be followed by all 100 plus districts. An additional benefit, as studies in neighbouring countries have shown, would be that decentralising service delivery would shift the bias of implementation towards low cost technologies.²⁰

Nonetheless capacity at district level cannot be ignored. Delivering services at scale from district councils has been most effective where partnerships with the local private sector have been developed. A decentralised environment requires that councils facilitate and coordinate rather than involving themselves in direct implementation.

Equity

Around 80% of mainland Tanzania's 33.5 million people live in rural areas. Poverty is greater in rural areas than in urban areas.²¹ Yet, 63% of donor spending in 2004/5 will be on urban water supplies, less than 10% of the donor budget is targeted at village water supplies and less than 2% of the entire 2004/5 budget will be spent on low cost technologies such as shallow wells and protected springs.

Overall the 2000/1 Household Budget Survey recorded that 54.1% of rural households did not have access to improved water sources. With so many households still using unprotected sources a really important investment question for the sector is to identify the cheapest and most sustainable way to reduce the number of households having to use water from unprotected sources.

In the 2003 Tanzania Poverty and Human Development Report per capita investment costs for a range of past and present rural water programmes were presented. The paper showed that piped programmes had per capita investment costs 10-20 times those of other programmes, mainly for

protected water supply. Protected water sources were also shown to carry considerably less of a 'latent' national burden, in terms of rehabilitation, than piped water supply schemes. Based on these estimates, every additional person served by a piped scheme is at the expense of serving at least ten people with a protected water source.²²

Given that the use of piped investments is not equitably distributed and that finance to the development of rural water is limited, investments in low cost technologies should be prioritised in order to spread the available finance as widely as possible.

Sustainability

There are just under 10,000 villages in Tanzania with around 5000 village water committees and another 1000 autonomous water user entities.²³ These institutions are reported to have \$1.2m in their bank accounts. Nonetheless 30% of schemes are not functioning and \$43m is estimated to be needed to make the necessary repairs. It is not clear why the available resources are not being directed towards these needs. If the problem lies in a failure of the water user entities it is equally unclear why they should be having difficulty managing the supply of such a basic necessity, since as one Tanzanian villager has observed:

"The water business pays, one is assured of customers. You cannot go away from water you cannot postpone using water. Any business that has such characteristics is a good business."

Mohammed Suleiman Mahoa, Chikonji village, Lindi

Where the water supply is from a handpump, user charges are often collected monthly or even annually. Handpumps are cheap to maintain and so user charges are small – in the region of \$1 per household per year. Cost recovery by

an attendant at the handpump is not cost effective and is seen as cumbersome by users. However, the problem with not collecting money at the pump is that monthly collections make the deal less immediate and enforcement much more difficult.

Piped schemes, particularly those with deep boreholes and a diesel pump, have more immediate operational costs. As a result user charge collection systems are set up alongside piped schemes; usually tap attendants collecting money for each bucket filled. This money is paid into the village water fund and is often the only source of public revenue at the village level. Village water funds are routinely used to subsidise other social services such as school and dispensary buildings. But, the cost is often the sustainability of the water scheme. When a major break-down happens there is not enough money to pay for the repair and no alternative source of local revenue from which to fund it. Villagers are, quite reasonably, reluctant to have to pay for their water twice over; first as user charges and then again to fix the scheme.

Both handpump and piped schemes thus often end up in a state of institutional paralysis. Everyone is both purchaser and provider. Claims become circular. Users don't pay, collectors don't collect, managers don't manage, the scheme is not working and there is no money to fix it. Everyone is at fault, but there is no one to blame.

However there are two institutional configurations emerging which appear relatively robust. The first of these is around very simple low cost technologies such as shallow wells and springs involving 25-50 households coming together in a water user group. For example, Sakasaka village in Meatu District has 784 households and is served by 17 shallow wells each one owned by a single autonomous Water User Group (WUG), each one with its own governance process. When one breaks down they can buy water from the neighbouring group until they have repaired their own.



The second is sub-contracting operation and maintenance in bigger schemes that use a pump and engine to supply water to a whole village with 400 plus households. Private sector participation has enabled villagers to make deals with local entrepreneurs who run the water supply scheme, collect user fees and remit a percentage of the turnover to the village water committee or water user entity. Where this has happened the reliability of rural water supply has improved, but not without tensions.

Government therefore needs to build a stronger relationship with these water user entities. Despite being responsible for managing water for over half of rural Tanzania only around 50 of the thousands of water user entities are registered with the central ministry. There should be new legislation to make it very simple to register. There must be clear benefits to registering such as access to conflict resolution and spare parts.

The system of registration must also be linked to regulation. Regulation of water user entities should be done by district councils and monitored by the central ministry. District government is an appropriate level at which the efficiencies and tariffs of water user entities can be compared; where income and expenditure can be reported; and where constitutions and contracts should be monitored.

Gender

In WaterAid's experience the gender make-up of sector institutions is also a good indicator of sustainability. Mainstreaming gender is clearly recognised in the National Water Policy (2002) which states that "in rural areas women bear the burden of searching for water and being guardians of the living environment. However, this pivotal role has seldom been reflected in institutional arrangements for the development and management of rural water supply and sanitation services".

Despite initiatives to increase gender awareness, a positive recruitment policy, and the instituting of gender budgeting, women are still under-represented at all levels of decision-making, planning, supervision and management. For instance in the Rural Water Supply Division, out of 27 water engineers only three were women. Women are also under-represented in village water committees, urban water and sewage associations, district water boards and the Regional Consulting Units.²⁴

However, an analysis of the Water User Groups (WUGs) in Mara and Mwanza indicated that some programmes are managing to advance women's involvement in water governance. The study assessed the composition of 100 WUGs and found that 97% of all the WUGs had equal number of women and men in the committee of six. The study also found that 97% had at least one woman in one of the three key positions: chairperson, treasurer, and secretary, though, the most common of these was the position of the secretary, only 13% of WUGs had a female chairperson.

Growth of private sector

One of the objectives of the 2002 National Water Policy is to promote participation of the private sector in the delivery of goods and services. This has been most contentious in urban water supply where for Dar es Salaam this has

translated into international private sector participation in the form of a lease contract. The debate on the performance of the private operating company is highly charged but the fact is that it is simply too early and there are not yet enough impact data for any definitive judgments to be made. All the other urban water and sewerage authorities are public and have significantly improved the sustainability of their operations in the past 10 years.

In rural water supply there is strong growth of the private sector involved in infrastructure development. A recent call for bidders by a rural water and sanitation programme in Shinyanga attracted 64 qualified contractors. Turnover of these contractors is still relatively small. WEDECO, for example, formed in 1998, has a turnover of just \$400,000, and there are probably only another 10 or so contractors involved in water supply with comparative turnovers in the whole of Tanzania.

The single most effective way that the Government could create an enabling environment for private sector participation would be consistently to outsource public works. Tender procedures can be simplified. Pre-qualification requirements need to be clearly communicated and understood by prospective bidders. Small companies can be encouraged to bid by putting out tenders that include small as well as larger lots.

There are also opportunities to involve the very local private sector in the operation and maintenance of larger village schemes, particularly those that are motorised. For piped schemes where the costs of operation and maintenance are higher, turnover larger and technical knowledge essential, subcontracting their operation and maintenance to local private sector operators can improve sustainability. Government should encourage water user entities running these larger schemes to contract service providers but should also monitor and regulate those contracts. One specific mechanism that could help protect the interests of consumers and the community asset holding authority would be that contracted service providers would have to put up bonds for the systems they operate.

Transparency and civil society

Availability of government data, both statistical and financial, has improved dramatically in the past 10 years. The National Bureau of Statistics makes public survey and census findings reasonably soon after surveys are completed. For example, the first tables from the 2002 housing and population census were published by mid 2003.

Since 2001 the Ministry of Finance has worked with development partners on public expenditure reviews for a growing list of sectors. These provide good background information on sectors although performance assessment is rather limited. There are also considerable problems of consistency among reports and local council expenditures are not published in a consolidated form.

There is, however, one key measure which is glaringly absent – namely the link between expenditure and sector output. Even if this was as simple as the number of new and rehabilitated water points against expenditure this would be a great step forward.

Measure of transparency	Comment
Parliamentary scrutiny of the budget and performance by the agriculture and lands committee	Questions and answers are very general and reports do not make clear links between expenditure and sector output
Public expenditure reviews involving development partners are run by the Ministry annually	Have not managed to link inputs clearly to outputs and so are not currently useful in assessing sector performance
Exchequer quarterly transfers are published in newspapers and on the Ministry of Finance website	Currently these are only for a small component of the water sector budget, namely other charges (OC)
Some districts post and/or publish balance sheets	Do not state what money was spent on which village and service
District council audit reports are available from the Controller and Auditor General	Only 400 a year are printed
Urban Water and Sewerage annual report	Have good analysis of service to connected customers but are silent on other issues eg prices paid for water by unconnected customers

Data on the progress towards targets for water supply are presented from two sources; the coverage reported by the Ministry of Water and Livestock Development and that reported by the 2000/1 Household Budget Survey.

While the figures for rural coverage look to be relatively consistent between the two data sources, the aggregate figures mask big variations at regional level. In Lindi Region, for example, the Ministry reports that 34% of the rural population is covered by improved water sources while the 2000/1 survey reported that only 11% of households got their water from improved sources (Figure 2).

However, both the Ministry and the survey figures record improvements over the 1990-2000 period. The 11% improvement measured by the Household Budget Survey in rural water supply is primarily due to households shifting from unprotected sources to protected wells and springs rather than big piped schemes.

For urban areas the Ministry and survey figures are very different. This is because the figures refer to two quite different questions. The Ministry figure for urban areas, other than Dar es Salaam, is based on the number of household connections multiplied by the average household size over the population of the service area. For the Dar es Salaam area the figure is based on the percentage of the service area which is covered by the network, even if it is non-functioning. In contrast the survey figures report the number of people who said they got their drinking water from a piped or protected source of water, as opposed to an unprotected well, spring, dam or lake.

Conclusion

There is a great deal to learn from Tanzania's 40 year experiment in delivering water and sanitation. They are lessons relevant to much of Africa relating to key questions about the role of the state and the nature of development assistance. While in this document WaterAid has proposed specific actions on conditional grants, aid coordination and institutional sanitation that are critical in 2005 it is the underlying analysis of fiscal policy, aid effectiveness and most importantly of the sustainability of investments that should guide policy making into the future.

Further information

This document is one in a series from WaterAid Country Programmes assessing national water sector issues in support of both national and international advocacy work in 2005. This document was written by Dominick de Waal, Policy Programme Manager, WaterAid Tanzania. The full set of documents is available at www.wateraid.org/boilingpoint. Further information on this document can be obtained from Dominick de Waal at ddewaal@wateraidtanzania.org and on the international advocacy work from Belinda Calaguas at belindacalaguas@wateraid.org

