

## Otafiire upsets water experts

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He took a decision supposed to make water more accessible to the poor, but experts argue it is the poor who will suffer in the long run.

Maj. Gen. Kahinda Otafiire, the Minister for Water Lands and Environment, last month fixed the price of water in rural areas at Shs 10 per 20-litre jerry can.

But technocrats say that taps upcountry could run dry before the minister rethinks his decision. In his July 11 letter to district LCV chairmen and chief administrative officers (CAOs), Otafiire said government would provide grants to subsidise water from rural schemes based on electricity. On July 22, the minister issued another statement, fixing water prices in small towns with electricity-powered systems at the same prices like in big towns under the National Water and Sewerage Corporation (NWSC): Shs 11.36 per jerrycan at public water points and Shs 17.57 per jerrycan for domestic consumers.

Both statements have left technical people in the ministry fearing that progress made in the water sector will be lost.

The 2004 service delivery survey released in May showed that 60 percent of rural households and 88 percent of urban households had access to safe water.

According to a ministry official, it is not practicable to charge NWSC rates in the smaller towns because the operational costs are higher and the consumers often fewer than in the larger towns. There are 67 small water schemes built by government but operated by private companies under contract with local town councils. The Directorate of Water Development (DWD) has been working with local authorities to develop a business model for the water schemes.

Private companies deliver the water and collect revenue on behalf of the councils, earning a percentage of revenue collected. Under another commercial model, companies pay a fixed management fee and take a percentage of the remaining revenue.

Until last month, prices varied from one area to another, depending on operational costs. Because costs differ, there is fear that a uniform tariff will jeopardise the operations of the water systems and lead to their collapse. This is because the companies can only continue running the water systems if there is a profit to make.

However, Otafiire this week dismissed such fears, saying that the new water tariff aimed to make accessible it to every one.

"It was a bad policy. I am the minister and I have changed it," he said of attempts to develop a business model. "Water is not for commerce. If we can give free medicine, why not free water?" He said only two water schemes with electricity-powered systems would get government grants to subsidise their power expenses.

The Weekly Observer has learnt that mid last year, Otafiire visited Lwakhakha sub-county in Mbale district and advised residents that each family should not pay more than Shs 5,000 a year for water.

Although the consumers had been paying and the system was functioning properly, many stopped paying, also because of political infighting in the area.

The operator, Jowa Engineering Services, had been running the scheme for two years, earning 85 percent of the revenue collected.

Faced with the possibility of earning "85 percent of nothing" Jowa abandoned the scheme. Local authorities took it over but it had terribly deteriorated by the time they persuaded Jowa to retake it early last month.

Jowa managing director Valley Wabwire says that since they returned to Lwakhakha, consumers have been duly paying their bills.

Asked about the price fixed by the minister, Wabwire said: "It is impossible unless government is going to subsidise the costs."

His scheme, serving about 13,000 people, does not use electricity and therefore won't get any subsidies. But he argues that it's as complex as any urban water system and that any tariff should be set with attendant costs in mind.

But Otafiire does not believe the Lwakhakha water scheme was ever in danger. "How can a system with plastic pipes collapse?" he said. "How come they never told me that it was collapsing?"

During a joint technical review workshop for technical experts and donors in Mbale in April, DWD director Mr. Sotti Bomukama reportedly promised to tell Otafiire the effects of his statement at Lwakhakha.

With the 2006 election campaigns approaching, one official said there is fear that political statements and promises could interfere further in the management of the water systems.