

STOCKHOLM WATER WEEK – AUGUST, 2009

FINANCING WATER AND SANITATION DEVELOPMENT IN THE LAKE VICTORIA REGION

**BY H.E PROF. MARK MWANDOSYA, MINISTER FOR
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I take this opportunity first of all to thank UN-HABITAT and the European Investment Bank for convening this important seminar on financing water and sanitation development in the Lake Victoria Basin.

As is well known, Lake Victoria is the most important natural resource in sub-saharan Africa and the protection of the Lake and the sustainable development of the lake basin have long been one of our key developmental priorities.

While the environmental deterioration of the Lake is caused by many factors, we feel strongly that the continuing problems of poverty and the lack of basic infrastructure and services in the Lake basin constitute major contributory factors which must be addressed if the resources of Lake Victoria are to be used more effectively to support the economic development of the East African Region.

The lake waters are shared by three countries (Kenya, Tanzania and Uganda) and the major rivers which do so much to discharge pollutants into the lake are also shared by several countries. The Kagera River, for example which accounts for an estimated 46% of the surface flow into the Lake, flows through the countries of Rwanda, Burundi and Tanzania before discharging into Lake Victoria. The Mara River, another important source of surface runoff into the Lake, flows through Kenya and Tanzania.

In addition to sharing such important natural resources, the people living in the catchment areas of the Lake have much in common with each other. The socio-economic conditions are broadly similar and are characterized by widespread poverty, rapid population growth, lack of adequate infrastructure and severe public health challenges in the form of poor sanitation, the lack of safe drinking water and high rates of HIV/AIDS.

Clearly, the experience of sharing such an important natural resource while having to address similar problems in the lake basin, makes it imperative for the countries of East Africa to collaborate in order to confront the environmental and infrastructure challenges of the Lake Victoria Basin as a regional problem. The process of finding regional solutions and working together will also help to strengthen the ongoing efforts to build an East African Community.

On behalf of the Government of Tanzania, I would like to express our appreciation to UN-HABITAT, the Government of the Netherlands, the East African Community Secretariat and the African Development Bank for the progress achieved so far in establishing the Lake Victoria Region Water and Sanitation Initiative as an effective vehicle for the delivery of water and sanitation benefits to the people in the Lake Region.

We commend UN-HABITAT for working so closely with the participating countries to demonstrate that an effective implementation framework is now in place that can accommodate an expanded programme of work.

In Tanzania, the benefits of the project are already being experienced by the people in the initial pilot towns – Bukoba, Muleba and Mutukula and we note with great appreciation that the programme is now being scaled up to Bunda,

Sengerema, Geita and Nansio with assistance from the African Water Facility and the African Development Bank.

While good progress has been achieved, much remains to be done, both in the smaller towns and in the large towns such as Mwanza.

UN-HABITAT has recently carried out rapid appraisals in the towns of Musoma, Chato and Magu and we sincerely hope that funds will be mobilized soon to start work in these towns.

At the Ministerial Meeting that was held in Uganda on April 23rd, 2009, the 5 East African Ministers of Water issued a strong declaration in which we confirmed our support for the scaling up of the Lake Victoria Region Water and Sanitation Programme to additional small and medium sized towns as well as the large towns. In doing so, we recognized that water and sanitation development in the Region should be financed by a mix of grants and concessionary loans.

We therefore welcome the increasing interest being shown by the development banks, especially the African Development Bank and the European Investment Bank.

However, as we discuss strategic options for financing water and sanitation development around the Lake, let us acknowledge the critical importance for flexibility in designing financing packages that are tailored to suit the situation in the towns.

We may need to find ways to channel grants to small towns and to the very poor areas of the large cities while we work to build the capacity of the water utilities. We must also recognize that the institutional and human resources capacities in the small towns will continue to pose challenges for a long time and we must be ready to combine our

investments in infrastructure with training and capacity building which should be funded from grants.

It is clear that in addition to the development banks, we also need the bi-lateral donors to follow the lead of the Government of the Netherlands and provide grant funding to facilitate a comprehensive scaling up of the programme which has so much potential to make a major contribution towards the achievement of the Millennium Development Goals in East Africa.

I will close by reiterating that the Government of Tanzania is fully committed to the scaling up of the Lake Victoria Region Water and Sanitation Initiative and we hope that this meeting will help to establish a strategic road map to mobilize the funding that is needed to deliver an expanded level of benefits to a region that is one of the poorest and most vulnerable in Africa

Thank You.