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**MINISTRY OF WATER AND  
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P. O. Box 20026  
KAMPALA - UGANDA**

In any correspondence on  
this subject please quote Ref. No. **WSD/165/258/02**

3<sup>rd</sup> October, 2018

The Head of Public Service and Secretary to Cabinet  
Office of the President  
**KAMPALA**

The Deputy Head of Public Service and Deputy Secretary to Cabinet  
Office of the President  
**KAMPALA**

The Principal Private Secretary to H.E the President  
Office of the President  
**KAMPALA**

The Permanent Secretary  
Office of the Prime Minister  
**KAMPALA**

The Permanent Secretary/Secretary to the Treasury  
Ministry of Finance, Planning and Economic Development  
**KAMPALA**

The Permanent Secretary  
Ministry of Health  
**KAMPALA**

The Permanent Secretary  
Ministry of Local Government  
**KAMPALA.**

The Permanent Secretary  
Ministry of Education and Sports  
**KAMPALA**



The Permanent Secretary  
Ministry of Agriculture, Animal Industry and Fisheries  
**KAMPALA**

The Permanent Secretary  
Ministry of Energy and Mineral Development  
**KAMPALA**

**AGREED MINUTES OF THE 10<sup>TH</sup> GOU- DEVELOPMENT PARTNERS  
REVIEW OF THE WATER AND ENVIRONMENT SECTOR FOR 2017/  
2018 FY**

The Joint Sector Review (JSR) for the Water and Environment Sector for 2017/18 was held from 25<sup>th</sup> – 27<sup>th</sup> September, 2018 at Speke Resort, Munyonyo.

The theme for the review was: *“Bridging the gap between increasing service demand and existing sector financing”*

This is to submit to you a copy of the Agreed Minutes arising from the review and a copy of the Water and Environment Sector Performance Report for 2017/18 FY (SPR 2018) for your information.



Paul Mafabi  
**For: PERMANENT SECRETARY**

Copy to: Hon. Minister of Water and Environment, Kampala  
Hon. Minister of State-Environment, Kampala  
Hon. Minister of State- Water, Kampala  
The Managing Director, National Water & Sewerage Corporation  
The Executive Director, National Forestry Authority  
The Executive Director, National Environment Management Authority  
The Executive Director, Uganda Water & Sanitation NGO Network  
The Executive Director, Uganda National Meteorological Authority  
The Executive Director, Environment Alert



## WATER AND ENVIRONMENT SECTOR

THE 10<sup>th</sup> JOINT GOVERNMENT OF UGANDA – DEVELOPMENT PARTNERS SECTOR REVIEW 2018

AGREED MINUTES

18<sup>th</sup> – 20<sup>th</sup> SEPTEMBER 2018

SPEKE RESORT MUNYONYO, KAMPALA

## 1 Introduction

The Joint Sector Review (JSR) is a forum for performance assessment, setting of priority actions/undertakings and provision of policy guidance to the Water and Environment Sector (WES). The review is largely guided by an annual Sector Performance Report (SPR), and a pre-determined theme originating from emerging sector issues. The review allows a broad spectrum of stakeholders to get an insight into, discuss, and influence sector developments. The JSR draws conclusions and makes recommendations on the overall key issues in the sector. Any binding decisions during the JSR, such as key actions or undertakings for the forth-coming twelve months or beyond, are subject to formal endorsement by the Water and Environment Sector Working Group (WESWG).

The JSR critically examines the achievement of annual targets for the key sector performance indicators, agreed actions and attainment of undertakings for the preceding year(s), and also formulates new undertakings to be implemented during the following year(s).

The timing of the JSR is linked to the commencement of preparations for the subsequent national budget cycle.

## 2 Process of the review

The 10<sup>th</sup> JSR for the WES took place from 18<sup>th</sup> to 20<sup>th</sup> September 2018 at Speke Resort Munyonyo, Kampala. The theme for the review was ***“Bridging the gap between increasing service demand and the existing sector financing”***.

The 2018 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 2017 JSR undertakings.
2. To provide policy and strategic guidance to the Water and Environment Sector institutions and stakeholders.
3. To develop key actions and undertakings for the forth-coming twelve-month period or beyond.

The overall sector performance for the Financial Year (FY) 2017/18 was presented in the Water and Environment Sector Performance Report 2018, which was distributed to all participants of the review; and can also be downloaded from the ministry website.

Participants in this year's review included:

1. Staff of the Ministry of Water and Environment (MWE) and its deconcentrated units including the Water Supply Development Facilities (WSDFs), Technical Support Units (TSUs), Water Management Zones (WMZs), Umbrella Organisations (UO)/Umbrella Authorities (UA), sector semi-autonomous agencies, i.e. the National Water & Sewerage Corporation (NWSC), National Environment Management Authority (NEMA), Uganda National Meteorological Authority (UNMA) and National Forest Authority (NFA);
2. Other Government Ministries, Departments and Agencies (MDA), namely; Office of the Prime Minister (OPM), the Ministry of Finance, Planning and Economic Development (MoFPED) and Ministry of Agriculture Animal husbandry, Industry and Fisheries (MAAIF), Ministry of Lands Planning and Urban Development(MLPUD), Ministry of Energy and Mineral Development (MEMD)
3. Officials from selected Local Governments (Bunyangabu, Zombo, Wakiso, Tororo, Serere, Rukungiri, Rubirizi, Oyam, Omoro, Nebbi, Nwoya, Ntungamo Mbale, Masindi, Masaka, Maracha,

- Manafwa, Lwengo, Luwero, Lira, Kyotere, Kole, Koboko, Kisoro, Kiboga, Kibale, Kasese, Kapchorwa, Kanungu, Kamwenge, Kaliro, Kabale, Jinja, Isingiro,, Ibanda, Hoima, Gulu, Bushenyi, Bukedea, Buikwe, Bigiri, Amuru, Amuria, Amoratal, Alebtong, Agago and Districts), represented by their elected and appointed officials, namely: District Chairpersons (LC5), District Environment Officers, District Forestry Officers, District Water Officers (DWO), District Wetland Officers, District Environment Officers (DEO) and Senior Forest officers (SFO);
4. Bilateral Development Partners (Austrian Embassy (Austrian Development Agency/Austrian Development Cooperation), Danish Embassy (Danida), French Development Agency(AFD)), Germany (Kreditanstalt für Wiederaufbau (KfW), Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), German Embassy), Japan International Cooperation Agency (JICA), and the United States Agency for International Development (USAID);
  5. Multilateral Development Partners and UN Organisations namely; the World Bank (WB), African Development Bank (AfDB), European Union (EU) Delegation, United Nations Development Programme (UNDP), UNICEF and UNHCR;
  6. Civil Society Organisations including: Environment and Natural Resources Civil Society (ENR-CSO) Network and Uganda Water and Sanitation NGO Network (UWASNET), Advocates Coalition for Development and Environment (ACODE), CIDI, CRDF, Care, AMREF, BISOA M.C., ECOTRUST, Environmental Management for Livelihood Improvement (EMLI), Environmental Alert, Friends of Environment for Development (FED), RCDI, , Kulika S4H, Hoima Environmental Project (HEP), IRC International Water and Sanitation Centre Uganda, International Union for Conservation of Nature (IUCN), Protos, RWESNET, Rotary Uganda, Sanitation and Water for All (SWA), Uganda Alliance for Development (UAD), Uganda Coalition for Sustainable Development, UDCA, Uganda Rotary WASH plus, Tree Talk Plus, WHAVE, WWF, WAU, Water for People, World Vision;
  7. The private sector, represented by individual contractors and consultants namely ICON AFRICA Consult, Geo and Associates;
  8. Academia (Makerere University); and
  9. Radio, television and print media.
  10. Community Based organisations (CBOs) – LVEMPIICAA Group,
  11. Members of Catchment Management Committees (Albert Nile, Albert CMCs).

A total of 325 people participated in the 2018 Joint Sector Review (JSR).

The review commenced on Tuesday 18<sup>th</sup> September 2018 with an opening comprised of four speeches made by the Permanent Secretary (P.S.) Ministry of Water & Environment (MWE), Austrian Development Agency (ADA) and UNDP representing the Lead Development Partners (DPs) for the WSS, the ENR respectively and thereafter the formal opening of the review was done by the Permanent Secretary (MWE) -representing the Hon. Minister for Water and Environment.

The second session was focused on the sector performance over the previous financial year (2017/18). It was comprised of four summary presentations on the performance of the sector during FY2017/18. The presentations were made by the Commissioner Policy & Planning and the three Directorates of the MWE. The second The third session was comprised of four semiautonomous agencies' performance reports for FY2017/2018 and the National Planning Authority (NPA) presentation on the assessment of the water and environment sector budget (for FY2017/18) alignment to the National Development Plan (NDPII) objectives and plans.

In the morning of the second day, the two CSO network organisation in Water & Sanitation (UWASNET), and the Environment & Natural Resources Sub-sector (ENR-CSO Network. In addition

Development Partners (DPs) representatives for WSS and ENR sub-sectors made formal responses to the sector's performance during FY2017/18 followed by the plenary discussions.

Thereafter, there were six presentations covering a range of aspects on sector planning, implementation and Operation and Maintenance (O&M). This segment commenced with a pre-recorded key note speech by Prof. Kenneth Strzepek (Industrial Economics). His presentation focused on the theme for the review, with reference to two studies which were carried out under the sector – i.e. the Economic study on *"The Contribution of Water Resources Development and Environmental Management to Uganda's Economy"*, and the *"Strategic Investment Plan (SIP) for the Water and Environment Sector in Uganda 2018 -2035"*.

In the afternoon of the second day, four parallel break-out sessions were held on i) Humanitarian response & Development, ii) Faecal Sludge Management (FSM); iii) Mainstreaming of Environment & Natural Resources activities, iv) Compliance to water and environment laws. In the break-out sessions, discussions were held on emerging key sector issues and potential undertakings to be implemented during the next 12 months. The JSR participants re-convened in a plenary session during which presentations from the four parallel sessions were made and feedback sought from plenary.

The third and last day comprised of a number of presentations which included the following; (i) presentation of the proposed eight (8) undertakings (ii) presentation on the progress and experiences on the umbrella model for managing piped water schemes in Small Towns (STs) and Rural Growth Centres (RGCs); (iii) Lessons learnt from a representative of community group of fishermen in promoting sustainable utilisation of Lake Victoria; (iv) experiences in O&M and a vision for piped water for all; (v) findings on the 'Trackfin' initiative for WASH and vi) environmental impact of refugee settlements in the host districts.

The last session was the closing ceremony which was comprised of the speeches made by the incoming chair for the WSS – UNICEF, incoming chair for the ENR- WB and finally the closing remarks by the Minister of State for Environment.

### **3 Opening ceremony**

The JSR 2018 formal opening ceremony was chaired by the Permanent Secretary (PS) MWE, Mr Alfred Okot Okidi, who welcomed all participants to the review. He informed the participants that the JSR, is one of the sector coordination arrangements through which the government (both the Centre and Local governments), together with all other Sector stakeholders including DPs, CSOs and the private sector representatives come together to assess the performance of the sector based on the agreed water and environment sector performance Measurement Framework (SPMF). The review also assesses the progress made on the key actions (undertakings) which were agreed on during the previous year.

He reiterated the importance of building synergies between WSS and ENR subsectors mainly for the following reasons; i) to ensure sustainability of the water supply facilities, and ii) to enhance resilience to effects of Climate Change and environmental degradation. This will contribute to the socio-economic development and ultimately contribute to achievement of the lower middle income status by the year 2020.

He informed the participants that the main outcome of the review will be the key issues and actions (undertakings) to be implemented during the next 12 months in order to improve the overall sector's performance in the subsequent year(s).

Furthermore, the outcomes from the review will into the planning and budgeting process for FY2019/20, as it will guide the sector's prioritization process and interventions for inclusion in the Budget Framework Paper (BFP) and Ministerial Policy Statement (MPS).

He drew the attention of the participants to the theme for the review and its appropriateness considering the enormous demand for provision of water and sanitation services which seems to be out-stripped by the population growth rate both in the rural & urban areas; this problem is compounded by fact that some of the installed water infrastructure has reached, or is about to reach the end of its design lifespan and therefore ideally requires replacement. This situation can only be mitigated or reversed by exploring alternative financing modalities to complement public financing, and also by putting in place measures to ensure more efficient use of all available resources.

The Budget Strategy for FY 2019/2020 is to be guided by the theme: **"Industrialization for job creation and shared prosperity"**. The key strategies for its operationalization is premised on increasing production & productivity in the Agricultural sector and other key growth sectors, averting the effects of Climate Change (CC) on food security, protect the environment through tree planting, wetland restoration, integrated water resources management and irrigation for increased production.

The PS confirmed the MWE commitment to work within the strategies spelt out by Government and will undertake the following key interventions during the next financial year (FY2019/2020):

- i. Scaling up irrigation focusing on mini solar powered irrigation across the country.in a bid to reduce the heavy dependency on rain fed agriculture. The Ministry will also continue with construction and rehabilitation of earth dams and valley tanks mainly in the cattle corridor in order to increase the storage capacity up from the current 39 million m<sup>3</sup>.
- ii. Continue to innovate and develop technologies that address the effects of climate change on food security and agribusiness,
- iii. Undertake construction of emergency water supply systems under the rural water supply program and provision of Water for emergencies.
- iv. In the next Financial Year (FY), the GoU through MWE and the National Forestry Authority (NFA) will provide up to 60 million seedlings in order to increase the tree cover up from the current 9% to 14.5% and at the same time help combat effects of CC.
- v. The sector will expedite the implementation of the cabinet directive for cancellation of all illegal titles issued in wetlands and forest reserves to ensure that all illegal occupants have vacated by the next FY19/20. In addition, the Ministry will continue with demarcation of critical wetlands and restoration of the degraded wetlands.

The PS highlighted the following challenges affecting the sector;

- Inadequate financing to the sector still remains a major challenge and thus affects the fulfillment of the set sector and national targets and will therefore require increased efforts in resource mobilization.
- Capacity gaps in the sector remains a critical issue particularly in the newly created DLGs, Umbrella Authorities and the ENR subsector. The sector has prepared a Sector Capacity Development Strategy and plan to address the identified capacity gaps, however its implementation is constrained by the limited resources available.

- Continued encroachment and issuance of illegal titles in both Central and Local forest reserves.

The PS implored the participants to discuss and come up with practical funding strategies/ options for financing the implementation of sector priorities which are contained in the NDPII, the NRM Manifesto, and the Sector Development Plan (SDP).

He concluded his opening remarks by appreciating the supporting role of the Sector DPs and invited them to provide their opening remarks.

Opening remarks were then made by **Mr Günter Engelits, Head of Office of the Austrian Development Cooperation and acting Head of Mission of the Austrian Embassy** on behalf of the **Water Supply and Sanitation DPs**. He acknowledged the long tradition in performance monitoring beginning way back in 2001 and preparation of the SPR since 2004 for the WSS, while including ENR since 2009. He congratulated the sector for achievements made, including amongst others the gazetting of Umbrella Organisations as Water Authorities at the start of the financial year 17/18, thus improving service delivery in all Small Towns (STs) and Rural Growth Centres (RGCs) aimed at cost-recovering rather than profit-making.

In reference to the theme for the JSR, the Lead DP referred to the new Strategic Sector Investment Plan, which demonstrates that the sector needs 9 times the current funding volume to reach the new sector targets. To address this situation, he challenged the sector to be more strategic, innovative, and efficient.

Furthermore the DPs called for improved coordination at all levels, first of all among the DPs to jointly support the sector in the follow up joint water and environment programme (JWESSP II). There should also be a closer collaboration between the ENR and WRM departments, while climate change mainstreaming is to be taken up across the ministry, also in terms of budgeting for climate change mitigation actions in every project that the ministry intends to undertake.

Thirdly, there should be improved coordination among the water utilities, utility management now being shared by NWSC on the one hand and Umbrella Authorities on the other hand. Both utilities should be closely monitored and regulated by MWE. Furthermore, the DP Chair highlighted the need for continued support to UAs in cognition that O&M needs to be continuously subsidised in a country like Uganda where tariffs are often not sufficient to cover the actual cost of water.

Coordination with various line ministries is also crucial. First of all, government will need to maintain the deconcentrated structures that we built during the previous joint programmes that have not been taken up in the civil service structure (WSDFs, TSUs); in that regard constructive discussions will be required with MoFPED and the Ministry of Public Service. Another example is our coordination with the Ministry of Health: to align with the objectives of SGDs related to hygiene and sanitation, stakeholders should focus on actual utilization of sanitation facilities and promote behaviour change in villages regarding open defecation. Therefore, line ministries have to jointly set up common aims, specific indicators, and a strategy to allocate budget efficiently, to achieve the goals effectively.

Coordination among the sector actors also includes coordination with MWE partners in civil society and UN organisations. As of 20 August 2018, there are slightly over 1.5 million refugees in Uganda, as DPs there is need to coordinate to ensure a gradual transition from emergency to development support. In that respect, there is also need for coordination among NGOs in this transition phase, where the DPs see a bigger role for the network of WASH NGOs through UWASNET.

The Rural Water and Sanitation department has the new task of improving service levels following the introduction of the SDGs, but should in the view of DPs still concentrate to serve the un-served; this becomes increasingly difficult since unfavourable areas are left to be covered. In this regard, DPs were struck to hear one of the conclusions of the TrackFin study, that concluded that in Uganda, when adding up all financing to the sector, it turns out that the larger part of funding is directed to urban water supply and water for production, while rural water supply is mainly funded by the individual poor households at higher costs, and therefore equity and fairness is at stake.

In that regard, the DPs were pleased with the proven creditworthiness of NWSC for bonds as analysed in a recent study by World Bank, which is one real option for increasing total sector finance, and potential reallocation of soft loans to other sector entities that also need them.

The **Acting Country Director of UNDP, Mr Thomas Ole-Kuyan** made opening remarks on behalf of the **Environment and Natural Resources DPs**. He thanked the MWE for organising the review, which provides one of the key opportunities for stakeholder engagement in line with the SDG-17 on partnerships for development.

The timing of the review was very opportune when the NDP II (2015/2016-2020/2021) is undergoing a mid-term review to inform preparation of the next national development plan. He congratulated the MWE for the many positive developments that have taken place since the last Joint sector review in 2017. Notably;

- a) Completion of the new MWE offices at Luzira
- b) Launch of the green growth development strategy in collaboration with the National Planning Authority (NPA) as a clear demonstration of government commitment to adopt a low carbon development path as espoused in Vision 2040. To this end, DPs committed to provide the required support to government in implementing the strategy.
- c) Launch of the Nationally Determined Contribution (NDC)-Partnership Plan by the Rt. Hon. Prime Minister on 26 June 2018. The Plan provides a mechanism for effective development assistance to Uganda in achieving her commitments to the Paris Agreement and the SDGs.
- d) Completion of formulation of the next phase of a 5-year Joint Water & Environment Sector Support Programme (JWESSPII) 2018-2023.
- e) Completion of the water and environment Sector Strategic Investment Plan (SSIP) and the revised sector performance measurement/monitoring framework which is aligned to the SDGs. (This will go a long way in furthering implementation of sector targets towards *SDG 6 on ensuring access to water and sanitation for all; Goal 13-climate action; Goal 4-life below water; and Goal 15-Life on land*)
- f) Commencement of the Water Resources Institute (WRI)

Furthermore, the ENR DPs noted with appreciation efforts by the sector to; i) address degradation of wetlands and forests including restoration and enforcement actions, ii) review of policies related to environment, wetlands and forests, iii) development of the CC law and review of the National Environment Act, iv) De-concentration of MWE services by establishing regional offices. This should boost compliance enforcement and bridge capacity gaps in local governments and v) developing sector response plan to address emerging challenges in the refugee hosting communities.

In reference to the theme for the review, the DPs considered it appropriate in light of the continued degradation of natural resources amidst CC and refugee management challenges. Financing for environment activities remains a big challenge indeed. While the sector investment plan

acknowledges that protecting wetlands and forests has higher returns for achieving multiple benefits related to water quantity, quality and the economy in general, the allocated resources under the national budget on the other hand remain inadequate /minimal.

He emphasized that the quest for more resources should be backed by efficient use of the available resources. Financing implementation of integrated catchment management plans provides an opportunity to demonstrate complementarity between the two subsectors.

While public financing remains low, the sector has an opportunity to mobilise private sector through other options such as: i) payment for ecosystem/environmental services, ii) weather based index insurance schemes to generate revenue from climate information; iii) green bonds/environmental performance bonds and iv) biodiversity offsets.

The MWE as one of the proposed National Implementing Entities (NIE) for the Green Climate Fund (GCF) and Adaptation Fund (AF) has an opportunity to design integrated projects that address both water and environment issues.

He highlighted the importance of mainstreaming environment and climate change in other sectors in order to reduce environmental degradation. Integration has a double benefit of reducing degradation while at the same time increasing funding for environmental activities.

Additionally the DPs highlighted the increasing funding for water source protection was one of the game changers for ensuring the sustainability of gains registered in access to water and building CC resilience.

He underscored the importance of public accountability and transparency; and improving absorption capacity for both on and off-budget resources. The DPs reiterated the importance of institutional effectiveness and thus applauded the on-going government re-organisation/restructuring of Government MDAs for increased efficiency in service delivery and pledged DP support in this process.

Finally, the DPs pledged their commitment to support the sector to achieve the Government's aspirations to reach middle income status as indicated under the national Vision 2040 as well as achievement of the sector targets under the SDGs.

The **PS** opened the JSR officially, on behalf of the **Minister for Water and Environment, Hon. Sam Cheptoris**. He provided sector progress along the Golden and platinum indicators; as of June 2018, safe water supply coverage stood at 70% which remained unchanged from the previous year FY 2017 due to the increasing population, never the less the total number of villages with at least a safe water source increased from 64% in FY 2016/17 to 66% in FY 2017/18. Access to safe drinking water in the urban water increased to 74% up from 71%. The management of water and sanitation by the NWSC had expanded to cover a total of 238 towns an addition of 20 areas from last FY.

Under WRM, the Ministry is still implementing catchment based IWRM activities at the 4 WMZs level. About 30Nos surface and groundwater monitoring stations have been upgraded from manual to telemetric data collection and transmission, which forms a major component in the development of an Early Warning System which enables quick dissemination of the information to the public and researchers.

He voiced concern about the accelerated forest cover reduction and wetland degradation which currently stands at 9% and 10.9% respectively; this is attributed to unsustainable development of

the country's resources, if unchecked, will hinder achievement of middle income status by 2020. . Further environmental losses can only be reversed through effective enforcement of the environmental laws and regulations.

To address the emerging environmental challenges, the Ministry had commenced the process of demarcation and restoration of the country's critical wetlands, forests and other fragile ecosystems coupled with nation-wide tree planting activities.

Furthermore various mitigation and adaptation activities to address CC effects are being implemented in the various development/infrastructure sectors of the economy with guidance from the CC Department of the MWE.

In reference to the theme for JSR, he highlighted its appropriateness considering the current financial challenge which requires immediate action to bridge the sector's financing gap amidst the heavy investment requirements to cope up with the infrastructure and agricultural investments in the country. He appealed to the Ministry of Finance Planning and Economic Development (MoFPED) to consider the strategic position of the water and environment sector in the country's development agenda and allocate adequate resources requirements to bridge the financing gap in order to meet the National Development targets.

He appealed to the participants to deliberate to end to the burden and indignity of the vast millions of urban and rural poor, who still lack access to safe water and sanitation in the country, while ensuring protect protection of the environment for the present and future generations.

Finally he expressed gratitude to the DPs, CSOs, the Private Sector and the line ministries for the continued support to the sector. He acknowledged that it is through the combined efforts of all stakeholders, that the national targets under the NDP II and the SDGs will be achieved.

Thereafter, he declared the 10<sup>th</sup> Joint GoU/DP's WES review open and wished all the participants fruitful deliberations.

#### **Launch of sector documents**

The following sector documents were launched;

- ✓ Water & Environment Sector Investment Plan (SSIP) 2018 - 2030,
- ✓ Economic Study (*The Contribution of Water Resources Development and Environmental Management to Uganda's Economy*)
- ✓ Climate Change communication plan,
- ✓ Climate Change Monitoring Indicators
- ✓ National State of the Environment Report (2016/2017)

#### **4 Review of performance for the water and environment sector during FY2017/18**

The second session was done in plenary, focusing on performance over the previous financial year (2017/18). A presentation was made with highlights on planning, monitoring and capacity building function and financial performance of the sector for the financial year 2017/18. This was followed by presentations from the three Directorates of MWE (DWRM, DWD and DEA). All details on technical and financial performance can be found in the Sector Performance Report 2018. After the

presentations feedback was obtained from the participants, and discussions were held on the pertinent issues.

The review of the four sector semi-autonomous agencies namely; the National Water & Sewerage Corporation (NWSC), National Environment Management Authority (NEMA), National Forestry Authority (NFA) and Uganda National Meteorological Authority (UNMA). . After the four presentations, feedback was obtained from the participants, and discussions were held on pertinent issues.

## 5 National Planning Authority (NPA) assessment of the FY2017/2018 water and environment sector budget alignment to the NDP-II plan

The last session for day one was a presentation by the National Planning Authority (NPA) on the alignment and compliance of the sector work-plan and budget for 2017/18FY to the NDP-II objectives and outputs; It was made by **Mr Ronald Kaggwa (Manager Production, Trade & Tourism Planning)**. He informed the review that the objectives of the assessment by the NPA were: i) To assess the extent of alignment between the NDP-II and National Budget; ii) To guarantee that planning and budgeting instruments contribute to (Uganda Vision 2040, Regional Development Goals and the Sustainable Development Goals (SDGs) and other Global commitments.

He informed the review that the introduction of the compliance assessment was one of the new initiatives introduced by the government to ensure compliance of the national budget to the NDP-II and so far, two assessments have been carried out. He informed the review that the introduction of the compliance assessment was one of the reforms introduced to enforce compliance of the national budget to the NDP. Four parameters were assessed, these include (with the achievement between brackets):

1. Development/existence of water & environment sector Planning Processes (scored 100 Percent);
2. Sector Budget (2017/18FY) alignment to NDP-II (70.2 percent);
3. Sector Projects alignment to the NDP-II (57.5 percent) and
4. Budget Performance (10 percent).

The above results for FY2017/2018 for the sector reveal the overall sector performance is 51.2 percent compliant. The key emerging issues from the assessment are; i) Reversal performance on some sector targets and indicators is partly driven by low budgetary allocations exacerbated by low budget outturn, ii) Poor releases by MoFPED undermine full implementation of planned activities, resulting in the poor budget performance, iii) Key among the reversal performance includes targets as percentage of forestry coverage and iv) The is need to build capacity in planning, budgeting and execution for better absorption.

## 6 CSO response to the Sector Performance during FY2017/18

Day two commenced with formal responses to the FY2017/18 sector performance which made by the Water & Sanitation Civil Society Organisations (CSOs) and the ENR CSOs.

The first response was made by the Executive Director of **Uganda Water & Sanitation NGO Network (UWASNET)**, Ms. Yunia Musaazi. She acknowledged the various achievements made in the Sector, key among which were; i) Review of the sector performance monitoring framework and aligning it to the SDGs, ii) development of the sector strategic investment plan (SSIP), iii) the Economic Study as advocacy tool for sector financing, iv) the Deconcentration of MWE structures to the Regional Level.

In her response to the sector performance she highlighted the following areas which needed to be reflected upon and addressed as appropriate ; i) the need to widen Sector financing through accessing of soft loans from commercial Financial Institutions, ii) the need to address capacity gaps at District and Lower levels, iii) the need to review the Memorandum of Understanding (MOU) on sanitation among the 3 line ministries, iv) JWESSPII needs to be a vehicle for strengthening coordination and alignment with Sector Priorities, v) the need for prioritisation of cross cutting issues between and within district local governments, Persons with Disabilities (PWDs), implementation of the revised gender strategy, vi) the need to fast track operationalization of the revised sector performance monitoring indicators in terms of basic definitions, transition from paper based to web/ on-line reporting and tap into the VHTs/CSO presence to demystify monitoring.

Furthermore, she provided a reflection on the implications of measuring SDGs:

a) Rural WASH: the definition of the indicator requires transitioning from i) quantity to quality, ii) emphasis on universal access and the most appropriate technology would be the piped water systems, iii) safely managed sanitation, iv) current sanitation and Hygiene approaches to Social Marketing, v) improving functionality of water sources esp. for those below the average 44% ,

The CSOs pledged support in the operationalization of the monitoring framework especially in indicator definition, monitoring as well as addressing the gaps.

b) Urban WASH: i) the need to accelerate Universal Access by scaling up water systems as per SDG requirements, ii) Prioritisation of FSM in Urban Towns and strengthen regulation and improve use of existing infrastructure, iii) the need to fast track promotion of existing facilities and put incentives for PSP at gazetted facilities, iv) emphasis on pro poor tariffs and stringent regulation, v) the need to improve coordination of actors through formation / activation of WASH Forums

c) IWRM: i) the need to improve engagement of sub-and micro catchment management committees in implementing the developed Catchment Management Plans, ii) the need to strengthen the participation of all stakeholders, including CSOs, operating the micro and sub catchments and the alignment of work-plans, iii) advocate for compliance to acquire permits (abstraction and discharge) by government institutions – take deliberate measures to hold them accountable.

d) WASH under emergency: i) the need to finalise undertaking 11 on “Develop water and sanitation planning, implementation and O&M framework for refugees and host communities by the end of FY 2017/18”.

The second response was provided by **Mr Kimbowa Richard, Programme Manager, Uganda Coalition for Sustainable Development (UCSD)** on behalf of ENR-CSO network. The review was informed that during FY 2017 /18 a total of 26 ENR-CSOs (i.e. 67% of the membership) submitted reports which formed the basis for the consolidated annual ENR-CSOs annual performance report. The total financial contribution from the ENR-CSOs was USD 2,755,750 during 2017/18FY, broken

down as follows; i) 55%, forestry related activities continue to dominate ENR CSOs investment (from 48% in FY 2016/17), ii) Environment sector at 26% (from 18% in FY 2016/17), iii) Weather, climate and climate change at 7% (from 12% in FY 2016/17), iv) Governance at 6% (12% in FY 2016/17) and v) Wetlands management received the lowest portion at 3% (from 5% in FY 2016/17).

In general, there was a decline in CSO financial resources (by approximately 50%) from USD 4,559,079 in FY 2016/2017 to USD 2,755,750 in FY 2017/2018 (USD 1,803,000 drop).

The main reasons are that 33% were not able to submit their report within the set timeframe and secondly some CSOs lack alternative incomes to supplement support from the DPs.

Mr Kimbowa highlighted their achievements in FY2017/2018 which included; i) Formalisation of the working relation between the ENR CSOs and MWE which strengthened engagement through the signing /endorsement of a 5 year MoU between MWE & the ENR CSOs Network, ii) Approval and launch of the National Forest Stewardship Standards (NFSS) by the Forest Stewardship Council and the MWE-

The ENR CSO have taken on the implementation of the Presidential / Government ban on illegal logging, harvesting of endangered tree spp i.e. *Azelia Africana* and the shea nut tree. He argued that it will require a strategy with a clear timeframe and adequate resource allocation for its implementation & enforcement, involving key stakeholders at all levels.

## 7 DP response to the Sector Performance during FY2017/18

The first presentation was made by the Lead DP for WSS Development Working Group, **Ms Joyce Magala of the Austrian Development Agency**. She appreciated the sector for producing yet another sector performance report which has been developed through joint input from the whole Ministry and all sector agencies as well as umbrella organisations of civil society. The DPs however noted that the report was produced rather late and thus they have not been able to exhaustively review it in the few days provided. It was hoped that this delay was an exception. Furthermore, the DPs noted computation errors and discrepancies in amounts stated in the tables as opposed to the amounts given in the narrative- a case in point was table 3 on budget performance by votes and table 5 on off-budget performance.

The DPs took note of the modest progress made in many of the undertakings, but also the challenges encountered in monitoring of the key performance indicators towards contribution to the SDGs. It was understood that monitoring of some of the indicators comes at a cost. However, this investment is necessary in order to get an objective assessment of sector performance and enable the sector to report progress on the global commitments by GoU.

She noted that there were significant challenges encountered while implementing Undertaking No.8 which relates to handover of water supply schemes to both NWSC and UAs. To resolve this issue the DPs urged the Ministry to strengthen the capacity of the Water Utility Regulation Department which is responsible for this function in order to address such bottlenecks that are constraining progress on such key performance indicators.

With regard to the overall sector budget for FY2017/18 as compared to FY2016/2017, it appears that the sector budget was increased substantially from UGX 1,098bn to 1,770bn. However, on close scrutiny of the budget structure, the increment is a result of inclusion of Appropriation in Aid (AIA) with effect from FY2016/17 in the sector budget. However, this AIA is in principle revenue generated at source and mainly used by NWSC to maintain water supplies and therefore not available to finance other investments in the sector. In reality, with exclusion of AIA, the annual budget was only

increased modestly from UGX 744bn to 881bn (approx. 18%). Such analysis needs to be done and reflected in the chapter on sector financing.

The DPs acknowledged the progress made in seeking additional funding for the sector. The SSIP which was revised is a good tool to lobby for additional financing. In addition the DPs applauded the progress made towards accreditation of the Ministry to the Green Climate Fund (GCF). She highlighted the efforts by NWSC to access commercial financing/bonds as a good opportunity to attract more funding to the sector.

The DPs also acknowledged the initial work achieved towards business planning for UAs. Furthermore, the increase in revenue collection from piped water schemes through NWSC and UAs as a result of reforms in the urban water supply sub sector is commendable. As DPs, they acknowledge the two water utility options (NWSC and UAs) as serving different markets. In that regard, a strategic framework for O&M is required which goes beyond Undertaking No.8 to address the ever increasing population in the Rural Growth Centres. It is recommended to have a countrywide tariff setting mechanism for all piped water schemes. The DPs envisage optional funding sources including subsidies, a revolving fund facility and a growing professionalization of the UAs to strengthen administrative logistics, address aging infrastructure and serve the growing population. This would also help to control the ad-hoc pricing of water by vendors which currently has an adverse effect on the poor.

As the sector seeks for additional funding, the DPs look forward to optimum efficiency in terms of absorption as articulated by the officials from the NPA and reports from the OAG

The report reflects a notable decline from 89% to 77% in the Ministry's procurement performance as compared the previous financial year. This was attributed to delayed initiation of procurements and failure to complete procurements in a timely basis. The Ministry was urged to pay greater attention in this area in order to optimise efficiency in utilisation of existing resources and address governance issues as established in the MWE road map for improved financial controls.

On another note, there seemed to be insufficient attention paid to the regulation function of the Ministry yet this function is critical in the success of utility management in the sector. The DPs recommend the sector to accord increased attention to the regulation function in order to promote effective utility management.

Regarding KPIs for urban water supply, it was noted that considerable progress in reporting via the UPMIS by UAs much as this is still work in progress. The DPs urge NWSC to also follow the Ministry's reporting system through UPMIS.

On urban sanitation, the DPs would be pleased to hear more about the outcome of the clustering approach of towns for faecal sludge treatment plants and the entire chain of faecal sludge management to justify the investments in sanitation.

The DPs recognise the progress made by the sector in the development and implementation of the catchment management plans which will not only ensure integrated planning within the sector, but also ensure sustainable utilisation of water resources.

The DPs remain concerned about the quality of drinking water where 1/3 of the sampled water sources in rural areas and small towns is not fit for drinking as well as 13% in the large towns managed by NWSC.

With regard to the refugees and host communities, the DPs are pleased to see how government has taken leadership to ensure coordinated water and refugees' response plan. They noted that this will affect future investments and funding flows, improve cost efficiency and sustainability as we

transition into development support in the refugee impacted areas. The great volumes of water required for the 1.5 million additional people in the refugee settlements will undoubtedly affect available water sources. The DPs looked forward to a comprehensive monitoring framework being put in place to safeguard sustainable water abstraction rates.

The DPs highlighted the big role for UWASNET is playing in ensuring compliance of NGOs to sector standards and principles and to report through the network. There is need to support them in this role.

With regard rural water supply, there was an observation of a decrease in the number of people served over the period yet there is an exponential increase in population, many of whom live in rural areas. With stagnating funding to district local governments, the DPs challenged the stakeholder to come up with a feasible way forward in terms of technological options aimed at achieving higher service levels? (e.g. solar powered mini schemes).

In terms of capacity building it was noted that the sector had made progress in terms of developing capacity building plans. The DPs recommend the sector to strive to harmonise the implementation of the capacity building initiatives across the sector in order to optimise the limited resources.

The DPs have noted the omission of the section on "critical issues" which normally helps to identify key undertakings for the sector. They encourage the sector to have an in-depth reflection of the issues affecting performance in order to facilitate development of relevant and achievable undertakings for this year.

Finally, on behalf of the WSS DPs and ADA, Ms Magala, thanked the MWE and all stakeholders for the cordial working relationship during this year. It had been a challenging year, but with joint effort, despite the limited funding, the DPs registered notable strategic achievements which should be adapted and safeguarded. She informed the review that the incoming chair was UNICEF, the DPs pledged their continued commitment to sector reforms aimed at promoting improved quality of service delivery.

**Mr Onesmus Muhwezi, of United Nations Development Programme (UNDP)** representing the **ENR DPG** congratulated the sector for producing a good report. According to the report, access to water and sanitation services continued to register steady progress while the picture for wetlands and forests remained grim. The DPs noted that there has been significant improvement in release of budgeted resources to the sector compared to the previous years-this was very commendable. However, expenditure on donor funds remained lower than expected. There was need to find ways of addressing this low absorption of donor funds as the sector seeks to bridge the financing gap for the sector. The sector is also commended for aligning reporting to the SDG indicators especially under water and sanitation.

In terms of progress /performance analysis: The DPs comment the Ministry for the very useful information provided on results attained in the ENR sub-sector. However, it would be useful to demonstrate how the results attained contribute to the desired goals set out in the medium and long term in NDP2 and Vision 2040 aligned with SDGs.

He applauded the Ministry for investing in water for production especially micro irrigation to reduce dependency on rain-fed agriculture and to increase the country's food security. This is critical for increasing CC adaptation capacity and building community resilience. With increasing disasters, automation of hydromet services forms a major component in the development of an Early Warning System since it enables quick dissemination of the information products to the public and researchers. As a result, despite Uganda experiencing more disasters in 2018 than before, loss of human life has been very limited. It is therefore pleasing to note the increasing investment in

hydromet infrastructure including procurement of the Radar. However, operation and maintenance remains a challenge to provide timely, reliable service delivery for risk informed decision making.

From the report, the DPs noted with concern, the grim picture of the forest cover which has declined from 11-9% over the reporting period. Furthermore, reporting on sub-sector indicators and targets remains inadequate with no statistics on most targets. Information on CC tracking indicators is lacking making it difficult for the sector to monitor national commitments to the Paris Agreement on CC.

With regards to compliance to environmental regulations and standards: he noted that 75- 80% of the approved EIAs were compliant to conditions of approval; while compliance to the permits (surface water, groundwater and waste water discharge) conditions stood at 72%, up from 71% in the previous financial year. During the JTR in April, it was noted that compliance to EIA approvals remained low and stakeholders had difficulty accessing conditions of approval to facilitate enforcement actions. Additional investment is required to increase citizens' engagement in compliance enforcement to augment government machinery. In particular, more needs to be done on public disclosure mechanisms to increase citizen engagement in compliance enforcement.

Furthermore, one of the issues that were not well addressed relates to Air Quality degradation and monitoring with the exception of a mention within the scope of a Pollution Task Force. This is an emerging health issue as we drive into industrialization. A recent study shows that Kampala City tops the list for cities with the most polluted air in East, Central and Southern Africa. It was reported that Air pollution in Uganda had reached worrying levels and was exposing people to health risks, especially in Kampala. The number of respiratory tract infections in Kampala has soared in the recent past—a warning that air pollution is rapidly becoming a serious environmental threat.

With reference to cross-cutting issues, Mr Muhwezi noted that gender reporting as a separate section in the report was very helpful especially on staffing. It would have added more value to the report if this level of analysis had been reflected in service delivery outcomes as well. Gender and good governance are critical concerns in natural resources management and CC, efforts need to be made in reporting on how the sector is addressing gender equality and women empowerment in service delivery within the context of human rights-based approach. The sector needed to go beyond institutional capacity for gender mainstreaming to gender responsiveness in planning and reporting at outcome level. This would include measures to mitigate /minimize gender inequality to women empowerment interventions.

In terms of alignment with global commitments, the DPs noted that this report being second since the launch of NDPII, it presented an opportunity for reflecting on sector progress towards NDP targets at mid-term and prioritise actions for the remaining period. The ENR subsector is urged to do more in aligning with SDG targets in the coming FY2018/2019.

With regard to the undertakings, he noted that most of the agreed actions have registered partial achievement. Some of the undertakings have spanned over 2 financial years but not achieved. There is need to reflect on the criteria for determining the undertakings and mechanisms for tracking and ensuring there is progress.

The DPs highlighted the need to focus on integrated programming and reporting. To this end the SPR presents an opportunity for reflecting on sector progress towards NDP and global targets while making recommendations to address emerging issues. It was recommended that future reporting takes this into account.

The DPs noted that the SPR has maintained a traditional structure of Agency/departmental focus on activity-based achievements. It would be useful to see how the individual agency achievements

translate into sustainable management of natural resources, improving livelihoods and building resilience to climate change. They urged the sector to do more analysis thus asking/answering the question-so what? Reporting at output/outcome level would strengthen linkages and synergies between sector interventions at MDA level and demonstrate how the whole sector contributes to the same goal and outcomes.

In closing the DPs highlighted the following issues for Dialogue: i) financing for catchment management plans is a key area of focus during the review. Catchment based management plans provide an opportunity for addressing degradation of wetlands and forests to achieve sustainable water supply, ii) the need to increase absorption capacity as a mechanism for resource mobilization to finance sector activities and iii) the need to reflect on the purpose and criteria for developing undertakings

## 8 Bridging the gap between increasing service delivery demand and the existing sector financing

In line with the theme for the JSR, a key note speech was provided by **Prof. Kenneth Strzepek** which was pre-recorded prior to the JSR. The theme for his presentation was **"Prioritising investment for Environmental sustainable economic growth"** His presentation focused on the theme with reference to the two studies – Economic study on the role of Environment & the water resources in Uganda's development and the Strategic Sector Investment Plan (SSIP) for the WES 2018 -2035.

In his address he highlighted that for Uganda to achieve a lower middle income status by 2020 with an annual per capita income of USD1,033 from the current USD740, the country requires a 33% increase in budget in order to meet the NDP II targets.

The SSIP indicates that the sector will need a 9 fold increase in its budget in order to meet its targets. The keynote speaker referred to the Stockholm statement<sup>1</sup> as a framework for rethinking development strategies, it is premised on three tenets, these are; i) GDP growth is not an end in itself, ii) Development has to be inclusive, and iii) Environment sustainability is a requirement and not an option.

The economic development path of Uganda is based on its natural resources and therefore in order to sustain the desired growth rates as stipulated in NDP II and SSIP, Vision 2040, the Economics study shows that enhanced environmental and water stewardship boosts growth.

For sustainability of growth there is need to address problems of CC (both mitigation and adaptation).

In Uganda/Africa, there is a need to move from traditional to modern agriculture and from low to higher productivity services.

The sector needs to come up with innovative ways to lobby government and consider other options for raising funds.

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<sup>1</sup> Thirteen of the world's leading development economists — including four former chief economists of the World Bank, have released the Stockholm Statement, in which they summarize what they see as the core principles for development policymaking going forward.

All successful development has entailed government playing an important role through providing enabling conditions for the market to work including good physical and institutional infrastructure

In conclusion, therefore, Government has a pivotal role in provision of the required resources. The sector needs to utilise the Economic study and the SSIP to lobby for funds; maybe develop tailor made messages for various stakeholder groups.

The second key note speaker was **Ms Sophie Kutegeka, Country Representative IUCN**, on the topic **“Catalysing implementation of the Catchment Management Plans through the Community Environment Conservation Fund (CECF) model”**. The presentation was premised on the following; i) The need for strategies that promote sustainable management of natural resources in an integrated manner, ii) the current promotion of nature based solutions to climate change, to food security, water stress, etc, iii) Ecosystem based adaptation which puts biodiversity and the ecosystem goods and services at the centre of adaptation and iv) the need to address the underlying challenges which escalate the degradation of the key natural resources.

As an example for alternative funding she described the Community Environment Conservation Fund (CECF) which is a micro credit that is locally driven financing model that puts local solutions and innovations at the center. Its objectives are mainly for i) Livelihood enhancement (economic), ii) Catalyse Natural Resources Management (environmental) and iii) strengthening governance/equity (social).

IUCN has the implementation of the CECF model in two catchments in Uganda- Rwizi in Western Uganda and Aswa in northern Uganda. It has three key pillars/ components; a) ecosystem, b) people and c) catchment. The people and their livelihoods are at the centre of the model.

The CECF is effective in implementation of CMP, mainly because the CMP clearly defines actions, roles and responsibilities for all key stakeholders, while it catalyzes action on the ground- and it grounds the people into the ecosystem.

Lessons from a pilot carried out by IUCN are, that the : i) Fund works well with low income communities- may be complex with richer communities, ii) Gender considerations key in management of the CECF, iii) Model can be revised to suit different landscapes/purposes and iv) Governance platforms facilitate dialogue, accountability and action

Opportunities for scaling up are: i) There are possibilities for Public Private Partnerships in natural resources management (e.g. MWE and Coca-Cola foundation), ii) Linkages to international and national commitments-Bonn challenge, IWRM financing mechanism, REDD+ and others, iii) possibility for leveraging on national programmes through joint planning with government.

## 9 Emerging sector issues

### ENR sub sector funding

The WES is grossly underfunded, currently receiving 2.8% of the national budget while ENR is receiving a paltry 0.5%. As a result of the little funding, critical activities are not implemented, including sector undertaking. It was highly recommended that synergies between the two sub sectors need to be optimised especially in the development and eventual implementation of the CMPs. In addition, it was proposed to prepare a concept paper on national wetland restoration and this could be used as a basis for fundraising.

### Sustainable forest management

Another proposed action is the implementation of the Presidential/Government ban on illegal logging, harvesting of reserved tree species i.e. Afzeli Africana or Bevo and shea nut trees under the National Forestry Tree Planting Act. In addition it was proposed to prepare another concept paper on reforestation with a focus on increased supply of seedlings.

#### Unregulated charcoal production and trade

The review discussed at length the dangers of charcoal as the main source of fuel for the urban and the peri-urban communities. If it continues unchecked, there will be any forest cover in the near future. The challenge is exacerbated by the neighbouring countries banning the charcoal burning within their respective borders which has made Uganda as the source of charcoal for two of the neighbouring countries.

Furthermore, the challenge is compounded with the inefficient technologies for production of charcoal which cause a lot of biomass loss.

#### Humanitarian & Development Response Management of Refugee Settlements in Host Districts

It was agreed that Water and Environment issues in Refugee Settlements have not been addressed in a coordinated manner. This has implications on the quality of services, cost of services delivery and the sustainability of the underground resources.

There are also issues of land availability in some of the settlements where land was donated by individuals. There are also issues of perception that the host communities do not need any social services and thus the tendency is that the refugees have more social amenities than the host communities and this has potential to cause conflicts.

There is need to develop short, medium and long term intervention measures for the refugees and host communities. The short term could include undertaking the following actions; immediate biomass development i.e. planting of bio-energy plantations for refugees, enhance coordination among partners and support & promote environment livelihood options e.g. CECF.

In the medium term, there is need to develop a sector comprehensive refugee response framework and implementation road map for refugee hosting micro catchments. In addition there is need to finalise the O&M framework for refugees to ensure sustainability of the facilities, promote climate smart agriculture and focus on issues of ground water quality assurance and monitoring.

It was also suggested to disaggregate emergency data in the SPR, thus this issue needs further discussion in order to operationalize it.

#### Water quality management

There were concerns about the water quality as reported in the SPR report. This calls for concerted efforts in ensuring that water quality issues are prioritised and budgeted for by the respective stakeholders. The Water Quality Department is grossly underfunded with an annual budget is between 0.9 -1.4bn UGX. Their current funding gap is 600mUGX for FY 2018/2019.

The risks of getting adequate funding include; i) increased pollution, ii) continuous outbreaks of water borne diseases, iii) decreased fisheries & loss of biodiversity, iv) inadequate enforcement of policy, laws, and regulations, v) failure to achieve accreditation implies loss of trade opportunities,

#### Faecal Sludge Management

The current challenge is that nobody seems to be in charge of the service chain much as NWSC and UAs are in charge of O&M of the FSTPs. Furthermore, there is need for small scale FS systems in the respective towns because the distance to the regional facilities is too long. There is need for

packaging some of the systems along the service chain; In addition there is need for a management framework for the FS service chain and completion of the FSM guidelines.

There is need for a comprehensive baseline/study on the operation performance of the existing FSTPs) including quality of the effluent and by products).

#### Asset analysis for Rural Water supply systems

A presentation on “**Building sustainable WASH services through Water point management structures**” was made by **Ms Cate Nimanya from Water for People**. The presentation was based on their interventions in their project areas in partnership with MWE/TSUs and 6 DLGs.

The general objective for asset analysis is to identify, catalogue and classify all water systems within the district based on their current needs, levels of water service provision, and general timeline for eventual repair and/ or replacement of significant components. The following technologies are eligible for the Asset Analysis tool –i) Piped water supply system, ii) Boreholes, iii) Protected springs and iv) Rain Water Harvesting Tanks.

In order to prioritise which water system(s) will require intervention, the Asset Analysis tool assesses three different risk areas to a particular system namely; i) Age of the water system component, projected life span or useful life of key water system components e.g. intake structures, ii) Overall functionality/level of service provided by the water system and iii) Physical state of the water system components.

Next steps; i) Improve/ Revise costing template to include; Labour for cleaning the well, installation, fencing, acquisition of land, tree planting etc, ii) Incorporate water quality tests, iii) Other parameters for consideration, installation depth, static water levels, pipe submerged or not, iv) Scale up in other Districts with TSUs taking the lead under the leadership of (Infrastructure, Operation and Maintenance (IOM) division and v) Support from other partners- UNICEF, World Bank, IRC, Water Aid among others.

#### Results from the Trackfin initiative

TrackFin is a global initiative tracking the financing for water, hygiene and sanitation (WASH). It followed findings of big gaps in the understanding of financing flows in WASH at the international level by the Global Analysis and Assessment of Sanitation and Drinking-Water (GLAAS).

The objectives for this initiative are mainly to; i) Compile the overall expenditure in the sector, ii) To establish how the funds are distributed among the various WASH services and the expenditure types e.g. capital expenditure, O&M, training etc, iii) Categorise the stakeholders who pay for the WASH services, iv) Establish which entities are the main channels of WASH funding, and what is the respective share of the total spending.

Lessons from the analysis highlight that WASH is a key priority sector given its critical linkages to other sectors like agriculture, energy and industry, and provision of social services such as health and education. Secondly, there is a need for innovative ways for financing investments by type of services with priority given to options having the greatest potential to meet the challenges of growing demands and rising costs of delivery e.g. leveraging private commercial finance such as sovereign bonds and bank credit where recovery is possible through tariffs.

Furthermore, budget allocations should prioritize low income households in rural and urban households so as to meet the current needs of human and economic development as well as realize the SDGs. Additionally, better coordination among stakeholders is needed to avoid partial funding based on certain elements of the entire WASH, especially O&M for continued functionality of water

points. Finally, additional TrackFin studies should be conducted to ensure continued generation of information required to inform decisions on a regular and continuous basis.

## 10 Status of Undertakings for FY 2017/2018

A total of 13 undertakings were adopted during last year's water and environment JSR which was held in September 2017. Thematic groups and subgroups were formed to implement the undertakings; they prepared 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 only five undertakings were achieved (i.e. Nos 2, 4, 6, 7, 8 and 12), four are substantially achieved Nos 3, 5, 11 and 13) and 3 are partially achieved (1, 9 and 10).

### Environment and Natural Resources

**Undertaking 1:** Continue with the implementation of the on-going undertaking of mainstreaming ENR and Climate Change into agriculture, infrastructure, lands, energy and water sectors in order to achieve reduced contributions to degradation by these 5 sectors by the end of FY 2018/19.

*This undertaking was partially achieved, it will be rolled over to FY2018/2019*

**Undertaking 2:** Commence implementation of new Sector Performance Measurement Framework in the ENR Sub-Sector by the end of FY 2018/19.

*This undertaking was achieved*

### Water Resources Management

**Undertaking 3:** Integrate climate change adaptation and source protection measures in the water and environment sector work plan and budget for implementation in the financial year 2018/19.

*This undertaking was largely achieved*

**Undertaking 4:** Operationalize the proposed coordination, implementation and funding mechanism for catchment based IWRM in at least eight catchments in the four zones by the end of FY2017/18.

*This undertaking was largely achieved*

**Undertaking 5:** Finalize and pilot the national framework for drinking water quality management and regulation in the four WMZ by the end of financial year 2017/18.

*This undertaking was partially achieved,*

### Water Supply and Sanitation

**Undertaking 6:** Improve utilisation of existing water for production facilities and expand the data management system to amongst others demonstrate increased agricultural production by the end of FY 2017/18.

*This undertaking was largely achieved,*

**Undertaking 7:** Implement criteria for transfer of water and sanitation schemes to NWSC and regional umbrella utilities and also demonstrate their respective performance improvements by the end of FY 2017/18.

**Undertaking 8:** Finalize and commence implementation of the one source per village /cell strategy (Central, NWSC, District Local Government) by the end of FY 2018/19.

*This undertaking was achieved*

**Undertaking 9:** Reinstate a budget line for software activities under the district water and sanitation conditional grant by the end of FY 2018/19

*This undertaking was not achieved, it will be rolled over to FY2018/2019*

**Undertaking 10:** Set up a project preparation and financing taskforce under each of the departments under DWD by the end of FY 2017/18

**Undertaking 11:** Develop a framework for provision of water and sanitation services, including environment and source protection activities for refugees and host communities by the end of FY 2017/18.

*This undertaking was partially achieved,*

**Undertaking 12:** Commence implementation of new Sector Performance Measurement Framework in the Water and Sanitation Sub-sector by the end of FY 2017/18

*This undertaking was achieved*

#### Policy and Institutional Issues

**Undertaking 13:** Finalize the accreditation requirements for the Ministry of Water and Environment as the National Implementing Entity (NIE) for access to financing from the Adaptation Fund (AF) and the Green Climate Fund (GCF) by the end of FY 2017/18.

*This undertaking was partially achieved*

## 11 Undertakings for FY 2018/19

Six completely new undertakings were identified, of which three (3) will be addressed within the Environment and Natural Resources and Climate Change Subsector Working Group and the three (3) in the Water and Sanitation Subsector Working Group and two (2) were rolled over from FY2017/2018 - **Undertaking 9:** Reinstate a budget line for software activities under the district water and sanitation conditional grant by the end of FY 2018/19, **Undertaking 10:** Set up a project preparation and financing taskforce under each of the departments under DWD by the end of FY 2018/19.

The following undertakings were thus adopted for the 2018 JSR:

#### Humanitarian & Development response

**Undertaking 1:** Develop a water and environment sector Comprehensive Refugee Response Framework (CRRF) and implementation roadmap for refugee hosting micro-catchments by end of FY2018/2019.

#### Fecal Sludge Management

**Undertaking 2:** Conduct a baseline on the operation performance of the existing Fecal Sludge Treatment Plants (FSTPs) by the end of FY2018/2019;

**Undertaking 3:** Develop a Management Framework for the Fecal Sludge Service chain (including business aspects) by the end of FY2018/2019.

## Compliance to Water and Environment Laws

**Undertaking 4:** Upscale water use efficiency in industries to promote voluntary compliance to regulations by end of FY2018/2019.

## Environment and Natural Resources

**Undertaking 5:** Develop indicators for ENR mainstreaming for all sectors in order to achieve reduced contributions to degradation by the end of FY 2018/19.

**Undertaking 6:** Operationalise the Climate Change mainstreaming indicators by the end of FY2018/19.

**Undertaking 7:** Facilitate a policy shift that promotes energy efficiency and alternatives to charcoal as a form of energy<sup>2</sup> by the end FY2018/2019.

## Regulation

**Undertaking 8:** Review and consolidate a Sanctions and Reward mechanism to enhance utility performance for both Umbrella Water Authorities and NWSC by the end of FY2018/2019.

## 12 Closing ceremony

The Lead DP representative for the WSS sector, and co-chair of the WESWG, was handed over to the UNICEF. Similarly, the Lead Donor position for the Environment and Natural Resources, and co-chair of the Water and Environment Sector Working Group was handed over to the World Bank.

**Dr Doreen Mulenga**, in her capacity as the In-coming Chair for the WSS sub-sector thanked the MWE for its tireless efforts in championing the vital importance of Water, Sanitation, Hygiene and the Environment to the health and well-being of the people of Uganda, especially to the poorest and most deprived.

She decried water scarcity and low sanitation coverage as global challenges - and they are intensifying. It is estimated that if current trends continue, over 40% of the global population will live under severe water stress by the year 2050. And as the global population increases, tensions related to access to water will escalate.

Furthermore inadequate water, sanitation and hygiene have a devastating impact on the health, nutrition and education of individuals - especially children, who, during their entire childhood, go through multiple stages of development that build the foundational capacities and skills required for them to be fully productive citizens for the remainder of their lives in adulthood. In fact, a lack of access to safe, clean drinking water and basic sanitation, as well as poor hygiene, cause nearly 90% of all deaths from diarrhoea, mainly in children. And, in Uganda, diarrhoea is the third leading cause of death among children under the age of 5, leading to around 30 children dying from it every day.

Climate change only adds more uncertainty to the availability of safe water and adequate sanitation - and the degree of stress that will come with it.

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<sup>2</sup> Implement the following actions; i) Facilitate a study to inform the policy options , ii) Prepare a Cabinet paper to provide policy guidance; options and alternatives on e.g. promotion of the use of incentives such as subsidies on Liquefied Petroleum Gas (LPG) & iii) Facilitate the establishment of bio energy plantations in order to reduce pressure on the natural forests.

In line with the theme, stakeholders were urged find a way to address this financing gap, which should include serious advocacy for increased domestic resource mobilization and newer, more innovative, ways to finance the sector - both publicly and privately. She informed the review that globally, UNICEF is developing investment cases that aim to attract both public and private entities to more vigorously invest in WASH services. As the incoming Chair for the WSSDPG, she looked forward to work with all partners to explore new financing modalities that can help Uganda urgently meet its WASH financing gaps.

Three key priorities over the next year that require our attention are: i) support and strengthen policies and the operational framework as well as prioritize resource allocation to sanitation and hygiene given there has been minimal progress in area over the past decade, stakeholders must ii) improve our coordination between emergency and development interventions so that new synergies are created and, ultimately, more people have access to quality WASH services and iii) In light of the SDG targets on safely managed WASH services, stakeholders look at how to more meaningfully engage the private sector for solutions. This will require a policy shift to provide a more enabling environment for public-private partnership solutions that can fast track achieving safely managed WASH services.

Thereafter, World Bank in its capacity as the **Incoming Chair for ENR**, represented by **Mr Franklin Mutahakana, Senior Operations Officer** on behalf of the Country Manager, made its closing remarks. He mentioned that the

ENR DPs have demonstrated a strong commitment to continue partnership with the MWE and will continue to support development in both the water and environment sectors. The DPs believe that their engagement will enhance synergies and create opportunities to deliver on their respective commitments to government in the area of ENR management.

He expressed the DPs concerns about the rate of degradation of Uganda's ENR (especially wetlands and forests) without doubt negating the sustainability of the undertakings implemented by all sectors. Furthermore, sector coordination and collaboration with other Ministries, financing and inadequate support to DLGs remain key impediments to improving management of ENR, amidst CC and refugee management challenges.

However, the DPs were pleased to note the strong political support government leadership has demonstrated up to the highest office towards protection of wetlands and forests. He challenged the sector stakeholders to make best use of this gesture and technically back-it-up with among others the recommendations contained in the Economic Study on Contribution of Water Resources Development and Environmental Management to Uganda's Economy.

In addition, the DPs were pleased with the steps being taken towards harmonizing functions among agencies and addressing governance issues in the sub-sector, including the review of the National Environment Management Policy and Act. He urged the Ministry to ensure the passing of the revised Policy and Act within this FY2018/2019.

The DPs reiterated the importance of mainstreaming environment and CC in other sectors to achieve reduced degradation by the sectors while increasing funding and shared responsibility for environmental sustainability.

He highlighted the following areas which were raised during the review deliberations; i) continuing to strengthen sector coordination and synergies, ii) seeking innovative funding mechanisms, iii)

regulating trade in charcoal while seeking to promote alternative energy sources, iv) addressing challenges faced by the refugee host communities, v) public accountability and citizen participation.

Finally the WB on behalf of the ENR-DPG, reaffirmed their commitment to provide the required support in realizing the undertakings that have been proposed in the review and those to be adopted at WESWG. In his final remarks, he stated that 'Together, we can **"Bridge the gap between increasing service demand and existing sector financing"**.

The **Minister of State for Environment, Honorable Mary Kitutu** appreciated the organisation of the review and hoped that the theme had effectively guided the participants to come up with the necessary policy adjustments or refinements that will benefit service delivery. She also urged all stakeholders in their various capacities to implement the agreed undertakings.

She reminded the participants that provision of safe and clean water; and sanitation facilities are now a basic human right and pledged better coordination and synergies between the 2 sub sectors in order to ensure efficient and effective delivery of services She appreciated the issues raised in year's review, including; i) Forest loss versus levels of restoration: Forest loss is at 33 times the levels of reforestation; ii) wetland loss is 70 times levels of restoration and hence the need to develop specific projects to undertake massive restoration countrywide by both Central Government and Local Governments, iii) Utilizing the funding opportunities such as the current climate change funding window (Adaptation fund and GCF) to develop projects for restoration of ENR, iv) The need to undertake robust resource mobilization for ENR management through the Lead Agencies and Local Governments through provision of conditional grant and program/project proposal development and v) the refugee influx that are impacting negatively on ENR in the host districts through increased deforestation and encroachment of fragile ecosystems, poor waste management.

The sector needs to fast track the preparation of Comprehensive Refugee Response Plan for the Water and Environment Sector; vi) the need to increase access to safe water and sanitation services through identifying financing mechanisms to focus on operation and maintenance of piped water supply schemes especially in rural areas and, improving functionality of existing water facilities as well as enforcement of compliance to the water and environment regulations.

She concluded, by appreciating the DPs for the technical and financial support, the line ministries, our agencies, the PSOs, the NGOs, the Local Government leaders and the media for the contribution to the sector. She reminded every participant to act as torch bearers for water, environment and sanitation sector.

## 13 Conclusion

The Thematic Groups responsible for implementing the undertakings should provide detailed work plans to the next Water and Environment Sector Working Group. Thematic Group members, lead institutions, milestones, actions with indicators, a time frame for achievement of results and a realistic budget should form part of the work plans. All parties agreed to implement the undertakings and recommendations summarised in these minutes.

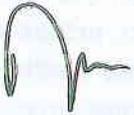
Mr Paul Mafabi

For: Permanent Secretary

Ministry of Water and Environment

On behalf of the **Government of Uganda**

Signed:



Kampala, 3<sup>rd</sup> October 2018

Christine Kasedde

For Country Manager

World Bank

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

Signed:



Kampala, 3<sup>rd</sup> October 2018

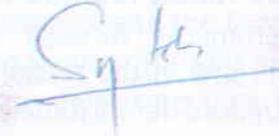
  
Mr Shiva Narain Singh

WASH Manager

UNICEF

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

Signed:



Kampala, 3<sup>rd</sup> October 2018