



**MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK**  
*Danida*

**FEBRUARY 2019**

# **EVALUATION OF WATER, SANITATION AND ENVIRONMENT PROGRAMMES IN UGANDA (1990-2017)**







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**NCG**

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## LIST OF ABBREVIATIONS

AfDB	African Development Bank
ADA	Austrian Development Agency
CBMS	Community-Based Maintenance System
CCA	Climate Change Adaptation
CCD	Climate Change Department
CCU	Climate Change Unit
CLTS	Community-Led Total Sanitation
CMP	Catchment Management Plan
CSO	Civil Society Organisation
DP	Development Partner
DRA	Demand Responsive Approach
DSHCG	District Sanitation and Hygiene Conditional Grant
DWD	Directorate of Water Development
DWO	District Water Office
DWSCG	District Water and Sanitation Conditional Grants
DWRM	Directorate Water Resource Management
ECWSP	Eastern Centres Water and Sanitation Project
EVAL	The Evaluation Department in the Danish Ministry of Foreign Affairs
ENR	Environment Natural Resources
FY	Financial Year
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GGWG	Good Governance Working Group
GoU	Government of Uganda
HIC	Home Improvement Campaigns
HIPC	Heavily Indebted Poor Countries
IDP	Internally Displaced People
ISH	Improved Sanitation and Hygiene
ITWAD	International and Transboundary Water Affairs Department
IWRM	Integrated Water Resource Management
JFA	Joint Financing Agreement
JMP	Joint Monitoring Programme
JPF	Joint Partnership Fund
JSR	Joint Sector Review
JTR	Joint Technical Review
JWESSP	Joint Water and Environment Sector Support Programme
JWSSP	Joint Water and Sanitation Sector Programme
KfW	Kreditanstalt für Wiederaufbau
LRA	Lord's Resistance Army
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MoES	Ministry of Education and Sport
MOFPED	Ministry of Finance, Planning, and Economic Development
MoH	Ministry of Health
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework

## LIST OF ABBREVIATIONS

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MWE	Ministry of Water and Environment
MWLE	Ministry of Water, Land and Environment
NDP	National Development Plan
NGO	Non-Governmental Organisation
NRM	National Resistance Movement
NURI	Northern Uganda Resilience Initiative
NWSC	National Water and Sewerage Corporation
O&M	Operation and Management
PAF	Poverty Action Fund
PEAP	Poverty Eradication Action Plans
PFM	Public Financial Management
PHAST	Participatory Hygiene and Sanitation Transformation
PMS	Policy and Management Support
PPP	Public Private Partnership
RUWASA	Rural Water and Sanitation Eastern Uganda Project
SDG	Sustainable Development Goal
SBS	Sector Budget Support
Sida	Swedish International Development Cooperation Agency
SPS	Sector Programme Support
SSIP	Sector Strategic Investment Plan
SWAp	Sector Wide Approach
TSU	Technical Support Units
UBOS	Uganda Bureau of Statistics
UNHS	Uganda National Household Survey
UO	Umbrella Organisations
UWASNET	Uganda Water and Sanitation NGO Network
WAP	Water Action Plan
WB	World Bank
WBWSP	WB Water and Sanitation Program
WES	Water and Environmental Sanitation Program
WMZ	Water Management Zones
WQMD	Water Quality Management Department
WRAP	Water Resources Assessment Project
WRM	Water Resource Management
WSDF	Water Supply Development Fund
WSE	Water, Sanitation and Environment
WSPS	Water Sector Programme Support
WSS	Water Supply and Sanitation
WUC	Water Users Committee

Uganda Shilling (UGX) is the unit of currency of Uganda. 3,700 UGX is equivalent to 1 USD (based on December 2018 exchange rates).



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# EXECUTIVE SUMMARY

## Background and objectives

Danida has played a major role in developing the water, sanitation and environment sub-sectors in Uganda since the late 1980s. A bilateral rural water and sanitation (RUWASA) project designed to increase the supply of clean water and improve sanitation in rural communities within one particularly poor region of Uganda (Eastern Region), was undertaken in the 1990s and constituted Danida's first large investment. At the end of the 1990s, a transition was initiated from projects towards a sector wide approach (SWAp) with a broader national geographical coverage and a shift from physical implementation to policy level support. From 2008 a Joint Water and Environment Sector Support Programme (JWESSP), with bilateral and multilateral partners was carried out, thereby introducing an explicit focus on environment (including climate change). Within this framework, the sub-sector focus has been particularly on rural water supply, water resource management and climate change.

The total contribution to the water and environment sector in Uganda in the period 1990-2017 has been close to DKK 2 billion, or 20% of the total Danish development assistance to Uganda in the period. Roughly, Danida has contributed 15-20% of the total budget for the water and environment sectors in Uganda during the past decade, and all likelihood an even larger share in the period before, in particular in the rural water and sanitation sub-sectors. Danida has been the largest bilateral donor in the evaluation period. However, in preparing the new country programme in Uganda from 2018 it was decided to phase out Danish assistance to the water, sanitation and environment sectors, apart from some water resource management support in the northern region of the country.

The overall objectives of the evaluation are to document results and achievements as well as to analyse the value added from Danida's support to the sub-sectors with a view to extracting lessons learned. The evaluation was undertaken between January and September 2018 through a combination of desk studies, key informant interviews and fieldwork in Uganda.

### *Key findings*

The support provided by Danida to **rural water supply** in Uganda has provided a solid foundation for development within this sub-sector.

## LIST OF ABBREVIATIONS

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This has included provision of safe drinking water to a large poor rural population, capacity building and institutional strengthening employing a variety of approaches as well as the introduction of international good practices that became the basis for commendable sector policies and strategies. A number of distinctive elements in RUWASA were scaled up to the national level and are still being used.

As the lead water and sanitation development partner (DP), Danida contributed importantly to development of the SWAp, which became a good practice model in Africa for advanced joint programmatic approaches and dialogue between DPs and governmental partners. At the national level, Danida provided substantial assistance for creating the national sector framework plan through financing of sub-sector reform studies. In support of development at district level, Danida has contributed significantly through provision of district conditional grants that have enabled finance of water supply infrastructure and sanitation facilities, community sensitization and mobilization in rural areas.

The most lasting impact from the support to **sanitation** during RUWASA was to help define the sector as “Water and Sanitation” and thereby introducing a strategy integrating rural water and sanitation that cuts across the mandates of different ministries. During this period, Danida made a contribution to improved sanitation, where rural household and school sanitation and hygiene were emphasised. However, school latrine construction had little impact due to an extremely rapid increase in the number of schools and educational efforts did not have the anticipated effect on household and school sanitation (handwashing). In the subsequent development of the SWAp, Danish support helped to put Uganda’s sanitation strategy on a more solid foundation. In particular, it contributed to the development of the 2006 Improved Sanitation and Hygiene (ISH) strategy, which took a new and evidence-based approach to sanitation. ISH also defined the roles of different ministries and the corresponding local government departments on sanitation issues more clearly.

A comprehensive, long-term and holistic Danish support has been a key driving force in helping the **water resource management** unit within the Ministry of Water and Environment (MWE) to grow and become a much more powerful and well-staffed Directorate. Starting from support to development of a Water Action Plan in the early 1990s, the Danish engagement, has allowed the institution to develop its capacity step-by-step. This includes a substantial expansion and upgrade of laboratory equipment and related technical training. In addition to the institutional support, the Danish contributions have supported important planning for water management zones and catchment-based area management, in particular on managerial, regulatory and technical aspects. Large-scale implementation of these initiatives is however still pending.

In terms of the **environment, natural resource management and climate change** Danida was the first to support the establishment of a Climate Change Unit in 2008. Subsequently, the Danish contribution has been fundamental for further developing the unit into a Climate Change Department, with improved capacity and influence to appropriately shoulder the national responsibility for undertaking the integration of climate change adaptation in the public sector. However, despite particular efforts and prioritisation in the JWESSP to support mainstreaming of environment, natural resource management and climate change across the MWE, only limited progress has been made so far. The sub-sector is still suffering from a weak institutional and legal mandate for integration into the MWE.

A number of **institutional issues** have also been in focus. The Danish contribution has been important for developing a well-established framework for coordination and dialogue between the government, DPs and other key stakeholders in the water and environment sector. The framework includes harmonised mechanisms for coordination, financial management, performance reviews and joint decision-making. This includes use of a set of "golden indicators" to assess progress within the sector, as well as procedures for performance reviews to help decision-making in the sector. The range of indicators has been expanded to reflect broader development issues, including specific indicators related to good governance. The monitoring and evaluation mechanisms in the Ugandan water sector have constituted a model of good practice for other countries in Africa.

Despite the improved framework conditions within the sector, a gradual erosion of trust between the government and DPs has developed during the past decade. A combination of diverging objectives and decreasing financial commitment to the sector by the government, together with several corruption episodes has hampered cooperation and affected the overall funding commitments to the sector.

Support to **civil society organisations (CSOs)** has also been important. Assistance for establishing and functioning of the Uganda Water and Sanitation Network (UWASNET) from year 2000 has been fundamental for ensuring recognition as well as the significant contribution and involvement of CSOs in the sector. CSOs have been instrumental in promoting community participation and monitoring resource allocation within the districts. UWASNET, which now has a membership of more than 150 CSOs, is an important result of the sector reform process that brought together the government, DPs and CSOs to develop and contribute to one common development plan for the sector. Danida, being the only DP initially supporting UWASNET, has thereby enhanced the credibility of the network with the government and other actors.

**Capacity development** has been a core element of Danida's support. Much has been achieved in particular in the water and sanitation sub-sector and in the area of water resource management. A specific emphasis has been put on good governance and support to the decentralisation process. A very concrete result from these efforts was the development of a comprehensive capacity development strategy in 2012, which however has lacked resources for large-scale implementation. In order to compensate for capacity constraints in the district systems, Danida was instrumental in establishing and funding 10 regionally based Technical Support Units (TSUs) at district level to provide capacity building, monitoring and technical assistance.

Several **cross-cutting issues** have also been emphasized. A comprehensive gender strategy and policy framework has been developed for the sector. Danida has been one of the key drivers of this process, building on the concept and experiences from RUWASA. Equity in the access to water is addressed through a pro-poor strategy for the sector, which is aimed at improving access for underserved and/or vulnerable communities e.g. through inclusion of non-payment of capital costs by poor people identified in the communities. A permanent Good Governance Working Group, composed of members from the government, DPs and CSOs as well as from the private sector was created in 2006, to strengthen transparency and accountability in the sector. Key results from these efforts include support to development of a set of financial management indicators as well as a value-for-money methodologies and studies. However, the group is suffering from limited political commitment, which threatens the longer-term sustainability and up-take of some of these results.

**Sustainability** is a particular concern. For several years, the water and environment sector in Uganda has been challenged by uncertain and inadequate sector financing, partly due to government priorities and partly due to changes in the donor landscape (a move from grants towards loans). As a result, sector targets under the Strategic Sector Investment Plan (SSIP) 2018-2030 and the second National Development Plan (NDP) 2015/16-2019/20 are unlikely to be achieved.

In recent years, a gradual deterioration of the rural water facilities has started to take place and in many places the facilities are now only partially functioning. Major break-downs have started to emerge, and these are not being repaired, mostly due to the failure of community contribution system, weak regulation and tariff policy. Lack of dedicated funding for capacity development further exacerbates the problem of sustainability at all the three levels (individual, institutional and enabling environment). The TSUs, which contribute to fill in important capacity gaps at district level, still largely depend on funding from DPs for financing of their operational costs. The capacity development strategy

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and plan were prepared but cannot be fully implemented because of inadequate resources.

Finally, the RUWASA strategy was explicitly based on establishing community-based maintenance systems, comprising village committees and water point caretakers to care for the water supplies and collect funds for maintenance, and hand pump mechanics who would do preventative maintenance and routine repairs for all the villages in an area on a fee-for-service basis. While this system has proved sustainable with respect to cleanliness of water point areas and community repairs of minor breakdowns, it has not proved effective for larger repairs and longer-term sustainability.

## Conclusions

Danida has contributed significantly to the increase in **delivery of safe water** to Uganda's rural population, with coverage growing from 20% in 1990 to 70% in 2017. The most significant increase took place during the RUWASA period (1990-2002). Danida's contribution to Eastern Region alone provided 1.5 million poor rural people with improved rural water facilities. In the period after 2002, Danida has made a major contribution through the SWAp and the JWESSP modalities, in particular through the conditional district grants, which have benefitted between 0.5 and 1 million poor rural people in Uganda each year. This has however just kept pace with the rural population growth in this period.

The strategy of integrated rural water supply and sanitation has not delivered satisfactory results as regards **sanitation impact**. While Uganda managed to comply with the Millennium Development Goal (MDG) target for access by rural households to improved sanitation facilities, initial progress made during the 1990s on both school sanitation and handwashing behaviour (in both households and schools) has slipped backwards and fallen significantly below the MDG targets.

Danish support has provided the foundation for establishing of catchment-based integrated water resource management zones and climate change mainstreaming in the water and environment sector. Long-term engagement, persistent and flexible support, including a holistic package of equipment, capacity building and technical assistance, has been instrumental in developing the capacities of key water resource management and climate change institutions. Implementation is however still limited, mainly due to funding constraints.

Danida has been a pioneer in focusing attention on social issues in the water and environment sector, including gender inequalities and notable progress has taken place during the period evaluated. Initially, RUWASA was fundamental in ensuring an equal representation of

men and women in water user committees and later there has been a strong emphasis on gender equality in the sector.

Danida has contributed to establishing a well-developed framework for **sector coordination and dialogue**. Unfortunately, this did not lead to adequate funding to the sector. The consultative mechanisms, including harmonised mechanisms for financial management, performance reviews and joint decision-making, have not been sufficient to strengthen sector capacity, or give weight enough to the sector, to avoid its downslide in priority and financial allocations within the government. The institutional arrangements have not succeeded where it really matters, i.e. to ensure that there are sufficient resources for water resources management and service delivery on the ground.

Important advances in terms of ensuring improved transparency and less mismanagement in the sector have been achieved through the **Good Governance Working Group**. The work of the group has however suffered from limitations in political commitment and support. The recent inclusion of two Good Governance indicators in the sector performance measurement framework constitute an important milestone that will force the government to reflect on development in these indicators in the future.

There have been serious difficulties in moving beyond the initial **community management approach** to systems that collect sufficient revenue and provide the technical and managerial skills to operate, maintain, rehabilitate, upgrade, and expand rural water infrastructure. Although the evaluation findings show that community management and mobilisation, including capacity development, is fundamental for rural water supply, the community management approach has clearly demonstrated its limitations, in particular when it comes to sustaining and maintaining functionality of the physical infrastructure.

Danidas **phasing-out** of the water and environment sector in Uganda happens at a critical point in time, when the sector still lacks clear strategic direction on how to ensure sufficient funding and capacities for key sector development issues, such as rural water supply. Phasing-out after nearly 30 years of comprehensive support to the sector has not included a transition phase or a robust exit strategy, although some efforts have been invested in preparing a continuation of the JWESSP. The sector is left with critical funding and capacity gaps in the short to medium-term and, of equal importance, without a clear strategic direction for future development, including on how to achieve the Sustainable Development Goals (SDGs), in particular SDG 6 and SDG 13.

## Lessons learned

The establishing of a well-functioning sector working group with a clearly delegated mandate and responsibility has been pivotal for developing of a good framework for sector coordination and dialogue, including harmonised mechanisms for financial management, performance reviews and joint decision making.

However, not even a long-term engagement with massive investments into all aspects of sector development may be sufficient to bring a sector on a sustainable development path. Huge investment needs, rapid population growth and a lack of priority for social sectors by the government are some of the prime obstacles to achieving sustainable development in the sector.

A particular challenge has been an inability of the sector to move beyond the community management strategy for rural water supplies. Governments and DPs have been grappling for more than a decade with how to deal with shortcomings of community management and durable solutions may require introduction of new and alternative modalities for funding and partnerships, including how to involve the CSOs and the private sector e.g. through public private partnerships.

The importance of the work of the Good Governance Working Group in the last phase of the Danish support should have been better reflected in a corresponding high-level political commitment in order to become more effective. The government and DPs alike need to give high priority to matters relating to transparency, good governance and accountability, not least when it comes to the local government level. CSOs could have been a stronger driving force in implementation of activities and decentralised monitoring.

The importance associated with capacity development interventions in the sector including massive investments have been difficult to sustain, as they have not generated the level of ownership by the government as originally anticipated. The level of ambition and the chosen approach need to be well-integrated to the national political and institutional context.

When long-term development assistance is phased out within a relatively short period, this could undermine important efforts that have been invested in the sector during the period. The sustainability and continuation of a number of the Danish supported initiatives in the water and environment sector, such as rural water supply infrastructure and capacity development, is questionable due to unclear future strategies and inadequate funding.



### Recommendations

The evaluation includes the following seven recommendations:

**New financing partnership models should be developed and tested with a particular view to closing huge funding gaps in the water and sanitation sectors and to achieve the SDG 6 targets.** More strategic attracting of private sector funding to the sector seems required to achieve the SDG targets. The MFA's recently launched a new Danish company (the Water Investment Development Company) for developing of investable projects to mobilise private resources towards SDG 6 in developing countries which could be a step in this direction. With this initiative, the intention is to speed up processes to catalyse private investments in water at scale giving more people access to clean water. The hope is that these projects would attract finance from private companies and investors, including the Danish SDG Equity Fund.

**Danida should explore models for provision of continued strategic support to CSOs/CSO networks, also beyond the period of programme cooperation, with a particular view to achievement of SDG targets.** During the exit/phasing-out planning stage, it should explicitly be considered if continued support to CSOs/CSO networks, also after completion of the sector programme support, could be an important contribution to achievement of SDG targets. The experience from the support to UWASNET shows that the CSOs are able to play a critical role not only as gap fillers but also as a critical "watchdog" towards the government.

**Danida should reconsider making SDG 6 a more direct strategic target within The World 2030 strategic framework, given the direct impact on gender and children, as well as it's implication for the other SDGs.** Water is at the very core of sustainable development and SDG 6 does not only have strong linkages to all of the other SDGs, it also underpins them. Meeting the SDG 6 would therefore go a long way towards achieving much of the 2030 Sustainable Development Agenda. The Danish government is highly committed to these issues, and it would make sense to reconsider the prioritisation of the SDG 6 within The World 2030 strategic framework.

**Phasing-out of Danish sector programme support should be based on a more comprehensive assessment on how this may affect continued sector development in the partner country. This is even more important in those cases, where Danish assistance to the sector has been financially significant and based on long-term partnerships and arrangements.** As a minimum requirement, funding should be gradually phased out over a three to five-year period in accordance with a mutually agreed transition plan/exit strategy and partner institutions should develop and implement a fundraising strategy in parallel to this.



A critical consideration of community management experiences should be undertaken in order to better inform water resource management efforts in the Northern Uganda. The Northern Uganda sub-sector programmes largely intend to build on community management principles similar to some of those introduced through RUWASA. However, despite the large investments in community management during the RUWASA period, the evaluation findings strongly indicate that the approach may not have worked as well as intended. Better sector guidance on the future direction for the community management model and recommended water supply technologies is urgently needed.

The possibilities for larger involvement of Danish private sector and research in the supported water resource management interventions in Northern Uganda should be explored. The Danish water sector is well-known for its strong core competencies expertise, including integrated water resource management. The embassy could be more proactive in exploring Danish business and research potentials in relation to the supported interventions in Northern Uganda and on how to assist and facilitate the entry of Danish companies.

In order to effectively address governance issues as part of sector management, the Danish embassy (and other DPs) should insist on high-level government representation and commitment to these working groups. Good Governance Working Groups should preferably be chaired by the Permanent Secretary to ensure sufficient attention to the work of this group. Any specific issues should be addressed in sector working groups. With the expectations that the Good Governance groups on water/sanitation and environment will be merged to one group, this could be an opportunity to get the Permanent Secretary onboard, and thereby give the group more credibility to work in direction of the established priorities, needs and possibilities for attracting additional external and internal resources to support its work and functioning.

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# 1 INTRODUCTION

## 1.1 Objectives, scope and purpose of the evaluation

The Evaluation Department of the Danish Ministry of Foreign Affairs (EVAL) has commissioned Nordic Consulting Group (NCG), Orbicon A/S and Hydroconseil to undertake an independent evaluation of Danish support to water, sanitation and environment (WSE) in Uganda, 1990-2017.<sup>1</sup>

Danida has played a major role in the water, sanitation and environment sub-sectors in Uganda since the late 1980s. A bilateral rural water and sanitation (RUWASA) project, designed to increase the supply of clean water and improve sanitation in rural communities in the Eastern Region of Uganda, was undertaken in the 1990s. The two phases of the RUWASA project involved significant investments as well as technical assistance. At the end of the 1990s there was a shift from project support towards sector support. Furthermore, the geographical coverage of Danida assistance expanded. Subsequently, a sequence of grants was approved, initially for two phases of a bilateral sector programme (1997-2007) and then for three grant contributions to a joint water and environment programme (2008-2018). The total Danish contribution to the water and environment sector in Uganda in the period 1990-2017 was close to DKK 2 billion, or almost 20% of the total Danish development assistance to Uganda during that period.

According to the ToR, the evaluation encompasses three overall objectives: i) To document the results and achievements in the sub-sectors; ii) To analyse the value added from Danida support to the sub-sectors, and; iii) to extract lessons learned. The Danish WSE programme support to Uganda is recognized as a flagship for Danish bilateral support to water and sanitation and provides an example of an experimental approach to sector development. This makes it of particular interest to evaluate.

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1 The evaluation team comprises: Carsten Schwensen (Team Leader), Elizabeth Kleemeier (International Water and Sanitation Expert), Patric Mugumya Katuramu (National Technical Water and Sanitation Expert), Louise Scheibel Smed (Desk Researcher) as well as a data analysis and field team from Makerere University.

## **1.2 Overview of the report**

Firstly, a brief overview of the evaluation approach and method is presented in Chapter 2. This is followed by a presentation of the national and sector relevant context (Chapter 3) and a presentation and analysis of the evolution in Danish support over time (Chapter 4). Chapter 5 includes findings from the sub-sectors (Rural Water Supply, Sanitation, Water Resource Management (WRM) and Environment and Climate Change). In Chapter 6 findings related to the sectoral level are presented. Finally, Chapter 7 presents the evaluation's conclusions, lessons learned and recommendations.

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## 2 BRIEF APPROACH AND METHODOLOGY OUTLINE

Overall, the evaluation has focused the analysis on the *contribution* from the Danish support to developments and changes that have taken place within and across the supported sub-sectors.<sup>2</sup> Focus is on what difference the supported interventions have made (in terms of results achieved) as well as on why and how observed results have been achieved (or not). The supported interventions have been funded by the Danish development assistance (Danida) but implemented (including day-to-day management, supervision and monitoring) by the Danish embassy in Kampala together with technical advisers, consultants, etc. The particular role played by Danida and the embassy, as well as the influence of other stakeholders and external factors, is examined as follows:

*Assessment of development results:* The assessment of development results is conducted in two stages: 1) at the sector and cross-cutting level, and; 2) at sub-sector level.

*Assessment of Danish value-added:* The evaluation aims at pointing out particular contributions and value-added from the Danish support. This is mainly done in relation to the RUWASA projects, where Danida was a dominant partner. For the later phases of Danish support (provided as part of a Sector Wide Approach (SWAp) or joint programming) the evaluation aims at assessing the relative importance of the Danish support, partly by looking at the actual Danish financial contribution (the quantitative aspect) and partly by including assessment of qualitative aspects, such as the use of approaches introduced by Danida, selection of partnerships, long-term engagements, etc.

*Lessons learned:* Main lessons learned are derived from the evaluation in order to inform public and private sector partners in Uganda (and elsewhere) with a view to enhanced sector performance. The lessons will consider the difficulties encountered in the sub-sectors, as well as in the partnerships between Ugandan stakeholders and Danida. Likewise, the successes (and failures) of the supported interventions in the sub-sectors in Uganda will be used to inform further water resource management efforts in the northern region of Uganda, in strategic

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2 Attribution of the Danish support will be done where possible.

sector cooperation in other countries, as well as to ensure adequate attention paid to water and sanitation in the provision of humanitarian assistance programmes supported by Denmark.

This approach creates a link between the assessment on the results side, and whether and how Danida has contributed to observed changes. This includes the role and the ways through which Danida has supported and worked through different modalities and partnerships.

### 2.1 Methods for data collection and analysis

The evaluation groups the various Danish support programmes into three main phases, and for each phase reviews the subsectors of rural water supply, sanitation, WRM and climate change. Below is a brief description of the various methods of data collection and analysis used in these assessments.

#### **DOCUMENT REVIEW**

A large amount of documentation was identified and made available to the evaluation by EVAL, the Danish embassy, the Ugandan Ministry of Water and Environment (MWE), and other stakeholders. In addition to Danida programme documents, this literature included studies and reports by other stakeholders. Unfortunately, only some of the earlier documentation produced during the RUWASA period was available.

#### **QUANTITATIVE DATA ANALYSIS**

Given the limitations in resources and time, the evaluation has, to the extent possible, made use of existing quantitative data sets for the evaluation analysis. In particular, the following key data sets were used:

*National Household Surveys.* The Uganda Bureau of Statistics (UBOS) has conducted randomized surveys of households throughout the country every few years since 1999/2000, and most recently in 2016/17. The questionnaires include modules on poverty, livelihoods and health (including effects related to water-borne diseases), and water and sanitation. Selected data from these surveys have been used in discussion of national and regional development trends in some of the areas of particular interest to the evaluation.

*Annual Sector Performance Reports (2003-18).* The MWE prepares these reports, which present quantitative results on a comprehensive set of sector performance indicators, as well as other data. A set of 11 “Golden indicators” has been used to follow development in performance within areas that are considered of particular importance to the sector. Annex 7 provides an overview of the development in these indicators during the period 2004/2005-2017/2018. Overall, the sector performance reports provide a good overview of development in key sector indicators over

## 2 BRIEF APPROACH AND METHODOLOGY OUTLINE

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time, as well as a sound and critical analysis of development trends within the sector. However, there are still some uncertainty and quality issues related to both data collection and the analysis provided. Therefore, the evaluation will, to the extent possible, aim at triangulating data from the sector performance reports with other sources of information, including observations from the field.

*The Water Supply Atlas.* MWE published its first Water Atlas in 2000, with the most recent one published in 2017. Each atlas provides a uniform set of data for all of the districts, down to the sub-county level. This information was useful to the evaluation in deciding which particular places to visit during the field visit mission.

### KEY STAKEHOLDER INTERVIEWS

The evaluation carried out interviews with a number of key stakeholders, mainly in Denmark and in Uganda but also elsewhere, through Skype. The list of interviewees is presented in Annex 3.

### FIELD VISITS

The evaluation visited communities and facilities in three districts in the Eastern Region of Uganda. The three districts were selected to represent different levels of institutional and capacity development support. Within each district, different sub-counties, villages and communities were visited in order to: compare experiences (RUWASA vs. non-RUWASA communities; different levels/types of support; different water supply technologies (piped schemes, deep boreholes, shallow wells, protected springs) and sanitation installations etc.); and, by doing so, obtain a better understanding of potential impacts from the RUWASA projects.

Within each district the following type of data collection activities were undertaken: i) Interviews with key stakeholders (including Technical Support Units (TSU), District Water Offices (DWO's), WRM officers, district local government officers and counsellors, civil society organisations (CSO's)); ii) Focus Group Discussions within selected communities and; iii) Assessment of equipment, technical installations and maintenance, and the quality and durability of the investments in different districts.

A team of researchers from Makerere University formed part of the evaluation team for the field visits. They had specific responsibility for interviewing community members to get a deeper insight and understanding of the results and challenges related to the supported programme and project interventions, including community-based management, technologies and gender issues.

Since it was only possible for the evaluation to visit three districts and 15 communities in the Eastern Region (a relatively small portion compared to those that have been supported through the interventions), the findings from the field visits are mainly presented as different *examples*

(cases) of results and achievements from the Danish support. They cannot be considered as being completely representative but do provide a number of good examples from which findings can be derived.

### **JOINT TECHNICAL REVIEW MEETING**

The evaluation attended the Annual Government of Uganda (GoU)/ Donor Joint Technical Review (JTR) meeting for the Ugandan water and environment sector on 10-11 April 2018. The JTR meeting is a forum for mid-term assessment and follow-up on implementation of the agreed undertakings of the Joint Sector Review (JSR) and it is held approximately six months after the JSR. The JTR was attended by political leaders at the national and local government levels, representatives of central government ministries/departments/agencies, local governments, sector DPs, private sector and CSOs.

In the meeting, progress with the implementation of the 2017 JSR key actions and undertakings were reviewed. Good practices and/or recommended actions for improving the sector's performance were presented and discussed, especially in relation to delivery of services in the sector. Finally, emerging policy and/or strategic issues and challenges affecting the sector's performance (since last year's JSR) were discussed and appropriate recommendations made.

More information about the progress and outcomes of the joint technical and sector reviews over the years can be found at: <https://www.mwe.go.ug/library/joint-sector-reviews>.

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## 3 UGANDAN DEVELOPMENT CONTEXT

The Danish support provided to the water and environment sector in Uganda during the evaluation period has to be understood in view of developments in both the Ugandan political, institutional and socio-economic development context, as well as in the Danish development assistance context. This chapter focuses on the Ugandan development context. The Danish context is briefly presented in Annex 6. In Section 3.6 a timeline is presented to provide a quick overview of key milestones of relevance for this evaluation in both the Ugandan and Danish development context during the period 1990/2017.

### 3.1 Political history<sup>3</sup>

After attaining independence in 1962, Uganda was, for several years, governed by a series of civilian and military regimes. Between 1971 and 1986, an estimated 600,000 Ugandans were killed in politically-inspired violence with devastating effects on the economy. Uganda was reduced to a subsistence economy during the conflict period. In 1986, after a five-year bush war, Museveni and the National Resistance Movement (NRM) took power. The NRM's commitment to national unity and development was widely welcomed by the Ugandan public and the international community. The NRM brought a new approach to state-building that gave primacy to establishing security throughout Uganda and gave all Ugandan citizens a political and economic stake in the country. The political template that the NRM laid down for its political agenda (no-party politics, the devolution of power and poverty reduction) has remained largely intact throughout the period of evaluation. The NRM's approach to devolution and poverty reduction anticipated concepts of good development practice which emerged during the 1990s and which won wide donor support.

The first decade of NRM rule was mostly taken up in Constitution making. An important element of the NRM political structure was the introduction of a system of elected local governments. The Ugandan model of decentralisation was very much a 'home-grown' initiative but

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3 Adopted from the Denmark-Uganda Partnership Country Programme Document 2018-2022 (October 2017).



which, at the same time, chimed in well with donor perceptions of the role of devolution in building more inclusive and representative political systems which would contribute to ensuring the efficient provision of basic services. The NRM established local Revolutionary Councils during the civil war and continued to use them as de facto local governments after coming to power. In this way, the decentralisation model became formalised into a five-level structure of councils at village, ward/parish, sub-county, county and district levels. The 1997 Local Government Act formalized and expanded the role of decentralised government that provided the local councils with the responsibility for delivering basic services and aimed at ensuring “democratic participation in and control of decision making by the people concerned”.

Although Uganda experienced more peaceful conditions in most parts of the country since 1986, and in the entire country since the end of the civil war in Northern Uganda in 2006 (the Lord’s Resistance Army (LRA) kept on operating in the neighbouring countries after the truce), there are still signs of fragility. The LRA conflict resulted in a high number of internally displaced persons (IDPs), which peaked in 2005, although most IDPs returned to their villages on their own after the truce. The Fragile States Index for 2016 places Uganda in the ‘alert’ category. A major risk relates to the inequality between regions combined with other potential conflict drivers such as high unemployment, poor governance, politicisation of religious and ethnic identity, lack of truth and reconciliation processes, including weak conflict resolution structures, as well as a massive influx of refugees from, among others, South Sudan.

In order to maintain political control and build political alliances in the country, the GoU has created a number of new districts in areas supportive of the President.

**TABLE 1. TIMELINE ON NUMBER OF DISTRICTS IN UGANDA**

Year	Number of Districts	Step Increase	Cumulative Increase
1990	39	--	--
2000	45	6	6
2010	80	35	41
2012	111	31	72
2017	121	10	82
2019*	134	13	95

\* Projected as of now. Parliament may allow additional ones.

Table 1 shows that the number of districts has more than tripled since Danida first began its assistance to the water and environment sector. Even since 2010, the number of districts has increased by two-thirds. This obviously has led to increasing administrative costs in the government system, as well as to additional challenges with capacity constraints.

## 3.2 Socio-economic development<sup>4</sup>

Uganda is among the 20 poorest countries in the world and, according to most recent national statistics, the poverty rate increased from 19.7% in 2012/13 to 21.4% in 2016/2017.<sup>5</sup> Between 2000 and 2010, the country experienced impressive economic growth rates, averaging 7% per year. This made Uganda one of the fastest growing economies in the world, albeit coming from a very low level. However, recent years have seen a slowdown, with rates averaging 4.5% between 2011 and 2017. The slower economic growth is further diluted by a high population growth which is a key factor in off-setting Uganda's economic growth and obstructing its transition to middle-income status. Uganda's population growth rate of about 3.3% remains among the highest in the world.

Inequality has been increasing in Uganda over the past decade. Poverty and vulnerability are especially pronounced in Northern and Eastern Uganda, which are home to the majority of people living in poverty. Furthermore, the richest 10% of the population enjoy more than 35% of national income, while the poorest 10% only claim a 2.5% share. This is one more factor impeding economic growth. According to the World Bank (WB), lack of gender equality also has a detrimental effect on economic development in Uganda. Strong perceptions of what constitutes appropriate gender roles limits Uganda's progress in reducing gender inequalities and accounts for lower female earnings, partly due to unequal access to land and capital.

A continued lack of real transformation of the agricultural sector renders achievements unsustainable and leaves the population very vulnerable to external shocks, such as climate change. Due to its overreliance on rain-fed agriculture, Uganda is highly vulnerable to climate change and has low readiness for adaptation. The impact of prolonged periods of drought combined with decreasing and more erratic rainfall is exacerbated in Northern Uganda by the large refugee influx and increasing poverty levels. Uganda has, so far, not been able to capitalise on its

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4 Data from World Bank and UBOS.

5 Data from UBOS, the Uganda National Household Surveys 2012/13 and 2016/17.

young population, as private sector development in the key sectors of agriculture, industry, and services lags behind what is required to meet the growing demand for jobs. Combined with rapid urbanisation, this results in widespread unemployment, but also represents an enormous untapped potential.

The lack of private sector development is reflected by Uganda hovering around the 115 out of 190 countries in recent years on the WB's Ease of Doing Business index. Some improvements have been seen in relation to cross-border trade. However, Uganda continues to face significant challenges concerning trade, not least because of low value addition to agricultural exports, high transport costs due to inadequate infrastructure, poor standards and quality control systems, and a high trade deficit. Also, unclear and poorly enforced land and property rights, combined with systemic corruption, severely hampers the investment climate.

In general, Ugandan CSOs, and in particular those engaged in service delivery, have a relatively free space in which to operate, while organisations working on more sensitive issues, such as accountability, natural resource management and minority rights, continue to experience some challenges. Corruption in Uganda continues to be both systemic and endemic, and while state and non-state institutions have made some efforts to curb this trend, numerous high-level corruption scandals continue to surface. According to Uganda's National Development Plan (NDP) II "corruption impacts the poorest sections of society disproportionately, and generally benefits those already in positions of power and authority".

### 3.3 Development and poverty eradication planning

In the mid-1990s, the GoU began a major overhaul of its approach to planning and budgeting in an effort to eradicate poverty in Uganda. The national development plans were replaced with Poverty Eradication Action Plans (PEAP), the first issued in 1997. The PEAPs identified priority sectors for poverty eradication, of which water supply was one of the sectors prioritised. Rural water supply became an especially high priority after government solicited the views of the poor themselves as to their priorities.<sup>6</sup> The PEAPs were part of a broader effort to make public sector management more efficient in delivering services through output-based budgeting, Medium-Term Expenditure Frameworks (MTEFs), and the

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6 Mugambe, K. (2010). "The Poverty Eradication Action Plan." In Uganda's Economic Reforms: Insider Accounts. F. Kuteesa, E. Tumusiime-Mutebile, A. Whitworth and T. Williamson.

### 3 UGANDAN DEVELOPMENT CONTEXT

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use of a SWAp.<sup>7</sup> The PEAP was linked both to the expenditure planning framework provided by the MTEF and to the development of SWAps in a number of key sectors.

In view of these developments, and against the background of general discontent with the effectiveness of aid, Uganda became a laboratory for new approaches among DPs. Uganda was a pioneer in MTEFs and SWAps and its PEAP became a forerunner of the Poverty Reduction Strategy Papers that the WB required as part of the process of preparing Poverty Reduction Strategy Programmes. The second iteration of the PEAP was accompanied by a set of “Partnership Principles” which codified reciprocal aid management undertakings by the GoU and DPs.

An innovative Poverty Action Fund (PAF) was created in 1998 to fund the PEAP priorities. The PAF was linked to debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and disbursed over USD 1 billion in six years (2000/2005). The PAF funding came mainly from the debt relief that Uganda received under the HIPC Initiative, but also the WB and some bilateral donors contributed to the fund. The PAF encouraged DP’s to channel funds through the national budget to pro-poor expenditure priorities, which led to a surge in funding of basic public services delivered through the new local government structures. Output-based budgeting, MTEFs, and the structures and processes of SWAps were used to ensure that funds was allocated and spent well.

Uganda’s debt relief was granted in order to allocate more funds to poverty alleviation, including to the Water Supply and Sanitation (WSS) sector. The sector was a high priority sector of the GoU in order to reduce poverty. Nevertheless, previous evaluations have questioned whether resource allocation to the sector has been credible from a poverty reduction perspective. A Sida<sup>8</sup> documentation study<sup>9</sup> found that resource allocation had more often been allocated to urban water and sanitation rather than to rural areas where the poorer segments of the population live. The Ministry of Water, Land and Environment’s (MWLE’s) Pro-Poor Strategy for the Water and Sanitation Sector called for more equitable funding between the urban and rural water sectors as a means to reach the (rural) poor with services.

The Uganda Vision 2040 was launched in 2013 and has the transition of Uganda from a low-income to a middle-income country within 30 years as its overall aim. Water and sanitation are mentioned as key factors to

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7 Mutono, Samuel et al. (2015). “Water and Sanitation for the Poor and Bottom 40% in Uganda: A Review of Strategy and Practice since 2006.” World Bank, 2015.

8 Swedish International Development Cooperation Agency.

9 Sida, 2009. Support to Uganda’s Water and Sanitation Sector from the 1980s Onwards – Reflections and Experiences.

improve housing and health of the population. The Vision repeats the ambitious targets of 100% of the population having access to safe piped water by 2040, but no targets are defined for sanitation. Environment and climate changes are also explicitly mentioned as key priority areas for the Vision 2040.

Targets for both water and sanitation are instead defined in the NDP.<sup>10</sup> Key indicators for water and sanitation are defined for both households and schools; these include access to rural and urban water supply, improved water sources and water quality, hygiene and improved sanitation. The NDP II defines water and sanitation as part of human capital development and includes four specific objectives: i) increased access to a safe water supply and improved sanitation in rural and urban areas; ii) improved national capacity for water resource management; iii) improved water resource planning and regulation; and iv) water resource monitoring and improved protection of Uganda's interests in international waters.

### **3.4 Donor relationships**

During the first decades of the Museveni era, Uganda became a favoured aid recipient and a pioneer of many innovations in aid management. An initial impetus for donors was the desire to assist with reconstruction and rehabilitation of the country's infrastructure and institutions. During the 1980s, donor coordination by the government was rather weak. In the early 1990s, however, Uganda achieved more fiscal discipline and macroeconomic stability under a strong Ministry of Finance, Planning and Economic Development (MOFPED) which was the result of a merge of the Ministries of Planning and Ministry of Finance, combined with the President granting MOFPED more authority to run a disciplined macro-economic and fiscal policy. Although Uganda's economic performance slipped from around 2010, the economic outlook for 2018 and going forward is again looking positive, thanks to a recovery in private sector credit, increase in Foreign Direct Investment and the continued robust government investment in infrastructure.<sup>11</sup>

The positive fiscal and macro-economic development during the 1990s, together with the establishing of MOFPED, enabled the dialogue between the GoU and DPs to move on from structural adjustment concerns to a more detailed consideration of development strategy and public expenditures. There were corresponding changes in the way aid was delivered. Balance of payments support for structural adjustment was succeeded by debt relief and, after HIPC, by increasing use of

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10 NDP I (2010/2015) and NDP II (2015-2020).

11 PwC, April 2018. Uganda Economic Outlook 2018.

general and sector budget support.<sup>12</sup> At the same time, fragmented project approaches gave way to more coordinated, government-led sector approaches, facilitating greater donor harmonisation and alignment. The impact of new aid modalities varied significantly from sector to sector, reflecting both sector characteristics and the preferences of different donors.

Uganda became one of the first recipients of budget support from international donors in the late 1990s, in what was seen as a pro-development partnership between a reform-minded government and external funders. The political and economic context in Uganda at that time provided a highly conducive environment for budget support. Three positive factors stand out: 1) the country's political leadership had a strong and progressive reform orientation, with the President already an established reformer and having a well-developed track record of partnership with donors; ii) there was consensus between the GoU and donors on policy priorities, and the GoU was committed to scaling up spending in pro-poor areas of the budget; iii) there was enough fiscal space to accommodate increased financing, which meant that additional funds for budget support could translate into additional budgetary allocations in the priority sectors. These positive conditions were underpinned by a strong and well-established technical dialogue between the GoU and DPs on economic issues, supported by an open and highly-capable MOFPED.<sup>13</sup>

For the period up to 2003, this strong overlapping of interests between the Presidency, MOFPED and DPs fostered a high level of trust and collaboration. Given this positive context, budget support achieved a number of early successes. First, it enabled the GoU to scale up financing for service delivery in the budget, which led, in turn, to a rapid increase in service-delivery outputs. Second, it was effective in influencing the overall pro-poor orientation of budget allocations. Third, it strengthened institutional frameworks for planning, budgeting and decentralised fiscal transfers helping, in particular, to increase and maintain the pace of central Public Financial Management (PFM) reforms.<sup>14</sup>

From around 2003, however, the three positive factors of leadership, consensus and fiscal space started to shift, making it increasingly difficult for budget support to deliver results on the same scale as previously. As the era of multi-party politics beckoned, the priorities of the political leadership shifted towards winning the election and retain-

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12 From 1998 to 2012, DPs supported the GoU's development agenda by providing direct budget financing of USD 5.36 billion.

13 Lister, S.; Baryabanoha, W.; Steffensen, J. and Williamson, T. (2006): Joint Evaluation of General Budget Support 1994-2004 – Uganda country report.

14 Williamson, T., Davies, F., Aziz, I., Hedger, E. (2015). Budget Support to Uganda 1998-2012: A retrospective review. ODI.

ing power, eroding the earlier scope for external influence over public policy. This resulted in a divergence of views between the GoU and DPs over policy and budgetary priorities. The DPs were reluctant to adapt the budget-support dialogue because of the GoU's increasing focus on economic and productive sectors, and increased spending on defence and public administration, as opposed to a focus on social sectors.

As a result, in the period after 2006, the DPs have reduced both their engagement and the volume of budget support to Uganda.<sup>15</sup> Thus, the reduction in budget support partly happened as a response to diverging objectives from the GoU. On the one hand, the GoU increased emphasis on support to productive sectors and infrastructure investments at the cost of support to social sectors. On the other hand, administrative and other politically driven expenditures were significantly expanded.<sup>16</sup> In view of the relatively low and stagnant domestic revenue mobilisation, these costs have been financed partly at the expense of additional investments in the social sectors (education, health and water/sanitation). The DPs, for their part, have continued to focus their budget support to social sectors.

These developments, together with several corruption episodes, resulted in a gradual erosion of trust between the DPs and the GoU and a temporary suspension of budget support between 2012 and 2013. Subsequently, some DPs restarted the engagement but with a more reduced scope and volume than before. The domestic policy space in which DPs could achieve results through budget support has gradually become narrower. In general, the response of the DPs has been to broaden the focus of the results framework in order to influence more variables as the individual results diminished – a strategy that has proved ineffective. DP policy responses have often lagged behind change in development context or not occurred at all. Continuing to pursue policies that were no longer high priorities for the GoU – notably the ‘additionality’ of financial aid, the relative emphasis on basic social sectors, and certain public administration reforms – has caused friction in the partnership with the GoU, without yielding results.<sup>17</sup>

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15 The total amount of budget support decreased from a high of almost USD 700 million in FY 2006/2007 to well below USD 100 million as of FY 2012/2013.

16 European Commission, 2015. Joint Evaluation of Budget Support to Uganda, Final Report.

17 European Commission, 2015. Joint Evaluation of Budget Support to Uganda, Final Report.



### 3.5 Phasing-out of Danish support to water and environment

After having been a major contributor to development of the water and environment sector in Uganda for nearly 30 years, the Danish government has decided to phase out the Danish support to the sector after completion of the current programme support by the end of 2018. This decision to phase out the Danish engagement in the water and environment sector in Uganda is based on different strategic and political developments in Uganda and Denmark, as well as on financial aspects.

The above-discussed erosion of trust that took place between the GoU and the DPs in the period up to 2013, including the shift in GoU development focus and the temporary suspension of budget support between 2012 and 2013, already raised concerns during the approval process of the currently implemented Joint Water and Environment Sector Support Programme I (JWESSP I) within the Danish MFA. After some internal discussions, the Danish MFA finally decided to approve funding for the programme. However, the period 2013-2018 has not resulted in any remarkable changes neither in the GoU-DP relationship nor in the GoU commitment to the development of the water and environment sector.

In addition to these political issues in Uganda, Denmark launched in 2017 its new “Strategy for Development Cooperation and Humanitarian Action - World 2030” (January 2017). The strategy identifies four strategic aims: (i) Security and development – peace, stability and protection; ii) Migration and development; iii) Inclusive sustainable growth and development; iv) Freedom and development – democracy, human rights and gender equality. None of these specifically target water (environment is partly considered under the “Inclusive sustainable growth and development”).

The new strategy also provides a framework for the prioritising of development interventions in the context of the SDGs. In particular, SDG 16 (peace, justice and institutions) and SDG 17 (partnerships) will now represent a connecting thread in Danish development policy. At the same time, these two SDGs, together with three other SDGs (SDG 5 (gender equality), SDG 7 (sustainable energy) and SDG 13 (climate)), have been selected to be Denmark’s global development policy key issues, which will be pursued particularly actively in international negotiations and global cooperation. SDG 6 (ensuring access to water and sanitation for all) is not a strategic priority in the new Danish strategy for development cooperation. In view of this SDG prioritisation by Denmark, together with a cut in the overall budget level of the Danish Uganda Country Programme compared to previous years, it was decided that the water and environment programme would be phased out.



The timeline in Annex 6 illustrates the main contextual influencing factors, national and sector policies in Uganda as well as Danish development policies shaping the Danish support to the water and environment sector in Uganda. The Danish programme interventions are further discussed in Chapter 4.

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## **4 DANISH-UGANDAN WATER, SANITATION AND ENVIRONMENT PROGRAMME DEVELOPMENT 1990-2017**

Following the development context, this chapter provides a brief overview of the Danish-Ugandan water, sanitation and environment programmes from 1990 to 2017.

### **4.1 The water and environment sector**

The MWE was established in 2007, by dividing the Ministry of Water, Lands and Environment (MWLE). The MWE has the overall responsibility for developing, managing, and regulating water and environment resources in Uganda. The water and environment sector consists of two sub-sectors: the WSS sub-sector; and the Environment & Natural Resources (ENR) sub-sector.

In general, the sector organisation is good with an adequately established policy, legal and institutional/organisational framework. The main guiding documents formulated for the sector during the period are the National Environmental Management Policy (1994), the Uganda Water Action Plan (1995), the National Water Policy (1999) and the Climate Change Policy (2015). Together, these policies present a holistic and integrated approach to the sustainable management of the country's water resources, including a social as well as an economic perspective of these resources. The policy documents are supported by a number of key legal framework documents for the sector, including a Water Act (1997) and regulations for water resource management and water supply.

A Sector Strategic Investment Plan (SSIP) 2018-2030 for the water and environment sector provides a projection on identified gaps in reaching the 2030 goals for the sub-sectors, including guidance for the next NDP as well as for the MTEF (providing a three-year budget for the water and sanitation sector). The SSIP operates with 24 indicators and has budgeted the intervention costs for those 24 indicators necessary to reach the SDG 2030 targets. A weakness in the SSIP is that while it provides a clear idea on funding needs for those 24 indicators, it does not address the situation where nearly all support to the sector is through DP funded projects, designed with separate outputs and monitoring systems.

## 4.2 The Danish water, sanitation and environment programme support (1990/2017)

Through the Danish programme support, key principles emerging from development cooperation, such as aid effectiveness (the Paris Declaration), gender equality, integrity and anti-corruption mechanisms have been tested and generated learning which is of relevance to other sector interventions. Table 2 below gives an overview of Danida's support to the water, sanitation and environment sub-sectors in Uganda throughout the evaluation period. Annex 5 (Sector Programme Overview) provides more details on the components.

**TABLE 2. DANIDA'S SUPPORT TO WATER, SANITATION AND ENVIRONMENT.**

No.	Project or Programme
1	<b>RUWASA:</b> Rural Water and Sanitation East Uganda Project, Pilot and Interim Phases
2	<b>RUWASA,</b> Phase I
3	Support for Development of Water Action Plan (WAP)
4	<b>SPS:</b> Sector Programme Support for Water Sector (including RUWASA II and Eastern Centres Water and Sanitation Project (ECWSP)) and <b>WSPS I:</b> Water Sector Programme Support Phase I*
5	<b>WSPS II:</b> Water Sector Programme Support, Phase 2
6	<b>JWSSP I:</b> Joint Water and Sanitation Sector Programme Support
7	<b>JWSSP II:</b> Joint Water and Sanitation Sector Programme Support II
8	<b>JWESSP I:</b> Joint Water and Environment Sector Support Programme
<b>Total Danida Contribution</b>	

Source: Annex 2: List of Documents Reviewed.

\* After 2000, several documents treat SPS (1997-1999) as part of WSPS1.

\*\* Figures budgeted for the different projects/components as per board documents, project documents etc. i.e. Grant Committee Document for Meeting 8 May 2013.

The Danish contribution to the water and environment sector constitutes close to 20% of the total Danish development assistance to Uganda

for the period 1990/2017.<sup>18</sup> In terms of the relative Danish contribution to the sector, compared to that of the GoU and other DP's, it is only possible to provide a very rough estimate, since no accurate data are available for the entire evaluation period. In JWSSP I and II and JWESSP I, Danida contributed between 30-40% of the total DP contribution. The GoU contribution to the total sector budget has been in the range of 30-40%, but has declined from 4.9% of the national budget in 2004/2005 to less than 3% in 2017/18. This makes the Danish contribution to the sector close to 20% of the total sector budget during this period.

As regards rural water supply, the contribution by Denmark, relative to other sources of funds, has been even larger, in particular during the RUWASA projects' intervention period. Through the sector budget support modality, Danida has contributed with around 30% of the budget for the District Water and Sanitation Conditional Grants (DWSCG). The GoU contribution to the DWSCG has been around 60%. These DWSCGs are implemented through district local governments based on work plans and budgets approved by MWE. The DWSCGs finance construction of water supply and sanitation facilities, community sensitization and mobilization activities in rural areas. The 10 regionally based TSUs of MWE provide capacity building, monitoring and technical back-up support to local governments in the implementation of the program.

RUWASA defined Danish support to WSS during the first 10 years of collaboration. The project was implemented in one of the poorest regions in Uganda, Eastern Uganda. The area-specific support was a key characteristic of Danish support up until the sector support programme was initiated. RUWASA and other projects were, however, continued under the SPS and the WSPS I. The WSPS II from 2003 marked the full transition from project-based support to a SWAp and Danish support was then channelled through earmarked budget support. The Danish support was no longer dedicated to specific geographic areas (Eastern Uganda) but was allocated to the national level, while a shift from physical implementation to policy level support also occurred.

In 2008 the JWESSP, with bilateral partners such as Austria, Germany, Sweden, United Kingdom and multilateral partners such as the European Union (EU) and the African Development Bank (AfDB), was initiated and, from then on, an explicit focus on environment (including climate change) was introduced in the WSS sector support. Although, the JWESSP is referred to as a "joint sector programme" it is important to note that a large donor like the WB did not form part of this programme. Likewise, with exception of Danish and Austrian funding, all programme funding was earmarked.

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18 Data from OECD STAT.

The JWESSP was composed of eight components: i) overall sector programme support and capacity development; ii) rural water supply and sanitation; iii) urban water supply and sanitation; iv) water for production; v) water resource monitoring, planning and regulation at central level; vi) decentralised water management zones; vii) natural resource management (including forestry); and viii) meteorological services and climate change. Within the joint programme the participating DPs established a division of labour which entailed a Danida sub-sector focus on rural water supply, water resource management and climate change.

The Danish assistance in the period covered by the evaluation can be categorised into three overall phases. This section presents and analyses how the Danish assistance changed as the approach shifted from area-based projects to developing a SWAp, and finally to joint sector programming (See also Annex 4).

### 4.3 Area-based Project Approach, 1989-2002

RUWASA was the flagship project of Danish assistance during this period. Through RUWASA, DKK 495 million were allocated in Danish grants, equivalent to 27% of total Danish grant assistance to the sector for the entire 28-year period.<sup>19</sup> The ECWSP received DKK 102 million, a significant amount but dwarfed by RUWASA. Some much smaller water resources management projects were also funded through SPS and WSPS I (see Annex 4).

The key innovative features in RUWASA's design included low-cost technology (to reach its objective of providing 70% of the 4.2 million people living in rural Eastern Uganda with access to safe drinking water), community management (including a community-based maintenance system (CBMS)), active involvement of women (e.g. requirements of having at least one woman on the Village Water Committee),<sup>20</sup> district government decentralisation, integration of sanitation and hygiene education activities,<sup>21</sup> and a strong private sector role.

A Demand Responsive Approach was added in RUWASA Phase II, under which communities would make a percentage contribution to the capital costs of whatever type of water supply the community members selected. This approach should prevent communities from selecting an overly expensive type of supply which users would be unwilling or

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19 See Annex 5 for details. These budget figures are expressed in actual (nominal) DKK. In real terms (compensating for inflation), RUWASA's share in the total grant budget would be even higher.

20 It was assumed that the active involvement of women users would increase the sustainability of the water supplies.

21 RUWASA worked closely with and through district staff in the Water, Health, and Community Development Departments.

unable to maintain financially. By Phase II, the focus on decentralisation became even more pronounced as the decentralisation process in Uganda was then well underway, shifting the mandate for service delivery (such as safe water) from central government to district governments, and changing the ministry's role from implementation into one of policy making, regulation, planning, monitoring, and support.

The RUWASA project strategy was explicitly based on the assumption that if communities participated in the planning and construction of water supplies, the communities would subsequently use and maintain them. RUWASA therefore devoted significant resources to various types of community mobilisation strategies. This included putting in place a CBMS, comprising village committees and water point caretakers to look after the water supplies and collect funds for maintenance, plus hand pump mechanics who would do preventative maintenance and routine repairs for all the villages in an area on a fee-for-service basis.

As a consequence of the decentralisation process that took off in the later part of this period (see context section), RUWASA project staff became gradually reduced in number, and their role likewise changed to supporting the districts in implementation. The challenges in equipping both the districts and ministry in handling the new mandates led to a gradually increasing emphasis on institutional and human capacity development. The new project structure that provided this support to the districts eventually became the basis and model for TSUs that would emerge in Danida's subsequent approaches to water sector assistance.

A 1977 UN Water Conference included among its many recommendations that national governments, with the support of the international community, should set targets for supplying adequate amounts of safe water and basic sanitation facilities by 1990.<sup>22</sup> This conference set in motion the process that led to the 1981-1990 UN Water and Sanitation Decade, and the common practice of integrating water supply, sanitation, and hygiene education activities within a single project or programme. In RUWASA, this integration took several forms. At the level of implementation, each community was supposed to receive improved water facilities, improved latrines for households, primary schools, and health centres, and hygiene education about the interrelationship between safe water, basic sanitation, and good hygiene. At the institutional level, the district Water, Health, and Community Development Offices received RUWASA support to implement these activities.

The envisioned role for the private sector in RUWASA was initially quite small, limited to some unspecified inputs by villagers and private

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22 United Nations, 1977. Report of the United National Water Conference, Mar del Plata 14-25 March 1977.

craftspeople, so as to reduce reliance on unsustainable inputs from central government. By 1993, the project switched its approach from the three-tier CBMS system for hand-pump maintenance to one that would rely primarily on private drilling companies rather than district and sub-county government to provide maintenance and repairs beyond the capacity of local hand-pump mechanics and village hand-pump caretakers. By RUWASA II, a truly spectacular strategic shift was made to the private sector by using it, rather than ministry or local government teams, for construction and drilling activities.

### **ECWSP**

The ECWSP was a five- and half-year project (April 1997-December 2002) providing piped water schemes and hand-pumps, plus sanitation and hygiene education in 11 small towns located in the same districts where RUWASA operated in the rural areas. ECWSP was part of a national Rural Towns Water Supply and Sanitation Project covering 250 towns.<sup>23</sup> ECWSP represented a short-lived foray outside the rural sector for Danida water supply assistance. From the perspective of this evaluation, the project's most notable feature was a departure from the approach in using communities to manage the operation and maintenance of water facilities.

ECWSP began with an approach much like that of RUWASA, under which town councils and water user committees were established to care for the infrastructure. The system did not work well in any of Uganda's small towns. There were experiments with a different model based on establishing local water authorities which would then contract out operation and maintenance to private operators. This approach proved promising enough to become sector policy and ECWSP switched to a private operator model from 2001. Although the project ended a year later with mixed experiences, the approach has continued to be used at a smaller scale and there are still some active private operators.

## **4.4 Development of the Sector Wide Approach 1997-2007**

A remarkable coincidence of changing perspectives on international development assistance initiated this second approach to Danish water assistance in Uganda. On the one hand, Danida changed policy in 1994 from project support to sector programme support. The idea was to make aid more effective in reducing poverty by giving more attention to institutional, organisational, and financial management aspects of

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23 The World Bank had designed this latter project as a framework under which donors would finance implementation in specific towns using common policies, guidelines and implementation manuals that had been pilot-tested in the IDA-financed Small Towns Water and Sanitation Project.

selected sectors in a country as a whole.<sup>24</sup> In 1996, the water sector was selected as one of four sectors in the upcoming Danida Uganda country programme and has, since then, been a vivid lab for testing new approaches, modalities etc.

At the same time, the major planning and budgeting reforms initiated by the GoU from the mid-1990s to make public sector management more efficient in delivering services, deliberately cut across traditional institutional boundaries. The water and sanitation sector, for example, covered only the water and sewerage activities of the (then) MWLE, but also brought in the Ministries of Health and Education with respect to household and school sanitation and hygiene education. The cross-cutting working group for each sector had to produce measurable performance targets to justify their budgets – and report adequate progress before the next year's budget would be released.

The HIPC Initiative (see context section) was a total game changer for the rural water sub-sector in Uganda. Previously, the sub-sector was split up in various projects and was donor dominated. However, with the HIPC Initiative funding the GoU suddenly became the major financier that was able to push the money to the districts through district conditional grants. It meant that districts could implement water and sanitation activities at their own discretion.

The MWLE and also MOFPED realised that there was very limited capacity in the district systems for spending the conditional grants. The first set of water sector district conditional grants was prepared and approved and the realisation of the lack of capacity in the districts triggered the start of the TSU which, at that time, was approved by MOFPED for a three-year trial period.

Danida came to play a substantial role in the efforts and changes that occurred gradually, as RUWASA and ECWSP represented commitments to beneficiaries that could not simply be cut short. Consequently, Danish sector programme support prior to 2002 basically comprised three projects re-labelled as programme components. The exception was the Policy and Management Support Component (PMS), 1998-2002, which financed activities to build the capacity of the MWLE Directorate of Water Development (DWD) to take on its new role as mandated by decentralisation.<sup>25</sup> Two notable PMS activities were to establish and finance the Uganda Water and Sanitation Network (UWASNET), an umbrella organisation for CSOs working in the water and sanitation sector, and,

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24 Udsholt, Lars (1997). Danish Aid Policies for Poverty Reduction.

25 Danida (2002). Sector Programme Support, Completion Report for the Water Sector, Uganda; Completion Report for Policy and Management Support.



secondly, to finance the preparation of the rural water and sanitation investment plan and strategy, completed in 2001.

As the projects wound up, Danida was able to move definitively away from projects toward a more genuine version of sector support. The WSPS II, 2002-2007, included the following three components:

- i. *Rural Water Supply and Sanitation: DKK 168 million (56% of total Danish programme)*, the bulk of this funding (DKK 130 million) went for infrastructure investment. The funds were pooled with PAF and other bilateral donor funds and distributed among all district water departments, according to need.
- ii. *Capacity Development: DKK 54.5 million (18% of total Danish programme)*. DKK 22 million to continue the type of support PMS had provided for the SWAp process (the remainder of the allocation was for the Water Resources Management Department and contingencies); and
- iii. *Small Town Water Supply and Sanitation: DKK 42 million (14% of total Danish programme)*. Approximately DKK 28 million was designated to rehabilitate small town water supplies in Eastern Uganda. The remaining DKK 14 million was for capacity building in town councils and the MWLE Urban Water Supply and Sanitation Department, and for technical assistance. The strategy very much emphasized the private sector for implementation, and private operators to manage operation and maintenance on behalf on the towns.

The district water and sanitation grants were conditional in the sense that MWLE guidelines set rules for how the money could be used. RUWASA Phase II had responded to the dilemma of how to shift implementation to DWOs with very little capacity to handle this responsibility by using RUWASA's technical advisers as a DWO support team, the TSUs. An additional DKK 25 million were allocated initially for six TSUs, with the intention that the TSU system would be scaled up nationwide. The TSUs were RUWASA's new solution for providing DWO support, but only on a temporary basis – three to five years – in order to provide advice to DWOs during the transition to district implementation.

### 4.5 Joint Sector Programming, 2008-2018

With a SWAp established, Danida and a number of other DPs were willing to deliver their assistance on the basis of joint programmes in support of the objectives, strategies, and plans formulated by the MWE.

There were two such main programmes in the period 2008-2018; the JWSSP 2008-2013 and the JWESSP 2013-2018.<sup>26</sup>

Throughout this period, Danida was the largest contributor to the joint sector programmes, and rural water and sanitation had the largest share of the programmes. Rural water supply and sanitation received almost DKK 500 million out of a total Danish sector grant of DKK 845 million in the period 2008-2018. Small town water supply and sanitation received only a negligible amount and only for 2010-2013.<sup>27</sup> Danida was the largest donor to rural water supply and sanitation during this period. Table 3 quantifies Danida's predominant role in financing this subsector in the period 2013-2018.

**TABLE 3. RURAL WATER SUPPLY AND SANITATION FUNDING SOURCES, INDICATIVE BUDGET, JWESSP, 2013-2018**

Source	Amount (billions UG Shillings)	As percentage of DP funding	As percentage of total funding
Denmark	139	63%	26%
African Development Bank	50	23%	9%
Austria	30	14%	6%
<i>Donor Subtotal</i>	<i>219</i>	<i>100</i>	<i>41</i>
GoU	319	--	59%
<b>Total</b>	<b>538</b>	<b>--</b>	<b>100</b>

**Source:** MWE (2013). *Preparation of the Joint Water and Environment Sector Support Programme (JWESSP, 2013 -2018): Final Programme Document.*

Danida continued to focus mainly on financing, through the DWSCGs, and the efforts of DWOs to expand rural water supply access. DWSCG funds originated as donor "earmarked sector budget support". The remaining donor funds for the sub-sector went through the Joint Part-

26 MWE (2007). *Joint Water and Sanitation Programme Support (2008-2012): Programme Document.*  
MWE (2013). *Preparation of the Joint Water and Environment Sector Support Programme 2013 -2018: Final Programme Document.*

27 DKK 501 million was allocated both to rural water supply and sanitation and to water for production. However, water for production activities were only financed for 2010-2013, whereas rural water supply was financed through the ten years.

nership Fund (JPF) for activities and capacity-building in the MWE Rural Water Supply and Sanitation Department.

**TABLE 4. RURAL WATER SUPPLY AND SANITATION FUNDING SOURCES, JWESSP, 2013-2018**

Source	Amount (billions UG Shillings)	Percentage
Sector Budget Support (DWSCG)	176	80
Joint Partnership Fund	43	20
<b>Total</b>	<b>219</b>	<b>100</b>

*Source: MWE (2013). Preparation of the Joint Water and Environment Sector Support Programme (JWESSP, 2013 -2018): Final Programme Document.*

Table 4 shows that DWSCGs grabbed the lion’s share of the rural water and sanitation budget in JWESSP. The situation was similar during JWSSP.<sup>28</sup> The DWOs were required to spend their budgets mostly on expanding access to improved water supplies in rural areas. MWE issued guidelines to this effect, summarized in Table 5.

**TABLE 5. GUIDELINES TO DISTRICTS FOR ALLOCATION OF DWSCGS**

Use of Funds	Percentage
Rural Water Supply Facilities	Not less than 70%
Software activities for rural water supply and sanitation	up to 8%
Rehabilitation of boreholes and piped water schemes	up to 13%
Construction of sanitation facilities	up to 3%
Supervision, monitoring and DWO operational costs	up to 6%

*Source: MWE (2012). Water and Sanitation Sector: Sectoral Specific Schedules/ Guidelines 2012/13.*

However, Danida’s and other DPs’ perspective on the DWO capacity to deliver services changed in the course of this period, as the GoU continued to create new districts.

<sup>28</sup> MWE (2007) indicates 76% for DWSCG in the indicative budget for rural water and sanitation.

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## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

Officially, the Ugandan water and environment sector is composed of two sub-sectors: WSS and ENR. The WSS sub-sector comprises water resources management, rural water supply and sanitation, urban water supply and sanitation, water utilities regulation, and water for production. The ENR sub-sector comprises: environmental management; management of forests and trees; management of wetlands and aquatic resources; and the Climate Change Department (CCD) which manages climate change concerns.

For the purpose of this evaluation analysis, it was decided to treat the following as “sub-sectors” in view of the Danish support provided over the evaluation period: i) Rural Water Supply; ii) Sanitation; iii) Water Resources Management; and iv) Environment, Natural Resources and Climate Change.

Findings from each of these sub-sectors are presented in the sections below. Each section is structured as follows: i) Relevance (in light of the international and Ugandan development context); ii) development results; iii) particular Danish contribution and value-added; and iv) sustainability.

### 5.1 Rural Water Supply

#### RELEVANCE

As mentioned above, the UN International Decade of Drinking Water and Sanitation (1981-1990) was drawing to a close as RUWASA was in preparation and provided a wealth of current good practices about how to deliver rural water services. Through RUWASA, this became adapted and implemented in the Ugandan context. At the same time, RUWASA incorporated learning from Danida’s rural water assistance to other countries as well as from international good practices. Most notably, by the start of RUWASA, Danida had eight years’ experience in implementing a large integrated rural water and sanitation project in Tanzania, the lessons and innovations from which were explicitly transferred to the design of RUWASA.

Therefore, while the international experience and global thinking incorporated in RUWASA’s key features were striking, the project would

not have taken the same form in a different country. The focus on local government and district decentralisation came from the Ugandan experience and was formalised by the 1997 Local Government Act (see context section). In this way, RUWASA's decentralised approach was an adaptation to political and administrative structures put in place by the Ugandan government. Likewise, the GoU took steps, throughout the 1990s, to promote the private sector and lessen the state's role in activities that could be privatised. The dramatic strategic change in RUWASA from using government construction units to contracting the private sector was a direct response to government's privatisation efforts at that particular time. Finally, taking an area-based project approach to rural water was a lesson learned in Uganda itself. UNICEF supported two national water and sanitation programmes, but ultimately channelled most of its investment through the area-based South-West Integrated Health and Water Programme.<sup>29</sup>

Following the area-based approach, the development of the SWAp from the late 1990's, and later on the joint sector programming, followed a remarkable coincidence when Uganda began to overhaul the structures and processes of the water and sanitation sector at almost the exact moment that Danida made a policy decision to support these types of changes. The development of the WSPS, JWSSP and JWESSP was therefore fully aligned and relevant to the Ugandan development context at the particular point in time.

### **DEVELOPMENT RESULTS**

Through the various projects and programmes supported since 1989, Danish assistance to water supply has had a fairly consistent overall objective, which can be summarized as: *provide better access to improved and sustainable water and sanitation services to people, especially poor people, in rural areas.*

RUWASA came at a critical point in time and totally redefined the concepts on how to work with rural water supply in Uganda. This happened through the introduction of completely new holistic and integrated approaches for rural water supply with focus on community/social issues, use of private sector as well as on building of capacity within the ministry and the districts. As a result of this, the access to improved water supply in rural areas in Uganda improved considerably in the period after 1990. While the rural coverage of improved water supplies was around 20% in 1991, this had increased to 70% by 2017.<sup>30</sup> Notably, this expansion in improved rural water supply coverage occurred despite

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29 Danida provided some funding to UNICEF 1987-89 for its water programmes, but Sida was the main financier.

30 Water and Environment Sector Performance Report, 2017.

## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

Uganda having one of the highest population growth rates in the world (see context section).

The increase in rural coverage took place mainly in the period within and shortly after RUWASA. Already by 2008, a coverage rate of 65% had been achieved (see Annex 7). However, afterwards, the coverage rate more or less stagnated and the government target of a 77% coverage by 2015 is still far from being achieved (see Table 6 below). In addition, site observations from the evaluation's fieldwork in Mbale indicated that access to improved water supplies may now have diminished beyond what statistics indicate, evidenced by long queues at water points and only partially functioning pumps and taps.

**TABLE 6. 2015 TARGETS AND ACHIEVEMENTS IN PROVIDING IMPROVED RURAL WATER SUPPLY**

<b>Indicator</b> ( <i>Numerals assigned in MWE complete list of 11 indicators</i> )	<b>Achievement</b>	<b>Target</b>
<b>1. Rural Access:</b> % of people within 1 km (rural) of an improved water source	70%	77%
<b>2. Rural Functionality:</b> % of improved water sources that are functional at time of spot-check	86%	90%
<b>3. Per Capita Investment:</b> Cost Average cost per beneficiary of new water and sanitation schemes (USD)	32	45
<b>5. Protected Source Water Quality:</b> e.g. coli % of water samples taken at the point of water collection, waste discharge point that comply with national standards.	41%	95%
<b>7. Equity:</b> Mean Sub-County deviation from the National average in persons per improved water point	142	150
<b>9. Management:</b> % of rural water points with actively functioning Water & Sanitation Committees	87%	95%
<b>10. Gender:</b> % of rural Water User committees with women holding key positions.	86%	95%

**Sources:** MWE (2017 and 2018). *Water and Environment Sector Performance Reports 2016/2017 and 2017/2018*. Note: On the equity indicator, the lower the value, the better the equity, so MWE overachieved its 2015 target.

The above MWE access indicator measures the design capacity of the rural water infrastructure. UBOS provides a second perspective on improved rural water supply coverage in its household surveys, where they simply ask respondents what type of water supply they use as their principal drinking water source. Table 7 below presents the UBOS results

for rural areas, as a whole and by region. Since the UBOS survey also collects data on household income, it is possible also to measure improved rural water access for the poor and lower income quintiles.

**TABLE 7. IMPROVED RURAL WATER SUPPLY COVERAGE BY REGION AND LEVEL OF POVERTY, 2012-2013**

Region	Total (%)	Poor People (%)	Bottom 40 (%)
National	68	71	72
Central	50	37	50
Eastern	84	81	83
Northern	73	70	74
Western	59	56	63

**Sources:** UBOS 2014 Uganda National Household Survey (UNHS) and Mutono, Samuel et al. "Water and Sanitation for the Poor and Bottom 40% in Uganda: A Review of Strategy and Practice since 2006." WB. 2015. Annexes 10-12.

**Note:** "Bottom 40%" refers to the bottom two household income quintiles. "Poor people" refers to household incomes below the Ugandan poverty lines.

The UBOS data show that the Eastern Region both had the highest coverage of poor people across the country in 2012-2013 as well as the largest coverage of improved rural water supply. The data analysis also show that rural coverage was quite uneven in 2012-2013, depending on geographic location, and Eastern Region was, by far, the region with the largest coverage, which may be attributed to RUWASA.

**TABLE 8. CATEGORIES OF SAFE WATER SUPPLY TECHNOLOGY IN RURAL AREAS AS OF JUNE 2018**

Source of water	Number	No. of persons served	%
Deep boreholes	40,233	12,069,900	44%
Shallow wells	21,567	6,470,100	23.6%
Protected springs	28,908	5,781,600	21%
Tap stands	19,885	2,982,750	11%
Rainwater harvest tanks	20,187	121,122	0.4%
Total	130,780	27,425,472	100%

Source: Uganda Water Supply Database, June 2018

## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

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As Table 8 above indicates, the rural population is still predominantly served by borehole technology. The SDG 6 commits Uganda to achieve universal and equitable access to safe and affordable drinking water for all by 2030. However, according to the GoU, this target can only be achieved through huge investments in piped water supplies. This is clearly stated in the MWE Annual Performance Report (2018): “...there is urgent need to invest heavily in piped water supplies in order to raise the percentage of persons served by piped water supplies in rural areas from the current 11% up to 50% by 2030”.

### DANISH CONTRIBUTION AND VALUE-ADDED

#### **RUWASA**

Danida made an invaluable and indisputable contribution to rural water supply during the project approach period (Area-based Project Approach, 1989-2002) in at least three ways:

*First*, Danida assistance provided safe drinking water to poor rural Ugandans who otherwise would have done without for at least a decade, if not longer. According to the available documentation, (RUWASA I and II), 1,548,000 poor rural people in Eastern Region directly benefited from provision of improved rural water facilities, as well as a number of small-town residents. Danida funded 97% of project costs in RUWASA Phase II, and presumably a similar share of Phase I costs.<sup>31</sup>

In addition, the relatively large financial contribution from Danida to rural water supply (compared to that of other DPs and the GoU), also in the period after RUWASA, is a clear indication that, overall, Danida has made an important contribution to the significant increase in improved water supply in rural areas in Uganda since 1991. These results indicate that Danida’s strategic direction to promote rural water supply in line with Danish principles on poverty reduction was effective.

*Second*, RUWASA, and to a lesser extent ECWSP, provided excellent capacity building and institutional strengthening at all levels, employing a variety of approaches such as on-the-job training (under the one-year graduate training programme) that established a generation of young Ugandan engineers and other water sector professionals most of whom were ultimately retained and currently occupy key positions within the ministry, NGOs, donor agencies, and private sector. The evaluation’s field visit clearly documented, that

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31 Unfortunately, the evaluation could not locate any document with Phase I cost breakdowns, nor any documents with population served figures for ECWSP. Sources: a) RUWASA (1995), Draft Phase I Project Completion Report, Rural Water & Sanitation East Uganda Project. Kampala; and b) RUWASA (2002). Completion Report: RUWASA Phase II. Kampala.



these professionals appreciated what they had learned through: field experience in positions of responsibility; exposure to methodological and disciplined work procedures; attention to quality assurance; and introduction to the importance of community involvement. Even the next generation of water professionals, who had been trained and mentored by the RUWASA generation, spoke highly of the two Danida projects. The evaluation came across numerous examples of persons in both private and public sector having a background in working for RUWASA. Therefore, as an unintended but important spin-off, a major share of the sector professionals have been trained in Danida projects.

*Third*, RUWASA, and to a lesser extent ECWSP, introduced international good practices, such as standard operational procedures in water supply and sanitation management/implementation and documentation of best practices that became the basis for commendable sector policies and strategies. All the distinctive elements in RUWASA were scaled-up to the national level, including policies; standards; procedures; procurement documents; supervision; preference for low-cost technology; implementation through districts; community mobilization; community-based operation and maintenance; active involvement of women; systematic capacity development interventions; and promotion of the private sector. Much of this is still being used by the sector, where RUWASA policies continuing into the present, without sufficient revision, is part of the current problem facing the sector. In addition, ECWSP tested the use of private operators to run and maintain water schemes. These tests of private operators have been undermined, and sector policy seems to be going in a different direction not giving continuity with the promising start under ECWSP.

Thus, by 2002 the development of the rural water sector in Uganda looked cutting edge, largely due to Danida's contribution and influence.

### ***The Sector-Wide Approach to planning (SWAp)***

The SWAp, as developed for the water and sanitation sector in Uganda, is considered a good practice model in Africa for advanced joint programmatic approaches and dialogue between DPs and governmental partners. Through RUWASA, Danida contributed to the development of the SWAp in several ways:

*First*, the inter-ministerial committee that oversaw RUWASA evolved into the first Water and Sanitation Sector Working Group with inspiration from the committee.<sup>32</sup>

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32 Mutono, Samuel et al. (2015). Water and Sanitation for the Poor and Bottom 40% in Uganda: A Review of Strategy and Practice since 2006. World Bank, 2015.

## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

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*Second*, the TSUs evolved out of a RUWASA team that provided technical support to DWOs during Phase II. The vast majority of key stakeholders interviewed in Uganda agreed that DWOs would not have been able to expand rural water coverage as effectively without the support of the TSUs, especially considering how rapidly new districts and DWOs were created.

*Third*, as the lead water and sanitation development partner, Danida contributed to SWAp development. The policy and management support components in WSPS 1 & 2 provided substantial assistance for creating the national sector framework plan, most notably through Danish financing for three out of four sub-sector reform studies. In 2001, Danida participated in a joint sector review with representatives from GoU and other DPs. A few years later, Danida and Sida initiated the sector's first basket funding arrangement to support the national sector framework.

### ***Joint sector programming, 2008-2018***

The third approach taken by Danida focused very much on contribution to the process for developing mechanisms for the GoU and DPs to harmonise financial flows, performance reviews, financial management, and planning.

#### **FOCUS ON GENDER EQUALITY AS AN ADDED VALUE OF DANIDA**

During RUWASA, sub-counties were asked to identify people for training and for taking part in water committees. RUWASA tried to encourage women's participation in these activities, but it was initially a very difficult task to break down rigid gender roles in the water and sanitation sub-sector. RUWASA therefore introduced specific incentives for women's participation, such as coverage of all costs related to participation in training provided by RUWASA, in order to attract women who could afterwards serve as role models for others.

In Butebo Sub County the evaluation met with a woman, who has become such role model in her sub county. She was trained as a hand-pump mechanic during RUWASA, being the only woman out of 35 persons trained. She is now the only well-qualified mechanic from the area. She got a certificate and initially borrowed tools from RUWASA to establish herself as a mechanic. Later she bought her own tools. She knows installations and does boreholes repair and plumbing, and with this business she supplements her income as a farmer. In dry seasons this make up 30% of her income. In the beginning, she was often challenged as a woman since community members looked at borehole repair and installation as a man's job. However, over time she finds that this view has gradually changed, and she now feels comfortable and fully accepted for her technical skills and qualifications.

Hence, RUWASA's focus on including women seems to have paid off in terms of creating income for women as well as changing attitude in the communities.

In regard to water supply specifically, Danida continued to ensure that water service delivery to rural areas, where the vast majority of poor Ugandans live, continued to receive funding. Rural water supply, and indeed poverty eradication, was no longer a top GoU priority, according to NDP I. Therefore, Danida's continued advocacy and funding for rural water supply arguably played an immense role in delivering the 2015 results given in Table 6 above.

On the other hand, persistent problems with the community-based management system for operation and maintenance (O&M) reflected poorly on the Danish contribution to policy-making. The evaluation's field visit to Eastern Region and interviews with key stakeholders revealed that the system of community payment of maintenance fees (introduced through RUWASA) has not been successful. According to UBOS data, in Eastern Region only 13.4 % of the community households reported paying maintenance fees. This is a low rate, also when compared to other regions in Uganda. Instead, users have often found their own ways of funding minor repairs to keep pumps working, as also evidenced by a functionality rate of above 86% (Annex 7).

The 2007 programme document stated that joint sector programming would contribute to introducing best regional and international practices.<sup>33</sup> In fact, the project approach was actually more effective in this respect, as it was better at targeting communities' and individuals' needs more directly. International learning from the problems and failures of community management elsewhere in Africa went seemingly unnoticed in Uganda during this period, as no serious attempts were made to introduce alternative solutions at a larger scale.

### **SUSTAINABILITY**

The support provided by Danida to rural water supply in Uganda, most notably during RUWASA, provided a solid foundation for development within this sub-sector. The RUWASA water facilities are highly regarded for their construction quality. Likewise, even up to the present day, policies, guidelines and manuals developed during RUWASA are still being used within the sub-sector. In addition, the support to the TSU's has played a fundamental role by ensuring availability of additional technical and administrative capacity locally to support the functionality of the water management systems.

Nonetheless, in recent years, a gradual deterioration of the rural water facilities has started to take place, and, in many places, the facilities are now only partially functioning since they have reached the end of their life span and replacements of major parts cannot be covered from the politically acceptable tariffs. Major break-downs have started to

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33 Government of Uganda (2007). Joint Water and Sanitation Programme Support (2008-2012): Programme Document.

## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

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emerge, and these are not being repaired, mostly due to the failure of the community contribution system, weak regulation and an inadequate tariff policy. The CBMS, put in place by RUWASA, has proved sustainable with respect to: (a) cleanliness of water point areas; and (b) community repairs of minor breakdowns. However, for larger repairs and longer-term sustainability, the CBMS has not proved effective.

Most often the meagre DWSCG is used for rehabilitation of boreholes/ hand-pumps, but these funds will surely not be enough for the districts to mobilise funding for new water supplies, both for replacement of existing facilities and to accommodate the increasing population. Lack of adequate O&M therefore constitutes a major challenge to the sustainability and functionality of the physical infrastructure<sup>34</sup> and improvement of the community-based management of point sources continues to constitute a major challenge, despite considerable resources and efforts put into making them work.

The community visits provided numerous examples of these scenarios, as does the Japanese government baseline study of rural water O&M.<sup>35</sup> The MWE 2014 study on the effectiveness of community-based maintenance found that only 23% of communities make regular contributions.<sup>36</sup> Therefore, in the current situation, there is an urgent need to update existing policies for rural water supplies, securing of funding for O&M (including larger repairs and rehabilitation) as well as for replacement of old equipment (which is starting to become dysfunctional).

Uganda has retreated from using private operators, even in small towns and rural growth centres, because oversight was overburdening water boards and regulation was weak on the ground. Instead, MWE handed the piped water supply schemes in many of the urban centres over to the National Water and Sewerage Corporation (NWSC) to manage or has gazetted Umbrella Organisations (UOs) as a water authority to take responsibility for O&M – rather than advising water boards to do so and provide support when things go wrong.

The private sector involvement in managing small town water supplies has, in general, failed. This is mostly due to lack of regulation, as MWE despite many years support from DPs has not managed to sustain the service delivery system. In addition, the contracts signed with private sector operators were not conducive to private contractors, as they did not include Design-Build-Operate models, they were of relatively short duration (three years) and point water supplies were not included in the contracts. A new Water Utility Regulation Department has been created

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34 Site observations from the field.

35 MWE (2016). Water and Environment Sector Performance Report 2016.

36 MWE (2015). Water and Environment Sector Performance Report 2015.

### LACK OF OPERATION AND MAINTENANCE AS KEY CONSTRAINT FOR SUSTAINABILITY

In all three Mbale districts visited by the evaluation, stakeholders explained that operation and maintenance of water and sanitation supplies is a key challenge affecting sustainability. Although many of the communities were motivated and contributed financially to establishing facilities, operation and management has proven difficult. Water and community committees have been established but several of them were not active at the time of the field visit (e.g. out of the 24 hand pump committees established in Mbale District, only about one third were still active in April 2018).

The committees experience reluctance from community members to contribute financially for repairs. Although systems for financial contributions have been established in most communities, a common argument from community members is that they find it a government responsibility to repair facilities. One female mechanic said: *"Most communities cannot afford major repairs, but they wait for elections and lobby from people seeking votes to repair for them. Minor repairs they can contribute to and repair by themselves."*

In **Mbale District**, three out of seven members of a borehole committee in Namanyonyi (two men and one woman) were still active and had been so since the committee was established during RUWASA. Six repairs had been undertaken. Every time the committee has tried to get all households to contribute financially, but only a few households have wanted to do so regularly. Another borehole committee that was established during RUWASA for overseeing protected springs in Bukhiende consisted of seven members out of which four were still around. Three of the seven committee members had died and currently the committee did not have any formal meetings, they did not collect money, and recently some children had destroyed the chlorine dispenser.

In **Bududa District**, operation and maintenance challenges include community members diverting water illegally during the dry season, impacting negatively on the water flow. No enforcement mechanisms (e.g. police) are keeping them accountable for this. A water user committee composed of five active members (four women and one man) has charged all households UGX 500 a month, however only 40% of the households actually contribute. Other households consider it a responsibility of the GoU to maintain water and sanitation facilities. During election time politicians promise to repair facilities for free but these promises rarely materialise. Nevertheless, a total saving of UGX 20,000 has been accumulated in this committee.

and it is anticipated that it might start regulating the urban subsector in the future (NWSC mandate).

## 5.2 Sanitation

Danida directed most of its support in sanitation and hygiene to rural areas. This assistance supported activities in four areas: (1) households (the largest area of Danish support); (2) schools; (3) around water points;

## 5 SUB-SECTOR SPECIFIC KEY FINDINGS

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and (4) public facilities, for example, latrines and toilets in markets and health centres. Household and school sanitation and hygiene received the relatively larger emphasis, and in particular household sanitation. This section therefore focuses mostly on household sanitation and hygiene, with some review of school sanitation. As in Section 5.1 (Rural Water Supply), this overview of sanitation assistance is structured around three basic approaches through which Danish assistance to the sector was delivered:

*Home Improvement Campaigns (HICs):* HICs have been the long-standing Ministry of Health (MoH) approach. The ministry established a set of standards for household waste management, disease vectors, and protection of the safe water chain. The most well-known standard is that a model home should have a good quality latrine with a deep pit, cover for the pit hole, easily cleaned walls and floor, and a door. Other requirements for a model home include handwashing facilities near the latrine, a structure for bathing, dish drying racks, and a rubbish pit.

*Participatory Hygiene and Sanitation Transformation (PHAST):* PHAST was introduced during the project support in the 1980s and 1990s, particularly in RUWASA and the UNICEF-assisted Water and Environmental Sanitation Program (WES).<sup>37</sup> Since Uganda was one of the countries where PHAST was developed in cooperation with the MoH, RUWASA and WaterAid, hundreds of community workers have been trained in PHAST, and it remains part of the national strategy for sanitation and hygiene. Unlike HIC, PHAST does not have an enforcement element, and does not promote a set solution (standards for model homes). Instead, the communities are supposed to decide for themselves what they want to do in order to improve sanitation and hygiene. Community workers help communities to do this through using PHAST participatory tools.

*Community-Led Total Sanitation Strategy (CLTS) and Sanitation Marketing:* CLTS was developed in the early 2000s in Bangladesh. The idea was to focus first on the very basic objective of ending open defecation, and not to be concerned initially about the quality of the latrine used. CLTS employs participatory tools to motivate communities to commit themselves to becoming open defecation free (ODF).

### RELEVANCE

As described in Section 5.1, RUWASA was the vehicle through which a number of the then-current ideas about delivering rural water supplies were introduced into Uganda. One of these ideas was the integration

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37 PHAST grew out of SARAR/PROWESS which were participatory techniques developed to promote community participation in water supply. The many donor-assisted integrated water, sanitation, and hygiene projects begun during or after the UN International Drinking Water Supply and Sanitation Decade (1980-90) used or adapted SARAR techniques. WSP played a key role in the promotion of SARAR, and the development and promotion of PHAST.

of water supply and sanitation. In the late 1980s and early 1990s, integrated water and sanitation services had become the general wisdom of the day largely due to two international conferences: the 1977 United Nations Water Conference at Mar del Plata, and the 1978 conference on primary health care at Alma-Ata, sponsored by WHO and UNICEF.<sup>38</sup>

The 1980-1991 United Nations International Decade of Water and Sanitation promoted the principle of integrated water and sanitation projects and programs as a means to maximizing the health impact from water infrastructure. Danida adopted this health objective and design principle, first for its Tanzania water project and, subsequently, for RUWASA, which mirrored the Tanzania project in most respects. Unlike for water supply, however, there were few specifics about how to design sanitation and hygiene components, beyond that they should be participatory and somehow address faecal disposal.

#### DEVELOPMENT RESULTS

Table 9 below provides the performance indicators for sanitation and hygiene that MWE had developed by 2005, as well as achievements compared to targets.

**TABLE 9. SANITATION AND HYGIENE PERFORMANCE INDICATORS**

Indicator	2004 Actual	2015 Actual	2015 MWE Targets	2015 MDG Targets
<b>4.1 Rural Household Sanitation:</b> % of people with access to improved sanitation	57	77	77	70
<b>4.2 School Sanitation:</b> Pupil to latrine/toilet stance ratio	57:1	67:1	40:1	--
<b>8. Handwashing:</b> % of people with access to (and using) hand-washing facilities.	Household	41*	33	50
	School	41*	38	50

\* Handwashing statistics for both households and schools were first measured and reported in 2006. Numerals next to indicators are extracted from the full list of indicators in Annex 7.

The table suggests that progress on school sanitation and handwashing behaviour slipped backward. By contrast, Uganda met both the MDG and the even more ambitious national target for rural household sanitation.

38 United Nations, 1977. Report of the United Nations Water Conference, Mar del Plata 14-25 March 1977. The 1978 WHO-UNICEF International Conference on Primary Health Care, held in Alma-Ata Kazakhstan, is described in Wikipedia articles on the Alma-Ata Declaration and Primary Health Care.



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tion. RUWASA and WSPS1 had set this target at 100%, but subsequent and more realistic planning had lowered the target for improved latrine coverage to 77%. However, measurement of rural household sanitation has been problematic throughout the entire period covered by the current evaluation. Back in the late 1990s, as part of WSPS1, Danida financed the rural water sector reform study, which included a survey to assess the percentage of latrine coverage in 10 districts. This survey produced an estimate of 75% coverage, but the study noted that in the exact same ten districts, UNICEF had estimated 37% coverage and national estimates were 48%.<sup>39</sup> Similarly, different sources give wildly different estimates for rural sanitation coverage in 2015. Whereas MWLE reported 77% (based on MoH figures), the Joint Monitoring Programme (JMP) estimated 26% in 2015, and UBOS estimated 12% in 2013.<sup>40</sup> These huge discrepancies are due to serious challenges facing data collection.<sup>41</sup>

A second problem is that the definitions of “improved household latrine” used in data collection vary considerably, because districts have blended, in different ways, the various approaches to sanitation introduced into Uganda over the past decades. The HIC strategy sets high standards for latrine quality (deep pit, good superstructure), whereas CLTS in principle only demands that households use some type of latrine. CLTS district leaders and staff generally demand a higher standard than that, but the level of standards varies across districts.<sup>42</sup>

By contrast, UBOS conducts professional household surveys every two years that collect household data on sanitation, among other items. The responses on two questions from this survey can be used to construct a sanitation variable in line with the globally accepted and precise definition developed by JMP. Table 10 below reports rates of rural household latrine access based on this constructed UBOS variable. UBOS estimates indicate not only that access to improved sanitation remains quite low in Uganda, but also that both the non-poor and poor have notably less access in Eastern Regions than in other regions in the country.

**TABLE 10. UGANDAN RURAL HOUSEHOLDS USING IMPROVED LATRINES BY TWO MEASURES OF POVERTY (%) 2012/2013**

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- 39 WARDROP engineering (1999). Water Sector Reform: Rural Water Supply and Sanitation Component: Investment Plan and Strategy.
- 40 The WHO-UN Joint Monitoring Programme on Water and Sanitation (JMP) monitored progress toward the MDGs. The statistic of 26.4% rural sanitation coverage in Uganda is available at [UN Joint Monitoring Program on Water and Sanitation, Uganda webpage](#). Note that JMP relied primarily on UBOS data.
- 41 Ssozi, D. and K. Danert (2012). National Monitoring of Rural Water Supplies: How the Government of Uganda did it and lessons for other countries. St. Gallen, Switzerland, Rural Water Supply Network.
- 42 Kleemeier, E. and H. Nattabi (2013). Rural Sanitation Performance Benchmarking in Uganda (unpublished report).



Central Region		Northern Region		Eastern Region		Western Region	
Non-Poor	Poor	Non-Poor	Poor	Non-Poor	Poor	Non-Poor	Poor
19	6	17	17	3	2	10	5
Top 60%	Bottom 40%	Top 60%	Bottom 40%	Top 60%	Bottom 40%	Top 60%	Bottom 40%
20	12	16	17	4	2	11	6

**Note:** “Non-poor” and “poor” refer to households above and below the Ugandan poverty line. “Top 60%” and “Bottom 40%” refer household income grouped by income quintiles.

**Source:** Adapted from Mutono, Samuel et al. (2015). *Water and Sanitation for the Poor and Bottom 40% in Uganda: A Review of Strategy and Practice since 2006*. Annex 14, Tables 46-47. The original data come from the 2012/2013 UNHS.

### DANISH CONTRIBUTION AND VALUE-ADDED

#### Area-based project approach, 1989-2002

As mentioned above, the most lasting impact from RUWASA was to help define the sector as Water and Sanitation, cutting across the mandates of MWLE, Ministry of Education and Sports (MoES), and MoH. During the project approach period, Danida made, at best, a small contribution to improved sanitation. However, RUWASA took a wrong turn in its approach to household sanitation by subsidising sanitation platform production through women’s groups, which quickly faded from the scene.

School latrine construction had little impact due to the extremely rapid increase in the number of schools in the wake of the Universal Primary Education directive from the President. Meanwhile, RUWASA support to sanitation and hygiene education for Village Water Committees was successfully embedded into the community mobilisation. Although data (Table 10) suggests that these educational efforts may not have had the anticipated effect on household sanitation, the evaluation’s field visit indicated that village caretakers seem to do a good job of keeping the areas around water points clean.

By 1997, both the household and school sanitation components were in disarray. The review team that year reported, “*The household sanitation is slowly falling apart. The effect of the school sanitation programme seems negligible due to the increase intake of pupils and the lack of maintenance of the latrines.*”<sup>43</sup> In regard to the sanitation platforms (sanplats), the project

43 Danida (1997). Review Report: RUWASA Phase II.

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had never managed to establish a sustainable system for producing and distributing them, especially after the decision was taken to no longer subsidise household latrines. For the school latrines, the subsidy had been too low to get sufficient uptake, and no method for financing maintenance had ever been put in place.

In cooperation with the WB Water and Sanitation Program (WBWSP), RUWASA became one of the projects in the country to test the PHAST methodology for sanitation and hygiene promotion. After RUWASA had hosted the Regional Participatory Hygiene Education Workshop in Uganda in 1993, six Uganda trainers who attended the workshop became the national PHAST core team. The PHAST approach was piloted in Mukono district in 1994 and, due to its success there, the methodology was extended to cover other districts where RUWASA was active. The PHAST training was not limited to hygiene education and sanitation but included other areas of rural development dealt with by social mobilizers. It was found that an important outcome of using this methodology was that the water user committees and other community members were able to participate actively in discussions related to sanitation, hygiene behaviour, water source maintenance, gender and planning. PHAST has continued to be used in Uganda as a strategy to promote household sanitation.

### ***Development of the Sector-Wide Approach (SWAp), 1997-2007***

In the subsequent approach of developing the SWAp process, Danish support helped put Uganda's sanitation strategy on a solid foundation. Support to WBWSP and its capacity-building efforts contributed to the development of the 2006 Improved Sanitation and Hygiene (ISH) strategy, which took a new and evidence-based approach to sanitation. ISH also defined the roles of MWE, MoH, MoES, and the corresponding local government departments more clearly.

RUWASA and Danida were partly responsible for the definition of the SWAp as combining water and sanitation in RUWASA had helped to introduce the international consensus about integrating sanitation and hygiene education with water service delivery. Thus, MWE became the lead agency for the Water and Sanitation Sector that included sanitation and hygiene education responsibilities mandated to the MoES, the MoH, and District Health and Education Officers.

These crossed lines of responsibility were problematic. An evaluation of Sida assistance to the Ugandan water sector commented on the concerted effort it took to reach the point where the three ministries could sign a Memorandum of Understanding (MoU) in 2001 to clarify their

respective sanitation and hygiene responsibilities.<sup>44</sup> The subsequent formation of a National Sanitation Working Group should have helped coordination across agencies, however this happened with limited effect.

Financing emerged as the main issue facing sanitation services. The primary source of funding was off-budget through NGOs and other project sources, which financed sanitation and hygiene promotion activities, and services to vulnerable people. Public funding was primarily used for the construction of public and demonstration facilities. As Uganda developed SWAp in water, health, and education, this funding moved primarily through local governments using the following four conditional grants:

- i. DWSCGs to fund rural water and sanitation activities. According to the guidelines, up to 3% could be used for sanitation;
- ii. Public Health Care Conditional Grants;
- iii. School Facilities Grants; and
- iv. Grants from the Local Government Development Fund, which could be allocated for sanitation activities.

MWLE, MoH, and MoES subsequently issued guidelines for their respective sector conditional grants, specifying that up to 10% be spent on sanitation; however, a study of these grants 2003-2005 found that the average expenditure on sanitation in the districts basically ignored these unenforced directives.<sup>45</sup>

The ISH strategy was more practical and detailed tailored to fit the specific conditions in the different districts. The three-pronged approach in ISH was based on the findings from the extensive global research program that WBWSP was implementing with Gates Foundation support. The three prongs were: i) *Social marketing* – increasing demand for improved services, including enforcement of public health bye-laws requiring household latrines; ii) *Private sector supply chain* – improving the supply of services to help households acquire improved latrines and hygiene facilities; and iii) *Enabling environment* – creating a business environment conducive to private sector sanitation services, and provi-

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44 Sida (2009). Support to Uganda's Water and Sanitation Sector from the 1980s. The memorandum confirmed that MoES remained responsible for school sanitation and hygiene, MOH remained in charge of household sanitation and hygiene, and MWLE was responsible for sewerage services and public sanitation facilities in towns and rural growth centres (rural settlements between 1,000 and 5,000 population).

45 MWE (2009). Strategic Investment Plan for the Water and Sanitation Sub-Sector.

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sion of incentives for public sector employees to perform their required roles, etc.<sup>46</sup>

### ***Joint sector programming, 2008-2018***

ISH became the strategic basis for the sanitation component in the joint sector programme. In the third approach of joint sector programming, Danida provided much of the funding to implement ISH at the local level, through the new District Sanitation and Hygiene Conditional Grant (DSHCG). A sanitation conditional grant to local government, funded primarily by Denmark and Austria, was introduced to finance ISH at the local level. In addition to the DSHCG, the Uganda Sanitation Fund (USF) grant was introduced and went initially to the District Health Officer in 15 districts (later expanded to 30), selected on the basis of poverty and low sanitation coverage. USF was very generously funded by the Water Supply and Sanitation Collaborative Council. In the remaining districts, the DWOs received a more modest DSHCG, totalling 1.9 billion UGX for all the remaining districts during 2008-2013.<sup>47</sup> DSHCGs are allocated to the DWOs and generally pay for Sanitation Week activities, plus limited village work. In Mbale District, for example, this fund paid for CLTS campaigns in 10 villages per year. The impact from these funds, however, was viewed as inadequate. The JWESSP mid-term review attributed progress in household sanitation to the much larger USF grant to 30 districts and a UNICEF programme covering a further 16 districts.

The joint programme also provided funding to WBWSP to further its capacity-building support to the MoH Environmental Health Department and local government health departments. As part of this support, WBWSP introduced CLTS. Finally, the joint programme continued support to NGOs for sanitation and hygiene promotion activities.

### **SUSTAINABILITY**

In terms of sanitation facilities, integrated household sanitation and hygiene education, as designed by RUWASA, has collapsed. Present, valiant DWO efforts to promote household sanitation have little discernible long-term sustainability. Public sanitation facilities (with lined pits) are well-constructed but the management system is weak, which may trace to poor community mobilization.

The TSU members and District Health Inspectors interviewed by the evaluation during the field visits were sceptical that the CLTS approach

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46 MOH, MWLE and MES (2006). 10-year Improved Sanitation and Hygiene Promotion Financing Strategy: Financing Strategy for Sanitation and Hygiene Promotion in Uganda Part II. Kampala, Ministry of Health, Ministry of Water, Lands and Environment, Ministry of Education and Sport.

47 MWE (2013). Joint Water and Sanitation Sector Programme Support (JWSSPS) Completion Report FY 2008/2009 - 2012/2013.

conducted for such brief periods in selected villages could have any lasting impact.

### **5.3 Water Resources Management**

The Danish support to WRM in Uganda became defined through the development of the WAP. The overall purpose of the WAP was to create a framework for protection and coordinated development of Uganda's water resources, taking account of national, regional and international needs and agreements. The motivation for supporting this project was based on Denmark's international experience in promoting the design of guidelines for development and use of water resources in developing countries in the context of the Global Environmental Plan of Action adopted in Rio de Janeiro in June 1992.

#### **RELEVANCE**

The Rio Conference (1992) and the WAP, 1995, provided the foundation for Integrated Water Resources Management (IWRM) in Uganda. The WAP deals with aspects of integrated water resources development and management, recognising the guiding principles emerging from discussions at international conferences, consultations and workshops in Copenhagen (November 1991), Dublin (January 1992) and Rio (UN Conference on Environment and Development, UNCED, June 1992).

The WAP project was implemented in two phases. Interventions focused on assessment of water resources in the physical and management context, drafting proposals for management procedures and administrative arrangements, designing a database for water resource management, preparation of draft regulations, preparation of outlines for training and capacity building projects and preparation of a draft policy and legislation.

The recently implemented Water Management Zones' (WMZs) institutional set-up where the Water Supply Development Fund (WSDF), TSU, UO, and also ENR deconcentrated staff sharing the same regional premises, is contributing to increased synergies (transport, procurement, information sharing) between agencies. During the field visit to Eastern Region, the evaluation visited the new regional office in Mbale, which clearly documented the relevance of these joint efforts.

#### **DEVELOPMENT RESULTS**

The WAP made a profound impact on the direction taken in WRM in Uganda. Being the framework for sustainable management and use of water resources, the WAP informed the formulation of the Water Policy which was approved by Cabinet in 1999. In addition, key elements of the WAP were included in the Water Act which is a legally binding document. The WAP also provided a number of tools and mechanisms for WRM

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such as databases, guidelines, cross-sectoral coordination bodies and the establishment of a Unit within DWD responsible for implementation of activities for operationalising the WAP.

One of the key recommendations from the WAP was the “strengthening of water resources monitoring and assessment in Uganda”. A Danida supported project was conceptualised as a follow-up to this recommendation. The overall aim was to contribute to sustainable use of the nation’s water resources through the building of capacity and through a system in WRMD to monitor the water resources of Uganda in terms of quality and quantity, as well as to undertake water resource assessment studies. Key outputs included updated information, a functional laboratory, a database with relevant information, results of various studies, and trained staff. The project later became the Water Resources Assessment Project (WRAP) which was implemented between 1996 and 2000 as part of the WSPS 1. Again, informed by the SPS approach, the support was broadened to include all the activities in the department under the support to Water Resource Management Departments. One of the fundamental outputs of the support to WRMD was the institutional and functional analysis which led to the restructuring of the Department, with units such as regulation and permits being elevated to divisional level. The restructured Department was approved in 2003.

The upgrade of the Water Resources Division (with 12 technical staff) that became the Water Resources Management Department (with 36 technical staff) in 2007 and later on a Directorate, have been major institutional achievements. However, the Directorate for Water Resource Management (DWRM) still suffers from lack of formal approval of some key strategies and policies that are necessary to provide the institution with a stronger back-up for its operations and functions.

A reform study conducted between 2003 and 2005 led to preparation of a WRM reform strategy with the aim *“to establish an effective framework for Water Resources Management in Uganda to ensure that water resources are managed in an integrated and sustainable manner”*. One of the recommendations that came out of the reform study was a paradigm shift in the WRM approach from centralized to catchment/basin-based management, a form of deconcentration of services and activities to the lowest appropriate level. Although WRM is a central level function, it was realized that effective planning and management of water resources needed to be carried out at the lowest appropriate level and based on hydrological catchments or basins, rather than administrative boundaries. It was recommended to establish four water management zones based on Uganda’s hydrological conditions.

A framework for catchment-based water resources management was developed in 2010 and Catchment Management Planning Guidelines in 2013 to guide the preparation process for the establishment of Catchment Management Structures and preparation of Catchment Manage-

ment Plans. This framework has subsequently been promoted by the DWRM through the establishment of four WMZs. The implementation of catchment-based WRM is based on a partnership approach where the DWRM engages with other relevant organisations and development partners – building on their ongoing and planned WRM activities.

The formal approval of a new structure and institutional set-up of the DWRM in 2014, including establishing of four DWRM decentralised offices in the WMZs, represents another key milestone for the DWRM. The new structure represents a major step forward, as it has allowed the DWRM to become more visible and operational on the ground. This has already resulted in clear benefits in terms of improved sectoral cooperation and planning with other MWE institutions, as well as increased stakeholder involvement.

The GoU is contributing to the sustainability of DWRM's new structure through its commitment to cover staff salaries. Most of the deconcentrated staff are hired as contract staff, and only few are permanent MWE staff. Regrettably, no viable solution has yet been identified to ensure coverage of the operational costs related to the WMZ offices. Currently, and contrary to the agreement in the JWESSP, the DPs are still covering the majority of these operational costs. The process of catchment management planning and operationalisation of the structures is very expensive, as is community mobilization and engagement. Still it remains a huge challenge for the WMZ offices to replicate activities due to the existing funding gaps.<sup>48</sup> Nonetheless, the evaluation's visit to the DWRM offices in Entebbe clearly showed that commitment of the DWRM management to the new structure is high. The transfer of staff and functions to the WMZs is done as a gradual process, as resources are made available.

The DWRM has developed good technical and administrative capacity in view of its mandate and responsibilities. Although not yet finalized and approved, a final draft of a five-year WRM strategic plan is being used as a guiding document for DWRM in carrying out its mandate. Strategies and guidelines regarding, e.g. water source protection, are being implemented at catchment level, although still at an early stage.

The main challenge in the area of WRM is enforcement. The existing legal framework is generally considered to be adequate (once the draft Water Bill has been finally approved). In hindsight, the issue of public awareness should probably have been addressed more effectively at an earlier stage. The experience by DWRM is that it has been extremely difficult to regulate when people are not aware of the regulations and their

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48 DWRM (June 2017). Documenting Experiences in Implementing Catchment Based Integrated Water Resources Management in Uganda.



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purpose. The on-going process of establishing and the functioning of the four WMZs provides an opportunity for the DWRM to create a broader understanding of the need for regulation to ensure benefits for the population, sustainability of the water resources, and a healthy environment. The deconcentration of responsibilities for WRM to the WMZs is a key element in the MWEs policies and strategies as well as in the JWESSP. Important steps have been taken in the planning and implementation of catchment-based integrated water resources management through the four established WMZs.

The Laboratory in the Water Quality Management Department (WQMD) in Entebbe is equipped with a relatively high level of advanced equipment for testing of water pollution and quality; and has a professional and dedicated management and technical staff. The deconcentration of WRM offices and staff into four catchment areas has also benefited the WQMD. More monitoring stations for water quality have been introduced, and more samples are being collected and analysed after the deconcentration process was launched. On the other hand, the majority of the analyses still focus on basic drinking water parameters and not on the broader environmental impact on the water resource quality. This would require improved capacity within the WQMD for conducting of a more thorough analysis, including testing of additional parameters as well as higher accuracy and frequency in the monitoring process.

The establishing of the International and Transboundary Water Affairs Department (ITWAD) in 2014 within the DWRM has been another major institutional result. The ITWAD coordinate Uganda's international mandate in collaboration with staff from other DWRM departments. Currently, the main tasks of the ITWAD are related to cooperation with the Nile Basin Initiative and the Lake Victoria Environmental Management Project; but other transboundary projects are in the process of being developed. Concrete results from the work of ITWAD include development of MoUs for sharing of water resources with neighbouring countries: Kenya, Rwanda, Tanzania and Burundi.

While the commitment of the MWE in establishing the institutional structures to implement the catchment management plans by forming sub-catchment and micro-catchment management committees and by developing guidelines for coordination and management represent a key milestone in the IWRM process, the engagement of the new structures in implementing the developed Catchment Management Plans (CMPs) has been more limited. The MWE has registered big strides in mainstreaming climate change adaptation (CCA) measures in the CMPs; however, this still needs to be integrated also in the sub and micro catchment plans. In addition, the majority of the non-complying institutions ignoring permits for abstraction and discharge are mandated government institutions, and measures need to be implemented to hold them accountable.



The DWRM has shown great effort to develop and approve CMPs for a substantial number of catchments. There is however now need to identify strategies to assure that these plans will indeed guide the operations of all stakeholders on the ground. The plans therefore need to be popularized and provisions need to be taken in order to assure they will be updated when required. There is need to strengthen the participation of all the stakeholders operating the micro and sub catchments and aligning of work plans. MWE could make use of the existing opportunities, like CSOs with the local presence in the sub and micro catchments, to roll out activities related to capacity building, implementation and engagement of the stakeholders.

### **DANISH CONTRIBUTION**

The long-term, consistent and holistic support from Danida, starting from support for the development of the WAP, has been a key driving force in making the WRM institution grow from a very small unit to become a Directorate. The long-term and consistent Danida engagement, has allowed the DWRM to develop its capacity step-by-step. In addition to the institutional support to the DWRM, Danida has also contributed importantly to the planning process of WMZs and Catchment Area Management, transboundary issues and attendance in international fora (e.g. Nile Basin Initiative). Contrary to other DPs that have a strong focus on supply, Danida's support to WRM is appreciated for its holistic approach that includes managerial, regulatory and technical aspects.

Around 90% of the equipment in the WQMD has been procured through funding from Danida (including the JPF). The provision of equipment has been combined with technical training, which has also taken place in Denmark, and which has been instrumental for development of the laboratory infrastructure and functionality.

### **SUSTAINABILITY**

Despite the progress made on the ground, there is still need for a legal mandate to recognise the DWRM as the institution responsible for ensuring compliance and enforcement of regulations and standards (e.g. for drinking water quality). The approval of the revised Water Policy and Act is still pending (the revision process started back in 2009, expected to be approved end of 2018).

Most of the laboratory equipment provided by Danida is still in use, while some has been replaced by new equipment funded by other DPs (mainly the WB). The most critical issue related to the equipment is the O&M. The flexibility in the funding received through JPF, has allowed the WQMD to provide the consumables for the equipment and pay for smaller repairs and maintenance. The funding received from other DPs and the GoU does not have this same disbursement flexibility. The capacity level of DWRM is still low considering the new institutional structure and the comprehensive deconcentration process. Moreover, projects financed outside the JWESSP,

may affect the absorption capacity of DWRM/WMZ. Presently the WQMD is in an early stage of implementation and a National taskforce has been set-up to co-ordinate between key government institutions.

One of the main challenges during the last decade has been the transition from the institution-building phase of setting up an adequate WRM framework and structures moving towards an implementation/operational phase where a more concrete impact of the policy and the institutional framework can be expected to materialise. The setting up of the WMZs is one of the crucial elements in this transition, and, as mentioned above, there has been progress in this respect. Even if the effects of this in the present management of water resources are still limited, it is considered that progress in this respect should be expected in the near future. Like in other countries, this will be a gradual process, as the concept of IWRM is still relatively unknown among the broader population, and enforcement is often resisted by powerful stakeholders.

The recurrent costs of day-to-day operation are presently financed exclusively by the DPs. This issue continues to pose a major threat to sustainability. MWE and DWRM should thus ensure the allocation of sufficient funds, in particular for operational costs.

### 5.4 Environment, Natural Resources Management and Climate Change

#### RELEVANCE

Since 2008 the WSS and ENR sectors have been formally merged. This is reflected in the formation of a joint Water and Environment Sector Working Group and the integration of the ENR sub-sector into the sector programme. Environment and Climate Change are integrated parts of the NDP II, and the existing legal framework requires that Environmental Impact Assessments be carried out before approving major infrastructure projects.

Moreover, the new National Water Policy (not yet approved, ref. Section 4.3: Sustainability) has been developed based on the principles of IWRM, where environmental considerations form an integrated part. Finally, the Catchment Management Planning Guidelines, which were approved in 2014 for guiding the process of preparation of catchment management plans, stress that all conditions and characteristics (physical, social, economic, environmental, political, transboundary, etc.) in the catchment shall be considered in an integrated manner.

### **Development results**

The CCU was established in 2008<sup>49</sup> directly under the Office of the Permanent Secretary within the MWE, with the main objective being to strengthen coordination and implementation in Uganda of the 1993 United Nations Framework Convention on Climate Change (UNFCCC) and the subsequent 2002 Kyoto Protocol on climate change.

In May 2014 the CCU changed from Unit to a Departmental status, with extended responsibility for coordination of the implementation of the National Climate Change Policy (2015) as well as for supervision of all climate change actions (adaptation and mitigation) across all sectors in Uganda. As a result of this upgrade, the number of staff has grown from 12 persons in the CCU to 28 staff today in the CCD. Although mainstreaming of CC has not yet happened, climate change has become a higher political priority in the NDP II (2015-2020), especially due to negative climate change experiences in both 2016 and 2017, in particular uncertainty of rainfall patterns for the two main cropping season (notably delay of rainy seasons) which caused serious drought and affected crop production in several regions in the country.<sup>50</sup>

Although the CCD is not yet fully constituted in terms of staff, the department has managed to take a lead role on CCA in the country. As a result, CCA has become a key public-sector priority for policy, legislative, planning and budgeting frameworks at the national and district levels. There is improved capacity in the CCD to coordinate CCA issues within and between Ministries, Departments and Agencies (MDAs). This was confirmed through interviews with key stakeholders. This has enabled the mainstreaming of CCA in not only the NDP, but also into sectoral plans and strategic investment frameworks throughout the country.

The legal mandate of the CCD has been gradually strengthened over time to ensure compliance with, and enforcement of regulations (data sharing, mainstreaming, climate finance). This has happened through approval of a Climate Change Policy (2015), a Green Growth Strategy (2017) and a Climate Change Act (expected approved/enacted before the end of 2018). The Climate Change Act includes a proposal for introduction of a "Climate Change Certificate", which could be used as an instrument by MOPFED as a tool for budget allocations, based on documented progress/efforts on climate change mainstreaming within each ministry.<sup>51</sup>

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49 Established by Cabinet Minute No. 241 (CT 2009).

50 Climate change mainstreaming is made a major issue in the new JWESSP-II with funding from ADA and high-level monitoring by the WESWG.

51 A similar certificate was recently introduced by the GoU for Gender/Equity.

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In September 2016, Uganda became one of the first 10 African countries that ratified the Paris Agreement on Climate Change, committing the country to a climate-smart development path. As a result of the country's raised climate change profile, Uganda has increasingly benefitted from available global financing for programmes and plans linking climate actions with national development policies based on Nationally Determined Contributions that stipulate actions being undertaken to reduce emissions of greenhouse gases. The support from Danida has enabled Uganda to document its experiences on CCA in regional and international fora.

The commitment by the government to promote climate-proof national development as a development pathway for the country is clearly demonstrated in Uganda's medium-term expenditure frameworks. The clearest demonstration of this commitment was made in the First Budget Call Circular for the Financial Year (FY) 2017/2018 issued by the MOFPED on 15 September 2016. All accounting officers and chief executive officers of Public Corporations and State Enterprises were directed to show how climate change issues were addressed in their budget strategies and priorities. As a result of this directive, all MDAs and district local governments have endeavoured to implement climate-smart policies, plans and investments priorities in their MTEFs, on which financial appropriations under the national budget are based.

With the directive from the MOFPED contained in the 2017/18 Budget Call Circular, the CCD has become even more visible and relevant. The CCD supervises the implementation of actions related to the NDP indicators for the integration of climate change across all sectors and reviews district annual work plans to ensure that CCA has been integrated. This has enabled CCD to spearhead the mainstreaming of CCA in eight sectoral policies including environment management, agriculture and water, as well as mainstreaming CCA in sectoral plans and budgets, where guidelines were developed for climate change integration.

Despite particular efforts and prioritisation in the JWESSP-I to support mainstreaming of ENR and Climate Change elements across the MWE, only limited progress has been made so far. There is still a need for a stronger institutional and legal mandate, as well as for allocation of more resources, for the ENR and CC to enforce the mainstreaming processes. The ENR sub-sector has received much less development partner support than the other sub-sectors. The support provided by Danida has enabled the CCD to appropriately shoulder the national responsibility for undertaking integration of CCA in the public sector. This includes the need for more decentralised interaction (e.g. learning centres) to improve knowledge and awareness of both environment and climate change aspects at local level.

### **DANISH CONTRIBUTION AND VALUE-ADDED**

Danida was first to come on board in 2008 and supported the establishment of CCU and its operations. Danida set the framework/structure and convinced the GoU at a critical point in time. Afterwards, Danida has contributed significantly to the transition from CCU to a fully-fledged CCD, and thereafter significantly supported the institutional capacity strengthening. The upgrade was a specific recommendation from a Danida Review (2012).

Interviews with key stakeholders in Uganda confirmed that Danida has contributed importantly to the positioning of Uganda in the limelight as being among the leading countries in Africa undertaking CCA. In particular, Danida has supported Uganda's participation in international fora and events and has contributed to raising awareness and political attention to climate change in the country.

The mainstreaming of climate change has not happened yet but has been made a major issue in the new JWESSP-II with funding from the Austrian Development Agency ADA and high-level monitoring by the WESWG.

### **SUSTAINABILITY**

The sub-sector still suffers from weak coordination mechanisms, from low stakeholder engagement and consultation remains necessary to galvanise stakeholders to take sustainable actions in integration of CCA into MWE. Moreover, there is inadequate monitoring and support supervision for the integration process in the MWE components. This also applies to the indicators included into the MWE Annual Performance Report, which are still not properly defined and measured.

The Permanent Secretary for the MWE has issued planning guidance for 2018/2019 setting aside 3% of water projects budgets to cater for source protection measures, Environment and Natural Resources, and climate change mainstreaming. This is an important step towards sustaining activities implemented in this area.

The current process of finalizing the accreditation requirements for the MWE as the National Implementing Entity for access to financing from the Adaptation Fund and the Green Climate Fund by the end of FY 2017/2018 provides another important opportunity for further sustaining and developing interventions within the sub-sector. The GoU expects to submit a revised draft application form to the Adaptation Fund Panel and the Green Climate Fund Secretariat respectively by late 2018.

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## 6 SECTOR-LEVEL KEY FINDINGS

In the water and environment sector, there has been full alignment of the sector budget support allocations with the GoU's sector priorities and country needs. The relevance of sector budget support objectives in support of the government's poverty reduction strategy (the PEAP) has been high. The DPs' objectives were strongly aligned with GoU objectives and harmonised among the DPs themselves. The overall relevance of objectives, however, was undermined by diverging objectives in the period after 2012. The GoU's shift in its objectives from NDP I to NDP II, towards infrastructure and productive sectors, had merit from the viewpoint of the need for sustained growth and poverty reduction, but a continued policy focus on social sectors was also needed to sustain gains in service delivery.

### 6.1 Sector organisation, coordination and monitoring

A thorough institutional and organisational review within the MWE, led to a recent approval of an improved organisational structure for the sector, including a recognition of the important role played by the deconcentrated units. An approach based on a decentralised and deconcentrated implementation in the sector was recognized by the EU Joint Evaluation of Budget Support to Uganda (2015), which found *"...an increased access and functionality of rural and small towns' water supply, and in improvements of equity of this critical service"* as a result of this approach.

The SWAp developed for the sector is considered one of the best in the region.<sup>52</sup> The conclusions of the EU Joint Evaluation of Budget Support to Uganda (2015) supported the appreciation of this approach and concluded that the water sector in Uganda *"... has been characterised by a successful sector wide approach (SWAp), led by GoU and supported through SBS and other aid modalities (basket funds, etc.). In this context, SBS has contributed through funds, policy dialogue, and capacity building, which enhanced sector policy design and implementation"*. The EU evaluation further concluded that the SWAp had been preserved *"...thanks to a*

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52 Magona, I. (2010). Sector Wide Approach and Sector Working Groups. Uganda's Economic Reforms: Insider Accounts. F. Kuteesa, E. Tumusiime-Mutebile, A. Whitworth and T. Williamson.

*stronger sectoral leadership supported by some SBS programmes and a coordinated mix of other aid modalities. It could be a model to resuscitate dialogue in other sectors, although some specific features of the water sector may have played a facilitating role”.*

The water and environment sector has a well-developed framework for sector coordination and dialogue between the GoU, DPs and other key sector stakeholders. This framework includes harmonised mechanisms for coordination, financial management, performance reviews and joint decision-making.

This has been explicitly and clearly visible in light of the adoption by the MWE of the Golden Indicators (Annex 7) used to assess progress within the sector. Danida, together with other DPs, has assisted the MWE with establishing the sector-wide performance measurement framework including relevant indicators and annual targets, and budgets calculated to meet the targets as well as procedures for performance reviews. The range of indicators has been expanded in the last two annual performance reports to reflect broader development issues within particular priority areas (e.g. last year, specific indicators related to good governance were added to the Cross-Cutting Issues).

In relation to data collection, an important part of the data used for the annual performance report is being collected from the district level, which requires that sufficient capacities are available within the districts to collect and provide the correct data on time. The TSUs and NGOs are providing substantial assistance to district governments to support these processes. However, key stakeholders still question the accuracy and credibility of these data collection processes, partly because the data collection is still based on manual tools and partly because some indicators do not sufficiently take into consideration qualitative aspects. As an example, the percentage of “functional” water points (Golden Indicator no. 2) has appeared relatively high in the statistics (80-90%) during the period 2004-2017; however, the reality found by the evaluation during field visits to Eastern Region, is that much of this equipment is rather old (from RUWASA) and only partially functioning, and will soon need to be replaced. A similar observation relates to the reported access to sanitation facilities which is threatened by the quality of latrines. Another issue with the annual performance report is that it reflects mostly progress on spending with limited correlation of the progress towards country targets. It also still includes limited domestication of SDG indicators at point of implementation and data generation.

Annual joint water and sanitation sector reviews by GoU and DPs began in 2001; and annual water and sanitation performance review reports have been produced from 2003 to inform the joint sector reviews. Satisfactory reviews are triggering release of budget funds, much of which



## 6 SECTOR-LEVEL KEY FINDINGS

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are transferred to the districts through conditional grants.<sup>53</sup> The ministry organises annual technical performance reviews to assess progress on strategic issues identified during the joint sector reviews.

The monitoring and evaluation mechanisms in the Ugandan water sector have been a model of good practice for other countries in Africa. The joint sector review process, supported by its working groups and comprehensive sector performance report, has helped link decision-making in the sector to a balanced set of indicators (including access to water and sanitation); functionality; equity; and value for money. Water and sanitation was one of the first sectors to establish a Sector Working Group, which grew out of the Inter-Ministerial Committee for Rural Water Supply created to oversee RUWASA. The main purpose of the sector working group is to provide policy and technical guidance for the sector and it is composed by representatives from governmental institutions, DPs and CSOs.

The fact that there has been a joint programme in place in the water and environment sector since 2008 is an important achievement in itself in the light of SWAp. However, the original intentions of the JWESSP to become a vehicle for attracting additional DPs to the joint sector framework and a catalyst for increased use of un-earmarked funding through the JPF and Sector Budget Support modalities, has never materialized. During the period of implementation, it has not been possible to involve new DPs in the sector and, by the end of JWESSP-I, Denmark and Austria are still the only DPs providing un-earmarked funding. The prospects for the current planning of the JWESSP-II is that it will include substantially less un-earmarked funding due to the termination of Danish funding.<sup>54</sup>

The vast majority of the DPs still consider the JWESSP to be the best possible framework for sector coordination in view of the overall national sector framework as well as for aligning and harmonising the individual DPs' support programmes and projects. However, there is also a consensus among the DPs that a leaner mechanism for coordination may need to be developed for JWESSP to reduce current transaction costs in view of expectations to future sector development and DP involvement.

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53 This requirement for ministry approval to release district grants has since been changed.

54 Although ADA's bilateral support will remain non-earmarked, it was not possible to bring the complementary EU project they manage in Northern Uganda on board in the JWESSP-II since the size and nature of the support being a special trust fund. AFDB stays on with earmarked funding, where larger contracts will be directly funded. Also KfW stays on with earmarked funding. Other DPs do not change the way they are implementing.



## 6.2 Sector budget support and policy dialogue

The SBS modality was implemented to ensure allocation of sufficient resources to finance development expenditure in the water and environment sector after 2008, when the Joint Budget Support Framework was launched, which brought budget support partners into a single system for performance monitoring and policy dialogue (see above). However, slow progress in key performance indicators after 2008 (e.g. delivery of rural water supply, see Annex 7) clearly suggests that water and environment sector funding has been insufficient to reach sector targets in light of population growth in Uganda, in particular due to decreasing financial commitment to the sector by the GoU (the water and environment sector's share of the national budget decreased from 4.9% in FY 2004/2005 to 2.8% in FY2017/2018). This has affected the cooperation between the GoU and DPs within the water and environment sector, where the high-level policy dialogue between the MOFPED and the DPs became less consistent from around 2012-2013. In the period following this, the DPs have not managed to re-initiate the same level of policy dialogue with the GoU on water and environment sector issues.

This has again had some serious implications for the ability of the DPs to continuously monitor and enforce the implementation of the Joint Financing Agreement (JFA), signed by the MOFPED, MWE and the DPs. Since 2013, there has been no effective follow-up mechanism in place to discuss the GoU's interest/ability to take on the agreed financial and administrative responsibilities outlined in the JFA. As a result of this, some of the arrangements included in the JFA have never been fulfilled by the MOFPED. This relates in particular to the GoU's responsibility for gradually taking over financial responsibilities in relation to the district conditional grants and the TSUs, together with the gradually phasing-out of DP funding for the TSUs as an exit strategy. The JFAs have, for the last two joint programmes, included a clear agreement that the GoU should allow for additionality through an annual increase in its budget allocated for rural water supply. This has not happened, and the DWSCG has stagnated over the last number of years.

The GoU has had a commitment in the JFA, signed with the DPs for both JWSSP I and II and JWESSP I, to ensure additionality and to increase funding to the sub-sector every year (by 5% per year). This did not happen, although the GoU did not reduce the DWSCG when DPs stopped using the SBS modality. Since then, there has been a stagnation over several years, which is partly due to the GoU's introduction of a performance-based budget framework, where sector budgets are allocated in accordance with certain sector performance criteria (budget allocations linked to achievement of specific targets) established by the MOFPED. Within this framework, the MWE performance has been rated in the middle-range by MOFPED, compared to that of other ministries, and this

## 6 SECTOR-LEVEL KEY FINDINGS

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has not justified budget increases.<sup>55</sup> By contrast, DPs that continued to provide off-budget project funding still made a net additional financial contribution to their sub-sectors of choice, such as the German agency KfW's<sup>56</sup> support to the NWSC. In other words, in principle the substantial Danish funding that went to rural water after 2003 merely substituted the GoU funding and undermined the additionality aspects.

On the other hand, Danish funding ensured that rural water supply would be funded at least to the level as indicated in the MTEF. Furthermore, it also ensured that those policies and priorities carried over from RUWASA would be respected, e.g., funding for DWOs and DWO capacity-building through TSUs.

Although the GoU in the NDPs recognises that medium- to longer-term sustainable natural resource and water management interventions are preconditions for development within primary growth sectors, this is not reflected in the funding priorities (GoU own funds as well as loans), where certain sub-sectors tend to receive inadequate budget allocations both at the central and local government level. This is particularly the case for the "soft" areas such as training/capacity development (in general), water resources management, environmental services and adaptation to climate change, which typically provide less tangible and less immediate results than infrastructure-oriented projects. A recent comprehensive study,<sup>57</sup> prepared for the MWE, clearly demonstrated the strategic importance of environmental and water resources management for Uganda's economic development. Thus far, however, the GoU has not paid any particular attention to the conclusions and recommendations from this study; neither have these been translated into increased funding allocations to the water and environment sub-sectors.

### 6.3 The role of civil society

Already during RUWASA, systematic efforts were made to involve civil society in project implementation. CSO's were encouraged to integrate their activities with those of the districts. However, during the 1990s - and in particular during the first part of that decade - there was still a lot of tension and lack of understanding between civil society and government representatives which, at that time, made the integration of CSOs difficult.

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55 Interview with the Budget Monitoring and Accountability Unit (BMAU) in the MOFPED.

56 Kreditanstalt für Wiederaufbau.

57 MWE, 2016. Contribution of Water Resources Development and Environmental Management to Uganda's Economy.

Gradually however, as a result of policy changes in the sector and improved mechanisms for consultations, an atmosphere of greater mutual understanding and acceptance was developed. The foundation of UWASNET in 2000, as the national umbrella organisation for all NGOs in the Ugandan water and sanitation sub-sector, constituted an important result of a sector reform process that brought together the GoU, DPs and CSOs to develop and contribute to one common development plan. The foundation of UWASNET was made possible through support from the Directorate of Water Development (DWD), Danida, WaterAid and a task force comprising 11 NGOs. Later on, the JPF (to which Danida had been a main contributor) took over as the major source of financing of UWASNET's operational costs, including funding the secretarial function and supporting capacity development of partner organisations, activities which were very difficult for UWASNET to get funded elsewhere. UWASNET currently has an active membership of more than 150 NGO's which are distributed fairly evenly across the country, with significant presence in all regions.

UWASNET's mandate is to coordinate all NGOs in the sector and to strengthen their contribution to the sector by facilitating learning and sharing, documentation of their work, promoting partnerships and collaborations with other sector stakeholders, including GoU, DP's and the private sector. UWASNET also coordinates and represents the voices of NGOs and communities at all the critical decision-making platforms in the sector. This is done through its thematic working groups that are directly linked to the sector working groups in order to influence pro-poor policies and practice.

By key stakeholders, Danida's long-term and continued support to UWASNET is seen as a very critical factor for developing and strengthening the capacities of this organisation and its member organisations to become key players in the water and environment sector in Uganda. In addition to the funding and technical assistance provided, the support from Danida, being a key player in the water and environment sector during the period, provided credibility to UWASNET vis-à-vis the GoU and other sector actors. This was especially the case at the initial stage, when no other DPs were interested in supporting the organisation. The GoU is increasingly recognising and supporting the contributions and involvement of CSO's to the sector, as demonstrated through the signing of a MoU between the MWLE and UWASNET in 2003.

In the JWSSPS, CSOs were given an important role to play as providers of both hardware (construction) and software (community mobilisation, hygiene education, training in O&M, etc.). The CSOs have been instrumental in promoting community participation and in the monitoring of resource allocation across sub-counties and within the district. They have interacted closely with users and supported communities towards local and central governments.

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UWASNET's annual performance report constitutes the main contribution of the annual reporting on performance of NGOs to the water and environment sector and is incorporated as a separate chapter in the MWEs Annual Sector Performance Report (Chapter 12 in the report).

UWASNET's contribution to sector development was recognised in the Sida study from 2009 which found that the establishing of UWASNET as an umbrella organisation for the NGOs working in the sector had been "*...important for positive developments of the sector*". The Sida study also found that, if the positive trend at that time continued, civil society would have "*....the potential of increasing its contributions to the sector, as mobilisation agents, funders, and – not the least – as "honest brokers" or watchdogs with a special role to help clients/user to get the best possible value for money*".

The contribution of the CSOs to the water and sanitation sub-sector has grown over the period, reinforcing a strategic and priority positioning of CSOs within the sector. In the FY 2017/2018, NGOs invested a total amount of UGX 91 billion in interventions in water supply and sanitation improvement, water resources management, community strengthening for management and sustainability, as well as towards promoting good governance in water and sanitation service delivery. This expenditure is the highest recorded in the last five years, and a 40% increase from the previous year, for non-emergency interventions.<sup>58</sup>

While UWASNET was originally created with a water and sanitation sub-sector focus, the interventions of its member organisations have gradually been aligned with ongoing reforms in the water resources management sub-sector. In 2017, expenditures related to this area rose by 85% compared to the year before, re-emphasizing an increasing NGO priority in environment protection and sustainability of water resources. Most of this funding was spent on interventions related to catchment management measures (such as alternative livelihood activities, conservation of endangered flora species, wetland and river bank restoration) and water quality management activities (such as provision of water filters to households and community capacity building on proper sanitation and water safety planning).

Community management continues to be core to NGOs interventions, reflecting the commitment to sustainability and to community development and health. This include focus on stakeholder engagement for proper leadership and responsible action by duty bearers through mentoring, skills development and information. Nonetheless, according to key stakeholders, the operating space of the NGOs is still constrained with several service delivery challenges, requiring continued lobbying

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58 UWASNET (2018): NGO Performance Report FY2017/2018.

and advocacy for good governance and sector financing. Finally, it is noted that inclusiveness is high on the NGO agenda; notably, provision of disability friendly water and sanitation infrastructure, training and advocacy on gender and HIV/AIDS mainstreaming and targeting of marginalized community segments.

The main sources of funding for UWASNET member organisations for non-emergency interventions comes from international NGOs, followed by bilateral DPs. The private sector contributes with funding to around 10% of the NGOs. In a few cases, communities are also contributing directly to NGOs. From the type of infrastructure provided, it is apparent that NGO investments largely target rural areas; 92% of the new facilities provided by NGOs have a rural focus, and largely related to point water sources (boreholes, shallow wells and springs).

During the last five years, CSOs have invested, on average, UGX 8 billion per year in rehabilitating water supply systems, the majority being point sources of which most are boreholes. A similar level of investment in rehabilitation works is noted from previous years. This highlights the challenges of functionality and thus sustainability of these facilities, which are often under community management. With due recognition of these challenges, some NGOs have started implementing alternative O&M approaches, including models like the “service maintenance contracts” (implemented by International Lifeline Fund in Apac districts) “pay as you fetch” at boreholes (promoted by Water for People in Kamwenge districts and also adopted in Kabarole district), and public-private partnership (PPP) arrangements with service contracts promoted by WHAVE. Some of these solutions may have the potential to address the increasing challenge of maintaining system functionality more effectively than community management.

## **6.4 Capacity development**

Capacity development has been a core element of Danida’s support to the water and environment sector and the JPF was established for this purpose. Considerable resources have been devoted to capacity development for many years and much has been achieved, in particular in the water and sanitation sub-sector as well as in the area of water resource management, where the capacity development support has been instrumental for achieving results. A specific emphasis has been put on good governance and supporting the decentralisation process.

The Danida WSS evaluation (2007)<sup>59</sup> found that Danish support to capacity development was somewhat successful and recognised Danish

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59 Danida (2007). Evaluation of Danish Support to Water Supply and Sanitation.

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support to developing the Fiscal Decentralisation Strategy and the Anti-Corruption Action Plan for the sector. An online stakeholder survey conducted in the framework of the EU Joint Budget Support Evaluation (2015) confirmed this overall finding: Survey respondents indicated that *'based on their experience, capacity development measures had strengthened the effects of budget support to a fairly high extent in the areas of PFM and water and sanitation'*.

A comprehensive Capacity Development Strategy for the Water and Environment sector was developed in 2012. The strategy includes a results-oriented, integrated approach, based on a strategic understanding of institutional strengthening needs and priorities within the sector. The strategy elevates the focus of capacity development concept beyond the traditional training of individual personnel (human resources development), to encompass aspects of institutional strengthening and supporting the enabling environment, as well as technical cooperation. However, the training plans linked to the strategy have a strong focus on the training needs of the individual and there is need to link them better to the institutional and enabling environment aspects. Moreover, the training plans do not include technical assistance in relation to addressing the capacity development needs of the sector nor are they a binding basis for any project-based intervention.

Support to organisational strengthening through the RUWASA programme is highlighted as a valuable starting point for enhancing capacities, systems, retooling and performance at field level as well as collaboration with existing higher institutions of learning (supply side) and performance at field level, which has also affected civil society. The Danida Evaluation of Capacity Development<sup>60</sup> found that capacity development had been approached as mainly human resource development and commended the MWE for developing a broader approach for capacity development of the entire sector in the "Water and Environment Sector Capacity Development Strategy 2013-2018".

Based on the strategy, a comprehensive and costed training plan for the MWE staff was developed for the period 2018 to 2023. This exercise involved the use of questionnaires that were distributed to individual officers, discussions with relevant heads of directorates and departments, as well as managers of the different deconcentrated structures. Workshops were organised for key stakeholders for purposes of validation and ownership. The information collected was analysed and aggregated into thematic capacity gaps and a training plan to address the gaps was drafted. The costed training plan is due for submission to

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60 Danida (2015). Evaluation of Capacity Development in Danish Development Assistance.

the Ministry of Public Service for consolidation into the overall public service training plan.

The capacity development plan that has been developed need substantial resources for implementation. This may seem unrealistic in view of the funding situation for the sector, especially in light of low GoU budget allocation to the sector, and predominant modalities like loans, focusing on infrastructure investments. A stronger prioritization linked to performance measurements within key departments and institutions may be needed, including improved coordination and information sharing about planned and ongoing capacity development interventions in the various sub-sectors. There is also a need for enhanced appreciation within the GoU of capacity development as vehicle for improved service delivery and not as a 'consumptive item', which is not eligible for funding. This mindset needs to be changed to ensure that funding will be allocated for implementation of the capacity development sector plans being developed.

## 6.5 Cross-cutting issues

During the evaluation period considerable efforts, not least through support from Danida, have been made to mainstream cross-cutting issues in the water and environment sector, but mainly in water and sanitation. This includes development of relevant strategy and policy frameworks, as well as integration of cross-cutting elements into procedures, guidelines and implementation manuals.

Key strategic reference documents for current implementation include the Pro-Poor Strategy for the Water and Sanitation Sector (2006); the Water and Sanitation Gender Strategy 2018-2022; the Environment and Natural Resource sub-sector Gender Mainstreaming Strategy 2016-2021; and the Water and Sanitation Sector Strategy for Mainstreaming HIV/AIDS 2017-2022. Last year, MOFPED introduced a new scoring system based on a "Gender and Equity Compliance Certificate", which rates the MWE as one of best performing ministries in Uganda on gender and equity mainstreaming.

### **GENDER ISSUES**

A comprehensive strategy and policy framework has been developed in the water sector for gender. Danida has been one of the key drivers of this process, building on the concept and experiences from RUWASA. The National Water Policy (1999), which provides the overall policy framework for the water sector, recognises the importance of gender. It is stated in the policy that *women's involvement in design, construction, operation and maintenance of improved water supply and sanitation facilities should be supported through training*. Likewise, one of its guiding principles states the importance of: *"Institutional reforms promoting an*



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*integrated approach, including changes in procedures, attitudes and behaviour and the full participation of women at all levels in sector institutions and in institution making”.*

Uganda has a National Gender Strategy and a National Gender Policy (1997) in place which requires all development programmes in the country to mainstream gender in their policies and operations. The gender policy provides for the participation of women by specifying that women and men should have equal opportunity to participate fully in all aspects of community-based management. Specifically, the policy also emphasises that under the CBMS, a Water Users Committee (WUC) should have at least 50% women representatives. The policy has been incorporated into the sector’s mobilisation guidelines for extension workers and further supplemented by a requirement for all WUCs to have at least one woman holding a key position (chairperson, vice chairperson, secretary or treasurer). However, according to key stakeholders, the policy has not been widely implemented by sector stakeholders.

The gender mainstreaming process in the water and sanitation sector started in the early 1990s in the RUWASA and the Eastern Centres projects, where attempts were made to address imbalance between men and women by awarding contracts for casting latrine slabs and sanplats exclusively to women’s groups. Moreover, to ensure that women would have a voice in decision-making, at least 50% of the membership of the Water User Committees and Associations were reserved for women. Later in the decade, gender mainstreaming became part of the Uganda water and sanitation sub-sector reforms, in which cross-cutting issues were recognized and included as important factors in providing efficient and effective water service delivery under a decentralised system of implementation through a SWAp. This was to enable more participation of beneficiary communities and stakeholders and, hence, make service delivery more effective and efficient.

In 2001, staff with social science backgrounds were recruited to spearhead the gender mainstreaming process. The first Gender Strategy was developed for the period 2003-2008, followed by operational guidelines, procedures and manuals, which largely built on the experience from the RUWASA project support. This has since been reviewed. In 2005, an assistant commissioner was designated to oversee gender mainstreaming in the sector as part of the sector reforms, and gender mainstreaming was incorporated in the job description. To date there are social scientists in all departments, not specifically to do gender mainstreaming only but also to deal with all social issues concerning water supply and O&M, community mobilisations, etc. The sector performance measurement framework includes various indicators for gender (i.e. representation of women in key positions of water committees and water boards) as a proxy for their involvement in planning and decision making.



**GOLDEN INDICATORS INCLUDE GENDER EQUALITY BUT DOES NOT MOVE BEYOND “COUNTING HEADS”**

Women’s participation in water user committees/water boards is included in the Golden Indicators. The target was to have women holding key positions in 95% of committees/boards. Although monitoring data indicate progress from 80% in 2012/13 to 84% in 2014/15, the target has not been fully achieved. During the field visits, the evaluation found quite substantial variations across districts. In 94% of water committees/boards in Bududa District woman held a key position whereas in Butebo District it was only in 33.3% of the committees. There is however no indication of what has caused this great variation.

While it is positive, that women’s participation is included as a Golden Indicator, it does not go beyond “counting heads” and the level of women’s actual participation is not covered by the monitoring data.

In terms of staffing, 35% of the MWE staff is women. This share has gradually increased over the past 10 years, partly due to the introduction of a preference (more points) for women in recruitment processes. The number of Sociologists in the MWE has increased from two in 2003 to 80 today (all departments now have Sociologists). Despite notable progress in the area of gender, there are still challenges to be faced. Only around 15% at the management level are women. This is largely related to the fact that most of these positions are still engineering positions, which are seen as a predominately male career in Uganda.

In line with the Water and Sanitation Sector Gender Strategy, the participation of women in the development and management of water and environment resources has been promoted. In the field of rural water supply and sanitation the participation increased from 80% in 2012/13 to 84% in 2014/15, however falling short of the target of 95%. The evaluation’s visit to Eastern Region confirmed a relatively high participation of women in managing rural water supply services. Progress in the area of gender is further supported by a more recent gender impact study from 2017, indicating that gender has, to a greater extent, been mainstreamed into policies and guidelines with positive effect on the sector.<sup>61</sup>

**EQUITY**

Equity in the access to water is addressed through the sector’s pro-poor strategy, which is aimed at improving access for underserved and/or vulnerable communities. This is addressed in a number of ways, including non-payment of capital costs by those identified as “poor” by the community. Rural communities are encouraged to exempt the poor and other vulnerable groups from contributing to water supply capital costs. However, a study conducted in 2015 showed that this only worked to a limited extent. The MWE allocates more funds to districts that have access rates below the national average. However, findings from the evaluation’s field visit to Eastern Region indicate that this approach is not fully replicated and reflected down to the sub-county level, mainly due to political interference in the allocation of these funds. This is likely to slow down the attainment of higher equality at that level.

**GOOD GOVERNANCE**

A permanent Good Governance Working Group (GGWG) was created within the MWLE in 2006 with the mandate to oversee the implementation of the first Good Governance Action Plan adopted in the same year. The GGWG is composed of members from the GoU, DPs, CSOs as well as from the private sector. Through the GGWG, several encouraging steps have been taken to improve transparency and accountability in the sector, including support to development of a set of financial manage-

61 “A Gender Impact Study of the Water and Sanitation Sub Sector,” consultancy report commissioned by the Ministry of Water and Environment in 2017.

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ment indicators, as well as a value-for-money methodology/study, linked to the district grants. Danida's support has included the appointment of a financial management and good governance advisor which has contributed to a strengthening of the GGWG capacities over the past few years.

However, the support from the sector and MWE is still limited and is not sufficient to make the results sustainable in the longer term. The fact that the group has not been chaired by the Permanent Secretary but by an assistant commissioner has contributed to a more limited engagement by the MWE in terms of secretarial support and attendance of department officials to group meetings than was agreed in the JFA. The MWE has not contributed to the meetings to the extent anticipated in the JFA, and the DP's have not held MWE or MOPPED accountable for this.<sup>62</sup>

The support from Danida is being phased out and ADA is also reducing its contribution to the group. GIZ<sup>63</sup> stopped its support in late 2017, and already after this, some of the administrative support functions (e.g. meeting arrangements) and the work on indicators has started to become weaker. In the programme document it is mentioned that *"...the DPs will take an active role in promoting good governance in the sector using the sector good governance working group as the main entry point"*. This has not been the case. The bilateral meetings and presentations in the Sector Working Group have had more of an ad-hoc nature.

### 6.6 Sustainability issues

The water and environment sector in Uganda has for several years been challenged by uncertain and insufficient sector financing, partly due to government priorities and partly due to changes in the donor landscape (move from grants to loans). This is again emphasised in the Water and Environment Sector Performance Review 2018, which says that *"Sector financing still remains one of the major challenges to achievement of national development targets under the NDP-II"*.<sup>64</sup> As it is unlikely that the GoU will increase sector contribution substantially,<sup>65</sup> and non-earmarked funding is going to decrease drastically, existing deconcentrated support functions (such as the TSUs) will most likely come under pressure to such an extent that the government may choose to focus on alternative

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62 Key stakeholder interviews.

63 Deutsche Gesellschaft für Internationale Zusammenarbeit.

64 MWE (2018). Water and Environment - Sector Performance Review 2018.

65 Unless NWSC can attract commercial loans for the most "economically viable sector segment" and thereby "release" grant and concessional loans for other areas in the sector. An ongoing WB assignment is assessing the pre-feasibility to allow NWSC to issue bonds.

functions, which may not necessarily target the rural poor. Inadequate financing of the sector remains a major challenge and affects the fulfilment of core functions. As a result, the targets under the Strategic Sector Investment Plan (2018-2030), the second National Development Plan and Presidential Directives (e.g. one water source per village) are unlikely to be met.

The SSIP developed by the MWE indicates that the sector requires at least nine times the present annual level of funding over the next 12 years if the water and environment related national targets under the Vision 2040 and the Sustainable Development Goals (SDGs) are to be achieved. Additional resource mobilisation, coupled with efficient use of available resources, is therefore one of the key sector priorities which is being pursued within a context of fast population growth – exacerbated by a high refugee influx especially in Northern Uganda and climate change challenges – and prioritization of other sectors (such as energy, transport, tourism and productive sectors).

Sustainability is further hampered by slow progress on capacity development at the local government level, partly due to a political decision to continuously create new districts and, hence, the subdivision of existing districts. This implies a challenge for the sector, as capacity has to be created in these new districts; a task the MWE (as well as other ministries) have difficulties in keeping up with. In addition, lack of dedicated funding for capacity development further exacerbates the problem of sustainability at all three levels (individual, institutional and enabling environment). The TSU and the UOs, which both contribute to fill in capacity gaps at district level, still depend mainly on contract staff financed by the JPF, while the deconcentrated units all continue to depend crucially on the JPF for financing of their operational costs. The sector capacity development strategy and plan were prepared but cannot be fully implemented because of inadequate resources.

Indications for JWESSP-II are that funding levels will exceed those for JWESSP-I, including the tentative government funding.<sup>66</sup> This is, however, mainly due to a substantial increase in funding for the urban sub-sector, mostly due to the fact that a huge WB loan project (Integrated Water Management and Development Project - IWMDP) has been integrated into the JWESSP-II. The preceding WB project was outside JWESSP-I because usage of a joint funding modality was key to the DPs supporting the JWESSP-I. Comparatively, there is a substantial funding gap in the areas related to WRM, ENR and Climate Change. This clearly raises concern over the long-term sustainability of any infrastructural investments if important water resources, environment and climate change concerns cannot be adequately addressed.

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66 Interviews with DPs and JWESSP-II Draft Programme Document (April 2018).

## 6 SECTOR-LEVEL KEY FINDINGS

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As indicated in Table 8, the rural population is predominantly served by borehole with hand-pumps technology. However, according to SDG 6, it is a commitment to achieve universal and equitable access to safe and affordable drinking water for all by 2030 which can only be achieved through piped water supplies. Therefore, there is urgent need to invest heavily in piped water supplies in order to raise the percentage of persons served by piped water supplies in rural areas from the current 11% up to 50% by 2030.

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## 7 CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

In this chapter, conclusions, lessons learned and recommendations are presented based on the evaluation findings, while also responding to the Evaluation Questions as outlined in the ToR (Annex 1).

### 7.1 Conclusions

**The relevance and timing of the Danish support to the water and environment sector in Uganda has been high in view of the priorities and needs in the Ugandan development context as well as the evolution of the international development agenda during the period covered by the evaluation.**

Danida has, in several cases, demonstrated a particularly strong ability to bring the international development agenda into the Ugandan development context. Danida's decision to introduce and implement RUWASA in Uganda, from around 1990, was based on an increasing international attention to rural water supply and sanitation issues combined with new approaches and experiences to deal with these issues. RUWASA brought new international standards and focus on water and sanitation to Uganda. Likewise, Danida's dedicated support to water resource management in Uganda from the early 1990's directly following on from the Rio Conference recommendations. Subsequently, Danida was front-runner among the DP's in assisting Uganda to fulfil the international conventions on climate change.

Despite challenges in ensuring continuation and sustaining these interventions (see below), the timing, character and magnitude of the Danish support to Rural Water Supply, Sanitation, WRM, ENR Management, Climate Change as well as to the sector governance structures in Uganda, have all contributed to the positioning of Uganda as one of the frontrunners in the region within these particular areas.

**Danida has contributed significantly to the increase in delivery of safe water to Uganda's rural population with coverage increasing from 20% in 1990 to 70% in 2017, despite Uganda having experienced one of the highest population growth rates in the world over this period.** The most significant increase took place during the RUWASA period (1990-2002), where Danida's contribution to Eastern

## 7 CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

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Region alone provided 1.5 million poor rural people with improved rural water facilities. Furthermore, poor people (whether defined as those living below the Ugandan poverty line, or in the bottom two income quintiles) gained access to improved water supplies at the same rate as richer rural people. In the period after 2002, Danida has made a major contribution through the SWAp and the joint programme modalities, in particular through the conditional district grants, which have benefitted between 0.5 and 1 million poor rural people in Uganda each year. This has, however, only just kept pace with rural population growth during this period.

It is hard to imagine Uganda achieving this coverage without the contribution of Danish assistance. The funding has of course been significant, first through RUWASA, and then through Danida providing a significant portion of the district conditional grants. A rough estimate assumes that Danida may have contributed close to 20% of the total funding allocated to the sector<sup>67</sup> in the period 1990/2017. Equally important, though, were the ideas, strategies, management systems and procedures, systematic capacity development interventions and institutional strengthening at all levels, through the holistic approach that Danida brought, tested, and refined through RUWASA, which then contributed to forging a national strategy during the SWAp phase. Danida was also critically important in forming a generation of Ugandan water professionals who have worked with rural water supply by providing work experience under the one-year graduate training programme in RUWASA and ECWSP (and later mainstreamed under MWE), including supervision and mentoring by the international project staff. Along with this, Danida financing and technical assistance has helped MWE develop its internal processes, notably through the TSUs.

### **The strategy of integrated rural water supply and sanitation has not delivered satisfactory results as regards sanitation impact.**

While Uganda managed to comply with the MDG target for access of rural households to improved sanitation facilities, initial progress made during the 1990's on both school sanitation and handwashing behaviour (in both households and schools) slipped backward and fell significantly below the MDG targets (see Annex 7).

International water sector donors embraced this concept, despite the explicit scepticism voiced by the international public health community. This embrace explains why household sanitation was embedded in the RUWASA strategy. For the same reason, and despite a decade of spectacular and successive failures in the RUWASA sanitation component, the concept was carried over into the initial rural water and sanitation strategy developed through SWAp. Here, integration proved even more

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67 The water and sanitation sector from 1990–2007 and the water and environment sector from 2008/2017.

problematic because, on an institutional level, it proved very difficult for the MWE to act as lead agency for mandates (rural school sanitation, rural household sanitation) so clearly belonging to other ministries.

Danida's most successful contribution to sanitation came from financing the development of the 2006 ISH, with technical support from the WBWSP.<sup>68</sup> This strategy introduced a more evidence-based approach to sanitation, which clarified the institutional roles and where District Health Offices started to receive funding for rural household sanitation programmes. Unfortunately, the evidence from global research studies (briefly reviewed above in the section on sanitation), does not suggest a substantively significant effect from even well-implemented and well-funded household sanitation programmes. It seems that only extremely high levels of sanitation and hygiene compliance might produce a health impact, and it is more likely that childhood stunting than diarrhoea will be reduced.

**The Danish support has provided the foundation for establishing catchment-based integrated water resource management zones and climate change mainstreaming in the water and environment sector, however implementation still has only taken place to a limited extent.**

Danida's long-term engagement, persistent and flexible support, including a holistic package of equipment, capacity building and technical assistance, has been instrumental in developing the institutional capacity of the DWRM and CCD. In particular, the technical assistance element has been a core element in the Danish support to these sub-sectors and fundamental for the achievements during the period. The technical assistance has constituted a fundamental complementary element to other more inflexible financial contributions from other DPs to these sub-sectors.

The DWRM and the CCD are now backbone institutions in the areas of catchment-based integrated water resource management and climate change mainstreaming, which have become higher prioritised areas for the GoU. This is reflected in sector investment plans, with clear reference to the achievement of SDG targets. Despite the higher ranking of water resource management and climate change on the GoU agenda, progress in implementation is still hampered by serious resource constraints and difficulties in coordination across ministries.

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68 WBWSP was a multilaterally funded program to which Danida also contributed.

## 7 CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

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**Danida was a pioneer in introducing more focus on social issues in the sector, including gender aspects, and notable progress has taken place during the evaluation period.**

The fact that household access to safe rural drinking water has improved remarkably in Uganda over the past 30 years, is in itself strong evidence that women and children have benefitted significantly from the supported interventions, as these are the ones primarily in charge of water chores. Moreover, RUWASA made a substantial contribution getting women participating in water user committees/ water boards (and getting this indicator included in the set of Golden Indicators used for the MWE Annual Sector Performance Report). Although numerical targets on women participation have not been fully reached – and may not in itself say a lot about women’s active participation – progress is evident and women are now more respected for their involvement in technical aspects of water management.

Starting from RUWASA, Danida has successfully managed to institutionalise a larger focus on social issues (compared to technical aspects) in the MWE. This has contributed to an increased share of women employees (many of them sociologists) at both central, regional and local level. In addition, the Gender Strategies developed for the sector have been important to raise attention to gender issues, although the strategies have suffered from shortcomings in implementation.

**Important advances in terms of transparency and less mismanagement in the sector have been achieved through the Good Governance Working Group. However, its results may be difficult to sustain.**

The recent inclusion of two Good Governance indicators in the sector performance measurement framework constitute an important milestone that will force the government to reflect on development of these indicators in the future. However, the work of the group has suffered from limitations in political commitment and support which is now threatening the sustainability of the results achieved, largely due to a too vague anchoring of the group in the existing GoU and DP sector arrangements.

**Despite a number of notable achievements during the evaluation period, including establishing of a well-developed framework for sector coordination and dialogue, it has not been possible to develop a viable model with sufficient financing for the sector to gradually close existing and future capacity gaps.**

A particular concern is related to continued development of capacities in the sector. Danida spearheaded the development of the Water and Environment Sector Capacity Development Strategy in 2012, which has been raised as a best practice approach to capacity development, also for other sectors in Uganda. The strategy has now become a guiding



document for the development and implementation of costed capacity plans across water sector institutions and agencies (including NGOs). Danida has also provided the main share of funding for operation of the TSU's. Limited funding provided to capacity development by the GoU, especially in light of Danida's phasing-out of the sector, will make it difficult to implement the capacity development plans. GoU and other DPs will need to fill a huge gap in financing capacity development that has been created by the exit of Danida from the sector.

**There have been serious difficulties in moving beyond the initially introduced community management approach to systems that collect sufficient revenue and that provide the technical and managerial skills to operate, maintain, rehabilitate, upgrade, and expand rural water infrastructure.**

The evaluation findings show that community management and mobilisation, including capacity development, is fundamental for rural water supply. However, it has its limitations, in particular when it comes to major repair measures and technical solutions other than hand-pumps. Expectations to community-based management have been too high, reasons being weak (or absent) regulation, insufficient support, too low tariffs and no safeguard for savings made, etc. Lack of adequate O&M therefore constitutes a major challenge to the sustainability and functionality of the physical infrastructure, and improvement of the community-based management of point sources continues to constitute a major challenge, despite considerable resources and efforts put into making them work.

**Danida's phasing-out of the water and environment sector in Uganda is happening at a critical point in time, when the sector still lacks clear strategic direction on how to ensure sufficient funding and capacities for key sector development issues such as achievement of the SDGs, in particular SDG 6 and SDG 13.**

It is unlikely that the approach currently applied by the MWE will ensure access to safe drinking water for the poorest and most vulnerable rural communities in the country by 2030. In view of this situation, it is even more unfortunate that Danida's phasing-out after nearly 30 years of comprehensive support to the sector did not include a transition phase or a robust exit strategy<sup>69</sup>, although some efforts have been invested in preparing a continuation of the JWESSP. Development of critical sub-sectors in the water and environment sector (in particular Rural Water Supply, WRM and Climate Change) has for a long time depended on Danida's significant financial, institutional and technical

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<sup>69</sup> Only in 2017 a Consolidation Plan was developed and implemented. However, it mainly focused on how to spend remaining funding most effectively.

engagement and these areas are now left with critical funding and capacity gaps in the short to medium-term.

Many Danish CSOs (both larger and smaller) and research institutions have, over the last decades, developed strong ties with Ugandan partner organisations. These partnerships, together with UWASNET, would have represented a unique opportunity to continue an engagement within the water and environment sector in Uganda, albeit from another – and potentially more effective – entry point. Likewise, although Denmark is well known to have strong comparative core competencies in the water sector, the experience from Uganda only provides very few examples of Danish companies' involvement in water sector activities.

### 7.2 Lessons learned

**The establishing of a well-functioning sector working group with a clearly delegated mandate and responsibility has been pivotal for developing of a good framework for sector coordination and dialogue, including harmonised mechanisms for financial management, performance reviews and joint decision making.**

The budget support modality has contributed through funds, policy dialogue, and capacity building, which has enhanced sector policy design and implementation. The SWAp developed for the sector is considered to be one of the best in the region<sup>70</sup>. Likewise, the monitoring and evaluation mechanisms developed for the sector have been a model of good practice for other countries in Africa. The joint sector review process, supported by its working groups and comprehensive sector performance reports, has helped link decision-making to a selection of key sector performance indicators, collected with strong support from a well-organised and capacitated CSO water and environment network.

An important driver for this process was an increased delegation of responsibility to the Sector Working Group for drawing up sector policy and expenditure priorities. In this way, the SWAp emerged as a mechanism which brought together the policy, planning and budget processes through the development of inclusive sector investment plans, budgets to implement those plans, and joint monitoring mechanisms. It has been possible to preserve this model thanks to a strong sectoral leadership supported by programmes and a coordinated mix of other aid modali-

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70 Magona, I. (2010). Sector Wide Approach and Sector Working Groups. Uganda's Economic Reforms: Insider Accounts. F. Kut eesa, E. Tumusiime-Mutebile, A. Whitworth and T. Williamson.

ties. This also helped to harmonise DP sector approaches, improve alignment to GoU policies, and promote the use of GoU systems.

**However, not even a long-term engagement with massive investments into all aspects of sector development – including establishing of effective mechanisms for sector coordination, joint review processes and performance monitoring – has been sufficient to bring a sector with huge investment needs and decreasing government attention on a sustainable development path.**

The challenges related to funding, technology choice and replacement of existing facilities in rural water supply in Uganda were flagged already in a joint WB/ADB/UNICEF/WHO country report from 2011:<sup>71</sup> “... *the reality is that future funding is grossly inadequate. The expected future technology mix, with its high emphasis on piped water supplies exacerbates this problem, as per capita costs are expected to more than double by 2015. The cost of replacement of existing facilities is also an aspect that needs to be taken into account in rural investments. The extent to which non-functional sources are, in fact, in need of replacement is not clear*”.

These challenges have become even more outspoken today, where access to clean drinking water and basic sanitation continue to be a daily struggle for millions of poor rural people in Uganda. In the 2018 Sector Performance Report, the GoU recognises its inability to fulfil the SDG 6 target of bringing clean drinking water to all by 2030, unless significant external funding will be mobilised. Water has traditionally been a role for the public sector, also in Uganda; however, investment needs have accumulated in the sector over a period of time, and the GoU is no longer able/willing to absorb a major part of these investment needs. This relates to the GoUs’ neglecting of these investment needs for several years, which now makes it an impossible task to catch up within a reasonable timeframe, even if the GoU decides to significantly increase budget allocations to the sector.

The GoU’s neglect of the water and environment sector is closely linked to the government’s decision of increasing emphasis on support to productive sectors and infrastructure investments in the NDPs at the expense of the social sectors. This decision came at a time when many DP’s had also started to shift their emphasis in development assistance away from social sectors towards growth sectors and employment generation. However, in the case of Uganda, where poverty remains high in rural areas despite higher investments in infrastructure and produc-

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71 World Bank/African Development Bank/UNICEF/WHO (2011). Water Supply and Sanitation in Uganda - Turning Finance into Services for 2015 and Beyond. A Country Status Overview.

tive sectors, this shift will impact on the sustainability of rural water supply interventions.

This development has created an urgent need for identifying new solutions to close the huge funding gap that has developed in the Ugandan water and environment sector. In particular, the increasing focus in development cooperation on encouraging private companies and investors in developing investment projects may provide new future potentials for attracting external funding to the sector. A main obstacle to increased private sector engagement relates to limitations in bankable investment projects and effective business models within the sector, together with governance issues (which the joint programme has aimed at addressing through the GGWG). There is, therefore, a need to explore different PPP modalities for the sector.

**The sector has not managed to move beyond the community management strategy for rural water supplies, despite rich experiences with other management systems within other African countries, including PPPs.**

For more than a decade, governments and DPs have been grappling with how to deal with the shortcomings of community management. Community management of rural water supplies grew out of bad experiences with the use and maintenance of rural water supplies built during the early 1980s. Projects shifted to simpler technologies, such as improved designs for hand-pumps that were technically easy and inexpensive to maintain. This thinking was clearly embedded in the RUWASA strategy. The latter part of the 1990s brought a further refinement to community management in the form of the Demand Responsive Approach (DRA). This approach required more detailed and rigorous dialogue with communities about O&M costs and upfront community contributions to capital costs, partly as a test of the communities' willingness and ability to pay for O&M. The 1997 National Water Policy included DRA, and RUWASA Phase II developed DRA guidelines and procedures. The 2002-2008 sector support programme carried DRA forward into the sector-wide approach.

Meanwhile, community management was not working quite as well as expected, and DRA procedures proved difficult to enforce in Uganda and elsewhere. Effective management of water resources requires setting up systems which associate communities with (local) government, CSOs, private operators and businesses. PPPs in the West Africa water sector have shown promising results for small towns (many of which are smaller than Uganda's rural growth centres) and rural areas. In part, this is because these governments have accepted a larger role and responsibility in infrastructure maintenance than has been the case under community management. Indeed, the *laissez-faire* attitude on the part of

the GoU towards maintenance has been detrimental to sustainability in the sector.

One promising initiative was a World Bank-financed project in Kenya (2007-2013) that disbursed loan and grant tranches to community groups managing rural water schemes against progress made in meeting a series of performance targets. While the project was generally successful, it also indicated that ultimately these community groups would have to contract a private operator to maintain performance. Other likely initiatives come from Francophone Africa, where ministries or local governments have contracted private operators to manage rural hand-pumped supplies, piped schemes, or both. Most of the PPP in Western Africa are able to take place because of government subsidies on repair components. Replacement of infrastructure usually remains the responsibility of the national government. In Senegal, for instance, the institution responsible for the rural water supply (Office des forages ruraux – OFOR) has decided to contract, via a PPP, large perimeters of water supply systems. As part of the tariff, the private operator pays a “lease fee” that allows it to fund important repairs and extension of the coverage of the supply.

There seems to be scope for key sector players in Uganda, including the MWE, to become more closely associated with these different experiences and to learn from them. It is time to move sector development beyond RUWASA concepts and thinking. The new phase of the joint sector programme may be a good opportunity to introduce some of these alternative and promising initiatives from other African countries.

**The high importance given to the work of the Good Governance Working Group in the last phase of the Danish support should have been better reflected in a corresponding high-level political commitment in order for this work to become more effective.**

The GoU and DPs alike need to give high priority to matters relating to transparency, good governance and accountability, not the least when it comes to the local government level. A Sida study (2009) found that *“The Good Governance Working Group will play a fundamental role and should be given all the resources and support it requires.”*<sup>72</sup>

The processes of accreditation in the water and environment sector in Uganda has shown the clear advantage of involving the Permanent Secretary to ensure commitment and attendance to these critical issues. The expectation that the DPs would take an active role in promoting good governance in the sector by using the GGWG as the main entry point did not happen. The expectation that the GGWG would regularly

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72 Sida (2009). Support to Uganda’s Water and Sanitation Sector from the 1980s Onwards – Reflections and Experiences”.

## 7 CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

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report issues and results to the Sector Working Group also did not happen; and Value for Money studies to the Annual Sector Performance Review never materialized. In addition, although the CSO's have participated actively in the GGWG meetings, workshops and discussions, they could have been a stronger driving force in implementation of activities and decentralised monitoring.

**The level of ambition and the chosen approach for capacity development interventions need to be well-integrated to the national political and institutional context in order to generate ownership and be sustained.**

The massive investments in capacity development, including the establishment and operation of a parallel TSU structure to support local governments in implementation of the DWSCG's, has not generated the level of ownership by the GoU as was originally anticipated. Sustaining these capacity interventions will, therefore, still depend largely on external funding sources.

A general learning from the support provided to capacity development in the sector is that, although the government formally has agreed on the need for software interventions, this has never been reflected in its investment priorities, which have continued to focus on physical investments. Therefore, the experience from the Danish support to capacity development in the sector seriously questions the approaches that have been applied. It seems to have been too ambitious and not sufficiently contextualised in terms of creating ownership and sustainability of the capacity development initiatives implemented.

### 7.3 Recommendations

#### **FOR THE DANISH MFA:**

**New financing partnership models should be developed and tested with a particular view to closing the huge existing funding gaps in water and sanitation sectors which will be necessary to achieve SDG 6 targets.**

The urgent need for development of such initiatives was discussed in the lesson's learned section which questioned whether the public sector may still be the right driver for development within social sectors.

This evaluation has analysed the critical situation in relation to water and sanitation in Uganda in relation to SDG 6; however, experiences from other countries indicate that this is a challenge that other countries are facing as well. More strategic attracting of private sector funding to the sector seems required in order to achieve the SDG targets, but obstacles

often exist in terms of lack of investable projects and effective business models.

The Danish MFA recently launched a new Danish company (Water Investment Development Company) for developing of investable projects to mobilise private resources towards SDG 6 in developing countries, which could be a step in this direction. With this initiative, the intention is to speed up processes to catalyse private investments in water at scale, giving more people access to clean water. The plan is to establish the company through the Danish Investment Fund for Developing Countries (IFU), and it will be tasked with development of commercial water projects in developing countries. This will come with a planned allocation from the Danish government of DKK 50 million (USD 7.8 million) from the development budget. The hope is that these projects will attract finance from private companies and investors, including from the Danish SDG Equity Fund.

**Danida should explore models for provision of continued strategic support to CSOs/CSO networks, also beyond the period of programme cooperation, with a particular view to achievement of SDG targets.**

During the exit/phasing-out planning stage, it should be explicitly considered whether continued support to CSOs/CSO networks, also after completion of the sector programme support, could be an important contribution to achievement of SDG targets. This will be of particular relevance in those countries, where government commitment to sector development is low. This recommendation is supported by findings from other recent Danida country programme evaluations.<sup>73</sup>

The experience from the support to UWASNET in Uganda shows that the CSOs are able to play a critical role, not only as gap filler but also as a critical “watchdog” vis-à-vis the government. While the commitment and focus of the GoU has changed over time, the CSOs have continued to play a very important role throughout the evaluation period.

**Danida should reconsider making SDG 6 a more direct strategic target for the supported development interventions, given its direct impact on gender and children, as well as its impact on other SDGs.**

SDG 6 is the dedicated goal in the 2030 Agenda for Sustainable Development that sets out to “ensure availability and sustainable management of water and sanitation for all.” SDG 6 expands the MDG focus on drinking water and sanitation to cover the entire water cycle, including the management of water, wastewater and ecosystem resources. Therefore,

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73 Such as country programme evaluations in Bolivia and Ghana.



## 7 CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

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with water at the very core of sustainable development, SDG 6 does not only have strong linkages to all of the other SDGs, it also underpins them, and meeting SDG 6 would go a long way towards achieving much of the 2030 Agenda.

Limitations in access to clean water and sanitation impacts very negatively on the livelihood of poor people in developing countries, especially women and girls. The Danish government is committed to these issues, and it would therefore make sense to reconsider the prioritisation of the SDG 6 within The World 2030 strategic framework.

**Phasing-out of Danish sector programme support should be based on a more comprehensive assessments regarding how this may affect continued sector development in the partner country. This is even more important in those cases, where Danish assistance to the sector has been financially significant and based on long-term partnerships and arrangements.**

As a minimum requirement, Danida funding should be gradually phased out over a three to five-year period in accordance with a mutually agreed exit strategy and partner institutions should develop and implement a fundraising strategy in parallel to this.

***For the Danish embassy in Kampala (for support to interventions in Northern Uganda):***

**A more critical consideration of community management experiences is necessary in order to better inform WRM efforts in the Northern Uganda.**

The Northern Uganda sub-sector programmes largely intend to build on community management principles similar to some of those introduced through RUWASA. However, despite the large investments in community management during the RUWASA period, the evaluation findings strongly indicate that the approach may not have worked as well as intended. Better sector guidance on the future direction for the community management model and recommended water supply technologies is urgently needed.

**The possibilities for larger involvement of Danish private sector and research in the supported WRM interventions in Northern Uganda should be explored.**

The Danish water sector is well known for its strong core competencies expertise, including integrated water resource management. The embassy could be more proactive in exploring Danish business and research potentials in relation to the supported interventions in Northern Uganda, including how to assist and facilitate the involvement of Danish companies.



**In order to effectively address good governance issues as part of sector management, the Danish embassy (and other DPs) should insist on high-level government representation and commitment to these working groups.**

Good Governance Working Groups should preferably be chaired by the Permanent Secretary to ensure sufficient attention to the work of this group. Any specific issues should be addressed in sector working groups. With the expectations that the Good Governance groups on water/sanitation and environment will be merged into one group, this could be an opportunity to get the Permanent Secretary onboard, and thereby give the group more credibility to work in the direction of the established priorities and needs, including the possibilities for attracting additional external and internal resources to support its work and functioning.

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# **EVALUATION OF DANISH SUPPORT TO PROMOTION AND PROTECTION OF HUMAN RIGHTS 2006-2016**

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