UGANDA'S STORY:

Rural water supply in Uganda: Major strides in sector coordination and performance

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Major strides in sector coordination and performance

Key messages

1. Since 1990, Uganda has made notable progress in increasing access to improved drinking water sources in rural areas and has taken major strides in improving its national and local rural water service delivery systems.

2. A combination of factors, exogenous and endogenous to the sector, has helped drive progress. These include: a strengthened sector policy and institutional framework; shifting aid modalities and improved development cooperation; development financing and enhanced resource allocation; and national leadership and political support, particularly up to the mid-2000s.

3. Key lessons learnt include: aid can be more effective when it 'works with the grain' and when the incentives of donors and recipients are aligned with reform processes; the scope and longevity of sector reform depends greatly on the degree of government leadership and political support and the logic of the political system; equity and sustainability issues need to be addressed systematically if progress is to be maintained; and a shift from the poverty agenda to one of macroeconomic stability and export-driven growth poses risks to social sector progress.

"Uganda is a relative leader in terms of improving access to rural water supply."

Summary

Water of adequate quantity and quality is essential to sustaining human life and meeting the Millennium Development Goals (MDGs). Although progress has been made globally in providing access to improved water sources, challenges remain in many countries, particularly in sub-Saharan Africa.

Uganda has been no stranger to these challenges. It is one of the poorest countries in the world, with rapid population growth putting pressure on freshwater resource availability. Poverty incidence remains high, in spite of progress made, and is firmly entrenched in rural areas, which are home to more than 80% of Ugandans. In the early 1990s, the rural water sector was characterised by a relatively weak sector policy framework, limited sector coordination and insufficient institutional capacity. More than 60% of the rural population – some 9 million rural inhabitants – lacked access to safe drinking water.

Nevertheless, Uganda has made notable progress in rural water sector coordination and performance, and has increased rural access to improved water sources. Sector progress surged in the late 1990s and into the mid-2000s. Challenges going forward include declining sector resource allocation, some fragmentation of sector activities and changing political economy priorities.

What has been achieved?

Uganda increased water coverage in rural areas from an estimated 39% in 1990 to 64% in 2008 (Figure 1), which means 11.9 million rural people gained access to improved water sources.[1] In 2010, access was recorded at 65%. If past trends continue, Uganda is on track to meet the rural water supply MDG of 70% access. Uganda is, as such, a relative leader in terms of improving access to rural water supply when compared with neighbouring countries in Eastern and Southern Africa (Table 1).

Figure 1: Rural access to improved water supply in Uganda, 1990-2008[2]

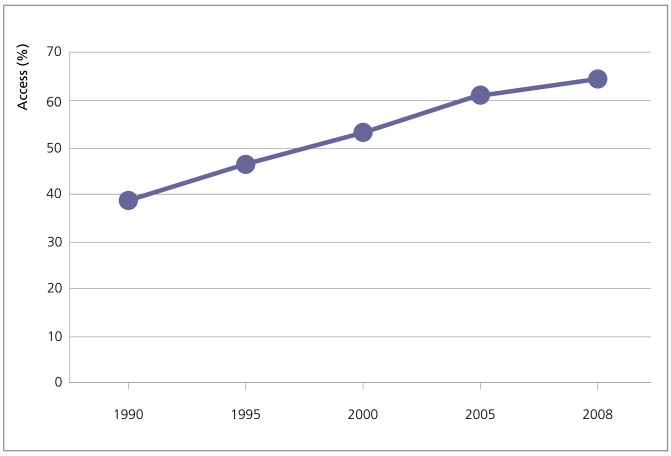

Table 1: Rural access to improved water supply in Eastern and Southern Africa, 1990-2008[3]

Country	1990	2008	Change (+/- %)
Uganda	39%	64%	+25%
Zambia	23%	46%	+23%
Kenya	32%	52%	+20%
Ethiopia	8%	26%	+18%
Mozambique	26%	29%	+3%
Democratic Republic of Congo	27%	28%	+1%
Tanzania	46%	45%	-1%
Sudan	58%	52%	-6%

1 These estimates are based on the WHO/UNICEF (2010) Joint Monitoring Programmes (JMPs) and Uganda Bureau of Statistics population estimates. It is recognised that there are discrepancies in the data (see background paper). For this report, JMP estimates are used.
2 JMP data.
3 JMP data.

What has driven change?

Policy and institutional change

Uganda has made major strides in improving the quality and capacity of its national and local systems for water service delivery in rural areas. The main elements of the sector reform process include: reform of the policy framework and adoption of one coherent country approach; strengthening of the institutional framework, including long-term capacity building, notably at district level, and adoption of decentralised service modalities; and increased rural coordination and consultation (through a sector-wide approach (SWAp)), including the establishment of multi-stakeholder Sector Working Groups (SWGs) to strengthen strategic resource allocation and Joint Sector Reviews (JSRs) to monitor progress.

These consultative reform and budgeting processes have created incentives for the active engagement of sector stakeholders. Uganda is now considered one of the leaders in terms of sector reform in Africa. Capacity levels differ across districts, however, and public service restructuring combined with a rise in the number of districts has spread capacity more thinly.

Improved development cooperation and shifting aid modalities

In parallel with sector reform, many donor agencies better aligned their operations with national government priorities and shifted aid modalities from project support to sector budget support (SBS). Sector aid moved from 100% conventional project aid in 1998 to more than 40% SBS or basket funding by 2008.

These changes in donor behaviour have given a more central role to the use and strengthening of national and local systems for policy development and service delivery, and have reduced sector fragmentation and duplication. Elements of fragmentation and project interests remain, though, making it difficult to enforce policy guidelines entirely across the sector.

Development finance and enhanced sector resource allocation

Sector progress was also driven by marked increases in external and national development finance – mainly from the end of the 1990s up to the mid-2000s – alongside an improved financing framework and flow of resources to local government. Under the Heavily Indebted Poor Country (HIPC) initiative, Uganda qualified for substantial debt relief in 1998 and 2000, and decided to channel a large share of the extra resources to the water sector. Between 1997 and 2002, for instance, government budget allocations to the sector rose from $3 million to $31 million. Furthermore, the introduction of the District Water and Sanitation Development Conditional Grant enhanced the flow of resources to the district level, expanding local government water service delivery.

Public financing to the sector has been declining since the mid-2000s, however, with 'sector ceilings' applied on resource spend. This may hinder further progress. Also, sector reforms have not fully overcome the challenge of achieving service sustainability and ensuring equitable access to services across and within districts.

Leadership and the politics of water and poverty

Leadership, ownership of reform processes and political prioritisation also drove progress. There was clear domestic leadership, with sector 'reform champions' within the Ministry of Water and Environment backed by other powerful institutions. For example, the Ministry of Finance made the decision to channel debt relief to the water sector and to support rural water sector leaders' willingness to drive reform. This was backed up by Uganda's political prioritisation of the poverty reduction agenda from the late 1990s to the mid-2000s and by the recognition that water supply was central to this.

A changing political economy context has threatened to restrict further progress, however. Political support has shifted away from the poverty agenda and social spending towards a focus on macroeconomic stability and export-oriented growth, reflected in the declining sector financial flows since 2004. The neo-patrimonial

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governance context also threatens to hinder the effectiveness of rural water service delivery by diverting resources away from sector priorities. Such challenges will need to be addressed to ensure Uganda’s progress is maintained.

Lessons learnt

- Aid can be more effective when it works ‘with the grain’ in developing countries, flowing through – rather than bypassing – domestic systems. Improved donor alignment alongside SBS can help build the quality and capacity of national and local institutions for service delivery.
- A SWAp presents both advantages and pitfalls for sector performance. It can lead to improved coordination in line with a more coherent policy, institutional and financial framework. Yet its effectiveness depends on the degree to which there are policies in a country to align with and the degree of domestic support to the process. The SWAp process does not automatically address the challenges of fragmentation in government systems or service sustainability.
- Adequate social sector spending is needed to maintain sector progress in the long term, particularly in a context of rising unit costs and population growth. External and domestic finance supported progress here, but progress risks stalling as a result of a decline in sector investment and a shift in focus towards maintaining macroeconomic stability, debt servicing and export-driven growth.
- The long-term engagement of donors in the sector can help build capacity and create relations of trust. It is crucial that there is a genuine process of mutual learning and knowledge transfer between donor and aid recipient, as opposed to donors using their relative position of power to impose their ideas and conditions.
- Increasing access to improved water sources needs to be balanced by an adequate focus on sustainability and equity outcomes. Progress can stall, or be reversed, if insufficient attention is given to the operation and maintenance of water points and to equity considerations.
- The surge in progress in Uganda depended on a confluence of different factors – endogenous and exogenous to the sector – which created a ‘window of opportunity’. Actors will need to think and act strategically to create, and capitalise on, such windows in different contexts.
- Reforms are unlikely to be effective without understanding and addressing underlying incentives within recipients and donor agencies. In Uganda, consultative reform processes created incentives for the engagement of relevant stakeholders in sector change. Yet incentives linked to project-based aid persist.
- Drivers outside of the sector can contribute to sector progress. International actors, political imperatives and alliances with powerful ministries can influence sector progress. Sector leadership may not be sufficient for strong progress in the absence of wider support at national, or even international, level.
- National ownership of the reform process and a core of technically competent and relatively powerful ‘reform champions’ within government were key factors in driving and sustaining sector progress.
- Political support matters, as does the nature and logic of the political system. The depth and longevity of sector reform relies on political support, which can ebb and flow. In Uganda, political prioritisation of water and poverty was central to progress. By the same token, shifting political support away from sector spending – and the broader neo-patrimonial logic – has restricted further progress and affected the implementation of reforms. Sector-level governance reform is unlikely to be successful without broader political reform, which takes time and is dependent on deep-seated – and often intractable – historical and contextual processes. Development advocates will need to fully understand these processes to promote sector change more effectively.

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