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# The water sector in EAIO

## Key facts

- **Strong disparity in access**: While Mauritius and Seychelles have over 90% coverage in drinking water access, countries such as Somalia, South Sudan, and Comoros struggle to reach 50%.
- **Growing water stress**: Kenya (617 $m^3$/inhabitant/year, expected to drop below 500 by 2030), Rwanda (772 $m^3$/inhabitant/year), and Djibouti (185 $m^3$/inhabitant/year) are among the countries facing severe shortages, worsened by demographic growth and climate change.
- **Massive water losses**: Non-Revenue Water rates average 44% in Kenya, 50% in Ethiopia, and 62% in Mauritius, undermining operators' financial viability and limiting investment capacity.
- **Chronic underfunding**: National budgets allocated to water remain very low (0.6% in Uganda, 2% in Kenya and Tanzania), with only Ethiopia approaching the World Bank's 4% recommendation at 4.5%.
- **Heavy reliance on donors**: The sector relies heavily on international financing (World Bank, AfDB, EU, EIB, UNICEF). AFD plays a central role, with more than 400 MEUR committed in Uganda, 120 MEUR in Mombasa, 100 MEUR in Nairobi, and several projects in Comoros, Djibouti, and Madagascar.

## In summary

The water sector in East Africa and the Indian Ocean shows stark disparities, ranging from abundant but underutilized resources for drinking water access to acute shortages. The Great Lakes and the Nile provide significant volumes in Burundi, Uganda, South Sudan, and Tanzania, yet remain underexploited. By contrast, Kenya, Rwanda, Ethiopia, and Djibouti face growing water stress, amplified by demographic growth, urbanization, and climate change. In the Indian Ocean islands (Comoros, Madagascar, Mauritius, Seychelles), heavy rainfall contrasts with inadequate infrastructure, resulting in frequent outages and increasing reliance on desalination. Overall, the sector's performance remains weak: water losses reach up to 60%, networks are aging, access to sanitation is limited, and sharp inequalities persist between urban and rural areas. Governance, recognized as a priority for improvement, remains fragmented, with decentralized models (Kenya, Tanzania) versus centralized ones (Djibouti, Madagascar), featuring modernized legal frameworks but uneven enforcement and limited administrative and technical capacity. Sector financing largely depends on international donors (World Bank, AfDB, EU, EIB, UNICEF). France plays a significant role through AFD (Kenya, Tanzania, Uganda, Djibouti, Comoros), with strong participation from its

companies in engineering and treatment technologies. In the long run, regional water security will depend on network modernization, loss reduction, strengthened governance, and massive investments (both public and private) integrating climate resilience and innovative solutions.

## Unequally Distributed and Underutilized Resources

Some countries have significant water resources. Burundi, Uganda, South Sudan, and Tanzania benefit from high renewable water volumes thanks to the Great Lakes and the Nile. Uganda has 1,400 $m^3$/inhabitant/year and Burundi more than 1,000 $m^3$, but these resources remain underexploited. South Sudan, with nearly 4,000 $m^3$/inhabitant/year, is still vulnerable to droughts and floods, while Tanzania, still above the water stress threshold (2,105 $m^3$/inhabitant/year), sees its resources weakened by rapid demographic growth and pollution.

Conversely, other countries face severe scarcity. Kenya (617 $m^3$/inhabitant/year, expected to drop below 500 by 2030), Rwanda (from 1,700 to 800 $m^3$/inhabitant/year in thirty years), and Ethiopia, despite 122 billion $m^3$ annually but marked by strong regional imbalances, are experiencing severe water stress. Djibouti and Eritrea suffer from acute scarcity, relying on overexploited and degraded aquifers. Sudan, although traversed by the Nile, remains dependent on external resources with infrastructure weakened by conflict.

The Indian Ocean islands receive abundant rainfall but suffer from insufficient infrastructure. In Comoros, aging networks make supply intermittent; in Madagascar, regional inequalities are pronounced, especially outside Antananarivo. Mauritius enjoys near-universal access, but the autonomous island of Rodrigues faces chronic shortages. In Seychelles, reliance on surface water and desalination heightens vulnerability to climate hazards and tourism pressure.

## Persistent Structural Challenges

High water loss (Non-Revenue Water) is a central challenge: on average 44% in Kenya, 50% in Ethiopia, and 62% in Mauritius. These technical and commercial losses undermine operators and limit investment capacity. Even Djibouti, despite relatively modern infrastructure, records 44% losses.

Financial and institutional weaknesses aggravate the situation. In Burundi, water represents less than 1% of the national budget; in Uganda, only 0.6%; about 2% in Tanzania and Kenya. Ethiopia allocates 4.5%—one of the few exceptions that meets the World Bank's 4% recommendation. Added to this are overlapping responsibilities, lack of coordination, and limited technical capacity, exemplified in Comoros, where an extreme case of 81% non-revenue water is recorded.

Service quality and continuity remain problematic: frequent outages and sanitation gaps in Madagascar, intermittent supply in Comoros, and failing rural systems across most of the region. Climate change compounds vulnerability, with recurrent droughts and floods undermining infrastructure, along with declining rainfall in the Indian Ocean islands and longer drought episodes across the region.

## Heterogeneous and Fragile Governance

Water is recognized as a strategic priority throughout the region, but institutional frameworks remain uneven and sometimes ineffective. Kenya is a pioneering model: its 2010 Constitution enshrines access to water as a fundamental right and organizes decentralized governance, with Water Service Providers licensed and regulated by WASREB. Tanzania has also adopted an integrated approach with NAWAPO 2025 and the Water Supply and Sanitation Act (2019), assigning management to basin authorities and specialized agencies (RUWASA, WSSAs), strengthening alignment with the SDGs. Rwanda, with its 2023 National Water and Sanitation Policy and its 2024 multi-stakeholder platform, demonstrates an ambitious vision focused on climate resilience. Yet, despite well-defined institutional structures, implementation still faces major challenges: financial and operational shortcomings (particularly in Rwanda), administrative complexity (notably in Tanzania), and corruption (especially in Kenya).

Elsewhere, institutional coordination is not fully established: in Ethiopia, fragmentation between federal and local levels hinders modernization. Djibouti and Madagascar rely on centralized operators (ONEAD, Jirama), limiting decentralized management and diversification of funding.

## Heavy Dependence on Donors

Sector financing heavily relies on major multilateral actors (World Bank, AfDB, EU, EIB). The World Bank leads large national programs such as One WASH in Ethiopia (300 M USD) and PAAEP in Madagascar (220 M USD). The AfDB finances major urban and rural projects in Uganda, Rwanda, and South Sudan.

France plays a leading role in several countries, through AFD and its companies. Flagship projects include: the Mwache project in Mombasa (120 MEUR) and the Northern Collector in Nairobi (100 MEUR) in Kenya; the Lake Victoria treatment plant in Mwanza (75 MEUR) and projects in Morogoro and Shinyanga in Tanzania; support in Uganda (nearly 400 MEUR, including networks and treatment plants in Kampala and Mbarara); and the desalination plant in Djibouti co-financed with the EU and EIB. In Comoros, AFD finances Domoni (7.5 MEUR) and PROGEAU (EUR 6.5M), aimed respectively at extending access to water and strengthening sector governance. In Mauritius, a 200 MEUR policy loan supports sector reform and modernization.

While French companies stand out in engineering, treatment technologies, operation, and technical assistance, heavy construction markets remain dominated by Chinese firms. The French offer can continue to position itself competitively by showcasing its ability to provide innovative solutions (PPP, desalination, digitalization, integrated management) and to combine operation and maintenance within a high-performing integrated package.

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