

# From a Humanitarian to Development Approach

## Achieving Sustainable Provision of Water Services to Refugees in Uganda

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The number of refugees worldwide has doubled over the last decade, reaching almost 23.1 million by 2021. Around 86 percent of these refugees live in developing countries with 6.7 million living in the least developed countries. Africa alone hosts over six million refugees, of which more than half live in three countries, Uganda (1.5 million), Sudan (1 million), and Ethiopia (0.8 million). The pressure on water resources and infrastructure resulting from this influx places unsustainable financial and capacity constraints on those charged with providing services to refugees and host communities.



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Most of Uganda's 1.5 million refugees (94 percent) live in settlements in outlying and mostly underserved districts alongside the local community. The refugee population often exceeds that of the immediate host population. Over 6 million Ugandans live side-by-side with refugees in hosting areas, sharing natural resources and services and staying on average seven to eight years.

Uganda has one of the most progressive refugee management policies in Africa. The model consists of an open border and settlement approach, where refugees are not confined to a camp but are free to move around and live alongside Ugandan citizens in host communities. Upon arrival into Uganda, refugees are allocated plots of land for subsistence farming and shelter, are free to work, and are given equal access to government education, social and health services. Uganda grounds its protection for refugees in its 2006 Refugee Act and the 2010 Refugee Regulations. The Refugee Act is considered the most progressive refugee law in Africa and aims to provide refugees with as much dignity, normality, and self-reliance as possible.

The government also integrates refugee response and protection into its National Development Plans (NDPs) as well as local District Development Plans. The inclusion of refugees into the NDPs underpins the current model, which applies a holistic response that enables line ministries and development partners to address the needs of refugees and host communities together. This foundation allowed Uganda to be one of the first countries to join the UN Global Compact on Refugee (GCR) protection and implement UNHCR's Comprehensive Refugee Response Framework (CRRF). The GCR guides the practical measures necessary for an integrated national response to refugees and ensures that the basic needs of host communities are met, including access to water, sanitation, and hygiene (WASH), health care, and education.

## **The Challenges of the Humanitarian Model**

The longstanding model of water and sanitation service provision in refugee settlements in Uganda follows a largely humanitarian approach. A humanitarian model is often fragmented and unstable due to institutional and financing gaps; depends on ongoing external support; and encourages dependency and overuse of piped water. Water is usually trucked in initially to meet minimum water needs, but due to cost this commonly tapers off after six-to-12 months when humanitarian partners, managed by the United Nations High Commissioner for Refugees (UNHCR) in coordination with the Office of Prime Minister (OPM), implement new water schemes. Up to 40 WASH partners have

worked across Uganda's refugee settlements in recent years, implementing water systems largely aimed at ending water trucking as quickly as possible. This has resulted in a large number of disparate, incompatible and substandard water systems further complicating operation and maintenance (O&M). Over time, UNHCR has been handed over 100 discrete and often problematic water systems, becoming a *de facto* water utility in refugee settlements.

UNHCR has faced challenges sustaining funding for O&M due to a steady decline in available financial resources from international donors and in construction materials, spare parts, and volunteer services for the management of water services in the settlements. This situation became more strained during the Covid-19 pandemic with border closings, lockdowns, and curfews reducing on the ground capacity to support O&M activities. Free services provided to refugees perpetuated aid dependency, while also becoming a point of contention with some host community members - mostly the rural poor - due to perceptions that refugees receive preferential services when compared with Ugandan nationals.

## **Shifting to a Sustainable Water and Sanitation Provision Model**

To address the service provision gaps in the refugee settlements the Government partnered with the World Bank and UNHCR in an ambitious, pioneering, and arduous reform process to improve the quality and sustainability of water service provision in refugee hosting areas through a paradigm shift that integrates the two approaches.

The reform process kicked off with a series of policy and regulatory amendments and the development of specific sector plans. A critical consensus emerged among OPM, Ministry of Water and Environment (MWE), UNHCR and wider humanitarian and development partners that there was a need for a policy shift from a resource-intensive partner-based model to a national utility-based service model and that user fees in the settlements and hosting communities were necessary to sustain water services.

The GoU first concentrated on applying the CRRF to strengthen the governmental and administrative bodies dealing with refugee crises at the national, regional, and local level. Refugee management and protection were strategically included in the development of specific Sector Plans for health, education, and water and sanitation. With the support of UNHCR and partners, the MWE led the development of the Water and Environment Sector Response Plan for Refugee and Host Communities (2019)

that aligned with the NDP III 2020-2025, incorporating the needs of refugees and the requirements to tackle the water supply services (WSS) challenges in refugee hosting districts. The planned interventions, totaling nearly US\$1 billion, included integrating refugee planning into the national and sectoral plans, strengthening data management, strengthening policies and systems for effective and sustainable service delivery, and improving operations and maintenance of water systems.

The inclusion of refugee settlements into the government's water supply services requires that settlements adopt the same service provision and management models as the rest of the country. This includes: (i) standardizing and harmonizing the design of water systems and functionality standards with national standards and guidelines, in terms of water quality and quantity, (ii) transferring management of more than 180 water schemes and service provision in the settlements and host communities from UNHCR to national water authorities, and (iii) introducing modest water user fees in the hosting and refugees' settlements for financial sustainability.

The reform process will greatly strengthen the role of MWE in policy formulation and the provision of water and sanitation services. MWE has created a Refugee Response Subgroup, which serves as an entry point for all refugee WASH initiatives and coordinates and monitors the water sector's response to key challenges facing refugee hosting districts. This Subgroup anchors the refugee response within the MWE and the Director of Water Development (DWD) oversees the implementation of sector response plans related to refugee hosting districts, and builds synergies among the national water development strategies to improve water supply to refugee settlements, thereby addressing long-standing coordination problems. The Subgroup interacts with the OPM, UNHCR and development partners on overall WASH interventions.

## World Bank and UNHCR Engagements

A series of technical and financial engagements by the World Bank and UNHCR over the last four years have supported the GoU on the reform journey to transfer water service provision for refugees into national systems. The analytics and technical assistance support have been instrumental in articulating the fundamental challenges with the traditional service model, supporting the government and stakeholders as they navigated the new paradigm through an evidence-based approach, facilitating policy and reform discussions, and mobilizing funds toward a sustainable roadmap for full integration of services.

The engagements facilitated effective platforms for dialogue, aid coordination, and outreach, bringing together local and national government counterparts and international partners to discuss and share knowledge on WSS sector development, water service provision reform strategies, transition programming, and financing. A water Development Partner (DP) Group, which was chaired by the World Bank in 2020-2021, facilitated consultations on the transition from humanitarian water service provision to national services, key sector development frameworks, WSS system assessments, O&M, tariff settings, source protection issues, transfer roadmaps, and regulatory changes.

The Group deemed it critical to strengthen the institutional capacity of the Umbrella Authorities (UAs)<sup>1</sup> as a precondition for the effective takeover and management of the systems. The Bank's [Integrated Water Management and Development Project](#) (IWMDP), which also financed the construction of water supply systems in refugee areas, was engaged to support UAs to set up their parastatal status and charters, enabling them to benefit from UNHCR financial transfers for refugee water and sanitation services.

## Key Results and Impacts

The engagements produced several important outcomes. First, the DP Group evolved into a critical platform for partners to address the reform and transition efforts, harmonize interventions without duplication of initiatives, facilitate peer-to-peer knowledge-sharing, build trust and cooperation, and support the government to advance the integration of services. Second, national, district, and local government counterparts actively engaged with the DP Group, which increased dialogue and coordination at all government levels and with other stakeholders.

The knowledge generated from these engagements informed the analysis and recommendations subsequently adapted by partners to advance system transfer. This included a series of water system assessments, diagnostics, and tools to gauge the state of water systems and provision of services in the refugee settlements. Inputs were received from selected DPs during the analytical framing and tool development process, and the final products were shared with partners and the government. Different partners have used and adapted these analytics and tools for the important follow-up work in their respective projects to support the system transfers to national utilities in various refugee settlements and host communities.

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1 - The Government's urban water supply and sewerage service provision framework is based on seven providers - an SOE (NWSC) and six region-based Umbrella Authorities (UAs).



The World Bank and UNHCR engagements helped attract the support of donors and mobilized US\$ 57 million (EUR 52 million) for the system transfers. Several development partners have provided support to the GoU-mandated utilities for transitioning water services, including for infrastructure development to improve access for both refugees and host communities. This support is broadly anchored within various bilateral financing arrangements that have a grant component for refugees. Donors include the Agence Française de Développement (AFD), European Union International Partnerships (EU-INTPA), KfW Development Bank (KfW), GIZ, Danish International Development Agency (DANIDA), which have contributed to various ongoing and pipeline projects distributed across different refugee hosting districts.

Under these various donor projects, transfers were supported for approximately 50 water systems in two districts of Ramwanja and Kiryandongo, which enabled national water providers to serve approximately 12 percent of the refugees in Uganda. 17 water networks in Northern Uganda are being prepared for transfer. An additional 3–4 large water systems in three refugee settlements hosting over 180,000 refugees are expected to complete transition in the near future.

## Lessons Learned

### **Government support and coordination is key to success and sustainability of a transition to utility management**

- Alignment of activities with the government's priorities and UNHCR's leadership and catalytic role in the transition from humanitarian to a sustainable developmental approach were critical to the success of the transfer process.
- The Bank worked closely with government officials and key stakeholders throughout to improve the provision of water services for refugees and hosting communities from the inception of the project to completion. The Bank's TA was instrumental in sustaining and providing an evidence base for the government's efforts throughout the reform process and continuing the momentum for change.

- Key TA activities emerged from the consultation among the World Bank, MWE, OPM, and UNHCR. The alignment of activities with the government's priorities and its active engagement were critical to promote greater government ownership of the activities and ensuring sustainability of the outcomes after the activities were completed. The Bank's role also helped maintain partner support for the reform effort.

### **Technical Capacity of National Water Utilities**

- The capacity of national utilities needs to be strengthened for sustained service provision following the transfer into national systems.

### **Water System Standards, Quality, and Functionality**

- Water supply systems are often implemented in haste in emergency situations resulting in disparate and incompatible systems in a water supply area.
- Transfers of water systems require funding for rehabilitation to bring these to national standards, ensuring systems are of high quality and functionality.

### **Financial Considerations in the Transition to Utility Management**

- Financing for the water sector remains relatively low. It is critical that financing mechanisms be enhanced.
- User fees are essential to sustain water systems. Boosting the livelihoods of refugees and host populations will enable increased household incomes and ability to pay.

### **Social Considerations**

- The social implications related to the system transfers must be carefully considered - both refugees and nationals are key stakeholders in the refugee hosting areas. Promoting active community dialogue among youth, men, and women from refugee settlements and hosting communities creates opportunities to respond to the needs and motivations of both communities for improved water and sanitation services and livelihoods.

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