

Financing the up-scaling of sanitation improvements in Ugandan Small Towns

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Uganda



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Status of urban sanitation in Uganda



Instructional fragmentation (national & local level)



Unclear mandates & weak coordination between actors (LG, ministries, utility & private sector)



Unlined pit latrines (growing issue in small towns)



FSM market non-existing (due to lack of emptiable sanitation systems)



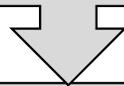
Cost of toilets unreasonably high in small towns (range: USD 500 to 1300)



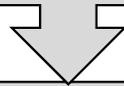
Low affordability of toilets as income levels very low (60%- USD 0.50 to 1.25, 25% - USD 1.25 to 2.00)

Considerations for financing strategy

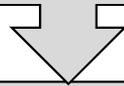
Need to promote lined pits for safe containment of faecal sludge and support emptying and treatment



70% of population in urban areas **need financial support** to improve their situation



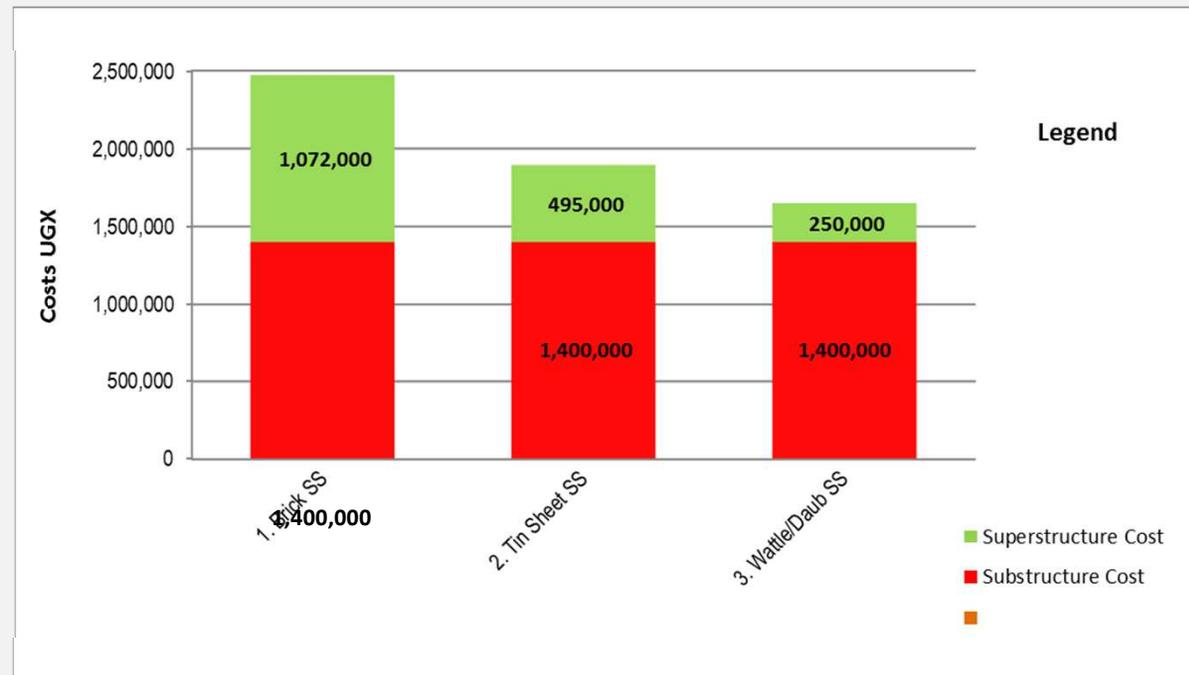
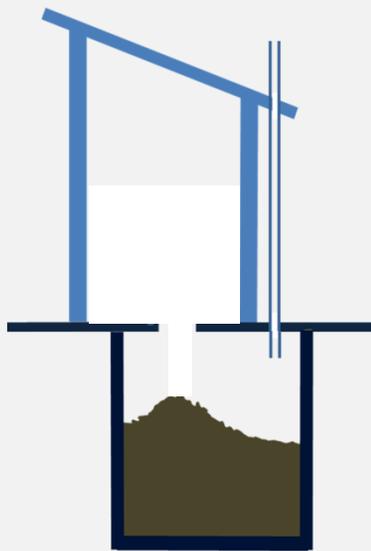
Need for subsidy for meeting capex of construction of toilet **sub-structure** (lined pits)



Need for funding for **emptying services** and **faecal sludge management facilities**



Assessing affordability of HH to repay loans



Financing strategy – Households

Households (HH) to build superstructure of toilets, either self financed or if possible via loans

Superstructure to vary according to financial affordability. Cost can vary between USD 100 and 250

At current market interest rate of 2% per month HH's take **min 3 years** to repay costs of superstructure

Work closely with Local banks, MFIs and SACCOs to **access loans** for superstructure

State to **subsidise substructure costs** of flat UGX 1,475,000 (USD 415)



Strategy for pit emptying services and sludge drying bed

Sludge Drying Beds to cover **cluster of 5 - 6 towns** within 30 to 50 km radius for economies of scale

Capex for **construction of sludge drying beds + cesspool trucks** (3 nos x 4000 litres) + 2.6 Acre land \approx UGX 900,000,000 (USD 250,000)

Capex **to be funded by Ministry/donors**

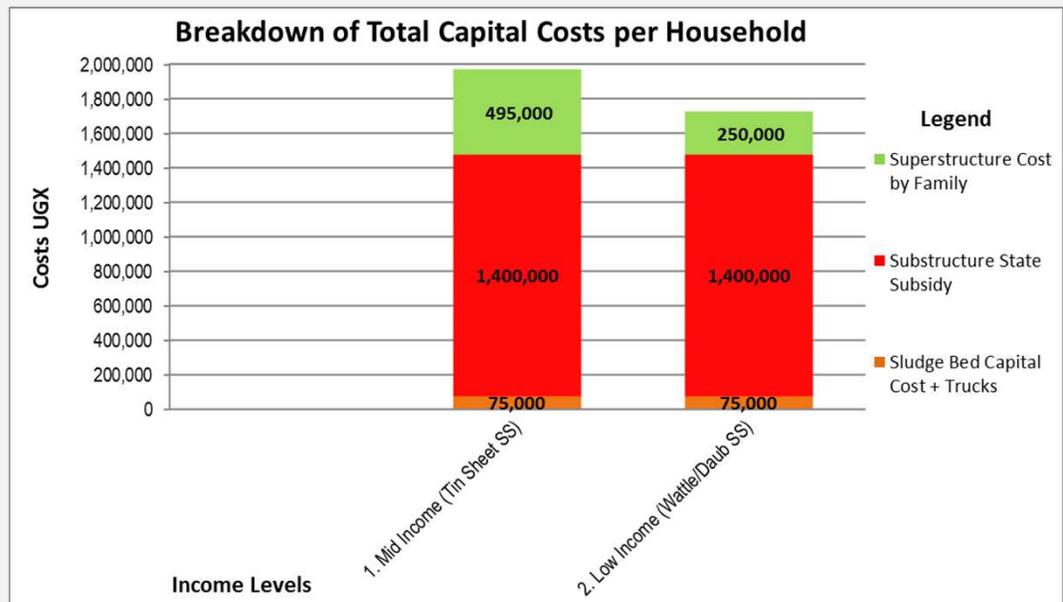
Per capita Capex (substructure subsidy, emptying and treatment services) \approx **USD 60**



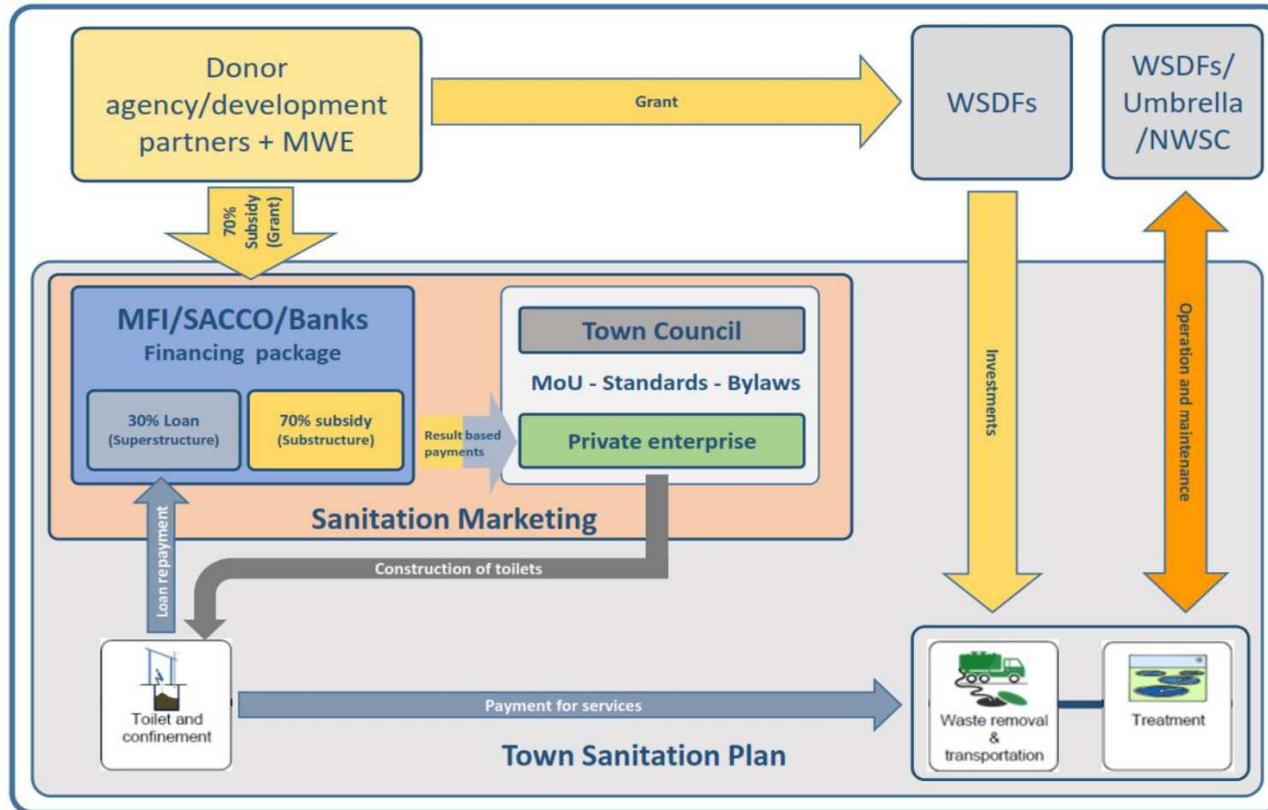
Total Capex

Town	Households Year 2017	State Subsidy for substructure UGX
Kamdini	1,960	1,913,940,000
Aduku	1,660	1,620,990,000
Loro	2,720	2,656,080,000
Ibuje	220	214,830,000
Apac	3,160	3,085,740,000
Oyam	2,600	2,538,900,000
Total	12,320	12,030,480,000
Capex sludge bed & trucks		921,877,762
Total subsidy		12,952,357,762
		ie. US\$ 3,597,877

Per capita Capex ≈ \$ 58.40



Schematic of financing across the sanitation chain



Opex for pit emptying services and sludge drying bed

Currently

Annual **emptying** charges **by private operator** \approx UGX. 50,000<
(USD 12< per family)

Proposed

Emptying service & operations of FSM combined and run by state agency (WSDFs/ Umbrella) or NWSC

Results in

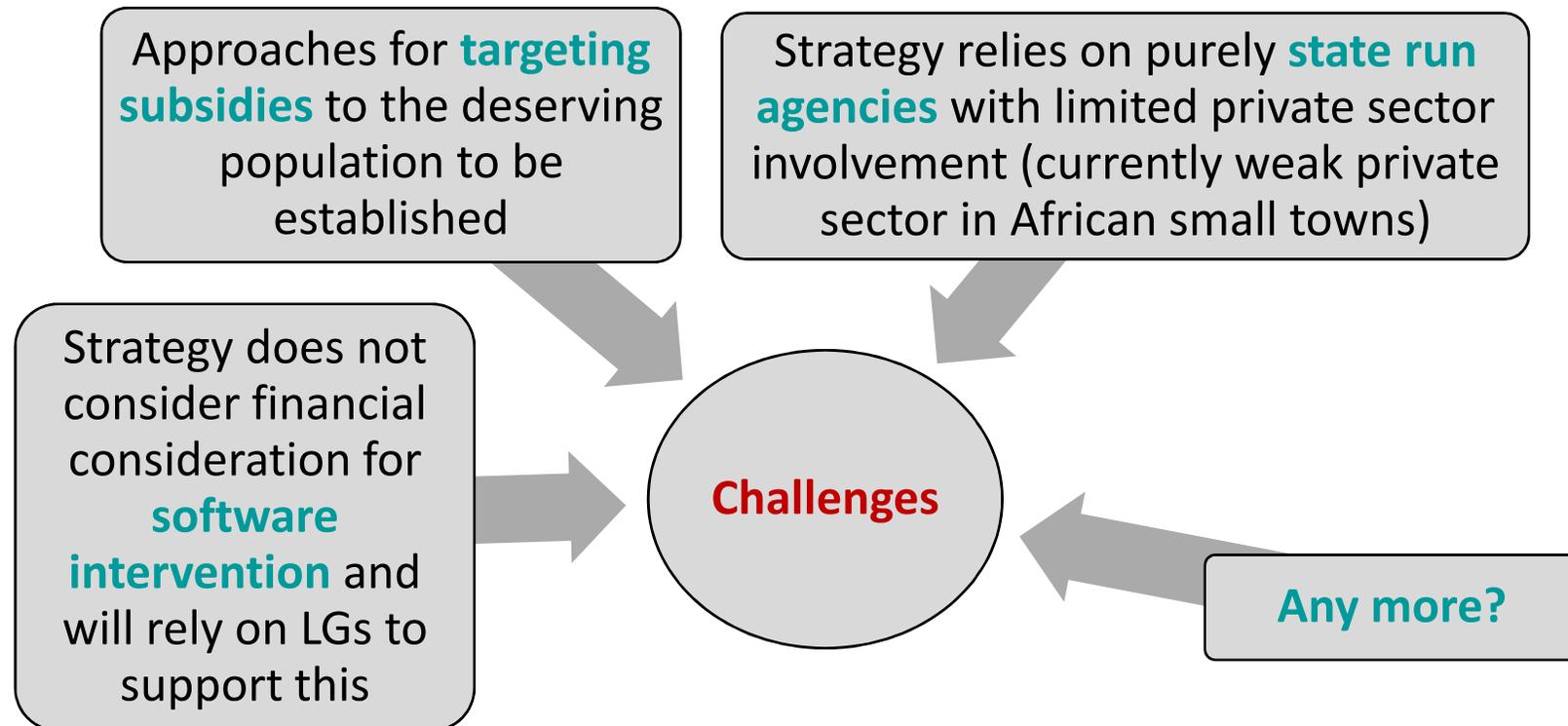
Annual Opex for **emptying services** and **treatment system** \approx USD 75,000

And

Annual **emptying charges** for family \approx UGX.22, 000 (USD 5)



Challenges / weaknesses



Any questions?



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Feel free to contact us for further information



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