

**SPEECH BY PROF. MARK J. MWANDOSYA, MINISTER OF WATER AND IRRIGATION AT THE OPENING OF THE FIFTH JOINT WATER SECTOR REVIEW MEETING UBUNGO PLAZA:
DAR ES SALAAM, 29 SEPTEMBER, 2010**

Honorable Dr. Guido Herz, Ambassador of the Federal Republic of German to Tanzania;

Representatives of Government Ministries and Regional Secretariats,

Representatives of Basin Water Boards, Water and Sanitation Authorities and Local Government Authorities,

Representative from Development Partners, Non Governmental Organizations and Civil Society Organizations (CSOs),

Distinguished Participants,

Ladies and Gentlemen.

Introduction

It is an honour to have this opportunity of addressing the fifth Joint Water Sector Review Meeting here in Dar es Salaam. The annual Joint Water Sector Review is an important forum in the water sector calendar. It gathers sector stakeholders with the aim of reviewing and in the course setting the sector development agenda. The forum sets the way forward in terms of agreed undertakings that provide a basis for sector planning and operations in the immediate future. I thank you all for accepting our invitation and I urge you to actively participate in the deliberations.

This years' Joint Water Sector Review is somewhat unique. For unlike previous years, it is being held after the Joint Supervision Mission. I would like to express my appreciation to all our partners for actively participating first in the Joint Supervision Mission, and subsequent to the Mission within a span of only one day, accepting to attend this important gathering.

For those who have travelled from outside the country and also those who travelled from up-country (some of you have already stayed here for almost two weeks for the Joint Supervision Mission), I wish to formally welcome you to this city, the "*the heaven of peace*". Your decision to accept our invitation, demonstrates your commitment to the water sector, and through this commitment, our partnership in the development of the water sector in Tanzania will continue to be strengthened.

Let me add that your meeting here today is a vote of confidence for our democratic system. For in any other African country, if you were to propose a meeting /a forum of this kind you would consider a person from outerspace. For, they would tell you: It is election time, it is not convenient, it is not safe!

Objective of the Joint Water Sector Review and Expected Results

The annual Joint Water Sector Review is a stakeholders forum. It is meant to discuss the sector development status and to chart the way forward. The JWSR culminates in agreed undertakings, which are key operational aspects that inform the sector Medium Term Expenditure Framework, annual planning and budgeting processes as potential tools for the water sector in the course of achieving the goals and targets of the Nation's Macro-Economic Development Policies; MKUKUTA, Millennium Development Goals (MDGs) and the National Development Vision 2025.

The immediate objective of the Fifth Joint Water Sector Review is to review the status of the water sector in Tanzania with the aim of establishing a shared analytical framework of the current status. You will also discuss and hopefully agree on the vision, on the future direction of the water sector and build a broad consensus on priorities to address issues at the National, River Basin, Regional and Local Government Authority level. According to the Water Sector Development Programme, improved management of water sector will lead to enhanced contribution of the sector to poverty reduction and will lead to sustainable national development.

Implementation Status

Let me use this forum thank our Development Partners for always being with us in ensuring that we continue to work towards attaining our national and sector development objectives and targets. Let me state on behalf of the government of the United Republic of Tanzania that we value and will continue to value your commitment and contribution to the development of the Water Sector in Tanzania.

The Government of Tanzania in collaboration with Development Partners has committed funds amounting to **USD 951 million** out of which, **USD 251 million**, equivalent to 26%, is to be contributed by the Government; and **USD 700 million**, equivalent to 74%, is to be contributed by Development Partners. During the course of implementation, more commitments have been made and by June, 2010 the total commitment stood at **USD 1,204.4 million**; demonstrating an increase of **USD 253 million**.

By June 2010 a total of **USD 627 million**, equivalent to **52 percent** of the total commitment, had been disbursed. Out of this **USD 104 million** was disbursed by the Government, **USD 223.1 million** was disbursed through water basket account, and **USD 299.8 million** was disbursed directly to earmarked projects. The balance amounting to **USD 576.8 million** is still available for use during the next two years of phase I.

Achievements:

Ladies and Gentlemen;

Utilization of the financial resources that were disbursed during the period of two and half years has had remarkable and positive results. These include the establishment and implementation of the new institutional framework for water sector at the Ministry Headquarters, National Water Board, Basin Water Boards, Catchment Committees, Water User Associations and the Water Supply and Sanitation Authorities. Other achievements include the preparation and adoption of the Water sector capacity development framework and its subsequent Capacity Development (CD) plans that have been prepared by the Ministry and by all implementing entities; and enactment of landmark water legislation by Parliament in April, 2009. Regulations to enforce the laws are in final the stages of preparation.

Achievements in Rural Water Supply and Sanitation for the period of July, 2007 to June, 2010 can be grouped into two sub-components: Management support to Local Government Authorities (LGAs) and Rural Water Supply and Sanitation (RWSS) Investment. Under management support to LGAs 46 offices have been rehabilitated and 48 new constructed. The Ministry procured 139 vehicles and 252 motorcycles, among them, 107 vehicles were sent to LGAs including the 252 motorcycles. Computer sets including printers and scanners were procured and delivered to 111 LGAs and Regional Secretariats. The Ministry of Water and Irrigation has also managed to extend its employment level by recruiting 118 engineers and 4 hydrologists. Under Rural Water Supply and Sanitation Programme, 3897 projects have been implemented equivalent to 77.9% of the plan, 89800 water points have been constructed or rehabilitated.

We are currently designing water supply projects in an average of 10 villages per Local Government Authority. Construction of these projects will be implemented in a phased manner based on the available financial resources. We are not going to scale down the project. Rather the rate of coverage will be reviewed continuously on the basis of funds committed by the government and our development partners. Needless to say, it is not feasibility to implement 1500 plus projects simultaneously.

Achievements under Urban Water Supply and Sewerage include provision of management support to improve water supply and sewerage service coverage in Dar es Salaam, in regional centers, district capitals, as well as gazetted small towns and national multi village schemes. The efforts have resulted into increase in access to clean and safe water from 77% in 2006 to 84% in 2009 in 19 regional centres and average hours of water supply increase from 17 hour per day in 2006 to 19 hours in 2009. Unaccounted for Water (UfW) has decreased from 41% in 2006 to 34% in 2009. The average collection of revenue has increased from 21 billion in 2006 to 37.72 billion in 2009. A remarkable improvement of water supply services has been recorded in a number of small towns in which the services were very poor or non existent before the programme. Water supply services have substantially improved in small towns of Utete, Mpwapwa, Mlowo, Mugumu, Misungwi, Kibiti and Ikwiriri. The construction new schemes for these towns has been completed recently. Improvement of services are planned for the towns of Lamadi and Chato, and many more.

On the part of the completed Kahama and Shinyanga Project, a total of 34 villages are already enjoying good quality water services. Efforts are being made to connect more

villages to add up to a total number of 71 villages. Design work will be carried out to extend the project to nearby towns of Isaka, Kagongwa and Mhunze. The Ministry of Water and Irrigation is also preparing terms of reference which will lead to the procurement of a consultant to prepare a project to serve the towns of Igunga, Nzega and Tabora using lake Victoria as a source.

The achievements under institutional development and capacity building include rehabilitation of three office blocks and construction of a sanitary facility at Maji Ubungo. 250 motor vehicles, 407 motor cycles, 113 laptops and 316 Desktops computers and accessories, office equipment, communication and networking equipment have been procured, delivered and distributed. 85% of the offices at Ubungo Maji have been connected with Internet and Documents Management and Records Tracking System has been developed and a total of 768 staff were recruited from year 2007 to 2010.

Challenges:

Ladies and Gentlemen;

Despite these achievements, we have fallen short of meeting most of the targets that were set to be met by 2010. For instance, our target for Urban Water Supply and Sewerage (UWSS) was set at 90 percent by 2010. We have managed to go to as far as 84 percent only for regional centres, from the benchmark of 78 percent of 2005. In Dar es Salaam alone the service is still low, standing at 68 percent since 2006. Even this statistic is questionable. Anywhere between 60-65% could be correct. The target for Rural Water Supply and Sanitation (RWSS) was to increase coverage from 54.3 percent in 2005 to 65 percent by 2010, and by December 2009, we had managed to reach only 58.7 percent. The sector did not achieve the targets due to various reasons, These include:

- A one year delay in the start of WSDP;
- Excessive delays in the procurement of contracts, especially so for consultancy services;
- Lower than expected contributions to the water basket;
- Higher than expected unit costs for consultancy services and civil works;
- The selection of higher cost technologies by communities;
- and
- The general capacity constraint across the water sector.

I state these reasons not as an excuse but as a starting point for us to brace ourselves to do more and do better.

Let me again express my appreciation to the concerns that have been raised from time to time, by Development Partners, especially with regard to compliance on the terms and conditions set out in the WSDP Memorandum of Understanding. We understand their concerns. Our partners want the planned interventions to be successfully and timely implemented as previously agreed. I totally agree with those concerns. The Water Sector Development Programme is the largest Sector-Wide Approach to Planning (SWAP) based programme in sub Saharan Africa. Its enormity has resulted in a number of challenges including the capacity required to implement the programme across more than 300 implementing agencies. These challenges need time to be resolved in partnership between the Government, Development Partners and other actors. The Government of Tanzania has the resolve and commitment to address the impediments and to make sure that the programme succeeds.

Measures Taken to Address Challenges

Restructuring

Since the start of this calendar year, various remedial activities have been undertaken. These include the Mid Term Review Mission that undertaken March to April 2010. It reviewed the two and half years of the first phase for the implementation of WSDP. During the last six months we have been preparing the restructuring package documents that provide a new framework of operations that will be used to guide WSDP implementation during the next two years and beyond. During the Joint Supervision Mission that started with the kick-off meeting on 13 September 2010 and, which was culminated by a wrap-up meeting on 28 September 2010, various recommendations for addressing challenges in the water sector have been discussed and agreed upon. The recommendations have been outlined in two important reports; the restructuring package document, and the special audit report.

These two reports have formed a basis for the preparation of the Aide Memoire that will be finalized in few days from now. The restructuring package documents have come out with: revised WSDP targets and priorities in conjunction with the available financing levels; revised budgets, revised results monitoring indicators; and revised dialogue mechanism including strengthening of the programme coordination team. I am informed that under the new dialogue structure, the Steering Committee will now be a high level forum that will approve work plans, budgets reports, and disbursements. The Programme Coordination Team will now placed under the Deputy Permanent Secretary. It is my hope that these changes will bear fruits as expected. I pledge that the Government of the United Republic of Tanzania will play its part in order to strengthen the partnership for the implementation of WSDP.

The need to improve financial management, procurement, planning, monitoring and reporting is among the prerequisites for smooth implementation of any programme. The Ministry of Water and Irrigation is finalizing the recruitment process for a Financial Expert, a Procurement Expert and a Monitoring and Evaluation Expert. They will undoubtedly improve what is currently being done and address other areas of concern. The process of recruiting a firm for conducting a technical audit that covers a three year

period, from 2007/2008 to 2009/2010 has been recently finalized, ATKIN Consultants Ltd. has already started work. A Management Information System is in its final stages of being operational, and was demonstrated during the recent Joint Supervision Mission. The process to recruit consultants for conducting a Water Point mapping is also in its final stages. Work is expected to start soon.

The spirit of the Government and Development Partners working together is important in addressing the challenges needs to be further addressed by both sides. There have been several joint meetings and discussions in the Thematic Working Groups, the Water Sector Working Group, monthly meetings of the Development Partners Working Group (DPG) co-chairs and the Permanent Secretary of the Ministry of Water and Irrigation. These meetings have been vital in solving some pertinent issues as immediate as they arise. Several meetings that were held between the Development Partners Group with the Minister of Water and Irrigation. Whatever institutional arrangements will be adopted through restructuring, I advise that meetings continue to be held from time to time; and as many times as need may arise.

Capacity Development Plans

With regard to the implementation of the agreed undertakings from the last year's Joint Water Sector Review; the Ministry of Water and Irrigation has implemented its undertaking. For instance, capacity development plans for each WSDP implementing agency have been prepared. They are now ready for implementation.

It is my expectation that these measures shall further improve programme implementation as whole. I assure all participants that the Government remains to be committed to the programme, and will continue implementing measures so that the programme attains the intended objectives for the benefit of the people of Tanzania.

Clustering

Ladies and Gentlemen;

Measures agreed in WSDP include commencement of the implementation of clustering. Clustering is usually considered when there are inefficiencies in the provision of water supply and sanitation services where utilities are simply too small. Currently there are 106 township Water Boards. They struggle to provide adequate levels of service and are unable to cover their staff emoluments. Experience from similar situation indicate that these water boards are unlikely to achieve Category A status, that is to be able to cover their operational and maintenance costs and contribute to investment costs. They also need large investments in order to raise the service levels in their areas of jurisdiction. They are hampered by both financial and human capacity constraints. In cognisance of the number of registered small towns and District Headquarters in Tanzania, there is need to implement clustering, in phases, leaving expansion to be driven through experience to be gained from piloting clusters.

Using the experience of clustering both from within the country and from other countries, the implementation of clustering at regional water authorities level in Tanzania has already been started, where two Cluster Models are being piloted since July 2010. The first model is that of the Tanga Water Supply Sanitation Authority with Muheza, Pangani and Korogwe under it, and Morogoro Water Supply Sanitation Authority with Gairo, Kilosa, Mikumi, Turiani and Mvomero under it. Clustering involves a regional water authority whose coverage includes small district towns or small town authorities to achieve efficiency, effectiveness, and commercial viability in the delivery of water and sanitation services. The cluster models of Tanga and Morogoro are expected to be established by June, 2011. As of today awareness and consensus meetings have been held in the cluster areas of Tanga in July, 2010, cluster area of Morogoro in August, 2010 and at a national level in Dar-es-Salaam in August, 2010. The success of the establishment of the two cluster models will pave the way forward for clustering of the remaining water utilities. Let me add that we will be careful. As we implement further clustering

As far as I am concerned an aspect of practical implementation of clustering has already begun. The Mwanza Water Supply and Sanitation Authority has implemented a water supply scheme in Misungwi, a satellite town within its cluster. The Mbeya Water Supply and Sanitation Authority has also successfully implemented a water supply scheme at Mlowo, a town with a population of 20,000.

Challenges:

As I have already mentioned earlier, the challenges facing the implementation of the programme are caused by a combination of various factors ranging from management, institutional, capacity to administrative constraints. Let me once again list down a number of remedial measures which the Government is now undertaking to rectify the shortfalls:

Capacity Development

During the first phase of the implementation of the Programme, a number of measures have been taken to improve the capacity of the implementing agents. This included training, recruitment of additional staff, provision of vehicles and working tools, rehabilitation and construction of office. However, these measures have not had a positive impact thus far. We therefore, need to take further actions to develop the capacities of implementing agents to a level where the Programme can be implemented efficiently. One of the initiative towards achieving this is the preparation of the capacity development plans which are comprehensive enough to address this constraint. I am pleased to note that, most of the implementing agents have completed the preparation of their capacity development plans.

Implementation of capacity development plans at all levels of WSDP has being incorporated in this financial year Medium Term Expenditure Framework (MTEF), whereby about Tshs **3.6 billion** have been allocated. The implementation of Capacity Development plans has been prioritised to focus on solving the capacity constraints in the areas of financial management, contracts management. Procurement, budgeting and planning and sector monitoring. The Ministry of Water and Irrigation is also

implementing the strategic requirement in Capacity Development plans through recruiting experts to support Departments and Section in the areas pertaining to the Programme management. The Department of Water Resources Management for example, has recruited four local consultants who are supporting the department; the other technical departments that of Community water supply and Commercial water supply are in a process of recruiting the experts. Further, Ministry of Water and Irrigation in collaboration with The Prime Minister's Office - Regional Administration and Local Government is in the process of recruiting 50 engineers to manage small town water utilities and to redeploy technical staff from Basin Offices to strengthen the human capacity at LGAs. Further the Ministry of Water and Irrigation is at an advanced stage in the procuring of Financial Management, and Monitoring and Evaluation and specialists. It is our expectation that these measures will improve the capacity considerably.

Development of Supporting Systems

Tracking of the sector performance as well as financial resources disbursement, expenditure and preparation of reports is hampered by inadequate supporting systems. The Ministry of Water and Irrigation is currently a developing a Programme Management Information System which will enable to us track information from all implementing agencies. The Government through Ministry of Finance and Economic Affairs is in the process of connecting all LGAs with the EPICOR System. Government financial transactions of LGAs will be promptly recorded to the centrally Integrated Financial Management System (IFMS). Currently 84 LGAs are connected to the system. It is planned to connect all LGAs to the IFMS by 2012. We are certain that the development of this infrastructure will provide vital support for tracking sector performance and lead to the improvement of financial management. The Ministry of Water and Irrigation should then be able to produce the required financial reports on time and with accurate and consistent data.

Financial Management

I agree with the concern which has been raised with regard to the inadequacy of the financial management in terms of preparation of quarterly Interim Financial Reports (IFRs) and other associated reports. This inadequacy has led to delays in the preparation of a number reports. Further more the internal audit reports from Implementing Agencies (IAs) are always received from only a few agencies and are presented inappropriately. The Ministry of Water and Irrigation is undertaking a number of measures to rectify shortfalls which have been identified in this area. The Controller and Auditor General (CAG) has just finalised a special audit of the Programme. The special audit was intended to analyse value for money of the activities being implemented under the programme as well as to identify the impediments for smooth financial management of programme funds. I am informed that the draft report of the special audit report has been presented to the WSDP stakeholders. I urge you to discuss the report and come up to us with concrete recommendations.

Let me assure you that the Ministry of Water and Irrigation will take your recommendations seriously and will prepare action plans for execution within appropriate time. We need to improve upon the financial management, procurement, planning, monitoring and reporting of the WSDP.

Improvement of Programme Coordination

The Ministry of Water and Irrigation is undertaking a number of measures to rectify shortfalls which have been experienced in the implementation of WSDP by strengthening the Programme Coordination Team and the dialogue mechanism by making considerable changes to the technical working groups so that they focus more attention to the progress of the programme components. The major changes include the elevation of the Programme Coordination Team to be under the Deputy Permanent Secretary and to increase the involvement of Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) in the dialogue processes. Let me assure you that the Government is committed to be in compliance with the Memorandum of Understanding and to follow the proposed dialogue mechanism to make sure that the programme attains the intended objective for the benefit of the people of Tanzania.

Government Financing Commitment

The Government is still committed to honour its commitment as it was agreed during inception of the programme. Records shows that by June 2010, the midpoint of Phase 1 of implementation of the WSDP the Government of Tanzania has been disbursed 45% of the committed amount of US\$ 251 million. It is anticipated that by the end of Phase 1 period (2011/2012) all committed fund will have been disbursed. The strength to reassure this commitment emanates made by the recent statements made by the President of the United Republic of Tanzania which have indicated that the budget for the water sector will be doubled starting financial year 2011/2012. This commitment will also address the persistent problem of low budget ceiling which do not accommodate funds committed by our Development Partners.

Once again let me, on behalf of the Government of The United Republic of Tanzania thank all the Development Partners or the support that you have extended to the WSDP from inception and now under implementation. The challenges are many and at times onerous. We are braced to meet the challenges in order to meet the goals we have set for ourselves.

Phase II of WSDP (2012/2013 – 2016/2017)

Ladies and Gentlemen

In implementing phase II of the WSDP; the restructuring package has strategically prioritized activities to be performed. High priority have been given to ongoing signed contracts and those under the procurement process; activities that result in increasing water supply and sanitation service coverage in both rural and urban areas; enhancing the sector coordination and dialogue mechanism; ensuring the Sector Management Information (MIS) and Communication Strategy are operational; implementation of capacity development plans; rehabilitation and construction of office buildings; household connections to the existing sewerage system using utilities own sources of funds; and technical Assistance. The preparation of the phase II of the programme on the basis the aforesaid priorities need to be also given priority. A multidisciplinary team of experts needs to be selected and nominated for this purpose. A consulting firm may be procured. You need to deliberate on this matter and come out with a feasible proposition. Time is not on our side.

EWURA

EWURA is an important partner, stakeholder, as we beneficiary of the Water Sector Development Programme. Modest financial support has been provided to EWURA to enable them to monitor and support Urban Water and Sewerage Authorities to achieve their objectives and targets. EWURA is currently carrying out performance evaluation of the Authority. This evaluation should indicate area of achievement and these which need further action. I would like to commend EWURA for its contribution to the implementation of the Water Sector Development Programme.

Ladies and Gentlemen

This is the third and last time that I officiate the opening of Joint Water Sector review. As we go for elections in October and in anticipation a new Cabinet let me thank all of you for the support you have extended to me. It has been extremely exciting to work with you to provide life to Tanzanians. For, Water is life and now that General Assembly of the United Nations has declared water a human right, the challenge facing us is even more onerous and more exciting.

Now that you are all set for the meeting, Let me take this opportunity to once again thank the organizers of this meeting. I wish thank you again all for your attendance and for your attention. In particular I am obliged to Dr. Guido Herz, the Ambassador of Germany for his indulgence. Thank you Sir. We have taken note of your candid remarks. Let us not be unduly pessimistic. The glass is half full. We are in this together. Let us resolve together to deliver this vessel named **PROGAMU YA MAJI** from the seemingly turbulent water to the safety of the shore.

With these remarks, I now declare the fifth Joint Water Sector Review is officially open.

I thank you all.