

Evaluation of water, sanitation and environment programmes in Uganda, 1990-2017

Summary, management response & follow up note (February 2019)

This note summarises the main findings and conclusions from an evaluation of water, sanitation and environment programmes in Uganda undertaken from January to September 2018. The note includes the management response and follow up proposals drafted by the Danish Embassy in Kampala. EVAL commissioned and managed the evaluation which was carried out by an independent team of international consultants working with the Nordic Consulting Group (NCG), Orbicon and Hydroconseil.

A. Summary of the evaluation

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 two 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. 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 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 percent in 1990 to 70 percent 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 – 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.

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 JWSSEP. 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 mobilize 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 re-consider 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 re-consider 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 3 to 5-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.

B. Management response

Danish support to the water, sanitation and environment sectors in Uganda accounts for 28 years worth of assistance spanning eight different projects and programmes amounting to a total of 1.859.800.00 DKK. The fact that the MFA has been involved in the sector in Uganda for such a long period testifies to the commitment that the Danish government has to the strong relationship with Uganda as a priority country. During the Danish commitment to the water sector in Uganda, remarkable progress has been made. The fact that the percentage of rural Ugandans with access to safe drinking water has increased from around 20 percent in 1991 to 70 percent in 2017 is a strong result for Uganda and for contributing development partners.

On this basis, the MFA welcomes the evaluation and is pleased to receive a valuable external assessment of the Danish water, sanitation and environment programmes in Uganda. The MFA appreciates the conclusion that the relevance and timing of the support to the water and environment sector in Uganda has been high in view of the evolution of the international development agenda as well as the priorities and needs in the Ugandan development context during the period of evaluation. It is noted that the Danida has contributed significantly to increasing delivery of safe water to Uganda's rural population.

The MFA takes note of the conclusions in the evaluation stating that the strategy of integrated rural water supply and sanitation has not delivered satisfactory results as regards sanitation impact. However, the MFA would have preferred more specific Ugandan evidence in order to fully appreciate this finding. The MFA also notes the conclusion that while 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, implementation has only taken place to a limited extent. It should be noted that under the Danish Country Programme for Uganda 2018-2022 a specific intervention on integrated water resource management in Northern Uganda is foreseen, which will be implemented in collaboration with the relevant Directorate in the MWE.

The MFA also takes note of the conclusions regarding gender and good governance and lastly acknowledges that the phasing out of the water and environment sector in Uganda happens at a critical point in time. The phasing out of the water sector came as a consequence of the prioritization of SDGs as formulated in the Danish Strategy "The World 2030", where SDG6 was not a prioritized SDG for a country like Uganda (poor but stable).

The MFA appreciates the comprehensive analysis of the RUWASA programme and the significant impact that it made on water provision through project-based support. The MFA is, however, of the opinion that the evaluation, in overall terms, could and should have put more emphasis on the other funding modalities that make up the full picture of the Danish support to the sector. The development of the Sector-Wide Approach to Planning (SWAp 1997-2007) and the sector budget support (SBS) in the Joint Sector Programming (2008-2018), does in both volume and innovative approach constitute an equally important part of the Danish support. Moreover, an analysis of how SBS as a modality impacted the sector could have been an interesting point of an elaborated analysis, which could have yielded interesting lessons and derived recommendations to widen the scope and relevance of the evaluation.

The MFA also takes note of the recommendations from the evaluation building on the lessons-learned from the comprehensive evaluation of the Danish engagement in these sectors in Uganda. The MFA has the following specific comments.

Recommendation 1: *New financing partnership models should be developed and tested with a particular view to close huge funding gaps in water and sanitation sectors and to achieve SDG 6 targets.*

The MFA is currently exploring the establishment of new financing and partnership modalities within the context of, inter alia, strategic sector cooperation and business sector funding. In

Uganda, a significant Danida Business Finance project with National Water and Sewage Company is under preparation.

Recommendation 2: *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.*

Support to CSOs and their networks will be considered where appropriate, recognising the importance of these organisations as funders and as advocacy movements in the water, sanitation and environment sectors. In this respect, it could have been interesting if the evaluation had made a comparison and impact assessment of the different modalities for support to CSOs in the water sector (i.e. integrated into the sector or on a bilateral DP basis) so as to provide more clear guidance on the preferred modality.

Recommendation 3: *Danida should re-consider 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 implication on other SDGs.*

As noted, in so far as development assistance to Uganda is concerned the MFA decided to prioritise other SDGs, consistent with the current development and humanitarian assistance strategy.

Recommendation 4: *Phasing-out of Danish sector programme support should be based on a more comprehensive assessment of 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.*

The MFA takes note of the recommendation and in principle agrees with it. The decision to phase out was taken in connection with the development of the country programme for 2018-22, which took its point of departure in the then new strategy "The World 2030" and the prioritization of SDGs for the category of poor but stable countries. How best to exit the sector was discussed extensively with both government and other DPs with an objective of leaving behind structures in the sector as strong as possible. The remaining Danish funds were also to the extent possible re-programmed in order to minimize the negative consequences of the exit. For instance, the Embassy agreed to fund a consultancy to develop a "national operation and maintenance framework for rural water infrastructure in Uganda", as the issue of operation and maintenance was identified as key to the sustainable development of the sector. Moreover, Denmark is continuing engagements in the water sector in the area of integrated water resource management in Northern Uganda (see below) and possibly through a big DBF project with National Water & Sewerage Cooperation .

Recommendation 5: *A more critical consideration of community management experiences should be undertaken in order to better inform water resource management efforts in the Northern Uganda.*

The MFA takes note of the recommendation, but does not fully agree with the underlying assumptions. The continued support for integrated water resource management (IWRM) under the country programme (specifically under the Northern Uganda Resilience Initiative (NURI) engagement) will be implemented in close coordination with the Directorate of Water Resource Management and will as such build on years of Danida experiences and investments in exactly this area. The specific intervention under NURI takes a bottom-up/community based approach in developing and implementing the so-called micro-catchment plans. Further, the activities will build on the extensive engagement that Denmark has had in Northern Uganda over a long period of time. Drawing on the lessons from the NURI predecessor (RDNUC) the programme builds on existing and well developed experiences from close cooperation with District Local Government in respective areas.

Recommendation 6: *The possibilities for larger involvement of Danish private sector and research partners in the supported water resource management interventions in Northern Uganda should be explored.*

The MFA welcomes the idea of exploring possibilities of engaging Danish private sector further in the IWRM interventions in Northern Uganda. The interventions are, however, very small-scale, which should be taken into account when addressing the potential involvement of Danish private sector. There is, however, a growing interest on the part of private sector in developing sustainable solutions in Northern Uganda. This includes seeking solutions in the context of refugee settlements and refugee hosting districts, which both the MFA and the Embassy in Kampala are exploring further.

Recommendation 7: *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.*

The MFA agrees that high-level government representation is a key for issues of good governance to be effectively addressed. The Water and Environment Sector Working Group is traditionally chaired by the Permanent Secretary, whereas the subsector working groups and other groups are chaired at commissioner level. As the Danish Embassy is not planning to participate in DP coordination or (sub) sector working groups from June 2019 and onwards, this cannot be insisted upon. The Embassy will, however, bring this recommendation to the attention of the MWE and other DPs. The Embassy does, however, consistently engage in the Local Development Partners Group, which coordinates and oversees the relationship between DPs and the Government of Uganda in all sectors, including water and sanitation, and will therefore be able to "give voice" to the recommendation on this platform going forward and beyond June 2019.