



WATER AND ENVIRONMENT SECTOR

**THE 5th JOINT GOVERNMENT OF UGANDA – DEVELOPMENT PARTNERS
SECTOR REVIEW 2013**

AGREED MINUTES

29th – 31st OCTOBER 2013

SPEKE RESORT - MUNYONYO, KAMPALA

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1 INTRODUCTION

The Joint Sector Review (JSR) is a forum for performance assessment, setting of budget priorities and provision of policy guidance for the water and environment sector. Presentations and contributions are guided by a Sector Performance Report and a pre-determined theme originating from emerging policy issues. The event allows a broad spectrum of stakeholders to get an insight into, discuss, and influence sector developments. The JSR draws conclusions and makes recommendations on overall developments in the sector. Any binding decisions during JSRs, such as formal undertakings for the forth-coming twelve months or beyond, are subject to endorsement by the Water & Environment Sector Working Group.

The JSR supports the Joint Budget Support Framework and the Joint Assessment Framework (JAF), which is the Government of Uganda and Development Partners' forum for constructive dialogue and agreements on provision of Budget Support. The JSR critically examines the achievement of annual targets for sector indicators, prior actions and attainment of undertakings from previous years, and formulates the undertakings for the following year(s). The sector review supports the later JAF appraisal, which takes place in November.

The timing of the JSR is also linked to the start of preparations for the next national budget cycle and the Medium-Term Expenditure Framework (MTEF).

2 PROCESS OF THE REVIEW

The 5th JSR for the water and environment sector took place from 29th to 31st October 2013 at the Speke Resort- Munyonyo, Kampala. The theme for the review was ***"Enhanced performance of the Water and Environment Sector"***.

The overall aim of the 2013 Joint Sector Review in conformity with the above theme was: *"To continue developing practical sector approaches towards sustaining Uganda's environment and water resources"*.

The 2013 JSR had the following specific objectives:

1. To assess progress and performance of the sector in relation to the agreed key sector performance indicators and the 2012 JSR undertakings.
2. To provide policy and strategic guidance to the Water and environment Sector institutions and stakeholders.
3. To develop undertakings for the forth-coming twelve-month period.
4. To provide a forum for sharing experiences and lessons learnt from the regions, districts and Local Governments.

The overall sector performance for 2012/13FY is presented in the Water and Environment Sector Performance Report, 2013.

Participants in this year's review included:

1. Government Ministries, Departments and Agencies (MDA), namely, Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), Ministry of Finance, Planning and Economic Development (MoFPED), Ministry of Gender Labour and Social Development, Ministry of Health (MoH), Ministry of Lands Housing and Urban Development, Ministry of Water and Environment (MWE) including Water and Sanitation Development Facilities (WSDFs), Technical Support Units (TSUs), Umbrella Organisations (UO), Water Management Zones (WMZs), the sector semi-autonomous agencies National Water & Sewerage Corporation (NWSC), National Environment Management Authority (NEMA), and National Forest Authority (NFA), as well as the Appropriate Technology Centre (ATC Mukono), and the Office of the Prime Minister (OPM)
2. The Chairperson Natural Resources Committee.
3. Selected local governments of Ntungamo, Mbale, Kiruhura, Lira, Masaka, Luwero, Jinja, Mubende, Otuke, Buikwe, Kaliro, Kyotera, Adjumani, Gulu, Amudat, Lyantonde, Tororo, Manafwa, Soroti and Kumi District, represented by their elected and appointed officials, namely: District Chairpersons, Chief Administrative Officers (CAOs), District Health Inspectors (DHIs), District Water Officers (DWOs), District Natural Resources Officers (DNROs), District Environment Officers (DEOs), District Forestry Officers (DFOs), City Environment Officers, Town Engineers, and Town Clerks representing Water Authorities, and Kampala Capital City Authority (KCCA).
4. Bilateral Development Partners (Austrian Development Cooperation (ADC), Danish Embassy (Danida), French Development Agency (AFD), Germany (Kreditanstalt für Wiederaufbau (KfW), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and German Embassy), and Japan International Cooperation Agency (JICA).
5. Multilateral Development Partners (African Development Bank (AfDB), the European Union (EU) Delegation, Food and Agricultural Organisation (FAO) of the United Nations, United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), and the World Bank.
6. Civil Society Organisations-CSOs (Busoga Trust, Caritas Maado, Environmental Alert, IRC International Water and Sanitation Centre / Triple-S, NETWAS, Protos, SNV Netherlands Development Organisation, Tree Talk, Uganda Wildlife Society, WaterAid, UWASNET (Uganda Water and Sanitation NGO Network, the umbrella organisation of WSS CSOs), and World Vision Uganda.
7. The Uganda Local Governments Association (ULGA) and the Uganda Rain Water Association.
8. Researchers and radio and print media (NTV, UBC, New Vision, Daily Monitor, Red Pepper, and Voice of Toro), and
9. The private sector, represented by Amazing Enterprises, and Innovation Africa Ltd.

In all, **268** people participated in the Joint Sector Review 2013.

2.1 Opening Ceremony

The JSR 2013 opening ceremony was chaired by Mr David O. O. Obong, the Permanent Secretary, MWE. Opening remarks were then made by H.E. Dan E Frederiksen, the Ambassador of Denmark (Lead Development Partner of the Water and Sanitation sub-

sector). The Ambassador in his remarks: i) appreciated the development of the Capacity Development Strategy as major achievement for the sector which will facilitate a harmonised approach to capacity-building, but stressed the need for further sub-sector guidelines in order to provide adequate guidance at the sub-sector level, ii) commended the ongoing process for the establishment of an independent regulation authority, which has the potential to lead to improved performance in terms of water supply and sanitation service provision, iii) welcomed efforts taken by the sector to tackle the issue of equity in water sources allocation but reiterated the need for more to be done, especially with regard to reducing the differences between sub-counties as well as at parish level, iv) expressed concern about the low funding to the sector, and v) expressed the need to fast-track the approval of the GoU restructuring as well as the passing of the Water Act and Policy.

This was followed by opening remarks from Mr. Alhaji M. Jallow, the Representative of the Food and Agriculture Organisation - FAO (Lead Development Partner for the Environment and Natural Resources sub-sector (ENR)). He noted the significant progress with the wetland boundary demarcation strategy, and the commendable efforts made towards decentralisation of the ENR activities. He welcomed the increased compliance to environmental mitigation measures as a result of enforcement. He welcomed the Joint Water and Environmental Sector Support Programme as a major milestone. He noted that greatest challenges include the declining funding levels to less than 1% given the role of the environment in all sectors, and the importance for the economy.

The Honourable Minister of Water and Environment, Professor Ephraim Kamuntu, in his opening remarks, summarised the achievements made in the sector in the last financial year. He reminded the audience of the Uganda Vision 2040 that was launched in April 2013, He indicated that if the country embarked on a national crusade for rainwater harvesting, an additional 11% of the population would be served. He reiterated the main sector issues, being first of all inadequate financing to address the many challenges, and secondly to change the mindset of the people towards washing hands. He also warned the audience that although commercially viable oil and gas deposits is a blessing, it is found in fragile environments which need to be conserved; value for money is required and zero tolerance to corruption.

The Honourable Minister of State in charge of Micro Finance and Enterprise Development of the Ministry of Finance, Planning and Economic Development (MoFPED), Ms. Caroline Okao, in her opening remarks reiterated the message of MoFPED in previous SPRs, that the main challenge to service delivery is achievement of maximum effectiveness and efficiency.

The Chief Guest, Hon. Amama Mbabazi, the Right Honourable Prime Minister of Uganda, who officiated at the opening ceremony of the JSR, in his speech noted the reasonable increase in total storage capacity, and the design and construction of water storage facilities at district level, but indicated also that the progress is insufficient in view of the sector targets. He pointed out that in its Manifesto of 2011, NRM pledged support amongst others large gravity fed and piped water supply systems in various districts and increased rainwater harvesting in water-stressed districts, as well as an

increase in sewerage in Kampala. He noted that progress is however less than planned for, and the sector needs to optimise planning and be transparent. With the resources provided this year, more effort will be put to achieve better results by the next review, including participation of the communities in adaptation and mitigation measures to address climate change, and mobilising the masses in tree planting. He thereafter officially opened the review.

2.2 Presentation of sector performance

The senior technical officers of the Ministry of Water and Environment and the sector semi-autonomous agencies presented the major achievements for each sub-sector.

The performance by Civil Society Organizations (CSOs) was presented by Uganda Water & Sanitation NGO Network (UWASNET) representing the Water and Sanitation CSOs, and by Environmental Alert, representing the ENR CSOs.

Danida, the Lead Development Partner of the water and sanitation sub-sector, provided a response to the sector performance report. The Danida representative informed the review that the Development Partners (DPs) would provide detailed comments to the Sector Performance Review (SPR) 2013 and urged the Sector to respond to the comments. She also mentioned that the government did not provide response to the previous comments submitted on the SPR 2012 from the DPs sent to the Permanent Secretary of the Ministry of Water and Environment in November 2012. The main issues highlighted were: i) appreciation of the new innovations to the SPR particularly the inclusion of trend analyses which facilitates useful comparisons as well as the inclusion of chapter 16 which focuses on the key issues for dialogue, ii) the establishment of the MIS working group which is meant to harmonise data from the various departments and stakeholder groups. This is a welcome move, it will facilitate the sector to harmonise data and parameters for measurement and easy comparison, iii) appreciated progress on some indicators namely urban access, hand washing, iv) however DP were concerned with stagnation of coverage in rural areas, non-achievement of the equity indicator, v) also noted that the chapter on JBSF/JAF was missing and thus requested the sector to prepare a separate write-up which will feed into the JAF5 appraisal scheduled for December 2013.

FAO, the Lead Development Partner of the ENR sub-sector provided feedback on the sector performance review. He pointed out that he DPs are pleased with the progress made towards ENR sub-sector targets despite the challenges of declining funds. He stressed that future undertakings should not only be prioritised and linked to available resources, but that they should also take into account institutional challenges and barriers, and how they can be resolved.

The Hon. Minister of Water and Environment in his subsequent remarks provided his feedback on the sector performance review. He urged the sector, and especially NEMA, to be more vigilant if Uganda is to reverse the present trend of degradation of the environment and natural resources.

The Uganda Local Government Association (ULGA) also presented a response with regard to issues that were negotiated between MWE and the Local Governments in preparation for the 2014/15FY budget process.

3 SECTOR ISSUES

3.1 Sector support

This Joint Sector Review was held at a time when the Joint Financing Agreement of the next five-year **Joint Water and Environment Sector Support program** (JWESSP) had just been signed with a total contribution of 177 million Euros. The JWESSP programme will have a total of eight components and will be supported by Denmark, Austria, Germany, the African Development Bank (AfDB), EU and FAO. The sector DPs have indicated willingness to provide a total of Euros 177.1 million for the JWESSP implementation. The JWESSP inception phase runs from October 1st, 2013 to March 31st, 2014. During this inception phase, clear and concrete milestones and indicators for the next five year period will be established.

The MWE also prepared a 5-year (January 2013 – December 2018) **Water Management and Development Project** (WMDP) which is to be funded with a loan of US\$ 135 million from the World Bank. Project implementation has started. The funding will be for promoting investments in integrated water resources planning, management and development as well as constructing, improving and expanding water supply systems in priority Large and Small Towns. The WMDP implementing agencies are the Ministry of Water & Environment and the National Water and Sewerage Corporation who will coordinate their efforts with other entities engaged in water resources management and environment protection.

The **German government**, through KfW continues to support the development and construction of piped water systems and sanitation facilities for WSDF-N and E and has confirmed additional funding of 10 million Euros.

A joint programme, Lake Victoria WATSAN, financed by European Investment Bank (EIB), Agence Française de Développement (AFD), German Development Cooperation via KfW and Government of Uganda for 212 million Euros started in May 2011. Negotiations between Uganda and Germany on additional funding for water and sanitation measures in informal settlements of Kampala (for an additional 10 million Euros) in the framework of this project have been completed. Moreover, another 20 million Euros for financial cooperation in the "Integrated Programme to improve the living conditions (IPLC) Gulu" were announced by the German government, but it still needs to be confirmed.

Technical assistance is continued to be provided through GIZ. Additional 9.3 million Euros have been committed by the German government for the continued support within the Reform of the Urban Water and Sanitation Sector Program (RUWASS).

3.2 Overall sector performance

As of June 2013, access to safe water within 1km in the rural areas was 64%, similar to last year. For the urban areas, access to safe water within 0.2km increased from 69% to 70%. Functionality of water supplies increased with 1% point to 84% for rural water supplies, and with 3% points to 87% in urban areas. Access to household latrine coverage in the rural areas has increased from 69.6% to 71%. Access to hand washing increased from 27% to 29% in the rural areas.

Compliance to the waste water discharge permit conditions was about 48%, from 22% in the previous year; however pollution of our water resources remains a big challenge. NEMA's environmental compliance levels for the inspected facilities and land use practices are in the range of 30-70%, as compared to the 30-56% compliance levels in FY 2011/12. On the other hand, the compliance level for wetlands use is still low, at 30%.

3.3 General sector challenges

Although the performance of the sector has largely improved, the sector still faces a number of challenges, which include inadequate financing to achieve the National Development Plan (NDP) targets, degradation of the environment and natural resources, especially pollution of water resources, encroachment on wetlands, deforestation, and the negative effects of human induced climate change and variability. These are attributed to among others the rapidly increasing population, rapid urbanisation, governance challenges and the quest for industrialisation and other economic activities and poverty.

Specific issues that require immediate attention in addressing the sector's performance include the following:

Sector funding

Expressed as a share of the total national budget, the national annual budget for the water and environment sector has decreased substantially from 3.7% in the financial year 2007/08 to only 2.4% in 2013/14FY. This is really worrying, especially taking into consideration that figures for access to safe water in the rural areas (where 85% of the population lives) have stagnated.

The MWE prepared an integrated Sector-wide Investment Plan (SIP) and Sector-wide Investment model (SIM), which are supposed to be used to guide sector planning, resource allocation and monitoring. Every year, there is a bigger funding gap between funding needs to reach the SIP targets and actual funding by GoU and DPs. This financial year, no new districts were created that would absorb funds for the administrative establishment and operational costs of new district water offices. Still, the majority of the sector targets will not be met due to the funding constraints.

The funding available every year for water for production is also very small compared to the actual estimated needs. Therefore, non-traditional funding sources need to be explored. Currently, there is some funding from the European Union which is channelled through the Office of the Prime Minister, and from the Ministry of Agriculture, Animal Industry & Fisheries (MAAIF) which is being used to supplement the sub-sector needs, but still more funding is needed.

Umbrella Organisations (UOs) are vital for operation and maintenance of the existing water supply schemes, and to keep up the service level according to Ugandan standards, and efficiently support the increasing number of schemes in the future. Adequate financing of the activities of UOs has to be secured by GoU and DPs to enable these support structures to implement permanent, preventive and corrective O&M support to the member schemes. In addition, water authorities and the Water

Supply and Sanitation Boards have to become more active and ensure implementation of cost-covering tariffs and revenue collection for water services.

Restructuring of MWE

The Development Partners stressed the need for Government of Uganda to finalise the on-going restructuring of government ministries, with particular emphasis on the sector Ministry of Water and Environment, and urged the Ministry to pursue the issue with the Ministry of Public Service.

Water Policy and Water Act

Revision of the Water Policy and the Water Act is in the final stage. Approval of the revised policy and legislation is crucial for integrated water resources management through the Water Management Zones and the Catchment Management Organisations, and the regulation of the urban water sub-sector (establishment of the Water Supply & Sewerage Regulation Authority).

Good governance

The ENR Good Governance Action Plan (GGAP) 2013/2016 was developed and approved by the Sector Working Group. Implementing of the ENR Good Governance Action Plan (GGAP) is now required.

It is recommended that each department under the Directorate of Environment Affairs (DEA) should develop integrity actions in their work plans. The GGWG secretariat will then monitor achievements based on targets set by the individual departments.

Dedicated and accurate follow-up to the findings and recommendations in audit reports, and in particular the annual report and extended audit by the Office of the Auditor General is required. An indication of strong political commitment from the Government of Uganda to the good governance and accountability of the sector would be highly welcome. This could be done by ensuring that a full time good governance secretariat is established within the MWE.

3.4 Specific sub-sector challenges

3.4.1 Environment and Natural Resources

Harmonizing roles and mandates of NEMA and Lead Agencies and ENR actors

The meeting noted the guidance by the Hon. Minister on this matter, that is, the Permanent Secretary Ministry of Water and Environment will take up the responsibility and liaise with NEMA and the Lead Agencies to harmonise the roles and mandates of ENR actors. However, in the event that this is not successful, further guidance on the matter will be sought from the Honourable Minister of Water and Environment. The team recommends a comprehensive and participatory conclusion of this undertaking.

Catchment protection

Water source protection guidelines have been developed and approved for implementation. It was earlier on agreed that up to 3% of the cost of infrastructure development for water and sanitation should be used for catchment protection activities. However, there is need to develop operational guidelines to outline the

practical modalities of how this will be implemented, based on the approved water source protection guidelines.

Weak enforcement

The meeting noted with concern the continued degradation of environment and natural resources which also affects others of the economy, and proposed that the activities of the Environmental Police Force be up-scaled to cover the whole country.

Economic value of natural resources

The participants noted the inadequate information on the economic value and contribution of water and environment sector to the national economy. The MWE is to conduct a study to determine the contribution of water resources development and environmental management to Uganda's economy and development. This study is to be implemented under the World Bank-financed WMDP.

Decentralisation of ENR

The number of environmental officers employed at district level for general environmental activities, wetland management and forestry management is insufficient, and their operational budget is grossly inadequate. In addition, there is minimal technical backstopping and support supervision by MWE to District Natural Resource Offices, amidst emerging and new environment management challenges, as a result of low funding and unclear reporting and feedback mechanisms between the MWE and local government staff.

Oil waste disposal in the Albertine Graben

NEMA stressed the need to increase ENR staffing as well as appropriate technologies to address the volume of waste generated in the Albertine Graben. A multi-sectoral environmental technical team needs to be established to monitor and guide the oil and gas development activities in the country.

Forestry

Efficient charcoal production and use should be promoted through the establishment of charcoal plantations with technical assistance in the area.

The supply of quality seed and seedlings is insufficient to meet the ever growing public demand by the public for seedlings; the meeting recommended the establishment of tree stands, orchards and other planting materials by relevant institutions and the private sector.

Meteorological Authority

The Uganda National Meteorological Authority Act 2012 was passed last year and assented to by H.E The President. Subsequently, the National Meteorological Authority is in the process of being established starting with the appointment of the Board members.

Meanwhile, a 15-year development plan on modernisation of meteorological services was developed by the MWE.

Climate Change

The legal and institutional framework for implementation of the United Nations Framework Convention on Climate Change (UNFCCC) now needs to be defined for Uganda.

3.4.2 Water Resources Management (WRM)

Development of a national flood management strategy

The increased frequency of flooding events in the country necessitates upgrading of the surface water monitoring network. Non-functioning gauging stations need to be repaired, while the non-gauged rivers have crest gauges installed for recording flood levels; in addition, real-time observation and relaying of river flow data is to be introduced. The MWE/Directorate of Water Resources Management emphasized the need to develop a national flood management strategy.

Water resources planning and regulation has steadily improved over the last 6 years. Finalisation of the regulatory framework for dams and reservoirs and the wide dissemination and promotion of use of the Water Sector EIA guidelines will assist in water resources protection.

The drinking water quality in rural areas is in some cases sub-standard, either because the water supply has unsafe water, or because the water is poorly handled after collection. NEMA, the Environment Protection Police (EPP), Wetlands Department and the Directorate of Water Resources Management (DWRM) need to carry out joint enforcement of laws and regulations like water (waste) effluent discharge, drinking water standards, and river/lake bank protection. In addition, rolling out of Water Safety Plans and community monitoring using biological indicators is required, and household water treatment and safe storage should be promoted to protect drinking water from contamination from the source to the household/consumer.

3.4.3 Water Supply and Sanitation

Data collection and reporting by the District Local Governments

The MIS Unit of MWE operates and maintains a comprehensive Water Supply Database (WSDB) from which some of the golden indicators for access and functionality of rural and urban water supply are computed. However, there are challenges with regular updating of the database. This year, only 65% of the districts submitted data on water supply and sanitation improvements in time for compilation of the Sector Performance Report 2013. The WSDB also calculates values for WFP, gender and management indicators, but the figures currently presented in the SPR are currently based on sample surveys carried out in selected districts. Regular and harmonized procedures for data collection and analysis need to be established and enforced to facilitate a streamlined regular data entry, data use and analysis. An MIS technical committee has been established in MWE for this purpose.

Functionality of water facilities

The average functionality of rural water supplies, rather than steadily improving towards the targeted 90% in 2015, is fluctuating around 83% over the last 3 years. Despite the elaborate Community Based Maintenance System (CBMS) for O&M of

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rural water supply facilities which is detailed in the revised O&M framework, its application has not helped much to improve functionality. O&M of piped water supply schemes especially in rural areas and RGCs is not properly addressed, resulting in a sharp increase in non-functional tap stands. The different sub-sectors should continue to focus on functionality in order not to lose the achievements so far made in this regard. The review agreed on an undertaking for the next financial year to address the functionality issues for piped water supplies.

The reduced functionality of installed systems is also caused by sub-standard implementation of new water points, which needs to be improved. Furthermore, it should be noted that functionality will improve if non-functional boreholes which were earlier on recommended for de-commissioning are physically decommissioned, whereas the estimated access to safe water access will inevitably decrease.

The functionality for water for production (WfP) facilities continues to be an issue. In this regard, the good collaboration efforts with MAAIF, Districts and user communities should be continued. Actual use of WfP facilities also needs to improve; the Sector needs to ensure that the facilities are demand driven instead of supply driven. This could be better monitored if the related golden indicator includes usage instead of just accumulated storage, which was agreed to be an undertaking for the next financial year.

Dry zones in urban areas

As a point of emphasis, it was noted that water supply in some parts of greater Kampala is intermittent due to a water supply deficit of about 50,000 m³ per day. NWSC has engaged a contractor to rehabilitate the old water treatment plant at Ggaba and to construct new reservoir(s) and transmission mains to address the problem of dry zones in Kampala by the end of FY2015/16. It was agreed that this was a critical issue of concern which the sector would monitor and report progress on. NWSC will give a report at the Joint Technical Review in 2014 the meeting.

Improve equity in rural safe water coverage

A grant allocation formula for the District Water and Sanitation Development Conditional Grant was developed to improve equity within and between districts. Since the application of the formula, the equity of rural water supplies has gradually improved over the years, although there are still some districts of which rural water coverage continues to be well below the national average. Similarly there are some sub-counties of which the coverage is way below the district average. The review therefore agreed to formulate an undertaking which will revisit the allocation formula and operationalise it with effect from 2014/15FY.

Regulation of water supply and sewerage services

The quality of operation and maintenance and the sustainability of the infrastructure depend heavily on the existence of an effective regulator and enforcement of the performance contracts signed between the Water Authorities and the MWE. The Regulation Unit of the MWE can however not cope with the supervision and monitoring tasks for the ever increasing number of Water Authorities. The process of

creation of an independent regulatory authority, already recommended in the sector reform process has not yet been implemented. The MWE has concluded a study on establishment of the water supply and sewerage regulation authority. The findings and recommendations of the study were presented during the review. It was agreed to implement the roadmap towards establishment of the regulatory authority as recommended from the study. Awaiting actual establishment of the authority, transition arrangements should be implemented, including the de-concentration of the regulation function to the regional/WSDF level, and provision of more targeted support to the Regulation Unit of the MWE to increase its effectiveness.

Transfer of town water supplies to NWSC

The MWE is transferring town water supplies to NWSC for operation and maintenance. Since July 2013, 11 towns have thus been taken over by NWSC. This is in line with policy objectives of Government, where large and complex water systems are developed and passed over to NWSC for management. This is also consistent with the ongoing reforms, urban water vision 2025 and the NWSC five year strategic plan, where NWSC will manage at least 80 towns by 2018. The Private Water Operators will continue to play a significant role as there are over 300 small towns at present country-wide. Furthermore, MWE through the Water and Sanitation Facilities (WSDFs) is constructing about 15 town water systems per year. The meeting discussed the unclear procedure of transfer of Small Towns' water supplies to NWSC, and urged the MWE to develop and share clear guidelines for transfer.

O&M of sewage treatment systems

More attention needs to be paid to the operation and maintenance of sewage treatment systems, e.g. timely desludging, use of artificial wetlands for tertiary treatment of sewage effluents, implementation of adequate operation and maintenance regimes.

4 KEY PRESENTATIONS MADE DURING THE REVIEW

4.1 Review of results and sustainability of South-Western towns water and sanitation interventions since 1996

A presentation was made by the Austria Development Cooperation (ADC) Office on the study results on the sustainability of the water & sanitation developments in the South West since 1996. By 2013, the total number of beneficiaries of the South-Western towns' water and sanitation Project and its successor, the WSDF-SW, through piped water supplies and sanitation facilities has exceeded 550,000 people, and safe water coverage has more than doubled. The study concluded that Umbrella Organisation(s) are essential for the sustainability of the investments made, and that effective regulation regarding tariffs and financial management is very important. The study also concluded that ageing schemes and growing water demand lead to an increasing need for re-investments and extension. The success factors for the implementation of the Programme included a high degree of flexibility, innovation and technical support. It is

now important to use this important conclusion to explore how e.g. the JWESSP can include innovation, piloting and applied research.

4.2 Progress on establishment of the Uganda Water and Sanitation Regulation Authority (UWASRA)

UWASRA will be in charge of the economic regulation of water supply and sewerage services in the urban sector, which include services provided by NWSC and Small Towns and rural growth centres that have piped water systems. The main regulatory functions were presented during the review, and include amongst others licensing to provide services, and reviewing and approving tariff proposals. The provisional recommended organisational structure was shown. Set-up costs will be covered by GoU budget allocations and DPs financial assistance, and OPEX costs will be covered through user levies/tariffs once UWASRA is established; UWASRA is planned to be established in the beginning of FY 2015/16.

4.3 Review of the National Environmental Management Policy (NEMP)

The National Environmental Management Policy is a framework policy providing an enabling environment for the development of other ENR sector policies. NEMA was established as one of the many achievements of the Policy. Challenges are the low prioritisation of ENR with regard to resources allocation, political challenges and new emerging environmental challenges such as oil and gas abstraction, climate change, and electronic waste. The progress in the NEMP review process was summarised, starting in October 2012 with an expected end date of August 2014, when the revised Policy will be launched.

The revised policy will include a harmonized ENR institutional framework with clear roles and responsibilities of all the various ENR actors.

4.4 Progress and future of commercial forestry

The Sawlog Production Grants Scheme (SPGS) has a planned target of 150,000 hectares of commercial forest by 2025 to satisfy local and regional demand; plantations increased from 3,500 ha in 2004 to ca. 67-75,000 ha in 2013. In view of this measured progress, SPGS's target will be reached easily. At this point in time, however, the industry has not yet reached the "tipping point" for sustainability. Opportunities for future improvements were discussed in terms of resources, environmental and social impact, economy, processing and value addition, local and regional marketing and improvement of value chains.

4.5 Integrated Territorial Climate Plan for the Mbale Region

This is the first climate change plan which was developed at sub-national level in Uganda, as Mbale district is one of the most vulnerable areas to climate change in the country. The goal of the Plan is to integrate climate change in the district's development agenda.

4.6 Water Integrity Management Toolbox for Water Service Providers

The toolbox is used as a bottom-up integrity-promoting tool that helps to turn integrity challenges into opportunities at the utility level. The toolbox focuses on improving the economic performance of water service providers by optimising their business model through a systematic integrity change process. Key risks are identified in a participatory manner, and finally turned into an action plan to mitigate the key integrity risks. Water service providers were invited to learn more and see whether it can be applied in the Ugandan water sub-sector.

4.7 Presentation of additional golden indicators

The Director of the Directorate of Water Resources Management (DWRM) presented the new proposed golden indicators for water resources management (see also Annex 1 for the background to selecting these indicators). The Sector Working Group will discuss these new indicators in the next meeting and approve them for subsequent use in the Sector Performance Framework.

The indicators are, with the existing / remaining ones in italic, as follows:

Water Quality Management

1. *% age of water samples taken at the point of water collection, waste discharge point that comply with national standards.*
2. No. of laboratories monitored and provided with performance compliance reports.

Monitoring and assessment

3. Report on the state of the National Water Resource through production and annual independent reviews of the Hydrological Year Book.

Water Resources Planning and Regulation

4. *Percentage of water abstraction and discharge permits holders complying with permit conditions.*

Catchment Management

5. Number of catchments with developed catchment management plans to guide implementation of development activities in the catchment.

5 PROGRESS ON UNDERTAKINGS FOR FY 2012/13

A total of 13 undertakings were agreed during last year's Joint Sector Review in October 2012. To implement the undertakings, thematic groups and subgroups were formed that prepared detailed action plans with indicators/outputs to monitor progress of implementation of each undertaking, which were subsequently approved by the Water and Environment Sector Working Group (WESWG). Progress made on implementation of the 13 undertakings shows that 5 undertakings were achieved, and six were only partially achieved mostly following procurement delays, being too ambitious and outside the control of the Sector, and/or unavailable funding; undertaking No. 3 on delegation of wetland management functions to the Lead Agency was not implemented because NEMA challenged the legality of the undertaking,

whereas undertaking No. 4 on a gender strategy for ENR was not achieved due to procurement delays.

For a full description of the undertakings and progress made per undertaking is referred to the 2013 Sector Performance Report. The progress of the implementations is summarised as follows.

Undertaking 1 - Baseline data for ENR sector performance monitoring framework: This undertaking, which spans over a 2-year period, is steadily being achieved according to the agreed means of verification. By June 2014, most in-house activities will be accomplished, save for the complex and expensive baseline data collection/verification components. Challenges include a poor flow of information from user departments/institutions, and insufficient resources to facilitate mobilisation of independent resource people to collect the data.

Undertaking 2 - demarcation and management of wetlands and forests: This undertaking has been achieved up to a level of about 70% (with 7 out of 11 wetlands demarcated).

Undertaking 3 - harmonisation of operations among ENR institutions and delegation of wetland management functions: This undertaking cannot be achieved because NEMA, which is one of the main stakeholders, challenged the legality of the undertaking.

Undertaking 4 - Gender strategy for the ENR sub-sector: The undertaking has not been achieved due to the delay in the procurement of the consultant. As the consultant is now on board, the project can proceed without the need for keeping it as an undertaking.

Undertaking 5 - catchment management plans: This undertaking No.5 has generally been achieved according to the agreed means of verification.

Undertaking 6 - pollution management strategy for Murchison Bay: The undertaking has only been partially achieved due to delays in the procurement process and non-availability of adequate financial resources.

Undertaking 7 - rural Community Based Management: The undertaking target has been exceeded with the formation of Associations in 92% of the districts.

Undertaking 8 - operating cost recovery of small town's piped schemes: By the end of FY 2012/13, a total of 55 out of 80 reporting Water Authorities were financing their operating costs from revenues (i.e.69%). On the basis of this, and the above achievements, the implementation of this undertaking was almost achieved.

Undertaking 9 - O&M framework for piped water supplies: On the basis of the reported achievements, the implementation of this undertaking was partly achieved.

Undertaking 10 - O&M framework for WFP facilities: On the basis of the achievements, the implementation of this undertaking was partly achieved.

Undertaking 11 - co-ordination framework for deconcentrated structures: On the basis of the achievements, the undertaking has been largely achieved.

Undertaking 12 - inventory and management of public sanitation facilities: On the basis of the achievements, the implementation of this undertaking was partly achieved.

Undertaking 13 - increased allocation to rural water supply: The undertaking is partly achieved, but it is unclear whether it is on track. Any increases of the Conditional Grant should be explored for 2014/15FY based on increased inflows from Development partners to the sub-sector.

6 UNDERTAKINGS FOR FY 2013/14

Undertakings for FY 2012/13 that were only partially achieved or that have a timeline of more than one year were rolled over to the FY2013/14, with some modifications. The following undertakings were accordingly adopted at the 2013 JSR:

6.1 Environment and Natural Resources

Undertaking 1: Collect and verify baseline data for ENR sector performance measurement framework by the end of the FY 2013/14, and put in place a system for analysis and quality assurance and update it by the end of the FY 2014/15.

Undertaking 2: Complete demarcation of 6 new wetlands and commence the opening up of boundaries of 3 local forest reserves/finalise and implement the management framework of these ecosystems by the end of FY 2013/14.

Undertaking 3: Operationalise the Oil Spill Contingency Plan for the Albertine Rift Graben by the end of FY 2013/14.

Undertaking 4: Develop a pragmatic mechanism for enhancing and improving Local Governments' technical and financial capacities in the ENR by the end of FY 2013/14.

6.2 Water Resources Management

Undertaking 5: Review and harmonise all seven catchment management plans in line with the prepared catchment planning guidelines, and initiate implementation of at least four catchment management plans by the end of FY 2013/14.

Undertaking 6: Finalise the Pollution Management Strategy to improve the long term water quality of Inner Murchison Bay and initiate the implementation of its interventions by the end of FY 2013/14.

6.3 Water Supply and Sanitation

Undertaking 7: Develop a user-oriented functionality indicator that takes into account a relationship of water sold (and paid for) to demand and connections to the piped water supply system by the end of FY2013/14.

Undertaking 8: Improve the functionality of water supply systems in the new towns taken over by NWSC by 50%.

Undertaking 9: Develop a strategy to implement the revised conditional grant allocation formula for rural water and sanitation in order to improve equity within and between districts by the end of FY2013/14, and implement the revised formula by FY2014/15.

Undertaking 10: Review the domestic rainwater water harvesting strategy by the end of FY2013/14, to implement it in FY2014/15 with a view of increasing uptake by ten percentage points.

Undertaking 11: Develop for all small towns (including towns taken over by NWSC), an O&M framework for onsite public sanitation facilities, faecal sludge management disposal facilities and already constructed Ecosan toilets by the end of FY2013/14.

Undertaking 12: Increase allocation to rural water supply to reflect the increased funding availed by Sector Budget Support Development Partners, so as to enable increased rural water coverage, from 64% to 66%, by FY 2013/14.

6.4 Policy and Institutional Issues

Undertaking 13: Commence implementation of the road map for the establishment of the Uganda Water and Sewerage Regulatory Authority (UWASRA) by the end of FY2013/14. The aim is to operationalise UWASRA in time for the start of the 2015/16 financial year.

Undertaking 14: Establish a framework for implementation of the Sector Capacity Development Strategy by the end of the FY 2013/14.

6.5 Closing ceremony

The JSR 2013 closing ceremony was first addressed by the Chairperson of the Natural Resources Committee of Parliament, Hon. Michael Werikhe. He pledged to continue working with all stakeholders, and informed the participants that Parliament will

continue to look for increased funding to the sector. He expressed dismay on the low percentage share of the sector compared to the big contribution it makes in the national GDP.

Closing remarks were then made by the Ambassador of Denmark (the outgoing Lead Development Partner of the Water and Sanitation sub-sector) and thereafter he made a symbolic transfer of Leadership to H.E The German Ambassador. This was followed by remarks by the representative of the Food and Agriculture Organization - FAO (outgoing Lead Development Partner for the Environment and Natural Resources sub-sector), who also made a symbolic transfer of Leadership to the representative of the European Union.

The ambassador of the Federal Republic of Germany, as the incoming Lead Development Partner for the water and sanitation sub-sector, then informed the audience in his closing speech that Germany is presently allocating its greatest part of development support to Uganda to water and sanitation. The 2012/13FY targets for urban water supply, functionality of water sources and per capita cost indicators had exceeded, for which he applauded the sector. He stressed the overarching importance of good governance as fundamental for achievement of the MDGs and NDP goals. The increasing funding gap of currently about 40% necessitates the need for establishment of a national robust funding strategy. The establishment of the Water and Sanitation Regulation Authority will be an important milestone in the sector. Sanitation access targets will not be met by 2015 unless the Sector substantially increases support and attention.

The representative of the European Union (EU) Delegation, Lead Development Partner for the Environment and Natural resources sub-sector thereafter made some closing remarks. He congratulated the Ministry for organising and implementing a successful Joint Sector Review, which is a key element of good governance in the sector. He mentioned that the EU Delegation is looking forward to seeing the climate change policy approved by the Government of Uganda before the next JSR. Insufficient funding to the sector remains an issue of concern, and he welcomed the study into the relations on investments into of the water and environment sector and the national economy, as a tool for joint lobbying for increased funding. As EU Delegation Representative, he specifically pledged EU support towards the implementation of Undertaking No. 1 - analysis of baseline indicators for ENR.

The Permanent Secretary of MWE then thanked the MWE team for organising the review, and the management of Speke Resort, Munyonyo, for hosting the participants.

The Honourable Minister of Water and Environment, Professor Ephraim Kamuntu, thereafter made his final closing remarks, marking the formal closure of the Joint Sector Review. The Honourable Minister argued that we ultimately must achieve 100% safe water coverage, as safe water is a human right. He then directed that in addition to the above undertakings, the following flagship projects need to be implemented by the sector during the next financial year:

1. "Greening" of the economy, through implementation of a nationwide tree planting drive at household level, observing the tree planting days and ensuring that tree planting is part of all government functions.
2. Scaling up of rainwater harvesting investment through self-supply initiative for every household. This will result into a saving on time taken in collecting water, which can be used to carry out other profitable activities at the household level.
3. Scaling up sanitation practices, specifically the practice of hand washing with soap after latrine use, which presently is only 29%. Central and local government need to partner with the private sector as a form of public social responsibility to sensitise the local population on the health benefits of hand washing with soap.

7 CONCLUSION

The institutions responsible for implementing the undertakings should provide detailed work plans before the next Water and Environment Sector Working Group meeting. Relevant sub-sector groups and thematic teams will be put in charge of implementation of the agreed Undertakings.

Denmark is the outgoing Co-Chair, while Germany will be the new Chair of the Development Partners Group for Water and Sanitation until the end of the next JSR and Austria will be the incoming Co-chair. FAO is the outgoing Co-Chair of the Development Partners Group for Environment and Natural Resources, with European Union Delegation (EU) as new Chair until the end of the next JSR and UNDP will be the incoming Co-chair.

All parties agreed to implement the undertakings and recommendations arising out of the emerging issues. The ENR sector agreed to enhance implementation of its undertakings, by coming up with lead institutions, terms of reference, milestones, work plan, indicators and time frame for achieving results for the set undertakings, and setting sanctions for failure to achieve.

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Head of Rural
Development Section,
European Union Delegation
in Uganda

On behalf of the
Government of Uganda

On behalf of the
**Development Partners,
Water and Sanitation**

On behalf of the
**Development Partners,
Environment and Natural
Resources**

Signed:



Signed:



Signed:



Kampala, 7th November
2013

Kampala, 7th November
2013

Kampala, 7th November
2013

Annex 1. New WRM Indicators

#	Description	Comments	Variables and indicators per FY	Annual Targets
1	State of national Water Resources: Improved water resource monitoring and assessment and making WRM information widely accessible for various usages in planning.	There should be a system to reflect the proportion of quality assured hydrological data being collected and used; Data quality assurance system need to be defined for respective data types (river levels/discharge, meteorological data, and water quality in relation to individual water quality parameters)	System of quality assurance of data well developed and defined System of data quality assurance established and operationalised Annual Targets set and reported on Annual Hydrological year book reflects this information Independent annual tech audit of system. Annual HYB prepared and independently reviewed	Report on the state of the National Water Resource through production and annual independent reviews of the Hydrological Year Book;
2	Improved WRM management, at the WRM Zones Water resource management decisions made at catchment level are increasingly evidence based using studies and WRM information made available to decision makers.		Number of CMOs established and operational Number and status of CMP preparations Number of approved CMPs Number of projects/initiatives implemented within CMPs Number of investments resulting from Catchment based CMPs Proportion of investments guided by CMPs (Number of investments resulting from Catchment based CMPs /Total number of investments in a catchment)	Number of catchments with developed catchment management plans to guide implementation of development activities in the catchment;

#	Description	Comments	Variables and Indicators per FY	Annual Targets
3	Improved water quality management	Establishment of systems to provide oversight quality assurance of water services and laboratory operations to improve service accessibility.	There should be systems to reflect support of National lab towards improved quality assurance of water service laboratories	Number of water service laboratories (inventory) Number of water service laboratories monitored Number of water service laboratories provided with guidance /operational guidelines Number of water service laboratories provided with performance compliance reports.

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