



A Just and Corruption Free Society

Anti Corruption Coalition Uganda **Public Expenditure Tracking Survey** **in the Water Sector**



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List of Acronyms

ACCU	-	Anti Corruption Coalition Uganda
CBOs	-	Community Based Organizations
CCs	-	Contracts Committees
CSOs	-	Civil Society Organizations
DANIDA	-	Danish International Development Agency
DWD	-	Directorate of Water Development
DWO	-	District Water Office
DWSC	-	District Water and Sanitation Committees
FBOs	-	Faith Based Organizations
FY	-	Financial Year
GFS	-	Gravity Flow Schemes
GoU	-	Government of Uganda
HEWASA	-	Health Water and Sanitation
IBMs	-	Independent Budget Monitors
IDP	-	Internationally Displaced Persons
IEC	-	Information Education Communication
IFMS	-	Integrated Financial Management System
IPFs	-	Indicative Planning Figures
KDLG	-	Kasese District Local Government
KM	-	Kilometer
LG	-	Local Governments
LGAR	-	Local Government Accounting Regulations
LGDP	-	Local Government Development Programme
LOGICS	-	Local Government Information and Communication System
MDGs	-	Millennium Development Goals
MoFPED	-	Ministry of Finance Planning and Economic Development
MoH	-	Ministry of Health
MoLG	-	Ministry of Local Government
MWE	-	Ministry of Water and Environment
NDP	-	National Development Plan
NGOs	-	Non-Governmental Organizations
NPA	-	National Planning Authority
NUSAF	-	Northern Uganda Social Action Fund
NWSC	-	National Water and Sewerage Co-operation
PAF	-	Poverty Action Fund
PEAP	-	Poverty Eradication Action Plan
PPDAA	-	Public Procurement and Disposal of Public Assets Authority
RAC	-	Rwenzori Anti Corruption Coalition
SB	-	Sub-County
SIP	-	Strategic Investment Plan
SIWI	-	Swedish International Water Institute
UWASNET	-	Uganda Water and Sanitation Network
WA	-	Water Aid
WB	-	World Bank
WSS	-	Water and Sanitation Sector
WUAs	-	Water User Associations
WUCs	-	Water User Committees
WV	-	World Vision
FDS	-	Fiscal Decentralization System

Acknowledgment

This report was made possible by a highly consultative process of Water and Sanitation stakeholders at the centre, districts and community level.

While it wasn't possible to obtain the viewpoint of everyone in the water sector, a dedicated attempt was made to involve a wide variety of stakeholders with topical expertise, experience, and insight on water and sanitation. Clearly, the results show that the respondents who participated are very committed to the water sector and to creating an excellent system of Water and sanitation delivery.

Multitech Management Consultants Ltd would like to make special mention of the project team and officials from the following institutions that participated in the study and availed the Consultant with very useful information;

- i) Ministry of Water and Environment,
- ii) Ministry of Finance Planning and Economic Development
- iii) Ministry of Local Government
- iv) Anti-corruption Coalition Uganda
- v) Maria Jacobson-The Bilateral Water and Sanitation Expert
- vi) District Local Governments of Bushenyi, Kabarole, Gulu, Kaboko, Soroti, Kamuli and Mukono
- vii) The Rwenzori Anti Corruption Coalition (RAC) , Anti Corruption Coalition Koboko (ACCOB) and Teso Anti-Corruption Coalition (TAC) and Independent Budget Monitors
- viii) The Water User Committees (WUCs) and most importantly the community users who attended Focus Group discussions.
- ix) Uganda Water and Sanitation Network (UWASNET), World Vision, SNV, Water Aid and UNICEF

Without the support and co-operation of all the above mentioned parties, it would not have been possible to conduct the survey

God bless you abundantly

Shifferaw Metaferia
General Manager

Executive summary

0.1 Background

For the last over two decades, Government of Uganda, the development partners and a number of Non-Governmental Organizations (NGOs) have focused efforts on a myriad of financial, technical, institutional and social interventions aimed at improving the delivery of services in the water and sanitation sector. Significant amounts of money have been pumped into the sector to improve issues of access and functionality for the resource poor peoples. Unfortunately, much of the funding available in the Ministry of Water and Environment (MWE), Directorate for Water Development (DWD) and Local Governments (LGs) is being used or abused by public officials for private gain. This abuse is in form of decision making of allocation of water resources, who wins the tenders, bribery and other forms of procurement fraud. Indeed corruption in the water and sanitation sector varies substantially in size and incidence but it is evident that significant water and sanitation finances are being lost to those charged with making decisions about delivering water and sanitation services.

Corruption in the water and sanitation sector disproportionately affects the most vulnerable groups in society's rural poor, particularly women. In some cases, the lack of access to water due to corruption has led to death, decreased production and school dropouts among children. This constitutes a serious impediment towards meeting the segment of the Millennium Development Goals (MDGs) which seeks to increase access to clean and safe water. The Global Corruption Report (2008) of Transparency International emphasizes the need to fight corruption in the water sector due to the following;

- Water management involves large flows of public money,
- Corruption in the water sector affects those who are vulnerable and marginalized;
- Water is increasingly becoming a scarce resources;
- Poor tendering processes to private contractors is leading to massive leakage of funds
- Water management is largely viewed as a technical issue

In this context, Government of Uganda, Civil Society Organizations and the Donor community are increasingly committed to improving the efficient and effective use of Water and Sanitation funds. The struggle with corruption in the water and sanitation sector is fundamentally a part of a broader governance problem that characterizes a number of key government sectors despite the availability of a comprehensive legal and institutional framework to fight corruption.

It is against that backdrop that the Anti-Corruption Coalition of Uganda (ACCU) commissioned a study, in October 2008, to undertake a Public Expenditure Tracking Survey (PETS) in the Water and Sanitation Sector.

The underlying object of the study is to conduct a Public Expenditure Tracking Survey (PETS) aimed at establishing the amount of public funds lost to corruption, the stages where the losses occur and make recommendations for minimize corruption which has bedeviled the water and sanitation sector for the last two decades. The findings of this study would be integrated into issue-based advocacy campaigns to improve access to water, functionality of water sources and others issues.

The study was based on actual expenditures and establishing whether or not they reached the targeted institutions. We examined whether the funds were used as planned and also whether there was value for money. An analysis of the national and district budgets, district work plans for the water and sanitation sector and these were contrasted with the quarterly fiscal releases from the Ministry of Finance, Planning and Economic Development.

0.2 Scope

The scope of the study was included the line ministries of: Finance Planning and Economic Development (MoFPED), Water and Environment (MWE), Local Government (MoLG) and National Planning Authority (NPA), Donors (DANIDA, SNV, World Vision, Water Aid) Non-Governmental Organizations, districts and at community level. At Central level, consultations were conducted in the Ministry of Finance Planning and Economic Development, Ministry of Water and Environment, Directorate of Water Development and Ministry of Local Government. Field visits in the districts and community level were conducted in Bushenyi, Kabarole, Rakai, Gulu, Koboko, Kamuli, Soroti and Mukono.

The study was participatory in nature among all the identified stakeholders mentioned in chapter above. The specific methods used in the study include; interviews, consultative meetings, field visits and observation, documentary reviews and technical review meetings.

0.3 Findings

The key findings include;

- The budget allocation to the water and sanitation sector is decreasing contrary to the increasing demand for the services arising from the growing population levels

- ┆ Conflict of interest undermined the reform process and management of the water and sanitation sector. The situation is aggravated by unchecked discretion of the District Water Engineers.
- ┆ The budgeting and planning process for Water and Sanitation is not consultative enough to capture the local district priorities.
- ┆ Communities who are the major beneficiaries are apparently left out in the planning process at the district level
- ┆ The poor procurement practices at district level were cited as the leading cause of leakages of funds for provision of safe and clean water to the community.
- ┆ The water and sanitation sector has very few service providers and its resources are not separately ring-fenced to create transparent financial management
- ┆ Lack of proper physical and financial accountability especially at the District level
- ┆ Delayed utilization of water and sanitation sector funds which leads to unnecessary rush at the end of the FYs. This provides the excuse for single sourcing as opposed to open and transparent bidding hence resulting into poor quality work.
- ┆ The cost of water and sanitation sector investments is increasing due to increasing cost of prices of materials due to inflation, technological failure and poor management of facilities.
- ┆ There is poor management and sustainability of Water facilities (WUCs are not functioning appropriately and communities do not pay user fees)
- ┆ The planning process as indicated in the water and sanitation guidelines is not appropriately adhered to.
- ┆ Inadequate technical capacity of District Water Offices including field staff (CWOs, BHTs-Hydrologists) in M & E issues.
- ┆ Delays in procurement and contracting of water and sanitation works and services
- ┆ There are increasing administrative costs in management of water and sanitation activities which would have been better used for putting up more water facilities in areas where water is inadequate.
- ┆ Inadequate coordination between departments at district level
- ┆ Inadequate coordination between Districts and NGOs (weak DWSCs) including ownership and follow-up challenges
- ┆ The reporting and feedback mechanism on issues of functionality of water facilities is still weak across all districts visited
- ┆ The level of civic competence, awareness and sensitization on water and sanitation is still weak in among the communities.

The details of specific findings are indicated in the main report

0.4 Conclusions and Recommendations

The need for clean and safe water in Uganda need not be over emphasized. At an average of 63% (MWE Water and Sanitation Performance Report) national water coverage, there is need for concerted efforts among all stakeholders to fight corruption in the water sector as the government aims to achieve 77% coverage for rural areas and 100% coverage for urban areas by 2010. (MWE Water and Sanitation performance Report, 2008)

The following recommendations are suggested to consolidate and improve on the existing water management practices;

- i) There is need to provide civil society and the community in general with access to the quarterly financial releases from the Ministry of Finance and to the local governments to facilitate timely tracking of public expenditure to prevent the current losses and leakages.
- ii) It is important to build the capacity of civil society monitors to conduct PETS and integrate the findings into issue based advocacy at district and central government levels.
- iii) There is need to introduce Integrity Pacts in procurement of goods and services in the water and sanitation sector to reduce extent of bribery and other forms of procurement fraud which bedevils the delivery of efficient and effective services to the resource poor peoples of Uganda.
- iv) The civil society and the Government, through line ministries and districts, should increase community awareness and sensitization through Information Education and Communication (IEC) on water and sanitation issues. This will be done through enforcing public notices at public places at community level. IEC can be enhanced by sponsoring talk shows on Radio and Television, Anti- Corruption Weeks, public/open forums on corruption, the print media (in local language), burners, posters and T-shirts.
- v) There is need to improve communication amongst the direct user departments; that is - Procurement, district Water Offices, Finance and Planning unit
- vi) ACCU should advocate for development of standard B.O.Qs for various technological types and distributed to districts. Procurement of works for water and sanitation should be based on these standards. The

B.O.Qs should however, leave variations for technical issues like Geology (type of soils)

- vii) MWE and the Civil Society should institute collaborative networks to carry out governance audits of the Water and Sanitation sector and share such information in order to close loopholes for leakage.
- viii) The Government, Donors and Non-Government Organizations providing Water and sanitation services should emphasize the software component (pre-construction, during and after Construction) where communities should be trained in methods and techniques of executing the required roles and responsibility. This will go along way in ensuring sustainability of Water facilities. ACCU should seek funding and collaborate with MWE/DWD to train water users.
- ix) The Technical Support Units should be facilitated to extend their technical assistance and advisory roles to the communities.
- x) Donors and Non-Government Organizations should support districts to carry out research on water and sanitation in the districts. This information/database shall be used as realistic data to plan for provision of water and sanitation.
- xi) ACCU should work with Regional Coalitions to strengthen the capacity of the existing structure of Independent Budget Monitors. Regular skills enhancement should be carried out to equip IBMs with skills to track identify and report objectively on corruption cases. Regular follow up should be carried out by ACCU to identify challenges and improve accordingly.
- xii) ACCU's regional coalitions, Independent Budget Monitors and the Civil Society should be trained in analysis of Community Water and Sanitation issues in the DWD Community Resource Book (2007). This will enhance their capacity to identify and report cases of corruption more effectively.
- xiii) Independent review should be instituted in cases where there is evidence of procurement irregularities.
- xiv) There is a need to harmonize the working relationship of NGOs, CBOs, FBOs and the donor community with those of the district.

CHAPTER ONE

I.0 INTRODUCTION OF THE STUDY

This Report is a result of a study that tracked water and sanitation expenditure from the center to the community for the FY 2006/07 and specifically over 8 selected districts in Uganda as will be detailed in the findings

1.1 Public Expenditure Tracking Surveys (Pets)

Civil Society Organizations (CSOs) in Uganda are in a process of providing a consolidated and coherent framework for monitoring resource utilization in local governments. It is built on and recognizes other monitoring initiatives by Local Governments (LGs) and other government led monitoring initiatives. Its central theme is proactive budget and expenditure monitoring which is a departure from the existing *ex-post* expenditure tracking systems that have hitherto been employed in Uganda. It emphasizes demand driven monitoring of government expenditures at various levels.

PET is a survey that lays out processes and instruments for proactive budget monitoring and evaluation of resource utilization by local government institutions. It intends to strengthen an in-built system of monitoring and evaluation of all processes of the planning, budgeting and implementation. The findings of such survey should inform planning, budget (resource allocation) and ensure focused development within the framework of the National Development Plan (PEAP) and Poverty Reduction Strategy Plan (PRSP).

One of the policy objectives of Ministry of Water and Environment (MWE) towards Water and Sanitation is;

*To provide “ Sustainable provision of safe water within easy reach and hygienic sanitation facilities, based on management responsibility and ownership by the users, to 77% of the population in the rural areas and 100% of the urban population by the year 2015 with 80%-90% effective use and functionality of the facilities”.*¹

Sadly though, the National Water coverage presently stands at a paltry 63%, implying there is still a significant gap in meeting the target. At least 40

¹ GoU/MWE, Water and Sanitation Sector Performance Report September 2008

districts are still below the present national coverage; Kaboong with a depressing 12%² coverage.

To mitigate corruption and to ensure that there is value for money in the massive investments in the water sector made by the government and the donors, civil society has an important role to play in monitoring such investments if more Ugandans are to access clean and safe water and sanitation services.

Monitoring the water sector would contribute to improved governance in the sector and hence enable Government achieve set targets. Civil society will however, not do the task alone but will need a combined effort of the Government of Uganda in enforcing policy and standards and the citizens who are demanding social accountability.

Anti Corruption Coalition Uganda (ACCU) has piloted this project aimed at empowering civil society with a voice to improve governance and advocate for resources in the water sector. Building on the universal monitoring tool, two specific tools have been developed; one for the ACCU community monitors and the other for regional Anti-Corruption coalitions as a follow up tool. ACCU membership has been trained on how to apply the tools to monitor governance and corruption in the water sector and how to engage stakeholders to improve water governance at the district and community levels.

Emerging issues from the community monitoring reports indicated gaps in the tool especially in capturing cases of corruption at community level in addition to cases related to mismanagement of water facility by the community water user committees. To mitigate this, ACCU commissioned a Public Expenditure Survey to be carried out in the Water and Sanitation Sector. The study will serve as guide for monitors prior to monitoring visits, as reference material for follow up purposes at the regional level and for advocacy purposes at the national level.

1.3 Objective of Public Expenditure Tracking Survey

The main objective of the study was to establish and track the chain flow of funds and budget support to water and sanitation sector from the centre to the end-user. The study, specifically, analyzed the national budgeting process, local government accountability mechanisms in selected districts and adherence to set policies in implementation of water and sanitation projects.

² Ibid

1.4 Scope of the Study

1.4.1 Geographical Scope

- i. The study was conducted both at the Central level in line ministries and departments, Donors/development partners and Non-Governmental Organizations. The central level line ministries included; Ministry of Water and Environment (MWE), Ministry of Local Government (MoLG), Ministry of Finance Planning and Economic Development (MoFPED) and National Planning Authority (NPA). The Donors/Development Partners and NGOs consulted included; World Vision, SNV, Water Aid, UNICEF and DANIDA.
- ii. The Study also involved field visits to Districts, Sub-counties and communities (Water and Sanitation Sector facilities). At districts level the districts in the table below were visited;

Table I: Districts visited according to regions

Region	District
Central	Rakai and Mukono
Eastern	Kamuli and Soroti
Northern	Gulu and Koboko
Western	Bushenyi and Kabarole

Note: Activities in Water and Sanitation for the FY 2006/2007 were taken as the base year

The Report covers findings in the 8 Districts of Kabarole, Koboko, Gulu, Bushenyi, Rakai, Soroti, Kamuli, and Mukono. The survey involved tracking of expenditure in departments and issues related to planning and provision of water and sanitation at the centre and districts. The survey team also made visits to community water facilities to assess functionality and usability of the water facilities.

1.4.2 Content Scope

The study concerned itself with establishing whether or not the planned outputs were met. Where the outputs were implemented, we examined the functionality, access and use of the water works by the population. The study was further guided by the quest to find answers to the following questions:

- Were resources received by each intervention in line with the amounts agreed in the budget?
- Were received funds used for intended purposes?
- Were there any deviations from the original work plan? If so were they justifiable?

- Was the money spend on activities which logically relate to the water and sanitation sector objectives?
- Were the planned activities actually carried out, and what is the progress?
- Which contractor is involved in the implementation of activities?
- Which outputs have been delivered?
- How does output achievement compare with the planned targets?
- If targets were not met why?
- To a very limited extent conduct assessments to inform decision on value for money audits-any evidence of poor value for money (shoddy construction)
- What are the key challenges faced during implementation of activities?

Additionally, the following served to argument the findings;

- i. Review of the National Plan for water and sanitation
- ii. Review of the National Budget for the water and sanitation
- iii. Recurrent and development expenditure on water and sanitation approved and released funds by the Ministry of Finance and Economic Planning in the fiscal year 2006/2007.
- iv. Review of the accountability mechanisms and systems and how such systems have improved governance in the water sector.
- v. At Local government level, audit review of plans and budget and how they are implemented with specific objective of identifying gaps and areas of corruption and abuse.
- vi. Entire accountability systems in water and sanitation sector focusing on how plans are made, decision making processes and stakeholders involved.
- vii. Review of specific activities to establish compliance to the procurement guidelines at Local Government Level
- viii. Comparison of different projects and how they are managed at Local government level.
- ix. Comparisons between DWD funded projects and other special projects with funding from other sources such as NGO/FBO project or special government project like NUSAF as well as funded projects from Ministry of Finance through districts.

1.5 Outputs of the Consultanc

- a) Analytical report on national plan and budget for water and sanitation sector highlighting processes and procedure for accountability and reporting mechanisms
- b) An analytical report on Local Government compliance to accountability mechanisms in water and sanitation sector, highlighting challenges and prospects for change
- c) Two case studies per district; one on best practices in adherence to accountability procedures and the other on non- compliance to accountability.

1.6 Expected Outcome of the Consultancy

- i. Create awareness amongst the stakeholders in the water sector of the loopholes exploited to divert and misuse funds for the water sector
- ii. Based on the above information assist in the development of policies for proper use and accountability of funds for the Water Sector

CHAPTER TWO

2.0 APPROACH AND METHODOLOGY

2.1 Introduction

The nature and importance of the project demanded use of a wide range of participatory tools for data collection and analysis of the findings. This section presents methods/processes of data collection and analysis. Views/ideas based on key findings were discussed and vetted at all stages through technical committee meetings and later, discussions with the client. The report was thus developed as an outcome of an intensive consultative study process.

2.2 Overall Approach

The overall approach to conducting the assignment was a **Process Consultative Model**. The consultant used both qualitative and quantitative data collection methods to identify capacity, institutional, financial and accountability and flow that affect delivery of Water and Sanitation at the Centre and selected Local Governments including community level.

The study involved a situational analysis and an intensive consultative and consensus building process, which involved line Ministries and Departments at the Centre, Districts and sub-counties, development partners, NGOs, private sector, community leadership, WUCs/WUAs and the users. Specifically, the following criterion was used during the assignment;

- i) Identification of quarterly water and sanitation funds allocation from Finance Planning and Economic Development to districts for the FY 2006/07
- ii) Confirmation of receipt of funds to the districts for the FY 2006/07
- iii) Identification of gaps the between the funds budgeted and funds received
- iv) Allocation of funds to different sub counties and specifically to water facilities
- v) Sampling of community water facilities for field visits (to authenticate actual funds utilization)

2.3 Processes during the Assignment

2.3.1 Inception Meeting and Discussion with ACCU

This activity discussed the Consultant's Inception Report and was used to draw an agreed action plan to be used to conduct the assignment.

2.3.2 Sampling

8 districts were sampled from each of the 4 regions in Uganda. Random 2 sub-counties were randomly sampled from each of the districts where study visits were conducted at the water facilities. Details are contained in sub-sections here below.

2.3.3 Sampling at National Level

Consultations at Central Level were conducted in key line Ministries and line departments and institutions. At the central level, Ministries and departments were purposively selected because of their role and contribution to the planning and provision of water and sanitation services. The institutions included the following; Ministry of Water and Environment (MWE), Directorate of Water Development (DWD), Ministry of Local Government (MoLG) and Ministry of Finance Planning and Economic Development (MoFPED). Non-governmental actors consulted were also selected based on their contribution to development and provision of water and sanitation services. They include; SNV, Water Aid, World Vision, UNICEF and DANIDA. The consultations were aimed at identifying the guidelines and flow of funding for Water and sanitation sector at the centre. It also involved a critical examination of the budgeting and planning processes at the centre and how it reflects on delivery of water and sanitation at community level. The visits were also used to establish the existing roles of the central key stakeholders and how they execute them to ensure effective and efficient Water and sanitation delivery.

2.3.4 Selection of Districts

Field visits were conducted at Local Governments including visits to the sub-counties and community level water facilities. The sample districts were discussed and agreed between the client and the consultant. They were based on regional representation and performance in terms of water coverage. The districts include; Bushenyi, Rakai, Kabarole, Mukono, Koboko, Gulu, Kamuli and Soroti. At District level, Heads of Departments of the Water, Finance, Planning and Procurement were taken as key informants on issues relating to planning and provision of water, accountability for Water and Sanitation Sector funds and Procurement and management of Contracts. The Water Officers were instrumental in identifying the sub-counties and communities to visit.

At district level, the study teams concentrated on the following issues;

- (i) Planning and Budgeting for Water and sanitation
- (ii) Flow of expenditure and utilization of water and sanitation
- (iii) Linkages between planning, budgeting and expenditure on water and sanitation resources with value for money
- (iv) Level of participation of the community in planning, management and sustainability of water and sanitation services
- (v) Governance, procurement and accountability audits for water and sanitation sector funds

An assessment in terms of physical availability of funded water and sanitation facilities and general access to safe and clean water was done. Heads of Departments; that is; District Water Officers, Chief Finance Officers, Procurement Officers and the District Planners were used as focal technical personnel for clear understanding of technical issues related to funding, accountability, planning, monitoring and functionality of water facilities. A total of 40 Heads of departments including CAOs were taken as key informants from the Districts.

2.3.5 Sampling Sub-counties for Field visits

At the district level 2 sub-counties were randomly selected from the available list of sub-counties for each of the districts. The water department performance and quarterly reports were used as a guide to identify the sub-counties that were selected for field districts. The following sub counties were visited;

2.3.6 Sampling of community water points facilities

An inventory of the water points that were constructed in the FY 2006/07 was used to identify the water points to visit in the selected sub-counties. At least 8 facilities were visited in every district but special emphasis was given to the following criteria as per the TOR;

- i) One water facility funded by the Government of Uganda under PAF or LGDP
- ii) One facility funded by the private sector NGOs or special government project
- iii) One facility that had adhered to all the good planning, procurement, implementation and management practices
- iv) One facility that did not follow best-practice during implementation

The Consultant was required to make a comparison of the government and private-funded projects and identify the learning experiences that may be shared.

At community level, the study team was interested in critical assessment of the following issues;

- (i) Functionality of the water facilities and the Water User Committees
- (ii) Value for money of the water sector investments
- (iii) Usability of the facilities
- (iv) Complaints of the user communities

District	Facility	Source of Fund
Kabarole	Kasenda Gravity Flow Scheme (214 M) HEWASA Con, Ltd	Kabarole District Local Government (KDKG) & HEWASA
	Kyitengera Gravity Scheme (600 M)-Rwimi (Crane Technical services Ltd)	MWE/DWD
	Kibito Gravity Flow Scheme (62 M) (Crane Technical Services)	MWE/DWD
Gulu	Alero Camp Motorized Bore Hole	UNICEF, CARITAS, Japan
	Coope IDP-Motorized Bore hole	Catholic Relief Services, Action Against Hunger, Caritas, USAID
	Bobi-Rain Water Harvesting Tanks	UNICEF
	Palengo-Motorized Borehole	AMREF, UNICEF
	Coope IDP-Coope Borehole (Well No. 44)	DWD (Rehabilitated by Action Against Hunger)
Koboko	Malikulu Village Protected Spring 4 M Ludala Sub-county	PAF (Government)
	Aresse Protected Spring Midia Sub-County	
	Apago Village-Midia SC Deep Borehole 16M (Sumadhura Contractors)	MWE/DWD 26505
	Tukali Shallow well Shallow Well	DWD
	Ludedela Borehole	NUSAF
Bushenyi District	Kamuhembe GFS (232 M) (Mabare-Kigarama)	MWE/DWD
	Nyeibingo GFS (170 M) (Kyabugimbi)	MWE/DWD
	Mabanga GFS (424 M)	MWE/DWD
Raki District	Sanje RGC Water System (322)	MWE/DWD
	Dwaniro Kaleere Water Ferro Cement Tank (3M)	District Water Office
Kamuli	BUgulu BH 16 M	MWE/DWD Royal Tech. Services)
	Buyende Plastic Water Tank (2 M)	
Soroti District	Aukot BH 16M (E-plus Engineering Services Ltd)	Soroti District Local Government

	<i>Opuyo BH 16 M (ACAV)</i>	<i>NUSAF (24070)</i>
Mukono District	<i>Mpoma Rayo BH (16 M) (Royal tech Industries Ltd)</i>	<i>DWD/27471</i>
	<i>Large Protected Spring Kyabalogo Parish (MNK/04/5747/PAf M.G.E Ltd)</i>	<i>Mukono District local Government</i>

2.3.7 Interviews with the consumers

At community level, water user committees and care takers were key in guiding the researchers on issues pertaining to particular water facilities. Water users located within a kilometre from the water source and those found at the water points were interviewed on the water and sanitation issues in their area. A total of 983 had their views and opinions taken mainly through Focus Group Discussions (FDGs). 64 FDGs were carried out with an average of 12-15 people. These were mainly people found at the water point at the time of spot check for facilities that were functional. For non-functional facilities people within a kilometre from the facility were taken as participants in the FDGs. For facilities that had Water User committees, 130 members of these committees were used as key informant.

2.3.8 Analysis of Information

The following documents were retrieved and reviewed:

- i) Ministry of Finance Planning and Economic Development (MoFPED) Monthly releases
- ii) Bank statements from the grant collection account
- iii) Cash book for grant collection account and other departments
- iv) Release notices and receipts
- v) News paper notices on fund releases to the District Local Governments

The following places were visited and various departments:

- i) MoFPED head offices in Kampala
- ii) Ministry of Water Lands and Environment
- iii) Directorate of Water Development in Kampala
- iv) District headquarters
- v) District Water Offices
- vi) Sub-county head quarters
- vii) Villages

viii) Water Points

Data was manually and electronically analysed to derive meaning and conclusion as presented in the findings. Technical committee meetings were held with the project team to appraise and process outputs before a draft report was presented for the Client. A draft report was discussed at National Stakeholders' workshop in Kampala for validation of the study findings on February 17, 2009 at Hotel African. Missing information was collected in the second round of the field trips to ensure that findings were verifiable.

2.3.9 Secondary Data Sources

A number of documents were reviewed to obtain secondary information on planning and delivery of water and sanitation services. The key ones include; the Water Sector Performance Report 2005, 2006, 2007 and 2008, the Water sector Reform Study, Procurement guidelines for Water and Sanitation Projects, NIS Report 2008, Local Government Financial and Accounting Regulations and the Local Government Act (1997) as amended

2.3.10. Challenges faced during the assignment

The subject of the assignment is vastly sensitive and the study team grappled with lack of free flow of information especially at district level. Many Government officials questioned the role of ACCU in matters that are, traditionally, the preserve of the Auditor General and the Inspector of Government (IGG). The officials worried that the information given could be used to implicate them in malpractices in the planning and procurement of Water Projects. The Chief Administrative Officers however prevailed over the Heads of Departments to avail information to the research team.

The consultant however, maintains that the challenges did not affect the quality of the findings.

CHAPTER THREE

3.0 FINDINGS AND DISCUSSION

Introduction

This section presents the findings of the study and focuses on the general water and sanitation situation in Uganda, water coverage in the study districts, sources of funds for water and sanitation and funding of the private organizations. The Consultant also makes inferences from the findings.

3.1 Water and Sanitation Sector in Uganda

3.1.1 National Level

The percentage of the total National budget going to the Water and Sanitation sector in Uganda has been reducing over the years despite the significant importance of the sector to development. In the FY 2007/08 the Water and Sanitation Sector received only 1.8 percent of the total budget compared to 4.8 percent in the FY 2004/05. There are risks that it may reduce further over the coming FYs. There is therefore, need for optimal use of the available water and sanitation resources aiming at attaining economic value, efficiency and effectiveness.

Despite, the fact that the Water coverage stands at 63% presently, the statistics vary significantly from district to district. For example there is an acute demand for water especially in the North (most severely in the Internally Displaced Peoples Camps) and the pastoral districts of North Eastern and the cattle corridor in Western Uganda. The Strategy for Water and Sanitation for Emergency Response in Uganda states that the appalling water and sanitation situation in IDPs requires immediate attention.³ (This is substantiated later in this report, where the findings show an acute need to have access to clean and safe water in order to enhance growth and development.) The Ministry of Water and Environment and the Directorate of Water Development (DWD) have a target to provide 77% clean water coverage by 2010 for rural areas and 100% for urban areas.

The Directorate of Water Development (DWD) under the Ministry of Water and Environment has the following mandate:

- ▀ To provide basic water supply and sanitation facilities to 65 per cent of the rural population by the year 2005 with 80% to 90% per cent effective use and functionality of facilities. The minimum target is to supply 20 litres of safe and clean water per person per day within easy

³ Ministry of Water, Lands and Environment-2008

reach. Although the strategies have been frequently revised, MWE/DWD is still short of the targeted percentage.

- The objective is to reduce the walking distance to the water supply sources to 1.5 kilometers to allow the population a chance to devote the time saved into productive activities.⁴

However, this is yet to be achieved especially in areas where there is significant misuse of Water and Sanitation sector funds.

The accessibility to water by communities has a direct bearing on their health and sanitation levels. It also saves energy and time spent by members of households who shoulder the burden of collecting water where, in most cases, the source is far from the community.

Government has shouldered the responsibility of bearing the costs of rural water supply. This is because the cost of investment in this sector is high and there are limited incentives to private investors in such a venture except in limited cases where the area in question is highly populated. The Government allocates funds to every district with the aim of leveraging coverage by 2015.⁵ The MWE/DWD provides water and sanitation based on the principle “**Some for All and Not More for Some**”

Access to safe, clean water and sanitation is fundamental to sustainable socio-economic development. Water and a clean environment are some of the basic needs required for a healthy living. ⁶ Inhibitions from enjoying such rights limit the level of freedom and choice the population will enjoy. It results into lower productivity due to long hours taken in search for water (which at times is not safe and clean), lost education and the resultant right to a productive future, high household expenditure and death from preventable water related diseases especially amongst children and women. The Government of Uganda, with assistance of Donors and the Civil Society is making a strategic intervention to ensure that there is sustainable and equitable access to water and sanitation to 77% of the rural areas within less than 1.5 kilometers of walking distance with 80%-90% effective functionality by the 2015. The target is 100% for urban areas by 2010.⁷ The above is also in line with the Millennium Development Goals target of achieving 68% access for rural areas by 2015.

Good governance and social responsibility in investment and management of water sector funds will lead to continued sustainable usage of water resources in the water and sanitation sector. MWE, Rural Water and Sanitation Operation Plan (2002-2007) clearly spells out key strategies that can be continuously used by water and sanitation sector stakeholders in

⁴ DWD Rural and Sanitation Sector Strategy

⁵ Poverty Eradication Action Plan (PEAP) 2004/05-07/08

⁶ Universal Declaration of Human Rights

⁷ Water and Sanitation Sector Performance Report 2007 & Rural Water and Sanitation Operation Plan (2002-2007)

improving governance, management, transparency and accountability in the water sector. They include the following;

- a) Demand responsive approach
- b) A decentralized approach to provision of water and sanitation
- c) An overall sector wide approach to planning
- d) Integrated approach
- e) Sustainability
- f) Financial reforms
- g) Coordination and collaboration of the major actors
- h) Institutional reforms
- i) Private sector participation
- j) Monitoring and reporting
- k) Information and awareness through IEC

Local Government take centre stage in management and investment of funds for water and sanitation and this implies that strategies must be sought to ensure appropriate management of WSS funds to ensure equitable access to safe and clean water to the populace local governments serve. However, the central government line ministries must execute their supervisory role with assistance of local government and private anti-graft organizations to block leakage and diversion of funds for private and selfish interest. Corruption and leakage of WSS funds is lowering water coverage and increasing the average cost of water supply per person in Uganda. The GoU through the MWE/Directorate of Water Development (DWD) has set golden indicators that form benchmarks for determining good governance. These are indicated in the table below;

Table II: Water and Sanitation Golden Indicators

S/N	Measure	Indicator
1)	Access	Percentage of people with 1.5 KM (rural) and 0.2 KM (urban) of an improved water source
2)	Functionality	Percentage of improved water sources that are functional at the time of spot-check
3)	Per Capita Investment Cost	Average cost per beneficiary of new water and sanitation schemes
4)	Sanitation	Percentage of people with improved access to improved sanitation
5)	Water Quality	Percentage of Water Samples taken at the point of water collection and waste discharge point that comply with national/acceptable standards
6)	Quantity of Water	Percentage in increase in cumulative storage capacity of Water for Production
7)	Equity	Mean sub-county deviation from the District average in persons per improved water point
8)	Hand washing	Percentage of people with access to (and using) hand washing facilities
9)	Management	Percentage of Water points with actively functioning Water and Sanitation
10)	Gender	Percentage of Water User Committees/Water Boards with women holding key positions

Source: GoU/MWE/DWD: Water and Sanitation performance Report 2008

3.1.2 An Overview and Achievements of the Water Sector

Provision of Water and Sanitation is one of Uganda's Program Priority Areas (PPA) under the Poverty Eradication Action Plan (PEAP) now being transformed into the National Development Plan (NDP). This is embodied in pillar 5: *Human Development* where it is clearly stated that provision of water has a strong bearing on the health and sanitation levels within society. The need for water is also stated in pillar number two of the PEAP "*Enhancing production, competitiveness and incomes*". It is also a key indicator to the achievement of the Millennium Development Goals (MDGs) that is access to clean and safe water to 100% of the population by 2015. Provision of water and sanitation is also central to the human rights and personal dignity of every person. The Ministry of Water and Environment (MWE) is continuously undertaking Water and Sanitation Sector (WSS) reforms that will result into increased performance, cost effectiveness and to decrease the government's burden while increasing government commitment to equitable and sustainable provision of services in communities countrywide. Over the past five years, significant achievements have been made in the water sector;

- Formulation of the Water Sector Policy 1999 which spells out key principles for collaboration and support
- Instituting a policy for management of water at the lowest level
- Putting in place a conducive environment for private sector participation in the provision of water
- Increasing access to safe and clean water from below 30% in 1986 to over 60% 2008
- Formulation of planning and reporting tools and guidelines
- Capacity building of District Water Officers, District Planners, Water User Committees and Technical Support Units
- Incorporation of gender concerns in rural water supply
- Increasing conditional grants for water supply from UGX. 21 bn in the FY 2001/02 to UGX. 40 bn, in the FY 2006/07
- Increased effort to involve the community in planning, management and sustainability of Water resources

3.1.3 Funding for the water Sector

There are three sources of funding for the water sector in Uganda. These include;

- Government funding from the Government Treasury
- Donor funding (Loans and Grants)
- Internally generated funds (funding from NGOs, CBOs, FBOs-all of them coordinated by UWASNET, District Local Revenue and Community initiated projects)

Funding for the water sector has significantly reduced to UGX 1.8 billion in the FY 2008/09.⁸ This amount of money is distributed to the six sub-sectors including;

⁸ The GoU/MWE/DWD Water and Sanitation Sector Performance Report (2008)

rural water, Water for Production, Urban Water , Water Resources Management, Institutional Development and Operation and maintenance.

In the FY under that is 2006/07 the GOU released a total amount of Ug. Shs. 40 Billion to the water sector as detailed in a table III:

In the FY 2007/08, the Gou released UGX 92.3% of its budget commitments while the donors exceeded their planned releases to 112.1%. Expenditure of funds for the water and sanitation sector is at times delayed to due delays in procurement and award of contracts at both national and districts level. Approximately 38% of the budget for the water resources sub-sector was not spent for the same reason.

The Non-Governmental Organizations and Community Based organizations have also played a significant role in funding the water sector. In the FY 2007/08, the NGOs and CBOs through their umbrella organization UWASNET injected UGX. 13.7 billion into the water sector. The organization under UWASNET mainly contribute towards software activities (UGX.4.5 billion) capacity building UGX.7.9 billion) and support to local governments. The contribution to water supplies was UGX 5.8 billion.

These NGOs and CBOs exclude major humanitarian agencies that have heavily funded provision of water and sanitation activities in areas of insurgency and IDPs especially in Northern, North Eastern and Eastern parts of Uganda. These include among others; UNICEF, Action for Hunger (ACT), Irish AID, CRS, USAID, AMREF, CARITAS, and Government of Japan (donated 130 million to Koboko Town Council), Red Cross, GOAL Uganda, World Vision. UNICEF alone contributed approximately UGX. 500 million worth of vehicles, computers and equipment to water offices to enhance planning and supervision of water and sanitation activities in Gulu and Amuru Districts.

Table III. **The NGO/CBO funding for Water Sector Jan-Dec 2007 in Selected Districts Coordinated by UWASNET**

Organization	District	Amount
AQUAFUND INT (U) Ltd	Gulu and Amuru	77,258,027
Caritas MADDO	Rakai and Masaka	73,780,000
COWESER Open Palm	Rakai and Masaka	225,620,00
Foundation for Rural Development (FORUD)	Kabarole	48,835,800
Health Through Water and Sanitation (HEWASA)	Kabarole	265,046,00
KATOSI Women Development Trust	Mukono	42,104,000
Kamuli Community Development Foundation (KCDF)	Kamuli	86,165,000
Kyetume Community Based Health Care Programme	Mukono	17,000,260
NETWAS	Rakai, Bugiri and Kamwenge	444,275,989
Tooro Development Agency (TDA)	Kabarole	2,050,000
Uganda Association for Socio-Economic Development	Mukono	86,000,006
UWASNET (UNICEF, DFID, Hand Washing Campaign Project)	Country Wide	1,443,483,215
SNV	Koboko	Not Known
Plan International	Kamuli, Luwero, Tororo, Lira and Kampala	410,169,600
Fontes Foundation	Bushenyi	42,000,000

Source: District Water Offices (DWO) and GoU, MWE/DWD Water and Sanitation Sector Performance Report

3.1.4 Donor Support to the Water and Sanitation Sector

The Government's ranking of donor support modalities is as below;⁹

- General budget support-provides Government with the maximum flexibility in allocating resources according to its strategic objectives and priorities
- Budget support earmarked for the Poverty Action Fund(PAF)-mutually agreed upon between government and donors, taking into consideration aggregate expenditure ceilings
- Sector budget support (basket funding)-donor pool funds together as a partnership fund to implement agreed activities in an attempt to reduce transaction costs and simplify reporting procedures. Implementing agencies provide accountability.
- Project aid-this addresses particular interventions such as large scale water projects

⁹ GoU/MWE/DWD Water & Sanitation Performance Report (September 2008)

3.1.5 Forms donor/private sector support

Table IV: Type of the Support provided by the Private Sector

Budget (Guidelines)	Support	Sector Support by Donors (Guidelines)	Community Initiatives
<ul style="list-style-type: none"> ▀ Donors/NGOs write a Memorandum of Understanding with District ▀ Donors/NGOs are assisted by the DWO to identify Water Needs as Community Level ▀ Donors/NGOs budget with district ▀ Donors/NGO give funds to the district as part of the budget support ▀ The District procure for contractors for both hardware and software components ▀ The projects are implemented according to Districts and DWO guidelines ▀ District provide accountability for funds spent according to LG financial accounting Regulations ▀ Donors/NGOs monitor sites to ensure compliance with agreed standards and guidelines ▀ Donors demand accountability for funds released 		<ul style="list-style-type: none"> ▀ Donor/NGOs/FBOs/CBOs write MoUs with the Districts ▀ They identify communities they want to directly work with ▀ They carry out the software activities e.g. community training and behavioral change ▀ They may seek technical support and guidance from the water office e.g. procurement, site identification ▀ Project are implemented according to guidelines that are developed by donors and funders themselves ▀ Accountability is provided to the donors ▀ They may carry out regular monitoring or enhance the capacity of communities to do monitoring 	<ul style="list-style-type: none"> ▀ Community identify water needs through community meeting facilitated by community leadership ▀ They identify potential water sources with technical assistance from district or sub-county ▀ The type of technology selected takes care of simple and affordable technology e.g. protected springs ▀ Development of sources is funded through community contributions ▀ District or sub-county may give technical assistance e.g. training of community and may contribute towards funding

3.1.6 Past performance of the Water Sector

In the rural areas, the focus is on provision of sustainable safe water supply and sanitation facilities based on management responsibility and ownership by the users, with 80-90% effective use and functionality rates of facilities. The trend in rural safe water coverage shows a progressive increase in water coverage to 63% by June 2008 with average functionality of 83%. The sanitation service in coverage is estimated at 59%. The activities carried out during the FY 2006/07, yielded an additional 1,104 shallow wells, 325 springs 603 deep boreholes, 412 gravity flow

taps, 4 pumped boreholes, 1250m³ tanks with roof catchments 642, 7.5m³ Ferro cement tanks, and 150 10m³ HDPE – tanks for primary schools were constructed. An additional 620,000 people have benefited from the services.

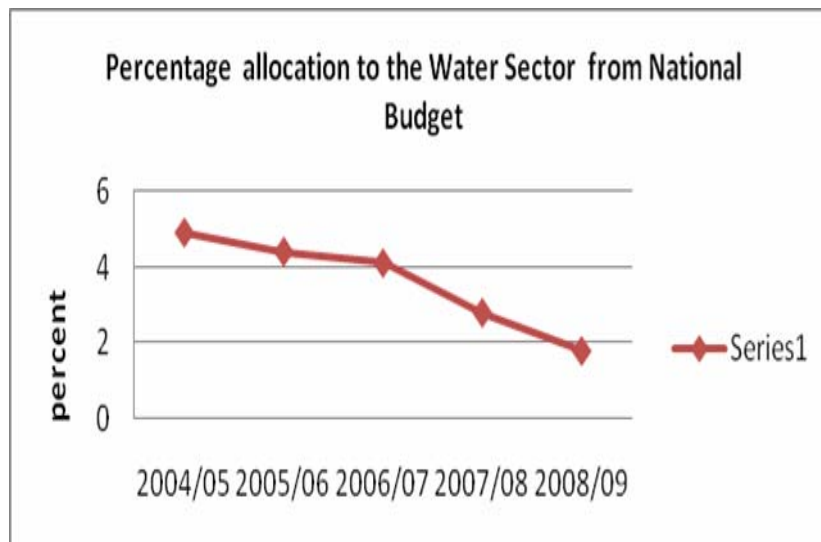
The total funding for the rural water supply and sanitation sub sector, as a percentage of the sector budget allocation, decreased from UGX. 50.2 billion in FY 2006/07 to 43.75 billion in FY 2007/08. For the ministerial development projects the funding decreased by UGX.1.391 billion from the donors and increased by UGX.9.164 billion from the government. This additional funding was used to construct water supply and sanitation facilities in IDP Camps and gravity flow schemes and piped water in rural areas.

3.1.7 Allocation of Funds for Water and Sanitation

The MoFPED water and sanitation sector allocation for all the districts for the FY 2006/07 was as follows;

The WSS sector received UGX. 40,659,971 Billion in the FY 2006/07. However, the amounts allocated differ from district to district. The key indicator used is the number of population not served in the district in a given area. For villages, a population of 1,500 is entitled to receive clean and safe water source while for Rural Growth Centres the population should be between 1,500 and 5,000.

Allocation to the WSS from the National Budget 2004/05-2008/09



Source: GoU/MWE Water and Sanitation Sector Performance Report (September 2008)

The percentage of national budget to the water and sanitation sector has been continuously declining from approximately 4.6% in the FY 2004/05 to approximately 2% in the FY 2008/09. The declining budget has been made worse by reported mismanagement of the available funds through fraudulent procurements. The decrease in sector funding and reported misuse of resources comes at a time when there is increasing demand for water and sanitation as a result of factors ranging from population growth to natural calamities. For

example the biggest challenge to planning and provision of water and sanitation in Koboko District was reported to be the high rate of population growth standing at close to 6% per annum (District Water Office Annual Report 2006/07). This is far above the national average of 3.2%. The floods in Eastern Uganda have washed away some of the facilities in some sub-counties and this has greatly reduced water coverage. Therefore, the need to use all allocated funds to the optimum to ensure increase in coverage has never been greater.

Analysis of the allocated figures per district for the FY 2006/07 shows a discrepancy in the level of allocation. Districts that are “hard-to-reach” and those that are badly water stressed have not been given preferential treatment in allocation of water funds. Whereas the budget allocation by the Ministry of Finance shows that rural water receives more funding than urban water, the proportion of impact for the money spent to the rural areas is yet to be felt. Selected releases for the water sector for the districts visited for the FY 2006/07 are indicated below;

3.1.8 Water Coverage in the study Districts

According to MWE Water and Sanitation Performance Report (2008), water coverage for the districts visited varied as indicated in the following table. Among all the districts visited Koboko had the lowest water and sanitation coverage followed by Gulu and Kamuli. Bushenyi has the highest water coverage among all the Districts.

Chart I: Percentage Water Coverage



Source: District Water Performance Reports (September 2008)

In Gulu district, the investments in the water sector are high and this explains the presence of expensive water sources/facilities especially in the former IDP camp (which will in future be turned into satellite growth centres). Comments from the Focus Group Discussions in the IDPs indicate that the low rates of functionality are due to absence of Water User Committees and lack community ownership. The users also claim that they are too poor to pay user fees and communities depend entirely on the District Water Office to fund operation and maintenance costs. The

DWO also reported that the district is constrained due to inadequate funding from the centre compared to the demand of water especially in the Internally Displaced Peoples' camps. Whereas the donors and humanitarian agencies should be credited for heavy investment in the water sector in Gulu, they have not done enough to provide a fund to cater for operation and maintenance. The guidelines state that the facilities belong to the community, but there has been inadequate capacity building for communities to manage and sustain water investments. Eventually the facilities are being rendered non-functional. Some of the notable Non-government organizations that funded some of the facilities visited include AMREF, CARITAS, Japan Government, UNICEF, Red Cross, and Action against Hunger, USAID, Irish Aid, and CRS.

Use of safe and clean water is still affected by poor community sensitization and poor user behavior. In Koboko and Gulu, some communities are yet to appreciate the importance of using safe and clean water. In Koboko district for example, the usage levels of the existing facilities is still poor. The teams established that people prefer to use nearby dirty water than walk a distance to draw clean and safe water from protected sources. This was also confirmed by the local leaders and Focus Group Discussions. This is common in the wet season when swamps are full of water. Therefore, in some villages there are facilities that provide safe and clean water but abandoned (not in use) because the communities are obdurate to change. This explains the frequent out- breaks of water borne diseases in Koboko District. This calls for intensive community sensitization for behavioral change.

In Rakai district water coverage is affected by long dry spells that run from June to September and lack of adequate water supply technologies that would suit water stressed areas such as Kooki County (Rwamagwa, Kagamba, Dwanilo, Kakyera, Lwanda, Byakabanda, Kyarurangira). It is common for facilities to run dry during the dry season even when they are well constructed. Despite the fact that water coverage is 68% which is slightly above the national average, some communities walk up to 10 kilometers in search of safe and clean water. In Bushenyi and Soroti districts the high level of access is attributed to good operation and maintenance behavior and the level of consciousness of the Water and Sanitation user committees and willingness of the community/users to pay user fees.

Case of Poor Behavioral attitude

The shallow well on the right is found in Manabubi village Lobule Sub-county Koboko District. The facility is fully functional with clean and safe water but has been abandoned by the community because it is far and they can easily access water from the nearby open facility (on the left). During a focus group discussion participants said that the water from the facility contained worms. The DWO and the Sub-County chief (present in the FGD) however, claimed that water samples from the facility have been tested and the water is fit for consumption and that it's the community that is not willing to change. Such cases affect coverage. The project No. is 18/02-008, funded by DWD and at a cost 8 Million Shillings. Such cases according him reduce water coverage.

Source: Community FGD, Field Visit, DWO Koboko, IBM

Picture I and II: An open Pond being used as a source of water than a protect shallow well nearby.



Source: Field Photos

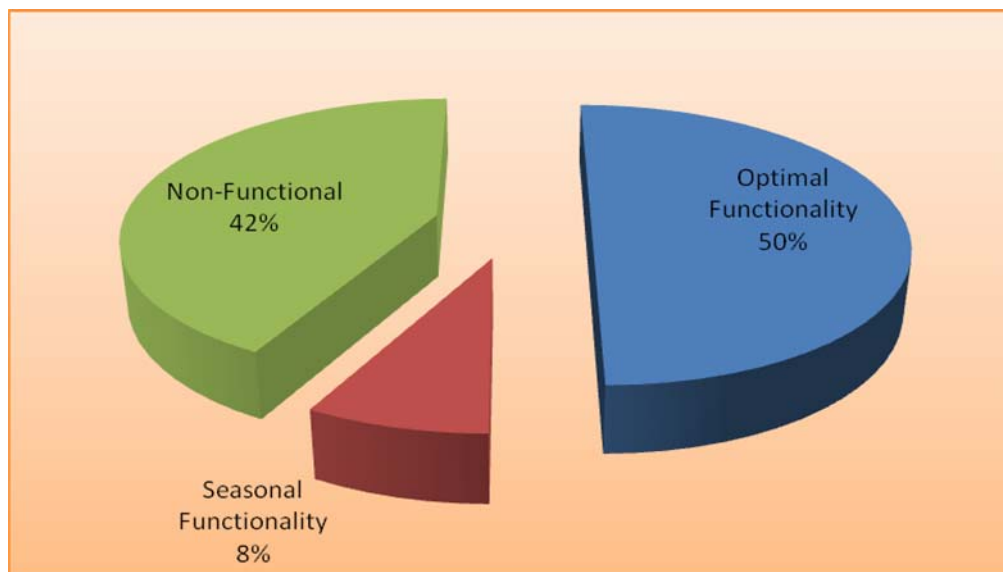
3.2 Characteristics of Facilities visited

64 water facilities were visited in the 8 districts during the study. Observation and analysis of the facilities based on selected indicators was made by the PETS team. The following indicators were considered for the facilities visited; Access, Functionality, Management of the facility (presence of functional Water User Committees), Gender, Physical quality of the facility and Water quality and quantity, prevalence of corruption in management of water sources. Below is the summary of the findings;

3.2.1 Functionality of Water Sources

Functionality is ability of the facility to continuously produce safe and clean water. It is determined by the actual number of hours a water point produces water in a day. The field team assessed the functionality of the facilitates visited during the field visits and the observational findings are indicated in the table below;

Level of Functionality	Frequency
Optimal Functionality	32
Seasonal Functionality	5
Non-Functional	27
Total	64



Out of the 64 facilities visited constructed or rehabilitated in the FY 2006/07, 50% (32) had optimal functionality at the time of study; that is, people could draw safe and clean water from the facility. 42% (27) were non-functional while 8% (95) had seasonal functionality. The reasons for functionality for those facilities found working at the time of spot check was mostly because of availability of WUCs for the facilities that had been constituted before construction of the facilities. The reasons for non-functionality of facilities of some facilities visited was found out to include included lack of awareness of roles and responsibilities of WUCs, lack of community involvement in management of the facility and alleged malpractices and shoddy work during construction of the facility. The team established that the largest percentage of non-functional water facilities were found in Gulu, Koboko and Soroti. In Gulu district the return of IDPs has left a management vacuum in the camps and some of the facilities are abandoned. The technology that is prone to numerous breakdown is borehole technology. In Koboko district the Community is yet to appreciate the need for use of clean and safe water. The team sighted inadequate community sensitization and mobilization on water and sanitation issues as a big challenge. It is not by accident that the district gets frequent cholera outbreaks.

Kasenda/Rutete GFS- the issues

Issues for investigation Kasenda/Rutete Gravity Flow Scheme

Case Study - Kitengere and Kasenda Rutete GFS in Kabarole constructed by HEWASA CON

14 million was non-functional at the time of spot check. Non-functionality is also brought about by shoddy work, as illustrated by this case study. On-spot/monitoring visits for the GFS's of Kitengere and Kasenda Rutete in Kabarole districts indicate that the contractors had not done quality work. The facilities cost UGX 600 Million and UGX 214 Million respectively and were constructed by HEWASA CON Ltd. The Technical Audit Report of the Kitengere GFS carried out by a team of Engineers from DWD, on recommendation of the CAO, cited poor design, missing contract documents that raised suspicion of mismanagement of project funds and unsatisfactory works in some sections of the facility. The report recommended re-designing and re-doing specific sections in order not to lose the whole project. A detailed report of the Technical Audit is available for reference. Several sections of the Kasenda GFS had not been completed at the time of spot check but the facility nevertheless had been commissioned as functional.

- There was inadequate community involvement, mobilization and training and eventually community has lost interest in using the facility. Sections of the GFS scheme are vandalized by the community. Community has refused to pay user fees because they can not see any benefits.

Case Study -Construction of protected springs by Wanaika Construction Company Ltd

Non-functionality was also observed in 3 protected springs in Koboko district constructed by Wanaika Construction Company Limited. One facility curved in a month after construction, the second was abandoned due to brown water and while the third had its water flow cut off after protecting the source. Out of the 8 facilities constructed, reports from the District Water Office indicate that 6 were shoddily done but the contractor had been paid at full project cost of UGX 29,804,330 million. Another contract has been awarded to the same contractor in the FY 2008/09 budget to construct 8 large protected springs at a cost of UGX 45 Million and small protected springs at 12 million.

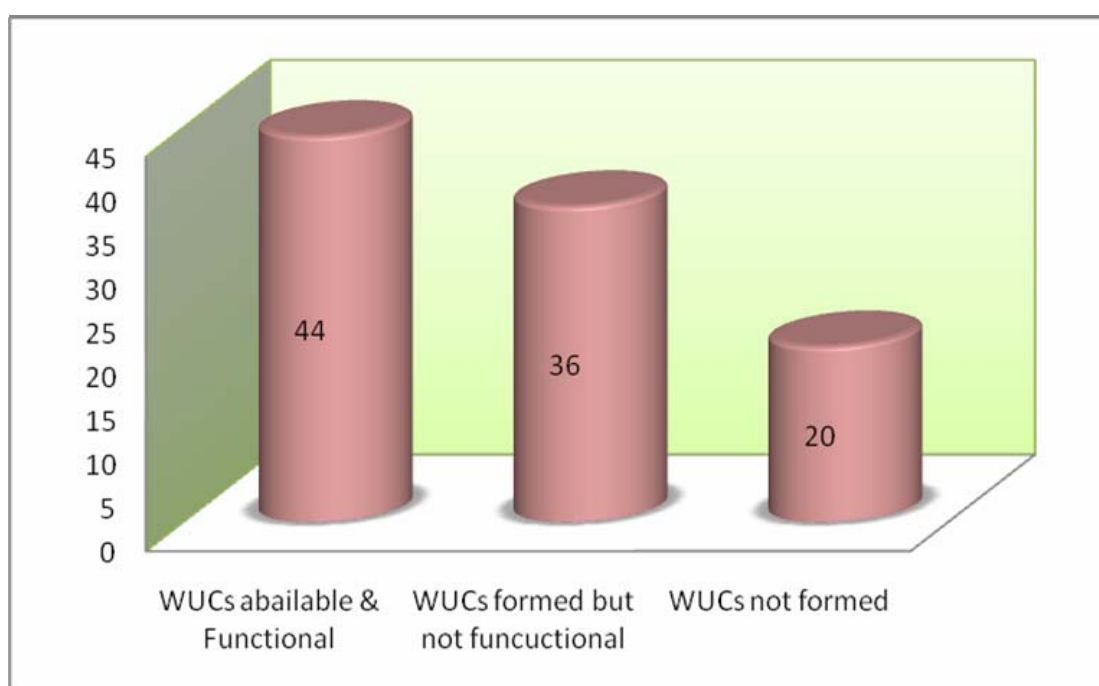
Case study -Construction of Lobule Gravity Flow Scheme

Low quality work and poor technical design was observed at Lobule GFS in Lobule sub-county Koboko district. The GFS was constructed in the FY 2004/05. Water could not run into the system because of defects in the construction of the Reservoir Tank. The Tank is located in a low-lying area making it difficult for the water to flow by gravity. The Third Quarter Report for the FY 2006/07, confirmed by the Hand Pump Mechanic Koboko District indicates that, the GFS has been "repaired" 3 times but the problem could not be resolved. In the FY 2006/07 UGX 50 million was allocated towards the scheme, while in the FY 2008/09, UGX 13 million was allocated in an effort to put the system right. Contract records pertaining to the facility could not be traced in the procurement department. The Senior Procurement Officer, confirmed allegations of procurement malpractices in the awarding of contract and during the implementation. He reported that his predecessor had deliberately hidden files containing the B.O.Qs and technical designs and this had held back the inquiry into the case. The person with the files was said to be on a study leave at Kyambogo University by the time of the visit.

3.2.2 Management of the Water facilities

Management of a water point is a major key to continued supply of water and sustainability of the project. Its major indicator is an active and functional water user committee. On-spot visits to the water facilities and the inquiries from the water users found the facilities at the time of visits revealed the following;

Existence of WUCs	Frequency
WUCs Available & Functional	28
Not Formed	13
WUCs formed but Not Functional	23
Total	64



Out of the water points visited 44% had functional WUCs. It was evident that facilities with WUCs had optimal functionality. 36% had WUCs formed at the initiation of the projects but were not functional and most of the projects were not functional. 20% of the water points visited had no WUCs. This is in breach of the MWE guidelines that WUCs should be formed before the water facilities are launched. In Bushenyi district, interaction with the users showed a high level of involvement of the community in planning and management of the water facilities. This explains the appropriate level of functionality of the facilities visited. Each stand pipe on the GFS visited in Bunyaruguru has a management committee that looks after it.

For many projects that were found with functional water user committees, these committees do not meet irregularly. Meetings are held only when there are any serious emergencies to rectify on the facility. It was only Bushenyi and Rakai where the members of the WUCs indicated that they met regularly.

For facilities whose committees were formed but were not functional, members interviewed indicated that they only received training once and they did not seem to understand clearly their expected roles and responsibilities. The scheme attendants of the Kitengere and Kasenda GFSs in Kabarole, Copee, Alero and Bobi motorized schemes in Gulu and Aukot

Case Study - Management of Water Facilities Gulu and Soroti

Gulu District's safe water coverage is 54% but due to poor management of the facilities, the rate of non-functionality is very high. The non-governmental Organizations have invested money in motorized boreholes and pump boreholes in the IDP camps. NUSAF has also invested in water and sanitation projects for poverty alleviation. Restored peace in Northern and Eastern Uganda has led to the return of the Internally Displaced Persons and there is a management vacuum while other projects have just been abandoned because people have returned to their villages. A report by the District Water Officer Gulu Districts (PAF Monitoring for Water facilities 2004-2008) indicates that Non-Government Organizations have not harmoniously worked with the local government. Under the MWE guidelines, such organizations have to seek advice and the water officer is supposed to be the overall supervisor of all water projects in the area. This has rendered many donor funded project non-functional e.g. the Motorized Systems of Alero Camp, Coope IDP camps and Bobi were not functional at the time of spot check in September 2008 and during the verification exercise in March 2009. Non-of the facilities has a WUC. The communities have also failed to pay user fees towards operation and maintenance based on the claim that they can not afford the rates. The communities have failed to raise money for the fuel for the generators and the 6 stand taps tested at the time of spot check were dry. As such the 54% safe water coverage in Gulu is not realistic since the situation on the ground does not reflect it. During the verification exercise in March 2009, the NGOs like Action for Hunger and AMREF were having a campaign with the Gulu District Water office to sensitize the rural population on their roles and responsibilities in management and water and sanitation resources.

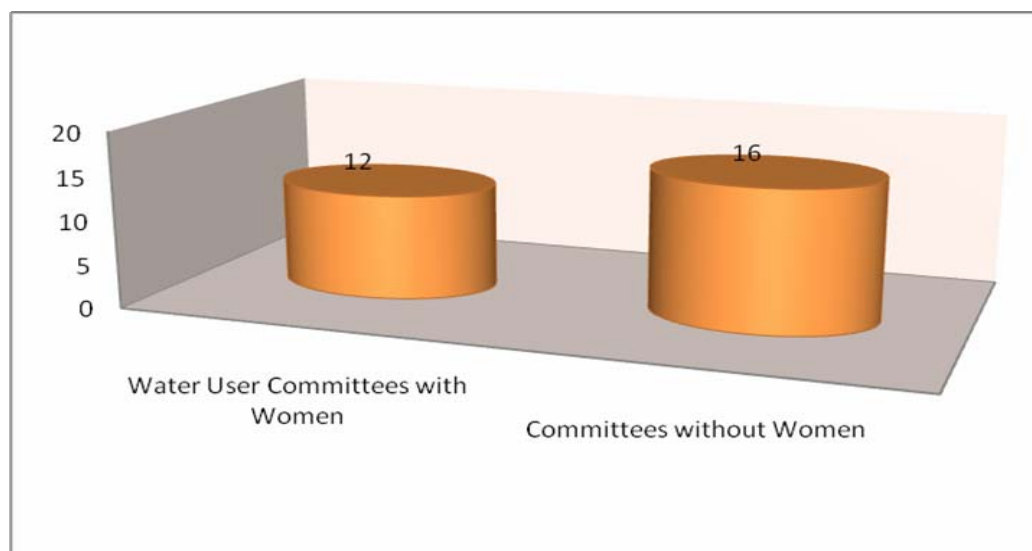
NUSAF projects have been mismanaged by the community. The community based procurement systems used have serious challenges like failure to identify good contractors. Audit of NUSAF activities in the Northern and Eastern Uganda indicates mass mismanagement of funds and has concluded that some projects have not had the expected impact on people's lives.

borehole in Soroti claimed they had been trained only once.

3.2.3 Composition of WUCs by Gender

The MWE and DWD guidelines indicate the importance of equal representation of both sexes on the water user committees. At least 2 women should appear in key positions of a WUC. In Uganda especially in rural society, women are still marginalized and are not involved in making important decisions. The rationale for involvement of women is because they are the majority drawers and users of water. Involvement of women improves management and sustainability of the water facilities. Inquiries with chairpersons of the WUCs for the 28 facilities with functional water user committees indicated the following results;

Existence of WUCs	Frequency
Water User Committees with Women	12
Committees without Women	16
Total	28

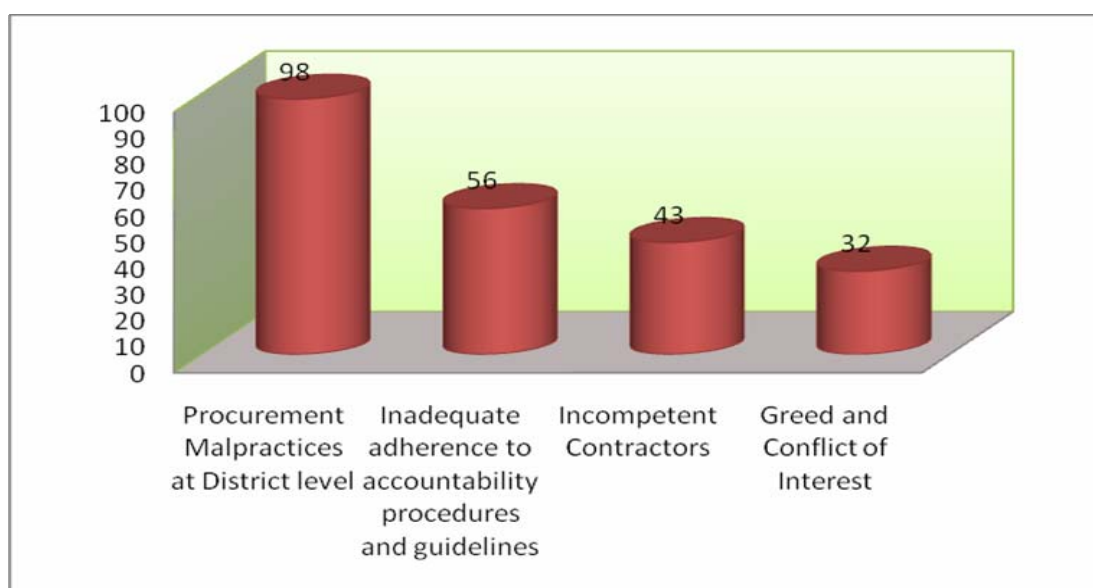


Out of the 28 facilities with functional WUCs, only 12 had women holding positions and 16 did not have. This indicates that the communities have not appreciated the contribution of women in management and sustainability of water projects. The non-participation of women on WUCs was blamed on the heavy domestic workload and men do not consider women as good leaders. The Water Sector Gender Strategy (2003) advocates for active involvement and participation of women in issues regarding planning and provision of water and sanitation services. This will call for continuous community sensitization and change of perception of the community towards seeing women as good leaders.

3.2.4 Causes of Mismanagement of Water Funds

Responses from districts' heads of departments (50) and water user committee members and lower level leadership (148) were tallied to determine the most common causes of mismanagement of water and sanitation sector funds in the water and sanitation sector. The responses from 198 respondents are summarized below;

Cause of Leakage	Frequency
Procurement Malpractices at District level	98
Inadequate adherence to accountability procedures and guidelines	56
Incompetent Contractors	43
Greed and Conflict of Interest	32
Total	



The responses from the questionnaires and key informant on the significant causes of mismanagement of water and sanitation funds indicate the following findings; procurement malpractices is ranked high with 98 of the total responses of 229, inadequate adherence to accountability procedures and guidelines second with 56, Incompetent contractors with 43 and Conflict of interest and greed with 32. There were reports of violation of PPDA regulations in the award of contracts for water and sanitation. The contracts committees in all the districts visited (September 2008) other than Bushenyi had just established Procurement and Disposal Units (PDUs) and contracts committees. In Gulu and Koboko the PDUs were established as recently as February 2009. The committees that had been used before were not competent and this explains why there were no proper records for water and sanitation projects prior to the FY 2006/07.

Incompetent Contractors;

Incompetence of contractors is manifested in the poor quality work made on some of the facilities visited. The construction of Kasenda/Rutete, Kitengere GFSs in Kabarole by HEWASA Con., GFSs in Lobule Sub-county Koboko district and Sanje Water Project in Rakai and Construction of Shallow wells by Wanaika Construction Company are some of the facilities that can be identified.

FDGs-Responses of causes of Mismanagement of Water sector funds in districts visited

- i) Incompetent Contractors***
- ii) Greed by district technical staff***
- iii) Inadequate technical capacity of the contractors for NUSAF funds in Northern and Eastern Uganda***
- iv) Ghost projects (Rakai)***
- v) False Accountability of the available funds***
- vi) Kick-backs given by contractors to those who award contracts which leaves them with little money to do quality work***
- vii) Lack of involvement of locals in planning and management of water and sanitation facilities***
- viii) Reluctance of the people to identify and report case of mismanagement of water funds***

Greed and Conflict of Interest;

Greed and Conflict of Interest also leads to diversion of water funds from serving their original purpose.

“The Chairperson influenced the location of Ferro Cement Tank from the originally proposed point to another point-behind his residence. It becomes very difficult to users to easily access water when they need it because of restricted access” Comment from a water user in Dwanilo.

**ALLOCATION OF WATER AND SANITATION FUNDS IN DISTRICTS
RAKAI DISTRICT LOCAL GOVERNMENT
PAF ALLOCATION PER SUB-COUNTY 2006/07**

County	Sub-County	Amount Allocated (UGX.)
Kooki	Byakabanda	12,890,284
	Dwanilo	42,888,628
	Kacheera	35,258,717
	Lwamaggwa	34,500,465
	Kagamba	43,315,145
	Lwanda	11,942,469
	Kyakulangira	44,026,006
Kyotera	Kasaali	9,478,150
	Nabigasa	10,899,872
	Kirumba	17,060,670
	Kalisizo	12,795,502
	Lwankoni	7,108,612
	Kabira	19,430,207
Kakuuto	Kakuuto	7,108,612
	Kifamba	14,264,615
	Kibanda	13,364,191
	Kasasa	7,108,612
	Kyebe	28,576,622
Total		

ALLOCATION OF WATER AND SANITATION FUNDS IN DISTRICTS

Procurement Plan for Water and Sanitation (Koboko District)

Activity	Quantity	Amount (UGX.)
Borehole sitting	6 Boreholes	10,800,000
Borehole rehabilitation	8 Boreholes	4,000,000
GFS Construction	2 Sites	50,000,000
MWD & HDW	4	32,000,000
Spring Protection	4	20,000,000
Borehole Drilling	6	96,000,000
Communal Latrines	2	30,000,000
Office Block Construction	1	150,000,000
Sector Monitoring	1	2,854,000
Operation and maintenance	Item	2,348,500
Hygiene promotion	Item	1,062,000
Capacity Building	Item	2,348,500
Supervision	Item	4,496,000

WATER INVESTMENT PER SUB-COUNTY
KOBOKO DISTRICT (2006/07)

	Protected Springs (L)	Water Quality Tests	Shallow Wells	GFS Rehabilitation	Borehole Construction	Borehole Rehabilitation
K.T.C	1	2			6	6
Kuluba	1	2	1		7	6
Lobule	1	2	1		5	6
Ludara	1	2	1	2	6	6
Midia	1	2	1		6	6
Total Items	4	10	4	2	31	28

3.3 Selected Facilities per District

Samples of water facilities were selected in each district. However, specific cases of interest were selected for reporting purposes. The selected cases per district are indicated in the table below;

District	Facility	Source of Fund	Challenges observed
Kabarole	Kasenda Gravity Flow Scheme (214 M) HEWASA Con, Ltd	Kabarole District Local Government (KDKG) & HEWASA	<ul style="list-style-type: none"> ⬇ Facility is non-functional ⬇ Observed shoddy works by the contractor ⬇ Inadequate community involvement ⬇ Community can not afford fuel for generator ⬇ Reported conflict of interest in award of Contract to HEWASA Con. (The Construction Company that built the scheme belongs to the Co-funders of the project –HEWASA) ⬇ The case has been taken up by IGG for further investigation
	Kyitengera Gravity Scheme (600 M)-Rwimi (Crane Technical services Ltd)	MWE/DWD	<ul style="list-style-type: none"> ⬇ Facility is non-functional ⬇ Poor design of Scheme ⬇ Conflict over ownership ⬇ Reported conflict of Interest to Crane Technical Services ⬇ Community not involved ⬇ The case has been taken up by IGG for further investigation
	Kibito Gravity Flow Scheme (62 M) (Crane Technical Services)	MWE/DWD	<ul style="list-style-type: none"> ⬇ Part of the facility has broken down (its serving less that 50% of the intended beneficiaries. ⬇ Observed shoddy works in sections of the facility ⬇ Community not involved in design of the facility

			<ul style="list-style-type: none"> ➤ The Water User Committee is non-functional
Gulu	Alero Camp Motorized Bore Hole	UNICEF, CARITAS, Japan	<ul style="list-style-type: none"> ➤ There is a gap in management of facility (management, functionality and usage is affected by return of IDPs) ➤ Community can not afford user fees ➤ Poor hygiene and sanitation ➤ DWO does not have adequate funds to facilitate supply of fuel required to run the water pump ➤ Taps were dry by the time of spot check
	Coope IDP-Motorized Bore hole	Catholic Relief Services, Action Against Hunger, Caritas, USAID	<ul style="list-style-type: none"> ➤ There is a gap in management of facility (management, functionality and usage is affected by return of IDPs) ➤ Community can not afford user fees ➤ Poor hygiene and sanitation ➤ DWO does not have adequate funds to facilitate supply of fuel required to run the water pump ➤ Taps were dry by the time of spot check
	Bobo-Rain Water Harvesting Tanks	UNICEF	<ul style="list-style-type: none"> ➤ The facility was functional at time of spot check (serves a primary school) ➤ Usability of facility good ➤ There is good hygiene and sanitation at the facility
	Palengo-Motorized Borehole	AMREF, UNICEF	<ul style="list-style-type: none"> ➤ There is a gap in management of facility (management, functionality and usage is affected by return of IDPs). The WUCs is dormant ➤ Community can not afford user fees ➤ Poor hygiene and sanitation ➤ DWO does not have adequate funds to facilitate supply of fuel required to run the water pump ➤ Taps were dry by the time of spot check
	Coope IDP-Coope Borehole (Well No. 44)	DWD (Rehabilitated by Action Against Hunger)	<ul style="list-style-type: none"> ➤ Management of the facility is poor ➤ There is no community ownership ➤ There is no reported supervision and training by the DWO in Gulu
Koboko	Malikulu Village Protected Spring 4 M Ludala Sub-county	PAF (Government)	<ul style="list-style-type: none"> ➤ Facility was new by time of spot check ➤ It had developed cracks barely a month after construction ➤ It has been recommended for payment by the DWO ➤ The Koboko Anti-Corruption Coalition had notified the District after the shoddy works ➤ Value for money is lacking (the facility has cracks before its even commissioned) ➤ Usability is relatively low ➤ No caretaker on site ➤ The Water user committee Non-functional despite the fact that the facility is new
	Aresse Protected Spring Midia Sub-County		<ul style="list-style-type: none"> ➤ The protected spring is new but usability is poor (No person found at facility) ➤ Community has abandoned the facility despite that fact that its new ➤ The water is contaminated with iron ➤ User interviewed claim that they informed the DWO that site did not have quality water but went on to protect the facility ➤ Facility value at 4 Million
	Apago Village-Midia	MWE/DWD	<ul style="list-style-type: none"> ➤ The facility is well maintained

	SC Deep Borehole 16M (Sumadhura Contractors)	26505	<ul style="list-style-type: none"> ➤ There is observed value for money ➤ Caretaker is on sight ➤ Usability of the facility is 100% ➤ Water User Committee is functional ➤ All facilities WUCs in the District should use this as an Example
	Tukali Shallow well Shallow Well	DWD	<ul style="list-style-type: none"> ➤ Facility was well constructed (the Physical facility is good) ➤ The water was tested and found clean by the District water office ➤ The facility has been abandoned by community who claim the facility had Worms ➤ Community get water from nearby open pond
	Ludedela Borehole	NUSAF	<ul style="list-style-type: none"> ➤ Quality of Construction is good ➤ Quality of water is good ➤ However, facility has been abandoned by community (they claim it far) ➤ Community claim they were not consulted at time of location of facility ➤ Facility is in middle of the bush
Bushenyi District	Kamuhembe GFS (232 M) (Mabare-Kigarama)	MWE/DWD	<ul style="list-style-type: none"> ➤ GFS is functional ➤ Observed Value for Money ➤ Good Quality Works ➤ DWO has tried to work out major repairs <p>Challenges</p> <ul style="list-style-type: none"> ➤ Frequent breakdown ➤ Inadequate Community Ownership ➤ Inadequate execution of Roles and Responsibilities by the WUCs
	Nyeibingo GFS (170 M) (Kyabugimbi)	MWE/DWD	<ul style="list-style-type: none"> ➤ Facility is functional ➤ Observed Value for Money ➤ No accountability for user fees ➤ Land where the facility passes is not owned by District (No MoU seen)
	Mabanga GFS (424 M)	MWE/DWD	<ul style="list-style-type: none"> ➤ The Facility is Functional ➤ There is observed Value for Money ➤ Inadequate knowledge of Roles of responsibilities by WUCs ➤ Inadequate Community Sensitization ➤ Good hygiene practices
Raki District	Sanje RGC Water System (322)	MWE/DWD	<ul style="list-style-type: none"> ➤ Project is receiving additional funding each FY since it was started in 2004 (project is still on-going, original budget was 145M) ➤ Money allocated for the project was re-allocated to other emergencies during the dry season ➤ Poor quality materials used. Tanks, pipes and taps are rusting and contaminate water with iron crystals ➤ The Operation and maintenance of the project is poor ➤ The project has taken long to be completed with may be an indicator of leakage of funds ➤ The WUC is non-functional ➤ There is need to ascertain whether the contractor has capacity to undertake a project of such a magnitude
	Dwaniro Kaleere Water Ferro Cement Tank (3M)	District Water Office	<ul style="list-style-type: none"> ➤ Poor Quality Materials Used ➤ The Tank has developed cracks in a year after completion ➤ The Location of the tank is not well sought about. It supposed to serve the community

			<p>but it's located at the residence of the chairperson. Other people can not have access to the tank</p> <ul style="list-style-type: none"> ➤ The WUCs is non-functional ➤ The facility does not measure up to the cost allocated to it ➤ Need audit award of contract and location of facility
Kamuli	Bugulu BH 16 M	MWE/DWD Royal Tech. Services)	<ul style="list-style-type: none"> ➤ Quality of Water is bad (turns blown and Salty) ➤ Lack of community ownership due to inadequate sensitization ➤ Usability is poor due to poor quality of water ➤ Quality of Construction is poor ➤ Community has failed to pay contribution ➤ Poor quality of pipes used (they rust) ➤ The Water user committee is non functional
	Buyende Plastic Water Tank (2 M)		<ul style="list-style-type: none"> ➤ Observed shoddy works by the contractor (the plat form has cracks, the soak pit was not concretized) ➤ The facility is non-function due to poor maintenance ➤ Location of facility is wrong. It cannot be accessed by the community (located within the school fence) ➤ The WUC is non-functional ➤ Reported interference in the location of the facility at the point ➤ Inadequate civic engagement ➤ The case should be taken up for further investigation
Soroti District	Aukot BH 16M (E-plus Engineering Services Ltd)	Soroti District Local Government	<ul style="list-style-type: none"> ➤ Facility Functional at time of Spot Check ➤ Usability is high ➤ Evidence of Community Ownership ➤ Functional Water User Committee and Caretaker in Place ➤ The level of sanitation around the place is good ➤ Functional Water User Committee
	Opuyo BH 16 M (ACAV)	NUSAF (24070)	<ul style="list-style-type: none"> ➤ The observed quality of construction is poor compared to the Cost of project ➤ Usability is low at the time of spot check ➤ Non-functional user committee ➤ Report lack of training to the community ➤ Report fraud and conflict of interest procurement process
Mukono District	Mpoma Rayo BH (16 M) (Royal tech Industries Ltd)	DWD/27471	<ul style="list-style-type: none"> ➤ Functionality and Usability at the spot check could not be established, as the facility is located in a school compound, which is fenced. ➤ The facility is locked hence the public cannot access it despite being a community asset. ➤ There is no evidence of community involvement in project identification ➤ There was no evidence of community having access to the water source. ➤ Project identification number at the site could not be established as facility was enclosed. ➤ No value for money since the community can not access the water source
	Large Protected Spring Kyabalogo Parish	Mukono District local Government	<ul style="list-style-type: none"> ➤ The usability level low at time of spot check ➤ The hygiene level around the facility is very poor, drainage pit not well covered besides

	(MNK/04/5747/PAf M.G.E Ltd		<i>being very bushy.</i> <ul style="list-style-type: none">▀ <i>Poor community sensitization and mobilization</i>▀ <i>Lack of community ownership</i>▀ <i>There is no evidence of adequate civic engagement/involvement</i>▀ <i>Caretaker is in place but inactive.</i>
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CHAPTER FOUR

4.0 FINDINGS ON GOOD GOVERNANCE, ACCOUNTABILITY AND TRANSPARENCY IN WATER AND SANITATION

4.1 Introduction

This section outlines the elements of good governance in the water sector, and challenges district face in the delivery of services as evidenced during the field visits and secondary literature. It also outlines the roles and responsibilities of stakeholders in delivery of the water services.

4.2 Good Governance in the Water Sector

Good governance in the water and sanitation sector is key to ensuring that budgeted funds for development of water sector investments are used for the intended purpose within acceptable standards and guidelines. At times it is impossible to share resources equally. However, good governance can help to ensure that there is a more equitable distribution.

Funds have been lost through alleged corrupt tendencies where funds for water and sanitation leak for private gains. A strategy for efficient and effective management of water and sanitation sector funds has been developed but at times it is by-passed.¹⁰ Directorate of Water Development recommends the following key issues in order to improve good governance in water and sanitation in the Districts. They include;

- i. Enhance capacity of the District Water Offices to plan and manage the provision of the water and sanitation services to the Districts
- ii. Enforcement of the mandatory public notice boards regarding release of funds for Water and Sanitation
- iii. Transparent allocation formula for DWSC
- iv. Improvement of procurement of system to follow the standard guidelines as provided for by Public Procurement and Disposal of Public Assets Authority.
- v. Planning, procurement and contract management audits
- vi. Improved community sensitization
- vii. DWD gives technical oversight to ensure that the above issues are taken seriously

¹⁰ Joint Sector Review for Water and Sanitation 2006

4.3 Challenges to management of water and sanitation delivery in the districts

The field findings and consultative interviews in the districts visited indicated that the districts face continuous challenges that are affecting the planning and delivery of Water and Sanitation services. They include the following;

- i) The capacity at district and lower levels to plan and implement sector activities is low and this has consequently caused low absorption of the improved disbursements by Government to the sector.
- ii) Unexplained budget cuts from the MoFPED and MWE for water and sanitation department slows down water coverage.
- iii) Inadequate capacity in District Water Offices to fully implement activities like plan, implement, monitor and supervise water works and services due to lack of enough staff
- iv) The inadequate technical and institutional capacity of private sector contractors to construct water facilities. Most water investments are constructed poorly which increase the Per Capita Investments due to the high rate of breakdown.
- v) Value for Money: DWD/MWLE carried out Value for Money and technical audit in 55 districts in 2002 and findings from most districts indicated that, there was no “Value for Money” as most of the works were shoddy and the quality of the constructed facilities were poor and unit cost for the constructed water and sanitation facilities were increasing. These could be due to deficiencies in the tendering process and awards, weak supervision, inadequate monitoring and in some cases outright corruption and misappropriation of funds.
- vi) The average per Capita Investment Cost is higher in Northern Uganda due to the use of boreholes as the most appropriate type of technology but whose breakdown rate is high.
- vii) Districts face challenges of late completion of the procurement process which in turn delays implementation of water and sanitation activities. A funds release schedule from the MoFPED shows that all districts had received 100% of the Water and sanitation funds for the FY 2006/07. However, the delayed implementation of the WSS activities was due to delayed procurement and contracting processes. The challenge was very serious in Rakai and Kamuli. Implementation is hurried and results into poor performance by the contractors and results into lack of proper accountability.
- viii) Monitoring and support supervision is still weak in districts due to inadequate numbers of staff. The sub-counties do not have staff with technical capacity to monitor and supervise water sector activities. The WUCs are also not sufficiently trained to

efficiently perform their role of ensuring adequate functionality of the facilities.

- ix) Inadequate information, education and communication to the community to ensure change of attitudes and practices in effective utilization of water and sanitation facilities.
- x) The average cost for most types of water sources has increased, leading to a decrease in the number of sources constructed. The use of expensive technologies is also probably one of the factors causing cost escalation. This appears partly to be the result of the lack for cheaper technologies.
- xi) Overhead costs for projects funded under the DWSCG have increased, implying that in general economy, efficiency and effectiveness have suffered.

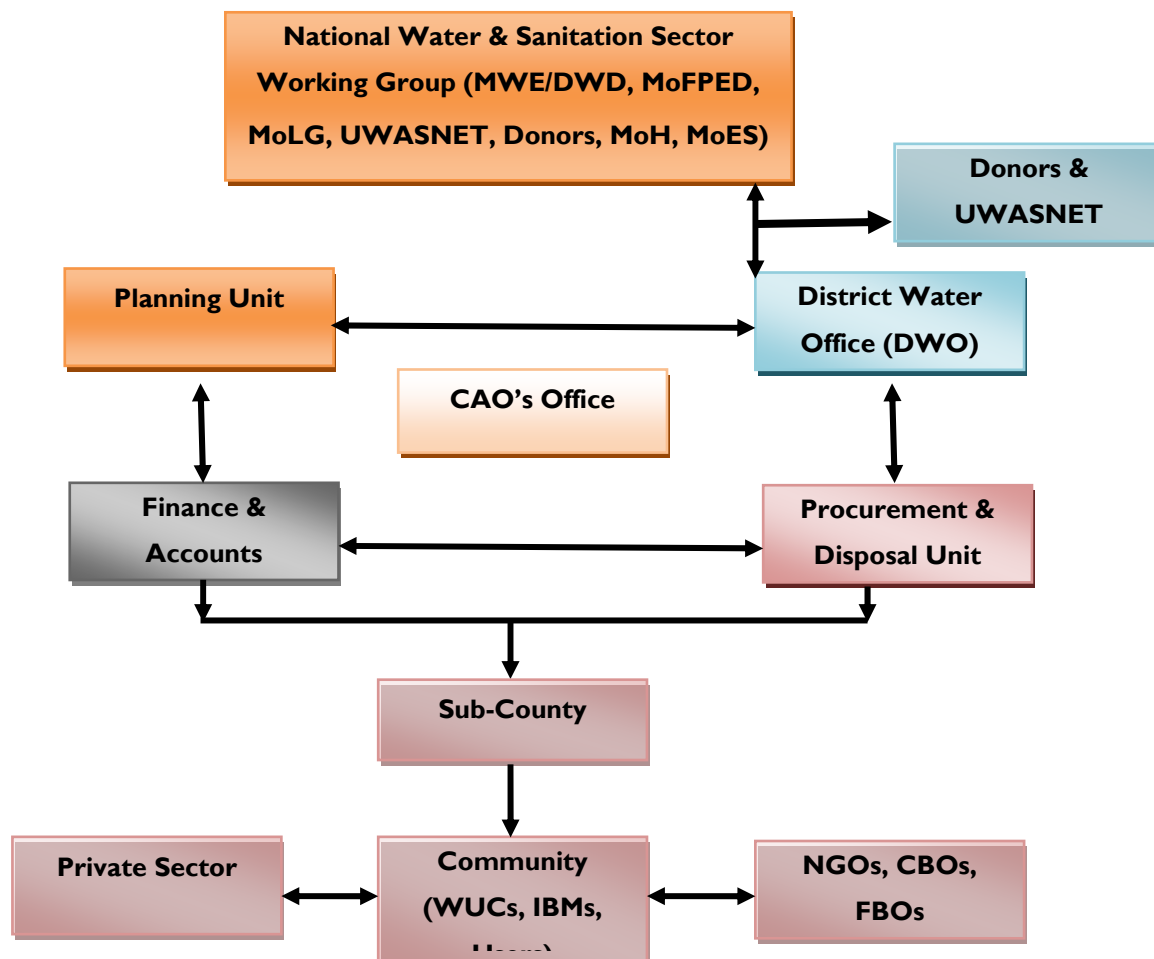
4.4 Roles of Planning and Accounting for Water and Sanitation Sector Funds in Districts

The responsibility to plan for and manage water and sanitation funds is a collective effort of Central line ministries and departments, the Districts and the community level stakeholders. They include;

- a) The Central Line Ministries and Departments (MWE, MoFPED, MoH, MoES, MoLG, UWASNET, Donors, NWSC). Representatives from the central level stakeholders form the Water and Sanitation Working Group.
- b) The Chief Administrative Officers (Overall Accounting Officer for the Districts)
- c) The District Water Offices (DWO)
- d) The Planning Department
- e) The Procurement and Disposal Units of the Districts
- f) Finance and Audit Departments

The lay out of the relationship in planning for and provision of safe water and sanitation is indicated below;

Chart III: Lay out of Stakeholders in Water and Sanitation sector



Lay of the Relationship among stakeholders at the Centre, District and Community

The role of the central line ministries is development of policy, standardization and quality control while the districts are the main implementing agencies. They carry out monitoring and supervision and ensuring that water sector funds are utilized effectively and effectively. All departments at the district are accountable to the Chief Administrative Officer who is the overall Accounting Officer for all District Water and Sanitation funds. Community Level stakeholders include (WUCs/WUAs, Administrative Community Leaders, NGOs and CBOs, the private sector contractors and developers). The detailed roles of each stakeholder are listed below;

4.4.1 Roles and Responsibilities at Central Level

Table VI: Roles of Stakeholders at the Centre

Organization	Roles and Responsibilities
MWE/DWD	<ul style="list-style-type: none"> ➤ Strategic planning and management support the Water and sanitation sector ➤ Undertake policy, legislation , standardization, regulation and quality assurance water and sanitation activities ➤ Water and sanitation Sector Investment Plan Review and Coordination ➤ Setting standards and priorities for Water Resources Management ➤ Overall direction on allocation, access, use and protection of Water Resources ➤ Regulate and Control the use of Water Resources and affluent discharges ➤ Financial accounting, administration and personnel Management ➤ Preparation of Action Plans and budgets for Water Resources Development and Management ➤ Build capacity of Local Governments and Private Sector to implement WSS activities ➤ Strengthen the capacity of lead agencies and local governments to implement programmes for Environmental management with assistance from the Directorate of Environment)
Directorate of Water Development	<ul style="list-style-type: none"> ➤ Oversee technical oversight for the planning, implementation and supervision of the delivery of water and sanitation and National, District levels ➤ Provide technical assistance in identification of potential for Water and sanitation ➤ Supervise and build the Capacity for needs assessment, planning, reporting, accountability of DWOs, and Contractors (Private sectors) to plan for and implement WSS activities
Directorate of Water Resources Management	<ul style="list-style-type: none"> ➤ Promote and ensure rational & sustainable utilization, effective management and safeguard of water resources for social and economic welfare and development as well as for regional and international peace ➤ Managing, monitoring and regulation of water resources through issuing water use, abstraction and wastewater discharge permits. ➤ Ensure Quality of water for safety to human consumption
Ministry of Finance Planning and Economic Development	<ul style="list-style-type: none"> ➤ Mobilizes funds, allocate them to MWE with technical assistance of the Sector Working Group ➤ Coordinate the activities Development Partners in Water and Sanitation Delivery ➤ MFPED reviews sector plans as a basis for allocation and release of funds ➤ Reports on compliance with sector and national objectives
MoLG	<ul style="list-style-type: none"> ➤ Responsible for establishing, developing and facilitation of management of effective decentralized local government systems ➤ Technical and Management support (Capacity Building) ➤ Performance monitoring and evaluation on WSS delivery
MoH	<ul style="list-style-type: none"> ➤ Responsible for hygiene and sanitation promotion for the households through the Environmental Health Division

MoES	<ul style="list-style-type: none"> ➤ Hygiene education and provision of sanitation facilities to schools. It also promotes hand washing after latrine use
Water and Sanitation Sector Working Group	<ul style="list-style-type: none"> ➤ Policy and technical guidance to the Sector (MWE, MoFPED, MoH, MoES, MoLG, NWSC, Development Partners, NGOs –UWASNET)
Development Partners	<ul style="list-style-type: none"> ➤ Budgetary/Financial Support ➤ Technical Assistance and Managerial/organizational Support ➤ Capacity Development and Training ➤ Funding and Facilitation of Research and Studies

Source: Directorate of Water Development

4.4.2 Roles of the District Departments, Community, Private Sector

Table VII: Roles and Responsibilities at District and Community Levels

Department	Roles and Responsibilities
District Water Offices	<ul style="list-style-type: none"> ➤ Carry out Water and Sanitation needs assessment at District, Sub-County and Community Level in collaboration department of planning ➤ Prepare Work plans and budget estimates for water and sanitation ➤ Carry out periodic reporting the MWE./DWD ➤ Establish management information system & ensure LLGs are informed on planning and management procedures for water and sanitation ➤ Promote and sensitize communities on efficient and effective water and sanitation use practices through IEC ➤ Organize and provide training, Capacity Building and technical support in Water and sanitation use at Sub-county level, Community and Private Sector ➤ Provide Technical advice to the Contracts Committee during procurement and contracting for water and sanitation activities ➤ Carryout technical supervision, physical and backup support for Construction, operation and maintenance beyond the capacity of Communities ➤ Participate in technical VfM audits for facilities constructed by Contractors (private sector)
Management and Administration of the Districts	<ul style="list-style-type: none"> ➤ Initiates policy formulation at District Level ➤ Approves District Plans and Budgets for Water and Sanitation ➤ Monitors Government Programmes for Water and Sanitation through the technical staff ➤ Mobilize additional Local Resources ➤ In consultation with MWE and DWD appoint and supervise private Sector activities in delivery of Water for Production ➤ The CAOs offices supervise and is Accountable for all funds/resources for Water and sanitation ➤ The District Service Commission appoints, promotes and disciplines staff in the Water and Sanitation Department ➤ The District Land Boards are in charge of land administration matters and issuance of tittles for Water and Sanitation sites ➤ The District Public Accounts Committee responds to queries raised by the Auditor General and District Internal Auditor to ensure compliance with Water and Sanitation Sector

	Accountability
District Procurement and Disposal Units and Contracts	<ul style="list-style-type: none"> ➤ Procurement and Contracting of WSS works/Services providers for low cost (small and Medium size) Water and Sanitation facilities ➤ Advise the District on public procurement and disposal policies, principles and practices for water and sanitation in liaison with the District Water Office ➤ Monitor and report on performance of procurement and contract activities for Water and Sanitation ➤ Prepare, update and issue authorized versions of standard bidding documents for Water and Sanitation works/services providers ➤ Set competence standards and Certification for water and sanitation works/services to be done ➤ Conduct periodic inspections of the records and proceedings of procurement and contract management activities for water and sanitation delivery ➤ Administer and enforce compliance through procurement audits and investigations for Water and Sanitation ➤ Ensure VfM for Water and Sanitation projects implemented in the District
The Planning Unit	<ul style="list-style-type: none"> ➤ Participate in bottom-up approach budgetary Processes for Water and Sanitation with assistance from the DWOs ➤ Collect data/Information, analysis and interpretation from the DWO and Community for Planning for incorporation in the District Development Plans and Budgets ➤ Prepare SMART Work plans for Water and Sanitation ➤ Performance monitoring and follow-up of planned activities to ensure that WSS activities are implemented according schedule and standards ➤ Technical assistance on development of activity plans for Water and Sanitation for the District Water Office
Finance Department	<ul style="list-style-type: none"> ➤ Prepare budgets and work plans for Water and Sanitation in collaboration with DWO and the planning department ➤ Accountability, verification of payments, preparation of financial reports and documentation of accounts records for WSS funds and activities ➤ Disbursement of funds to contractors and suppliers ➤ Financial analysis and interpretation of financial reports ➤ Budget follow-up and audits ➤ Managing conditional grants for WSS at district level
DWSSC/s	<ul style="list-style-type: none"> ➤ Oversee the implementation of WSS programmes, strengthen collaboration and coordination with line sectors in the districts (health, education, social development and agriculture)
Lower Local Governments	<ul style="list-style-type: none"> ➤ Plan and budget for provision of WSS at Sub-county level (for small technological options such as Protected Springs and Shallow Wells) ➤ Facilitate and inform communities on planning and implementation arrangements for WSS ➤ Monitor private sector (contractors) at community level ➤ Assist WUCs on financial management and accountability ➤ Monitor WSS facilities in the sub-county and local supervision of Construction works and accountability ➤ Provide technical assistance in formulation and enactment of bye-laws for management for management of WSS facilities ➤ Facilitate Community training in Operation and Maintenance
Community	<ul style="list-style-type: none"> ➤ Mobilize community members to participate in matters of Water

WUCs/WUAs	<p>Source Protection</p> <ul style="list-style-type: none"> ➤ Keep an updated list of WSS users in the community ➤ Collect and keep contributions towards the Construction (Community Contribution) and O & M funds ➤ Regularly monitor the condition and performance of the WSS facility ➤ Purchase materials for simple repairs of WSS facilities ➤ Ensure regular maintenance of the WSS facility and report major problems to the Sub-county and DWO ➤ Pay for minor O & M fees ➤ Supervise and provide support to the Water source Caretakers
Community Leadership	<ul style="list-style-type: none"> ➤ Assist community to identify need for WSS with technical assistance from the sub-county and the community ➤ Conduct and facilitate village meeting to initiate Demand for WSS(With guide from District or Sub-county using the demand driven approach ➤ Assist MWE and DWO in siting for location of WSS facilities for small, medium and Bulk Water Supply ➤ Facilitate in the formulation of representative (women, youth, PWDs) WUCs/WUAs, selection of Caretakers and technicians with assistance of DWOs ➤ Assist WUCs/WUAs to sensitize and create awareness for O & M, facility Ownership and payment of user fees for WSS services ➤ Assist in drafting and signing MoUs between Districts and MWE/DWD on implementation of WSS activities ➤ Monitor Quality of materials and Work done ➤ Provide support for supervision and review on-going O & M approaches ➤ With WUCs and Caretaker plan for and support repairs, replacement of parts and rehabilitation ➤ Facilitate and support replacement of non-functional WUCs
Water Users Beneficiaries	<ul style="list-style-type: none"> ➤ Demand for WSS services ➤ Participate in planning, management and sustainability for WSS facilities. ➤ Elect Water User Committees/Water User Associations ➤ Participate in site selection for WSS facility ➤ Determine and make contributions in cash/kind to capital and O & M ➤ Enact bye-laws with assistance from the DWOs, Sub-county and the Local Leadership
NGOs/CBOs/FBOs	<ul style="list-style-type: none"> ➤ Financing design, construction and Consultancy for WSS services ➤ Mobilization of community and training in management and sustainability of WSS operations ➤ Develop proposals on behalf of the Community for financing WSS activities ➤ Monitoring and Evaluation and follow-up support for WSS activities
Private Sector Contractors	<ul style="list-style-type: none"> ➤ Provide Consultancy, design and technical management support for WSS at Local and National Level ➤ Supply of Equipment for Construction and provision and actual construction of WSS facilities ➤ Maintenance of WSS facilities through contracting out ➤ Community Mobilization and Training for WSS through provision of Consultancy services
Private sector	<ul style="list-style-type: none"> ➤ Finance development of WSS facilities and sale out to the

Water Developers	<ul style="list-style-type: none"> community at affordable fees ▶ Training community on use of WSS facilities ▶ Management and maintenance of private WSS facilities
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Source: Directorate of Water Development

CHAPTER FIVE

5.0 FINDINGS ON PLANNING AND BUDGETING PROCESS FOR WATER AND SANITATION

5.1. Introduction

This section introduces the planning and budgeting process at the national and district levels and outlines the major challenges and constraints as evidenced during the field visits and literature review.

5.2 Budgeting for Water and Sanitation Sector

As a tool of economic policy, the budget is the means by which the government seeks to achieve three key economic policy goals, namely:

- a) Fiscal discipline, which means controlling overall government spending so it does not go beyond the amount of resources that have been raised;
- b) Allocation of resources in line with the government's policy goals. Good budgeting starts with an assessment of the needs that have to be met, then plans are developed of how to meet those needs and finally a budget is made. For the case of water and sanitation sector, planning and budgeting figures are generated through a bottom-up approach where community water needs assessment figures and reports are prepared at sub-county level. The figures are fed into the DWO reports at the district which are sent to the relevant Ministries (MoFPED, MWE/DWD and MoLG for planning purpose.
- c) The economic, efficient and effective use of resources in achieving its policy goals.

The budget informs public institutions of the national policy priorities and guides them on implementation through defining the use of the scarce resources. The Budget Act, 2001, which defines the principles, timing, consultation as well as the outputs (of the budget process), guides the budget process in Uganda.

5.3 The National Budget Process

The national budget process involves four major stages, namely;

- a) Budget Formulation
- b) Budget Approval

- c) Budget Implementation
- d) Budget Monitoring and evaluation.

The budget process begins in October of each year, when the Ministry of Finance organizes the first Budget consultative conference for members of parliament, line ministries and local government officials, private sector and civil society members, donors, and the media. During this meeting, Socio-economic policies including provision of Water and Sanitation for the next three-year period are discussed. The National Water Sector Working Group takes centre stage in prioritizing the needs of the Water and Sanitation Sector. The Water Sector Working Group has membership from the MoFPED, MWE/DWD, UWASNET, Development Partners, Representatives of Local Government, MoLG, MoH, MoES. Budget consultative meetings are held with local governments in November and the Local Government Budget Framework papers are submitted to the Ministry of Finance by January.

Ministerial consultations on the budget framework papers are held between January and February, before constituting a national budget framework by the end of February. The Cabinet discusses and approves the budget estimates and proposals in March. The Executive then submits the national budget indicative figures by 1st April, as per the Budget Act 2001. The public expenditure meeting is held in May.

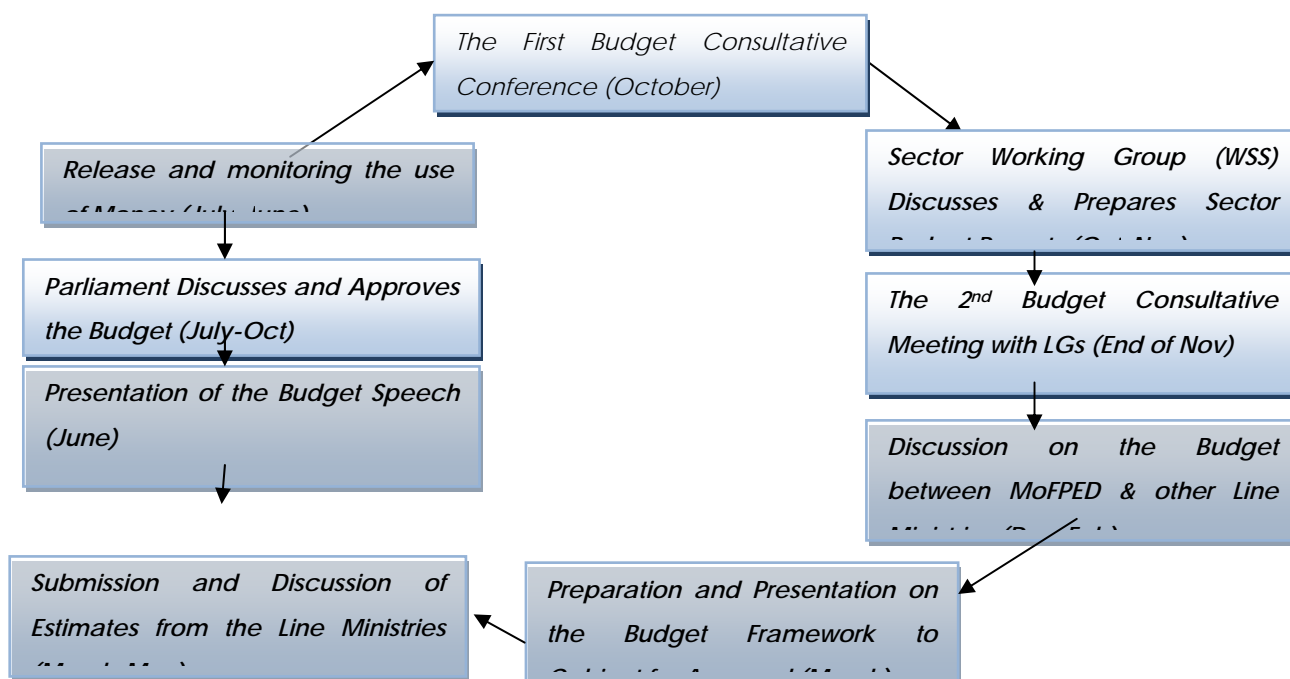
During these meetings stakeholders including donors, civil society, local government, the private sector and government agencies discuss the proposed budget proposals for water and sanitation. The budget is further polished, before the President presents it to parliament and indeed the entire country not later than 15th June. Parliament discusses and approves the budget before August and the implementation begins.

Stakeholder participation in the budget process is provided for. Key actors in the nation's budget process are;

- a) The Cabinet, which reviews and endorses the budget proposals;
- b) The Ministry of Finance, Planning and Economic Development (MoFPED), which drafts the annual budget;
- c) The legislature (parliament), which approves the annual budget;
- d) The Sector ministries and local governments, which execute the annual budget;
- e) Auditor General's office, which is responsible for auditing the expenditures made under each annual budget
- f) The donors who partly provide funding to the budget.

5.3.1 Flow of National Budget Process

Chart IV: Flow of the National Budget Process



Source: Uganda Debt Network-Pro-poor budgeting in Uganda (Review Report No. 8)

5.4 Challenges of Planning and Budgeting at National Level

The challenges for budgeting and planning for water and sanitation are numerous. The challenges are based on review of reports and literature on planning and budgeting and the consultant's analysis of the planning and budgeting challenges during the consultation and fieldwork. The challenges include;

- i. **Inadequate interpretation of technical budget information;** the budget information presented to the parliament is fairly complex and technical, and therefore is not always easy to understand. The parliamentary Budget Office provides the technical support to Members of Parliament on the budget.
- ii. **The non-participatory nature of the budgeting process;** it should be recognized that much as the national budget formulation process calls for participation of different stakeholders including CSOs, the level of engagement has not been very effective especially on the side of

Besides, there is very little information about the budget during the implementation phase, which is availed to the public.

5.5 Release of Funding for Water and Sanitation Activities

Districts develop participatory plans and budgets for Water and Sanitation and submit them to the Ministry of Finance Planning and Economic Development and Ministry of Water and Environment. The MoFPED releases funds to the districts depending on the performance in the Water sector and compliance to accounting standards and procedures for water and sanitation. The amount of money and timeliness of the releases affect the planning, procurement, implementation and accountability of resources. Late releases for example will lead to hurried procurement for water works which may lead to shoddy work and hurried accountability to beat the 30th June deadline when the FY is supposed to end. The table below shows release schedules of Water and Sanitation funds for the FY 2006/07. The following issues should be noted;

- i) The MoFPED has ensured that all the districts receive water and sanitation funds on time. All districts had received 100% of the funds budgeted for by the April of the FY 2006/07. This implies that they were given ample time to efficiently utilize the available funds. It was only Kamuli and Rakai that has inconsistencies in schedules of fund releases
- ii) Late usage of funds (June of the FY 2006/07 and into the new FY) is brought by delays in the procurement and contracting processes.
- iii) Delayed contracts result into hurried implementation of Water projects by contractors because Districts want to account for money in time (before the FY end)
- iv) Contractors and districts collude to back-date accountability documents so as to read the previous financial years when in real sense, the activities have been carried out in the new FY

Funding from the Ministry of Finance Planning and Economic Development indicate that all the districts visited had received 100% funding for water and sanitation. Analysis of releases in selected districts however showed disparities in the amount of funds released for water and sanitation as indicated below;

Table IX: Funding Gaps in the selected Districts Visited

District	Budgeted (U. Shs.)	Released (U. Shs.)	Variance (U. Shs)
Soroti	714,840,000	504,163,500	210,670,500
Mukono	1,073,939,000	992,247,3333	81,692,000
Kabarole	940,000,000	893,563,000	46,432,000
Koboko	271,775,0001	269,674.917	-

5.6 The Local Government Planning Process

Local Governments have a mandate to formulate, approve and execute budgets and plans and to collect revenue and spend it. Budgets are supposed to be delivered from the three-year development rolling plans where water and sanitation issues are expected to be incorporated. Local government budgets and plans are developed through a lengthy consultative process. Local government budgets are expected to be in line with the PEAP and have to address the national Priority Programme Areas where provision of Water and sanitation is one of them.

The Local Government process starts in September when Local Governments Budget committee agrees on rules, conditions and flexibility on the coming planning and budget process until June when the budget is read and approved by council. The process involves consultations with various stakeholders starting from the community (villages and parishes), sub-counties, district councilors, the civil society, the donors/development partners and the central level line ministries. The various phases of local government budgeting is indicated in the table below;

Table X: Local Government Planning Cycle

Timing	Events	Responsibility Centres
September	i. District Water and Sanitation Committee agrees on the rules, procedures, conditions for planning and budgetary process	LGBC
October	ii. Holding of National Budget Conference (Water and Sanitation issues of districts are identified) iii. Holding Regional Local Governments Framework Paper Workshops	MoFPED, Sector and Ministries
November	iv. Executive Committee meets to determine inter-sectoral priorities as identified in previous DDP and to fix inter-sectoral allocations v. Budget Desk prepares Local Government Budget 1 and submits to executive for approval. The budget call is circulated to Heads of Departments and Lower Local Governments vi. Sectors start preparing inputs to Budget Framework Paper, reviewing performance and prioritizing planning and budgeting for future programmes vii. <ul style="list-style-type: none"> ▀ LLGs identify water and sanitation investments and prepare draft development plans ▀ Planning unit compiles LLG development activities into the DDP and presents them to the HoDs who propose district level sector investments that are compiled in Sector Budget Framework Papers (BFP). This includes full and complete work plans and budgets for all district level activity linked to DDP 	Executive Committee, LGBD HoDs, LLGs District Planner, DTPC
December	viii. Draft sector BFPs and development plans completed and sector committees examine sector inputs to the BFPs ix. Budget Desk compiles/prepares draft BFP and the District Technical planning Committee reviews them x. A meeting of the Executive Committee, chairpersons of the sector committees, HoDs is held to examine the BFP and prioritize sector expenditures and programmes xi. Holding budget Conference xii. Budget Desk incorporates inputs from the budget Conference in Budget Framework paper and draft budget. Executive Committee approves budget framework paper and draft budget	
January-May	xiii. MoFPED and line ministries examine local government budget framework paper and draft budget	
May	xiv. Budget Desk incorporates grant ceiling and comments received from MoFPED in annual budget work plans and draft	
June	xv. Sector Committees review final annual work plan and budget xvi. Finance or Executive Committee examines final	

	xvii. budget Reading and approval of budget	
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5.7 Challenges to the Local Government Planning Process

The districts face various challenges during the planning process for water and sanitation. The following challenges were mentioned among others as inhibitions to the planning process in the districts visited;

- i. All districts visited apart from Bushenyi lack accurate and reliable planning figures for provision and delivery of Water and Sanitation. Koboko and Soroti districts are still planning using the 2002 population census figures despite the high population growth rate of 5.6% which is far above the national average of 3.2%
- ii. Lack of adequate technical support staff for research, data collection for compilation of water and sanitation plans. Planning for water is a very consultative and demand driven process. Unfortunately the district planning departments of all the districts are insufficiently funded to conduct community mobilization meetings to collect the ideas of the users to be incorporated in the sub-county plans and later the District Water and Sanitation plan. Soroti district has only 2 staff in planning unit. Most staff in the districts visited do not have adequate capacity to collect and analyze data using the local Government Management Information System (LOGICS)
- iii. The Institutional capacity of the districts visited is still inadequate to conduct technical and analytical research for use in the district plans.
- iv. Inadequate funds for Districts to invest in Research and Data collection for planning purposes at District and Community Level
- v. The supervisory role of the Local governments is still too inadequate to provide technical capacity building in planning for local government.
- vi. Despite being elaborative, the process of planning is so tight that it represents a threat to the realization of the bottom-up planning procedures. It is clear that in most cases, the District Development Plans do not inform the budget, thus, most budgets do not capture the local/community priorities. The situation is compounded further by over-dependence of local governments on the central government for technical and financial support.

The Central Government still exercises a lot of powers directly or indirectly despite the financial and personnel decentralization on plans made by the districts. The direct powers operate through the conditional and non-conditional grants and budget ceilings. This reduces the independence of the local governments.

The Indicative Planning figures (IPFs) set by the central Government limits the range of possibilities for water and sanitation investment. This cuts off some areas that may be badly in need of Water and sanitation services. The IPFs indirectly suggest the ceilings for water sector investment.

Although local governments are obliged to consult the communities on their priorities for water and sanitation investment during development planning, the current practice in local government deviate from the principle. Local governments lack capacity to engage with communities and also work within a tight planning and budgeting schedule, which does not favor extensive consultation with the communities. Notice that the little funding for community mobilization is requested and accounted for while the communities argue that they are not consulted in planning for provision of the facilities. Most water facilities sampled lacked evidence of community mobilization meetings such as minutes, attendance sheets and supervisions reports

5.8 Challenges of Management Capacity Of Districts

The District Water Offices have overall responsibility of ensuring that there is adequate access to clean and safe water for all people in the district. They are also held responsible for routine supervision and monitoring to ensure adequate functionality of the available Water and sanitation facilities. The Districts visited have serious challenges in planning and management of water and sanitation funds mainly due to lack of personnel to plan, monitor and supervise water and sanitation facilities. When monitoring the sampled facilities, the research team was also interested in the following project details;

- a) *Location (Sub-county, Parish, village)*
- b) *Indication of the facility in the work plan*
- c) *Source of funds*
- d) *Estimated budget for the facility*
- e) *Actual cost of the facility*
- f) *Evidence of community involvement (applications, lists of beneficiaries, community training reports)*
- g) *Evidence of monitoring reports*
- h) *Name of project supervisor*
- i) *Bid specification (type of facility)*
- j) *Assets register for water sector facilities and equipment*
- k) *Project identification numbers*

The findings showed that, much as it a standard requirement that DWO should monitor and supervise projects, this is not regularly done due to lack of technical personnel in the areas of water and sanitation. The monitoring reports seen in Gulu, Mukono and Rakai fall short of the technical issues identified above. Other cases that manifest management capacity challenges include;

- i. **Lack of assets registers**-All the districts visited do not keep asset registers which are important in identifying, locating and tracking functionality and value for money of water sector investments
- ii. **Inaccurate data**- District Water offices don't have accurate and reliable data on coverage, functionality and usage. The District Water plans are therefore based on inaccurate data and statistics which give a wrong impression of the performance. In the visited IDPs of Coope, Palengo and Alero in Gulu, the DWO does not have accurate figures on performance due to the effect of return of IDPs. Koboko and Soroti are still planning for Water and sanitation based on 2002 population statistics which gives wrong impression during planning and provision of water and sanitation.
- iii. **Lack of community Involvement**- The Bottom-up approach to planning and provision of WSS services is still a challenge. In Gulu district there was no

The Nature of people in the IDPs, calls for continuous sensitization and mobilization to create attitude change. Even when new facilities are built, they don't appreciate the need to use them sustainably. The biting demand for Water and sanitation leads to scramble for the existing facilities, which makes them vulnerable to breakdown-Berochan Gloria, Hydrologist Gulu.

evidence of community involvement in planning for provision of Water and sanitation services. There are no reports of sensitization/community meetings, minutes or evidence of attendance seen. The hydrologists claimed that they lack adequate funds and staff to carry out continuous sensitization of the community.

- iv. **Inadequate staffing and Supervision**- The technical capacity to plan for provision of water and sanitation in all the districts visited in affected by inadequate staffing. This results into inadequate research, monitoring and supervision of water funds and activities. The District Water Officers claim

that, inadequate capacity has been a significant factor in determining the operations of the DWOs. The table below shows the staffing levels in selected districts visited. The number of staff per district visited is indicated below;

Table XI: Number of Staff per District

District	Number of Staff	Available Staff
Koboko	3	1 District Water Officer (DWO) 1 Hydrologist 1 Mobilization Officer No County Water Officer
Gulu	2	1 District Water Officer Hydrologist (on probation)
Kabarole	2	1 District Water Officer 1 Mobilization Officer No County Water Officer
Bushenyi	6	District Water Officer 3 County Water Officers 1 Borehole Mechanic
Mukono	2	District Water Officer County Water Officer
Kamuli	3	District Water Officer 2 County Water Officers
Soroti	3	District Water Officer 2 County Water Officers
Rakai	3	District Water Officer Mobilization Officer Hydrologist

Inadequate supervision has led to certification of shoddy works while full payment has been authorized when there is no value for Money. In Koboko District Ludala Sub-county a protected spring was certified for payment and developed cracks within the first week. It is reported that no technical staff from the district appeared anywhere at the site during construction. This was confirmed by the inability of an official from the Water Department to trace the facility during field visits. In Kamuli District, all sub-counties don't have any technical person in charge of water and sanitation and supervision of water and sanitation delivery at the community level. See picture below;

Plate III: Note that this a newly constructed protected spring. It has developed cracks and it's falling apart a month after being certified as completed and standard.



- v. **Non-functionality**- Periodic reports were available in all the districts visited. However, they lack sufficient details on actual issues that affect performance of the water sector in districts. The facilities reported as functional at the districts may not necessarily be functional on-spot check. For example; the motorized boreholes of Coo-pe, Palengo and Alero IDPs in the Gulu and Kasenda GFS and Kibito in Kabarole. There is no information about Kytengere GFS (Non-functional) at the DWO in Kabarole
- vi. **Poor record keeping**- DWOs still have a challenge of record keeping both manually and electronically. It is still hard to access information (hard and electronic) on issues pertaining to particular water facilities. Such information includes functionality, location, contractor, price of contract among others. None of districts visited had an asset register that would be important in assessing such information.
- vii. **Non-use of regulatory guidelines**-The Ministry of Water and Environment and Directorate of Water Development have provided sufficient policy and regulatory guidelines for planning and provision of water and sanitation but most of them are rarely used in the districts visited. In Kabarole District, the GPS location software has been provided and staff trained to use it, but the DWO can not provide an answer as to why it can't be used for planning and availing information on water facilities.
- viii. **Lack of Co-ordination**- There is inadequate communication and coordination between the departments of procurement, DWO, Finance and Planning in planning and provision of Water and Sanitation services. Documents within the departments pertaining to specific water facilities can not be easily tracked across all the departments in the districts visited.
- ix. There is inadequate knowledge of using existing monitoring tools provided by MWE/DWD due to inadequate technical capacity of the existing staff.
- x. **Poor operation and maintenance in Northern Uganda**- Emphasis has been put to investing in new sources than rehabilitation and maintenance of existing water facilities. For example Gulu district has attracted government and donor funding for investment in the Water sector especially in the Internally Displaced Peoples camps, but most of them have been ran down due to poor operation and maintenance. Notice that most of the facilities

especially the motorized wells have been well constructed but poor operation and maintenance has rendered them non-functional. The particular sustainability challenges faced by districts and communities in Northern Uganda in water supply include;

- *Management gap of the water facilities due to return of the IDPs to their home. The facilities have been abandoned. The well established facilities are now being vandalized beyond repair due to inadequate management and absence of community ownership*
- *The communities/users are too poor to afford user fees*
- *The supply of fuel to run the water pumps has been solely left to the District Water Offices and the funders of the projects (for this case privately funded projects)*
- *The nature of principles and guidelines used by the Donors prohibits communities from active participation in management and operation of water and sanitation facilities. Communities perceive that those who fund projects should be responsible for everything concerning those projects.*
- *There is still a challenge of behavioral change after the LRA war where community still believe in dependency on donor and humanitarian support*
- *The Communities in the camps are yet to embrace good sanitation behavior despite the behavioral change campaign by the Districts and the donor and humanitarian agencies*
- *The District Water Office in Gulu is inadequately staffed to enable it to supervise and monitor water projects despite the challenges mentioned above*
- *The Districts and the Donors have a duty to supply water in villages where the people are now returning to.*

Source: District Water Office Gulu & Field Visits

Plate V and VI: This motorized water facility in Coo-pe IDP camp has been rendered non-functional due to inadequate community management and ownership. The children on the right are denied access to clean and safe water which they depend on for proper growth and development.



Source: Field Photos

5.9 Procurement and Contract Management, Supervision and Monitoring

The procurement and Contract Management process is essential in ensuring proper use and value for money for water and sanitation sector funds. All water works and services are supposed to be procured through standard procurement procedures. However, this is hampered by unethical practices. Districts are expected to follow the standard procurement cycle by the Public Procurement and Disposal of Public Assets Authority. It includes the following steps;

- i. Procurement Plan and Budget for what is supposed to be procured
- ii. Procurement requisition filled with clear TOR
- iii. Confirmation of availability of funds
- iv. Review of procurement specifications, methods, evaluation criteria and potential supply market (availability of pre-qualified suppliers for the case of Water works)
- v. Procurement method approval (open or restricted/ closed)
- vi. Preparation of bidding documents
- vii. Approval of bidding documents
- viii. Advertisement and invitation for bids
- ix. Receipt and opening of bids
- x. Evaluation of bids
- xi. Review of evaluation (approval or rejection)
- xii. Award of Contract
- xiii. Sign Contract, communicate award and administrative review
- xiv. Contract management, contract monitoring, delivery and payment
- xv. Contract performance evaluation to determine Value for Money.

Source: A Basic Guide to Public Procurement and Disposal (PPDAA)

There are various forms of **procurement malpractices** that breach the procurement process at District and National levels. These are indicated in the table below;

Table XII: Procurement Malpractices

Stage		Forms of Misconduct
1)	Identification of procurement requirements	Procurement needs identified that are tailor-made for the needs/priorities of specific contractors and Political and Civil staff
2)	Drafting B.O.Qs and TORs	Bidders draft B.O.Qs & TOR that suit what they want
3)	Pre-Qualification of Providers	Pre-qualification is influenced by private interests of individual bidders and their accomplices in the Local or Central Governments
4)	Display of Adverts	Inadequate information is accessed to make bidding sufficiently open
5)	Receipt of Bids and Opening	Collaboration with insiders to supply information to favoured bidders
6)	Bid Evaluation	Non-inclusion of technical persons of TEC
7)	Contract Negotiation and signing	Negotiations based on compliance to corrupt practices

8)	Contract Management and Supervision	Inadequate supervision to ensure compliance to B.O.Qs and TOR (Desk Monitoring)
9)	Contract Commission and handover to Community	Shoddy works are handed over to the communities (Non-technical persons to commission professional works/services)

The following were some of the anomalies found at the district;

- a) **Poor record keeping**- In the districts of Kaboko, Gulu, Kabarole, Soroti, Kamuli and Mukono, there was no evidence of the list of pre-qualified contractors for provision water and sanitation services for the FY 2006/07 and 2007/08
- b) **Lack of procurement plans**- The procurement plan for the FY 2006/2007 could not be seen for all the districts in all the 8 districts visited.
- c) **Non-adherence to the procurement guidelines**- Private NGOs procure their contractors privately which contravenes guidelines where the District Water offices are expected to provide technical oversight on water issues for government and private funds
- d) **Lack of project identification numbers**- For most facilities visited projects lacked project identification numbers. In Koboko water facilities within a specific category like springs are bundled up in a single contract which makes it difficult to identify a contract price for a single facility. Since payment is made in totality for all projects, it is likely that all poorly constructed facilities end up being paid for when they don't deserve payment. The same scenario was discovered in Soroti district relating to award of contract and payment of 8 boreholes to E-plus engineering.

Cases of Bundled up Contracts

Koboko District

- a) *Wainaka Construction was awarded a contract to construct 8 protected springs at a bundled up price of 28 million. On inspection after construction, the supervisor recommended that payment should be made for only 5 facilities and 3 should not be paid for because they were defective. The report seen does not specify which facilities do not deserve payment*
- b) *Such a scenario is not specific and creates room for leakage because one can not easily compute the price of the 3 facilities not to be paid. A physical inspection of these facilities by the research team showed that some of the facilities recommended for payment did not deserve it because they were actually sub-standard and there was no value for money.*

Soroti District

E-plus Engineering Services was awarded a contract to construct 8 boreholes in one single contract. Facilities don't have project identification numbers as per the DWD guidelines therefore it is not easy to track payments for particular facilities

- e) **Conflict of Interest and Shoddy work**-the procurement and contracting of some water contractors need to be investigated for example, in Kabarole district the award of contracts for construction of Kyitengera and Kibito Gravity flow schemes need to be audited. Both contracts were awarded to Crane Technical Services and the time of spot check the Kyitengere GFS was non functional while Kibito GFS only serves 50% of the intended users. The Kyitengere GFS is reported not to have produced any water since its launching in 2005.

“One of the biggest challenges in monitoring of contracts is that the responsible district officials do not carry out actual supervision on contractors at construction level. They are duped to sign completion certificates when contractors have done shoddy work. Officials do desk monitoring and write fake monitoring reports and claim money” Comments of Nyesisa Emmanuel RAC Chairperson Rwimi Branch

There
is

reported conflict of interest and political interference in the award of certain contracts. The RAC protested the award of the Contract to construct Kyitengere and Kibito GFS to Crane Technical Services Ltd due to a track record of poor performance of the firm on similar projects in the area and mismanagement of the bidding process by the District. The RAC Chairperson Rwimi Branch reports that there was conflict of interest and interference by top politicians in Kabarole District Local Government. Due to shoddy work done the facility is non-functional yet full payment was made according to the Account KDLG. The issue is being investigated by the Auditor General.

- f) **Contract monitoring and involvement of the communities**- Contract monitoring is not given the due importance it deserves. Contractors do not give respect to the views and ideas of the locals and some times the sub-county staff. In the Water and sanitation Operations Guidelines it is stated the communities are key stakeholders who are supposed to carry out collective supervision and monitoring and report before, during and after construction of the water facility. The major challenge of monitoring, as already noted, is limited staff capacity while the communities are not empowered to demand for accountability and value for money for water and sanitation sector funds. Moreover, they do not even know how much a facility costs. None involvement of the communities cuts across all the districts but its more significant in Gulu and Koboko, simply because of little access to the necessary information that is required to enlighten society on water and sanitation issues.

Issues for investigation

- *The Contract seems to have been overpriced at 600 M*
- *The facility has not produced any water since its construction in 2005*
- *The quality of work done by Crane Technical Services is far below standard*
- *Facility was supposed to supply water to Rwimi trading centre. The residents now draw water from a contaminated water source (Rwimi River-See picture below). This is exposing the community to all sorts of water borne diseases*
- *The case has been reported to KDLG by RAC and nothing has been done*
- *The issue has been taken up by the auditor general for investigation*
- *The DWO Kabarole seems to have no information relating to problems of the GFS*
- *RAC was opposed to the Award of contract to Crane Technical Services due to evidence of conflict of interest and track of non-performance by the firm but their complaints were rejected as baseless*
- *Community has since dug out the pipes and the scheme is has been rendered useless*

Source: Scheme Attendant, RAC coordination Office Rwimi Branch, Field Observations

Plate IX: A dry stand tap of Kasenda GFS being checked by one of the Independent budget Monitors of Rwenzori Anti-Corruption Coalition.

Plate: X There is a newly constructed protected spring in Koboko District. The spring has been abandoned because the water contains iron and is salty. Note the brown patch on the basement. It is an indication that the Hydrologist who did the Water quality testing did not do the work adequately. The spring is valued at 4.5 Million shillings.



Source: Field Photos

- g) Value for Money:** The Research Team did not observe cases of shoddy work in Gulu for the facilities visited. The contractors seem to have done good structural and physical designs of the facility. The biggest challenge as already noted is the poor management of the facilities by the community.

In Kamuli Kabarole and Rakai there were several cases of poorly constructed facilities.

- h)** There is reported connivance between contractors, procurement committees and the technical official to inflate prices of contractors where substantial amounts are lost.

5.10 Accountability for Water and Sanitation Funds

Accountability for water and sanitation resources should be understood as a two-pronged process;

- a) Financial Accountability
- b) Social Accountability

5.11 Financial Accountability

Financial accountability in the context of local Governments comprises of processes by which Local Governments acquire funds, allocate them over different activities and time periods and use them in the most economic, efficient and effective manner with the view of achieving stated goals and objectives. In accounting for water and sanitation funds, the concept of Value for Money takes centre stage. Payments to be made for the water and sanitation facilities must go through the following processes;

- a) Requisition is raised by the Contractors through the Head of Department
- b) The CFO processes payment as instructed by the CAO
- c) Requisitions are checked by the auditor for compliance to standards according to TOR
- d) CFO directs the sector accounts assistant to write payment vouchers
- e) Examiner of accounts pre-audits the payments
- f) Cheques are written and validated by the CAO for payment

Source: Local Government Financial and Accounting Regulation 1997

The guidelines clearly state that the required accountability documents must be kept authentic in store in order to ensure financial accountability.

5.12 Findings on Financial Accountability

For any water facility sampled during the study the following documents were required;

- a) Copy of the letter of Award and contract price
- b) Acceptance Letter
- c) Copy of Contract
- d) Copy of the terms of reference
- e) Water facility details (location, procurement number, amount allocated for facility)

- compared to what was paid out to contractors)
- f) Requisition/demand notes in appropriate installments as per the guidelines or contract
 - g) Payment requisition letter/invoices
 - h) Completion certificates signed by supervisor
 - i) Copy of approved vouchers
 - j) Cheque numbers for money paid out to the contractors
 - k) Cheque/payment issuance books signed by contractors' representative
 - l) Receipts for payment from contractors

Source: Checklist Developed by Consultant

5.13 Paper versus Physical Accountability

All the above documents are required to ensure that there is proper financial accountability for water sector funds. However the study reveals that there are cases with thorough paper accountability for the financial resources which may not be reflected in terms of efficient and effective water and sanitation facilities at community level. It is therefore not enough to rely on paper accountability to ascertain proper use of water and sanitation funds. This needs to be substantiated with a physical audit of the facilities to determine value for money.

All the above mentioned documents are required to ensure that there is proper financial accountability for water sector funds. Some of the key issues that need further clarification from Finance offices of the districts visited are listed in the table below. There are cases of thorough paper accountability for the financial resources for water and sanitation sector funds, which may not be reflected in terms of efficient and effective water and sanitation facilities at community level. The following cases are worth mentioning;

- i. *Kabarole-Kasenda/Rutete Gravity Flow Scheme*
There is proper paper accountability of 214,985,912 million for Kasenda/Rutete GFS constructed by HEWESA CON, but the works done are not worth the price tag of the facility. Note that the Auditor General's office has taken up the matter for investigation
- ii. *Kabarole- Kyitengera and Kibito GFS's*
The Kyitengera and Kibito GFS were constructed by Crane Technical Services Ltd have had fully payment made and paper accountability made. While the Kyitengera GFS is non-functional the Kibito GFS has been poorly constructed and some sections are already run down. The Kyitengera and Kibito GFS's are valued at 600M and 62 M shillings from the documents seen in the Water office at Kabarole District Local Government.
- iii. *Koboko-2 newly constructed protected springs are approved for payments and all the required documentation is available but a physical check showed that there was no value for money. While one has developed cracks barely a month after completions (by the time spot check in October) another one is not use at all because the hydrologist did not do quality water testing and the water is has iron and salty taste.*
- iv. *Gulu-DWO Gulu implemented the construction motorized borehole facilities in Coo-pe and Alero IDPs. The physical structures seem good but they are not functional due to poor operation, maintenance and poor ownership due to lack of adequate community sensitization.*
- v. *Soroti- Suspicious/ Double payment to E-Plus General Engineering Services Ltd for*

construction of 8 boreholes under PAF funds. The Company was advanced 20% of 103,391,600 (20,678,320). However, there are two separate payments of similar amounts of Shs 20, 678,320) paid to the same contractor on 2/3/2007.

As per details below:

- Both documents contained an acceptance letter written on 13/2/2007
- Date of Bid same date 5/01/2007
- Contract amount both 103,391,600
- Commencement date for both on 19/2/2007
- Acknowledgement of receipt of funds by contractor Issued on the same date under two receipts: 1st receipt Number 206; 2nd receipt Number 207.
- Certificate advance payment certificate NO. 1 for both payments was issued on the same date, signed by District Engineer (DE) and DWO on the same date.
- The payment Voucher: WORKS/MAR/03, paying E-Plus General Engineering Services, the attached documents were photocopies.
- The payments to the contractors are in blocks; for example drilling and installation of 8 boreholes in sub-counties with out specifying where the works are to be done e.g. E-Plus General Engineering Services.
- Invoices, certificate of completion were attached in the payment vouchers sampled.

Other General anomalies Observed include;

- Cheques issuance book not seen
- The sampled vouchers contained acknowledgement of receipt of funds from the contractors.
- The cashbook not in use as the district is using IFMS (Integrated Financial Management Systems).
- No vote book as they are using the IFMS
- The abstract was freshly drafted for FY 2007/2008. The one for the previous FY was unavailable.
- A journal was not kept
- The ledgers were not availed to us.
- Asset register was not seen.
- A copy of final accounts not seen.

vi. We could not establish their position since we did not see them.

Note that under the IFMS Local Governments are required to print hard copies of accountability documents. This is intended to ensure that in case there is need to carry out audit checks, accounting information can easily be availed and assessed. However, no hard copies of the accountability documents were available for the two districts of Bushenyi and Soroti that are using the IFMS. The following challenges were envisaged to have affected financial accountability;

a) Late release of funds-In some cases, the largest portion of resources receivable from the national budget are only credited to the district accounts in the 4th quarter. In such a case a district may only be able to do a fraction of the planned work. Examination of financial release forms in Gulu shows that the water and sanitation sector funds for the FY 2006/07 had been released towards the end of the 4th quarter.

Quarterly budget releases are theoretically based on the receipt of the quarterly financial report and approved accountability of the previous quarter. For this reason, the quarterly data on expenditure as presented in the district quarterly reports may not necessarily reflect the actual activities of that quarter. As a result, data for four quarters may in some cases result in overestimation of activities/expenditures.

- b) **Poor record keeping** -Some payment vouchers sampled lacked supporting documents for example, the payments vouchers for Kasenda/Rutete GFS lacked documents such as letter of award and receipts for payment of money to HEWASA. It is common to Gulu and Koboko districts that vouchers do not have sufficient narration/detail of works and services
- c) **Lack of asset register**-None of the Districts visited had an assets register for water and sanitation investments.
- d) **No information on public notice boards**-None of the Districts visited has displayed budget information and release of funds on public notice boards for public viewing

Note:

All districts visited had work plans and budgets prepared and approved according to the required standards and guidelines by MWE for the FY 2006/07. There were quarterly and monthly financial statements presented to Finance and administration committee and evidence that they had been submitted to the Auditor General

5.14 Social Accountability

One of the biggest challenges that is being faced in the fight against corruption is that the communities are not being empowered to demand social accountability. **Social Accountability** can be defined as *an approach towards building accountability that relies on civic engagement, that is in which it is ordinary citizens and/or civil society organizations who participate directly or indirectly in exacting accountability.* Social accountability requires close interaction between the parties identified in the Venn diagram below;



Source: World Bank

- a) Democracy and Citizenship
- b) Participatory development
- c) Decentralization and public sector reforms
- d) Transparency and anti-corruption

- e) An active civil society
- f) Awareness of rights

SA mechanisms include many actions and tools that citizens, NGOs and media can use to hold public authorities accountable. Social accountability mechanisms can be initiated and supported by the state, citizens or both, but very often they are *demand-driven* and operate from the bottom up. The community visits in Koboko, Gulu and Kabarole indicate that, the key reasons why communities do not demand for social accountability include the following;

- i. Inadequate involvement of water users in planning and implementation of water and sanitation facilities
- ii. Lack of information on issues like amount released, contractors, type of technology to be used due to inadequate IEC before, during and after implementation of water and sanitation projects

5.15 Functionality of the Water Sources

According to the MWE Sector Performance Report 2008, functionality rates for water and sanitation facilities has decreased from 83% to 82% due factors like;

- i. Non functionality of WUCs due to inadequate sensitization of appropriate roles and responsibilities. Even the users have failed to perform their basic function of ensuring adequate use of their facilities due to inadequate training. However, districts are allowed up to 10% of the total budget for software activities
- ii. Poor Siting and location of facilities that makes facilities dry during the dry season
- iii. Poor quality of Construction. Shoddily constructed facilities are handed over to the communities which work for a while before they eventually stop working
- iv. Natural hazards like floods that have washed away or permanently silted existing water facilities
Increasing cost of rehabilitation of the facilities especially boreholes due to rising costs. The WUCs have failed to raise money through collection of user fees to ensure proper operation and maintenance of facilities. Costs are inflated by suppliers.

The decline in sanitation is attributed to floods in Eastern Uganda and the return of IDPs in the north. This has been evidenced by out break of epidemic such as Cholera, typhoid and hepatitis. People had more compelling issues to perform than construction of latrines. Karamoja continues to have the lowest performance in sanitation due to the nomadic natures of the people in the region. The political and technical leadership in

Karamoja have not emphasized and addressed sanitation issues compared to their counterparts in other parts of Uganda.¹¹

Picture XII: This Borehole located at the Headquarters of Ludala Sub-county is the only source of clean and safe water but it is abandoned because the handle is broken. The community has failed to contribute fees to purchase a new handle.



¹¹ Paper of Sector Performance Response for Local Governments-GoU and Donors Sector Review for Water and Sanitation, October 2008

Plate: XIII: A fully functional Borehole with clean water funded by NUSAF in Ludala Sub-county Koboko District that has been abandoned because it is far. The nearest household is more than half a kilometer away. The sub-county officials and an IBM were testing the facility during field visits.



Source: Field Photos

Picture XIV: Water projects under construction in Bushenyi



CHAPTER SIX

6.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The need for clean and safe water in Uganda need not be over emphasized. At an average of 63% national water coverage, there is need for concerted efforts among all stakeholders to stop corruption in the water sector as the government aims to achieve 77% coverage for rural areas and 100% for urban areas. The water and sanitation sector stakeholders have to work together to close the gaps identified in the report.

Good governance, transparency and accountability are key for optimal use of Water and Sanitation sector funds. Corruption in the water sector disproportionately hurts the most vulnerable groups in society-rural poor particularly women. It has lead to death, decreased production and school dropouts among children and is a serious impediment towards meeting the MDGs.

Corruption and mismanagement of funds in the water is a result personal greed leading to poor contract management, inadequate contract supervision; shoddy works by the contractors, poor community management of water facilities and lack of poor financial accountability.

It has been noted that while there might be proper and authentic paper accountability for particular water facilities, this does not always guarantee that there are functional water points at the community level. Future tracking studies must therefore put emphasis on physical/observation of the facilities to ascertain cases of efficient and effective use of funds (Value for Money). Another finding of the study is that contractors collude with relevant technical officers in planning and procurement of water to inflate contract prices resulting in overpricing of the contracts and shoddy work.

Mismanagement of funds and corruption has persisted because advocacy against corruption is still very weak. The perpetrators always go unpunished. There is therefore need to create awareness among the communities on corruption issues and culprits should be brought to book. It is clear that the existing anti-corruption agencies like the Inspectorate of Government have not penetrated deep enough to the communities with its sensitization efforts. It therefore needs to maximize its efforts to reach down to the grassroots if a change in the mindset of how Ugandans view corruption is to take place. Due to its closeness to the community structures civil society should use this comparative advantage to take centre stage in this sensitization exercise and in this way contribute to the anti corruption efforts of the Government of Uganda.

The study also reveals that the technicalities in the provision of water are too complex to be understood by the communities and some people who sit on the Technical Evaluation Committees to approve tenders for Water and Sanitation.

The Anti-Corruption Regional Coalitions have an important role to play here and are already playing a significant role in unearthing cases of corruption in the water sector of more technically complicated nature. They should further be empowered through training and capacity development. Interactions with the regional coalitions of Kabarole (RAC), Koboko (The Koboko Anti Corruption Coalition) and Soroti indicated that the community and regional monitoring tools helped them acquire technical and practical skills of identifying corruption practices and cases of mismanagement in water. They however also, indicated that they need regular training to catch up with trends of expenditure tracking, management of water funds and loopholes for leakage of funds in water sector.

6.1 Observations of the Study

It was observed that most fiscal releases are disbursed from MoFPED at the end of the month and therefore they appear at the District level in a grant collection account as if they were one month late. However implementation of Electronic transfers has tremendously reduced such delays.

All transfers are supposed to be published at spending levels. However a glance at the departmental notice boards in the surveyed districts revealed that this is not always followed. ACCU and its regional coalitions should as a matter of emphasis encourage mandatory public display of public funds especially during sub county tours.

At the end of each quarter, Accounting officers are supposed to submit progress reports and accountability statements to relevant sector ministries and such documents are supposed to be copied to MoFPED. This facilitates timely releases of other quarters. However there were delays and that is why in general quarterly releases at beginning delayed in all sampled district.

Release of funds at the MoFPED level does not depend on the type of water project under construction. Funds are released in piece mill as a quarter of the whole annual revised estimates or just one twelfth of annual estimates. Therefore projects like valley dams, deep tanks, boreholes etc have to wait so that they are constructed towards the end of the financial year when most of the funds have been released. Given the procurement process then it becomes hard to complete some projects in a given FY and if there are unspent funds, such should be sent back to MoFPED .

It was also observed that at least in June of every FY, MoFPED no longer remits PAF funds to Districts for projects as was in the past. This has helped a lot in allowing time for procurement processes before the mandatory expiry of District accounts where funds are sent back to MoFPED .

- ❖ As a general rule funds are no longer being relocated at the District level. They are sent and in time from the Grant Collection Account to respective Water Departments and spending levels. And indeed there are improved financial disbursements in accordance with relevant laws, regulations and guidelines for this sector. The question is now whether there is value for money at implementation level.

6.2 Recommendation of the Study

The following recommendations are suggested to consolidate and improve on the existing water management practices;

- I. There should be an immediate follow-up of the cases identified in the study
- II. The civil society and the Government, through line ministries and districts, should increase community awareness and sensitization through Information Education and Communication (IEC) on water and sanitation issues. This will be done through enforcing public notices at public places at community level. IEC can be enhanced by sponsoring talk shows on Radio and Television, Anti- Corruption Weeks, public/open forums on corruption, the print media (in local language), burners, posters and T-shirts.
- III. There is need to improve communication amongst the direct user departments; that is Procurement, district Water Offices, Finance and Planning unit
- IV. ACCU should advocate for development of standard B.O.Qs for various technological types and distributed to districts. Procurement of works for water and sanitation should be based on these standards. The B.O.Qs should however, leave variations for technical issues like Geology (type of soils)
- V. MWE and the Civil Society should institute collaborative networks to carry out governance audits of the Water and Sanitation sector and share such information in order to close loopholes for leakage.
- VI. The Government, Donors and Non-Government Organizations providing Water and sanitation services should emphasize the software component (pre-construction, during and after Construction) where communities should be trained in methods and techniques of executing the required roles and responsibility. This will go along way in ensuring sustainability of Water facilities. ACCU should seek funding and collaborate with MWE/DWD to train water users.
- VII. In relation to the above, vandalism, lack of community contribution, inefficient pumps and pump breakdown need to be addressed immediately through community sensitization. ACCU, regional coalitions and DWO should work together to emphasize the training

and community sensitization in selected/pilot areas and assess positive changes that will be used to determine a roll out program. SNV already has such a program and has experiences that can be shared.

- VIII. The Technical Support Units should be facilitated to extend their technical assistance and advisory roles to the communities.
- IX. Donors and Non-Government Organizations should support districts to carry out research on water and sanitation in the districts. This information/database shall be used as realistic data to plan for provision of water and sanitation.
- X. ACCU should work with Regional Coalitions to strengthen the capacity of the existing structure of Independent Budget Monitors. Regular skills enhancement should be carried out to equip IBMs with skills to track identify and report objectively on corruption cases. Regular follow up should be carried out by ACCU to identify challenges and improve accordingly.
- XI. ACCU's regional coalitions, Independent Budget Monitors and the Civil Society should be trained in analysis of Community Water and Sanitation issues in the DWD Community Resource Book (2007).
- XII. ACCU and regional coalition staff need to be given training on and interpretation of key guidelines indicated in this study. This will go along way in helping the coalition staff to work with in the set guidelines and policies. It will also help them advise stakeholders on the ideal practices in water and sanitation management
- XIII. Independent review should be instituted in cases where there is evidence of procurement irregularities.
- XIV. There is a need to harmonize the working relationship of NGOs, CBOs, FBOs and the donor community with those of the district. Presently there is reported friction by the private operators and district on issues of water operations.

The following District Cases need be followed up and investigated;

Table: XIII: Case for follow-up

District	Case for Investigation
Kabarole	<ul style="list-style-type: none"> ➤ Award of Contract and Construction of Kasenda/Rutete GFS ➤ Award of Contract and Construction of KibitoGFS ➤ Award of Contract and Construction of Kitengere GFS
Koboko	<ul style="list-style-type: none"> ➤ Construction of Malikulu Protected Spring to Wainaka Construction Services ➤ Construction of Aresse protected Spring Wainaka Construction Services Ltd ➤ Investigate why the Ludedela Borehole has been abandoned by the Community ➤ Investigate the case that Tukali Shallow well is infested by Worms ➤ Investigate the award of more contracts (in the FY 2008/09) to Wanaika Construction services after a series of shoddy works in the districts
Soroti	<ul style="list-style-type: none"> ➤ Award of Construct to dig 8 boreholes by E-plis Engineering Services ➤ Accountability for 8 boreholes constructed by E-Plus Engineering Services
Rakai	<ul style="list-style-type: none"> ➤ Delay in Completion of Sanje Water Project ➤ Local a fero tank behind the residence of the chairperson
Kamuli	<ul style="list-style-type: none"> ➤ Award of Contract to Construct Bugulu Borehole by Royal Tech. Services
Gulu	<ul style="list-style-type: none"> ➤ Further investigation on the cause of Non-functionality of Water and Sanitation facilities in IDPs
Mukono	<ul style="list-style-type: none"> ➤ Construction of protected spring in Kyabalogo Parish by M.G.E ➤ Non-compliance of Accounts staff in Mukono to reveal accounting information

Sustainability of sector financing and increasing coverage of safe and clean water requires the following;

- i. Identifying loopholes for leakage of funds in order to improve procurement and contracting processes, support civic engagement and enhance social and financial accountability
- ii. Improving on efficiency and effectiveness to reduce on the Per Capital Investment Cost (Cost of distribution and access to safe and clean water per person)
- iii. Enhance the capacity of WUCs and users to perform their roles and responsibilities. This will improve management and operation of water facilities and create a sense of ownership among users.
- iv. Enhance the capacity of independent budget monitors through training to continuously monitor, supervise and identify leakage of funds for water and sanitation.

- v. Encourage private sector participation, beneficiary communities and NGOs in planning, management and sustainability of Water and Sanitation resources

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Water discharge Regulation 1998

List of Key Informants

S/N	Name	Organization	Contact
1.	Musoke Charles	Chief Administrative Officer-Kabarole	
2.	Nyesiga Emmanuel	Secretary for Education, Health & Sports (RAC Chairperson Branch)	0772-644226
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5.	Patrick	Independent Budget Monitor-Kaborole	
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16	William	Chaireperson WUC-Kasenda/Rutete GFS	
17	Aluluke Julie	Asst. DWO Mobilization –Koboko	
18	Kanyangoga Charles	Scheme Attendant-Kasenda GFS	Kasenda Sub-County
19	Kiiza Shaban	Caretaker/Security-Kasenda GFS	Kasenda Sub-County
20	Emesu Simon Peter	County Water Officer-Soroti	
21	Paeter Opwannya	DWO-Soroti	
22	Opedun Levitius	Accounts Assistant-Soroti	
23	Onega Opio	District Engineer-Soroti	
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27	Banafamu Robert	District Planner-Kamuli	
28	Mwiru Emmanuel	Procurement Officer-Kamuli	
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30	Kalule James	CWO-Mukono	
31	Kavuma John	CWO-Mukono	
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33	Walugembe	Head of Procurement-Mukono	
34	Kamya Daniel	District Engineer-Mukono	
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47	Luke Apango	Chairperson Social Services Committee -KTC	0775258345
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49	Kiganda Abudallah	CAO-Gulu	
50	Peter Omony	Assist. Water Officer Mobilization-Gulu	0774418271
51	Samuel Nyeko	District Water Officer Gulu	
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53	Santa Odwar	Head of Procurement (PDU)-Gulu	0772594299
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55	Odidu Patrick	Procurement Assistant	
56	Byangwa Angela (Ms)	Coordinator-Ruwenzori Anti- Corruption Coalition	
57	Mrs. Bikorwenda. J.	RDC-Rakai	
58	Private Water Contractor	Managing Director-Haka Enterprises (Rakai)	
59	Water Officer	Bushenyi	
60	Water Officer	Rakai	
61	Chief Finance Officer	Bushenyi	
62	Byiringiro Carolyne	Community Mobilization -Gulu	0774716209

REGULATORY FRAMEWORK THAT CAN BE USED TO ENSURE FUNDS PLANNING, MANAGEMENT AND ACCOUNTABILITY

	Key Guidelines	Issuing Office	Date Issued	Regulatory Framework
1	The Local Government Act, 1997	Ministry Local Government	March 1 1997	Gives details on the law for decentralization and devolution of functions, powers, & services; and provides for decentralization at all levels of the Local Government Ensuring good governance & demonstrates participation in, and central decides for revenue and the political and administrative set-up of Local Governments.
2	The Local Governments Finance & Accounting Regulations, 1998	Ministry of Local Government	June 1998	The Financial and Accounting Regulations prescribe financial and accounting processes and procedures including accountability measures for compliance by all Local Governments. They provide penalty, or surcharge for and councilor or member of staff who may be responsible for loss of money or loss or damage to property or stores in accordance with these Financial & accounting Regulations.
3	The Local Governments book keeping Manual, 2001	Ministry of Local Government		Detailed guidelines on wide ranging book keeping issues. It is simply presented, easy to follow and comprehensive in coverage. Useful reference material.
4	The Local Governments Internal Audit Manual, 2000	-do-		Covers comprehensive guides on internal auditing. In Local Governments. Gives detailed information on internal Audit.
5	Guides on Development	-do-		Guidelines on Development planning for Higher Local

	planning for Higher Local Governments			Governments
6	Investment Planning guide for sub-Counties and Lower Level Councils	Ministry of Local Government	May 1998	Several institutions and officers have a role to play at sub-County and Lower Council level in the planning process. This document is a reference book for any body who is involved in planning at Sub-County and lower level of local councils; it details the roles and responsibilities of the main planning institutions and individuals at sub-county of lower Councils.
7	Local Government Development Programme (LGDP) Operations Manual	Ministry of Local Government	September 2003	Gives guidelines on accountability and reporting requirements for Local Governments.
8	The Local Government Public Accounts committee Regulations	Ministry of Local Government		Gives information and regulations relating to public Accounts Committees.
9	The Local Government Tender Board Guidelines and procedures relating to contracts and appointment of members	Ministry of Local Government		Guidelines for Local Governments Tender Boards for their routine populations.
10	The Local Government Tender Board Regulations	Ministry of Local Government		Regulations under which Contracts Committees in Local Government Operate
11	Guidelines for the planning	Ministry of	July, 2002	The document details the roles and responsibilities of

	and operation of District Water and Sanitation Development Grant	Water, Lands and Environment/ Directorate of water Development		central Government, the District Level Sub-county Level and community Level. The guidelines cover sector planning, issue at the national, district, and sub-county and community levels. This is a must for anybody working for water & sanitation sector whether as an operational or supervisory operative.
12	Rural water and sanitation and Operation plan, 2002/2007	-do-	Sept, 2002	This document gives operation guidelines for a period of 5 years in rural water and sanitation sector. It is an investment plan for extending sustainable and equitable coverage of water and sanitation facilities. This operation plan presents national program support activities, which include institutional capacity support and use of demand responsive strategy in extending the already existing services and facilities and ensuring that services are used sustainably and extended to other areas of need.
13	The public procurement and Disposal of public Assets Act, 2003	Ministry of Finance planning and Economic Development	Jan, 2003	The Act was established to operationalise policies and regulations and practices in public procurement and disposal of public assets. It was established by parliament as an autonomous body with a Chief Executive working under a Board of Directors.
14	The public procurement and Disposal of public Assets Regulations, 2003	-do-	September, 2003	The detailed regulations are intended to guide all public procurement and Disposal of public Assets Activities.

15	Fiscal Decentralization Strategy Budget Guidelines, Background Document	-do-		<p>The document describes elements of the FDS and the design carried out in the preparation guidelines, and the new elements of the Budget preparation process. It further explains the roles of the Local Governments and Line Ministries and how they relate. It explains the change in following;</p> <ul style="list-style-type: none"> ┆ The roles of the Local Government Budget Committee and Local Government Release and Operations Committees within budget formulation ┆ Implications on the review of sector policies with respect to decentralization and the Fiscal Decentralization Strategy.
16	Poverty Action Fund General Guidelines for the planning and Operation of Conditional Grants	MOFPED	2003/2004	<p>The Poverty Eradication Action Plan (PEAP) guides Government and its partners in planning, priority setting and resource allocation in its strategy for eradication of absolute poverty by 2017. It has the following pillars namely:</p> <ul style="list-style-type: none"> ┆ Sustainable economic growth and structural transformation. ┆ Good governance and Security ┆ Raising the incomes of the poor and ┆ Improving the quality of life of the poor ┆ Government developed guidelines for the planning & operation of conditional grants given to Local Governments to fight poverty countrywide.
17	A Community Resource book for Water and Sanitation	MWE/DWD	2007	<p>Gives guidelines to Management, suitability, operation and maintenance of Community Water facilities</p>

