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**EQUITABLE AND SUSTAINABLE WASH SERVICES:
FUTURE CHALLENGES IN A RAPIDLY CHANGING WORLD**

**Savings groups: a Replicable model for financing water
supply maintenance in rural Uganda**

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The challenge of sustainable rural water

To reach the Sustainable Development Goals of universal access to clean water and sanitation by 2030, the World Bank estimates we will need to quadruple spending to \$150 billion per year. Given this financing gap, every investment in clean water counts. Yet an estimated one out of three rural water points are broken across Sub-Saharan Africa, and third-party research in Uganda, our base of operations at The Water Trust, found 45% of borehole wells to be non-functional, with just 18% meeting basic standards of quantity, quality and reliability. Historically, the water sector has trained local community members to form a management committee that volunteers to collect user fees from their neighbors, manage these funds, and contract local mechanics to undertake repairs to water point pipes, pumps and other equipment. This community-led approach has been generally unsuccessful, with some stating that community management itself is the problem. It is certainly the case that, as a result of the volunteer management model, water points that might have cost \$5,000 to \$10,000 have fallen into disrepair and become abandoned after a \$50 repair goes unmade due to a lack of funds or poor management.

Some in the sector have responded to this challenge by directly subsidizing maintenance of rural water points (i.e., acting as a quasi-utility). Others have responded by strengthening the capacity of the local government or local handpump mechanics to improve the supply of maintenance services provided to communities. NGO-subsidized maintenance services address a real need, but there is no existing financing model for scaling up these services. Meanwhile, many local governments are too inadequately funded to even maintain water and sanitation at health centers and schools. While increasing funding of local services is critical, in many countries publicly-financed maintenance will not reach rural communities in the near future.

However, there is reason for hope. The rumors of the death of community management are greatly exaggerated. While volunteer management committees have failed to reliably mobilize and manage funds for water point maintenance, savings groups have a long history of mobilizing significant sums of money — \$1,000 to \$2,000 per year — in these very same communities. These groups have not only successfully extended savings and credit services to the unbanked, they have also created highly-functioning, self-sustaining community-based institutions that can raise and spend \$100 or more for social purposes, such as funeral allowances when a relative of a group member dies.

Savings groups: an effective, scalable solution

Formal savings group methodologies like Village Savings and Loan Associations have decades of success, achieving high group membership, meeting attendance, financial performance and sustainability. These groups have tried and true methods for addressing many of the challenges that plague volunteer water point management committees, such as regular weekly meetings where payments are made, highly-transparent

financial management practices built for low-literacy populations, and a profit incentive for community members to follow the agreed-upon group rules, including user fee contributions.

In 2016, The Water Trust trained our staff in the Village Savings and Loan Association model, adapting its methodology to enable saving for the shared community water points. We introduced the program to 20 communities, and 18 signed on. Today, we have trained more than 600 savings groups (which we now call “self-help groups,” given the groups’ objectives). In 2021, we began forming these groups in Kiryandongo refugee settlement as well, as the humanitarian sector is even more desperate for a viable long-term financing model for the long-term refugee population in Uganda. With each group comprising about 30 members and managing a water point benefitting 250 people, existing savings groups sustain water access for 150,000 people across Masindi and Kiryandongo districts in western Uganda.

We have scaled up our efforts after seeing firsthand the transformative effect a savings group can have on the financial and organizational capacity of rural communities, and how this capacity can translate to increased water point maintenance and high water point functionality. Our recent evaluation brief highlights several key results across a sample of 192 groups monitored from 2016-2019:

- Groups have 95% water point functionality (in contrast to 55% of typical boreholes in rural Uganda) and 97% self-help group functionality.
- In an average year, groups accumulate \$1,386 in total assets, spend \$32 on water point maintenance, and maintain a reserve fund of \$71 to pay for future repairs (spending and reserves exceed the \$80 annual target for waterpoint upkeep.)
- Membership, savings, the water point reserve fund and water point maintenance spending all increase over time, suggesting increased engagement rather than attrition.

Building training tools and performance management systems for scale

Scaling social programming with quality requires standardized, user-friendly tools, and ICT systems that enable frontline workers to provide real-time advice and support to communities as well as flag issues for management. In 2020, The Water Trust developed pictorial training tools, group constitution templates, and a robust decision-support mobile application in partnership with Logiak, a company that has developed and implemented decision support tools for community health workers and health facilities for years.

Contact details

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