

MINISTRY PAPER No. 35/19

THE NATIONAL WATER SECTOR POLICY AND IMPLEMENTATION PLAN (2019)

1.0 Purpose

- 1.1 The tabling of the National Water Sector Policy and Implementation Plan (2019) as a White Paper in the Houses of Parliament. Cabinet, in its Decision No. 5/19, dated 18th February 2019, gave approval for the tabling of the National Water Sector Policy and Implementation Plan (2019) as a White Paper in the Houses of Parliament.

2.0 Background

- 2.1 In 2000, the first Jamaica Water Sector Policy Strategies and Action Plans was promulgated, with the aim of providing universal access to potable water by 2005, using various modalities. Cabinet approved a full review of the Policy in 2004, and the target for achieving full access to water was moved to 2010. The main constraints to implementation identified from the review included inadequate financing, social water, inadequate maintenance of infrastructure, and insufficient monitoring and evaluation.
- 2.2 By way of Cabinet Decision No. 07/11 dated February 21, 2011, Cabinet noted that a Technical Review of the 2004 Jamaica Water Sector Policy Strategies and Action Plans would be undertaken. Consequently, in June 2013, the National Water Commission (NWC), acting on behalf of the Ministry engaged Castalia Strategic Advisors through a tender process, to provide consultancy services to revise the 2004 Jamaica Water Sector Policy Strategies and Action Plans and to develop the Rural Water Supply Development Strategy (the Development Strategy) utilizing funds provided through a Technical Cooperation with the Inter-American Development Bank and Government of Jamaica counterpart funding.
- 2.3 The National Water Sector Policy & Implementation Plan (2019) provides an update to the 2004 Jamaica Water Sector Policy. It outlines the current situation in the water and wastewater sector, and ensures that the principles, objectives and Policy directions for the management of the country's water resources are in line with the **Vision 2030 Jamaica – National Development Plan**. Many key principles remain the same, including universal access, diversity of public and community provision and encourages private sector participation in service delivery. Major additions include a strong commitment to Integrated Water Resources Management (IWRM), drought mitigation and efforts to ensure adaptation and resilience to climate change and climate variability across the sector.
- 2.4 Following these principles, the goal of the Policy is to ensure that Jamaica's water resources are effectively managed so as to provide for our nation's social, economic, and environmental well-being, now and in the future. The Policy sets new service targets and outlines improved arrangements for service delivery.
- 2.5 The Ministry with portfolio responsibility for Water will oversee the implementation of this Policy, including monitoring and evaluation. Successful implementation of the Policy and Plan will require the participation of all key stakeholders in the sector, as their activities and inputs are crucial in the achievement of the Policy goals.

3.0 Issues

3.1 The water sector is faced with several challenges that affect water supply reliability. These include:

1. High levels of Non-Revenue Water (NRW) - water that is collected, treated and supplied, but is either wasted, due to aging infrastructure, or stolen and therefore, earns no revenue for the NWC or the Government of Jamaica (GOJ);
2. High Energy Consumption - the NWC's energy consumption is high and is approximately 30 percent of total operating costs;
3. Vulnerability to climate change and climate variability;
4. Inadequate storage capacity - many parishes require additional storage to increase the reliable yield, and to ensure that there is sufficient supply of water during the dry season;
5. Inadequate infrastructure – distribution pipelines to move water from areas of surplus supply in the north to the south, where the population is concentrated;
6. Poor waste management practices, including inadequate treatment and disposal from domestic, industrial and commercial activities, which affect both surface and ground water quality; and
7. Watershed degradation.

4.0 Policy Measures

4.1 The Government of Jamaica's (GOJ) policies and strategies in the Water Sector are summarized as follows:

1. Integrated Water Resources Management (IWRM) - The goal of IWRM is to promote the coordinated development and management of water, land and related resources, in order to maximize the resultant economic and social welfare in an equitable manner, without compromising the sustainability of vital ecosystems. In order to achieve this goal, the GOJ adopts an IWRM approach to managing water resources. This will include institutional co-ordination and stakeholder participation through IWRM Committees.
2. Climate Change Adaptation and Mitigation - Jamaica's water sector is susceptible to multiple risks associated with climate change and climate variability. Climate change risks for Jamaica include changing rainfall levels and patterns, rising temperatures, and more intense hurricanes. The impacts of climate change will therefore require Policy shifts. As such, the GOJ will ensure that climate change considerations are mainstreamed into water resources management and decision making processes to enhance institutional capacities and to build resilience in the sector.
3. Energy Efficiency in the Water Sector - Energy efficiency is among the most promising initiatives for reducing greenhouse gas emissions, energy costs, and for seeing improvements in operational efficiencies in the provision of public water supply and irrigation services. The GOJ will ensure that service providers in the sector adopt energy efficient technologies and techniques, and adopt regulations to reduce energy costs.

4. Private Participation in the Water Sector - The Government's policy is to ensure that private participation in the water sector transforms decision making and accountability by aligning the interests of all parties, government and private, with the public interest.
5. Standards for Access to Potable Water Supply and Improved Sanitation - The GOJ aims to ensure that all individuals across the island have access to potable water supply by 2030. This means that water supply will be safe, convenient, of sufficient quantity, reliable and affordable. Cities and major towns will have sewerage services provided by a utility company. Where sewerage service is not possible, all households will have individual access to safe and environmentally friendly sanitation solutions.
6. Water Supply in Utility and Non-Utility Service Areas - The Policy divides the country into Utility Service Areas (USAs) and Non-Utility Service Areas (NUSAs). USAs are parts of the country where piped water supply is the least-cost method of providing water, while NUSAs are parts of the country where piped water supply is not the least-cost method of providing water. Approximately 15 percent of Jamaicans live in Non-Utility Service Areas. Differences in environmental and infrastructural conditions in USAs and NUSAs create different obstacles to providing water supply in these two areas. To overcome these obstacles and achieve universal access to potable water by 2030, the GOJ will consider different technical solutions and institutional arrangements.
7. Drought Management - Over the past two (2) decades, the frequency and intensity of drought conditions have risen significantly, and below average rainfall levels across the island have resulted in more frequent water restrictions for domestic and agricultural use. The GOJ will ensure that an effective monitoring programme is in place to provide long term planning and the development of plans and programmes to combat the effects of drought conditions, especially in vulnerable communities and the agricultural sector.
8. Rainwater Harvesting - The GOJ will promote rainwater harvesting for households in areas with adequate rainfall and where groundwater and surface sources are inadequate. The Government will also promote the rehabilitation and maintenance of community catchment tanks, where Municipal Corporations, Local Authorities, or the communities themselves wish to take on the responsibility of maintaining these systems. Water supply from rainwater harvesting will be treated or filtered to meet Ministry of Health (MOH) and World Health Organization (WHO) standards before it is consumed.
9. Wastewater Management in Utility and Non-Utility Service Areas - The GOJ's policy is that all households will have access to improved sanitation facilities that protect the health of users, community members and the environment by 2030. Different technical solutions and institutional arrangements will be recommended to provide safe sanitation services in USAs and NUSAs.
10. Irrigation Services - Irrigated agriculture in Jamaica consumes a significant portion of ground and surface water resources and contributes to agricultural production across the country. It contributes about 50 per cent of the national food production and has played a major role in generating employment opportunities in rural areas

and providing for the rural poor. By adopting international best practices in irrigation and by continuing to explore diverse financing arrangements for new schemes, irrigation services will be expanded to reach more farmers.

11. Flood Water Control and Drainage - Throughout the years, the country has experienced vast destruction of property and infrastructure as a result of rainfall induced flooding. Numerous elements have been cited as major contributing factors to this situation, among which are the lack of integrated and forward planning for adequate drainage networks throughout the island and the lack of maintenance of existing drains and gullies. The GOJ's policy is to ensure that flood waters are so managed that the risk to loss of life is zero and for property damage, as minimal as possible.
12. Monitoring and Evaluation - The Water Policy and Monitoring Branch in the Ministry with portfolio responsibility for Water will monitor and evaluate the implementation of this Policy. This process will be mainstreamed into the Strategic Planning Cycle.

5.0 Financial Considerations

5.1 In anticipation of finalizing the draft Policy and Implementation Plan by Financial Year 2015/2016, the then Ministry of Finance in December 2014 was asked to provide financial support under the recurrent budget in the amount of Ninety Two Million, Eight Hundred and Thirty Six Thousand, Six Hundred Jamaican Dollars (**J\$92,836,600**) to administer the implementation of the Policy and the Development Strategy for Financial Years 2015/16 through to 2019/20

5.2 For Financial Years 2015/16 - 2018/19, approximately Sixty-Nine Million Dollars (**J\$69M**) was allocated to support the activities of the Policy and the Development Strategy. However, due to challenges experienced in the first two (2) years of implementation, approximately Fifty Million Dollars (**J\$50M**) was expended on the following activities:

- ❖ institutional strengthening of the Rural Water Supply Limited (RWSL) and oversight management for the implementation of the Water Sector Policy and the Development Strategy;
- ❖ procurement of computers and engineering equipment;
- ❖ payment of salaries and travelling and
- ❖ extensive fieldwork (to identify water sources and potential projects for implementation.

For FY 2019/20, the sum of Twenty-Five Million, Four Hundred Thousand Dollars (**J\$25.4M**) has been allocated to implement the activities of the Policy and the Development Strategy.

5.3 The revised Policy, including the Development Strategy, has been aligned to **Vision 2030 Jamaica - National Development Plan**. It is therefore envisaged that the implementation programme will extend to Financial Year 2029/30 and the Ministry of Finance and the Public Service will be asked to continue to provide budgetary support.

5.4 The extension of Utility Service Areas will be largely financed by the NWC. It is estimated that, up to 2030, US\$3.4 Billion will need to be invested in rehabilitation and expansion of the NWC's network islandwide. The NWC tariff allows for the recovery of interest,

depreciation, and a return on capital, meaning that the NWC would be financially self-sufficient.

5.5 Non-utility service areas improvements are expected to cost about US\$176 Million. The RWSL will develop a Rural Master Plan and seek funding from International Donor Agencies to assist in financing projects using appropriate technical solutions in NUSAs.

5.6 The revised Policy and Development Strategy also envisages the establishment of a Water Access Fund (the Fund). This would be a revolving fund under the aegis of the Ministry with responsibility for Water. Funding will be sought from the GOJ for the initial financing of the Fund. The funding options considered by the GOJ will provide finance, on a loan or grant basis, to non-utility service area projects recommended and managed by the RWSL as part of the Water Supply Development Strategy for Non-Utility Service Areas.

6.0 Consultations

6.1 The Policy was developed using a consultative approach. A Project Steering Committee (PSC) was established by the Ministry with responsibility for Water in July 2013 to review the outputs of the Draft Policy and Plan prepared by Castalia. The PSC comprised officers from the Ministry with responsibility for Water and representatives from the following Ministries and Agencies:

- Ministry of Local Government & Community Development (MLGCD);
- Ministry of Finance & Planning (MOFP);
- Water Resources Authority (WRA);
- National Water Commission (NWC);
- National Irrigation Commission (NIC);
- Rural Agricultural Development Authority (RADA);
- Office of Utilities Regulation (OUR);
- Rural Water Supply Limited (RWSL);
- Planning Institute of Jamaica (PIOJ);
- Ministry of Agriculture & Fisheries (MOAF); and
- National Environment & Planning Agency (NEPA).

6.2 The draft Policy which was received from Castalia in February 2014 was circulated to Ministries, Departments and Agencies (MDAs), and posted in Libraries and Post Offices during the period February to March 2014, soliciting comments. In addition, a total of four (4) Regional Public Consultations were held in St. James, St. Mary, Manchester and Kingston between April and May 2014. A Special Interest Group consultation was also held in May 2014 which included approximately forty (40) persons with representatives from MDAs, NGOs, Professional Bodies, International Organizations and Private Sector groups. The Ministry also hosted a special consultation in St. Catherine in August 2015, with key stakeholders in the agricultural sector, on irrigation services.

6.3 During 2016 and 2017, the Ministry sought comments from MDAs on the draft Cabinet Submission and draft Policy and Implementation Plan (which incorporated the comments from the previous consultations). Comments were received from the then Ministry of Finance and Planning, OUR, National Environment and Planning Agency (NEPA), Ministry of Health (MOH), Forestry Department, Water Resources Authority (WRA),

National Water Commission (NWC) and the Ministry of Local Government and Community Development and incorporated into the Policy.

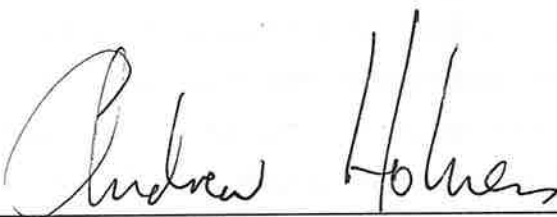
- 6.4 The Draft 2017 Policy was presented to the Economic Growth and Job Creation Committee (EGJCC) of Cabinet in July 2017, where changes to the Policy were recommended. Consequently, in November 2017 further consultation, in the form of a workshop, was held with the Environment and Risk Management Branch (MEGJC), WRA, NEPA, NWC, Forestry Department, Ministry of Health and the Ministry of Local Government and Community Development to discuss the IWRM approach and the roles and responsibilities of the national and local committees that are to be re-established.
- 6.5 The revised Policy, which incorporated the recommendations from the EGJCC, was submitted to Cabinet and by way of Decision No 13/18, dated 9th April 2018, Cabinet approved the National Water Sector Policy and Implementation Plan (2017) and its tabling in Parliament as a White Paper.
- 6.6 Subsequent to the Cabinet's Decision, the Cabinet Secretary requested that the Ministry obtain comments from the Office of Utilities Regulation (OUR) on the changes that were recommended by the EGJCC. Consultations were held with the OUR and their comments were incorporated into the Policy, which was then sent back to Cabinet in January 2019 for approval and the Ministry received same by way of Decision No. 5/19 dated February 18, 2019.

7.0 Next Steps

The Implementation Plan included in the Policy lists key Action Steps that will be undertaken by the stakeholders in the Water Sector to meet the objectives and targets in the Water Sector Policy, including the implementation of the Rural Water Supply Development Strategy. The Implementation Plan also sets out a timeline for completing the Action Steps.

The Action Steps and timeline spans across Financial Years 2017/2018 to 2029/2030. The implementation of the revised Policy will be done on a phased basis, with priority given to areas of greatest need for water.

The National Water Sector Policy and Implementation Plan (2019) is at **Appendix 1**.



Andrew Holness, ON, MP

Prime Minister and Minister of Economic Growth and Job Creation

June 18, 2019.