

**CURRENT ARRANGEMENTS OF FINANCING CAPITAL MAINTENANCE OF  
RURAL WATER SUPPLY SCHEMES IN UGANDA: A CASE STUDY OF WATER  
SUPPLY SCHEMES IN OTUKE DISTRICT**

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## ABSTRACT

The purpose of the study was to assess current arrangements for financing capital maintenance of rural water supply schemes in Uganda, existing gaps and innovative approaches. The study used a case study approach focusing on 140 respondents directly involved in financing CapManEx, policy implementation or making in Uganda from both public and private sectors.

Literature review was undertaken to examine arrangements for capital maintenance. This was complemented by field findings from interviews and focus group discussions. The study learnt that self-supply is of the innovative approach being promoted by MWE, District Local Governments and NGOs among individuals or small groups in improving their water supplies largely or entirely using their own funds. To that effect MWE, in collaboration with the Appropriate Technology Centre (ATC) have developed a manual for construction of hand dug wells in Uganda.

The paper provided a conceptual framework for capital maintenance, with definitions and related concepts. It explored arrangements for financing capital maintenance, existing gaps and suggest innovative approaches. Based on this, the methodology for the study is described in section 3. Section 4 summarises current practices for financing capital maintenance, exploring the extent to which there is a gap between actual and required expenditure and highlighting its impact. Section 4 describes alternative arrangements for financing capital maintenance and, finally, section 5 presents the conclusions, and suggests subsequent steps to improve the financing of capital maintenance.

Finally communities need to make reasonable contribution and they should be made to understand the extent to which their contributions cover the costs (Fonseca *et al.*, 2013) In many lower-income countries like Uganda, inclusive community contributions barely cover operation and minor maintenance costs and depreciation of assets is charged for only in exceptional cases ( Auckhinleck and Kwame , 2013).