

The Reform of the Water Sector in Tanzania

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Abstract

The reform of the Water Sector in Tanzania is embedded in a comprehensive economic and administrative reform programme, which aims at economic growth and reduction of poverty in the country. The underlying principles of the water sector reform are elimination of conflicts of interest through clear division of powers, management of water services at the lowest appropriate level, cost recovery and integrated approach to water resources management. Consequently, the National Water Policy (NAWAPO) July 2002, has the following overall objectives:

- To address cross-sectoral interests in water, watershed management and participatory integrated approaches in water resources planning, development and management;
- To lay a foundation for sustainable development and management of water resources in the changing roles of the government from service provider to that of coordination, policy and guidelines formulation and regulation;
- To ensure full cost recovery in urban areas with considerations for provision of water supply services to vulnerable groups through various instruments including lifeline tariffs; and
- To ensure full participation of beneficiaries in planning, construction, operation, maintenance, and management of community based water supply schemes in rural areas.

In addition to the NAWAPO, the National Vision 2025, the Millennium Development Goals (MDGs), the new National Water Sector Development Strategy (NWSDS) as well as sector plans derived thereof, form the important building blocks of the sector framework. The NWSDS is a single strategy document for the whole

water sector, which sets out how the Ministry of Water and Livestock Development (MoWLD) will implement the National Water Policy to achieve the national sector targets as stipulated in the MDGs and the most recent National Strategy for Growth and Reduction of Poverty (MKUKUTA).

The NWSDS contains a new definition of the overall institutional framework for both, water resources management and water supply and sanitation. These frameworks call for a clear definition of roles and responsibilities on all levels. It depicts the desired interaction between the MoWLD and Local Government institutions. The new draft principal legislation reflects and harmonises the requirements of the water policy and other policies and laws and provides the basis for enforcement of the provisions set out by the NWSDS. Once approved by Parliament, the new bills will substitute the existing and highly fragmented set of laws.

This paper provides an overview of the main features of the water sector reform process and outlines the history of the water sector, the basic reform principles, the future roles and responsibilities in a new institutional set up, and the characteristics of the new legislation. It also shows the challenges ahead and the prospects of a future sector-wide approach to planning.

Background

The history of the Water Sector in Tanzania dates back to the 1930s when water supply was confined to urban areas and farming settlements owned by settlers. In order to redress the urban bias in water supply service provision, the government of the Tanzania proclaimed a 20-year (1971-1991) Rural Water Supply Programme that aimed at providing access to adequate, safe, dependable water supply within a walking distance of 400 metres from each household. Under this programme, water was to be provided freely by the government. However, this programme largely failed to meet its targets due to non involvement of the beneficiaries, use of inappropriate technologies, use of a top-down approach, and lack of decentralisation. In order to arrest this situation, the government adopted the first National Water Policy in 1991, which had a number of deficiencies too and needed to be revised. The departure from past

approaches and the initiation of the current water sector reforms came in the course of the Urban Water Supply Project in Moshi, Tanga and Arusha, where the whole urban water sub-sector started to be reshaped. Simultaneously, a number of Rural Water Supply Projects, mainly in the Kilimanjaro region, helped to break the ground for a major shift in the rural water supply sub-sector towards community ownership and management.

The need for an integrated approach to water resources management became obvious and led to the commencement of the implementation of this approach within the priority river basins. It was in this context, that the National Water Policy of 1991 was revised after a lengthy consultation process, which ended with Cabinet approval of the new National Water Policy (NAWAPO) in July 2002. The NAWAPO is believed to have rectified all the previous policy shortfalls and has introduced decentralisation of water supply management in line with Agenda 21 of the United Nations Environment Meeting held in Rio de Janeiro in 1992, which emphasised on the “*subsidiarity principle*” whereby water supply management should be at the lowest appropriate level. The new policy also stresses on an integrated approach to water resources management based on river and lake basin boundaries.

Tanzania has adopted a practical and phased approach in improving the arrangements for managing its water resources. The reform actions commenced with the Water Sector Review and the Rapid Water Resources Assessment Study, continued through implementation of study findings and recommendations, including policy review and institutional restructuring at the basin level. The development of the National Water Sector Development Strategy is also continuing along with revisions to the current legislation, and preparation of a National Water Sector Strategic Implementation Plan as basis for the medium term expenditure framework.

Reform Principles

The reform of the water sector in Tanzania forms part of an overall and comprehensive economic and public sector reform programme, which is an initiative of the government and supported by the International Monetary Fund and the World Bank. The overall reforms aim at controlling fiscal deficit and liberalising the economy in order to boost real GDP growth. The macroeconomic indicators show, that this policy has so far established a solid ground for economic stability and development. The major task ahead is to consequently pursue institutional and legal changes and build capacity on all levels in order to provide long term and sustainable support for the reforms.

Although the approach towards the water sector reform has been developed gradually over many years and without a stringent plan, Figure 1 below shows the underlying principles that are vital if the reforms are to be sustainable:

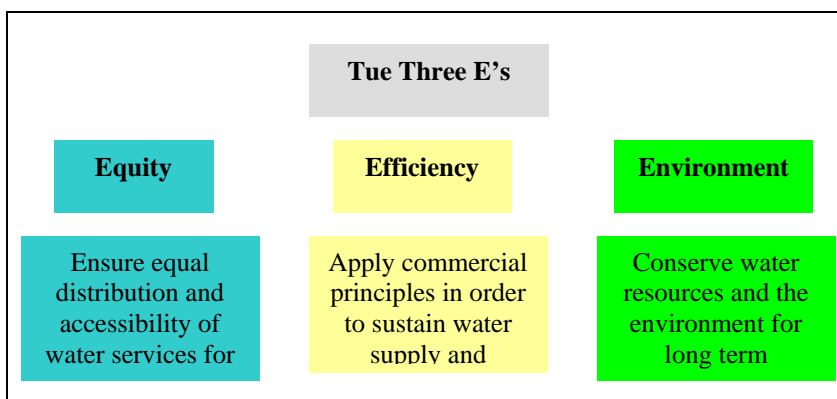


Figure 1: Basic Reform Principles

The consideration of the above principles requires a holistic approach towards comprehensive sector development involving government institutions and members of the society enabled and encouraged according to their roles, interests and potentials. Principles of good governance, such as the division of powers, transparency, gender balance, accountability and community ownership are a key to a successful reform process and consequently, the National Water Policy advocates the following approach:

- Separation of service delivery and regulatory functions
- Economic value of water
- Decentralised decision making and management at the lowest appropriate level
- Polluter- Pays Principle
- Integrated multi-sector approach towards water resources management at basin level

Comprehensive Development Framework

The Millennium Development Goals (MDGs) are calling for a massive worldwide increase of access to water and sanitation services, as one fundamental aspect of halving world poverty, by the year 2015. Water sector performance targets have been derived from the MDGs and the new National Strategy for Growth and Reduction of Poverty as follows:

- increased proportion of rural population with access to clean water from 53% in 2003 to 65% by 2009/10,
- increased urban population with access to clean water from 73% in 2003 to 90% by 2009/10,
- increased access to improved sewerage facilities from 17% in 2003 to 30% by 2010 in respective urban areas,
- reduced households living in slums without adequate basic essential utilities,
- 100% of schools to have adequate sanitary facilities by 2010,
- 95% of people with access to basic sanitation by 2010, and
- reduced cholera out-breaks by half by 2010.

Water sector development in Tanzania is being organised within a comprehensive Policy- Strategy- Planning- Continuum, as shown in Figure 2. This framework shall ensure cross- sectoral consistency between macro, meso and micro levels of intervention. All water related activities are supposed to take place within this context. However, a lot needs to be done to fully implement the framework and to properly coordinate projects and programmes.

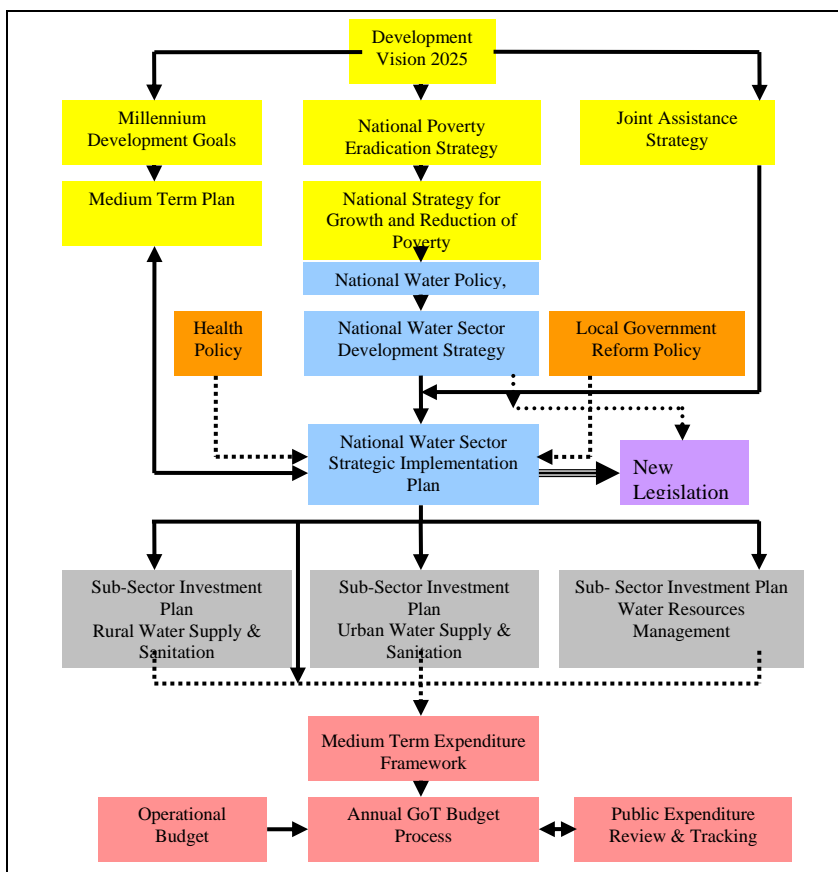


Figure 2: The Overall Water Sector Development Framework

National Water Sector Development Strategy (NWSDS)

There are often different understandings of the terms “policy” and “strategy”, and how legislative changes fit into the policy and strategy framework. Current best practice differentiates “policy” as what the government “will do”; “strategy” as “how” the respective Ministry will implement the “policy”. Legislative changes are normally derived from the “strategy” so that the specified actions can be implemented. The framework for water sector policy, strategies and financial planning in Tanzania stems from Vision 2025, the Millennium Development Goals, the National Poverty Eradication Strategy, and

the National Strategy for Growth and Reduction of Poverty. The National Water Sector Development Strategy sets out how the Ministry of Water and Livestock Development and other Stakeholders will implement the National Water Policy to achieve the national sector targets. This will, in turn, guide the formulation of the Ministry's development and investment plans and the Medium Term Expenditure Framework.

On-going initiatives within the Ministry of Water and Livestock Development and its sub-sector projects had moved away from the normal logical progression of the policy – strategy – planning continuum. These initiatives include preparation of the National Rural Water Supply and Sanitation Programme and the National Strategy for Improvement of Urban Water Supply and Sewerage; and the review of water resources, urban water supply and sewerage, and rural water supply legislation. This has resulted in a number of potential duplications or omissions. These include the situation for small towns; clarification of regulation; clarification of the use of the term “sanitation” and the differing responsibilities of the Ministry of Water and Livestock Development and the Ministry of Health; and the development of the institutional and legal frameworks. A contributory factor has also been the apparent development of the National Water Policy and the management of the major sub-sector projects based on the responsibilities of existing technical divisions in the Ministry of Water and Livestock Development.

The omissions and duplications, and the apparent fragmentation of initiatives to support the implementation of the National Water Policy between the respective sub-sectors and the sub-sectoral projects, clearly demonstrated the need for a coherent integrated National Water Sector Development Strategy. The situation also emphasises the clear need for improved co-ordination of reform related activities, which should include co-ordination and information flow between the various divisions within the Ministry and in concert with other key ministries and development partner.

The new National Water Sector Development Strategy (NWSDS) sets out how the National Water Policy, 2002, will be implemented and describes the institutional and legislative changes necessary so that the specified actions contained in the strategy can be implemented. The

main objective of the NWSDS is to have a coherent, holistic and integrated strategy for the Water Sector in place in order to implement the National Water Policy. This will then allow the on-going sub-sectoral initiatives and projects to be set within the overall strategic and planning framework for the sector, supported through a sector-wide approach to planning.

With the context of NWSDS, the water sector is considered as covering water resources management, including water resource development, control of pollution, water supply and sewerage services, and the provision of on-site sanitation for the disposal of human excreta and waste water. Cross-cutting issues such as capacity building, HIV/AIDS, communication and advocacy etc., have also been considered. The contents of NWSDS are divided into the following main chapters:

- Introduction
- Sector Overview and Situational Analysis
- Water Resources Management – 13 strategic statements
- Water Supply and Sanitation Services – 15 strat. statements
- Financing Mechanisms – 5 strategic statements
- Performance Monitoring and Regulation – 2 strat. statements
- Capacity Building – 6 strategic statements
- Communications and Advocacy - 1 strategic statement
- Co-ordination and Collaboration – 1 strategic statement
- The sector strategies are set out under the following headings:
 - Background
 - Problem Statement
 - Policy Direction
 - Goal
 - Strategy

The NWSDS concludes with a Logical Planning Framework, which sets out the indicators, 175 main activities, and assumptions for each strategy statement and goal.

Institutional Framework for Water Resource Management

The current Institutional Framework for Water Resources Management (WRM) is inadequate in meeting the challenges of effective management of the resources and in providing an adequate mechanism for effective consultation and consensus building, and participation of stakeholders in the planning, design, operations, and management decision-making process. A number of different government departments or agencies deal with various aspects of water resources management according to their own mandates or needs, and also their own legislative provisions, with little integration towards holistic basin-wide planning and management. In addition to this multiplicity of organisations, effective integrated water resources management is further constrained by limitations in the technical, human and financial capacities in these organisations.

The institutional framework for water resources management will have to be streamlined to meet the challenges of effective integrated water resources planning and management, and the roles and responsibilities of the different stakeholders will have to be clearly defined so as to ensure the participation of stakeholders. The role of government will change from that of a service provider to that of co-ordination, policy and guideline formulation, and regulation. Consequently, the institutional framework will involve organisations at different levels and promote financial sustainability and autonomy at the basin level. The framework will also broaden stakeholder participation at the different levels. In order to introduce an integrated approach to water resources management, new lean institutions will need to be created. The Ministry of Water and Livestock Development has already started to establish basin offices in the nine main catchments areas Figure 3, which are in charge of issuing water rights and performing water resources monitoring.

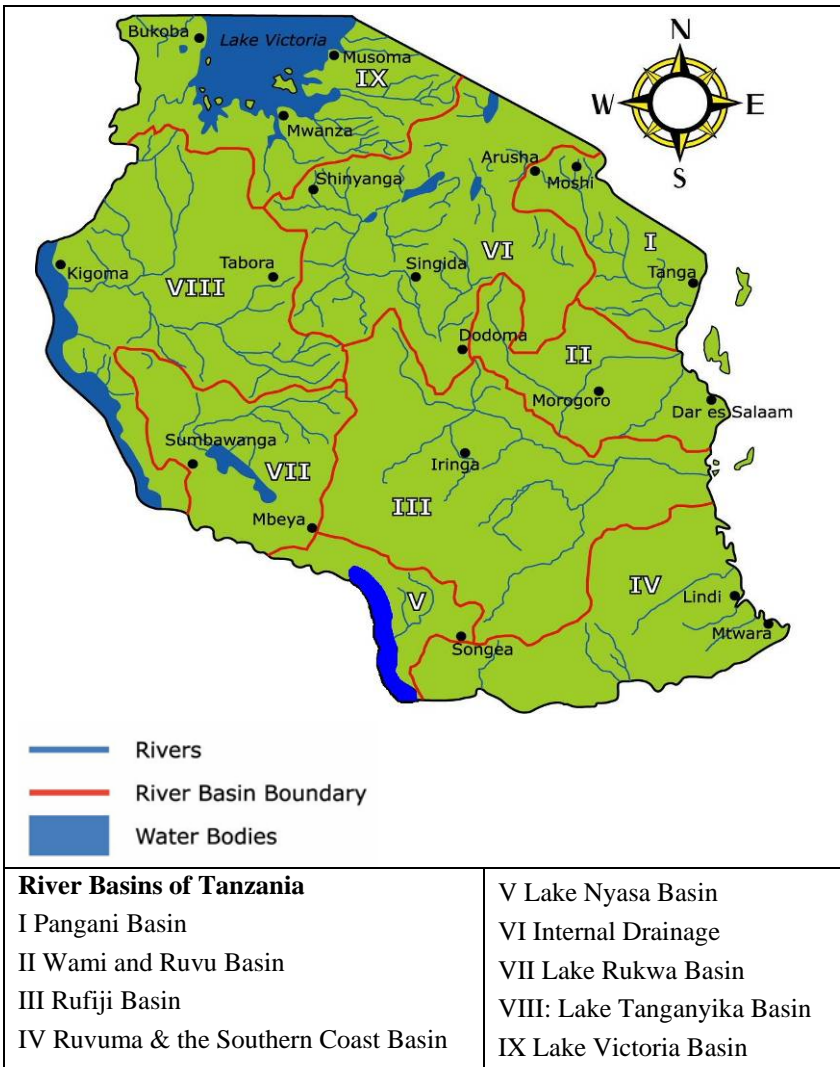


Figure 3: Main Water Resources Basins in Tanzania (MoWLD)

The main WRM functions and responsibilities on the national level are listed below:

- Preparation and supervision of national policies and strategies.
- Appointment of chairman and members of Basin Water Boards.
- Handle appeals.
- Representation of cross-sectoral interests.
- Supervision of Central Water Laboratory Unit (Agency).
- Supervision of Water Resources Institute (Agency).
- Supervision of Drilling and Dam Construction Agency.
- Sectoral co-ordination, monitoring and evaluation.
- Policy development and review, including legislation and financing.
- Formulation of technical standards and WRM guidelines.
- Trans-boundary issues.
- Dam safety.
- Supervision of Basin Water Boards.
- Inter-sectoral planning.
- Resolution of inter-sectoral / inter-basin conflicts.
- Supervision and co-ordination of data collection and resource assessment.

The WRM Functions and Responsibilities on the Basin and Sub-Catchment levels are as follows:

- Data collection, processing and analysis for WRM monitoring.
 - Technical aspects of trans-boundary issues in the basin.
 - Co-ordination and approval of basin WRM planning / budgets.
 - Approval, issuance and revocation of water rights and discharge permits.
 - Enforcement of water rights and pollution control measures.
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- Co-operation between sectors at the local level.
- Resolution of conflicts and co-ordination with stakeholders.

Water Supply and Sanitation Institutional Framework

The current institutional framework for the provision of water supply and sanitation services is based on a separation between urban water supply and sewerage services and rural water supply services. The ultimate responsibility for the provision of these services rests largely with the Ministry of Water and Livestock Development (MoWLD). However, a number of different central and local government departments or organisations have a mandate or legal requirement to be involved in various aspects of the provision of these services. In particular, local government, be it at the city, municipal, town, district, or township authority level, has varying levels of responsibility for providing water supply and sanitation services to the population in their areas. The Ministry of Health on the other hand has an overall responsibility for protecting public health through ensuring the provision of adequate sanitation and hygiene education by the local authorities. MoWLD is also responsible for securing investment finance for rural water supply schemes where it is responsible, or where it has approved the establishment of Water User Associations.

The local government authorities are ultimately accountable to the President's Office, Regional Administration and Local Government (PORALG). The Local Government Act give the respective authorities, and Township Authorities, powers to establish, maintain, operate and control public water supplies drainage and sewerage works. The regional and district administrative boundaries on which the local governments are based are shown in Figure 4.

The current institutional framework has a central focus in the Ministry of Water and Livestock Development but is complex, both in law and in practice. It has a number of overlapping responsibilities, duplications and omissions. Furthermore, the mechanisms for effective consultation and consensus building, and participation of stakeholders in the decision-making process are not adequately defined and implemented.

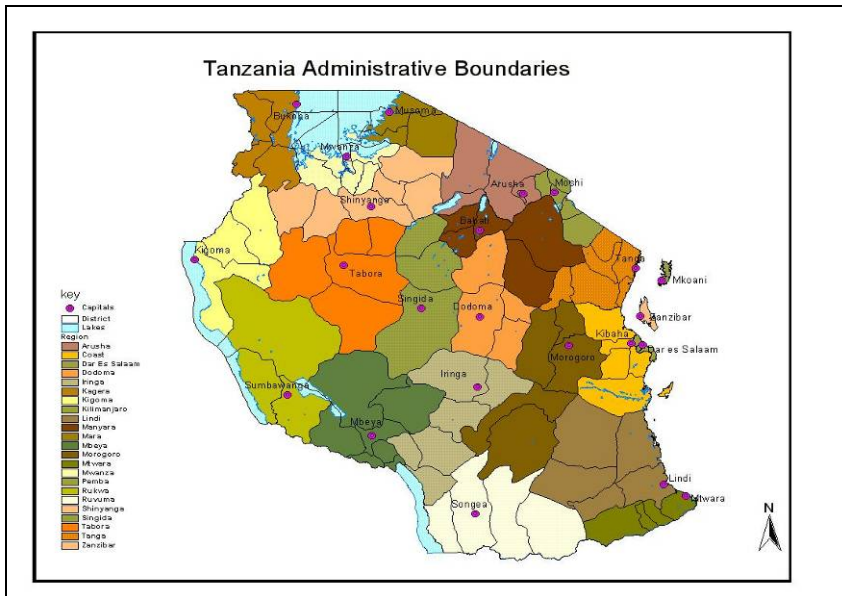


Figure 4: Tanzania Administrative Boundaries (MoWLD)

In rural areas for example, the government, External Support Agencies, and Non-Government-Organisations have been planning and constructing water supply schemes at village level, with little involvement or participation of the benefiting communities. These approaches have led to a lack of commitment by the beneficiaries to safeguard the facilities and an unwillingness to contribute to the cost of operation and maintenance.

The institutional framework for water supply and sanitation will have to be clarified and streamlined to meet the challenges of efficient and cost-effective provision of services, and the roles and responsibilities of the different stakeholders will be clearly defined so as to ensure the participation of stakeholders. The role of the government will change from that of a service provider to that of a co-ordination, policy and guideline formulation, and regulation. Consequently, the institutional framework will have to involve new organisations at different levels and restructure of existing organisations. The roles and responsibilities of regulatory organisations will be separated from responsibilities for the provision of water supply and sanitation services.

Under the Policy Paper on Local Government Reform, local governments will have the future responsibility for public service provision including water; local authority staff will be delinked from their respective ministries; and line ministries which will change their role into policy making, support and capacity building, monitoring, quality assurance and regulation. Table 1 illustrates future functional responsibilities for Water Supply and Sanitation in Tanzania.

Table 1: Future functional responsibilities for Water Supply and Sanitation

Institution	Responsibility
Minister responsible for Water	<ul style="list-style-type: none"> • Prepares and implement national sector policies and strategies • Ensures policies and strategies are implemented. • Co-ordinates planning for projects of national importance. • Secures finance for projects of national importance. • Monitors performance and regulates Community Owned Organisations • Provides technical guidance to Councils.
Water Supply and Sanitation Authorities	<ul style="list-style-type: none"> • Own, manage and develop water supply and sanitation assets. • Prepare business plans to provide water supply and sanitation services, including capital investment plans. • Secure finance for capital investment, and relevant subsidies. • Contract and manage Service Providers. • Provide services not contracted out. • Formulate by-laws for service provision.
Service Providers	<ul style="list-style-type: none"> • Provide water supply and sanitation services in accordance with contractual requirements. Collect revenues for services.
Community Owned Water Supply Organisations	<ul style="list-style-type: none"> • Own and manage water supply assets. • Operate and maintain water supply assets. • Determine consumer tariffs. • Collect revenue for the provision of services. • Contract and manage Service Providers.
Energy and Water Utilities Regulatory	<ul style="list-style-type: none"> • Approves business plans and tariffs and issues operating licences.

Authority	<ul style="list-style-type: none"> • Publishes technical guidelines and standards. • Monitors water quality and performance. • Collects and publishes comparative performance data (bench marking)
President's Office Regional Administration and Local Government	<ul style="list-style-type: none"> • Co-ordinates planning of projects from local government authorities. • Co-ordinates local government authority budgets. • Co-ordinates capacity building for local government authorities.
Regional Secretariat	<ul style="list-style-type: none"> • Representation on Boards. • Provides technical advice to local government authorities.
Municipal and District Councils	<ul style="list-style-type: none"> • Representation on Boards. • Co-ordinate budgets within Council Budgets. • Disburse block grant funds. • Co-ordinate physical planning • Delegated performance monitoring and regulation.
Village Councils	<ul style="list-style-type: none"> • Promote establishment of community-owned organisations. • Representation on management body. • Co-ordinate budgets within Council Budgets. • Resolves conflicts within and between communities.
Ministry of Health	<ul style="list-style-type: none"> • Develops policy, guidelines and strategies for sanitation. • Provides technical assistance to councils for sanitation. • Prepares Acts, Regulations and Standards for sanitation.

New Legislation

In order to provide the enabling legislative framework for implementing the water sector reform, it is essential that existing draft bills and other sector legislations are harmonised with the strategies set out in the National Water Sector Development Strategy, so that implementation of sector reform activities can proceed in a coherent and timely manner. Furthermore, having the relevant enabling legislation on the statute book will provide a clear future direction for

the government in seeking assistance from development partners to implementing the reform process.

Legislative requirements fall into four categories, namely:

- Principal Legislation – The main enabling act or acts, which should not require amendment for substantial period;
- Subsidiary Legislation – Enabling legislation identified in the principal acts as being necessary to implement the principal act/s, but which do not have to be prepared immediately;
- Regulations – Legislation to be published by the Minister to implement certain parts of the principal act/s under powers provided in the principal act/s; and
- By-laws – Laws published by organisations empowered to do so under the principal act/s.

The draft enabling legislation comprises two parts or two separate acts: Water Resources Management and Water Supply and Sanitation. The following are the key features of both pieces of draft legislation:

- The drafts comprise primary legislation with provision for more detailed matters to be promulgated by regulations under the Acts, thus making the Acts shorter.
- Full consideration has been given to the objectives of the NWSDS and the final institutional frameworks set out in the NWSDS.
- Provision is made for transition to the final institutional frameworks as capacity in the water sector is developed.
- Existing effective and efficient institutions will continue until it is appropriate for them to transform into the institutions.
- The need for increased involvement of local government authorities has been taken into account by providing for representation in decision making, rather than direct responsibility for water resources management or provision of water supply and sanitation services.
- The increased participation of water users and water consumers in the water sector has been recognised, including community ownership of water supply schemes.

- Other provisions have been introduced, including a National Water Fund, dam safety, trans-boundary waters, and the regulatory functions of the Energy and Water Utility Authority and the Ministry of Water and Livestock Development.

National Water Sector Strategic Implementation Plan

The National Water Sector Development Strategy is designed to cover the period from 2005 to 2015 and will be subject to a comprehensive review in 2010 in order to take into account progress and experiences during the first five years of implementation. The strategy contains a logical planning framework that would form the basis for the implementation of development activities in the above mentioned period. This framework summarises the goals for each key result area, and identifies the summary main activities necessary to implement the strategic statements set out in the National Water Sector Development Strategy. The framework also provides, as appropriate, indicators for the achievement of these main activities against five and ten year targets in order to meet national growth and poverty reduction targets, or longer term achievement of Millennium Development Goals.

The process of implementing the national strategy is complex, with many activities having to be carried out in a logical sequence, while taking into account inter-relationships and dependencies. This requires the development of a short-term “operational plan”, the National Water Sector Strategic Implementation Plan. This plan, along with the national strategy, is expected to become the guiding document for future investment into the development of the water sector.

The Ministry of Water and Livestock Development has constituted a Planning Task Force which is in the process of:

- preparing the National Water Sector Strategic Implementation Plan in a way that it can be integrated into the Medium Term Expenditure Framework;
 - prioritising development activities, programmes and projects;
 - estimating the costs of these activities on an indicative basis; and
 - carrying out consultation with Government and Stakeholders.
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The preparation of detailed capital investment plans is within the scope of the work of consultants under the World Bank supported rural and urban water supply projects. Investment into water resources management is believed to be detailed within the scope of future WB initiative in the water resources sub-sector.

The various ongoing planning activities are still lacking proper synchronisation due to the individual history of the projects. Therefore, and upon finalisation of draft plans, the Planning Task Force would need to harmonise sub-sector investment plans with the Strategy Implementation Plan in order to produce a consistent planning document that satisfies national planning targets and procedures as well as fund allocation requirements of the Development Partner.

Sector-Wide-Approach to Planning (SWAP)

The above mentioned building blocks form part of a future sector-wide approach to planning currently under discussion. In light of highly fragmented contributions to the development of the water sector by various parties, the Ministry of Water and Livestock Development strives to establish a common framework in which development activities shall take place. This framework would include planning and financing mechanisms which are transparent, coherent, compatible and acceptable to all stakeholders, e.g. Tanzanian stakeholder as well as Development Partner. A sector-wide approach is believed to accelerate the development process, enhance local ownership and foster prioritised investment, all of which are needed, if the ambitious sector performance targets set out above are to be met.

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Web Links

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