



A Just and Corruption Free Society

Anti Corruption Coalition Uganda

Public Expenditure Tracking Survey in the Water Sector

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List of Acronyms

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

Acknowledgment

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

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

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

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- Ministry of Local Government
- Anti-corruption Coalition Uganda
- Maria Jacobson-The Bilateral Water and Sanitation Expert
- District Local Governments of Bushenyi, Kabarole, Gulu, Kaboko, Soroti, Kamuli and Munono
- The Rwenzori, Koboko and Soroti Anti-Corruption Regional Coalitions and the Independent Budget Monitors
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Without the support and co-operation of all the above mentioned parties, it would not have been possible to conduct the survey

God bless you abundantly

Shifferaw Metaferia
General Manager

Executive summary

Good governance, transparency and accountability are key for optimal use of Water and Sanitation sector funds. Corruption in the water sector disproportionately hurts the most vulnerable groups in society-rural poor, particularly women. It is evident that lack of water due to corruption has led to death, decreased production and school dropouts among children and is a serious impediment towards meeting the MDGs. The Global Corruption Report (2008), emphasizes the need to fight corruption in the water sector due to the fact that: water management involves large flows of public money; corruption in the water sector affects those who are vulnerable and marginalized; water is increasingly becoming a scarce resource; poor tendering processes to private contractors leading to massive leakage of funds; and water management is largely viewed as a technical issue.

The Government of Uganda and the Donor community are committed to improving efficient and effective use of Water and Sanitation funds. Corruption in the water sector has led to diversion of funds that would have been used to increase safe and clean water coverage to society especially in the rural areas. The Anti-Corruption Coalition (ACCU) commissioned a study in October 2008 to undertake a Public Expenditure Survey (PETS) in the Water and Sanitation Sector.

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

The study was conducted at the central line ministries, donors and Non-Governmental Organizations, districts and at community level. At Central level consultations were conducted in the Ministry of Finance Planning and Economic Development, Ministry of Water and Environment and Directorate of Water Development and Ministry of Local Government. Field visits in the districts and community level were conducted in Bushenyi, Kabaraole, Rakai, Gulu, Koboko, Kamuli, Soroti and Mukono.

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

The key findings include;

- The budgeting and planning process for Water and Sanitation at the central level is not adequately consultative to capture the local district priorities.
- The poor procurement practices at district level were sighted as the leading cause of leakage of funds for provision of safe and clean water to the community.
- Lack of proper physical and financial accountability especially at the District level
- Unexplained delays in release of funds by the MoFPED and districts

- Planning for provision of Water and Sanitation is non-participatory; communities who are the major beneficiaries are apparently left out in the planning process at the district level
- Increasing per capita investment and average cost of supplying an extra person due to over pricing of the contracts, technological failure and non-functionality of facilities at community level
- Poor management and sustainability of Water facilities (Functionality of WUCs, failure to pay user fees)
- The planning process (cycle) to provision of water and sanitation is so elaborative to be adhered especially at the District level
- Lack of Qualified Contractors who are awarded contracts and do shoddy work
- Inadequate technical and staff capacity of District Water Offices including field staff (CWOs, BHTs-Hydrologists)-M & E issues.
- Delays in procurement and contracting of water and sanitation works and services
- There are increasing administrative costs in management of water and sanitation activities which would have been used for putting up more water facilities in areas where water is inadequate/.
- Uncoordinated information flow of between departments at District level
- Inadequate coordination between Districts and NGOs (weak DWSCs) including ownership and follow-up challenges
- Bottom-up feedback on issues functionality & Vfm of facilities is still weak

The details of specific findings per the districts are in the main report

Conclusions and Recommendations

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

- i) The civil society and the Government through line ministries and districts should increase community awareness and sensitization through Information Education and Communication (IEC) on water and sanitation issues. This will be done through enforcing mandatory public notices at public places at that at community level. IEC can be enhanced by sponsoring talk shows on Radio and Television, Anti- Corruption Weeks, public/open forums on corruption, the print media (in local language), burners, posters and T-shirts.
- ii) There is need to improve communication amongst the direct user departments that is Procurement, district Water Offices, Finance and Planning unit
- iii) ACCU should advise DWD and other funders of water projects to develop standard B.O.Qs for various technological types and distributed to districts. Procurement of works for water and sanitation should be based on these standards. The B.O.Qs should however, leave variations for technical issues like Geology (type of soils)

- iv) MWE and the Civil Society should regularly collaborate and carry out governance audits of the Water and Sanitation sector and share such information in order to close loopholes for leakage.
- v) The Government, Donors and Non-Government Organizations providing Water and sanitation services should emphasize the software component (pre-construction, during an after Construction) where communities should be trained methods and techniques of executing the required roles and responsibility. This will go along way in ensuring sustainability of Water facilities. ACCU should seek funding and collaborate with MWE/DWD to train water users.
- vi) In relation to the above, vandalism, lack of community contribution, inefficient pumps and pump breakdown need to be addressed immediately through community sensitization. ACCU, regional coalitions and DWO should work together to emphasize the training and community sensitization in selected/pilot areas and assess positive changes that will be used to determine a roll out program. SNV already has such a program and has experiences that can be shared.
- vii) The Technical Support Units should be facilitated to extend their technical assistance and advisory roles to the communities.
- viii) Donors and Non-Government Organizations should support districts to carry out research on water and sanitation in the districts. This information/database shall be used as realistic data to plan for provision of water and sanitation.
- ix) ACCU should work with Regional Coalitions to strengthen the capacity of the existing structure of Independent Budget Monitors. Regular skills enhancement should be carried out to equip IBMs with skills to track identify and report objectively on corruption cases. Regular follow up should be carried out by ACCU for identify challenges and improve accordingly.
- x) ACCU's regional coalitions, Independent Budget Monitors and the Civil Society should be trained in analysis of Community Water and Sanitation issues in the DWD Community Resource Book (2007).
- xi) ACCU and regional coalition staff need to be given training on and interpretation of key guidelines indicated in this study. This will go along way in helping the coalition staff to work with in the set guidelines and policies. It will also help them advise stakeholders on the ideal practices in water and sanitation management
- xii) Independent review should be instituted in cases where there is evidence of procurement irregularities.
- xiii) There is a need to harmonize the working relationship of NGOs, CBOs, FBOs and the donor community with those of the district. Presently there is reported friction by the private operators and district on issues of water operations. Stakeholders

CHAPTER ONE

I.0 INTRODUCTION OF THE STUDY

This Report is a result of a study commissioned by Anti-Corruption Coalition of Uganda (ACCU) and carried out by Multitech Management Consultants (MMC) in October 2008 to track water and sanitation expenditure from the center to the community.

Anti Corruption Coalition Uganda (ACCU) is the leading umbrella organization devoted to fighting corruption in Uganda in the sectors that directly provide services to the poor, such as Water and Sanitation. The Water and Sanitation sector has also been identified as one of the National Program Priority Areas by the Government of Uganda whose overall mission is **“Integrated and sustainable management, development and use of water resources for the present and future generations”**.

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

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

However, the National Water coverage presently stands at 63%, implying there is still a significant gap in meeting the target. At least 40 districts are still below the present national coverage; Kaboong with a depressing 12%² coverage.

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

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

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

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

² Ibid

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

1.2 Objective of Public Expenditure Tracking Survey

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

1.3 Scope of the Study

1.3.1 Geographical Scope

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

Table 1: Districts visited according to regions

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

Source: Developed by Consultant

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

The Report covers findings in the 8 Districts of Kabarole, Koboko, Gulu, Bushenyi, Rakai, Soroti, Kamuli, and Mukono. The survey involved tracking of expenditure in departments and issues related to planning and provision of water and sanitation in the Districts. The survey team also made visits to community water facilities to assess functionality and value for money aspects and the extent to which the Water and Sanitation Sector (WSS) investments meet the objectives of ensuring appropriate and adequate access to clean and safe water and sanitation to the community.

I.3.2 Content Scope

In carrying out the assignment the consultant considered the following issues as benchmarks;

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

I.4 Outputs of the Consultancy

- a) Analytical report on national plan and budget for water and sanitation sector highlighting processes and procedure for accountability and reporting mechanisms
- b) An analytical report on Local Government compliance to accountability mechanisms in water and sanitation sector, highlighting challenges and prospects for change
- c) Two case studies per district; one on best practices in following accountability mechanism and the other on none compliance to accountability mechanism

I.5 Expected outcome of the Consultancy

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

I.6 Organizational Background of ACCU

The Anti-Corruption Coalition of Uganda (ACCU) is one of the leading umbrella CSO organization devoted to fighting corruption in Uganda. It brings together civil society organizations, individuals, religious leaders, academics, media practitioners and key institutions involved in the fight against corruption. The Coalition provides a forum through which these actors enhance their capacities in the fight against corruption and build a strong voice and force that can effectively engage government on issues of corruption. The strategic objects for the coalition include:

- (a) To stimulate anti corruption activism among the public.
- (b) To sustain a vigilant and robust anti corruption coalition of civil society organizations.
- (c) To advocate for enforcement of anti corruption laws and recommendations from anti graft institutions.

I.6.1 Vision and Mission ACCU

I.6.2 Vision

A just and Corruption free society

I.6.3 Mission

To contribute to poverty reduction by empowering the civil society to actively and Sustainably fight corruption in Uganda.

I.6.4 Aims and Objectives

- i. To provide a platform for the civil society to hold government responsible for improving transparency and accountability in service delivery.
- ii. To equip the civil society with skills, knowledge and methods of effectively addressing corruption.
- iii. To increase information accessibility to public and members.

I.6.5 Core Functions

- Coordination of member activities
- Research and advocating on corruption related issues
- Building the capacity of civil society
- Facilitating information sharing and communication

I.7 An Overview of the Water Sector in Uganda

Provision of Water and Sanitation is one of Uganda's Program Priority Areas (PPA) under the Poverty Eradication Action Plan (PEAP) now being transformed into the National Development Plan (NDP). This is embodied in pillar 5: *Human Development* where it is clearly stated that provision of water has a strong bearing on the health and sanitation levels within society. The need for water is also stated in pillar number two of the PEAP "*Enhancing production, competitiveness and incomes*". It is also a key indicator to the

achievement of the Millennium Development Goals (MDGs) that is access to clean and safe water to 100% of the population by 2015. Provision of water and sanitation is also central to the human rights and personal dignity of every person. The Ministry of Water and Environment (MWE) is continuously undertaking Water and Sanitation Sector (WSS) reforms that will result into increased performance, cost effectiveness and to decrease the government burden while increasing government commitment to equitable and sustainable provision of services in communities countrywide.

Access to safe, clean water and sanitation is fundamental to sustainable socio-economic development. Water and a clean environment are some of the basic needs required for a healthy living.³ Inhibitions from enjoying such rights limits the level of freedom and choice the population will enjoy. It results into lower productivity due to long hours taken in search for water (which at times is not safe and clean), lost education and the resultant right to a productive future, high household expenditure and death from preventable water related diseases especially amongst children and women. The Government of Uganda, with assistance of Donors and the Civil Society is making an strategic intervention to ensure that there is sustainable and equitable access to water and sanitation to 77% of the rural areas within less than 1.5 kilometers of walking distance with 80%-90% effective functionality by the 2015. The target is 100% for urban areas by 2010.⁴ The above is also in line with the Millennium Development Goals target of achieving 68% access for rural areas by 2015.

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

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

Local Government take centre stage in management and investment of funds for water and sanitation and this implies that strategies must be sought to ensure appropriate management of WSS funds to ensure equitable access to safe and clean water to the populace local governments serve. However, the central government line ministries must execute their

³ Universal Declaration of Human Rights

⁴ Water and Sanitation Sector Performance Report 2007 & Rural Water and Sanitation Operation Plan (2002-2007)

supervisory role with assistance of local government and private anti-graft organization to block leakage and diversion of funds for private and self-fish interest. Corruption and leakage of WSS funds is lowering water coverage and increasing the average cost of water supply per person in Uganda. The GoU through the MWE/Directorate of Water Development (DWD) has set golden indicators that form benchmarks for determining good governance. These are indicated in the table below;

Table II: Water and Sanitation Golden Indicators

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

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

1.8 Past performance of the Water Sector

In the rural areas, the focus is on provision of sustainable safe water supply and sanitation facilities based on management responsibility and ownership by the users, with 80-90% effective use and functionality rates of facilities. The trend in rural safe water coverage shows a progressive increase in water coverage to 63% by June 2008 with average functionality of 83%. The sanitation service in coverage is estimated at 59%. The activities carried out during the FY 2006/07, yielded an additional 1,104 shallow wells, 325 springs 603 deep boreholes, 412 gravity flow taps, 4 pumped boreholes, 1250m³ tanks with roof catchments 642, 7.5m³ Ferro cement tanks, and 150 10m³ HDPE – tanks for primary schools were constructed. An additional 620,000= people will benefit from the services.

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

CHAPTER TWO

2.0 APPROACH AND METHODOLOGY

2.1 Introduction

The nature and importance of the project demanded use of a wide range of participatory tools for data collection and analysis of the findings. This section presents methods/processes of data collection and analysis.

Views/ideas based on key findings were discussed and vetted at all stages through technical committee meetings and later discussions with the client. The report was thus developed as an outcome of an intensive consultative study process.

2.2 Overall Approach

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

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

2.3 Processes during the Assignment

2.3.1 Inception Meeting and Discussion with ACCU

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

2.3.2 National Consultative Meetings

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

2.3.3 District and Community Field Visits

Field visits were conducted at Local Governments including visits to the sub-counties and community level water facilities. Field visits were conducted in the districts of Bushenyi, Rakai, Kabarole, Mukono, Koboko, Gulu, Kamuli and Soroti.

2.3.4 Summary of Issues of Concern at the District

- (i) Institutional, management and technical capacity of the DWOs to plan for and provide water and sanitation services
- (ii) Financial management, accountability and value for money of Water and Sanitation resources and investments
- (iii) Compliance of the District Procurement and Disposal Units and the Contracts Committees to standard procurement guidelines in delivery of water and sanitation services
- (iv) Technical and institutional capacity of the Planning departments at the districts to carry out participatory planning and management for water and sanitation sector funds
- (v) Technical capacity of the sub-counties to private technical support to the communities and contractors in planning and implementation of water and sanitation delivery

2.3.5 Community Level issues

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

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

2.3.6 Methods of Data Collection and analysis

The Consultant used the following Data Collection Instruments; Key Informant Interviews, Questionnaires, On-point observation of water and sanitation facilities, Literature review, Focus Group Discussions at Community Level. Qualitative and quantitative analysis

2.3.7 Technical Committee Meetings

Technical review meetings were held with the members of the project team to analyse and appraise processes and outputs throughout the assignments. 2 Short presentations of the findings were made to ACCU and comments were made which were incorporated in the study report.

CHAPTER THREE

3.0 FINDINGS AND DISCUSSION

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

3.1 Water and Sanitation Sector in Uganda

3.1.1 National Level

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

Despite, the fact that the Water coverage stands at 63% presently, the statistics vary significantly from district to district. For example there is an acute demand for water especially in the North (most severely in the Internally Displaced Peoples Camps) and the pastoral districts of North Eastern and the cattle corridor in Western Uganda. The Strategy for Water and Sanitation for Emergency Response in Uganda states that the appalling water and sanitation situation in IDPs requires immediate attention.⁵ This is substantiated later on in this report, where the findings show an acute need to have access to clean and safe water in order to enhance growth and development. The Ministry of Water and Environment and the Directorate of Water Development (DWD) have a target to provide 77% clean water coverage by 2010 for rural areas and 100% for urban areas.

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

- To provide basic water supply and sanitation facilities to 65 per cent of the rural population by the year 2005 with an 80% to 90% per cent effective use and functionality of facilities. The minimum target is to supply 20 litres of safe and clean water per person per day within easy reach. Although the strategies have been frequently revised MWE/DWD is still short of the targeted percentage.
- The objective is to reduce the walking distance to the water supply sources to 1.5 kilometers to allow the population a chance to devote the time saved into productive activities.⁶

⁵ Ministry of Water, Lands and Environment-2004

⁶ DWD Rural and Sanitation Sector Strategy

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

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

Government has shouldered the responsibility of bearing the costs of rural water supply. This is because the cost of investment in this sector is high and there are limited incentives to private investors in such a venture except in limited cases where the area in question is highly populated. The Government allocates funds to every district with the aim of leveraging coverage by 2015.⁷ The MWE/DWD provides water and sanitation based on the principle “**Some for All and Not More for Some**”

3.1.2 Water Coverage in the study Districts

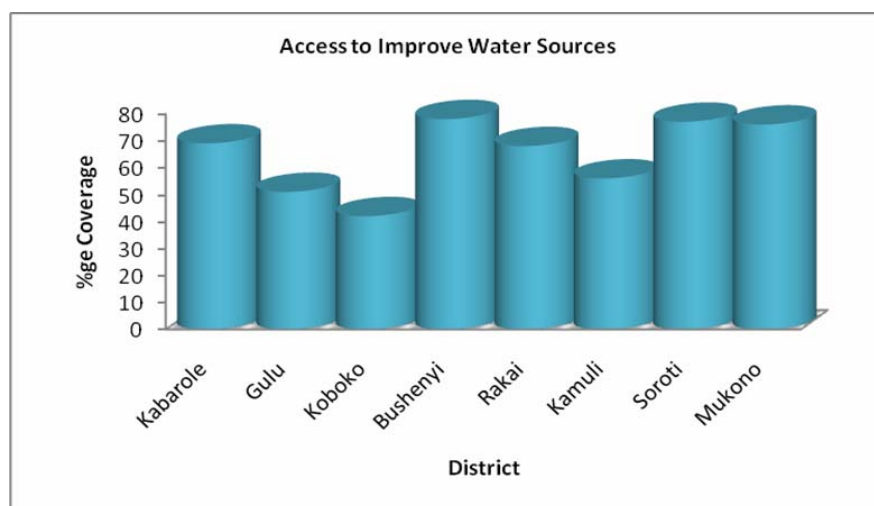
The water coverage for the districts visited varied as indicated in the following table. Among all the districts visited Koboko has the lowest water and sanitation coverage followed by Gulu and Kamuli. Bushenyi has the highest water coverage among all the Districts.

Table III: Percentage Water Coverage per District Visited

<i>District</i>	<i>%age Access to Clean and Safe Water</i>
<i>Bushenyi</i>	<i>78</i>
<i>Soroti</i>	<i>77</i>
<i>Mukono</i>	<i>76</i>
<i>Kabarole</i>	<i>69</i>
<i>Rakai</i>	<i>68</i>
<i>Kamuli</i>	<i>56</i>
<i>Gulu</i>	<i>51</i>
<i>Koboko</i>	<i>42</i>

Source: GoU, MWE/DWD Sector Performance Report (September 2008)

⁷ Poverty Eradication Action Plan (PEAP) 2004/05-07/08

Chart I: Percentage Water Coverage

Source: District Water Performance Reports (September 2008)

In Gulu the investments in the water sector are high and this explains the presence of expensive water sources especially in the former IDP camps. However, functionality is low due to non-functionality of Water User Committees and absence of community ownership. The users are too poor to pay user fees and communities depend entirely on the District Water Office to fund operation and maintenance costs. This has failed due to non-availability of funds. The donors and humanitarian organizations have made little effort to provide funding to cater for operation and maintenance as compared to investments and yet the communities are looking out for such organizations to fund the costs of day to day operation and maintenance of the facilities. Eventually the facilities are being rendered non-functional. Some of the notable Non-government organization that funded some of the facilities visited includes, AMREF, CARITAS, Japan Government, UNICEF, Red Cross, and Action against Hunger, USAID, Irish Aid, and CRS.

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

In Rakai district water coverage is affected by long dry spells that run from June to September and lack of water supply technologies that would suit water stressed areas such as Kooki County (Rwamagwa, Kagamba, Dwanilo, Kakyera, Lwanda, Byakabanda, Karurangira). It is common that much as facilities may be well constructed, they may run dry during the dry season. Despite the fact that water coverage is 68% slightly above the

national average, some communities walk up to 10 kilometers in search of safe and clean water. In Bushenyi and Soroti districts the high level of access is attributed to good operation and maintenance behavior and the level of consciousness of the Water and Sanitation user committees and willingness of the community/users to pay user fees.

Picture I and II: *An open Pond being used as a source of water after rumours that the shallow well in the second picture was infested with worms. The DWO has tested and found the water clean but the community is hesitant to use it. This shows need for attitude and behavioral change.*

3.1.3 Selected the Facilities per District

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

Table IV: Table shows facilities visited

District	Facility	Source of Fund	Challenges observed
Kabarole	Kasenda Gravity Flow Scheme (214 M) HEWASA Con, Ltd	Kabarole District Local Government (KDKG) & HEWASA	<ul style="list-style-type: none"> Facility is non-functional Observed shoddy works by the contractor Inadequate community involvement Community can not afford fuel for generator Reported conflict of interest in award of Contract to HEWASA Con. (The Construction Company that built the scheme belongs to the Co-founders of the project –HEWASA) The case has been taken up by IGG for further investigation
	Kytengera Gravity Scheme (600 M)-Rwimi (Crane Technical services Ltd)	MWE/DWD	<ul style="list-style-type: none"> Facility is non-functional Poor design of Scheme Conflict over ownership Reported conflict of Interest to Crane Technical Services Community not involved The case has been taken up by IGG for further investigation
	Kibito Gravity Flow Scheme (62 M) (Crane Technical Services)	MWE/DWD	<ul style="list-style-type: none"> Part of the facility has broken down (its serving less that 50% of the intended beneficiaries. Observed shoddy works in sections of the facility Community not involved in design of the facility The Water User Committee is non-functional
Gulu	Alero Camp Motorized Bore Hole	UNICEF, CARITAS, Japan	<ul style="list-style-type: none"> There is a gap in management of facility (management, functionality and usage is affected by return of IDPs) Community can not afford user fees Poor hygiene and sanitation DWO does not have adequate funds to facilitate supply of fuel required to run the water pump Taps were dry by the time of spot check
	Coope IDP-Motorized Bore hole	Catholic Relief Services, Action Against Hunger, Caritas, USAID	<ul style="list-style-type: none"> There is a gap in management of facility (management, functionality and usage is affected by return of IDPs) Community can not afford user fees Poor hygiene and sanitation DWO does not have adequate funds to facilitate supply of fuel required to run the water pump Taps were dry by the time of spot check
	Bobi-Rain Water Harvesting Tanks	UNICEF	<ul style="list-style-type: none"> The facility was functional at time of spot check (serves a primary school) Usability of facility good There is good hygiene and sanitation at the facility
	Palengo-Motorized Borehole	AMREF, UNICEF	<ul style="list-style-type: none"> There is a gap in management of facility (management, functionality and usage is affected by return of IDPs). The WUCs is dormant Community can not afford user fees Poor hygiene and sanitation DWO does not have adequate funds to facilitate supply of fuel required to run the water pump Taps were dry by the time of spot check
	Coope IDP-Coope Borehole (Well No. 44)	DWD (Rehabilitated by Action Against Hunger)	<ul style="list-style-type: none"> Management of the facility is poor There is no community ownership There is no reported supervision and training by the DWO in Gulu
Koboko	Malikulu Village Protected Spring 4 M Ludala Sub-county	PAF (Government)	<ul style="list-style-type: none"> Facility was new by time of spot check It had developed cracks barely a month after construction It has been recommended for payment by the DWO The Koboko Anti-Corruption Coalition had notified the District after the

			<ul style="list-style-type: none"> shoddy works Value for money is lacking (the facility has cracks before its even commissioned) Usability is relatively low No caretaker on site The Water user committee Non-functional despite the fact that the facility is new
	Aresse Protected Spring Midia Sub-County		<ul style="list-style-type: none"> The protected spring is new but usability is poor (No person found at facility) Community has abandoned the facility despite that fact that its new The water is contaminated with iron User interviewed claim that they informed the DWO that site did not have quality water but went on to protect the facility Facility value at 4 Million
	Apago Village-Midia SC Deep Borehole 16M (Sumadhura Contractors)	MWE/DWD 26505	<ul style="list-style-type: none"> The facility is well maintained There is observed value for money Caretaker is on sight Usability of the facility is 100% Water User Committee is functional All facilities WUCs in the District should use this as an Example
	Tukali Shallow well Shallow Well	DWD	<ul style="list-style-type: none"> Facility was well constructed (the Physical facility is good) The water was tested and found clean by the District water office The facility has been abandoned by community who claim the facility had Worms Community get water from nearby open pond
	Ludedela Borehole	NUSAF	<ul style="list-style-type: none"> Quality of Construction is good Quality of water is good However, facility has been abandoned by community (they claim it far) Community claim they were not consulted at time of location of facility Facility is in middle of the bush
Bushenyi District	Kamuhembe GFS (232 M) (Mabare-Kigarama)	MWE/DWD	<ul style="list-style-type: none"> GFS is functional Observed Value for Money Good Quality Works DWO has tried to work out major repairs Challenges Frequent breakdown Inadequate Community Ownership Inadequate execution of Roles and Responsibilities by the WUCs
	Nyeibingo GFS (170 M) (Kyabugimbi)	MWE/DWD	<ul style="list-style-type: none"> Facility is functional Observed Value for Money No accountability for user fees Land where the facility passes is not owned by District (No MoU seen)
	Mabanga GFS (424 M)	MWE/DWD	<ul style="list-style-type: none"> The Facility is Functional There is observed Value for Money Inadequate knowledge of Roles of responsibilities by WUCs Inadequate Community Sensitization Good hygiene practices
Raki District	Sanje RGC Water System (322)	MWE/DWD	<ul style="list-style-type: none"> Project is receiving additional funding each FY since it was started in 2004 (project is still on-going, original budget was 145M) Money allocated for the project was re-allocated to other emergencies during the dry season Poor quality materials used. Tanks, pipes and taps are rusting and contaminate water with iron crystals The Operation and maintenance of the project is poor The project has taken long to be completed with may be an indicator of leakage of funds The WUC is non-functional There is need to ascertain whether the contractor has capacity to

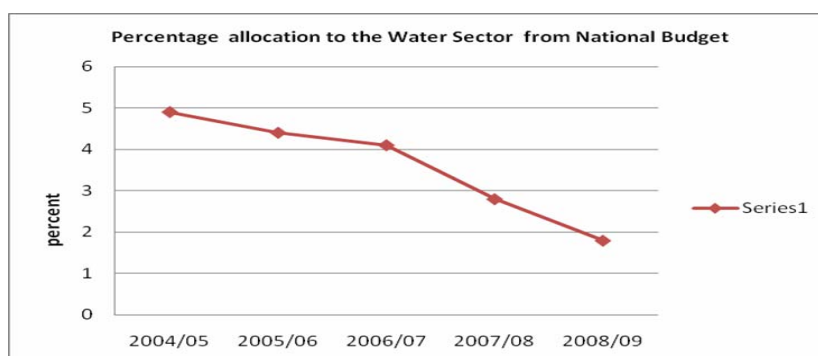
	Dwaniro Kaleere Ferro Water Cement Tank (3M)	District Water Office	<p>undertake a project of such a magnitude</p> <ul style="list-style-type: none"> Poor Quality Materials Used The Tank has developed cracks in a year after completion The Location of the tank is not well sought about. It supposed to serve the community but it's located at the residence of the chairperson. Other people can not have access to the tank The WUCs is non-functional The facility does not measure up to the cost allocated to it Need audit award of contract and location of facility
Kamuli	BUgulu BH 16 M	MWE/DWD Royal Tech. Services)	<ul style="list-style-type: none"> Quality of Water is bad (turns blown and Salty) Lack of community ownership due to inadequate sensitization Usability is poor due to poor quality of water Quality of Construction is poor Community has failed to pay contribution Poor quality of pipes used (they rust) The Water user committee is non functional
	Buyende Plastic Water Tank (2 M)		<ul style="list-style-type: none"> Observed shoddy works by the contractor (the plat form has cracks, the soak pit was not concretized) The facility is non-function due to poor maintenance Location of facility is wrong. It cannot be accessed by the community (located within the school fence) The WUC is non-functional Reported interference in the location of the facility at the point Inadequate civic engagement The case should be taken up for further investigation
Soroti District	Aukot BH 16M (E-plus Engineering Services Ltd)	Soroti District Local Government	<ul style="list-style-type: none"> Facility Functional at time of Spot Check Usability is high Evidence of Community Ownership Functional Water User Committee and Caretaker in Place The level of sanitation around the place is good Functional Water User Committee
	Opuyo BH 16 M (ACAV)	NUSAF (24070)	<ul style="list-style-type: none"> The observed quality of construction is poor compared to the Cost of project Usability is low at the time of spot check Non-functional user committee Report lack of training to the community Report fraud and conflict of interest procurement process
Mukono District	Mpoma Rayo BH (16 M) (Royal tech Industries Ltd)	DWD/27471	<ul style="list-style-type: none"> Functionality and Usability at the spot check could not be established, as the facility is located in a school compound, which is fenced. The facility is locked hence the public cannot access it despite being a community asset. There is no evidence of community involvement in project identification There was no evidence of community having access to the water source. Project identification number at the site could not be established as facility was enclosed. No value for money since the community can not access the water source
	Large Protected Spring Kyabalogo Parish (MNK/04/5747/PAf M.G.E Ltd)	Mukono District local Government	<ul style="list-style-type: none"> The usability level low at time of spot check The hygiene level around the facility is very poor, drainage pit not well covered besides being very bushy. Poor community sensitization and mobilization Lack of community ownership There is no evidence of adequate civic engagement/involvement Caretaker is in place but inactive.

3.2 Funding Water and Sanitation in Uganda

3.2.1 Overview

Water and sanitation sector is one the sectors that has been receiving priority funding from the government and donors due to its importance in the implementation of the PEAP and achievement of the United Nations Millennium Development Goals (MDGs). However, the trend in funding has been reducing and this has had a significant impact on water and sanitation sector performance. The figures below show the trend of funding as a percentage of the national budget over the last five FYs.

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



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

The dwindling budget has been made worse by leakages of the budgeted funds through corruption especially at District Level.⁸ The decrease in sector funding and misuse of resources comes at a time when there is increasing demand for water and sanitation as a result of factors ranging from population growth to natural calamities. For example the biggest challenge to planning and provision of water and sanitation in Koboko District is the high rate of population growth standing at close to 6% per annum. This is far above the national average of 3.2%. The floods in Eastern Uganda have washed away some of the facilities in some sub-counties and this has greatly reduced water coverage. Therefore, the need to use all allocated funds to the optimum to ensure increase in coverage has never been greater.

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

- i. Identifying loopholes for leakage of funds in order to improve procurement and contracting processes, support civic engagement and enhance social and financial accountability
- ii. Improving on efficiency and effectiveness to reduce on the Per Capital Investment Cost (Cost of distribution and access of safe and clean water per person)

⁸ IGG National Integrity Survey (October 2008)

- iii. Enhance the capacity of WUCs and users to performance their roles and responsibilities. This will improve management and operation of water facilities and create a sense of ownership among users.
- iv. Enhance the capacity of independent budget monitors through training to continuously monitor, supervise and identify leakage of funds for water and sanitation.
- v. Encourage private sector participation, beneficiary communities and NGOs in planning, management and sustainability of Water and Sanitation resources

3.2.2 Sources of funds

Water and sanitation sector has three main sources of funding;

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

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

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

3.2.3 Forms of Private Funding for Water and Sanitation

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

Budget Support (Guidelines)	Sector Support by Donors (Guidelines)	Community Initiatives
<ul style="list-style-type: none"> • Donors/NGOs write a Memorandum of Understanding with District • Donors/NGOs are assisted by the DWO to identify Water Needs as Community Level • Donors/NGOs budget with district • Donors/NGO give funds to the district as part of the budget support • The District procure for contractors for both hardware and software 	<ul style="list-style-type: none"> • Donor/NGOs/FBOs/CBOs write MoUs with the Districts • They identify communities they want to directly work with • They carry out the software activities e.g. community training and behavioral change • They may seek technical support and guidance from the water office e.g. procurement, site identification • Project are implemented according to guidelines that are developed by 	<ul style="list-style-type: none"> • Community identify water needs through community meeting facilitated by community leadership • They identify potential water sources with technical assistance from district or sub-county • The type of technology selected takes care of simple and affordable technology e.g. protected

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

<p>components</p> <ul style="list-style-type: none"> • The projects are implemented according to Districts and DWO guidelines • District provide accountability for funds spent according to LG financial accounting Regulations • Donors/NGOs monitor sites to ensure compliance with agreed standards and guidelines • Donors demand accountability for funds released 	<p>donors and funders themselves</p> <ul style="list-style-type: none"> • Accountability is provided to the donors • They may carry out regular monitoring or enhance the capacity of communities to do monitoring 	<p>springs</p> <ul style="list-style-type: none"> • Development of sources is funded through community contributions • District or sub-county may give technical assistance e.g. training of community and may contribute towards funding
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3.2.3 NGOs funding Water and Sanitation

The water and sanitation sector is receives significant amount of funding from NGOs as project or budget support. The following NGOs have supported selected Districts as indicated below;

Table V : Funding Water and Sanitation in Selected Districts

Donor	Location	Amount
UWASNET	Bugiri District	UGX 50,000,000M
UWASNET	Kabale District	UGX. 49,000,000M
World Vision	Kapeka	UGX 8,880,000
World Vision	Mukono	US \$ 249,000
World Vision	Masaka	US \$ 180,000
World Vision	Kitgum & Pader	US \$ 326,000
UNICEF	Gulu and Amuru	400,000,000 M
AMREF	Gulu	-
CARITAS	Gulu	-
Action for Hunger	Gulu	-
SNV	Koboko	-
CARITAS Mado	Rakai	-
USAID	Gulu	-
JICCA	Gulu and Amuru	-

CHAPTER FOUR

4.0 GOOD GOVERNANCE, ACCOUNTABILITY AND TRANSPARENCY IN WATER AND SANITATION

4.1 Introduction

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

4.2 Good Governance

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

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

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

4.3 Challenges to Management of Water and Sanitation Delivery in the Districts

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

¹⁰ Joint Sector Review for Water and Sanitation 2006

- i) The capacity at district and lower levels to plan and implement sector activities is low and this has consequently caused low absorption of the improved disbursements by Government to the sector.
- ii) Unexplained budget cuts from the MoFPED and MWE for water and sanitation department slows down water coverage.
- iii) Inadequate capacity in District Water Offices to fully implement activities due to tight establishment do plan, implement, monitor and supervise water works and services
- iv) The inadequate technical and institutional capacity of private sector contractors to construct water facilities. Most water investments are constructed poorly which increase the Per Capita Investments due to the high rate of breakdown.
- v) Value for Money: DWD/MWLE carried out Value for Money and technical audit in 55 districts in 2002 and findings from most districts indicated that, there was no “Value for Money” as most of the works were shoddy and the quality of the constructed facilities were poor and unit cost for the constructed water and sanitation facilities were increasing. These could be due to wrong tendering process and awards, weak supervision, inadequate monitoring and in some cases outright corruption and misappropriation of funds.
- vi) The average per Capita Investment Cost is higher in Northern Uganda due to the use of boreholes as the most appropriate type of technology but whose breakdown rate is high. This may be attributable to the sparse population distribution and the fact that several areas in the Northern part of the country are water stressed
- vii) District face challenges of late procurement process which in turn delays implementation of water and sanitation activities. A funds release schedule from the MoFPED shows that all districts had received 100% of the Water and sanitation funds for the FY 2006/07. However, the delayed implementation of the WSS activities was due to delayed procurement and contracting processes. The challenge was very significant in Rakai and Kamuli. Implementation is hurried and results into poor performance by the contractors and lack of proper accountability.
- viii) Monitoring and support supervision is still weak in districts due to inadequate numbers of staff. The sub-counties do not have staff with technical capacity to monitor and supervise water sector activities. The WUCs are also not well trained to adequately perform their role of ensuring adequate functionality of the facilities.
- ix) Inadequate information, education and communication to the community to ensure change of attitudes and practices in effective utilization of water and sanitation facilities.
- x) The average cost for most types of water sources has increased, leading to a decrease in the number of sources constructed. The use of expensive technologies is also probably one of the factors causing cost escalation. This appears partly to be the result of the exhaustion of the potential for cheaper technologies.
- xi) Overhead costs for projects funded under the DWSCG have increased, implying that in general economy, efficiency and effectiveness have suffered.

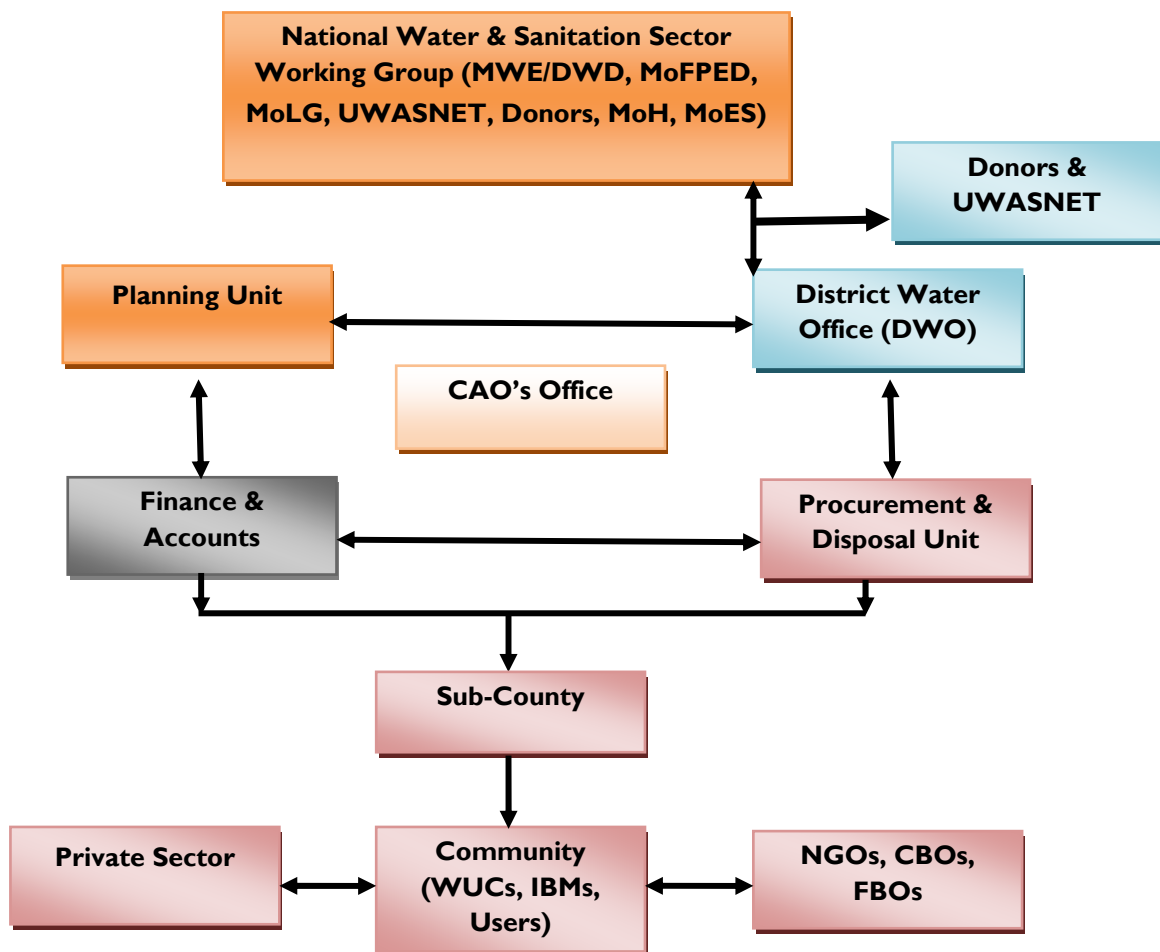
4.4 Roles of Planning and Accounting for Water and Sanitation Sector Funds in Districts

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

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

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

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



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

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

4.4.1 Roles and Responsibilities at Central Level

Table VI: Roles of Stakeholders at the Centre

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

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

Source: Directorate of Water Development

4.4.2 Roles of the District Departments, Community, Private Sector

Table VII: Roles and Responsibilities at District and Community Levels

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

	<ul style="list-style-type: none"> • Monitor and report on performance of procurement and contract activities for Water and Sanitation • Prepare, update and issue authorized versions of standard bidding documents for Water and Sanitation works/services providers • Set competence standards and Certification for water and sanitation works/services to be done • Conduct periodic inspections of the records and proceedings of procurement and contract management activities for water and sanitation delivery • Administer and enforce compliance through procurement audits and investigations for Water and Sanitation • Ensure VfM for Water and Sanitation projects implemented in the District
The Planning Unit	<ul style="list-style-type: none"> • Participate in bottom-up approach budgetary Processes for Water and Sanitation with assistance from the DWOs • Collect data/Information, analysis and interpretation from the DWO and Community for Planning for incorporation in the District Development Plans and Budgets • Prepare SMART Work plans for Water and Sanitation • Performance monitoring and follow-up of planned activities to ensure that WSS activities are implemented according schedule and standards • Technical assistance on development of activity plans for Water and Sanitation for the District Water Office
Finance Department	<ul style="list-style-type: none"> • Prepare budgets and work plans for Water and Sanitation in collaboration with DWO and the planning department • Accountability, verification of payments, preparation of financial reports and documentation of accounts records for WSS funds and activities • Disbursement of funds to contractors and suppliers • Financial analysis and interpretation of financial reports • Budget follow-up and audits • Managing conditional grants for WSS at district level
DWSCC/s	<ul style="list-style-type: none"> • Oversee the implementation of WSS programmes, strengthen collaboration and coordination with line sectors in the districts (health, education, social development and agriculture)
Lower Local Governments	<ul style="list-style-type: none"> • Plan and budget for provision of WSS at Sub-county level (for small technological options such as Protected Springs and Shallow Wells) • Facilitate and inform communities on planning and implementation arrangements for WSS • Monitor private sector (contractors) at community level • Assist WUCs on financial management and accountability • Monitor WSS facilities in the sub-county and local supervision of Construction works and accountability • Provide technical assistance in formulation and enactment of bye-laws for management for management of WSS facilities • Facilitate Community training in Operation and Maintenance
Community WUCs/WUAs	<ul style="list-style-type: none"> • Mobilize community members to participate in matters of Water Source Protection • Keep an updated list of WSS users in the community • Collect and keep contributions towards the Construction (Community Contribution) and O & M funds • Regularly monitor the condition and performance of the WSS facility • Purchase materials for simple repairs of WSS facilities • Ensure regular maintenance of the WSS facility and report major problems to the Sub-county and DWO • Pay for minor O & M fees • Supervise and provide support to the Water source Caretakers

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

Source: Directorate of Water Development

CHAPTER FIVE

5.0 PLANNING AND BUDGETING PROCESS FOR WATER AND SANITATION

5.1. Introduction

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

5.2 Budgeting

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

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

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

5.3 The National Budget Process

The national budget process involves four major stages, namely;

- a) Budget Formulation
- b) Budget Approval
- c) Budget Implementation
- d) Budget Monitoring and evaluation.

The budget process begins in October of each year, when the Ministry of Finance organizes the first Budget consultative conference for members of parliament, line ministries and local government officials, private sector and civil society members, donors, and the media. During this meeting, Socio-economic policies including provision of Water and Sanitation for the next three-year period are discussed. The National Water Sector Working Group takes

centre stage in prioritizing the needs of the Water and Sanitation Sector. The Water Sector Working Group has membership from the MoFPED, MWE/DWD, UWASNET, Development Partners, Representatives of Local Government, MoLG, MoH, MoES. Budget consultative meetings are held with local governments in November and the Local Government Budget Framework papers are submitted to the Ministry of Finance by January.

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

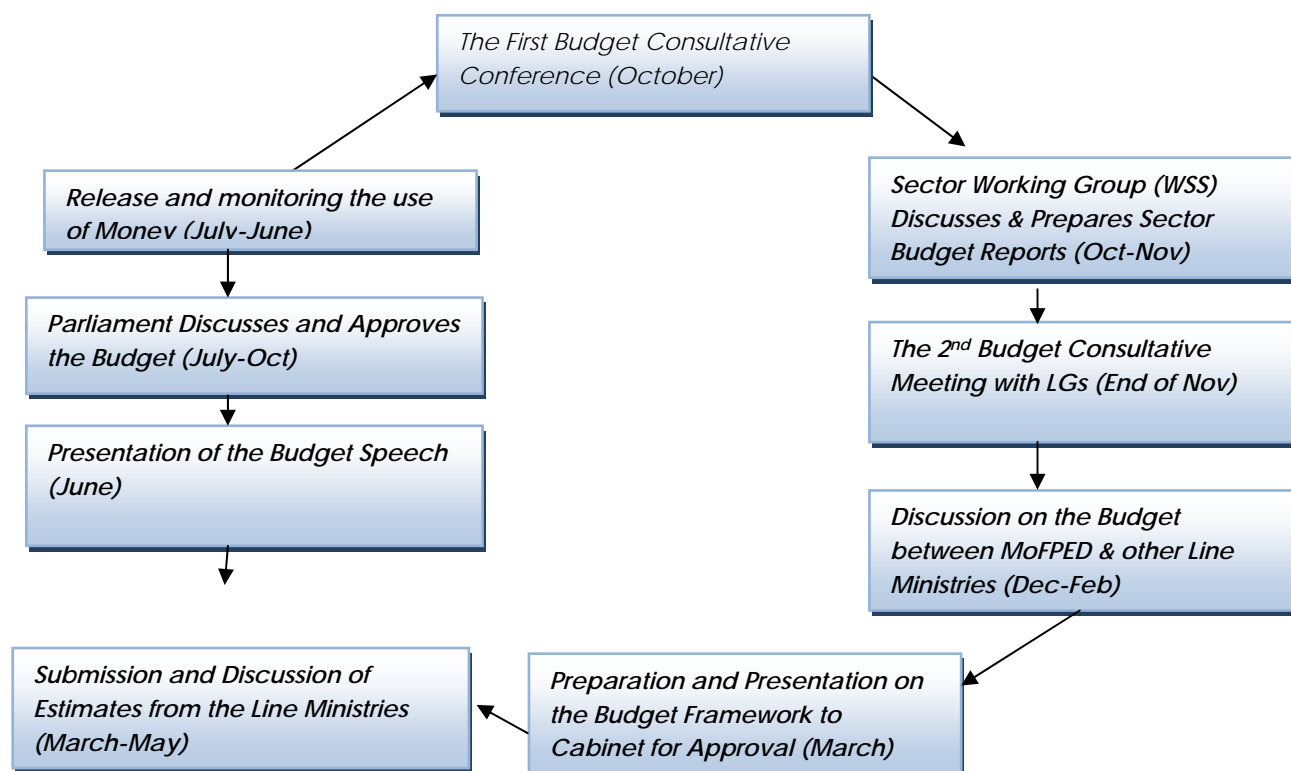
During these meetings stakeholders including donors, civil society, local government, the private sector and government agencies discuss the proposed budget proposals for water and sanitation. The budget is further polished, before the President presents it to parliament and indeed the entire country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

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

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

5.3.1 Flow of National Budget Process

Chart IV: Flow of the National Budget Process



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

5.4 Challenges of Planning and Budgeting at National Level

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

- i. The budget information presented to the parliament is fairly comprehensive, though the presentation formats are complex and technical, and therefore are not always easy to understand. The parliamentary Budget Office provides the technical support to Members of Parliament on the budget.
- ii. It should be recognized that much as the national budget formulation process calls for participation of different stakeholders including CSOs, the level of engagement has not been very effective especially on the side of CSOs to advocate for a pro-poor

budget. CSOs mainly engage at the level of SWG discussions, but their participation is lacking. Many CSOs do not have the adequate capacity (Technical and financial among others) to present a strong case to influence the prioritization process. Instead, their participation in the process is characterized by mere presence in the discussions as opposed to influencing and shaping the policy design. Engagement in the planning and budget process is a new area for the majority of CSOs in Uganda. There are three main factors limiting civil society participation in the budget process.

- Civil society organization working at district level are not aware of the intrinsic issues of the Local Government budgeting and this has limited their full participation.
 - The second is the limited capacity, both technical and in terms of lobbying, of NGOs to participate actively in policy advocacy.
 - The third one is the fact that participation in consultation processes is mostly by invitation, and not all are invited. As a result, despite the increased attendance at policy formulation meetings, questions remain over the influence of CSOs within these (participatory) spaces and limited innovativeness to engage policy makers.
- iii. The statistics from the District Local Governments that form the basis for budget formation at national level are at times inaccurate. They are either exaggerated or underestimated which implies that at times the budgets are based on wrong planning figures. The bottom-up approach to planning for water and sanitation has not yet been appreciated. Though there is funding to facilitate the process, it is inadequate to represent real issues on ground.
 - iv. The National Planning Authority (NPA), which is the overall agency for planning in the country still has managerial and implementation challenges to provide realistic and accurate data on Water and sanitation.
 - v. The budget process appears extremely compact, thus rendering it difficult to foster the bottom-up planning approach. The seemingly compressed schedule of the cycle leaves little room for adequate consultations, especially at the lower levels. More still, the time frame for the process, which is usually within one year, is too short a time to capture and address all development priorities and reforms.
 - vi. Budget performance monitoring is a relatively weak process in the budget cycle. Budget performance reporting is mainly based on deliverables in terms of outputs. There is no strong emphasis on measuring the extent to which the budget implementation improves the quality of life of the poor that is how the poor utilize the outputs put in place. Besides, there is very little information about the budget during the implementation phase, which is available to the public.

5.5 Release of funding for Water and Sanitation activities

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

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

Table VIII: July-June Development Actual Releases for Water and Sanitation for the FY 2006/07 (Shs.'000)-PAF Funding

District	Vote	Details	Budget	Jul	August	Sep	Oct.	Nov.	Dec.	Jan	Feb	March	April	May	June	Total	%age
Bushenyi	506	WSS	948,976	79,081	126,135	-	-	242,696	-	227,754	-	-	273,309	-	-	948,975	100%
Gulu	508	WSS	321,609	26,801	42,747	-	-	82,343	-	77,186	-	-	92,532	-	-	321,609	100%
Kabarole	513	WSS	893,564	78,630	125,416	-	-	217,970	-	214,455	-	-	257,093	-	-	893,563	100%
Kamuli	517	WSS	889,276	74,106	118,200	-	-	-	-	-	-	441,303	255,666	-	-	889,275	100%
Mukono	542	WSS	992,248	82,687	131,886	-	-	254,049	-	238,140	-	-	285,485	-	-	992,247	100%
Rakai	549	WSS	854,792	-	184,849	-	-	218,855	-	205,150	-	-	245,938	-	-	854,792	100%
Soroti	553	WSS	714,834	59,570	95,013	-	-	183,022	-	171,560	-	-	205,669	-	-	714,834	100%
Koboko	563	WSS	390,079	32,507	51,848	-	-	99,873	-	-	-	93,704	112,147	-	-	390,079	100%
Total			6,005,378	433,382	433,382	-	-	1,298,808	-	1,134,245	-	535,007	1,727,839	-	-	6,005,374	100%

Source: Ministry of Finance Planning and Economic Development

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

Table IX: Funding Gaps in the selected Districts Visited

District	Budgeted (U. Shs.)	Released (U. Shs.)	Variance (U. Shs)
Soroti	714,840,000	504,163,500	210,670,500
Mukono	1,073,939,000	992,247,333	81,692,000
Kabarole	940,000,000	893,563,000	46,432,000
Koboko	271,775,000	269,674,917	-

5.6 The Local Government Planning Process

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

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

Table X: Local Government Planning Cycle

Timing	Events	Responsibility Centres
September	i. District Water and Sanitation Committee agrees on the rules, procedures, conditions for planning and budgetary process	LGBC
October	ii. Holding of National Budget Conference (Water and Sanitation issues of districts are identified) iii. Holding Regional Local Governments Framework Paper Workshops	MoFPED, Sector and Ministries
November	iv. Executive Committee meets to determine inter-sectoral priorities as identified in previous DDP and to fix inter-sectoral allocations v. Budget Desk prepares Local Government Budget I and submits to executive for approval. The budget call is circulated to Heads of Departments and Lower Local Governments vi. Sectors start preparing inputs to Budget Framework Paper, reviewing performance and prioritizing planning and budgeting for future	Executive Committee, LGBD HoDs, LLGs

	<p>vii. programmes</p> <ul style="list-style-type: none"> • LLGs identify water and sanitation investments and prepare draft development plans • Planning unit compiles LLG development activities into the DDP and presents them to the HoDs who propose district level sector investments that are compiled in Sector Budget Framework Papers (BFP). This includes full and complete work plans and budgets for all district level activity linked to DDP 	District Planner, DTPC
December	<p>viii. Draft sector BFPs and development plans completed and sector committees examine sector inputs to the BFPs</p> <p>ix. Budget Desk compiles/prepares draft BFP and the District Technical planning Committee reviews them</p> <p>x. A meeting of the Executive Committee, chairpersons of the sector committees, HoDs is held to examine the BFP and prioritize sector expenditures and programmes</p> <p>xi. Holding budget Conference</p> <p>xii. Budget Desk incorporates inputs from the budget Conference in Budget Framework paper and draft budget. Executive Committee approves budget framework paper and draft budget</p>	
January-May	xiii. MoFPED and line ministries examine local government budget framework paper and draft budget	
May	xiv. Budget Desk incorporates grant ceiling and comments received from MoFPED in annual budget work plans and draft	
June	<p>xv. Sector Committees review final annual work plan and budget</p> <p>xvi. Finance or Executive Committee examines final budget</p> <p>xvii. Reading and approval of budget</p>	

5.7 Challenges to the Local Government Planning Process

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

- i. All districts visited apart from Bushenyi lack accurate and reliable planning figures for provision and delivery of Water and Sanitation. Koboko and Soroti districts are still planning using the 2002 population census figures despite the high population growth rate of 5.6% which is far above the national average of 3.2%
- ii. Lack of adequate technical support staff for research, data collection for compilation of water and sanitation plans. Planning for water is a very consultative and demand driven process. Unfortunately the district planning departments of all the districts are insufficiently funded to conduct community mobilization meetings to collect the ideas of the users to be incorporated in the sub-county plans and later the District Water and Sanitation plan. Soroti district has only 2 staff in planning unit. Most staff in the districts visited do not have adequate capacity to collect and analyze data using the local Government Management Information System (LOGICS)
- iii. The Institutional capacity of the districts visited is still inadequate to conduct technical and analytical research for use in the district plans.

- iv. Inadequate funds for Districts to invest in Research and Data collection for planning purposes at District and Community Level
- v. The supervisory role of the Local governments is still too inadequate to provide technical capacity building in planning for local government.
- vi. Despite being elaborative, the process planning is so tight that it represents a threat to the realization of the bottom-up planning procedures. It is clear that in most cases, the District Development Plans do not inform the budget, thus, most budgets do not capture the local/community priorities. The situation is compounded further by over-dependence of local governments on the central government for technical and financial support.

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

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

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

5.8 Challenges of Management Capacity of Districts

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

-
- (a) Location (Sub-county, Parish, village)
 - (b) Indication of the facility in the work plan
 - (c) Source of funds
 - (d) Estimated budget for the facility
 - (e) Actual cost of the facility
 - (f) Evidence of community involvement (applications, lists of beneficiaries, community training reports)
-

-
- (g) Evidence of monitoring reports
 - (h) Name of project supervisor
 - (i) Bid specification (type of facility)
 - (j) Assets register for water sector facilities and equipment
 - (k) Project identification numbers
-

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

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

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

- iv. **Inadequate staffing and Supervision**- The technical capacity to plan for provision of water and sanitation in all the districts visited in affected by inadequate staffing. This results to inadequate, research, monitoring and supervision of water funds and activities. The District Water Officers claims that, inadequate capacity has been a significant factor in determining the operations of the DWOs. The table below shows the staffing levels in selected districts visited. The number of staff per district visited is indicated below;

Table XI: Number of Staff per District

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

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

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



- v. **Budget cuts**-Budget cuts affect the planned delivery of water and sanitation. The MoFPED does not explain the causes for the cuts. Soroti district in the FY 2006/07 budgeted Sh.s. 714,840,000 against the actual release of 504,163,500/=. The MoFPED did not communicate or give reasons for the variance of 210,670,500/=.
- vi. **Non-functionality**- Periodic reports were available in all the districts visited. However, they lack sufficient details on actual issues that affect performance of the water sector in districts. The facilities reported as functional at the districts may not necessarily functional at on-spot check. For example; the motorized boreholes of Coo-pe, Palengo and Alero IDPs in the Gulu and Kasenda GFS and Kibito in Kabarole. There is no information about Kytengere GFS (Non-functional) at the DWO in Kabarole
- vii. **Poor record keeping**- DWOs still have a challenge of record keeping both manually and electronically. It is still hard to access information (hard and electronic) on issues pertaining to particular water facilities. Such information includes functionality, location, contractor, price of contract among others. None of districts visited had an asset register that would be important in assessing such information.
- viii. **Non-use of regulatory guidelines**-The Ministry of Water and Environment and Directorate of Water Development have provided sufficient policy and regulatory guidelines for planning and provision of water and sanitation but most of them are rarely used in the districts visited. In Kabarole District, the GPS location software has been provided and staff trained to use it, but the DWO can not provide an answer to why it can be used to planning and availing information on water facilities.
- ix. **Lack of Co-ordination**- There is inadequate communication and coordination between the departments of procurement, DWO, Finance and Planning in planning and provision of Water and Sanitation services. Documents within the departments pertaining specific water facilities can not be easily tracked across all the departments in the three districts visited.

- x. There is inadequate knowledge of using existing monitoring tools provided by MWE/DWD due to inadequate technical capacity of the existing staff.
- xi. **Poor operation and maintenance in Northern Uganda-** Emphasis in the water sector has been put to investing in new sources than rehabilitation and maintenance of existing water facilities. For example Gulu district has attracted government and donor funding for investment in the Water sector especially in the Internally Displaced People camps, but most of them have been run down due to poor operation and maintenance. Notice that most of the facilities especially the motorized wells have been well constructed but poor operation and maintenance has rendered them non-functional. The particular sustainability challenges faced by districts and communities in Northern Uganda in water supply include;

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

Source: District Water Office Gulu & Field Visits

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



Source: Field Photos

5.9 Procurement and Contract Management, Supervision and Monitoring

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

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

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

In comparison with above key procedures, there are various forms of **procurement malpractices** committed in the procurement process at District and National levels. These are indicated in the table below;

Table XII : Procurement Malpractices

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

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

- a) **Poor record keeping-** In the districts of Kaboko, Gulu, Kabarole, Soroti, Kamuli and Mukono, there was no evidence of the list of pre-qualified contractors for provision water and sanitation services for the FY 2006/07 and 2007/08
- b) **Lack of procurement plans-** The procurement plan for the FY 2006/2007 could not be seen for all the districts in all the 8 districts visited.
- c) **Non-adherence to the procurement guidelines-** Private NGOs procure their contractors privately which contravenes guidelines where the District Water offices are expected to provide technical oversight on water issues for government and private funds
- d) **Delayed release of funds-** Delayed release of funds delays the procurement process;
 - “In Soroti district, funds for the 4th quarter were released in June towards the end of the FY 2006/07. Yet unutilized funds are supposed to be sent back to the consolidated fund account in MoFPED. A fresh request is supposed to be made indicating that funds were already committed. There was no evidence for this processes which is against the MoFPED and accountability guidelines”
 - There is delayed approval funds by the MoFPED due to technicalities of IFMS
- e) **Lack of project identification numbers-** For most facilities visited projects lacked project identification numbers. In Koboko water facilities within a specific category like springs are bundled up in a single contract which makes it difficult to

identify a contract price for a single facility. Since payment is made in totality for all projects, it is likely that all poorly constructed facilities end up being paid for when they don't deserve payment. The same scenario was discovered in Soroti district relating to award of contract and payment of 8 boreholes to E-plus engineering.

Cases of Bundled up Contracts

Koboko District

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

Soroti District

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

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

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

- g) **Contract monitoring and involvement of the communities**- Contract monitoring is not given the due importance it deserves. Contractors do not give respect to the views and ideas of the locals and some times the sub-county staff. In the Water and sanitation Operations Guidelines it is stated the communities are key stakeholders who are supposed to carry out collective supervision and monitoring and report before, during and after construction of the water facility. The major challenge of monitoring as already noted is limited staff capacity while the communities are not empowered to demand for accountability and value for

money for water and sanitation sector funds. Moreover, they do not even know how much a facility costs. None involvement of the communities cuts across all the districts but its more significant in Gulu and Koboko, simply because little access to the necessary information that is required to enlighten society on water and sanitation issues.

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

Plate VII: Pictures shows members of Rwenzori Anti-Corruption Coalition and one ACCU Official during an on-spot monitoring of Kyitengere GFS. MWE/DWD invested 600 Million to construct the facility that failed to function. The Contract was awarded to Crane Technical Services



Source: Field Photo

Issues for investigation

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

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

Plate VIII: River Rwimi supplies water for domestic use in Rwimi Trading Centre which was supposed to be supplied by Kytengere GFS. The Water is contaminated unfit for human consumption. Notice the queue of jerricans in background.



Source: Field Photo

Related to the above issue, there is reported conflict of interest to the award of Contract HEWESA CON to construct Kasenda/Rutete gravity flow scheme. The contractor did shoddy works; taps are dry and the project was launched before some sections were completed.

Issues for investigation Kasenda/Rutete Gravity Flow Scheme

- The contract was funded by HEWASA Ltd and Kabarole District Local Government at a cost of 214 million
- The facility was non-functional at the time of spot check
- The Water User Committee is selected but non-functional
- There is no official contract or letter of award seen for the project between HEWASA Con. And KDLG. The documents can not show any project identification number for project and there no copy of completion certificate seen.
- There is observed shoddy works at some sections with observed variations from the stated B.O.Qs at the bidding level

- The project was launched before completion of several sections, however, HEWASA Con has been given full payment (payment vouchers seen but no receipts seen)
- There was conflict of interest in award of contract to HEWASA Con the business arm of HEWASA Ltd the co-founders of the project
- The issue has been reported to the KDLG but no response had been made by the time of spot check
- The District Water office Kabarole in expected to periodically supply fuel to run water pump, but it was reported by the scheme attendant that this was done only once. The community has failed to raise funds for fuel to supply sections that can at least access water when pumped
- There was inadequate community involvement, mobilization and training and eventually community has lost interest in using the facility. Sections of the GFS scheme are vandalized by the community. Community has refused to pay user fees because they can not see any benefits
- Security person has not been paid for 8 months but still guards the pump house
- Sub-standard pipes were used which have burst in some sections leading to spill over (at the time when facility was functional)
- There is no evidence of monitoring and supervision seen
- The case is taken up the Auditor General for further investigation
- Community uses unsafe water from open Volcanic lakes (Community members have reported high cases of Bilharzias)

Source: WUC chairperson, RAC, Scheme Attendant, Community, Field Observations (October 2008)

Plates VIII and IX: The picture shows that some shoddy work was done in sections of the Kasenda GFS that show shoddy work done by HEWASA CON. The project was launched before all sections were completed and this has affected flow of water. These pipes used were sub-standard and have burst due to excessive pressure. This rendered the project non-functional.



Source: Field Photos

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

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



Source: Field Photos

- h) Value for Money:** The Research Team did not observe cases of shoddy work in Gulu for the facilities visited. The contractors seem to have done good structural and physical designs of the facility. The biggest challenge as already noted is the poor management of the facilities by the community. In Kamuli Kabarole and Rakai there were several cases of poorly constructed facilities.
- i)** There is reported connivance between contractors, procurement committees and the technical official to inflate prices of contractors where substantial amounts are lost.

5.10 Accountability for Water and Sanitation Funds

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

- a) Financial Accountability
- b) Social Accountability

5.11 Financial Accountability

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

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

f) *Cheques are written and validated by the CAO for payment*

Source: *Local Government Financial and Accounting Regulation 1997*

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

5.12 Findings on Financial Accountability

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

- a) *Copy of the letter of Award and contract price*
- b) *Acceptance Letter*
- c) *Copy of Contract*
- d) *Copy of the terms of reference*
- e) *Water facility details (location, procurement number, amount allocated for facility compared to what was paid out to contractors)*
- f) *Requisition/demand notes in appropriate installments as per the guidelines or contract*
- g) *Payment requisition letter/invoices*
- h) *Completion certificates signed by supervisor*
- i) *Copy of approved vouchers*
- j) *Cheque numbers for money paid out to the contractors*
- k) *Cheque/payment issuance books signed by contractors' representative*
- l) *Receipts for payment from contractors*

Source: *Checklist Developed by Consultant*

5.13 Paper versus Physical Accountability

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

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

- i. *Kabarole-Kasenda/Rutete Gravity Flow Scheme*
There is proper paper accountability of 214,985,912 million for Kasenda/Rutete GFS constructed by HEWESA CON, but the works done are not worth the price tag of the facility. Note that the Auditor General's office has taken up the matter for investigation
- ii. *Kabarole- Kytengera and Kibito GFS's*
The Kytengere and Kibito GFS were constructed by Crane Technical Services Ltd have had fully payment made

and paper accountability made. While the Kyitengera GFS is non-functional the Kibito GFS has been poorly constructed and some sections are already run down. The Kyitengere and Kibito GFS's are valued at 600M and 62 M shillings from the documents seen in the Water office at Kabarole District Local Government.

- iii. Koboko-2 newly constructed protected springs are approved for payments and all the required documentation is available but a physical check showed that there was no value for money. While one has developed cracks barely a month after completions (by the time spot check in October) another one is not use at all because the hydrologist did not do quality water testing and the water is has iron and salty taste.
- iv. Gulu-DWO Gulu implemented the construction motorized borehole facilities in Coo-pe and Alero IDPs. The physical structures seem good but they are not functional due to poor operation, maintenance and poor ownership due to lack of adequate community sensitization.
- v. Soroti- Suspicious/ Double payment to E-Plus General Engineering Services Ltd for construction of 8 boreholes under PAF funds. The Company was advanced 20% of 103,391,600 (20,678,320). However, there are two separate payments of similar amounts of Shs 20, 678,320) paid to the same contactor on 2/3/2007.

As per details below:

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

Other General anomalies Observed include;

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

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

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

- a) **Late release of funds**-In some cases, the largest portion of resources receivable from the national budget are only credited to the district accounts in the 4th quarter. In such a case a district may only be able to do a fraction of the planned work. Examination of financial release forms in Gulu shows that the water and

sanitation sector funds for the FY 2006/07 had been released towards the end of the 4th quarter.

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

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

Note:

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

5.14 Social Accountability

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

A conceptual Framework of Decentralized Governance



Source: World Bank

- a) Democracy and Citizenship
- b) Participatory development
- c) Decentralization and public sector reforms
- d) Transparency and anti-corruption
- e) An active civil society
- f) Awareness of rights

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

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

5.15 Functionality of the Water Sources

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

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

ensure proper operation and maintenance of facilities. Costs are inflated by suppliers. There is need for government to subsidize suppliers of parts so that they can be sold at relatively affordable prices.

The decline in sanitation is attributed to floods in Eastern Uganda and the return of IDPs in the north. This has been evidenced by out break of epidemic such as Cholera, typhoid and hepatitis. People had more competing issues to prioritize than construction of latrines. Karamoja continues to have the lowest performance in sanitation due to the nomadic natures of the people in the region. The political and technical leadership in Karamoja have not emphasized and addressed sanitation issues compared to their counterparts in other parts of Uganda.¹¹

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



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

Plate XII: A contaminated stream being used a source of water in Koboko Town Council

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



Source: Field Photos

Picture XIV: Water projects under completion in Bushenyi



CHAPTER SIX

6.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

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

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

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

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

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

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

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

It should also be noted that there needs to be more emphasis given to sanitation especially in the districts of the North, West Nile and Karamoja sub-region.

6.1 Recommendation of the Study

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

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

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

The following District Cases should be follow up and investigated;

Table: XIII: Case for follow-up

District	Case for Investigation
Kabarole	<ul style="list-style-type: none"> • Award of Contract and Construction of Kasenda/Rutete GFS • Award of Contract and Construction of Kibito GFS • Award of Contract and Construction of Kitengere GFS
Koboko	<ul style="list-style-type: none"> • Construction of Malikulu Protected Spring to Wainaka Construction Services • Construction of Aresse protected Spring Wainaka Construction Services Ltd • Investigate why the Ludedela Borehole has been abandoned by the Community • Investigate the case that Tukali Shallow well is infested by Worms
Soroti	<ul style="list-style-type: none"> • Award of Construct to dig 8 boreholes by E-plus Engineering Services • Accountability for 8 boreholes constructed by E-Plus Engineering Services
Rakai	<ul style="list-style-type: none"> • Delay in Completion of Sanje Water Project
Kamuli	<ul style="list-style-type: none"> • Award of Contract to Construct Bugulu Borehole by Royal Tech. Services
Gulu	<ul style="list-style-type: none"> • Further investigation on the cause of Non-functionality of Water and Sanitation facilities in IDPs
Mukono	<ul style="list-style-type: none"> • Construction of protected spring in Kyabalogo Parish by M.G.E • Non-compliance of Accounts staff in Mukono to reveal accounting information

REFERENCE

1. District Planning Manual
2. District Water and Sanitation Guidelines
3. DWD, MWE Rural Water and Sanitation Strategy and Investment Plan (2000-2015)
4. Financial Management Guidelines for Lower Level Councils
5. Inspectorate of Government; The #rd National Integrity Survey (NIS III), Final Report October 2008
6. Internal and External Audit Reports
7. Investment Plans for Lower Level Councils
8. Local Government Audit Manual
9. Local Government Book Keeping Manual
10. Local Government Financial and Accounting Regulations
11. Local Government Tender Regulations
12. Ministry of Finance Planning and Economic Development National Budget Framework Paper for the Financial Years 2007/08-2009/10, March 2007
13. National Environmental Management Policy 1994
14. National Water Policy 1999
15. Operation and Monitoring Reports of Water User Committees
16. Operational manual for Local Governments
17. Procurement and disposal of Public Assets Guidelines
18. Procurement and Disposal of Public Assets Regulation
19. Sub-county Planning Manual
20. Summary Report on Value for Money/Technical Audit, Districts Capacity Needs Assessment and Review of MWE Monitoring and Evaluation Function
21. The Constitution of Uganda 2005
22. The Local Government Act 2000
23. The Ministry of Water and Environment General Assembly Presentations in Munyonyo (2005)
24. The Ministry of Water and Environment, Water and Sanitation Performance Report (September 2008)
25. The National Health Policy and Health Sector Plan
26. The Uganda Country Self-Assessment Report and Governance Programme of Actions, November 2007
27. The Water Act 1995
28. Tracking Study for the Water and Sanitation Sector Cost Variation (September 2008)
29. Uganda Water Action Plan 1995
30. Water and Sanitation Sector Performance Report 2005
31. Water Resource Regulations 1998 Water discharge Regulation 1998

List of Key Informants

S/N	Name	Organization	Contact
1.	Musoke	Chief Administrative Officer-Kabarole	
2.	Nyesiga Emmanuel	Secretary for Education, Health & Sports (RAC Chairperson Branch)	0772-644226
3.	Pius	DWO-Kabarole	
4.	Kayondo Christopher	Scheme Attendant-Kyitengere GFS	0782-363545
5.	Patrick	Independent Budget Monitor-Kaborole	
6.	Margret	Vice-Chairperson-Rwenzori Anti-Corruption Coalition)	
7.	Regina Abigaba	Accountant-Water (KDLG)	0772-522714
8.	Byaruhunga William	Chairperson WUC-Kasenda GFS	
9.	Katuruturwa Andrew	Executive Programme Manager-HEWASA	
10.	Dradria Anthony	District Water Officer-Koboko	
11.	Andrew katuruturwa	Executive Programme Manager- Health Through Water and Sanitation (HEWASA)	
12.	William	Chaireperson WUC-Kasenda/Rutete GFS	
13.	Kanyangoga Charles	Scheme Attendant-Kasenda GFS	Kasenda Sub-County
14.	Kiiza Shaban	Caretaker/Security-Kasenda GFS	Kasenda Sub-County
15.	Emesu Simon Peter	County Water Officer-Soroti	
16.	Paeter Opwannya	DWO-Soroti	
17.	Opedun Levitius	Accounts Assistant-Soroti	
18.	Onega Opio	District Engineer-Soroti	
19.	Waiswa Tom	Assistant Engineering Officer (CWO)-Kamuli	
20.	Kiwalazi Charles	DWO-Kamuli	
21.	Isiko Hammington	Senior Accounts Assistant-Kamuli	
22.	Kato Kayiizzi Ronald	Senior Engineer (DWD)-Mukono	
23.	Kalule James	CWO-Mukono	
24.	Kavuma	CWO-Mukono	
25.	Walugembe	Head of Procurement-Mukono	
26.	Kamy Daniel	District Engineer	

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

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

	Councils	Government		reference book for any body who is involved in planning at Sub-County and lower level of local councils; it details the roles and responsibilities of the main planning institutions and individuals at sub-county of lower Councils.
7	Local Government Development Programme (LGDP) Operations Manual	Ministry of Local Government	September 2003	Gives guidelines on accountability and reporting requirements for Local Governments.
8	The Local Government Public Accounts committee Regulations	Ministry of Local Government		Gives information and regulations relating to public Accounts Committees.
9	The Local Government Tender Board Guidelines and procedures relating to contracts and appointment of members	Ministry of Local Government		Guidelines for Local Governments Tender Boards for their routine populations.
10	The Local Government Tender Board Regulations	Ministry of Local Government		Regulations under which Contracts Committees in Local Government Operate
11	Guidelines for the planning and operation of District Water and Sanitation Development Grant	Ministry of Water, Lands and Environment/ Directorate of water	July, 2002	The document details the roles and responsibilities of central Government, the District Level Sub-county Level and community Level. The guidelines cover sector planning, issue at the national, district, and sub-county and community levels. This is a must for anybody working for water & sanitation sector whether as an operational or supervisory operative.

		Development		
12	Rural water and sanitation and Operation plan, 2002/2007	-do-	Sept, 2002	This document gives operation guidelines for a period of 5 years in rural water and sanitation sector. It is an investment plan for extending sustainable and equitable coverage of water and sanitation facilities. This operation plan presents national program support activities, which include institutional capacity support and use of demand responsive strategy in extending the already existing services and facilities and ensuring that services are used sustainably and extended to other areas of need.
13	The public procurement and Disposal of public Assets Act, 2003	Ministry of Finance planning and Economic Development	Jan, 2003	The Act was established to operationalise policies and regulations and practices in public procurement and disposal of public assets. It was established by parliament as an autonomous body with a Chief Executive working under a Board of Directors.
14	The public procurement and Disposal of public Assets Regulations, 2003	-do-	September, 2003	The detailed regulations are intended to guide all public procurement and Disposal of public Assets Activities.
15	Fiscal Decentralization Strategy Budget Guidelines, Background Document	-do-		The document describes elements of the FDS and the design carried out in the preparation guidelines, and the new elements of the Budget preparation process. It further explains the roles of the Local Governments and Line Ministries and how they relate. It explains the change in following; <ul style="list-style-type: none"> ▪ The roles of the Local Government Budget Committee and Local Government Release and Operations Committees within budget formulation

				<ul style="list-style-type: none"> ▪ Implications on the review of sector policies with respect to decentralization and the Fiscal Decentralization Strategy.
16	Poverty Action Fund General Guidelines for the planning and Operation of Conditional Grants	MOFPED	2003/2004	<p>The Poverty Eradication Action Plan (PEAP) guides Government and its partners in planning, priority setting and resource allocation in its strategy for eradication of absolute poverty by 2017. It has the following pillars namely:</p> <ul style="list-style-type: none"> ▪ Sustainable economic growth and structural transformation. ▪ Good governance and Security ▪ Raising the incomes of the poor and ▪ Improving the quality of life of the poor ▪ Government developed guidelines for the planning & operation of conditional grants given to Local Governments to fight poverty countrywide.
17	A Community Resource book for Water and Sanitation	MWE/DWD	2007	Gives guidelines to Management, suitability, operation and maintenance of Community Water facilities