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Support to Uganda's Water and Sanitation Sector from the 1980s Onwards - Reflections and Experiences

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Acronyms

BFP	Budgetary Framework Paper
CIDA	Canadian International Development Agency
DPM	Directorate of Personnel Management
DWD	Directorate of Water Development
DWD	Directorate of Water Development
DWSC	District Water and Sanitation Committee
DWSCG	District Water and Sanitation Coordination Committee
DWSDCG	District Water and Sanitation Development Conditional Grant
ECOSAN	Ecological sanitation
FDS	Fiscal Decentralisation Strategy
GGWG	Good Governance Working Group
IDP	Internally displaced person
IFMS	Integrated Financial Management System
IWRM	Integrated Water Resources Management
JAS	Joint Assistance Strategy
JPF	Joint Partnership Fund
JSR	Joint Sector Review
JTR	Joint Technical Review
LGDP	Local Government Development Programme
LTWSS	Large Towns Water Supply and Sanitation
LVDP	Lake Victoria Development Programme
MoPS	Ministry of Public Services
MWE	Ministry of Water and Environment
MPS	Ministry Policy Statement
NEMA	National Environmental Management Authority
NWSC	National Water and Sewerage Corporation
NORAD	Norwegian Agency for Development Cooperation
O&M	Operation and maintenance
PCIC	Per Capita Investment Cost
PEAP	Poverty Eradication Action Plan
PMS	Programme Management Support
PRA	Participatory Rural Appraisal
PRDP	Peace, Recovery and Development Plan for Northern Uganda
PRSC	Poverty Reduction Strategy Credit
RGC	Rural Growth Centre

RWSS	Rural Water Supply and Sanitation
SBS	Sector Budget Support
SIDA	Swedish International Development Authority (before June 1995)
Sida	Swedish International Development Cooperation Agency (after June 1995)
SIP	Sector Investment Plan
SMART	Specific, measurable, achievable, realistic and time-bound (objectives)
SPR	Sector Performance Report
STWSS	Small Towns Water Supply and Sanitation
SWAP	Sector-Wide Approach
SWIP	South-West Integrated Health and Water Programme
SWOT	Strengths, weaknesses, opportunities and threats
TA	Technical Assistance
TOR	Terms of Reference
TSU	Technical Support Unit
UWSS	Urban Water Supply and Sanitation
VIP	Ventilated Improved Latrine
WATSAN	National Water and Environmental Sanitation Programme
WES	Government of Uganda – UNICEF 1995-2000 Water and Sanitation (WES) Programme
WfP	Water for Production
WPC	Water Policy Committee
WRM	Water Resources Management
WRMD	Water Resources Management Department
WSCC	Water and Sanitation Coordination Committee
WSDF	Water and Sanitation Development Facility (or Fund)
WSS	Water and Sanitation Sector
WSSWG	Water and Sanitation Sector Working Group

1. Executive Summary

1.1 Background

This is a desk study providing a historical description of and experiences from Sweden's support to Uganda's Water and Sanitation Sector (WSS) since the mid 1980s. The study is not an evaluation. It is not limited to Sweden's contributions but also reflects general developments in the sector, including performance, reform processes and the recent shift towards sector budget support. The study was commissioned by Sida and was undertaken by Mr Anders Karlsson of A.S.K. AB, who has worked with sector issues as a consultant since 1994, in particular in the period 2000–2007.

The study was initiated against the background of the phasing out of Swedish support to the sector during year 2010. The phasing out of the sector follows Sweden's decision to focus on fewer sectors in each country, the Division of Labour process in Uganda and has been agreed upon by Sweden and Uganda.

A summary of main recommendations will be found immediately after the executive summary. The recommendations in the report, in that it proposes actions for Sweden, must be read with the information on the phase out in year 2010 from the sector.

1.2 Sector development and development cooperation

There has been remarkable change from rehabilitation under emergency programmes in the 1980s to the start of the advanced Joint Water and Sanitation Programme Support (JWSSPS) in 2008. Brief accounts of main characteristics follow. More detailed accounts will be found in the main text.

a) In the mid 1980s:

After years of civil strife, there was an urgent need to re-equip and rehabilitate the country's water facilities. In the rural areas, this effort was spearheaded by UNICEF, with Sweden as a major financier. Initially, interventions were borehole drilling programmes which focussed on the North, but activities were soon shifted to southern Uganda. Efforts were made to involve communities in the operation and maintenance of the installations, but pressure to provide facilities was high. Mobilisation work and user ownership became limited.

b) The 1990s:

More determined efforts to involve users were made in area-based programmes from the late 1980s, such as the South-West Integrated Health and Water Programme (SWIP), which was based in Mbarara.

SWIP was a programme with substantial own resources for implementation. It was undertaken by UNICEF with co-funding from Sweden. Through UNICEF, Sweden also supported the National Water and Environmental Sanitation Programme (WATSAN), which was very different in character. It was a national district-based programme with a lean management structure. In 1995 – 2000, Swedish support via UNICEF continued through the 1995–2000 Water and Sanitation (WES) Programme WES Programme, while Denmark started bilateral support.

- Several evaluations / reviews of Swedish support through UNICEF were undertaken. Common to the findings was that UNICEF was recognised for its ability to work under difficult circumstances, and for its contributions to the development of new approaches, such as community based health care and community based maintenance. Still, there was also consistent and severe criticism of weaknesses in UNICEF’s performance, such as inadequate systems for accounting, reporting and monitoring; weak contributions to capacity development; mixed and unclear roles in planning and implementation; and weak follow-up of administrative costs.
 - While there are question-marks regarding the effectiveness and efficiency of Sweden’s support through UNICEF, Sweden’s early support to districts through WATSAN and subsequently WES should be noted. These programmes were forerunners in the decentralisation process.
 - The area-based programmes were implemented in the era of structural adjustment, when government institutions were strapped of resources unless funds could be accessed through donor-supported projects. This created fragmentation and unsound dependence on donors. Coverage increased tangibly, but progress came at high costs and sustainability remained a problem. Still, progress was made in terms of (frequently donor-led) development of methods for community mobilisation, gender awareness and technological improvements. A significant step in a new direction, was taken when Government decided to modernise the sector’s policy and legal frameworks, which lay the ground for subsequent reforms and redefined relations with development partners.
- c) The new century.:
- By the turn of the century, expectations were high on rapidly improved performance. Sector and subsector reforms were developed and new structures were put in place, especially in RWSS, as a result of decentralisation. Great increases in funding were expected when Uganda qualified for debt relief funding. Government also wanted to redefine its relations with donors, with the aim of moving towards a sector-wide approach, SWAP.
 - As part of this process, Uganda wanted Sweden to discontinue its support through UNICEF in favour of bilateral support. A proposal to this effect was presented in mid 2000 and was subsequently

accepted for Swedish support. Some aspects of the support were pioneering, such as the introduction of sector budget support in accordance with the decentralised processes that Government developed at the time. Also, the programme included support to the move towards SWAP, through support to the broad coordination mechanisms that were being introduced. There was also substantial support to capacity development with the aim of facilitating decentralisation and the reform process. Furthermore, there was funding for methods development in strategic areas, viz. community mobilisation, financial management and appropriate technologies. Technical assistance was introduced in forms that were new to the sector.

- In 2002, both Sweden and Denmark prepared for continued long-term support and there was a degree of joint planning for support in the 2003 – 2007 period, even though the planning exercise resulted in individual bilateral agreements. The Swedish contribution had much the same focus as the first bilateral agreement. In retrospect, it is evident that the ‘bilateralisation’ of Swedish support created conditions for a more proactive Swedish role – and Sweden (and Denmark) were willing to accept the challenges in spite of high risks and many uncertainties. It was a daring undertaking, the pros and cons of which are discussed in the main text.
- Ever since 2001, annual Joint Sector Reviews and Joint Technical Reviews have been held, as part of a move towards SWAP and sector budget support. A major step ahead in terms of sector budget support was taken in 2008, when Government and seven development partners agreed to support the Joint Water and Sanitation Sector Programme Support (JWSSPS) in the period 2008 – 2012. Sweden is one of the signatories, but will only contribute in the 2008 – 2010 period, since Sweden has opted to leave the water and sanitation sector in favour of the health sector, as part of the Uganda Joint Assistance Strategy (UJAS).

Comments and analysis

Through its early policy reform work, Uganda was prepared to take early advantage of the aid effectiveness discussions at the millennium shift and the subsequent international protocols. There was remarkable change in relationships between stakeholders as a result of improved consultation mechanisms, culminating in joint funding through JWSSPS. But JWSSPS only represents a part victory. Several major development partners remain outside the system and there are tendencies for others to fall back on the project modality. These tendencies sometimes occur among donors, who want to ‘remain in control’, for example by recruiting technical assistance on a bilateral basis. In other cases, Ugandan authorities do not trust that channelling funds through the ordinary Government machinery will work well enough, so they insist on continued by-pass solutions. It is a sign of the times that JWSSPS allocations for the by-pass Joint Partnership Fund have been raised, when they should have decreased.

Throughout the 1980s and 1990s, Sweden contributed substantially to the sector, but indirectly through UNICEF. From 2001, Sweden has been consistent in its support to the moves towards SWAP and sector

budget support. Nevertheless, Sweden has decided to withdraw from the WSS sector from 2010, as an outcome of the Uganda Joint Assistance Strategy (UJAS) process. Sweden's cooperation could be seen as a case of combined pull and push. Sweden has been supportive of Uganda's own reform efforts, as early as in the UNICEF period. In such cases, Sweden tried to help Uganda pull through its reforms. In other cases, such as gender, equity, institutional reform and – of late – good governance, Sweden has tried to push for solutions that Uganda initially was not quite ready for. Sweden's pushing has been quite consistent in some of these areas, such as gender and reaction to audit results, and there are indications that the approaches pushed by Sweden are now being internalised. Even though many other factors play a part, it is likely that Sweden has contributed positively to the sector's strategic development. Sweden's consistency and insistence, both in supporting Government initiatives and in pushing for general development issues, have been important in these respects.

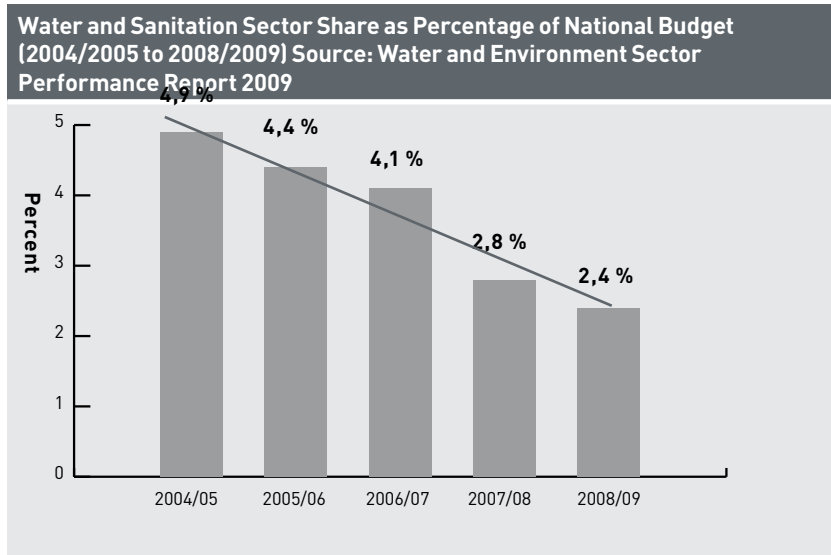
1.3 Sector performance and reform

Section 3 of the main report describes various aspects of reforms and sector performance. Most of these aspects will not be covered in this summary, but focus here will be on overall sector performance and reform.

At the turn of the century there were high expectations of rapidly improved performance and coverage, based on continued reform work and quickly increasing allocations as part of Uganda's access to debt relief funds. These expectations have not been fulfilled. The current picture is rather that the sector has stagnated in a situation where it does not meet the fundamental challenges of keeping ahead of population growth and societal change. This study has given reason to reflect on what actually happened, in particular since a great deal of effort has been put into capacity development and other measures to improve performance. The reasons are far from self-evident and have taken time to analyse. The following account has no pretention of being the full truth but represents the findings so far:

- a) The sector's major problem seems to be that it has lost its status as a prioritised sector in Uganda's efforts to reduce poverty. The down-prioritisation of the sector is reflected in drastically reduced allocations, as well as in low attention in terms of guidance and support from central government structures. An alternative explanation would be that the sector is mismanaged and has itself to blame. While there certainly are efficiency gains to be made, the findings of this study are that the sector slowly but steadily is getting on the right track. There are shortcomings, not the least in the management structures, but as will be shown below these are problems that the sector cannot solve without guidance and support from other arms of government.
- b) The most evident expression of the down-prioritisation of the sector – and its contributions to poverty reduction – is the dramatic reduction of Government budget allocations. The sector's share of the

national budget has been slashed by two thirds. It has fallen from 4.9% in 2004/05 to 1.8% in 2008/09, instead of increasing as intended. The following figure illustrate the situation.



However well the sector would perform, it will not be able to reach its long term targets unless allocations are raised very substantially. It is of particular concern that allocations to the rural subsector have been reduced substantially in real terms.

- c) Another indication of low priority is the way the reform programme has been handled. In the late 1990s, Government was keen on decentralisation and made the rural subsector a showcase. But decentralisation brought about a change of roles and responsibilities at both central and local government level. At central level, the change included a shift from implementation to policy-making, supportive and monitoring functions. This shift, in turn, required structural changes at the centre (then primarily the Directorate of Water Development). Also, competences needed to be broadened from only engineering to include socio-economic and mobilisation aspects. Limited institutional reforms of the Directorate were designed for the purpose. However, implementation of the reforms – which was the responsibility of the Ministry of Public Service and the Directorate of Personnel Management – took very long. The delays drew repeated criticism of the sector at a number of joint sector reviews. These delays most probably affected sector performance negatively, since an outdated structure remained in place longer than necessary. Even more importantly, non-technical specialists / agents of change, who could facilitate and guide the process of change were not in place – and they were specifically not in place at management level.
- d) Decentralisation of the rural subsector was a major reform with far-reaching implications. The reform had a turbulent start since it was introduced in an abrupt way when it was introduced to local governments – and central government institutions – that had not been prepared for what was to come. It is likely that the fast changes had negative impact on sub-sector performance. Still, the ‘shock therapy’ of the

rural subsector had a positive side, since the rapid change triggered capacity development and rethinking to cope with the situation. After an initial period of uncertainty, the new roles and responsibilities of different actors seem to have fallen into place. For example, the Directorate of Water Development has become stronger in its guidance / monitoring roles (as witnessed in policy documents such as Budgetary Framework Papers). Local governments continue to be affected by the formation of new districts, but have access to policy guidance and capacity development through the Technical Support Units that were initiated with donor support. Thus, the basis should be there for improved performance, but improvements can only materialise if allocations are raised significantly to give districts tangible resources to work with. Any remaining concerns about governance and cost effectiveness should be dealt with through strengthened monitoring, capacity development, and – when required – sanctions, but not through reduced allocations.

- e) Decentralisation was also to take place in other subsectors. Subsector reform studies were carried out but the reforms took long to take effect. As a result, these sub-sectors continued to work in inefficient, pre-reform modes for a number of years. Within water resources management and water for production, it is only recently that alternative approaches are being tested. In small towns and rural growth centres, centralised project support has remained. In the latter cases, the lack of an appropriate funding mechanism has been a stumbling block, since the typical investment would be bigger than what could fit into annual district allocations. It is only now, with the creation of the Water and Sanitation Development Fund, that there is potential to solve this problem. It is a positive sign that the Fund has been created and that other subsector reforms are now being implemented – or at least tested. The challenge will be for Government to ensure that sufficient resources and adequate institutional structures are put in place for nation-wide implementation without major delays. With sufficient support to these processes, Government would make substantial contributions to improved sector performance. But it is a battle against time: while the sector has taken its time to implement changes, its environment certainly has not – unprecedented changes have taken place in a very short time.
- f) Decentralisation turned district local governments into distinct power and result centres. Thus, they can be held responsible for achieving agreed-upon targets, but it is unclear whether this opportunity is fully used. Annual Sector Performance reports are published and it is positive that these reports increasingly are being used for comparisons of district performance in different respects. The comparisons are likely to promote constructive competition among districts but will also help in identifying the districts that require special capacity support.
- g) Good governance and accountability are crucial to the success of sector programme support. There is an earlier history of governance shortcomings and warnings from a fiduciary risk analysis that government – and in particular local government – governance structures

are weak. The JWSSPS includes measures to strengthen these structures and it will be a challenge to both Government and development partners to ensure that these JWSSPS provisions are fully used.

1.4 Reform and management principles

As has been noted above, districts form distinct power and result centres. This makes it easy to introduce result-oriented management at their level. The picture at the centre is different. The central ministry, the Ministry of Water and Environment, forms an integrated part of Government which limits its autonomy. Within the Ministry, there are sub-entities with specific responsibilities to achieve certain tasks. Directorates such as the Directorate of Water Resources Management and the Directorate of Water Development are examples. These entities work in a dynamic and competitive environment and need to be able to adjust to shifting conditions. In accordance with modern management principles, they need to be able to reorganise internally, reallocate their own resources and exercise human resources management (including hire and fire). The need of flexibility and responsiveness will not decrease over time, rather the opposite. This will in particular be the case for the Directorate of Water Resources Management, which is a new institution with a need to be both proactive and influential through a high profile.

Under the current structure, directorates do not have managerial autonomy, but are dependent on external institutions, such as the Ministry of Public Service, and the Directorate of Personnel Management. The latter should work as service institutions to the Ministry and its directorates. Such an arrangement will work when the external institutions are truly service-oriented and responsive, but there is a problem when they do not work properly. In the case of the water and sanitation sector, it is striking and surprising that the service institutions consistently seem to have been non-cooperative, even in disregard of Government's formal undertakings at Joint Sector Reviews. The current system has additional shortcomings, since it contributes to diluting authority and responsibility. Managers at Directorate level are turned from decision-makers to passive applicants. When things do not work, it will be 'somebody else's' responsibility, not the manager's. Such a system is not conducive to result-oriented management. Shortcomings in these respects have long been identified as hindrances to implementing institutional reform at the central level but they have not yet been adequately addressed.

Irrespective of the critical views in this section, it should be acknowledged that major improvements have been made, especially when it comes to the performance of the Directorate of Water Development in its post-reform roles. Based on the limited institutional reforms and new staff members, there are considerable improvements in performance and management capacity. The current status is far above what applied a few years ago, when Directorate 'was too weak to be assisted', as one interviewee put it. But competent and ambitious staff members will also want to make a difference and take full managerial responsibility. Thus, it is likely that there will be both internal and external pressure to change the archaic and paralysing management structures that are still in place.

Datsun vs Range Rover

A metaphor may help in illustrating the difference between a traditional government outfit and a modern one. The traditional outfit, which applies to DWRM and DWD, could be likened to a 1975 Datsun car without its own spare wheel and jack, and the modern one, which applies to the National Water and Sewerage Corporation, could be likened to a fully equipped 2008 Range Rover:

The issue is whether a skilled driver of the Datsun (a car-make that disappeared in the 1970s) can match an equally skilled driver of the Range Rover? Thus, can the manager of an institution without authority to make decisions on vital aspects of management be expected to match an equally skilled manager of an institution that is free to adjust its structure, staff composition, offer competitive salaries, and adjust its detailed budget to the requirements of a swiftly changing environment? Most people would say 'No' to both questions. But in the WSS sector the answer to the latter question so far is: 'Yes.' Still, the MWE Directorates are like Datsuns, i.e. they are outdated in structure and lack access to the management tools that are necessary to meet changing conditions. The National Water and Sewerage Corporation, on the other hand, has been granted semi-autonomous status and represents the opposite, the fully equipped 2008 Range Rover. For sure, the Range Rover driver can make fatal mistakes and miss the road, but if she/he is well trained and follows the rules, the equally good Datsun driver is very unlikely to win any competition between the two.

1.5 Way forward

1.5.1 Re-establishing the sector's overall role in poverty reduction

Objectively, Uganda's water and sanitation sector should be able to play a much stronger role in poverty reduction and economic growth than it does at present.

- a) The Government of Uganda has down-prioritised the sector in budgetary terms below what is reasonable in comparison to the sector's current capabilities. The Treasury should review its allocation principles and substantially increase its allocations to the sector. Development partners should be requested to increase, align and harmonise their contributions to the sector. The latter should preferably be done through expanded contributions to the JWSSPS;
- b) Cross-cutting issues, such as gender, equity and HIV/AIDS, increasingly seem to be considered in the rural subsector but need to be fully integrated in all subsectors.
- c) Government and development partners alike need to give high priority to matters relating to transparency, good governance and accountability, not the least when it comes to the local government level. The Good Governance Working Group will play a fundamental role and should be given all the resources and support it requires.

Urgent completion of the remaining subsector reforms, based on decentralisation and the rolling out of workable funding mechanisms, such as the Water and Sanitation Development Fund, will be essential to improved overall sector performance.

1.5.2 Modalities for consultations and development cooperation

In retrospect, the very major investments in improved modalities for consultations and development cooperation have yielded disappointing results. Indeed, there has been great progress in terms of coordination, harmonisation and alignment. The JWSSPS is the showcase example of progress made. At the same time, what really matters, especially service delivery on the ground, have been far below expectations, primarily as a result of a nose-dive in allocations and down-prioritisation of the sector on the side of Government.

For contributors to sector reforms and improved cooperation modalities these are discouraging observations. Members of the Water and Sanitation Sector Working Group and other concerned parties have reason to contemplate how this could happen and what could be done to improve the situation. The following are issues that might be considered:

- Ten years ago, Government and the Ministry took leading roles in advancing sector reforms, restructuring cooperation modalities and promoting sector investments. Since then, there have been years of non-glamorous implementation, consolidation and capacity development. During this time, Government's leading role seemed to fade away and the sector seemed to have been left alone without guidance. Also, the reform process took longer than expected, which, in turn, affected performance. Still, document studies for this

report indicate that there has been steady and accelerating progress in many respects in the last few years, in particular in the rural sub-sector. Is it now time to take stock and try to identify how proactive Ugandan leadership could be re-established?

- With some modifications, improved consultation mechanisms have been in force for almost ten years. Experience shows that consultations mechanisms are important, but there is also experience of insufficient interplay between the consultative mechanisms and ordinary management structures. Would this be the time to collect experiences to rationalise and streamline the mechanisms – or even abolish them if they can be replaced by ordinary management mechanisms, much as is the intention in the JWSSPS?
- Coordination and consultation mechanisms naturally focus on central level institutions in Government, civil society, the private sector and among development partners. At the same time, the overall ambition is to decentralise sector work, as far out as possible, preferably to the user/consumer. Should this apparent contradiction be addressed in any way?

1.5.3 Subsectors

- Uganda risks to rapidly approach a non-sustainable situation in terms of water availability. Thus, the most urgent measure at subsector level refers to the Directorate of Water Resources Management. This new directorate requires the resources, mandate, authority and leadership to take a proactive and leading role in the sector. The current stakeholder-oriented approach seems promising but needs to be tested and rolled out nation-wide without delay. Urgent measures should be taken to make the Directorate an important and proactive actor in the sector.
- With regard to the rural sub-sector, recommendations are i) to expand the use of the district conditional grant system, including rapid resources increments, as a key contribution to poverty reduction; and ii) to increase resource transfers to below-district structures, while strengthening the role of users as contributors, controllers and watchdogs. Issues relating to good governance, transparency and performance comparisons should be given prominence to enhance the impact of investments.
- For other subsectors, the main recommendation is to strengthen decentralisation by increasing local governments' involvement in the allocation and utilisation of resources. The rolling-out of the Water and Sanitation Development Fund is an important aspect of this work.

1.5.4 Sweden's role in its phasing-out period

Sweden has played an active role in institutional change, cross-cutting issues and governance, but has also taken active part in dialogue and programming exercises. All of this has been with a consistent aim to support Uganda's own procedures and initiatives. These principles should continue to apply, but even more emphasis should be given to

support of non-pass-by options, for example by ensuring that pooling arrangements are used also for technical assistance and that ordinary Government procedures are tested and used where by-pass procedures now apply. One of Sweden's best last contributions would be to ensure that there are real cases of functioning non-by-pass solutions by the time it leaves the sector. In addition, Sweden should contribute to long-term strategic planning, and actively promote increased sector allocations and accelerated institutional reforms.

1.6 Summary of main recommendations

The main recommendations of this report are (details will be found in section 5):

- a) The water and sanitation sector is very dynamic. It is affected by – and affects – developments in almost all other sectors. In a process of rapid change there is reason to make a strategic analysis whether overall priorities are correct, such as the balance between water resources management for sustained access to water; water service delivery; and water for production. It is recommended that a) a strategic planning analysis with a 20-30 year perspective be undertaken and b) that Sida offers support to facilitate the analysis.
- b) While assessments of various aspects of the sector have been undertaken, it is a long time since the status of service delivery was independently evaluated. It is recommended that such an evaluation be undertaken.
- c) A functional analysis of the WRMD should be undertaken: is the new institution, considering its mandate, freedom of operation and access to resources, likely to have the desired impact on the country's long-term water resources management?
- d) MWE should be offered support in mainstreaming Water for Production and in overcoming the hindrances to effective collaboration over administrative borders.
- e) The issue of managerial reform at the Directorate level should be put high on the dialogue agenda between government and development partners. The aim should be for the directorates to work according to modern management principles where the directorate managements would have access to the necessary management tools and also have the undivided responsibility for achieving agreed-upon outcomes.
- f) Governance and cross-cutting issues should continue to be given prominence, not the least at the local government level. A process of policy implementation – not only formulation – has started and should be accelerated.
- g) An evaluation of the impact and effectiveness of the sector's consultative mechanisms should be undertaken with the aim of identifying improvements, not the least in the link between the results of consultations and the actual allocation and implementation decisions by Government.



"Sanitation and Hygiene Promotion in Soroti District, July 2009"

2. Background, Methodology and Terms of Reference

This is a desk study providing a historical description of and experiences from Sweden's support to Uganda's Water and Sanitation Sector since the mid 1980s. The study is not an evaluation and is not limited to Sweden's contributions but also reflects general developments in the sector, including performance, reform processes and the recent shift towards sector budget support.

The study was commissioned by Sida and was undertaken by Mr Anders Karlsson of A.S.K. AB. Apart from written material, the study falls back on the author's participation in various assessments, programming exercises and follow-up missions, which started in 1994 and were followed by continuous tasks in the 2000 – 2007 period. Comments on the draft report have been provided by different stakeholders in the sector (foremost by MWE and Sida), but the report reflects the views of the author.

Terms of Reference are attached, attachment 1. A seminar on sector experiences was held on 2nd June 2006. The notes of the seminar are attached, attachment 2.

3. Sector Development and Development Cooperation

3.1 A historical review of sector development and development cooperation

This chapter of the report is structured in four different phases:

- a) Early emergency support in the 1980s.
- b) Project-based support in the structural adjustment era, from the late 1980's up to 2000.
- c) Toward SWAP, 2000–2007.
- d) Towards budget support, from 2008.

3.1.1 The 1980s: reconstruction and emergency support

General aspects. In the mid 1980s, after years of civil strife, there was an urgent need to re-equip and rehabilitate the country's water facilities, as well as most other infrastructure. In the rural areas, this effort was spearheaded by UNICEF, with Sweden as a major financier. Emergency support started in the early 1980s and primarily aimed at re-equipping and rehabilitating the country's basic health services and rural water facilities. The activities started in the North but were shifted southwards to Luwero in 1986 due to the security situation, only to be moved to Mbarara in southern Uganda in 1987. Already at this stage, efforts were made to involve communities in the operation and maintenance of the installations, but pressure to provide facilities was high and it is likely that mobilisation work was not very extensive. UNICEF was the main implementor but financial contributions were made by Sweden, Canada and – to some extent – Norway, which all contributed through UNICEF.¹

Swedish support. As per the information available to this study, the first Swedish contributions to the sector were provided in 1987, when SIDA was one of the financiers to the UNICEF-supported Luwero programme, which received funding from SIDA, USAID, NORAD and CIDA. After the shift of the Luwero programme to Mbarara in 1987, Swedish support through UNICEF was provided to two parallel programmes, the South-West Integrated Health and Water Programme, SWIP, and the National Water and Environmental Sanitation Programme, WATSAN.

Characteristics. The early drilling programmes were supply-driven and favoured a uniform but expensive hand-pump technology, which may have been efficient as a technical operation to rapidly increase coverage

¹ Main source: Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project, Oct 1986

but proved difficult for the communities to maintain. There was awareness of these problems already in the 1986 Luwero programme, where emphasis was put on establishing ‘a self-sustaining community based hand-pump maintenance system.. without reliance on the central administration’. Resistance committees and local leaders were to be used to mobilise and train villagers.² Communities were expected to select and remunerate the pump mechanic and appoint caretakers, assisted by their Resistance Committees. The community mobilisation efforts in the Luwero project were of a pilot character but were reported to have met with positive response from the population.³

3.1.2 The 1990s: support in the structural adjustment era

General characteristics

From the late 1980s up to the early 2000s, support to the W&S sector was channelled through area-based projects, which were funded bilaterally, such as in the case of RUWASA in Danish support, or in multi-bi arrangements as in the case of SIDA contributions, which were administered by UNICEF.

The project-based period of support coincides with the era of structural adjustment. Budget discipline was enforced in Government systems, which resulted in dwarfed Government allocations, in particular for recurrent expenditure. As a result, government ministries and authorities were strapped of normal funding through the Exchequer. In practice, funds for recurrent expenditure could only be accessed through donor-supported projects that were funded outside the ordinary Government budget system. Remuneration systems were also affected and it was no longer possible for government officials to support their families on the salaries and benefits that they received from government. Bilateral and multilateral projects provided sources of alternative funding, however, and much of what should have been core government funding was instead provided through project funds. Even more importantly, project arrangements frequently provided topping-up of salaries and other benefits, such as above-norm travel allowances and access to project vehicles. Those who were lucky enough to be employed in a project were in a much better position than those who remained on standard government employment terms – unless the latter could gain access to alternative sources, e.g. through consultancies – or manipulation of procurement procedures or other corrupt practices.

Apart from the financial aspects, these developments had implications at the management and leadership levels. In practice, power moved from government structures to various project structures, where money was available but where technical assistance staff and donors played prominent roles. Since government had no funds to back decisions, government management structures more or less ceased to function, while attention turned towards the donor-dominated project structures. This situation prevailed until the early 2000’s, even though Government took a major step towards regaining the initiative by deciding to mod-

² Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project, Oct 1986, p.5

³ Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project, Oct 1986, p.39

ernise the sector's policy and legal framework, which, in turn, lay the ground for subsequent reforms and redefined relations with development partners.

Comments and analysis

Project-based support had many weaknesses. It did not necessarily represent government priorities. As we shall see in the sections on Swedish development cooperation, it was also expensive and difficult to assess from a cost-effectiveness point of view. The projects were not permanent structures, neither within Government, nor as part of the private sector or civil society. They typically commanded great resources and were able to achieve tangible results in the short run, but the interventions were sensitive to deterioration once the temporary support structures were removed. Still, the projects provided opportunities for experiments and methods development that would most probably not have been possible under ordinary government terms. For example, a Community Based Health Care programme and a Community Based Maintenance System were introduced through Swedish / UNICEF support. In Danish-supported RUWASA great emphasis was given to community ownership and private sector involvement. Similarly, attention was paid to gender and sanitation aspects, even though reviews and studies indicated that the impact of these efforts was limited. Finally, experience in the 2000s would show that the projects contributed significantly to sector development by being training grounds for young professionals with broad (not only technical) experience, who subsequently have moved into managerial positions in both government and private / civil society structures.

In short, the structural adjustment period resulted in dwarfed GOU inputs and support, fragmentation in approach and corresponding increases in donor influence. Relations between government and donors were frosty and characterised by mutual suspicion. Internal donor meetings as late as in the year 2000 were far from cooperation-oriented, and discussions with Government representatives at the same time indicated a great deal of frustration with the limited scope for Government to influence development projects. Considering subsequent improvements in relations, it is important to keep this starting point in mind.

Sector performance by 1999

Sector performance by the end of the century was described as follows in the report of the 'Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December'⁴

'As part of the 1999 preparations leading to a new rural water and sanitation strategy and investment plan, assessments of actual performance in the sub-sector were undertaken in a number of districts under the RUWASA and WES programmes. The districts were spread all over the country. The results indicate that there is a long way to go to reach a situation where water and sanitation facilities are established as a result of genuine demand pressure. It appears that many people in Uganda experience that there is relative abundance of freely available water and space for traditional sanitation. Thus, in many areas people do not

⁴ A. Karlsson/R. Winberg: Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000 Final Report; p 9f

appear to have realised any advantages of improved water and sanitation facilities but are very traditional in their attitude to these issues.

When water is available, as it normally is, many people see little incentive to invest in and/or maintain water facilities. As a result, attention is mostly turned to improved facilities, be they protected springs or shallow wells with hand-pumps, in situations when free sources are no longer available. By that time many facilities will be out of service, due to neglect or the disintegration of support services, such as services to be provided by caretakers and spare part dealers. Other factors, such as experience of financial mismanagement at water group level or among officials, as well as inflexibility in the choice of technology offered, also contribute. In some areas, ownership issues, including land ownership, relating to water supplies appear to increasingly turn problematic. Finally, the attitude that improved water facilities are Government responsibilities which should be provided free of charge, even when it comes to operation and maintenance, appear deep-rooted and far from extinct even in areas where a demand driven approach has been promoted for quite some time.'

Comments and analysis

The quote illustrates how quickly conditions can change also in a sector that is very long-term in nature.

Swedish development cooperation in the 1990s

After the shift of the Luwero programme to Mbarara in 1987, Swedish support through UNICEF was provided to two parallel programs, the South-West Integrated Health and Water Programme, SWIP, and the National Water and Environmental Sanitation Programme, WATSAN. This support was provided up to 1995. In the early 1990's, SIDA contributed more than half of the SWIP budget but substantial contributions were received also from CIDA and UNICEF's General Resource. In WATSAN, SIDA contributed almost two thirds, while Norway and UNICEF shared the rest.⁵

Although working with similar methods, SWIP and WATSAN were very different in approach and structure. SWIP was an area-based programme with access to substantial resources within an elaborate management structure. It had access to extensive UNICEF-employed staff and substantial construction and engineering resources at its camp at Mbarara. WATSAN, on the other hand, was a national programme that functioned as a gap-filler and to a large extent relied on the mobilisation of locally available resources. The districts were responsible for implementation and the WATSAN Programme emphasised cooperation between different parties at district and sub-district levels, in particular between districts and non-governmental organisations. The programme was not to be a permanent feature in the districts, but it was envisaged to cover all districts according to a rolling plan with three-year interventions in each district. The Programme's central management structure was lean and consisted primarily of three national coordinators, representing three central ministries. In contrast to SWIP,

⁵ Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda, Sept 1994, p. 40 and 80.

UNICEF support to WATSAN was limited to a few project staff, stationed at the UNICEF office in Kampala.⁶

In the 1995–2000 period, support was provided through contributions to the ‘Government of Uganda – UNICEF 1999–2000 Water and Sanitation (WES) Programme’. WES was a district-based programme that represented an attempt to shift from a project to a programme approach, aiming at meeting the demands of decentralisation, as well as to reflect a more intersectoral approach to planning and implementation. Sida was the main external contributor with approximately 2/3 of the funding in 1995–97, followed by CIDA and UNICEF General Resources with about 1/6 each. The CIDA contribution was earmarked for guinea worm eradication.

In a fourth period of support (2001 – 2002), Sweden provided support to facilitate the phasing out of the previous UNICEF/Sida arrangement. This support aimed at a) completing and finalising on-going activities in certain districts; and b) ensuring continuity and continued expansion of water supply and sanitation facilities at primary schools and in northern Uganda.



Up-grading of sanitation, using district grants, Mpigi District, September 2009,

Comments and analysis

Throughout the 1980s and most of the 1990s, Sweden lacked representation in Uganda, which was a principal reason for Sweden to provide its support through UNICEF. UNICEF had an advisory / facilitating

⁶ Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda, Sept 1994, p.2 and 79.

/ implementing role. It provided inputs in terms of finance, materials and technical assistance; it monitored programme progress and impact, supported coordination between various actors and participated in programme formulation and planning, through the Country Programming Framework. It also ran operations in major construction camps, such as the SWIP camp in Mbarara in the late 1980s and early 1990s.

Several evaluations / reviews of the support through UNICEF were undertaken in the period 1986 – 1998.⁷ Common to the findings was that UNICEF was recognised for its ability to work under difficult circumstances, and for its contributions to the development of new approaches, such as community based health care and community based maintenance. Still, there was also consistent and severe criticism of weaknesses in UNICEF's performance, such as inadequate systems for accounting, reporting and monitoring; weak contributions to capacity development; mixed and unclear roles in planning and implementation; and weak follow-up of administrative costs. Both the 1994 and the 1998 study found that follow-up was so weak that no meaningful assessment of impact and costs could be made. The 1984 Review, which was led by the author of this report, recommended SIDA to find alternative channels for its continued support, but no such alternatives were at hand so the existing arrangement was kept during the 1995 – 2000 WES period.

With the advance of decentralisation in the late 1990s, UNICEF faced the challenge of working closer with Government, which turned out to be difficult due to restrictions in regulations and working methods. It was only in 1999, the very last year of the WES Programme, that UNICEF managed to adjust its operations to the new environment, which was made possible not the least through active support and intervention from UNICEF's Government counterparts.

In summary, it can be noted that the cooperation with UNICEF had advantages, in particular during the emergency and the reconstruction period thereafter. UNICEF was able to put people and equipment in place, when the capacity and/or capability/willingness of other actors were limited. UNICEF's strengths in these regards appear to have contributed to its relocation to the North in 2000/01. Thus, UNICEF had the structure and competence to act under difficult circumstances, but as the situation normalised in many parts of the county, UNICEF's shortcomings in areas such as planning, resource management, monitoring and reporting came to the fore. These were serious shortcomings that stained UNICEF's reputation and possibly also contributed to a relaxed attitude towards resource management in the sector as a whole.

At the very end of the WES programme, UNICEF managed to adjust its programme approach in support of the decentralisation policy, but at this time, the ambitions and plans of Government had moved beyond what could easily be accommodated in a joint programme with

⁷ 'Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project', Oct 1986; 'Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda', Sept 1994; 'The Water and Environmental Sanitation Programme, WES, in Uganda'; Sida Evaluation 98/28; and 'Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000'; August 2000. In addition, a 'Review of Accounting and Monitoring' was undertaken by Ernst & Young in 1996.

UNICEF. Also, by this time UNICEF had decided to focus on its core functions, i.e. the role of women and children in development. This was a framework where a WES-like programme had no natural place. Thus, starting from different points of departure, GOU and UNICEF agreed that cooperation of the previous type was no longer optimal.

3.1.3 The 2000s: towards SWAP and sector budget support

Sector developments towards SWAP, 2000–2007

As noted above, Government already in the 1990s took initiatives that were to lay the ground for a new kind of cooperation. At a national level, decentralisation was introduced through the Decentralisation Act (1995). Furthermore, in the water sector, initiatives were taken to develop the sector's policy framework and modernise the legal framework, which resulted in the Uganda Water Action Plan and the new Water Statute, both in 1995. See 4.4.1 for more details on the Constitutions and associated legal changes.

Thus, modernised frameworks were in place from 1995. Efforts were made to implement them already at that time, such as through the UNICEF-supported WES programme, but it was only in 2000 – 2001 that they were tangibly reflected in the Government – donor relationship. By that time, Government was prepared to request a new model of cooperation with development partners. In the meanwhile, other important developments, which supported the process of change, had taken place at the international scene. Among them were debt relief negotiations, where Uganda qualified for debt relief in support of its poverty reduction efforts in certain sectors, among them the WSS sector. At the same time, there were increasing international concerns about aid effectiveness and the short-comings of project aid. These concerns subsequently resulted in the Rome Declaration on Harmonisation of February 2003 and the Paris Declaration on Aid Effectiveness of March 2005. These initiatives were designed to increase aid effectiveness through alignment of support to the rules and procedures of the cooperation partner as well as the harmonisation among development partners of their rules and procedures for providing support.

Meanwhile, the decentralisation process, which started in the mid-1990s gradually had major impact on area-based RWSS projects, which were dismantled in the late 1990s and early 2000s. Equipment and staff were integrated in district or central government structures – or left for other tasks.

Uganda was early in taking advantage of these developments, which is exemplified by Uganda's request in June 2000 for bilateral support from Sweden. This was probably one of the first examples where the Government's ambitions and intentions were expressed in a comprehensive way. Significantly, GOU requested 1) transfer of funds directly to districts through conditional grants – a system that was still being developed at the time; 2) an integrated 'package' approach to rural water and sanitation, where construction and installation would be integrated with all software aspects; and 3) support to sector coordination and collaboration, i.e. support to the first steps towards SWAP.

In line with the request, the first Joint Government of Uganda – Development Partners Water and Sanitation Sector Review took place already in September 2001. The Review was an open forum that apart from ministries and development partners also had representation by districts, non-governmental organisations, politicians and the press. Among other things, the Review provided an opportunity to reach consensus that a new programmatic approach was needed to replace the project approach. Most of the 2001 Government undertakings related to institutional reforms and capacity building. Also development partners agreed on undertakings, among them to fully support the reform process and coordinate accountability requirements so that a single annual tracking study and audit would become sufficient. Since then, Joint Sector Reviews (JSRs), supplemented with Joint Technical Reviews (JTRs), have been annual events. Initially, development partners were actively involved in the organisation of the joint meetings but Government has since taken full responsibility and the role of development partners has been gradually reduced. The JSRs provide a forum where the sector, through the WSSWG, agrees on annual undertakings that to some extent have replaced conditionalities in bilateral agreements between Government and donors. These undertakings are to be limited in number and should relate to action that could be completed within a year.

Another important step was the creation of a Joint Partnership Fund (JPF) in 2003. The JPF was created to provide the Ministry of Water and Environment (MWE) and development partners with a framework to pool support for capacity development and financing of certain projects in a SWAP context. The JPF served to promote coordination and harmonisation of development partners' technical, administrative and financial support by providing a common and transparent mechanism for channelling resources to the sector. Initially, GOU, Danida, Sida and DFID were partners. An evaluation in 2007 showed that the JPF actually contributed to better coordination, improved plans, budgets and reports, and reduced transaction costs. In addition, it contributed to more pooling of funds. A JPF manual, which was produced in 2005 and revised in 2007, contributed to enhanced efficiency and better adherence to laid-down procedures. A revised version of the JPF for the 2008-2012 JWSSPS period is in place and forms part of the JWSSPS. The JPF is, however, a pass-by arrangement (a basket fund) and the intention is to phase it out as soon as all parts of the Government systems, including funding and control mechanisms and mechanisms for corrective action, are in place.⁸

Comments and analysis

The move towards SWAP arrangements after 2000 represented very significant steps away from the fragmented project approach that dominated up to 2000. The sequence of JSRs and JTRs that was started in 2001 created an unprecedented forum for dialogue and coordination between Government and donors, as well as between different arms of Government; and between donors.

⁸ Sources: JWSSPS Programme Document, Annex 4, and Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008, p. 30f

The reviews facilitated for government and donors to improve their planning and coordination, but the emphasis was more on consultations than on actual integration. In practice, support remained project-based and fragmented and donor priorities continued to influence managerial and operational structures, even when this was in contradiction to national policies and sector implementation strategies. As a result, parallel implementation structures and donor-specific control and monitoring measures remained, e.g. donor specific audits, single-donor reviews and donor-required reporting. Still, it should be noted that across-the-board tracking studies and audits were carried out in the non-project segments of the sector, viz. under conditional grants in the rural subsector, where specific donor – or Government – contributions could not be identified.

The initial joint arrangements allowed donors to get involved at the operational level, which they did in their capacity as members of various management committees and working groups. These interventions were made to serve bilateral interests but resulted in blurred delineation of roles and responsibilities. The 2003 – 2007 JPF serves as an example of undue managerial influence by donors, even though the JPF as such represented a significant step forward in that it provided a structure for joint funding and decision-making of activities that were financed from different bilateral agreements. After initial accountability problems the JPF also provided a framework for improved financial management procedures.

In retrospect, the move towards SWAP appears logical and smooth, but it started in a situation of considerable uncertainty and distance between the Ugandan side and development partners. Significant progress was made in that mutual suspicion that was there at the start gradually was replaced with trust and open dialogue. But it should also be recognised that it took time before the new attitudes started to translate into practical collaboration and joint arrangements. Furthermore, it should be recognised that the intentions to shift from project to sector support, combined with the structural changes that followed from decentralisation, created a lot of anxiety and uncertainty among Ugandan institutions and their staff members, who had to adjust to radically different circumstances than what applied during the project era. The situation was not made easier by the fact that the donors' internal systems, instructions, trainings, manuals, templates etc, were not geared towards project/programme support. Much work was (and still is) needed for donors to develop aligned procedures for sector support.

But it was not only in the relationship between Government and development partners that the SWAP approach brought challenges. The same applied to relations between different arms of Government. The handling of sanitation is a prime example, where it took several years – and very concerted efforts – to establish a functioning collaboration agenda through a Memorandum of Understanding between the ministries involved (primarily water, education and health).

Towards Sector Programme Support, from 2008

In 2007, Government and a number of development partners (African Development Bank, Austria, Denmark, the European Union, Germa-

ny, Sweden and the United Kingdom) agreed to support a joint programme, the Joint Water and Sanitation Sector Programme Support

(JWSSP; 2008 – 2012). The Programme had been identified and formulated in two joint preparatory arrangements (an identification and a formulation exercise, respectively) to which Government, Austria, Denmark and Sweden contributed specialists and other resources.

The JWSSPS represents a distinct move towards sector programme support, based on alignment and harmonisation. The basic idea is that development partners contribute to the programme as a whole and that their contributions become ‘anonymous’ as they are paid into the programme. This applies to both financial contributions as sector budget support and support to specific purposes, such as resources that are provided to the JPF. The relations between Government and development partners have been formalised in a Joint Financing Arrangement (JFA) between Government and seven development partners. The JFA regulates cooperation and replaces individual bilateral agreements, except for agreements on actual contributions, which are still signed bilaterally between Government and development partners. It replaces a 2003 JFA, which was more limited in scope and basically provided the framework for the first JPF.

Under JWSSPS, there will be no programme-specific management structures, but the ordinary Government structures will be used, supplemented by interaction among stakeholders in the Water and Sanitation Sector Working Group (WSSWG). Furthermore, the ambition will be to use Government’s ordinary funding modalities to the largest extent possible, in particular District Sector Conditional Grants. One exception, at least initially, is the JPF, which is a temporary by-pass mechanism, but the intention is to shift the funding of most JPF activities to other funding modalities in the 2008 – 2012 period so that only support to capacity building and institutional development will remain under JPF funding by 2012.⁹

In recent years, relations between Uganda and its development partners have changed with the introduction of the Uganda Joint Assistance Strategy (UJAS), which seeks to promote harmonisation, alignment and reduced transaction costs through more elaborate division of responsibilities and, in the longer run, reduction of the number of development partners who are engaged in a specific sector. In the case of the WSS sector, a consequence of the Division of Labour process and the Swedish Government’s decision to focus on three sectors in all countries is that Sweden intends to withdraw from the sector after 2010.

Swedish support in the transition period 2001–2002

By 2000, when decentralisation and national policies were in place (at least in theory), GOU requested Sweden to shift its support from channelling funds through UNICEF to direct bilateral support. A ‘Proposal for Sida Support to Rural Water and Sanitation (2001 – 2006)’ was presented in June 2000. With reference to, among others, the Poverty

⁹ Joint Water and Sanitation Sector Programme Support (2008 – 2012) Programme Document; p. 81

Eradication Action Plan (PEAP) and the sector reforms, the Government proposed bilateral cooperation in the sector following the expiry of the WES agreement in December 2000. The proposal was a radical departure from previous programmes.

In response to Uganda's request for long-term bilateral cooperation, Sida commissioned a Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000. The two-man mission (which included the author of this report) noted that there would be advantages in a bilateral arrangement but suggested that the first step should be a one-year transitional arrangement, followed by a 3–4 year bilateral agreement, which would be the start of long-term cooperation'.¹⁰ The mission suggested that the one-year agreement should be split in two parts, one for the phasing-out of support through UNICEF and one for the preparation of a longer-term bilateral programme.

These principles were accepted. A revised proposal was presented to Sida in late 2000 and one-year agreements with Uganda and UNICEF, respectively, were signed in early 2001. A total of SEK 40 million was allocated, out of which SEK 25 million related to the phasing-out of support through UNICEF. Out of the remaining SEK 15 million, an amount of SEK 6 million was, for the first time, set aside for direct budget support to districts.

One of the first measures under the new bilateral agreement was the procurement of consultancy services to help in the implementation of the new programme. TORs were agreed upon in early 2001 and a rapid procurement process resulted in a contract with the winning company, Hifab International AB, in May 2001. By October, the team leader was in place in Kampala.

A great number of preparatory studies and other activities had been identified for the transition period. It soon became evident that a one-year period would not be enough for the preparations of a longer-term programme. The agreement was subsequently extended by two six-month periods, up to December 2002. The extensions had the disadvantages of prolonging a period of ad hoc solutions and uncertainties but also provided advantages, since the preparations could be coordinated with Uganda's preparation of a five-year Operational Plan for the RWSS subsector, and with the preparation of the 2nd phase of Danish long-term support.

Apart from limited sector budget support, Sida's contributions in the transition period were geared towards capacity development, community mobilisation, administrative and financial systems development, innovative approaches and appropriate technology. No programme-specific management structure was put up for the transition-period support, but the Swedish contributions were linked to Danida's structures for handling direct support to various activities. Only the limited cash contributions via the Conditional Grant system were provided through

¹⁰ Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000 (Rolf Winberg, Anders Karlsson); August 2000, p 2

ordinary government procedures in a strict sense, even though efforts were made to use Government procedures also for procurements under bypass arrangements. The specific agreement stated that annual audits should be held but this stipulation was not adhered to.



Training of Health Community Workers on improved Sanitation and Hygiene, Katakwi District, July 2009

Comments and analysis

Sida's decision to provide support in the transition period was bold. The preparatory mission had shown that systems and structures for direct disbursements from the Exchequer to districts were not yet in place, or had not been tested. New roles and responsibilities had been clarified in theory but had not been tested in practice. Capacity weaknesses, particularly at the district level, had been identified by many and a number of vast capacity development programmes, such as the Local Government Development Programme (LGDP), had been identified for World Bank and UNDP support.

Was it reasonable for Sida to enter into this new type of cooperation at this stage or should Sida have waited for the situation to stabilise? In retrospect, a wait and see attitude might look favourable, not the least when subsequent financial management problems were discovered. Still, on balance, the reasons to enter were strong: Firstly, Uganda had put its decentralisation policy in place and was set to implement it, with or without donor acceptance. Secondly, debt relief funds, which potentially were far greater than the Swedish contribution, were accessible and needed to be used in trustworthy and effective ways. In this perspective, Sida support to a programme with emphasis on capacity development, structural improvements and locally manageable technologies, responsive to Uganda's request, was highly relevant, even though the level of risk was high.

Still, there were obvious weaknesses in the way the support was provided.

- a) First of all, ambitions were unrealistically high and both the Ugandan and Swedish side underestimated the difficulties in implement-

ing the programme under the prevailing circumstances. At this time, DWD was a weak organisation with overburdened staff members who, besides, were engineers with very limited knowledge of the socio-economic and financial management matters that had become important in the new situation. Still, the difficulties did not only originate from capacity constraints but should also be seen in the perspective of uncertainties and resistance among staff to the radical changes and the promotion of new approaches and methods.

- b) Secondly, the programme was ahead of its time by trying to rely on Government procedures without a well defined management structure of its own. In their completion report, the Hifab consultants note: ‘With a more elaborate and well-defined management structure, it should have been possible to prioritise in a more constructive way’.¹¹
- c) Thirdly, the TA input, which was of strategic importance at the time, worked in a way that was new and strange to DWD staff – see below. It was also small in relation to needs and had little space for flexible solutions. Still, it is doubtful if a greater TA input would really have helped, since absorption capacity also was quite limited.
- d) Fourthly, the ambition to use GOU procurement structures even for by-pass funds might have been over-ambitious at this time, since these structures malfunctioned and frequently did not deliver. The Community Resource Book, which was prepared in 2001 but was not printed and disseminated until 2007, is a case in point.¹²
- e) Fifthly, the provisions in the specific agreement regarding reporting and, in particular, auditing were not followed. As a result, financial management malpractices were not discovered until at a late stage, which resulted in serious losses and disruptions in the implementation of the long-term programme. The failure to have audits carried out as stipulated was probably the weakness that created the greatest damage to the long-term programme. It is also reasonable to assume that subsequent financial management problems would have been much smaller if Sida had insisted that audits should take place as per the agreement.

No specific evaluation of the transition period programme was undertaken, apart from aspects that were assessed as part of the formulation process for continued Swedish (and Danish) support 2003 – 2007. In their completion report on the transition period, the TA team’s overall assessment is that notable achievements were achieved despite many shortcomings.¹³ The shortcomings could, to a large extent, be attributed to the conditions during a period of rapid change and development of new procedures, such as decentralisation and the introduction of conditional grants with payments straight to the districts. The new situation created positive opportunities, which the Programme was able to contribute to, but it also revealed great weaknesses in management structures and the handling of resources.

11 Completion Report on Sida Transitional Program Support to Rural Water and Sanitation; Jan 2001-Sept 2003; p. 30.

12 Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008; p.41

13 Completion Report on Sida Transitional Program Support to Rural Water and Sanitation; Jan 2001-Sept 2003; p. 31

Long-term Swedish support in the 2003–2007 period

As noted above, there were parallel DANIDA and Sida programming processes in 2002. This allowed a degree of joint planning, e.g. joint participation in the formulation process. A joint appraisal mission was undertaken in early 2002. The exercise resulted in both DANIDA and Sida proposing support to RWSS through sector earmarked budget support (via the RWSS Conditional Grant under PAF). Combined Danish and Swedish support was foreseen also for the Water Resources Management Department (WRMD). In Programme Management Support (PMS) and support to Technical Support Units (TSUs), donors additional to DANIDA and Sida came in through the JPF. In spite of these joint elements, DANIDA and Sida concluded separate bilateral agreements with Uganda.

Sida concluded a specific agreement with Uganda of SEK 255 million for the period 1st January 2003 – 31st December 2007. The programme had four objectives:

- a) Improved rural water and sanitation coverage through earmarked budget support to the rural water and sanitation subsector;
- b) Improved community initiative, ownership and participation in all aspects of rural water and sanitation development;
- c) Improved capacity at all levels to efficiently handle subsector resources, based on Uganda's decentralisation and poverty eradication policies;
- d) Improved conditions for a sector-wide approach in Uganda's cooperation with subsector development partners, resulting in conditions that will allow budget support to increasingly replace various forms of project support.

At the time, there was agreement that Sweden was willing to become a long-term partner in rural water and sanitation, in a perspective of 15-20 years.

Achievements. No specific evaluation or assessment of Sida's support 2003 – 2007 has been undertaken. The assessments that were made in the preparations of JWSSPS referred to the sector as a whole and did not single out the Sida contribution. For this reason, the results presentation in Sida's memo on support to JWSSPS, was at a sector, not programme, level and will not be repeated here.¹⁴ However, more specifically on Swedish support, Sida noted: 'One of the successes of the Swedish support has been the progress made in some of the dialogue issues, especially anti-corruption and the advocacy for equitable distribution of resources, including to Northern Uganda. Clear and concrete results from the dialogue are visible (sector anti-corruption action plan, increase of district grants and increase of allocations to Northern Uganda). Sweden has played an important role in raising difficult issues and the added value of the Swedish contribution is that Sweden has been a committed but demanding partner with a broader sector focus

¹⁴ For details, see Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 4f

encompassing institutional reform issues, instead of keeping a narrow subsector focus.¹⁵

The technical assistance consultant's Final Report of May 2008 indicates a great number of areas to which Swedish support was directed, such as capacity development at different levels, institutional change, performance monitoring, auditing, financial follow-up and methods development (for example on socio-economic issues and alternative technologies).¹⁶

Sweden in the process towards Sector Budget Support

Sida actively participated in the various stages of JWSSPS preparations, through consultants and own staff inputs. The preparations resulted in a decision by Sida's Director General to 'contribute to JWSSPS 2008-2012 with a total of 145 MSEK, as part of a total contribution by development partners of 150 MUSD and a similar amount from the Government of Uganda. The Swedish contribution refers to the period up to and including 2010, when Swedish support is to be phased out. The contribution is regarded as sector budget support but also has a basket funding component (Joint Partnership Fund).'¹⁷

During the period 2008- 2010 Sweden will focus its attention on:

- a) Promoting further alignment and harmonisation of all Development Partner support,
- b) Responsible phasing out of the support to the sector, Follow progress and achievement of results through the 10 "golden indicators", the benchmarks and key milestones, and the JAS indicators,

Dialogue on: mainstreaming of gender equality and HIV/AIDS prevention; sector reform and accountability, including anti- corruption; equity in budget allocation and execution, including prioritisation of the conflict-affected areas.¹⁸

With regard to phasing-out, Sida stated: 'Support to the Water and Sanitation Sector is proposed to be phased out during year 2010. The reason for phasing out is the overall decision to focus cooperation in three sectors in each country and as part of the Uganda Joint Assistance Strategy (UJAS) addressing Development Partners division of labour. Sweden, henceforth, plans to increase its support in the health sector, where Denmark will decrease. Denmark plans instead to increase in W & S sector. When choosing which three sectors to focus work in it was decided that Sweden would stay in only one social service sector, health and water being in that same category – water was chosen to be phased out.'¹⁹

¹⁵ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 4f

¹⁶ Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008

¹⁷ Sida Decision on Contribution to Joint Water and Sanitation Sector Programme Support 2008-2012 (JWSSPS)

¹⁸ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p.2

¹⁹ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 3 and 29f

On funding modalities, Sida will take a flexible attitude: ‘It is likely that adjustments in the distribution between financing modalities of Sweden’s support is needed. This depends on how other DPs will distribute their funds between sector budget support and basket funding. A summary table of this distribution is being compiled. Sweden is one of the few (or only) DP that can interchange between sector budget support and basket funding and will most likely need to allocate more funds to sector budget support and less to basket funding.’²⁰

Comments and analysis

Sweden’s ability to contribute to sector developments improved drastically after the start of bilateral cooperation in 2001. The Swedish contributions responded well to Uganda’s request for support to the reform process. The strengths of the Swedish contributions lay in Sida’s acceptance of and support to the decentralised system, combined with capacity support to help the new structures work. Jointly with Austria and Denmark, Sweden contributed substantially to institutional development, as well as to the moves towards SWAP and sector budget support. By now, Sweden’s long-term focus on gender, equity and social aspects, alternative technologies and financial management appears to bear fruit, which is reflected in greater emphasis on these matters in instructions, policy documents, and – hopefully – implementation.

Weaknesses have also been there on the Swedish side, such as too little attention to the management structures of the support in the early years and the failure to follow-up on formal requirements, in particular the provisions for auditing. The latter omission resulted in a long disruption in bilateral cooperation, which probably reduced the overall impact of Swedish support (see box in section 4.2.3). The JWSSPS represents an approach that was hard to imagine when bilateral cooperation started in 2001, only seven years ago. At that time Sida was a bold fore-runner, being willing to support new and untested structures. Now Sida is one of several contributors to an advanced programme, the JWSSPS, which Sida can claim a ‘birthright’ to.

As part of the UJAS process and the Swedish Government decision to focus cooperation in all cooperation countries to three sectors, Sweden will leave the sector in favour of the health sector from 2011. Whether this is a wise decision or not remains to be seen, but there is little doubt that Sweden would have been able to contribute constructively if it had remained in the sector beyond 2010. For instance, Sida has been consistent in its efforts to support Ugandan initiatives and priorities, all in line with the Paris agenda. It remains an open question whether anybody will take over this consistency when Sweden withdraws from the sector.

Technical Assistance provided by Sweden

During the preparations of bilateral support in 2000, the parties agreed that capacity constraints and lack of qualified staff were major bottlenecks to the sector’s development. Still, the parties agreed upon a restrictive approach to technical assistance and also agreed on a mode that was new to the sector in at least two respects:

²⁰ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 30

- Long-term TA presence was to be limited and should consist of a full-time team leader and three consultants working part-time, 3-5 months/year, in three areas, namely community mobilisation, financial management and appropriate technologies.
- The work of the TA should be process-oriented and supportive, not gap-filling. TA of this type was a new feature in DWD, which until then had used consultants in a very traditional way, where the consultants delivered specific outputs / reports for DWD to consider, approve or reject.

The new approach to TA encountered some problems. Initially, the process-oriented approach was not fully understood or appreciated within DWD, especially not the fact that the consultants did not deliver specific outputs but rather wanted to work hand in hand with DWD staff to jointly develop appropriate procedures and mechanisms. Still, the presence of a long term team leader seems to have been appreciated. The contributions by the short-term consultants met with additional problems: i) at least initially DWD had difficulties in providing counterpart staff; and ii) the counterpart staff that was subsequently appointed had many other tasks and found it difficult to concentrate fully on capacity building when the external consultant visited and – even more so – when the external consultant was absent. The implementation of the new TA approaches was further affected by the general work uncertainty for DWD staff at a time of radical change and unclear mandates and roles. At a later stage, some adjustments were made so that the short term consultants worked with working groups, rather than with individual counterparts and so that the visits by short term consultants became longer, fewer and more predictable. It seems that these measures had a positive effect.

A different type of TA was provided through temporary, so-called Technical Support Units (TSUs). Sida was a major contributor to the TSUs but other development partners contributed as well, through the JPF. Eight TSUs were set up to work on a demand-driven basis, complementing the Ministry of Local Government's efforts to strengthen district capacity. Local consultants were hired to undertake the services. A mid-term evaluation in 2005 revealed that district capacity improved considerably but also that major capacity gaps remained in many respects.²¹ It is positive that the TSUs have now become permanent features that are integrated in DWD's work.

Comments and analysis

Sida's provision of TA in 2001 was a high-risk undertaking. The TA would work in a turbulent environment characterised by uncertainty and uneasiness among DWD staff. It would work with new approaches in an organisation that was really 'too weak to be assisted', as a DWD official expressed it a few years later. Considering the initial circumstances, and the outcomes that have been reported in the Consultant's Final Report, it appears that the TA input played a constructive role in capacity development and general support to the sector. The same seems to be true of the TSUs which serve district staff.

²¹ Completion Report on Sida Transitional Program Support to Rural Water and Sanitation; January 2001 – September 2003; p. 6f

In JWSSPS, TA is supposed to be provided as a pooled resource, but there are already indications that some development partners are unwilling to take part in such arrangements but insist on recruiting ‘their own’ TA. Sida is opposed to bilateral arrangements, but the issue illustrates that alignment and harmonisation requires a cooperative attitude and a humble spirit also among development partners and that it needs to be continuously addressed, otherwise there is a risk of falling back to old project approaches.



Women discussing management of the water point, April 2006

3.2 Socio-economic aspects and cross-cutting issues

3.2.1 Gender and socio-economic change

This section highlights gender considerations in sector work, as well as the availability of socio-economic expertise, be they men or women, to spearhead gender and other socio-economic issues.

Ever since the late 1980s, gender has featured in project documents and since the late 1990s in policy documents. As indicated in Sida’s assessment memo for the 2003 – 2007 period, the ambition is to mainstream gender in all activities: ‘The National Gender Policy and the National Action Plan for Women... require all development activities to include gender concerns and issues into the planning, resource allocation and implementation of development programmes. They are, however, too general for implementation.’²²

One of the ‘golden indicators’ concerns the share of women in key posi-

²² Support to the Rural Water and Sanitation Programme in Uganda (SWSP) 1 January 2003 –31 December 2007; Assessment Memo; 15 Jan 2003, 9f

tions in Water User Committees / Water Boards. The 2007 Water and Sanitation Sector Performance Report indicates that gender disaggregated data was not collected in a systematic way until recently. No such data was provided in the 2005 report and was given only for urban w&s in the 2006 report (21% women in key positions). According to the 2007 report, 87% of the RWSS committees / boards had women in key positions in 2006/07, but only 18% in UWSS. For Water for Production no figure was presented even for 2006/07.²³ The corresponding figures for 2007/08 are 63% for RWSS, 71% for UWSS and still no figure for Water for Production. It should also be noted that the 2008 SPR also provides district comparisons of women representation in key positions in RWSS, which should give districts that lag behind a strong incentive to improve.²⁴

In its Assessment Memo on support to JWSSPS, Sida notes that there is a 'lack of understanding of cross-cutting issues and how they relate to improved sector performance. Gender and HIV/Aids issues will need to be addressed on a more practical level than previously.'²⁵

According to the 2007 BFP, the 'sector has started a process of formulating clear gender and equity budgeting guidelines to Local Governments on allocation of resources for water facilities within the district. The Water Sector gender and equity budgeting guidelines shall be disseminated to the Local Government. The guidelines will go a long way into ensuring equitable distribution of water facilities between men and women, boys and girls, and also among the different socio-economic groups and regions. The guidelines will also promote participation of men and women, girls and boys in decision making.'²⁶

According to the 2007 SPR, the following situation applies at district level: 'A desk review of a sample of 11 annual and quarterly work plans from districts for the FY 2006/7 revealed that there were very few gender related activities included in the work plans. For instance, none of the districts planned for gender awareness and education activities. In addition, no gender related statement exists in the narrative of the work plans. The limited commitment to mainstream gender in the water sector activities at local government (LG) level is a concern for the sector and its importance needs to be revisited time and again.'²⁷

In the 2008 SPR, the following measures are noted: "Last year, the sector reported inadequate gender mainstreaming skills in areas of planning, budgeting, implementation, monitoring and reporting by Districts. In order to address this challenge, a gender resource book has been developed. It will guide sector staff at national; district and lower local government levels in designing, planning, management, implementation, monitoring and evaluation of water and sanitation programmes in a gender sensitive manner." Furthermore, it states: "A desk review of District annual reports and work plans for the FY 2007/8

23 Water and Sanitation Sector Performance Report 2007; p. 27

24 Water and Sanitation Sector Performance Report 2008; p. v and 106, respectively

25 Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p.2

26 Water and Environment Sector Budget Framework Paper (BFP) FY 2008/09; p. 32

27 Water and Sanitation Sector Performance Report 2007; p. 155

revealed that there is progress with respect to gender-sensitive reporting in the reports. 44% of the districts reported on the gender golden indicator. 16% of the districts had data segregated according to sex (Male/Female). Overall Rukungiri, Kanungu and Ibanda had the best gender sensitive reports. These Districts had data broken down according to sex; reported on percentage of women having key positions on the Water and Sanitation committees and also reported on all activities undertaken by the Districts on gender mainstreaming.”²⁸

Another aspect of gender considerations is the recruitment of staff to drive gender matters. Sida’s Assessment Memo notes: ‘At the DWD there are no women senior staff with either technical or software responsibilities. There is a need to recruit senior staff with expertise in gender and community development for the implementation of gender mainstreaming.’²⁹ The same situation is reflected in Hifab’s Final Report, which states that the recruitment of socio-economic expertise had been slow, especially at senior level. Also, it is noted that all socio-economic staff, except two, are employed on one-year contracts, rather than on a permanent basis. Also, by 2007 no socio-economic expertise had been placed in the Rural Department, but the two available positions were instead allocated to a central liaison function at the Ministry.³⁰ Regarding the MWE gender balance, the 2008 SPR reports: “A review of the Ministry of Water and Environment staff shows a fair gender balance as being demonstrated in the category of top management level⁵³ where 33% of staff are female (Figure 15.2). This demonstrates compliance to the sector gender policy that requires at least 30% women representation. The worst women representation is demonstrated at Senior Staff level where only 8.8% are female.”³¹

Comments and analysis

It is obvious that gender issues are not yet sufficiently considered in spite of the long-term efforts to have them integrated in policies and work plans. The situation quoted from the 2007 SPR shows the amount of work that remains to be done. The gender balance seems more acceptable at actual water and sanitation installations, as reflected in the golden indicators, but the fluctuation over time casts doubts over the reliability of the figures. Why would, for example, women in key positions in one year increase from 18% to 71% in UWSS and decrease from 81% to 63% in RWSS (as reported in the 2008 SPR)? Or is this just a reflection of the fact that reporting is still haphazard? Note that only 44% of districts reported on the gender golden indicator.

The BFP measures to establish clear gender budget guidelines are positive but only of value if they are stringently implemented, which will require distinct leadership from DWD, through the TSUs. The gender resource book and district comparisons on women in management positions – as per the 2008 SPR – are positive steps. It is also positive that efforts are made to integrate gender aspects in environmental

28 Water and Sanitation Sector Performance Report 2008; p. 12 and 108, respectively

29 Support to the Rural Water and Sanitation Programme in Uganda (SWSP) 1 January 2003 – 31 December 2007; Assessment Memo; 15 Jan 2003, 9f

30 Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008, p.2

31 Water and Sanitation Sector Performance Report 2008; p. 109

issues.³² Still, there is no doubt that the centre remains with a major challenge in providing guidance to local governments.

Charity begins at home and it is likely that the poor performance in recruiting and promoting socio-economic agents of change, be they men or women, into senior positions, contributes to the meagre results in gender development. Apparently, the Ministry of Public Services (MoPS) and the Directorate of Personnel Management (DPM) play key roles in post establishment and recruitment processes, respectively. If so, these institutions, rather than only MWE and the Ministry of Gender, should be involved in the dialogue on the way forward in these matters, in spite of the fact that their performance on socio-economic issues so far has been poor.

Sida's call for a more practical approach to gender and equity is relevant, but will be of little consequence if relevant staff members at management and operational levels are not put in place to lead the process of change. This will be fundamental in the establishment of the DWRM, but remains a general problem at DWD, in particular the Water for Production subsector (see 4.2.4), which can serve as an example where the recruitment of socio-economic expertise in management positions will be necessary for improved performance and impact. Also the small towns subsector appears to lag behind in these respects.

In 2007, there was a proposal for a Principle Officer for Gender in MWE. The recruitment status regarding this post was not reflected in the 2008 SPR.

Recruitment of new, specialised staff is only one option available to institutions like DWRM and DWD. Another alternative is supplementary training of staff members. The documentation available to this report has not provided information whether such training has taken place at any level.

3.2.2 Poverty reduction and equity

In Sida's Assessment Memo for the 2003 – 2007 period, it is noted that 'allocations from the PAF to districts for RWSS development will during the first years prioritise the districts that presently have the lowest coverage of rural water facilities through equalisation grants. This policy is an application of Uganda's "some for all and not more for some" principle.' Still, there is some uncertainty about the poverty focus of the programme since it is also noted that 'the districts are encouraged to concentrate on the communities where a good chance of success is judged'. It is observed that these two directives are contradictory: 'Hence, there is a risk that the poorest parts of the population will not benefit from the improvements during the first five years. The prioritization above is a strategic choice made by Uganda and is must be regarded as appropriate not the least to increase peoples trust in the system. However, the poverty focus of the programme will be a key issue for continued dialogue between partners.'³³

³² Water and Environment Sector Budget Framework Paper (BFP) FY 2008/09; p. 59

³³ Support to the Rural Water and Sanitation Programme in Uganda (SWSP) 1 January 2003 – 31 December 2007; Assessment Memo, p. 7f

In the 2008 BFP, considerable inequities are presented: ‘In the water sector, equity is concerned with providing equal opportunities for the service and minimizing differences between groups of people and geographical locations. Analysis of data from the Sector performance report 2007 shows inequity of distribution between districts ranging from 12% in Kaabong to 95% coverage in Kanungu. A total of 49 districts out of 79 representing 62% are below the national average of 63%.’³⁴ Furthermore, it is noted that inequality problems will ‘be addressed with a new formula for allocation of grants in 2008/09 considering sub-county coverage as opposed to the old approach of using district coverage alone. This is to even out the coverage disparity within districts by focusing on the under-served sub-counties.’³⁵

The 2007 JSR ‘urges the Sector to implement and regularly report on the implementation of the Pro-Poor Strategy for the provision of safe water and sanitation services.’³⁶

Some 80% of Uganda’s population live in rural areas and only about 20% in towns. While it is true that poverty exists both in rural and urban areas, there is no doubt that the vast majority of the poor are rural. But these proportions are not reflected in the sector’s investment patterns. In the four-year period 2004/05 – 2007/08, 54% of overall allocations were for urban areas (large and small towns) but only 33% for rural areas (DWSCG and central projects). This inequity is observed in the 2008 SPR.³⁷ In Sida’s JWSSPS Assessment Memo, affordable water and sanitation services are seen in a rights perspective, especially for urban water, where equity concerns are expressed.

In the 2008 SPR, a full chapter is devoted to equity issues, which is a clear indication that socio-economic issues are now paid much more attention than before.³⁸ It is striking, however, that references to equity mostly relate to one sub-sector, viz. RWSS, but are missing for other subsectors.

Comments and analysis

The first quotation above illustrates the ambiguity and weak focus on poverty reduction in earlier years. The second quotation illustrates a more focussed approach, which must be welcomed. Still, it shows that the sector is only in the early part of a process to really address equity problems. Again, it is apparent that there is need of real and high-status leadership (for example through senior staff in influential positions) if these issues are to be adequately considered.

Furthermore, poverty reduction and increased equity presuppose substantially increased allocations to areas where poverty levels are high. In other words, increased allocations to RWSS, with an emphasis on underserved areas is an absolute prerequisite for poverty reduction. As noted above, historical allocation patterns have been quite the opposite – allocations simply have not been credible from a poverty reduction

34 Water and Environment Sector Budget Framework Paper (BFP) FY 2008/09; p. 32

35 Water and Environment Sector Budget Framework Paper (BFP) FY 2008/09; p. 32

36 The 7th GOU/Development Partners Joint Sector Review of the Water and Sanitation Sector, p. 3

37 Water and Sanitation Sector Performance Report 2008; p. 123

38 Water and Sanitation Sector Performance Report 2008; p. 98f

point of view. It is only in 2007/08 that allocations to RWSS were higher than allocations to UWSS (44 and 35%, respectively) but it is too early to judge whether this is a shift in trends or just an accidental occurrence.

Finally, it appears as if equity issues so far only have been taken seriously in the RWSS subsector, at least as portrayed in the 2008 SPR. Even though RWSS should be given a greater share of allocations, it is important that equity issues are fully integrated in the other subsectors, including UWSS where disparities are extremely great. There is no way to deal with peri-urban or slum dwellings without a very conscious approach to equity issues. These are challenges that still are to be addressed.

3.2.3 Ownership and the role of stakeholders / users / consumers

As early as in the 1986 Luwero programme, emphasis was put on establishing a self-sustaining community based handpump maintenance system 'to ensure that the 400+ new handpumps can be serviced locally without reliance on the central administration'. This would be done through the training of mechanics and the provision of tool kits and bicycles. Resistance committees and local leaders were to be used to mobilise and train villagers.³⁹ Communities were expected to select and remunerate the pump mechanic and appoint caretakers, assisted by their Resistance Committees. The community mobilisation efforts in the Luwero project were of a pilot character but were reported to have met with positive response from the population.⁴⁰

The 1994 Review looked at community contributions and found that practices varied between types of interventions, as well as between SWIP and WATSAN. Still, there was a common pattern in that communities contributed the least (1% of investment costs) to the expensive borehole technology as compared to 15% for spring protection. For gravity flow schemes, however, SWIP had a requirement of advance cash contributions of about 20% of construction costs.⁴¹

In its Proposal to Sida in June 2000, the Government presented a demand-driven approach as one of the key elements in its Rural Water and Sanitation Strategy: 'A full demand responsive approach will be introduced in all programmes so that all support is determined by demand. The users, after receiving appropriate information/advice, will decide on what type of facilities they want, pay their share of the construction costs, and manage the operation and maintenance of the facilities. The local governments (districts and Sub-counties) will be responsible for influencing and regulating demand by (a) promoting appropriate demand and (b) supporting poor communities.'⁴²

39 Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project, Oct 1986, p.5

40 Evaluation Report of the UNICEF Assisted Emergency Water & Sanitation Project, Oct 1986, p.39

41 Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda, Sept 1994, p. 106ff

42 Proposal for Sida support to Rural Water Supply and Sanitation (2001 – 2006); June 2000, p.11

In Sida's JWSSPS Assessment Memo, the text indicates that little progress had been made in terms of ownership and user contributions since the 1980s / 1990s: 'For RWSS, the active participation of users in planning and management of water services, including financial contributions to ensure sustainability, is part of strategies but has been weak in implementation. Community engagement, bottom up planning and Demand Responsive Approach to provision of services are critical for reaching the subsector's goals and will be addressed under the JWSSPS.'⁴³

Community contributions have been a subject of controversy in recent years. Policies are consistent: communities are to contribute to investments and take full responsibility for O&M, but politicians have gained mileage by passing the populist message that water should be provided for free. In this tug of war, it appears that the WSS administration has decided to keep a low profile, which means that policies have not been promoted in a consistent way.

The golden indicators include an indicator of functionality as a proxy of community ownership and participation. The functionality rates for RWSS and small towns, as reflected in the 2008 SPR, is above 80%, which corresponds to the targets set. The score for Water for Production is much lower, though: 35% in 2006/07 and 23 % in 2007/08. This is another indication that Water for Production still has not internalised policies regarding community involvement and participation.

Comments and analysis

The review of documents from different times shows striking similarities over the years in the advocated approach to community ownership and contributions in RWSS. Unfortunately, there are also striking, but negative, similarities when it comes to practical results. Functionality, as reported in SPRs, has improved, but the indicator does not differentiate functionality as a result of genuine community involvement from functionality as a result of repeated – and costly – government interventions to keep the facilities functioning.

At an overall level, it still seems as if the issues of contributions to O&M, and, even more, to construction, remain unresolved. As has been noted elsewhere, irresponsible (or at least policy-violating) political statements are a problem in this respect. Political interventions should not be taken as an excuse for not pursuing sector policies. Still, it seems that the sector leadership has been lacking in the necessary consistency and strength to convince users / clients that they need to share costs. Of late, self-supply has appeared as a way out of the dilemma by making water supply the concern of the individual user, but the role and possible impact of self-supply is unclear. It remains to be proved that it will have anything but marginal impact.

In RWSS, some of the confusion about contributions and ownership could be attributed to a change of leadership, when area-based programmes were replaced by the conditional grant system. New players came in at the policy level and it appears that valuable experience was lost in the transfer from area-based RWSS programmes to implementation through the district

⁴³ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 10f

grant system. In SWIP and other area-based programmes of the 1990s, great efforts were made to strengthen social mobilisation and community involvement. But these experiences were not shared by the engineers at the central level, who laid down the rules when the policy initiative returned to centre in the early 2000s. Allocations for mobilisation were drastically reduced and it is only recently that this trend has been reversed.

Nevertheless, after more than 20 years, there is abundant evidence that the issues of cost-sharing and ownership must be resolved if interventions are to become sustainable. When it comes to the crunch, it is an issue of leadership. Sector leaders need to convince both politicians and users / clients that cost-sharing is necessary. It is also clear that this is NOT an issue of lack of information or suitable methods. The finally published Community Development Handbook and similar publications do provide a basis for a consolidated approach to mobilisation and involvement, but these approaches need to be implemented. Suitable methods are also available from other sources, e.g. Kenya, where an elaborate Community Development Cycle and similar frameworks in other subsectors are used to ensure user involvement in step by step approaches. Thus, there is nothing to invent, just to implement.

User / stakeholder involvement in water resources management will require much attention under the new approach that is being tested.

Within both DWRM and DWD, user involvement should be made a top management priority issue with the aim of establishing an authoritative policy framework that sector stakeholders and policymakers can agree upon, and actively promote. This will not be an easy task but there would be much to gain if contradictory and confusing statements could be replaced with clear implementation guidelines for various types of interventions.

3.2.4 Capacity development

As was noted in previous sections, capacity development was given very high prominence in the early years of decentralisation. In the JWSSPS, an attempt is made to consolidate capacity development efforts. In Sida's Assessment Memo the following comments are made:

'One of the component areas in the JWSSPS is the Sector Programme Support (SPS) component where capacity building and institutional development is covered. Capacity development in financial management will be addressed under this component where rotational and value for money audits will be carried out. The JWSSPS will also support capacity building initiatives under the different subsector components. In the RWSS subsector, the need for capacity strengthening at local government level is crucial for feasibility of JWSSPS and will be provided through a continuation of the zoned Technical Support Units (TSUs) in the ongoing support. The TSUs will in effect be the prolonged arm of the MWE to districts and have technical expertise in different areas such as socio-economic aspects, financial management, Operation and Maintenance (O&M) and monitoring/MIS. There is a common understanding, however, that past capacity building initiatives in the sector has not always followed a clear strategy and their efficiency and cost effectiveness have been questioned.

Indicator	Achievement							Target			
	2004/5	2005/6	2006/7	2007/8	2008/9	2008/9	2008/9	2009/10	2014/15		
1. Access % of people within 1 km (rural) and 0.2 km (urban) of an improved water source ⁵⁵	Rural	61%	63%	63%	63%	65% ⁵⁶	63%	65%	77%		
	Urban	-	51%	56%	61%	66%	60%	67%	100%		
2. Functionality % of improved water sources that are functional at time of spot-check (rural). Ratio of the actual hours of water supply to the required hours of supply	Rural	82%	83%	83%	82%	83%	85%	86%	90%		
	Urban - Small Towns	No data	93%	82%	89%	89%	87%	88%	95%		
3. Per Capita Investment Cost Average cost per beneficiary of new water and sanitation schemes (US\$)	WfP	-	-	35%	23%	23%	89%	95%	90%		
	Rural	\$31	\$35	\$38	\$44	\$43	\$41	\$42	\$45		
4.1 Sanitation % of people with access to improved sanitation (Households).	Small Towns	\$72	\$93	\$58	\$93	\$64	\$75	\$77	\$85		
	Rural	57%	58%	59%	62%	68%	69%	70%	77%		
4.2 Sanitation: Pupil to latrine/toilet stance ratio in schools	Urban	-	-	-	74%	73%	77%	81%	100%		
		57:1	61:1	69:1	47:1	43:1	65:1	60:1	40:1		
5. Water Quality % of water samples taken at the point of water collection, waste discharge point that comply with national standards.	Protected Source - Rural	Sample data only							70%	95%	95%
	Treated Drinking Water Supply - Large Towns	e. coli	-	95%	95%	97%	83%	100%	100%	100%	
		colour	-	-	69%	80%	-	90%	92%	100%	
	Wastewater	BOD ₅	-	-	12%	60% ⁵⁷	15%	Targets to be set			
		Phosphorus	-	-	26%	-	-	Targets to be set			
		TSS	-	-	40%	67%	100%	Targets to be set			
6. Quantity of Water Cumulative water for production storage capacity (million m ³)		-	-	-	-	17	Targets to be set				

⁵⁵ Note that the walking distance to an improved water source in rural areas was changed from 1.5km to 1km in FY 2008/9.

⁵⁶ Note that the apparent increase in coverage is attributed to the use of updated UBOS population figures this year. In the past, the rural populations by MWE had been slightly overestimated (distinct population growth rates have been subsequently revised and some town councils had been inadvertently included in the past). The total number of new people served from the DW/SDCG, MWE and NGOs in FY 2008/9 totalled 904,902⁵⁶, which is essentially just keeping up with rural population growth.

⁵⁷ Note that the figure given in the 2008 Sector Performance Report (68%) was not correct.

To conclude, it is Sida's assessment that the institutional capacity at central level to implement the JWSSPS has been strengthened considerably during the ongoing phase of support. For the RWSS subsector, the capacity at district levels to implement the Sector Plan/JWSSPS is weak, especially in the North. The proposed capacity strengthening initiatives under JWSSPS are, however, addressing the main weaknesses.⁴⁴

Comments and analysis

As noted above, capacity development took almost all attention and a lot of resources in the early years of decentralisation. At the time, there was criticism that the capacity development activities removed focus from service delivery. This is not the place to establish whether the capacity development efforts were examples of 'overkill' or not, but there is no doubt that a strong focus on capacity development was necessary, especially in RWSS which was the subsector that was most affected by the reforms. As will be discussed in other parts of this report, both central and local government were ill prepared for the reforms. In addition, central government was in bad shape after the strains of the structural adjustment era, and local governments were administratively weak. Still, it is likely that capacity development activities in some cases were used when the real problems were of a different nature, such as inadequate institutional arrangements and/or remuneration systems.

By now, the approach to capacity development appears more balanced and realistic, as reflected in the JWSSPS documents.

4.1 Water resources: availability and challenges

Uganda is known for its relatively rich access to fresh water, although some regions, especially in the North, always have been water stressed. In the non-stressed areas, access to water traditionally was not a problem. In a sparsely populated country, sanitation was not a major problem, either. This situation is illustrated in the following quote, based on 1999 assessments in RUWASA and WES areas:⁴⁵

'It appears that many people in Uganda experience that there is relative abundance of freely available water and space for traditional sanitation. Thus, in many areas people do not appear to have realised any advantages of improved water and sanitation facilities but are very traditional in their attitude to these issues.'

The quote illustrates the extreme speed (from a natural resources point of view) with which changes take place. Fast population growth and a more diversified economy pose unprecedented challenges, as exemplified by urbanisation and accelerating exploitation of natural resources to meet the needs of society. The effects of climatic change add to the challenges.

In a historical perspective, these changes are very sudden and it is likely that they are not yet fully understood or appreciated by the general

⁴⁴ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 19f

⁴⁵ Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000 Final Report; p 9

population. Thus, there is an awareness gap that further adds to the challenges of sustainable access to water for social and economic purposes. The lack of awareness does not seem to apply only to the general public but also to Government, as far as the water and sanitation sector is concerned. For example, it is only recently that links between water and environment feature in any prominent way in planning and budgeting documents. Furthermore, it is only now that institutional changes are put in place to deal more effectively with water resources management. Thus, a Directorate of Water Resources Management (DWRM) has been created within MWE. The creation of DWRM could be significant, but only if the new institution is given the authority and resources that will allow it to work with autonomy and integrity in an environment of competing demands on water resources.

Comments and analysis

The deterioration of Uganda's natural environment appears to be of such a scale and speed that determined action at all levels – from politicians to ordinary farmers and urban dwellers – are required. Recent disruptions in electricity production show the close links between water and development, and highlights the importance of effective water resources management for sustainable development. As the sector's lead agency in water resources management, DWRM faces great challenges, which it shares with other institutions working with environment and natural resources. The task of DWRM is high-profile but the institution is new and untested. To those in charge of the sector's institutional development, there will be a major challenge in ensuring that DWRM can deal effectively with the challenges at hand.

In the final analysis, WRM issues are political and require high-level political solutions. This is another indication that DWRM should have a high-profile leadership with a capacity to promote WRM messages at all levels.

4.2 Sector performance

4.2.1 Overall performance

Even though hard data are not available to this study, it appears that the interventions in the 1980s and 1990s, i.e. emergency operations and the subsequent area-based interventions, resulted in improved coverage and enhanced services in the short run, even though at high costs and with indications of systemic weaknesses as a result of fragmentation and donor dominance.

By the turn of the century, Government wanted to take the lead through decentralisation and sector and subsector reforms. New structures were put in place, especially in RWSS, as a result of decentralisation. Furthermore, there were expectations on great increases in funding when Uganda qualified for debt relief funding with water and sanitation as one of the beneficiary sectors. Finally, Government wanted to redefine its relations with donors, with the aim of moving towards a sector-wide approach, SWAP.

Still, a few years down the line, in spite of expectations and enhanced cooperation modalities, sector performance has not been up to the mark. In terms of service delivery, the sector barely keeps pace with

population growth and there are continuous problems with high unit costs and inefficiencies in the utilisation of resources. In addition, user involvement and ownership remain limited. In terms of water resources management, which is becoming increasingly important, only the first steps towards a nation-wide proactive approach have been taken.

Comments and analysis.

In the following sections, attempts will be made to highlight certain sector developments, as well as to analyse why performance has been less favourable than what was expected at the turn of the century.

4.2.2 Sector planning, management and monitoring

Sector planning

A 15-year Rural Water and Sanitation Investment Plan (SIP15) was published in January 2002 and a Water Supply and Sanitation Operational Plan, 2002-2006 was prepared in 2002. The latter is a 5-year Operational Plan for the Rural Water Supply and Sanitation (RWSS) Subsector, covering the fiscal period July 2002 through June 2007 (Fiscal Years 2002/03 through 2006/07). Its overall purpose is to operationalise the 15-year Rural Water and Sanitation Investment Plan (January 2002).

As noted in the 2008 SPR, sector investment planning is not well coordinated: ‘The four water and sanitation sector reform studies were undertaken between 1999 and 2005 and

completed at different times. Consequently, the respective sub sector investment plans were not coordinated. This led to fragmentation of sector investments. The sector has continued to evolve since the sub sector investment plans were completed, including the creation of many more District Local Governments (from 36 in 2001 to 80 in 2008), changes to the MWE structure and a new policy of bulk water transfer for multi purpose use. As a result a process to review, update and consolidate the sub sector investment plans and align them with the current institutional set up is being undertaken.’⁴⁶

A comprehensive investment plan at sector level remains to be completed. Sector planning is not only an internal sector affair but is also affected by other initiatives, such as the updating of the Poverty Eradication Action Plan (PEAP) and the up-coming National Development Plan.

Result-based management

Result-based management is a preferred arrangement to improve performance and effectiveness. It presupposes, however, that managements of various institutions are in control of the necessary management tools to be able to optimise the operations they are responsible for. As will be argued in other parts of the report, these conditions do not exist for most entities in Uganda’s water and sanitation sector. The conclusion is that it will not be possible to introduce meaningful result-based management as long as managements, for example Directorate managements, do not control the necessary tools.

Performance monitoring

A Performance Measurement Framework was elaborated in 2004, after recommendations by the March 2003 Joint Technical Review. Ten 'golden indicators' were developed to measure overall sector performance. They include access to improved water supplies, functionality, investment costs, sanitation facilities, hygiene, equity, water quantity and quality, gender issues and management. The golden indicators are now fundamental elements in performance reporting.

Annual Sector Performance Reports (SPRs) have been published since 2003. They have gradually improved in quality and are now the major instrument for the dissemination and analysis of performance information. The strength of information dissemination is shown by the fact that SPR information reportedly has raised awareness of the disparity in coverage between and within districts, which has made some stakeholders question the District Water and Sanitation Conditional Grant allocation mechanism.⁴⁷

Other monitoring mechanisms form part of the Integrated Financial Management System (IFMS) and the Fiscal Decentralisation Strategy (FDS). Within DWD there is also a Management Information System (MIS), which is coordinated with IFMS and FDS. Furthermore, there are standardised and uniform formats for the planning, budgeting and reporting concerning District Water and Sanitation Conditional Grants. The formats are fully aligned to the GOU annual budgeting cycle and were first applied in 2007/08.⁴⁸ Annual *PEAP Implementation Reviews (APIR)* were introduced in 2007 with the aim of informing stakeholders about progress being made in implementing the PEAP, including the water sector. Monitoring information is also produced through the Uganda National Household Survey (UNHS).

With regard to monitoring within JWSSPS, Sida in its assessment memo observes: 'In addition to reliance and alignment to GoU system, the JWSSPS has developed additional key milestones and benchmarks (annex 4) to measure JWSSPS improvements of the sector. These benchmarks were developed during the formulation phase as a response to the weaknesses that were identified in the sector framework and will be necessary to provide a more comprehensive picture of JWSSPS improvements'.⁴⁹

Comments and analysis

As noted above, there are several, perhaps too many, monitoring instruments. The SPR is the most detailed and sector-specific document, providing data over several years. While other sources, such as the APIR and the UNHS, provide supplementary information, the SPR should be the focus for the sector's own performance monitoring. As noted above, the SPR has been used to highlight policy matters, such as allocation mechanisms. There are also healthy tendencies to

47 Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008, p. 27

48 Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008, p. 30

49 Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 14

pay increasing attention to key cross-cutting issues, such as equity, gender and HIV/AIDS. These tendencies are clearly demonstrated in the 2008 SPR, which reflects considerable improvement as compared to previous versions.

It is encouraging that the indicators are to be reviewed to better reflect WRM issues (as proposed in the 2008 JSR). In comparison to previous versions, the 2008 SPR contains more of inter-district comparisons, which should promote healthy competition among districts. So far, such comparisons are made on a subject by subject basis, such as gender representation or pupil – stance ratios (with a clear indication of what is above and below standard, which is quite illustrative). Perhaps additional comparison indexes could be developed, for example composite indexes, for – say – service delivery and financial performance / cost effectiveness, respectively. A service delivery index could reflect district / local government performance in terms of the golden indicators, while the latter index could reflect aspects such as performance in audits and tracking studies. A comparative tool of this kind would be even more forceful if annual and medium term targets for district (or local government) would be set. Then, district performance could be measured in percentage of set targets, which would make district comparisons very illustrative.

In addition to the cross-cutting issues mentioned above, the 2008 SPR for the first time pays attention to corruption and anti-corruption work, which are fundamental to improved sector performance. In the JWSSPS programme document, draft milestones and benchmarks relating to good governance and financial management are presented. These drafts – which are not limited to financial management issues – could be used to further develop reporting in future SPRs.⁵⁰ As expressed by Sida in its JWSSPS assessment memo: ‘It is Sida’s assessment that the benchmarks/ milestones appendix in the JWSSPS Document covers the main weaknesses in the sector. It provides a good point of departure for monitoring of improvements in the area and will allow further alignment to the GoU structures together with the sector indicators and the draft key results matrix.’⁵¹ With regard to these comments, it should be noted that JWSSPS does not encourage programme-specific indicators. Instead, any refined indicators should refer to the sector as a whole, but the JWSSPS Programme Document should be used as a starting point in the refinement of the indicators. So far, this reportedly has not been done.

4.2.3 Sector funding, good governance and cost effectiveness

The analysis of financial issues in this and affiliated sections is based on an analytical tool in which annual data on allocations and expenditure from the 2005 – 2008 SPRs have been used.⁵²

⁵⁰ JWSSP Programme Document, Annex H – Draft of proposed milestones and benchmarks

⁵¹ Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 11

⁵² Excel spreadsheet based on analyses of budget performance information in the 2005 – 2008 SPRs. The tool has proved valuable. It is available in a soft copy but is currently not in a very user-friendly version.

Sector funding

The 15-year Rural Water and Sanitation Investment Plan (SIP15) shows that very major investments will be required for the sector to reach its 2015 goals. A steep increase in sector investments was called for. In reality, however, sector allocations first stagnated and then fell quite drastically in the 2005 – 2008 period. As a result, overall sector allocations in current prices in 2007/08 were 20% lower than the 2004/05 allocations. At least to some extent, the stagnation could have been a result of low utilisation rates: in 2005 only 60% of allocations were disbursed. By 2008, allocations had decreased by 20%, but the disbursement rate had risen to 94%, or – to put it differently – expenditure had increased by 27% in spite of the 20% decrease in allocations. The average figures hide subsector disparities, however. A closer analysis shows that expenditure rates were low for large urban NWSC projects in the first two years when disbursements from donors were particularly low. Initially, expenditure rates, especially expenditure of donor funds, were also low for allocations to small towns and non-decentralised rural projects. By comparison, RWSS Conditional Grants did well, with expenditure rates in the range of 83% - 90% in the 2005/05 – 2006/07 period, but with an unexpected fall to 78% in 2007/08. The fall is unexpected since absorption capacity in RWSS CGs proved high when allocations were increased by 37% between 2005/06 and 2006/07. In contrast, CG expenditure fell in both relative and absolute terms between 2006/07 and 2007/08. The reason is not clear to this study but might be sought in faulty disbursement patterns from Treasury to districts, rather than in decreased absorption capacity in districts.

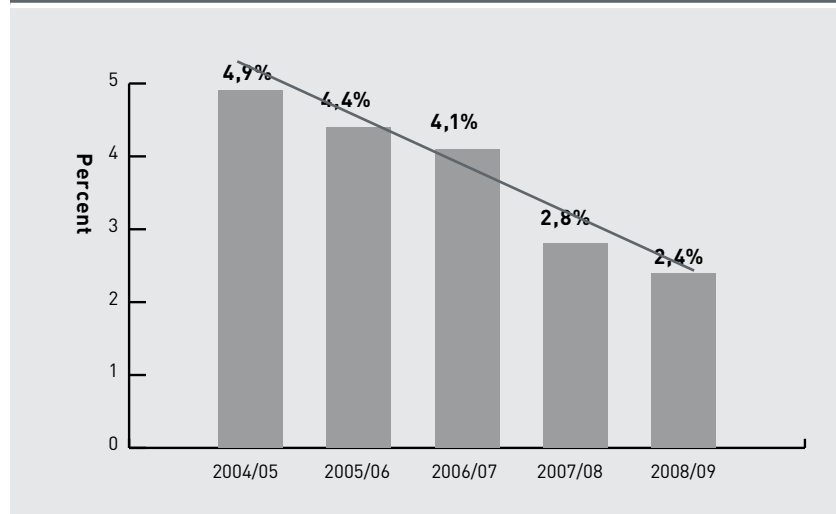
Comments and analysis

Figure 4.1 of the 2008 SPR (see below) clearly shows that the water and sanitation sector is no longer a priority sector in Uganda. Allocations as percentage of the national budget have fallen consistently in the 2004/05 – 2007/08 period.⁵³ Actually, the sector's share has been reduced by almost two thirds from 4.9% in 2004/05 to 1.8% in 2007/08.

As will be shown in subsequent sections, the sector has made internal efforts to improve its performance but these efforts have not been matched neither by increased budget allocations. Thus, it appears that the sector no longer is seen by Government as a fore-runner in Uganda's efforts to reduce poverty. This is a remarkable observation, since water for all generally is seen as a precondition for poverty reduction. Improved provision of water is also one of the priority targets of the millennium goals, but this prioritisation is not reflected in allocation patterns. This study is not broad enough to assess whether down-prioritisation of poverty reduction is a general trend, or something specific to the Water and Sanitation Sector alone.

⁵³ Water and Sanitation Performance Report 2008, page 22f.

Figure 4.1 Water and Sanitation Sector Share as Percentage of National Budget (2004/2005 to 2008/2009) Source: Water and Environment Sector Performance Report 2009



It is easy to share the concerns expressed in the 2008 SPR: ‘There is concern that funding within the sector ceiling is insufficient to meet the national PEAP target of safe water supply coverage. While the sector allocations have decreased rather than increased as envisaged in the PEAP, there are escalating demands for services due to increasing population growth, newly created Districts and persistent dry spells. Further, it has been noted that the external support to the water and sanitation sector that is provided through earmarked budget support is not always translated into additional funds for the sector due to the imposed sector ceilings.’⁵⁴ It should be noted that resource allocations at this level are purely made by Government, so they need to be seen as expressions of real Government priorities.

In the 2008 SPR, the following mitigating measures are noted: ‘To mitigate this situation, the sector has introduced a number of measures to i) improve the cost effectiveness of the service delivery mechanism, ii) improve functionality of water points and, iii) encourage greater investment from the private sector, beneficiary community and NGOs (in an effort to reduce the financial burden on GoU coffers). However, even if these measures are undertaken, the current GoU funding to the sector is grossly inadequate if the PEAP targets are to be met. In the updated and consolidated Sector Investment Plan (SIP), sub sector targets will be linked directly to available funding level and thereby to the indicators.’⁵⁵

When the reduction of sector allocations started, the sector suffered from low expenditure rates and low value for money on investments, especially in centrally run projects. Since then, especially from 2006/07, expenditure levels have increased across the board, in absolute as well as relative terms. The golden indicators include per capita costs for RWSS and small towns. In RWSS, per capita costs were 7% above target in 2007/08 as compared to being 5% below target in

⁵⁴ Water and Sanitation Performance Report 2008, page 22

⁵⁵ Water and Sanitation Performance Report 2008, page 22

2006/07. The rise in 2007/08 is explained by relatively high investment costs in northern Uganda and greater allocations to capacity development. In the longer term, and unless special measures are taken now, it is likely that per capita costs in RWSS will tend to increase, rather than decrease, as the easiest and cheapest improvements are made first. Corrective measures could include the setting of targets to reduce per capita costs, as a way of stimulating cost efficiency and the use of most appropriate technologies.

In small towns, per capita costs were less favourable in 2007/08, being 25% above target.

Based on these statistics, and assuming that per capita targets have been set at reasonable levels, it appears that the cost situation in RWSS is under control. Thus, high average costs no longer provide any argument for keeping CG allocations low. On the contrary, experience from 2006/07, when RWSS absorbed a 30% increase in expenditure, indicates that there is a potential to channel more money through the DWSCG system. A high DWSCG expenditure rate is not surprising, since there are a great number of districts, each one of which is likely to have good project proposals that outstrip the allocated CG funds. The districts will always find use of the money allocated to them, unless severe disruptions in terms of late or inadequate releases make timely utilisation impossible. To the extent that concerns remain about value for money, the remedy should be better guidance and control, rather than reductions in allocations. As shown elsewhere, the new TSU structure should be a useful tool in this regard.

DWSCG funds are the ones with the greatest potential to quickly reach the rural population where the majority of poor Ugandans are found. By extension, it is money that has special leverage on poverty alleviation. Still, RWSS allocations remained un-proportionally low throughout the 2005 – 2008 period: in these years, conditional grant allocations were 19, 19, 28% and 36% of total sector allocations, respectively, but DWSCG expenditures have never risen above 30% of total sector expenditure. With 80 % of the population living in rural areas, these figures are disproportionately low. Rapidly increased allocations to RWSS through conditional grants are motivated and should continue to be called for in the dialogue between Government and development partners.

A 2008 tracking study showed that centrally run projects perform less satisfactorily than projects that are closely linked to local government structures. This is evidenced in SPR statistics that indicates relatively low utilisation rates for centrally run RWSS projects. Previously the same applied to small towns. The establishment of a Water and Sanitation Development Fund (WSDF) should contribute substantially to smooth and timely implementation of such larger investment projects, which so far have not had any proper funding channel. The WSDF is already operational in South Western Uganda and was launched for Northern Uganda in September 2008. It should also be noted that the WSDF apparently was set up earlier than what was envisaged during JWSSPS preparations, which is a positive sign of improved responsiveness to the sector's institutional needs.

Good governance and cost effectiveness

Audits and tracking studies – such as in 2008 – indicate that the sector still could improve its performance in terms of accountability and returns on investments. Furthermore, a 2007 fiduciary risk analysis of the sector pointed to high fiduciary risks within government structures, not the least at local government level. There is also a prior history of mismanagement of 2001 – 2002 Sida funds, as well as of early allocations to the Joint Partnership Fund.

Measures that have been taken to improve transparency and accountability include the preparation of an action plan for anti-corruption measures. In November 2006 the WSSWG approved the Good Governance Sub Sector Working Group with a coordinative and overseeing role. In an update on the Anti-corruption Action Plan in 2008, a review of progress is made. Measures that have been taken include greater transparency about allocation criteria and actual allocations, as well as improved criteria to guide allocations, e.g. improved criteria for allocations within and between districts. Furthermore, criteria have been developed by WSDF for accessing the Rural Growth Centres Fund. There is also a Sector Finance Thematic Team (SFTT) which has developed criteria for vetting new projects and proposals to ensure enhanced value for money in investments. Various measures have also been taken to improve procurement procedures and strengthen corrective action when accountability problems occur.

Technical Support Units (TSUs) were originally created to enhance capacity at district level. They have now become permanent features in DWD, and appear to act as intermediaries between the centre and local governments: they attend monthly meetings at DWD and each TSU holds bi-annual meetings where both district and centre staff participates. Also, according to the update on the Anti-corruption Action Plan, the supervision aspect of TSU work is to be strengthened.⁵⁶

Comments and analysis.

The section on sector funding indicates that districts and local governments have the capacity to use increased allocations, while the FRA indicates that fiduciary risks are particularly high at these levels. Since there are no real alternatives to using local government structures (either through direct annual district conditional grants or through funding intermediaries, such as WSDF), the emphasis will have to be on improved governance and accountability at local government level. The JWSSPS programme document contains ambitious measures for audits and capacity development in financial management and internal auditing. Experience from other programmes indicate that the implementation of such measures require special and continuous follow-up. The Good Governance Working Group (GGWG) has a crucial role in making sure this happens.

Regular controls / audits, publicity of results and effective corrective action are key actions to improve transparency and financial discipline, but need to be supplemented by action to strengthen the support and

⁵⁶ Sources in this section include 'Update on Anti-corruption Action Plan', Sept 2008; and Minutes from the Good Governance Working Group Meeting, 24 September 2008

involvement of users / clients. Allocation criteria that users / clients know about and find acceptable, as well as improved information about actual allocations, are important to strengthen the role of communities. The steps that have already been taken to improve criteria and enhance transparency are positive developments, as are the roles of structures like the SFTT, WSDF and TSUs in setting standards and providing supervision. Notes from GGWG meetings show that there are many other initiatives, by Government and other actors, to strengthen accountability and fight corruption.⁵⁷

The fact that financial performance and anti-corruption measures are now discussed in SPRs (starting with the 2008 SPR) is positive and is likely to help internalising such considerations in sector activities. Hopefully, distinct performance indicators relating to good governance will be developed and presented in SPRs to further underline the importance of these aspects – and make comparisons between different local governments possible.

A positive interpretation of the overall situation is that there are now structures in place that will be motivated to monitor that criteria are used as intended and also follow up on the actual utilisation of resources. The shift of TSU focus from capacity development to monitoring and supervision is a case in point: TSUs represent central level policy making and guidance and have access to consultative mechanisms to bring these messages and issues to the local government level. While these are positive developments, it should also be noted that the update on the Anti-corruption Action Plan still reveals great differences between the column ‘Proposed remedy’ and the column ‘Progress to date’: there are still a number of measures that remain to be taken. As is frequently the case, implementation is a major challenge, even though the real test will lie in forth-coming audits and tracking studies, which hopefully will reflect tangible progress already as from 2009.

MISMANAGEMENT OF SIDA FUNDS – A CASE STUDY

Some of the developments in Sida's support in the 2003 – 2007 period were not so positive. This is particularly so when it comes to the failure to have audits carried out on time, which resulted not only in great disruptions in programme implementation but also in personal difficulties for some of those involved.

This is in no way a defence of those who mismanaged resources, but it is an attempt to put the events into a perspective. We have seen that UNICEF's financial management in the 1990s was sharply criticised but cooperation with Sida continued, and we have seen that Sida was not strict on following up on formal requirements, such as annual audits, at the beginning of bilateral support. Neither did Sida react strongly when budget reallocations were made that had not been formally agreed upon. Sida must have appeared not to be strict on financial management issues.

But when mismanagement was finally detected, Sida reacted in an extremely strong and uncompromising way. This reaction was in strict accordance with Sida's rules, the details of which were hardly known to the counterpart, though. Sida requested – and got – compensation for lost funds, and legal procedures were initiated where necessary. Sida's reaction is likely to have been a total surprise to the Ugandan side, and even to other development partners (some of whom expressed concern). An institution that was known for its flexibility suddenly turned into steel without any compromise.

The whole exercise turned into something of a shock therapy, which people will remember for some time but which also resulted in damages to the programme and individuals. As is amply illustrated by the world's financial crisis, the effects of shock therapies do not last forever and the same is most probably true of Uganda's WSS sector.

So what are the lessons to learn? A first lesson is that Sida should be very upfront – on all occasions – with the rules that apply. A second lesson is simple in theory: financial management controls (both internal and external) must be regular features in any programme, and provision must be made both for control, follow-up and training, just as stated in the JWSSPS Programme Document. But practice is a different thing. Experience shows that unless financial control procedures are institutionalised in a very concrete way, they are likely to get low priority. The setting up of a 'special body, like the Good Governance Working Group (GGWG), as has now been done, is one way to help institutionalising these procedures. But the GGWG is only a help structure. Sustainable financial management will, in the end, only be achieved through strong and well-functioning internal and external control structures. Monitoring how the sector succeeds in getting access to such capacity is a key task, which will provide a litmus test of the earnestness with which financial management issues are treated in the sector.

Good governance and the Paris Declaration

The JWSSPS represents a definite move from project support towards sector budget support, but it is still a transitory arrangement, since it combines aligned and non-aligned elements. Still, the intention is clear – over the programme period, resources will increasingly be provided in accordance with GOU procedures. If all goes well, the role of development partners will increasingly focus on overall policy issues and sector performance monitoring.

This will not mean that development partners abdicate from their responsibilities towards their principles, i.e. their tax payers. These responsibilities include ensuring that contributions are used efficiently and in accordance with high standards of governance and accountability. In line with the Paris Declaration, the immediate burden of proof to ensure that things move in the right direction will lie with Government and will require much attention and resources for improved planning, implementation and follow-up. Overall sector performance monitoring is already in place through the annual Sector Performance Reports, but these reports need to be further refined when it comes to good governance and financial management. The JWSSPS Pro-

gramme Document contains specific measures to strengthen accountability and financial management. Successful implementation of these measures, combined with visible improvements in financial management and value for money, should be key indicators of Programme success.

Sector budget support does not only affect the cooperation partner. Development partners who have agreed to fully support the JWSSPS must, as well, be prepared to play by the new rules and give up specific bilateral arrangements, even in sensitive areas, such as auditing, the procurement of goods and services, and the provision of technical assistance. The JWSSPS will be a test not only to Government but also to development partners.

The JWSSPS provides great opportunities to accelerate progress, but there are also substantial risks that the move towards sector budget support will be halted, or even reversed. The risks include:

- a) Failure by Government to strengthen its administrative and financial systems sufficiently for them to become attractive alternatives to bypass solutions. During the preparations of the JWSSPS it became evident that many Ugandan institutions fear to be dependent on Government procedures, since they do not trust that resources will be forthcoming as and when required. Apparently, JPR solutions are still preferred to Government's ordinary budget system, even to an extent that allocations have been shifted to the JPR modality. This indicates that central Government is still far from solving its internal shortcomings.
- b) Failure to apply sufficient standards of accountability and financial management, which risks to lead to withdrawal by development partners (and reduced allocations in the internal budget). Keeping up to these standards is primarily a Government responsibility. Still, it is a joint responsibility by Government and development partners to ensure that capacity development and other support and/or activities, as envisaged in the JWSSPS Programme Document, are actually undertaken. The Good Governance Working Group will have a major role to play in ensuring that these steps are taken.
- c) Risks that both Government and development partners find it easier to fall back on old-time projects solutions, instead of making the extra effort to break new ground (or rather re-plough old ground) to make the sector approach work.

Comments and analysis

The JWSSPS document is consistently in favour of using ordinary Government financial modalities with allocations and disbursements through the Treasury. But this will only work if other Government agencies have full confidence in the system and see it as a preferred option. If they do not, they are likely to insist on by-pass solutions, as seems to be the case in Uganda. Alignment to government systems falls back on the Paris Declaration and similar protocols, which are two-sided. Development partners are to align their contributions but it is equally important that governments make their systems work. For suc-

successful implementation of JWSSPS, these matters need to be closely followed in the dialogue between Government and development partners.

Adherence to SWAP principles and the Paris Agenda is not only a question of establishing and using new formal systems and procedures. It is as much an issue of cultural rethinking and change of attitudes. Such changes do not come overnight, but need to be gained in a gradual process of acquiring new knowledge and experience. The SWAP consultative arrangements provide excellent opportunities to handle such issues but so far these opportunities have not been used in systematic ways.

4.2.4 Subsectors

The subsector descriptions below represent the author's understanding of opportunities and challenges, as reflected in documents available to this study.

Water Resources Management

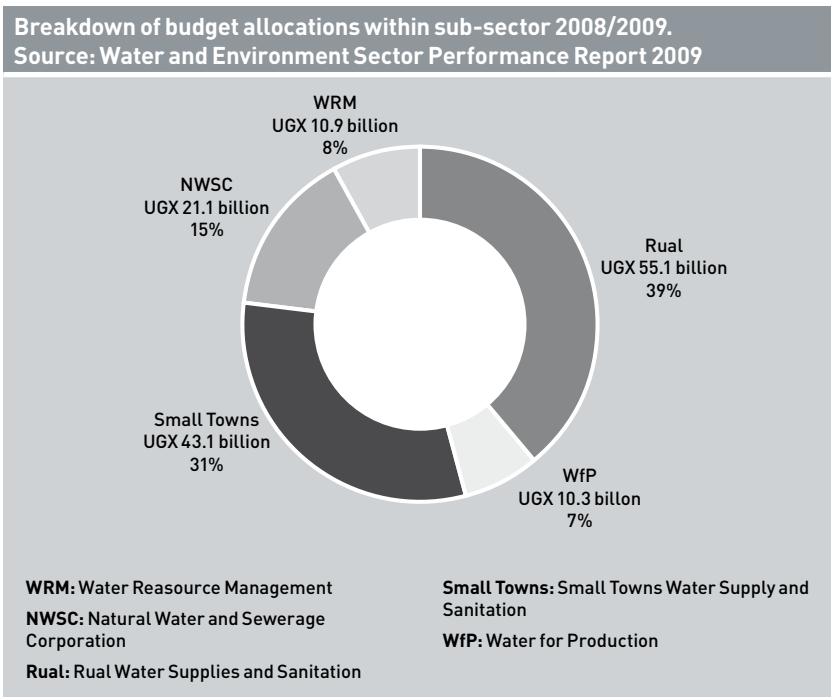
With the possible exception of trans-boundary water issues (foremost the Nile Basin Initiative, NBI), water resources management previously did not receive much attention. As noted earlier, general developments call for a determined approach. The upgrading of the largely ineffective Water Resources Department to a Directorate could be a significant step in this direction. Still, the Directorate of Water Resources Management (DWRM) is new and untested and has – according to documents available to this study – not yet been fully staffed and equipped. The catchment- and stakeholder-based working approach adopted by DWRM is promising but is still in its pilot phase, which means that it will take time before the approach could be rolled out and have significance nation-wide.

In previous years, resource allocations to WRM were rather stagnant but with great variations between years, especially in 2005/06 when allocations were halved as compared to 2004/05. The normal level has been 4–5% of total sector allocations. According to the MPS for 2008/09, allocations will be raised by 28%, thus increasing the share of sector allocations to some 7%.⁵⁸

Comments and analysis.

Given the challenges at hand, DWRM needs distinct political and administrative support. Furthermore, it needs to have sufficient authority to act with integrity, as well as enough resources for it to jumpstart its operations. The increase indicated in the MPS is a sign that the subsector actually gets some higher priority.

A high-profile leadership with the authority to run DWRM according to modern management principles is likely to be required for the institution to make any tangible impact in the foreseeable future.



Rural Water Supply and Sanitation (RWSS)

The RWSS subsector has the longest experiences of decentralisation, experiences that could be used by other subsectors when they embark on decentralisation.⁵⁹ For example, it seems that the centre (DWD's RWSS Department) has reached far in focussing on policy-making, guidance and monitoring, rather than implementation. As a result, RWSS has reached comparatively far in developing guidelines relating to gender, equity and community involvement. Furthermore, there is an increasing willingness at policy level to work with alternative technologies, promote small-scale private entrepreneurs and cooperate with civil society. But these policy improvements will only have impact when understood and implemented in practice by local governments, which has not happened yet.

Allocations to DWSCG increased from a level of 19% of sector allocations in 2004/05 – 2005/06 via 28% in 2006/07 to reach 36% in 2007/08. In the same period, allocations to central rural projects fell, from 15% in 2004/05 to 8% in 2007/08 but were even lower in 2005/06 (3%) and 2006/07 (6%). The same pattern emerges when allocations in shillings are compared: the allocation in shilling for DWSCG in 2007/08 was 54% higher than in 2004/05 while the corresponding figure for central projects was -58%. The combined effect of these changes is discouraging: in comparison to 2004/05, combined allocations were 34% lower in 2005/06 and 6% lower in 2006/07. By 2007/08 there was some improvement, but allocations in that year were only 4% higher than in 2004/05. If inflation is considered, it is obvious that overall allocations for the rural subsector have fallen quite drastically in real terms in this four-year period.

⁵⁹ Agreed Minutes – the 5th GOU – Development Partners Joint Technical Review of the Water and Sanitation Sector (JTR 2008); 31st March – 3rd April 2008, p.5

Comments and analysis.

The above figures show that the RWSS subsector is no longer a priority undertaking in Uganda, which is contrary to official policy and recommendations to increase RWSS allocations as a prime tool in poverty reduction. There are positive signs: i) there is a shift towards increased relative allocations to DWSCG, which should be positive from a poverty reduction point of view, and ii) there are indications that policy guidelines, including improved governance, are increasingly being disseminated to the district level. But the overall picture is distressing, since allocations to the subsector obviously are falling in real terms, in spite of rapid population growth and other challenges to the sustainable provision of water. Improved allocation principles and better performance in other respects will only have marginal impact, if resources for implementation are inadequate.

It would be reasonable if the subsector's reported efforts to strengthen performance were met by increases in resources to give districts a chance of making a noticeable difference to rural people in their areas. All actors with a special interest in poverty reduction, including development partners, need to consider how these aspects should be reflected in their dialogue with Government.

Urban water supply and sanitation

The urban, or rather, small town subsector faces challenges similar to RWSS in meeting the needs of a rapidly expanding population. This is particularly so in the case of sanitation and sewerage where almost nothing has been done to date. There are also challenges in ensuring that private operators provide adequate services to the population, not the least to the poorest segments of the population. It appears that the subsector has not yet developed specific policies as to how this should be done (as evidenced by the lack of references to the subsector in the equity section of the 2008 SPR). Institutionally, ways need to be found to discontinue the current central funding procedures in favour of a system that is closer to local governments, for example through a nationwide roll-out of the WSDF. According to the draft report of a 2008 tracking study, a more decentralised approach should result in improved cost efficiency in planning and implementation.

Allocations to small towns have been in the range of 20 – 25% of total sector allocations in the 2004/05 – 2007/08 period. In terms of shilling allocations there is a fall of 2% between 2004/05 and 2007/08, but expenditure has doubled in the same period as implementation rates have improved. Small towns are only part of the urban subsector. Very substantial investments have been made in large towns, which fall under NWSC and are loan-financed with allocations that fall outside the sector's normal budget ceilings. In the first three years, allocations for large towns ranged between 35 and 45% of total sector allocations but fell to 13% in 2007/08. If small and large towns are combined, their share of total sector allocations ranged between 53 and 70% in the first three years, but fell to 36% in 2007/08. The corresponding figures for expenditure indicate that on average about half of all expenditure was for the urban sector in the last four years.

Through cooperation with Austria, major steps have been taken to establish improved structures for sustainable provision of water and sanitation in small towns, based on a long term development effort in South Western Uganda. The WSDF is one of the institutional outcomes of this effort.

Comments and analysis.

It is clear that there has been – and still is – a disproportionate bias in favour of investments in urban areas. Documentation on poverty reduction in urban areas is not the focus of this study, but it appears that much still needs to be done to strengthen these aspects in the urban sector, through pro-poor tariffs and other pro-poor measures, as well as investments that benefit slum dwellers and other poor urban people, not the least through improved sanitation.

Sanitation

Sanitation is an example of a subsector, where conditions have changed rapidly, which adds to the challenges in coping with today's situation. This is how the situation was described with reference to assessments in RUWASA and WES in 1999 – a situation that clearly does not apply today:

When it comes to sanitation, acceptance and demand were reported to be substantially lower than in the case of water. In many areas, people felt that there was an abundance of space available so they did not feel motivated to invest in latrines. In some pastoralist and fishing communities, traditional beliefs stood in the way of latrine utilisation. Also, the latrines prescribed in regulations were seen as expensive and not always suited to local circumstances. It was not uncommon that sanitation coverage and utilisation drop as soon as external support to the service ends.⁶⁰

It is not strange that challenges on the ground are great when it comes to general sanitation awareness. Acute problems are there in school sanitation (rapidly increasing numbers of pupils per stand) and small towns / rural growth centres (where sanitary services are lacking except for scattered public latrines). Also in Northern Uganda, special attention – and extra resources – will be required for sanitation purposes.

Ecological sanitation (ECOSAN) is an environmentally friendly and potentially income-creating technology that was introduced in South-Western Uganda through Austrian support but also promoted at a general level through the Sida-supported programmes, and now JWSSPS. Furthermore, Sweden supported pilot ECOSAN activities in Kampala through its support to the Lake Victoria Development Programme (LVDP).

The institutional 'home' of sanitation was a recurring point of discussion at the early JPRs and JTRs. Significant progress in sorting out the institutional arrangements was only made when a sanitation sub-sector working group was set up. Since then, affected ministries have agreed on a Memorandum of Understanding between the ministries involved (primarily water, education and health). Furthermore, a separate funding channel through a sanitation conditional grant has been created.

⁶⁰ Source: Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000 Final Report

Comments and analysis.

Proponents of sanitation face an uphill task in Uganda, where sanitation issues have been low on people's agenda. But circumstances are changing quickly and the needs of active sanitation promotion – and tangible investments – are greater than ever before. It will be a challenge to the sector to lead – rather than follow – this process. 'Polls' at mid 2000s JSRs showed that JSR participants were MUCH more aware of the need of specific sanitation promotion than were the specific sector sanitation actors, as presented in JSR background documents. The sector is lucky if the general public's awareness of necessary sanitation improvements are ahead of Government's ambitions but it is not likely that this is the general case and very great challenges lie ahead for MWE and associated ministries to lead / promote awareness campaigns. ECOSAN initiatives are likely to increase in importance, since they not only solve groundwater problems associated with VIP latrines but also provide fertilisers for improved agriculture. Still, major awareness and acceptance problems need to be overcome.

Northern Uganda

Northern Uganda represents a special case, due to its history of conflict and civil strife. It can be noted that special measures are now taken through the Peace, Recovery and Development Plan (PRDP) for Northern Uganda aiming at raising low service levels both for IDPs who return home, and for those who remain in IDP camps.

Comments and analysis.

Experience shows that ownership and sustainability are particularly difficult in post-conflict periods, when emphasis is easily shifted towards rapid construction, rather than extensive community mobilisation. Learning from these experiences, every effort should be made to address issues related to gender, equity and ownership of the installations. Sanitation aspects need to be integrated in all interventions.

The extension of the services of the WSDF to northern Uganda as from September 2008 should facilitate major investments, including appropriate allocations for mobilisation and other socio-economic measures that form part of the criteria provided by the WSDF.

Water for Production

In Water for Production, progress was made in 2008 in developing participatory tools for the sustainable development of facilities. This marks a positive development, since mobilisation and participation previously were weak aspects in the subsector. Since many investments will be major, the subsector has the same need of an appropriate funding mechanism for larger-scale projects as has the small towns subsector and it is to be hoped that the subsector will also benefit from the establishment of the WSDF.

Historically, allocations to the water for production subsector have been low, some 2 – 3 % of sector allocations. This was in the period when subsector strategies and working methods were developed. In 2006/07 the subsector's share increased to 5% only to jump to 11% in 2007/08, which means a doubling of the subsector's allocations between 2004/05 and 2007/08 - and a tripling of expenditures in the same period.

Comments and analysis.

Water for Production represents a subsector with high priority and should be worth following, especially when it comes to gender, equity and community involvement where it apparently remains weak. Historically, the WfP subsector worked with a supply-driven approach with little consideration of social aspects, in particular gender aspects. The subsector's poor performance in presenting gender and equity data in the 2008 SPF indicates that these problems are far from solved.

The sector needs to work actively with overcoming historical shortcomings relating to socio-economic and other cross-cutting issues, for example by ensuring that the right competencies are recruited to lead the subsector's development. Thus, while the implementation framework should be decentralised, there is great need for DWD/WfP to ensure that gender, mobilisation and equity aspects are genuinely considered both in policy development and in the dissemination of WfP promotional messages to local authorities / users.

4.2.5 The private sector

In the 1980s and 1990s, private sector participation in the RWSS subsector was virtually non-existent. In the UNICEF-supported projects, equipment and materials were provided through UNICEF's centralised structures. The 1994 Review team considered this system unsustainable and argued that local and regional competition should be introduced, even if it initially might lead to higher prices.⁶¹

By 1998, the formal situation had changed. Implementation was to be performed by the private sector under the supervision of the public sector. The 1998 evaluation team noted a number of challenges: i) the new policies imply major changes, which necessarily take time; ii) there was a severe lag in the private sector's capacity to provide quality and timely services; and iii) districts lacked the necessary capacities to tender for and procure services, plus supervise contractors.⁶²

In line with the new policy and legal frameworks, the private sector by 2000 was seen as a major element in the sector's development: 'GoU is firmly committed to the privatisation process. Involvement of the private sector, which is considered to represent a viable resource for design, construction, operation, maintenance, training, capacity-building and commercial services shall be promoted. The private sector is also being considered to mobilise resources and financing for subsector development and the ongoing Water Sector Reform studies.'⁶³

Since then, the private sector has strengthened its role, much in line with the approach outlined in the quoted proposal to Sida. In addition, there are initiatives to involve the private sector in overcoming old problems such as pump spare part supply, through the Supply Chains

61 Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda, Sept 1994, p. 104

62 The Water and Environmental Sanitation Programme, WES, in Uganda; Sida Evaluation 98/28, p. 15

63 Proposal for Sida support to Rural Water Supply and Sanitation (2001 – 2006); June 2000, p.10

Initiative.⁶⁴ Furthermore, many urban schemes are operated by the private sector, and efforts are made to involve local entrepreneurs in the production of simple and affordable equipment for small scale water supply and sanitation.

Comments and analysis

After decentralisation, the WSS activities became more interesting to the private sector, for consultancy work as well as construction. Private entrepreneurs also have important roles as operators of urban schemes. The recent focus on small scale suppliers / producers of products and services for the local market is a promising development, not the least from a poverty reduction point of view. Suitable products are there for both water supply and sanitation, but it is likely that large-scale training and promotion will be required if these products are to have more than marginal impact.

Previous field visits indicate that corruption, in the form of request from officials for kick-backs, is a problem to some entrepreneurs. This matter should be observed in the sector's anti-corruption work.

In the 2008 SPR, an ambition is expressed to increase funding by the private sector and civil society, but it is not likely that such contributions will be of tangible impact at sector level.

4.2.6 Civil society

Already in the WATSAN programme, systematic efforts were made to involve civil society in programme activities. Non-governmental organisations were members of District Management Committees and they were expected to integrate their activities with those of the districts, even to the extent of paying their contributions into the district accounts (which created concern among the organisations).⁶⁵

In the JWSSPS Programme Document, the role of civil society is described as follows: 'NGOs and CBOs play an important role in the water and sanitation sector as providers of both hard ware (construction) and software (community mobilisation, hygiene education, training in O&M, etc) aspects of water and sanitation. They are instrumental in promoting community participation and in monitoring of resource allocation across sub-counties and within the district. They also interact closely with users and often support communities as "honest brokers" to the local and central governments. The GoU is increasingly recognising and supporting the contributions and involvement of the private sector and civil society organisations to the sector, as demonstrated in the MoU signed between the MWLE and UWASNET (Uganda Water and Sanitation NGO Network - the umbrella organization that coordinates about 150 sector NGOs) in 2003.'⁶⁶

Comments and analysis

In the mid-1990s, interviews and discussions revealed some tension and lack of understanding between civil society and government representa-

64 Technical Assistance within the Uganda-Sweden Rural Water and Sanitation Programme 2003-2008; Final Consultancy Report; April 2008, p. 23

65 Review of the Sida/CIDA Support to the Water and Sanitation Sector in Uganda, Sept 1994, p. 76f

66 Joint Water and Sanitation Sector Programme Support (2008 – 2012) Programme Document; Annex A7, p. 30

tives. As a result of policy changes and – perhaps even more importantly – improved consultation mechanisms, there now appears to be an atmosphere of greater mutual understanding and acceptance. The existence of UWASNET as an umbrella organisation has been important for these positive developments. If the positive trends continue, civil society has the potential of increasing its contributions to the sector, as mobilisation agents, funders, and – not the least - as ‘honest brokers’ or ‘watchdogs’ with a special role to help clients / users get the best possible value for money.

4.3 Institutional framework

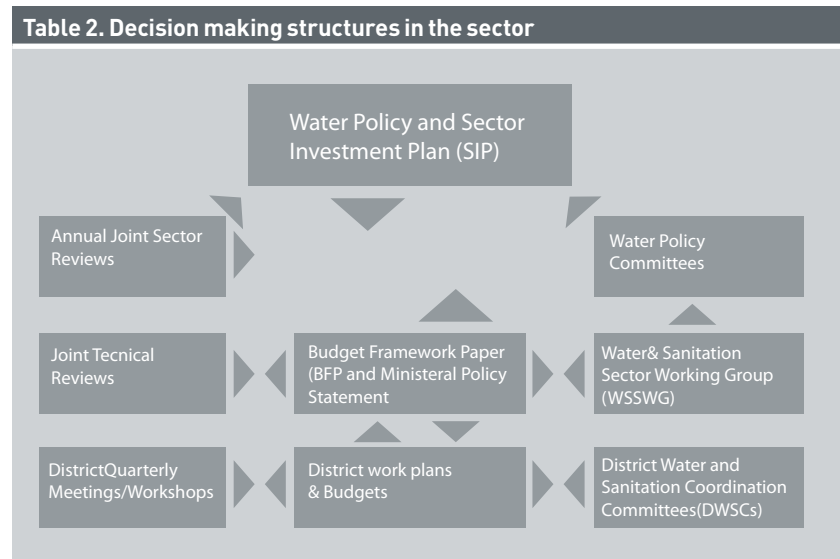
4.3.1 Organisation and coordination of the sector

The formal organisation of the sector is as follows:⁶⁷

- a) The Ministry of Water and Environment (MWE) is the lead agent with responsibility for national policies, standards and priorities for water development and management, as well as monitoring & evaluating sector development. MWE is supported by two directorates, the Directorate of Water Resources Management (DWRM), which was established in 2007 with a mandate to manage and regulate water resources in the country, and the Directorate of Water Development (DWD) with a mandate to technically oversee the planning, provision, management and supervision of WSS service delivery nationally. It also provides support to districts and service providers. There is also a National Water and Sewerage Corporation (NWSC), which is a parastatal and semi-autonomous institution providing water and sewerage services to 22 large towns in Uganda
- b) The Ministry of Health (MOH), which is responsible for household sanitation and hygiene.
- c) Ministry of Education and Sports (MOES), which is responsible for hygiene education, school sanitation and hand washing campaigns.
- e) Ministry of Gender, Labour and Social Development (MoGLSD), which is responsible for gender and other aspects of community mobilisation.
- f) Ministry of Local Government, which is responsible for coordination and support in relation to local governments.
- g) Local Governments/Districts, which are empowered by the Local Governments Act (1997) to provide water services and grant funding (so-called conditional grants or DWSCG) to implement rural and small town schemes. They may also mobilise local resources and should encourage District Water and Sanitation Committees to be established.
- h) Private operators, NGOs, CBOs, which are responsible for service delivery depending on the size and technical design of a scheme

⁶⁷ Main source: Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; December 2007, p. 8

Decision-making and coordinative structures are illustrated in the following figure:⁶⁸



Long term developments are to be guided by the Water Policy and Sector Investment Plan (SIP), which is interpreted at an annual basis in Budget Framework Papers (BFP) and Ministerial Policy Statements (MPS). An overall SIP for the water sector remains to be developed. At the local government level, the intentions of the SIP and BFP are translated into annual District Work Plans and Budgets. Efforts are made to create a bottom-up approach through district meetings / workshops but also to improve horizontal coordination through District Water and Sanitation Coordination Committees (DWSCs). Annual Joint Technical Reviews (JTRs) and annual Joint Sector Reviews (JSRs) are instruments to follow-up and monitor overall sector performance and to provide further guidance in sector development. Of these, the JSRs are of particular importance, since they allow a wide representation of sector stakeholders to make their assessments and provide views on future developments. The JSRs are public events and serve to allow the general public to put forward their experiences and views. For a few years, 2005 – 2007, there was also a General Assembly with even greater emphasis on public involvement.

Normative and policy-oriented decisions fall under the Water Policy Committee (WPC), which consists of the Permanent Secretaries of a number of central ministries. The Water Policy Committee is a statutory body according to the Water Statute but has so far not been effective, in spite of repeated calls for its revitalisation, e.g. at the 2008 JTR.

The Water and Sanitation Working Group (WSSWG) is a body that should meet at least quarterly. It forms part of a formalised system for interaction between Government institutions and other stakeholders. It is chaired by the PS/MWE and has a wide representation of stakeholders, including civil society and development partners. The WSSWG

68 Sida Memo: Joint Water and Sanitation Sector Programme Support (JWSSPS) in Uganda 2008-2012; p. 9

provides policy and technical guidance for the sector and also has important roles in decisions on and follow-up of sector undertakings that are linked to access to poverty reduction funds. Furthermore, the WSSWG approves annual work plans and budgets for the entire MWE before they are submitted to the Ministry of Finance and Economic Development (MFPED). Several subsector working groups have been established: for Water for Production (WfP); Sanitation; Good Governance; and for Sector Performance Review. These subsector working groups report to the WSSWG

In the 2007 JSR a new topic, Adaptation to climate change, is introduced with the aim of harmonising the understanding of climate change among the various sectors. The JSR recommended development of a coordinated institutional capacity to address impacts of climate change / variability.⁶⁹

Comments and analysis

Unlike the situation in the beginning of the century, the sector now has an elaborate and well-established structure, including a refined system for coordination and collaboration through the WSSWG and JSRs/JTRs. These structures have been developed concurrently with the move towards a sector-wide approach and sector budget support.

The WSSWG and its sub-working groups are fora for interaction among many stakeholders, not only between the Ministry and development partners. The WSSWG involvement in approving annual work plans and budgets potentially makes it influential, but frequently the budgets are presented too late in the WSSWG for any substantial input. While the WSSWG and its subgroups have potentials in the guidance of the sector (if well used), they also represent risks of micromanagement and undue interference with implementing agencies (not the least from development partners). The working groups are also big, with wide and diverse representation, which could be a virtue on its own, but also risks to lead to ineffective and non-conclusive proceedings. After some years of experience, there could now be reason to review their formats and mandates to ensure that they contribute in an optimal way to sector developments.

It is encouraging that JSRs / JTRs reportedly are held with less and less development partner involvement – it seems that the Ministry and its associates find them useful to their own management of the sector. The same can be said about the WSSWG, even though some observers state that development partners still frequently are the ones to take the initiative to ensure that meetings are held.

The non-functional WPC, on the other hand, represents failure. Formally, it is the ultimate forum for sector guidance, but in practice it is not contributing, since it does not meet. This non-performance is not new but has been noted in various reports and meetings since 2000. Still, the sector is in dire need of getting out of its current low-priority status and needs a forceful advocate at the highest levels of government,

⁶⁹ The 7th GOU/Development Partners Joint Sector Review of the Water and Sanitation Sector, p. 5f

advocating both for more resources and stricter adherence to laid-down policies, e.g. as regards water resources management, gender, equity and user contributions. Given the bad experience of the current WPC, the Ministry would be wise to seek having the current committee abolished and replaced with a new structure where participants will feel that their involvement makes a difference. This is not the place to speculate what such a structure would look like, but it is quite obvious that the need of it is there. It is also quite obvious that the Ministry's top management will need to take the lead to have any changes implemented, since they require changes to the legal framework.

4.3.2 Institutional framework at the centre

Adequate policy and legal frameworks for the sector were basically established in the late 1990s. Major institutional reforms, in particular decentralisation, were decided upon at the same time. Since then, implementation of the new policies and structures has been on the agenda. However, there has been repeated concern in various documents and sector meetings that implementation generally has been slow and patchy. Recent progress relating to WRM has been reported above. In other subsectors, centralised pre-reform structures have been long-lived, with the major exception of Rural Water and Sanitation (RWSS), where most – but far from all – of the funding and implementation responsibilities were decentralised to the districts as early as 2001.

Decentralisation of RWSS had major institutional implications. Affected central government structures, in particular the line ministries, lost direct control of resources and physical implementation. These roles were instead taken over by local governments which became new centres of authority and responsibility. Prior to decentralisation, the Directorate of Water Development, DWD, held an undisputed lead agency role and was key in the control of resources for implementation. With decentralisation, DWD's roles shifted to policy-making, support, monitoring, and regulation. In the case of RWSS, the shift was both early and rapid, and DWD was not well prepared to meet the implications, which – among other things – included a shift from a technical and engineering implementation outfit to a structure that would give the sector guidance in terms of poverty reduction, equity, community mobilisation and appropriate technologies.

Comments and analysis.

Limited reforms of the Ministry and DWD were initiated in 2001 but were implemented slowly and haphazardly, in spite of frequent calls for rapid implementation by development partners and others.

It is telling that as much as 65% of sector funds are still handled by central government and only 35% by local government, according to the 2008 SPR. Even today, a number of pre-reform centralised activities are undertaken at the centre, not the least when it comes to small towns and water for production. These are all indications that the reform agenda has not yet had full impact at the central level.

Determined action will be required to ensure that the gains of decentralisation materialise – and that the centre becomes fully operational in its new, non-implementing roles. The current DWD structure was

developed some years ago and may need to be reviewed to ensure that it is optimal in relation to current challenges and needs.

4.3.3 Institutional framework at local government level

Implications of decentralisation at the local government level were great, as well. The authority and responsibilities of local governments grew, as did the resources that passed through them for implementation through the involvement of users and the private sector. In the early 2000s, local authorities were weak and unprepared. Value for money audits and tracking studies indicated severe resource management problems. In the wake of the rapid decentralisation, performance in terms of coverage and value for money deteriorated. Since then, a great number of measures have been taken to streamline operations and increase capacity among local governments. For the WSS sector, temporary Technical Support Units have played important roles in this respect, which is evidenced by the fact that they are now becoming permanent support functions within DWD.

In recent years, many new district local governments were created (from 36 in 2001 to 80 in 2008), which improved outreach to poorly served areas but also weakened capacity in individual districts. Still, even after the creation of new districts, districts are comparatively big entities from the perspective of an individual family or user. In the years to come, there is a major challenge for WSS interventions to increasingly reach the sub-county and parish levels, not the least to reduce existing disparities in service provision within districts. As noted above, improved allocation formula and greater transparency about allocations will be essential in this process, but need to be backed up with increased resource allocations.

As amply illustrated in the 2008 SPR, districts enjoy a great deal of freedom in the utilisation of funds allocated to them, and they occasionally decide to redistribute funds against the intentions of central government.⁷⁰ The fact that local governments stand on their own and serve a number of sectors also creates complications in other respects, since line ministries do not have jurisdiction at sector level in the districts. For example, when financial management problems occur, line ministry cannot intervene directly but rely on other central bodies that are responsible for follow-up and corrective action. The only alternative for line ministries is to rely on indirect action, such as providing resources for studies, e.g. value for money audits. The reliance on other central bodies requires networking. In the early years of decentralisation, MWE was not good at such networking, which left audit queries unaddressed, but indications are that there has been some improvement of late.⁷¹ These are matters that the Good Governance Subsector Group should have high on its agenda.

Comments and analysis.

Decentralisation to districts was a major reform in the 1995 Constitution. In the water and sanitation sector, decentralisation was first imple-

Datsun vs Range Rover

A metaphor may help in illustrating the difference between a traditional government outfit and a modern one. The traditional outfit, which applies to DWRM and DWD, could be likened to a 1975 Datsun car without its own spare wheel and jack, and the modern one, which applies to the National Water and Sewerage Corporation, could be likened to a fully equipped 2008 Range Rover:

The issue is whether a skilled driver of the Datsun (a car-make that disappeared in the 1970s) can match an equally skilled driver of the Range Rover? Thus, can the manager of an institution without authority to make decisions on vital aspects of management be expected to match an equally skilled manager of an institution that is free to adjust its structure, staff composition, offer competitive salaries, and adjust its detailed budget to the requirements of a swiftly changing environment? Most people would say 'No' to both questions. But in the WSS sector the answer to the latter question so far is: 'Yes.' Still, the MWE Directorates are like Datsuns, i.e. they are outdated in structure and lack access to the management tools that are necessary to meet changing conditions. The National Water and Sewerage Corporation, on the other hand, has been granted semi-autonomous status and represents the opposite, the fully equipped 2008 Range Rover. For sure, the Range Rover driver can make fatal mistakes and miss the road, but if she/he is well trained and follows the rules, the equally good Datsun driver is very unlikely to win any competition between the two.

⁷⁰ Water and Sanitation Sector Performance Report 2008; p. 99

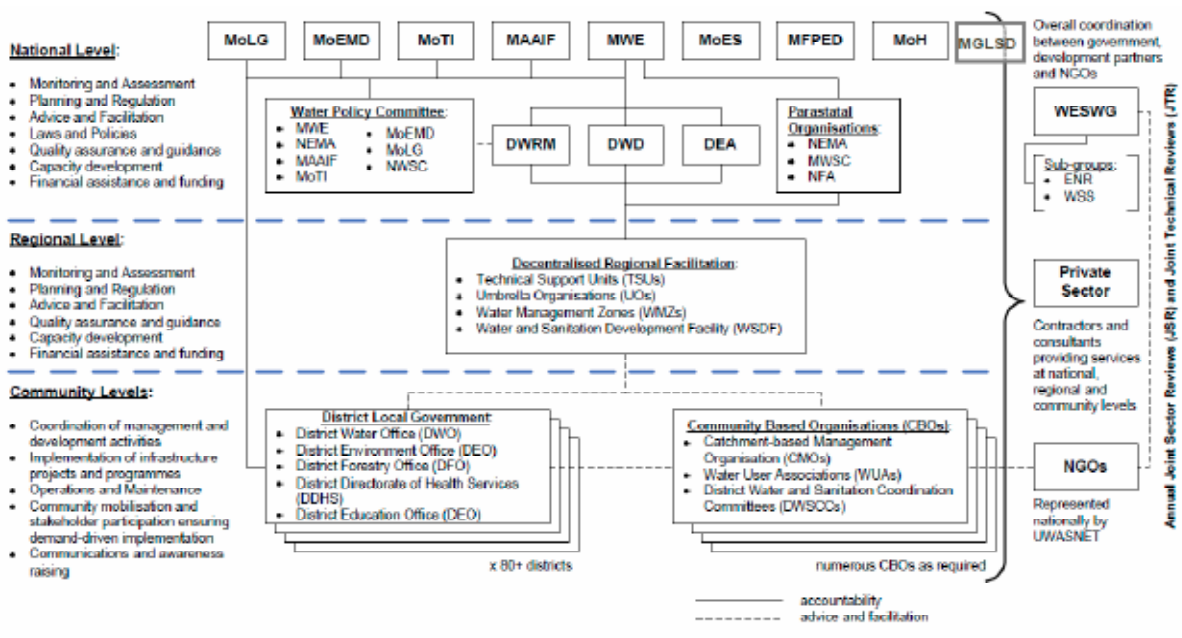
⁷¹ The complications relating to follow-up of audit queries at district level are not new but were identified as early as 2002. See, for example, Uganda – Sweden Rural Water Supply and Sanitation Programme (RWSSP): Final Report from a Regular Review Mission undertaken in April 2002; A.S.K. AB; 14th May 2002.

mented in (parts of) the RWSS subsector. Initially, the drastic reform created uncertainty and probably loss of momentum, but it also seems that it necessitated re-thinking and follow-up reforms. Fresh air was let into stale structures. It took time, though, before the centre adjusted to its new roles and there is still much to be done to ensure that districts pursue water and sanitation activities according to best practices.

Outside RWSS, pressure to decentralise was much lower and pre-reform practices continued. Even now, more than half of sector allocations are handled at the central level. It should be a priority to speed up decentralisation also in other subsectors than RWSS. The necessary conditions for such decentralisation should be created, which may require additional institutional reform, such as nation-wide roll-out of the WSDF as an intermediary to handle investments that do not fit into the annual district allocations for water and sanitation development. The MWE has a major role in leading this process and in initiating necessary processes of change in other parts of Government.

Good governance and improved transparency towards users / clients are other aspects that need to be pursued at all levels if sector performance is to be improved in tangible and sustainable ways. Again, these are areas where MWE has a leading role in ensuring that districts understand and actively promote the involvement of users / clients.

Water and Environment Sector Institutional Framework, July 2009



4.4 The reform process: assessment of opportunities and constraints

4.4.1 Characteristics of the reform process

Background

As noted above, reforms in Uganda’s water and sanitation sector have been on the agenda for a great number of years. In this section, an effort will be made to assess the opportunities and constraints of the reform process.

In 1995, Uganda got a new constitution, which, among other things, proclaimed a decentralised system, where much power was devolved to the districts, which became the basic unit in a system that “shall be such as to ensure that functions, powers and responsibilities are devolved and transferred from the Government to local government units in a coordinated manner”. Furthermore, “decentralisation shall be a principle applying to all levels of local government and in particular, from higher to lower local government units to ensure peoples’ participation and democratic control in decision making.”⁷²

The implementation of decentralisation as per the new constitution was a high priority task. The initiatives of the early 1990s to develop a water sector policy framework and modernise the legal framework should be seen in this perspective. As was noted earlier, these initiatives resulted in the Uganda Water Action Plan and the new Water Statute, both of 1995. This was at the same time as the enactment of the Decentralisation Act, closely followed by the Local Governments Act in 1997. These developments provided the framework for the subsequent water sector reforms.

In terms of implementation, efforts were made to introduce decentralised systems in on-going programmes – see, for example, the discussion on WES above – but these efforts proved insufficient. It was only when new structures, such as the Conditional Grant system with disbursements straight to districts, were put in place in 2000 – 2001 that any real change was possible.

But the WSS reform process was not limited to decentralisation. Based on the policy framework several sub-sector reform studies were undertaken. As expressed in the 2008 SPR: ‘The four water and sanitation sector reform studies were undertaken between 1999 and 2005 and completed at different times. Consequently, the respective sub sector investment plans were not coordinated. This led to fragmentation of sector investments..... As a result a process to review, update and consolidate the sub sector investment plans and align them with the current institutional set up is being undertaken.’⁷³

Comments and analysis

The 1995 Constitution and decentralisation were major contributions to reform. In addition, the sector has endeavoured to carry through internal subsector reforms as a way of adjusting to new conditions. It appears, however, that this reform process has not been given sufficient attention – and has not been brought to its conclusion. The reasons for this failure are not explicit in the documents available to this report, but should probably be sought in lack of interest and commitment by central Government bodies outside the sector, such as the Treasury and MoPS. Reform processes do not happen on their own and even ambitious sector initiatives will have limited impact unless they are followed up and supported at higher levels.

⁷² Both quotes are from the Constitution of the Republic of Uganda, 1995; Article 176 - Local government system

⁷³ Water and Sanitation Sector Performance Report 2008; p. 7.

District Water and Sanitation Conditional Grants, DWSCG

In 1998, Uganda was granted debt relief from donor countries and multilateral agencies under the Highly Indebted Poor Countries (HIPC) initiative. This led to the formation of the Poverty Action Fund (PAF) in 1998 in order to channel the additional government funds from the HIPC initiative and mobilise further donor resources towards the key sectors identified in the Poverty Eradication Action Plan (PEAP) of 1997.⁷⁴ Initial direct transfers to the district level at the turn of the century were not successful and led to a more elaborate and controlled system through the District Water and Sanitation Conditional Grants (WSCG), which were introduced in 2000 – 2001.

As noted by Sida's 2000 preparatory study mission: "As a result, districts and levels below them have been given key roles when it comes to aspects of implementation, while central government institutions, including the DWD, have been given advisory, regulatory and monitoring roles. / With these changes, it will be performance at district level and below that will determine to what extent Ugandans will get value for money."⁷⁵ But the revised 2000 WSCG system was overambitious in its reporting requirements. Also, districts were ill equipped to handle the financial resources suddenly channelled to them. In other words, decentralisation of RWSS interventions took place when structures were not yet fully in place and severe financial management problems occurred.

There was also ambiguity about the size and role of the district water office. Originally, DWD directed districts to establish a functional District Water Office, with specialists representing technical, health and social aspects. As a result, office buildings were built, vehicles were procured and a variety of qualified staff was hired, all with funding from the conditional grants. The District Water Offices almost became stronger than the districts themselves and duplicated functions that were already available in the district structures.

Subsequently, the district offices were slimmed to the bare minimum as part of a move to make district administrations affordable and independent of conditional grants. The non-technical posts were abolished and the office was subordinated to the district works office. To compensate for the loss of the non-technical staff, District Water and Sanitation Committees (DWSC) were introduced to facilitate collaboration with other departments at district level. Technical capacity was strengthened through the recruitment of qualified district water officers, but at the same time many new districts were created, which had the opposite effect by spreading qualified staff even thinner.

Decentralisation led to new roles and responsibilities at both central and district levels, and it took long for the structures to settle. Technical Support Units were established at an early stage to help build capacity at district level. They were set up as temporary structures but have now been made permanent and function as intermediaries between the centre and districts.

⁷⁴ Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000; Final Report; p.6

⁷⁵ Preparatory Study Mission on Swedish Support to Rural Water Supply and Sanitation in Uganda beyond 31 December, 2000; Final Report; p.13

Comments and analysis.

Decentralisation of RWSS funds through the conditional grant system brought about radical change and presented new challenges, which the sector was not well prepared for. It is likely that the initial problems and challenges affected performance in a negative way, but there should be hope for gradually improved performance as districts now consolidate and raise their capacity, while the centre strengthens its role in policy making and monitoring.

Some observations could be made: 1) The fact that districts were ill prepared illustrate a rushed and hasty reform – or a lack of understanding of the need of adequate preparations by the leading reform agencies; 2) In retrospect, it seems clear that DWD overreacted by establishing large and sophisticated water offices. But it is also clear that the MoPS decision to minimise the water offices and subordinate them to district works showed a lack of appreciation of the sector's role in poverty reduction, and, in particular, a lack of insight that water and sanitation development is a social, not technical, undertaking. The MoPS decisions were taken without consultations, which illustrates the disadvantages of non-participatory approaches.

Decentralisation of other subsectors

Decentralisation is to affect all subsectors but so far progress has been comparatively slow in areas that do not fall into the WSCG structure. Central projects that are run in a pre-reform style are still common when it comes to small towns and water for production. In RWSS, allocations to centrally run projects (e.g. investments in rural growth centres) remained high for some years but have now fallen. In WRM, the reform process has taken long, but there are now efforts to introduce a catchment-based system with strengthened stakeholder participation.

Comments and analysis.

This study does not allow for any in-depth analysis of the reform process in the non-RWSS subsectors but a few observations could be made:

- a) Decentralisation, which was linked to the new constitution, was an overriding political commitment in the early 2000s and decision-makers were prepared to make far-reaching changes to ensure that small-scale RWSS interventions were handled at the district level. In the other sub-sectors the pressure to decentralise was lower, as was the rate of implementation. It seems as if the decentralisation of the other subsectors was more or less abandoned – or left to the sector itself to deal with but without appropriate central support. As a result, slow and ineffective reform is likely to have impacted negatively on sector performance.
- b) Projects in small towns and rural growth centres are normally bigger than RWSS projects and are difficult to accommodate in one-year district / local government budget allocations. In the absence of appropriate structures, it was easier to make priorities, technical preparations and investment decisions at the centre. It is only with the establishment of the WSDF that an alternative has been created that will allow a more decentralised approach (assuming that the WSDF will be a funding mechanism to which local governments can apply for resources on a competitive basis).

- c) In WRM, a district-based approach could not be used, since administrative boundaries do not reflect natural conditions. The catchment-based approach that is now being tested appears to be a relevant response to the needs of the sub-sector, but the reform is coming late. Already in 2000, an institutional study of the WRMD was undertaken. The study pointed to the need of handling WRM issues at a higher priority level and that institutional changes should be affected for the same purpose.⁷⁶ Even though the conditions for change may not have been there in 2000, it is regrettable that action has delayed so long that tangible improvements still are likely to take a number of years

Reform and management principles

Decentralisation in Uganda created local governments with a substantial degree of autonomy in planning, decision-making and implementation. Local governments became distinct centres of power, even though their financial autonomy has been reduced through the abolishing of local taxes. But they are not only centres of power but even more importantly, result centres. In other words, they represent entities that can be challenged to perform, and lack of performance should have repercussions on persons in charge.

The picture at the centre is different. The central ministry structure naturally forms an integrated part of Government, which limits its autonomy. Within the ministry, there are sub-entities with specific responsibilities to achieve certain tasks, which could be of a regulatory and/or operational nature. In MWE, the directorates DWD and DWRM are examples of such entities, which in turn are divided into departments. Currently, the directorates have limited management autonomy. They make decisions regarding the use of resources allocated to them, such as decisions on water projects and capacity building efforts that fall under their jurisdiction. They do not, however, have the autonomy to reorganise internally, reallocate resources and exercise active human resources management (they do not have the right to hire and fire). For these functions they are dependent on the services of external institutions, such as the MoPS and DPM.

Still, other sector institutions have substantial management autonomy. This category includes parastatals, such as the National Water and Sewerage Corporation (NWSC) and authorities, such as the National Environmental Management Authority (NEMA), which work under their own boards.

All WSS institutions work in a very dynamic and competitive environment. They are under constant scrutiny by the public and other stakeholders, including development partners. Within the sector, the MWE Directorates play key roles in promoting improved sector performance. To succeed in this, they need to be progressive and flexible and need to be able to adjust to new circumstances.

⁷⁶ Danida: Study Report - Organisational and Institutional Assessment of WRMD, Uganda; August 2000

In 2001, an institutional reform study of DWD was undertaken. It came up with modest reform proposals to adjust DWD to its new roles and responsibilities in a decentralised structure. DWD was to focus on policy-making, guidance, monitoring and regulation, while it should increasingly get out of implementation. A revised institutional structure was proposed and new categories of non-technical staff were to be recruited. However, in practice very little happened. It took several years for the MoPS to approve the modest structural changes and DPM was equally slow in filling the new positions, once they had been approved. As a result, DWD continued with an inappropriate structure that did not meet current demands. In particular, there was lack of non-technical expertise to guide the sector in new directions. The implementation of the reforms and recruitment of new staff categories featured prominently at the sector's undertakings at JSRs, and the subsequent failure to deliver was heavily criticised by development partners and others at annual reviews, but to no avail.

In 2007, as part of JWSSPS preparations, there were some indications that Government considered delegating more power to entities like the MWE directorates, but it seems that such changes have not been implemented.

Comments and analysis

According to modern management principles, the management of an institution should be fully responsible for achieving agreed-upon results but should also have control of the resources to achieve the results. An institution will have a resource envelope, in terms of staff, equipment and financial resources, at its disposal and will be obliged to use these resources in the best possible way to achieve the intended results. In Uganda this is not the case at the Directorate level, since Directorate managements do not have the authority to deal with such issues. In practice, the only thing they can do is to turn to external bodies, such as the MoPS, the DPM, or the Treasury, to request that their requirements be met.

In principle, a referral system, where institutions turn to external bodies to have their demands met, is a viable alternative to direct management authority. There could even be advantages in that the external bodies can provide more expertise and draw resources from bigger pools of resources, such as staff from the whole public service and equipment from combined Government resources. Such a system will work in an excellent way, as long as the external bodies are truly service oriented, and meet the demands of the client institutions efficiently and without delay – or, in other words – as long as the client institutions have the power to demand the services that they need and ensure that they get them.

MWE's problem is that MoPS and DPM are not service-oriented. It took years for MoPS to decide on rather marginal changes at the DWD, and the DPM repeatedly failed to recruit staff to the reformed structures, even though such recruitment was a prime sector undertaking. These examples point to an surprising degree of un-responsiveness as these institutions failed to deliver, even when timely delivery was set up as formal Government undertakings. If pressure from all sector

stakeholders, including development partners, is not sufficient, how could subordinate Directorates expect to get appropriate service? It is not known if MWE used all its skills to influence the decision-making process but the odds of progress seem low when formal Government undertakings do not seem to have mattered.

Another aspect that deserves attention is the dilution of authority that follows from the current system. In a system where managers are turned into non-decision-making applicants, they also lose responsibility. It will always be ‘somebody else’s’ fault if resources are not available and managements can renounce any responsibility for not delivering the intended results. There is nobody responsible, and nobody to ‘hang’, so things can linger on as slowly and inefficiently as ever before. Interviews with top level sector managers, conducted by the author of this report a few years ago indicate that the tendency of seeing management issues as somebody else’s responsibility was not imaginary, since one of the interviewees stated that ‘if you need a specialist you just ask DPM to provide’ – in spite of the recognition at an adjacent sector meeting that recruitment undertakings had not been met. In such a situation, result-oriented management becomes a rather meaningless play of words.

The problems identified in this section are not new. Over the years, there has been much criticism of MWE / DWD for failure to implement reforms and new policies. Also, the lack of management authority at directorate level has been observed for long. The following quote from a March 2006 review of Swedish support to the sector illustrates the point:

“The agreed upon institutional reforms have severe short-comings, which is detrimental to result-based management and clear-cut management responsibilities. For example, the DWD management does not have authority to determine how it best should use its budget resources to achieve its mandate; it does not have the right to hire and fire staff, neither to establish career and salary paths nor to re-organise DWD for optimal performance. / Instead, DWD is integrated in a lame public service structure with unclear responsibilities and non-functioning procedures.”⁷⁷

Unfortunately, it seems that these matters have never been given priority in the dialogue between Government and development partners. Neither were they sufficiently considered in the formulation of the JWSSPS.

⁷⁷ See, for example: Review of Experiences of Sida Support to Uganda’s Water and Sanitation Sector 2001 – 2005; p. 8f; A.S.K. AB; 23rd March 2006

5. Overall Conclusions and Recommendations

5.1 Sector performance

5.1.1 Reflections on sector allocations and water & sanitation in poverty reduction

The figures on shrinking government allocations to the water & sanitation sector are alarming. There seem to be a grave misunderstanding of the role of water & sanitation in economic growth and poverty reduction. Furthermore, there seems to be a misunderstanding of the performance of the sector, given the conditions that are provided by central government institutions.

There is need of a serious analysis of the role of the water and sanitation sector in Uganda's overall development, as well as a future-oriented analysis of measures that need to be taken to ensure access to water for all societal needs. What are the REAL issues of water and sanitation / sewerage development in Uganda's long term socio-economic development? So far, availability of water has been taken for granted in Uganda but socio-economic changes that directly influence natural resources are taking place at an unprecedented rate and it can no longer be taken for granted that the resource will be there, in particular when the effects of global climate change are considered.

Recommendation

There are numerous reports aiming to report on the status of water and sanitation delivery. But there are no reports where the overall importance of access to water is considered, in particular not any report that could be understood and used by decision-makers, as well as the public. In Kenya, a Water Sector Strategic Plan is being prepared to clarify the role of water in all aspects of national development. Initial outcomes are that sustainable access to water is the top priority. It is recommended that the scope for a similar exercise in Uganda be investigated.

5.1.2 Reflections on outcomes and priorities

Without doubt, major progress has been made over the last 25 years in terms of service delivery, in rural as well as urban areas. The sector perspective has also been widened through growing attention to non-household aspects of water and sanitation, such as water resources management and water for production. Still, there is reason for concern about long term developments: socio-economic settings are changing at unprecedented fast rates, while Government attention to water and sanitation dwindles, both in terms of financial allocations and in terms of attention to institutional matters. Current trends are discouraging and there are evident risks that the situation runs out of control, if measures to meet increasing demands on water and sanitation services

are not taken. Population increase and greater demands for water and sanitation / sewerage as a result of economic development are forces that cannot be reversed but they must be addressed. At the same time, there are indications that the very basis for sustainable water provision is threatened by exploiters who do not realise the importance of protecting water catchment areas. Similarly, selfish interests of the rich and mighty are there and represent forces that threaten long term and sustainable access to water and need to be urgently addressed.

Progress – and lack of progress – is reflected in annual Sector Performance Reports (SPRs), which over the years have become increasingly analytical and informative. Still, statistics are not better than their sources. Current statistics on service delivery suffer from inaccuracies as a result of weak information systems on actual performance, as well as from arbitrariness in the definition of utilisation rates and walking distances, which adds to the uncertainty of the figures of actual achievements. Furthermore, it is a long time since efforts were made to independently evaluate the overall status of service provision. These are matters that should be addressed.

While it is important to recognise the achievement of the past, uncertain as it may be, the real challenges relate to future performance. Uganda is a society in rapid social and economic transformation and experiences the effects of rapid population increase, combined with the effects of climatic change. There are great challenges to the w&s sector to meet these developments and respond to the demands not only of people who are settled in rural or urban settings, but also the increasing number of people who are shifting from rural to urban / semi-urban settings, for example by shifting to rural growth centres and small towns. What measures are being put in place to meet the needs of these people?

The statement that considerable progress has been made does not imply that everything is OK, especially when the costs of the achievements are considered. There are strong indications that value for money has been below desirable levels, even though there has been improvement of late.

Cost effectiveness at the investment stage is important, but life-cycle implications of operation and maintenance costs are even more essential. There are several aspects to this. First of all, the choice of technology must match what the users can sustainably maintain and the choice should also reflect the needs of local conditions. These are aspects where there have been positive developments in the last few years. Secondly, communities must be willing to take responsibility for the installations. This is an area where a history of ‘Government gives for free’ is difficult to up-root, especially since irresponsible politicians continue to confuse the public through statements that water is to be provided free of charge. So far, the MWE and DWD have been weak in promoting and getting acceptance of the principles of cost sharing that have been there for the last 25 years. As a result, confusion continues and cost sharing – and sustainability – suffer.

Furthermore, facilities must be of high technical standard and provided in cost-efficient ways in order to minimise the burden on communities for operation and maintenance. Cost-efficiency in this regard includes transparency and responsible use of investment resources. Communities are most probably aware that shoddy work and corrupt deals will mean that unnecessary costs will be transferred to them, which, in turn, will make them less willing to accept responsibility for operation and maintenance costs. The question is whether these aspects have been sufficiently considered in the long-standing discussion on community responsibility for operation and maintenance. Perhaps, there are in-built faults in the installations, which make it rational for communities not to accept taking responsibility? Consider the following two cases:

- a) As has been shown in audits of Swedish contributions, as well as in value for money audits of contributions at the district level, there have been numerous cases of resource mismanagement, which drastically affect value for money in a negative way. These are problems that hopefully will be continuously reduced, as control systems are improved, but are corrective measures strong and transparent enough to reach out to users so that their confidence can be regained?
- b) Late and irregular releases of funds to the districts makes it difficult for the districts to plan and implement projects in a reasonable way. Instead, late releases often lead to ‘panic’ implementation of projects at the end of the financial year, to avoid that unutilised funds are returned to the Treasury. Quality of work suffers and facilities require unnecessary additional inputs to be put in working order. To the user, shoddy work due to haste must be difficult to separate from shoddy work due to corruption. Thus, Treasury’s efforts to balance payment flows might have strong negative influence not only on the quality of work but also on user confidence.

The discussion above relates to a long-standing debate on ways of improving service delivery. But the question must be raised whether improved service delivery really is the strategic issue in today’s situation. Is it still correct to focus attention on the provision of water services, rather than on sustainable access to water and issues relating to the economic use of water? It is evident that issues relating to water resources management have been given insufficient attention for a long time, as have matters relating to the use of water for economic purposes. In both cases, there has been some improvement of late, through the establishment of the Directorate of Water Resources Management (DWRM) and increased attention to Water for Production. Still, it remains to be seen if enough resources and sufficient authority will be provided for tangible changes. The major problem lies with water resources management, since deforestation and other activities that threaten water sources continue at a high rate, and are supported both by strong economic interests and the wish of small-scale farmers to carve out some more land for survival. To make matters worse, climate change adds to other negative trends. The test case will be whether DWRM (and other environmentally oriented institutions, such as

NEMA), will be given the clout to make significant and tangible contributions to reverse current negative trends.

Recommendations

- a) In spite of efforts to improve reporting, such as through improved SPRs, basic statistics on sector performance remain uncertain, due to weaknesses in reporting systems, as well as arbitrariness in coverage definitions. It is also a long time since efforts were made to independently *evaluate* the impact of investments in water and sanitation service provision. It is *recommended* that such an evaluation be undertaken with the scope of capturing outcomes of investments, as well as factors that contribute to – or inhibit – improved coverage. The evaluation should not only focus on rural water and sanitation, but should also include rapidly growing urban and peri-urban areas, including rural growth centres. Furthermore, it should not only focus on the provision of water but also on sanitation (e.g. at schools and public institutions) and sewerage / waste water management, where special attention should be given to rapidly growing small towns / rural growth centres. Thus, it is recommended that the evaluation should cover all aspects of water and sanitation service provision, except for large towns, which should be evaluated on their own.
- b) Issues relating to water resources management should be treated as major concerns. Many years of degradation of natural resources have already passed and there is urgency in getting effective controls and regulations in place. It should be analysed whether the current measures to safeguard the sources of water are at par with the forces that are destructive to sustainable availability of water. It is recommended that an independent study of these aspects be undertaken. The study should map and analyse the current situation, and critically analyse the role and capacity of DWRM and other environmentally-oriented institutions to reverse negative trends. The study should be informed by socio-economic developments in the last 10+ years and have a perspective of measures that need to be undertaken now to safeguard sustainable access to water in a 20 – 30 year perspective. The proposed analysis should be started in 2009 and should lead to improvements that start as early as possible in 2010
- c) Water for production is getting more attention but to a large extent remains focussed on the problems of the cattle corridor, which is only a small segment of water for production. Furthermore, the sub-sector lags behind in its socio-economic approach, in particular when it comes to user involvement. In addition, performance is hampered by rivalry on authority and mandates between MWE and other ministries, not the least the Ministry of Agriculture. It should be recognised that the policy framework for Water for Production is fairly new and at an early implementation stage, but it is still recommended that an operational study be undertaken to help sorting out issues relating to i) the scope of activities in relation to national needs (in other words, the role of Water for Production also outside the Cattle Corridor) ; ii) the approach to mobilisation and community decision-making; and iii) the interaction between MWI and other concerned institutions.

Proposed way forward:

- a) An independent evaluation of the status of service delivery should be undertaken.
- b) A long-term strategic study of all aspects of water in relation to socio-economic change in 20 – 30 year perspective should be undertaken as early as possible, starting in 2009.
- c) A functional analysis of the WRMD should be undertaken: is the new institution, considering its mandate, freedom of operation and access to resources, likely to have the desired impact on the country's water resources management? The study should include DWRM's interaction with other environmentally-oriented bodies, such as NEMA.
- d) MWE should be offered support in mainstreaming Water for Production and in overcoming the hindrances to effective collaboration over administrative borders.

5.1.3 Reflections on institutional reform

Decentralisation and the introduction of conditional grants in the rural w&s sub-sector are far-reaching reforms affecting the sector. Aspects of these reforms have been handled in several parts of this report. Major observations are:

- a) The sector lacks an instrument to influence national policies and resource allocations. The Water Policy Committee (WPC) is supposed to play this role but is ineffective. Today, the highest coordinative body is the Water and Sanitation Sector Working Group (WSS-WG), which plays an important role within the sector but has little leverage beyond sector institutions.
- b) In terms of water service provision, decentralisation has been fully implemented in the case of conditional grants to districts within the RWSS sub-sector, but has been lagging behind in other sub-sectors. This is partly due to the lack of funding mechanisms that easily allow the funding of multi-year and multi-district investments, partly to unwillingness at the central level to let go the power of money control. The creation of the Water and Sanitation Development Fund (WSDF) should help in solving this problem, but the operations of the Fund have not been studied as part of this review. Also in Water for Production, means need to be found to decentralise operations and give districts greater influence.
- c) In terms of water resources management, the creation of the Water Resources Management Department (WRMD) is a major step forward, but the relevance and impact of the new institution will be dependent on the leadership, mandate and resources that it is provided with. Given the rapid deterioration of the bases for sustainable water provision, the WRMD faces major challenges and will need support and backing from high political and administrative levels. WRMD's approach to decentralisation is based on physical water catchments, which is a relevant approach. When this study was undertaken, pilot activities aiming at active stakeholder and user participation had just been started.

- d) Apart from the creation of DWRM, reforms at the central level have been limited and the little reform that has been there has not been successful.

In the case of DWD, it is fair to say that any serious reform failed. Even the limited reforms that were agreed upon many years ago and were made benchmarks in Uganda's formal undertakings towards the World Bank, have repeatedly been frustrated by central level institutions, primarily the Ministry of Public Service (MoPS) but apparently also the Ministry of Finance and Economic Development (MFPED) and the Directorate of Personnel Management (DPM). For example, the latter has repeatedly failed in recruiting new DWD staff as agreed upon. In other words, the institutions that were supposed to support and facilitate a difficult reform process, rather opted to abandon it – or, as it seems, even to frustrate it.

The basic shortcomings of the reforms are that the Directorates remain part of an antiquated government structure where they are left without access to meaningful management tools. Instead, they are dependent on non-service oriented and anti-reform institutions as the ones mentioned above. The situation of the directorates is in sharp contrast to the situation of the districts and the National Water and Sewerage Corporation (NWSC), which are distinct result centres with responsibility and mandate to make sure that targets are met. The damage created by lack of effective reform is immense, since at least five years of potential change have been lost. For example, the failure to identify and recruit non-technical staff to management positions in DWD impacted negatively on DWD's process of change from an implementing body to a policy-providing and supervisory body.

It is important to note that the criticism of reforms at the central level is about the central government institutions that were anticipated to lead and facilitate the reform process, but did not. Internally, within DWD, significant changes have taken place, partly as a result of the limited reforms, partly due to a generation shift where technical staff with experience of non-technical areas are moving into executive positions. It is likely that the positive changes towards more diversified approaches to water and sanitation development should be seen in the perspective of such internal changes within DWD.

Still, the key issue of management powers remains unresolved and will continue to hamper sector development. For example, it is not meaningful to talk about result-oriented management if managers do not have access to relevant management tools but are turned into applicants for services from non-cooperative external bodies.

- e) Decentralisation in Uganda created local governments with a substantial degree of autonomy in planning, decision-making and implementation. Local governments became distinct centres of power, even though their financial autonomy has been reduced through the abolishing of local taxes. They are not only centres of power but

even more importantly, result centres. In other words, they represent entities that can be challenged to perform, which opens for rewards in cases of good performance (e.g. through the selection of ‘best district of the year’ in various categories), while lack of performance should have repercussions on persons in charge.

Districts have a strong mandate and great freedom to act, but they need the support of a well-functioning centre to cope with the complex matters in water and sanitation development. It is promising that technical support units now have been made part of DWD’s structure. The same goes for the introduction of regular consultations between local governments and DWD.

Recommendations

1. The issue of managerial reform at the Directorate level should be put high on the dialogue agenda between government and development partners. It is likely that the same problem occurs also in other sectors. Thus, the dialogue in the W&S sector needs to be supplemented with dialogue on civil service reforms at higher levels. The aim should be for the leading institutions in the sector, i.e. DWRM and DWD, to be given the mandates and authority that make them able to reach agreed-upon targets and give their Director the *undivided responsibility* to ensure that the targets of the institutions are met. If things go wrong, the Director must take full responsibility, unlike the current situation, where responsibilities are diluted to an extent that nobody is responsible for anything.
2. The issue of a semi-autonomous status should be delinked from the issue of funding. At least previously – judging from work that was carried out in 2000 – an institution with semi-autonomous status would be seen as an ‘agency’, which would be obliged to generate its own revenues. Even though there is some revenue-generating potential in both DWRM and DWD (especially in DWRM), financial sustainability cannot possibly be made a condition for managerial autonomy. Managerial autonomy is about creating the conditions for improved performance and financial autonomy is about saving money for the Treasury. These are different matters and should be treated as such.
3. At the local authority level, emphasis should remain on capacity development (not the least in newly created and poorly equipped districts), good governance and active community involvement, both as stakeholders and as watchdogs. This should also be the time when cross-cutting issues, such as gender, equity and HIV/AIDS, should shift from being policies to becoming fully integrated and tangible aspects of water and sanitation development. It is recommended that the regular value for money audits be supplemented with an assessment of the impact of late and irregular releases of funds from the Treasury. Furthermore, an early assessment of the contributions of the WSDF in facilitating funding of bigger projects should be undertaken. The assessment should also observe whether the WSDF has a potential to contribute constructively to the decentralisation of activities that so far have remained headquarter-based, such as multi-year and multi-district investments.

The way forward

Institutional reform at the directorate level is long overdue and it is high time for the sector leadership, supported by the Water Sector Working Group to take initiatives to have the reform process completed, even though the matter concerns issues that in a strict sense are above the sector level. If and when a review of the status of the directorates would be undertaken, attention should also be paid to clearly separating regulation from operational issues.

5.2 Assessment of the role of development cooperation**5.2.1 Government and development partners**

Changes in development cooperation accelerated in the last 8 – 10 years, when a significant shift took place, from scattered project support before 2000 to the introduction of sector budget support through the JWSSPS 2008 – 2012. Parallel to this development, elaborate structures for dialogue and coordination among sector stakeholders were established. None of these developments had been possible, if they had not been led by the Government in general and the Ministry of Water and Environment (MWE) in particular.

There has been progress in terms of coordination, harmonisation and alignment. The JWSSPS is the showcase example of progress made. But the consultative mechanisms have also taken a lot of time and resources. There is no way to measure if they have been cost-effective, since they involve many ‘soft’ and indirect outcomes, but it is reasonable to assume that they had positive impact, at least initially, since they contributed to coordination, better understanding and more collaboration. The steps to better integrate sanitation in sector development illustrate progress made.

Still, it is clear that the consultative mechanisms have not been able to sufficiently help strengthen sector capacity – or give weight enough to the sector – to avoid its downslide in priority and allocations within Government. They have not succeeded where it really matters, i.e. to ensure that there are sufficient resources for water resources management and service delivery on the ground. In this perspective, the investments in improved modalities for consultations and development cooperation have yielded disappointing results. For contributors to sector reforms and improved cooperation modalities these are discouraging observations. Members of the WSSWG and other concerned parties have reason to contemplate how this could happen and what could be done to improve the situation.

Recommendations

With some modifications, the WSSWG / JPR / JTR consultation mechanisms have been in force for almost ten years. Still, and in spite of the substantial resources that have been used for consultations, the mechanisms have failed to ensure that the sector remains a key element in Uganda’s fight against poverty. There is reason to independently evaluate how this could happen and it is recommended that the impact of the overall consultative mechanisms be undertaken

Ever since 2000/2001, Sweden has played a significant role in supporting SWAP arrangement and associated consultative mechanisms. Before leaving the sector, it would be appropriate for Sweden to involve itself in the proposed evaluation of the consultative mechanisms. Uganda's water sector has been at the forefront of SWAP arrangements, which means that the proposed evaluation would provide lessons learnt and recommendations not only to the sector, but also contribute to Sida's understanding of how consultative mechanisms work in practice – and how they could be improved. It is proposed that evaluation be undertaken in 2009. The evaluation should take the Paris Declaration and other international arrangements as its points of departure and should address matters such as the impact and cost-effectiveness of measures to improve coordination, collaboration / basket funding, alignment and harmonisation. Measures to improve the consultative mechanisms should be identified.

5.2.2 Sweden as development partner

It seems fair to state that Sweden has played a constructive role in the sector's development during the few years it has been active as a bilateral cooperation partner. On several occasions, such as the acceptance of the bilateral programme and the provision of a new type of TA, decisions were made under circumstances that were even more fluid and uncertain than is normally the case in development cooperation. They were taken although it was known that the level of risk was high, but with confidence that good working relations and mutual understanding would help sort out major problems as they occurred. Generally, this was also the case, even though both parties underestimated the challenges ahead. The main example of failure is in financial management, where audits revealed serious mismanagement of Sweden's early contributions. This matter was sorted out in due course, but only after creating damage that probably impacted negatively on the overall Swedish contribution. The audit case had interesting dimensions on the need of serious communication on each partner's core values, as illustrated in an earlier part of this report.

Recommendations for phasing out

Sweden has played an active role in institutional change, technological innovation, cross-cutting issues and governance, but has also taken active part in dialogue and programming exercises. All of this has been with a consistent aim to support Ugandan procedures and initiatives.

These principles should continue to apply. But given Sweden's consistency in supporting Ugandan procedures and initiatives, even more emphasis should be given to supporting non-pass-by options, for example by ensuring that pooling arrangements are used also for technical assistance and that ordinary Government procedures are tested and used where by-pass procedures now apply. Sweden's best last contribution would be to ensure that there are real cases of functioning non-by-pass solutions by the time it leaves the sector. This would be a major contribution to sustainable interventions in future sector support.

The findings in this report point to great problems for the sector in achieving its goals and ensuring sustainable provision of water and sanitation. This is just a desk study with limited access to hard data, but the

combined impression from the study of documents is serious enough. This study is basically retrospective, but in a situation when Sweden is leaving the sector, there could be reason also to look ahead, for example by giving special attention to projections, and – at a more basic level – by supporting comprehensive sector planning for the medium to long term, as suggested under ‘Sector Performance’ above. Strategic sector planning presupposes strong government leadership but it is also a type of activity that requires resources.

It is *recommended* that Sida – within Uganda’s / JWSSPS’s ordinary framework – offers to take special responsibility for facilitating such a strategic planning exercise during its last years of sector involvement.

Sida works according to directives of the Swedish Parliament and Government to reduce poverty in the world, a task that requires cooperation and persistence. Through development cooperation, Sweden assists countries in Africa, Asia, Europe and Latin America. Each country is responsible for its own development. Sida provides resources and develops knowledge, skills and expertise. This increases the world's prosperity.

Support to Uganda's Water and Sanitation Sector from the 1980s Onwards - Reflections and Experiences

GLOBAL ISSUES

This desk study aims at documenting Sweden's support to Uganda's Water and Sanitation Sector since the mid 1980s. It goes beyond Sweden's contributions to the sector and reflects on general developments, including sector performance, reform processes, institutional development, management principles and the shift from project support in the 1980 –1990's to a sector wide approach and sector budget support from 2001. Major findings are that water services to the rural population have improved tangibly during the past 15 years, but also that great challenges remain in water resources management, sustainable multi-purpose provision of water and in providing water supply to a rapidly growing population.. The study was commissioned by Sida and undertaken by Mr Anders Karlsson of A.S.K. AB. The study was done against the background of the phasing out of Swedish support to the sector during 2010. The phasing out of the sector follows Sweden's decision to focus on fewer sectors in each country and has been agreed upon by Sweden and Uganda.

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