

Implementation of Water for Production Strategy and Investment Plan, 2004-2015

1. Introduction

The Water for Production (WfP) Sub-sector concerns water for agricultural production, which includes water for crops, water for livestock, water for aquaculture (fish farming) and water for rural industries. The Consultant submitted to government the WfP Strategy and Investment Plan in February 2004. The strategy has identified sub-sector goals; guiding principles for intervention; and identification of key components and interventions areas required for achievement of the goals. The strategy recommends formulation/strengthening of appropriate institutional and legal frameworks, institutional capacity building, demonstration of appropriate and sustainable technologies, and rehabilitation of existing infrastructure. The strategy will undergo further review by government through an approval process.

1. Situation Analysis – Key findings

General

- The policy framework (NWP, 1999 and PMA, 2000) is largely conducive for promotion of WfP.
- Recent delineation of institutional responsibilities for *water supply planning and development* to MWLE and *water use management* to MAAIF not yet fully appreciated and resulting in lack of co-ordination at the national and lower levels.
- Inadequate technical capacity at all levels in the public and private sector.
- Absence of viable financing systems, financial services and agricultural marketing infrastructure for small farmers is a major constraint for development of WfP.

Water for Crops

- Inadequate technical capacity in soil and water management at all levels.
- Insufficient coverage of demonstration programmes in the promotion of small-scale irrigation development, including runoff/rainwater harvesting.
- Lack of ownership and proper management systems for existing government irrigation schemes.
- Absence of mechanisms for assisting farmers/farmers' groups.

Water for Livestock

- Insufficient coverage of livestock watering facilities.
- Poor planning, designs and construction of watering facilities.
- Lack of sense of ownership resulting in poor management and sustainability of facilities.

Water for Aquaculture

- Inadequate knowledge on breeding, feeding and stocking techniques for key fish species.
- Inadequate feed and seed supply at competitive prices.
- Inadequate technical capacities at pond-operator, extension agent and local government levels in stock control, harvesting techniques and water management.
- Unattractive environment for investments in large-scale aquaculture.

Water for Rural Industries

- Water is an important input for rural industries (eg food processing, mining, textile production, tanneries, coffee processing, brewing, brick making, etc).
- Water supply is not the major constraint for development of rural industries in comparison to other factors such as access to roads, electricity, credit services and markets.

2. Water for Production Strategy

Vision, Goals and Guiding Principles

Vision; Services for water for production are sustainably provided for increased production to reduce poverty.

Goal; Promote development of cost-effective and sustainable water supply and water management for increased production and contribution to the modernisation of the agricultural sector.

Guiding Principles; Fully comply with the strategy concepts and principles of the Rural Water Supply and Sanitation Sub-sector Reform Strategy; Sustainability, Decentralisation and Management at the Lowest Appropriate Level, Privatisation and Private Sector Involvement, DRA and Gender Responsiveness, Poverty Reduction Focus, Cost-efficiency, Environment and health concerns

Strategy Elements

Five sub-component strategies have been developed addressing: Institutional Co-ordination; Water for Crops; Water for Livestock and Wildlife; Water for Aquaculture and Water for Rural Industries. The table below shows the outputs of each strategy element.

Outline Investment Plans

The outline investment plans are based mainly on 75% public investments and 25% private investments. The proposed investments imply an increase in government funding in WfP from the current 4% of the annual water sector budget to 17%. Prioritisation and political support to WfP is therefore a requirement for implementation of the strategy.

Water for Production Summary of outline Investment Plans	Total Costs (USD)	Water Supply Development (Public)	Water Use and Management (Public)	Central Govt- Operational Fund	Private sector investment
Water for Crops	58,956,600	3,524,000	26,653,600		28,900,000
Water for Livestock and Wildlife	102,240,000	100,540,000	940,000		760,000
Water for Aquaculture	7,072,500	320,000	2,722,500	130,000	3,900,000
Water for Rural Industries	300,000	300,000			
Co-ordination through WfP Sub- sector Working group	204,000			204,000	
Total Investment	168,733,100	104,684,000	30,316,100	334,000	33,560,000

Table 1; Water for Production Strategy Elements and Outputs	
Strategy Element	Expected Outputs
1. Institutional Coordination 1.1 Strengthen Inter-ministerial Water for Production Sub-sector Working Group	<ul style="list-style-type: none"> • Government initiatives in the sub-sector co-ordinated. • Approval of WFP initiatives/programmes/activities formulated by the lead agencies. • Facilitate exchange of information between institutions. • Recommend policy, legal and institutional reforms as appropriate.
2. Water for Crops 2.1 Build technical capacity in soil and water management	<ul style="list-style-type: none"> • Review of curricula at educational institutions. • 330 extension agents (6 per district) trained soil and water conservation and irrigation. • 110 local government (two per district) and 20 central government staff trained.
2.2 Promotion/ Assist groups of farmers or individual farmers	<ul style="list-style-type: none"> • Preparation of guidelines for districts in the appraisal and design of small-scale farmer-based irrigation schemes • 110 district staff and 110 private service providers trained. • Identification and development of five small irrigation schemes (by local governments)
2.3 Expansion of small-scale irrigation development and RWH.	<ul style="list-style-type: none"> • Demonstrations on small-scale irrigation technologies and water harvesting in 27 districts as outlined in MAAIF's Expansion document for the Special Programme for Food Security
2.4 Rehabilitation/transfer of management of the existing government schemes to farmers.	<ul style="list-style-type: none"> • Feasibility studies for re-organisation, rehabilitation and management of five existing government • Pre-feasibility studies at 6 sites for two new schemes (to be identified)
3. Water for Livestock 3.1 Increase coverage of livestock watering facilities	<ul style="list-style-type: none"> • Construction of 1465 surface water reservoirs or groundwater abstraction for livestock water supply. • 500 compartmentalised hand pumps for separated human and livestock water supply
3.2 Improved design and construction of watering facilities	<ul style="list-style-type: none"> • Preparation of guidelines for siting, design and construction of livestock watering facilities <p>Training of public and private sector technicians in planning, construction and management of reservoirs</p>
Sustainable, decentralised management of constructed livestock watering facilities	<ul style="list-style-type: none"> • Guidelines for establishment and organisation of water user associations prepared. • Preparation of national guidelines for routine O&M for water user associations • Training of 400 water user associations at new watering facilities
4. Water Aquaculture 4.1 Training in stocking, water control and management	<ul style="list-style-type: none"> • Training materials for training local government staff, private service providers, and small-scale pond operators prepared. • 500 staff (local government and private) and 500 farmer groups trained.
4.2 Sensitisation on regulation and permit requirements	<ul style="list-style-type: none"> • 155 local government staff (3 in each district) and 155 private service providers (3 in each district) sensitised. • Aquaculture operators (communities and pond operators) sensitised.
4.3 Support to demonstration -schemes	<ul style="list-style-type: none"> • Guidelines for pond management and stocking methodologies developed • 60 demonstration sites identified and supported (one in each district).
5. Water for Rural industries 5.1 Decentralise Water Abstraction Permits	<ul style="list-style-type: none"> • System for issuance of water extraction permits decentralised. • Information on water extraction permits and regulation to rural industries and potential private investors disseminated
5.1 Support to rural industries at rural growth centres	<ul style="list-style-type: none"> • Capacity development of local government officers to take over responsibilities for water supply and discharge for rural industries.

Priority Activities to Start Strategy Implementation

Having completed the first reform cycle, it is now necessary that implementation of the reform commences while areas of the reform that require immediate review are also identified.

- **Strengthening of the Water for Production Sub-sector Working Group as the formal implementation coordination body at central level and establishment of coordination mechanisms at local government and community levels.** The sub-group was constituted during the previous financial year with representation from the Agriculture, Environment, Wetlands, Industry sectors/subsectors, in addition to the farmers community represented by the Uganda National Farmers Federation. To date there are no agreed operational guidelines or terms of reference for the sub-group and the operations have been limited to adhoc meetings, mainly for purposes of budget preparation. There is therefore no sense of commitment and the response of the members is very casual. There is need to define and agree on membership and operational modalities of the subgroup.
- **Designing mechanisms to enable/institutionalise demand driven implementation.** There are strong sentiments as to whether the current political demand for services of the sub-sector constitutes due demand by the primary beneficiaries/community. This apparent belief is especially associated with the ongoing water for livestock activities which currently dominate sub-sector implementation activity. Lack of generally accepted procedures that would enable systematic and objective provision of the services has also resulted in the conclusion that top-down approaches continue to be a feature of implementation and, as such, responsible for the current operation and maintenance negligence in respect of livestock watering facilities and the feeling that there is lack of capacity to respond to the apparent need of water for irrigation. There is therefore need to establish mechanisms that will enable the verification demand driven implementation, and ultimately enable the disaggregation of the proposed investment plan in order to conform to decentralised implementation.
- **Institutional Capacity Building at Central and Local government, and community levels with focus on operation and maintenance of facilities, besides monitoring and evaluation, in addition to developing the implementation capacity.** Elements of capacity building constitute the core of the reform strategy.
- **Developing appropriate implementation and O & M synergy with respect to water for crops, water for livestock, water for aquaculture and water for rural industrial activities through the identification and examination of alternative options/technologies for water for production and piloting of multipurpose use schemes.** The reform study observes that there are two aspects of water for production i.e. the water supply aspect and the water use management aspect. However, current irrigation and livestock water supply activities (just to mention the dominant activities) are implemented in isolation without due consideration of the fact that provision/supply of water for irrigation and livestock, besides water for aquaculture and rural industry, constitutes a single domain of water resources management and water development nature, while on the other hand, the management of the respective water uses is primarily a domain of the user best facilitated under the agricultural sector. There is therefore need to clearly define and detail institutional responsibilities and processes that will enable the

resolution of the current dilemma as to whether water for production is financed under the agriculture sector or the water sector, and lead to streamlined and complimentary funding of the respective agricultural and water sector activities.

- **Lastly but not least, identify aspects of the reform strategy that require immediate review.**

Action Required from JTR

It is therefore proposed that the JTR approves a **Water for Production component to be financed under the DANIDA Unallocated Fund and other development partners** in order to undertake implementation of the reform. It is also pertinent that the JTR approves the outsourcing of services for purposes of designing the component.

It is currently envisaged that USD 3 million will be required to implement the above outlined aspects of the reform.