



**Ministry of Water and Environment
Joint Sector Review
September 18th -20th 2018**

**SECTOR PLANNING, FINANCE, M&E AND
CAPACITY DEV'T
P.E- Collins Amanya**

Introduction/Background

- The section provides highlights of planning, monitoring and capacity building function in the sector for the financial year 2017/18

Progress on undertakings for JSR 2018

No	Undertaking	Status
1	Establish Project development Committee in each Department	Committees established in 110 key development departments by end of FY
2	Prepare a Comprehensive and costed training plan	Costed training plan for the MWE staff was developed for the period 2018/23

WASH Good Governance-Performance

				Performance			Target	Actual	
	Indicator	Principle	Entity	2014/15	2015/16	2016/17	2017/18	2017/18	Remarks
1	% Implementation of the previous year's audit recommendations of financial statements	Accountable to audit office and its recommendations	MWE	DNYF	DNYF	DNYF	DNYF	DNYF	Data not yet submitted.
			NWSC	89	91.5%	85.7%	100	86	General good performance
2	Average weighed procurement performance	Accountable to procurement procedures	MWE	81%	84.7%	N/A	100	77.9	Generally good performance
			NWSC	N/A	N/A	N/A	100	80.1	There is generally good performance.
3	% Districts' budgets that reflect CSOs' contributions	Transparency in financial planning	Rural	N/A	N/A	N/A	N/A	N/A	collecting the required data
4	% of annual budget allocations, budget releases and actual expenditures in relation to sector funding needs' priorities	Accountable and adherence to Sector Investment Plans and Budgets	Rural	24%	N/A	N/A	100	85	This analysis is mainly based on the expenditure against the releases in the Financial Year.
			Urban	101%	N/A	N/A	100	91	
			WfP	29%	N/A	N/A	100	99	
			WRM	138%	N/A	N/A	100	76	
5	NWSC's Customer Satisfaction Index	Transparency to customers	NWSC	78.4%	88%	84	80	85	Generally good performance

Plans/Achievements (performance)

No	Planned activity	Achievement
1	Prepare Sector BPF and MPS 2018/19	Prepared and produced the Sector BFP and MPS 2018/19
2	Undertake Annual monitoring of sectoral activities	Coordinated and Undertook monitoring of selected MDAs by MWE and Committee on Natural resources with Agencies
3	Prepare mandatory 4 quarterly and annual performance reports	Prepared 4 quarterly performance reports
4	Prepare and submit new project proposals to MoFPED	14 projects concepts prepared and submitted to MoFPED
5	Performance improvement training conducted	Trainings in performance improvement conducted for Nyabyeya Forestry College, WSDFs, TSUs, WMZs & Uos in key improvement areas identifies i.e. Procurement and Contract Management
6	Prepare a Comprehensive and costed training plan	Costed training plan for the MWE staff was developed for the period 2018/23

Sector financial Performance 2017/18

Funding Source	Approved Budget including supplementary [bn UGX]	Released	Spent	% Released	% release spent
GoU	459.217	423.52	415.56	92.2%	98.1%
Donor	320.135	320.14	268.29	100.0%	83.8%
AIA	889.80	880.79	878.23	99.0%	99.7%
Off- Budget	101.39	101.39	101.39	185.1%	100.0%
Total	1770.53	1,725.8	1663.5	100.1%	96.4%

Sector budget for the FY 2017/18 was **UGX 1,770.53bn**. This included the supplementary of by **UGX127.94bn** approved along the course of the year. I.e. **UGX 50bn to NWSC** on GoU component, and UGX40.8bn for WMDP and UGX 37.14 for FEIFOC on External Funding components respectively.

On- Budget performance by Vote Function

Vote Function/ Centre	Approved budget [bn UGX]	Released	Spent	% of Budget Released	% release spent
MWE	668.08	638.50	585.88	95.6%	91.8%
NEMA	13.10	12.28	10.98	93.8%	89.4%
NFA	12.27	11.04	10.67	90.0%	96.6%
UNMA	27.35	23.27	22.42	85.1%	96.3%
Grants to LG	58.55	58.55	53.89	100.0%	92.0%
Total	779.34	743.64	683.84	95.4%	92.0%

On-Budget includes funds released to MDAs by MoFPED from treasury. The release to the sector stood at **95.4%** while expenditure was **92 %** of the release. The unspent funds were mainly to land which goes through rigorous approval process before expenditures are made and consultancy services whose certification and approval could not be finalised by close of the financial year hence payments were not been effected. Though release performance was at 95.4%, the unreleased funds amounted to **UGX 35bn** which is a huge amount to the sector in real terms.

Appropriation in Aid (AIA) performance 2017/2018

Vote Function/Centre	Planned Budget	Actual Outturn	% of Actual Collection spent
NEMA	11.39	11.39	100.0%
NFA	17.24	9.20	53.4%
UNMA	2.20	2.09	95.0%
NWSC	858.97	858.97	100.0%
GRAND TOTAL	889.80	880.79	99.0%

AIA- These are funds collected and spent at source by MDA's with Approval from Parliament. On the overall, the sectoral Agencies performed at **99%** in this area. Save for National Forestry Authority that performed at an average of **53.4%** due less collections resulting from low seedling sales, less funds from carbon credits, and suspended sand mining in CFR leading to loss of anticipated revenue of UGX 4.5bn

Conditional Grant Performance to LG's 2017/2018

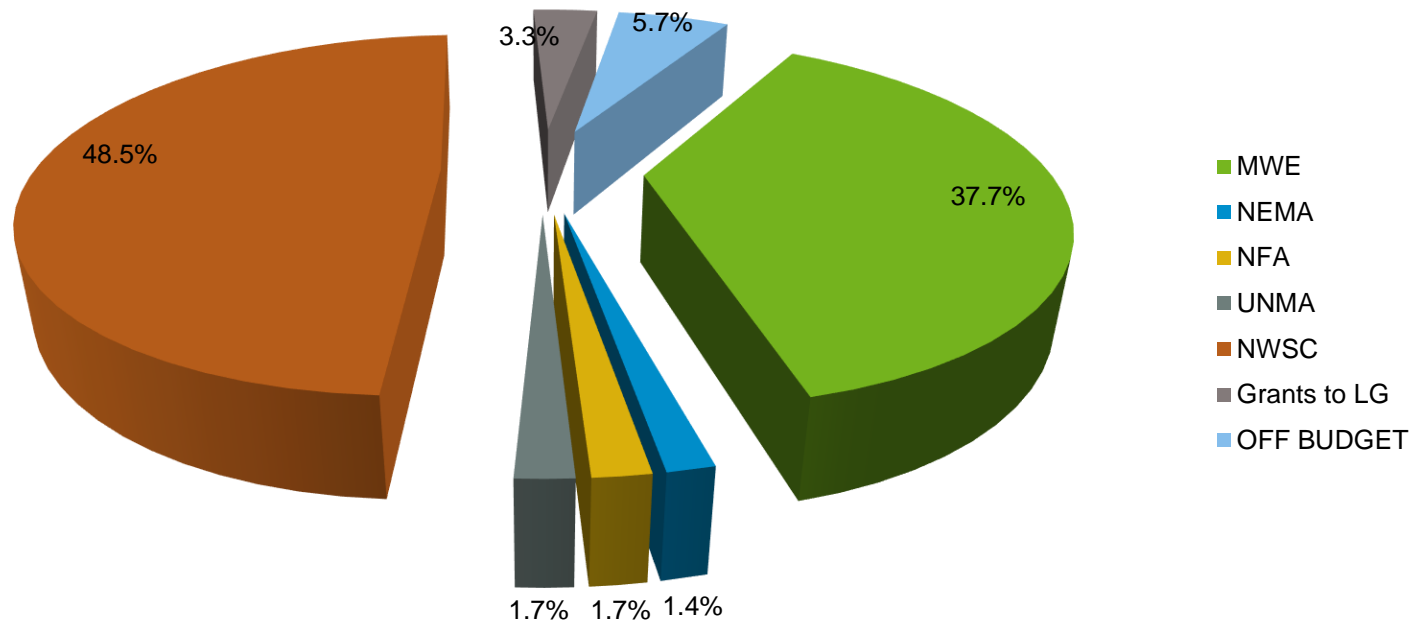
Sub-Sector	Released	Budget [bn UGX]	Released	Spent	% Released	% release spent
Rural Water Development	Dev't	48.29	48.29	44.10	100.0%	91.3%
	Recurrent	4.47	4.47	4.00	100.0%	89.5%
Urban Water O&M	Recurrent	2.50	2.50	2.50	100.0%	100.0%
Sanitation Development	Recurrent	2.00	2.00	2.00	100.0%	100.0%
Wetlands	Recurrent	1.29	1.29	1.29	100.0%	100.0%
Vote 0580 LGs		58.55	58.55	53.89	100.0%	92.0%

Notably to note is that even though MoFPED has consistently provided and improved financial releases to LG's on time, reporting and absorption in some of the local governments is still low. (Detailed local government reports provided in the report under rural water, urban water and environment sections)

Share of sector budget by Vote Function 2017/18

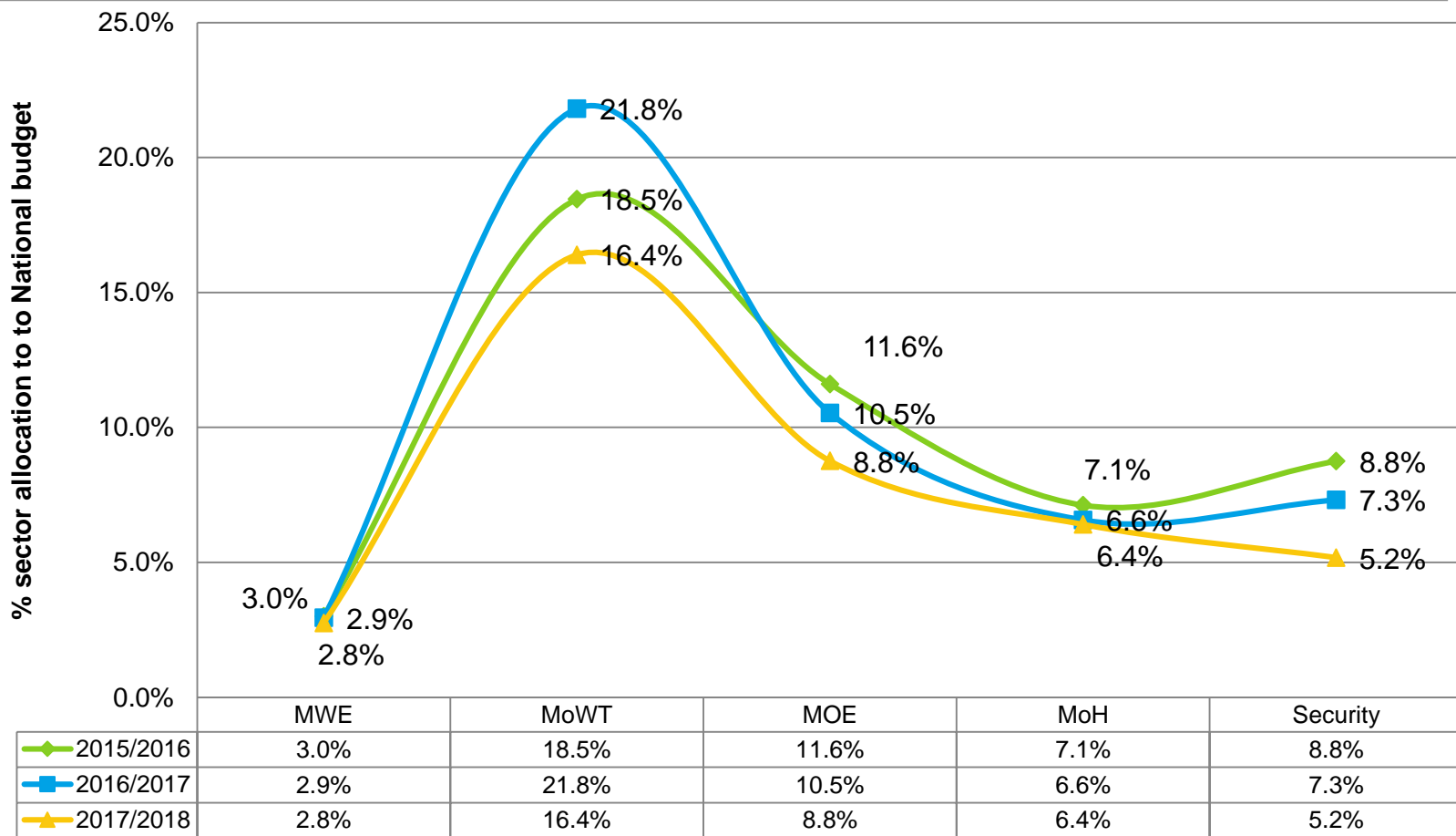
- The total sector operational budget was **UGX 1,770.53bn** and this was distributed as follows: Vote 019 allocated **UGX bn 668.9** (37.7%), Vote 0150 (NEMA) was allocated **UGX bn 24.49** (1.4%), Vote 0157 NFA was allocated **UGX bn 29.55** (1.7%), Conditional Grants totalled up to **UGX bn 58.73** (3.3%), NWSC budgeted for **UGX 858.97** (48.5%) UNMA was allocated **UGX 29.55**(1.7%) and the off budget allocation totalled to **UGX 101.39**(5.7%)

MDA's SHARE TO SECTORAL BUDGET 2017/18 AS PROPRIATED BY PARLIANMENT

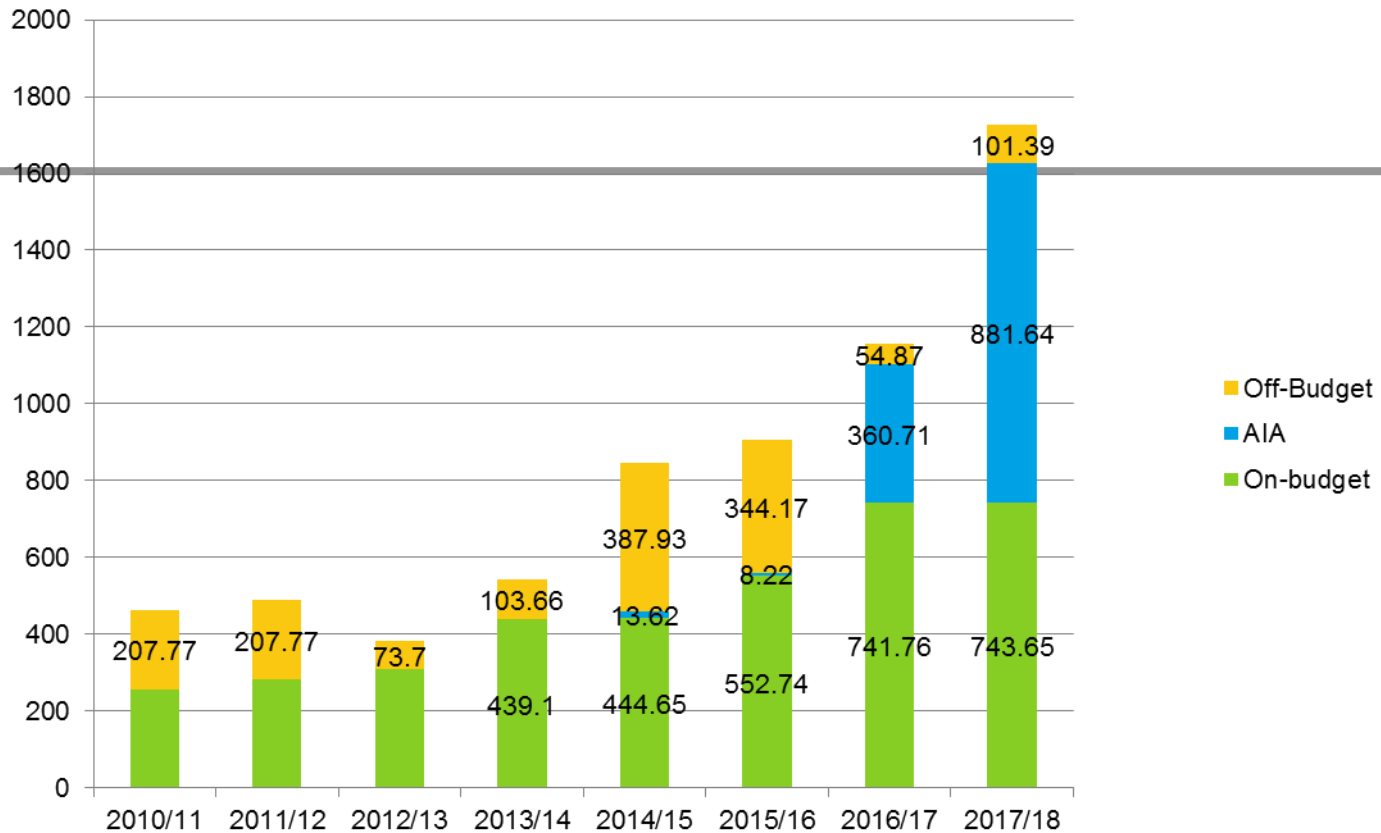


Sector Funding as a Share to the National Budget

The sector's share to the National budget continued to decrease by one percentage point from 2.9% in the FY 2016/17 to 2.8% in the FY 2017/2018 despite increased revenue mobilization and increase of the national budget over years.(Considering only on- budget funding)



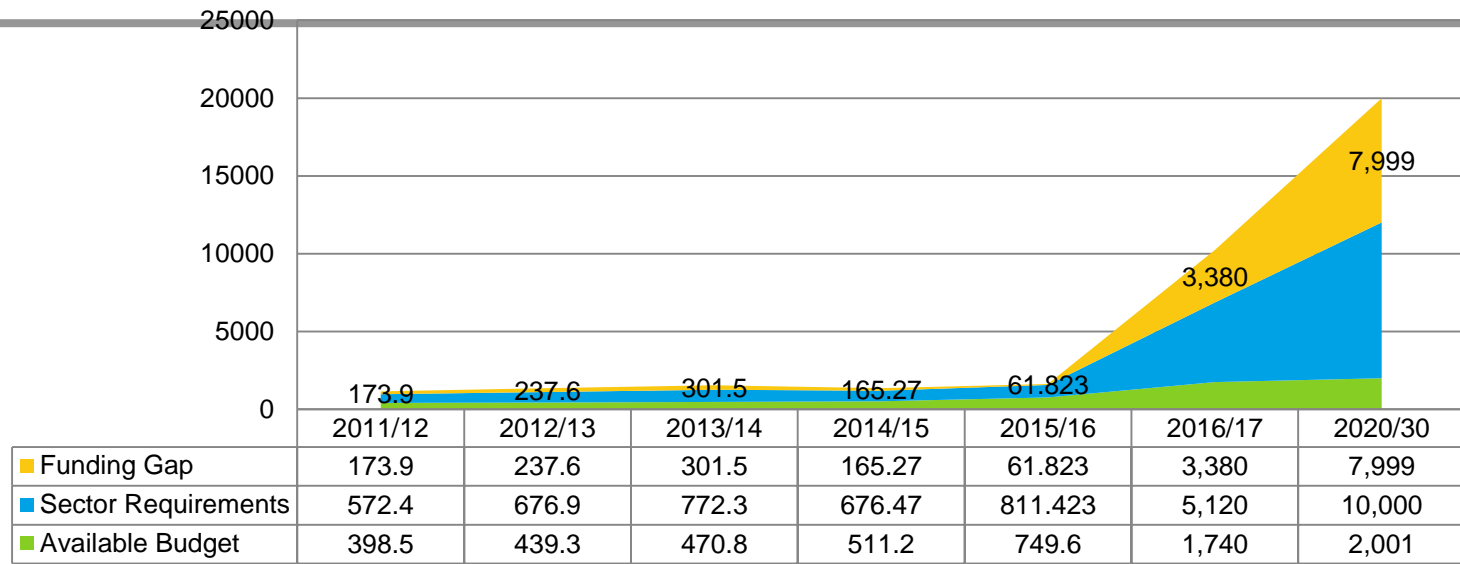
Trends in sector financing



Appropriation in Aid (AIA) continues to take the biggest share of the sector's budget source of funding accounting for 51% of the total sector budget share followed by GoU contribution at 24%, external Funding at 19% (Grants and Loans) and Off-budget funding at 6%.

Challenges/Emerging issues

Low allocations against the minimum Sector Investment Requirements in the Medium term



The sector reviewed and update the SIP 15 in 2017 to include the ENR subsector based on the 24 sector indicators. Its estimated that **UGX 5.10 trillion** is required annually and increasing to **10 trillion** by **2030** to serve the population by then and if the sector is to realise its set target measured by these indicators. As reflected above, the sector still has a huge funding requirement to meet her set goals amidst the ever growing population and huge service delivery demands.

Challenges/Emerging issues

- The perception of training and capacity development as 'consumptive' item hence not eligible for funding or even the little allocations made are reduced year in year out by MoFPED
- Appreciation of Monitoring and evaluation in some of the programs is low. The activities implemented sometimes are different from what is originally planned, most at times the monitoring done does not influence the implementation of activities as the structure is not well entrenched into management of the sector
- The sector accumulated huge tax burden on the externally funded projects due to the change in VAT management mid way in some contracts. Though the ministry has tried to reduce the tax obligations the requirements are still above the individual project allocations