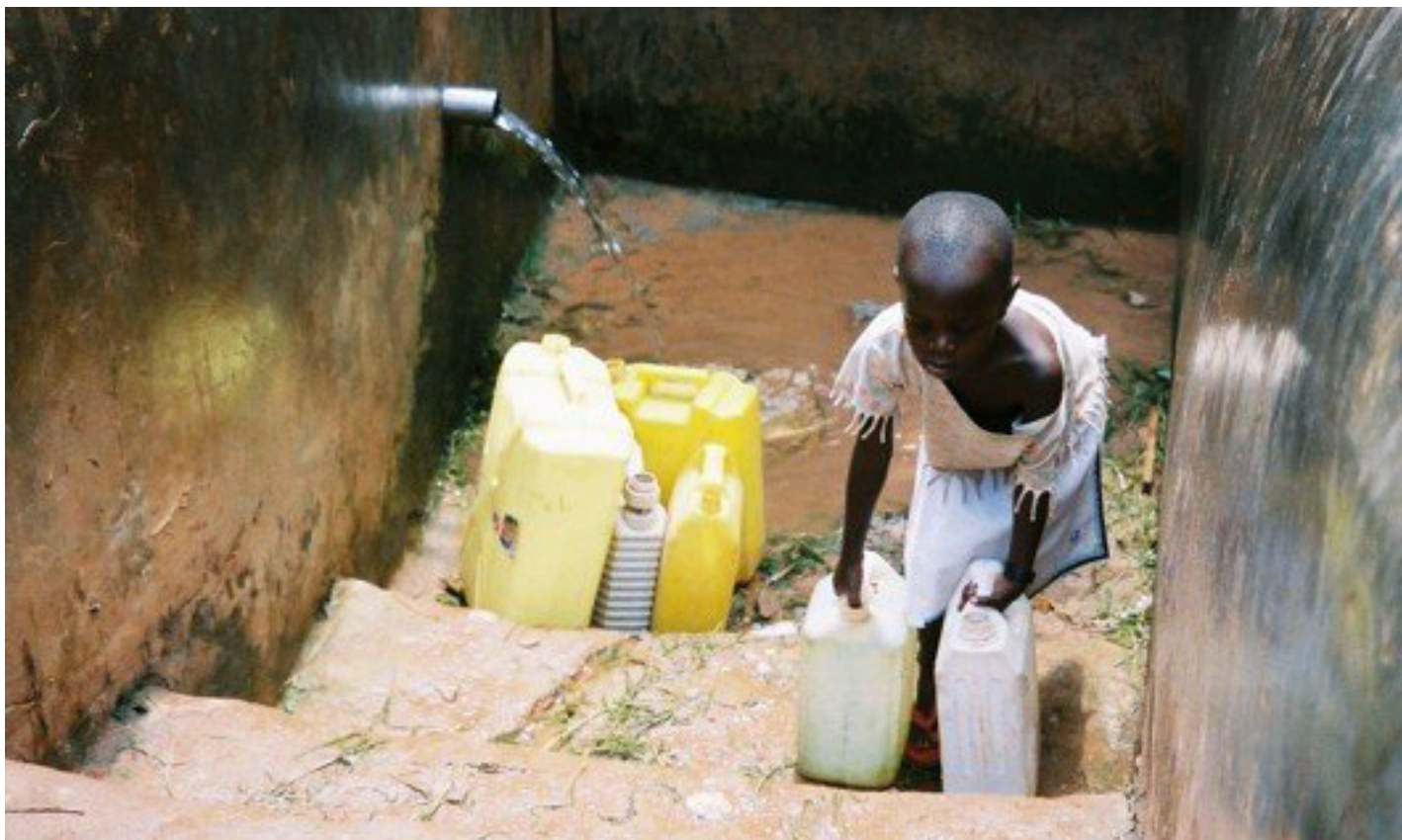


Uganda

Civil society organisation involvement in urban water sector reform





*A child collecting
water from a
protected spring
in the slums of
Kampala.*

WaterAid/
Libby Plumb

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Front cover photo: WaterAid/Caroline Irby

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This is one of a series of nine case studies outlining civil society organisations' (CSOs) involvement in urban water sector reform. The other case studies cover the following locations:

- **Bangladesh (Chittagong and Dhaka)**
- **Brazil (Recife) and Venezuela (Caracas)**
- **Ghana (Accra)**
- **Kenya (Kisumu, Nairobi and Mombasa)**
- **Nepal (Kathmandu)**
- **Pakistan (Karachi)**
- **Philippines (Manila)**
- **Ukraine**

The case studies accompany the guidance manual ***Our water, our waste, our town***, which offers support to civil society in engaging in urban water and sanitation reforms.

The manual and case studies can all be downloaded at:
www.wateraid.org/urbanreform



WaterAid's mission is to overcome poverty by enabling the world's poorest people to gain access to safe water, sanitation and hygiene education.

Section one: Background and problem

The period between 1988 and 1998 saw substantial investment by the government in the repair and expansion of water and sewerage services under the National Water and Sewerage Corporation (NWSC). However, by 1998, the performance of the NWSC had become poor. The NWSC therefore came under pressure to improve its performance, which could only be achieved through policy, legal, institutional and management reforms. Reforms of the NWSC, which currently services 22 towns in Uganda, began in 1995 and continue to date.

The long-term objective of the reforms is “to ensure that services are provided with increased performance and cost effectiveness, to reduce the government burden while maintaining the government’s commitment to equitable and sustainable water sector services to Ugandans”.

The government has consistently said that major decisions about the reforms should be made only after establishing broad understanding and support among stakeholders, key of which are CSOs.

CSOs have played an important role in the reform process, mainly through the Uganda Water and Sanitation NGO Network (UWASNET), launched in November 2000. The

network has a membership of close to 150 NGOs and Community Based Organisations (CBOs), both national and international. UWASNET has a place on the Water Sector Working Group and the Reform Implementation Technical Committee, the key committees that make and approve major decisions in the reform process.

The Ugandan Government facilitated the formation of UWASNET, beginning with an NGO coordination meeting in March 1997. At the meeting, general

The Ugandan Government is committed to “equitable and sustainable water sector services to Ugandans.”

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UWASNET seeks to protect the human right to water.

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consensus on the need for an NGO network was reached. WaterAid took responsibility for forming a coordination forum, and in 1998, after sufficient preparation, WaterAid took the initiative in the creation of an NGO coordination secretariat.

A conference was held in November 2000, at which the decision was taken to form UWASNET. The conference was attended by a wide range of stakeholders, including central government agencies, led by the Directorate of Water Development (DWD), local government representatives, several international NGOs, local and indigenous NGOs and CBOs. Development partners made major contributions to this process.

By the time UWASNET was formed, reforms in the NWSC had already started. The government strategy at that time was to procure a private international water operator to provide services for 33 towns, 18 of which were under NWSC, instead of services being run by the state. The service area for Kampala, the capital city of Uganda, was already being managed under a three year contract (1997 to 2001) by JBG Gaff of Germany.

CSOs were generally opposed to the privatisation policy and process. The two major arguments advanced by CSOs were that water was a human right and that the poor would be left out if the private sector was allowed to 'buy' the utility. It is clear that part of the motivation to establish UWASNET was to collectively oppose and gain space for engagement in the privatisation exercise.

Before UWASNET was established, CSOs had done independent, low key awareness activities such as workshops and public seminars against privatisation of the NWSC. For example, ActionAid Uganda authored a paper against privatisation and held a number of workshops to sensitise stakeholders and the general public to the process. DENIVA was also separately engaged in advocacy against privatisation in general and water in particular.

Initial funding for the first three years of the network's programmes was contributed by different international agencies and NGOs. After this period, a new funding arrangement was

introduced, namely a Joint Partnership Fund, which is a basket funding mechanism where all donors pool funds for water and sanitation sector activities.

As UWASNET was not in place at the onset of the reforms' planning and implementation, a number of major reform decisions had limited, if any, CSO input.

NWSC reforms

The reforms began with the enactment of the National Water and Sewerage Corporation Statute (1995), which effectively turned the NWSC into a corporate body.

In 1998 a new board was appointed and tasked with turning round the corporation. Following this, NWSC

management embarked on a series of internal reforms and short-term initiatives to improve performance.

In August 2000, the Ugandan Government and the NWSC agreed to a three year performance contract under which the NWSC's debt service obligations were suspended in return for a commitment to operational and financial performance improvements. At the end of the contract, the Performance Contract Review Committee (PCRC) concluded that NWSC's overall performance had been "impressive" and that, where targets had not been met, satisfactory justification had been given.

In December 2000, following from the legal reforms of 1995 to 1997, a reform strategy was designed that included

In areas without sewerage, drainage channels can become open sewers when rain makes pit latrines overflow.

WaterAid/
Caroline Irby



two key components: transfer of assets ownership in urban areas to an Asset Holding Authority (AHA) and award of a lease contract for operation of services in 33 large towns to an international private operator.

In 2002, the government established the Reform of the Urban Water Project (RUWAS) to facilitate implementation and coordination of the reforms. In October 2003, the then Ministry of Water Lands and Environment (now Ministry of Water and Environment) approved an expanded version of the strategy for urban water and sanitation reform, which allowed for a wider range of private sector participation in services delivery.

Also in 2003, NWSC management adopted a more ambitious strategy for increasing area managers' accountability and autonomy with Internally Delegated Area Management Contracts (IDAMCs). The basic idea of IDAMCs is to encourage NWSC managers to form partnerships that take over the operating responsibilities in the areas.

A second performance contract was signed in December 2003. By this time UWASNET had been formed, had gained entry into the sector policy forum and was representing CSOs in policy discussions. However, such discussions were aimed at establishing the implementation framework for urban water reform instead of focusing on the NWSC. Thus these developments saw little involvement of CSOs.

The option of privatising the NWSC was overtaken in the end by two main factors: improved performance of the public utility and a loss of interest by international water operators in Least Developed Countries (LDCs) in general and Uganda in particular. For these reasons, privatisation has been practically dropped and NWSC reforms are now focusing on adopting corporate practices to increase performance and accountability.

Given the initial focus on improving commercial performance, reforms in the NWSC were slow to respond to the need for improved services among the urban poor until 2003, when a new connection policy was introduced with a subsidised connection rate. The NWSC also launched an urban poor project which started in 2007. CSOs have been critical of reforms in the NWSC for not catering to the poor.

There is broad agreement that reforms in the NWSC have been successful. Sector reviews and international reports indicate that the utility has succeeded in improving the efficiency of its operations and increasing the number of people with access to safe water in large towns. As a result, the NWSC has been widely commended locally and internationally as an alternative approach to reforming public services provision.

It should be noted, however, that much of the NWSC's success is based on their work to improve water supply, with dismal performance reported on the sewerage front. The service coverage for sewerage in large (NWSC)



towns as at June 2006 was about 7%. Some NWSC areas, such as Arua, Bushenyi/Ishaka and Kasese, have no water borne or piped sewerage services.

Reforms to services outside the NWSC

The DWD is the lead central government agency in the water sector. Before the reforms, the DWD was directly responsible for the development and operation of services in towns and urban centres outside NWSC areas. Since 2001, that responsibility has been gradually devolved to local water authorities.

Government policy on small towns' water and sewerage service provision is that all small towns' systems should be run by private operators.

A water supply and sewerage board (WSSB) within the water authority exercises oversight functions on the private operators. WSSBs include representatives of the council and institutional consumers, with a conditional requirement for at least one woman on the board.

While there is no specific provision for CSOs on WSSBs, there is a requirement that one of the members should represent individual

A child collecting water from a Kampala spring contaminated by sewage from nearby pit latrines.

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CSOs largely opposed privatisation, worrying it would mean the poor were excluded from water services.

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consumers. The practical problem is that consumers are not well enough organised institutionally to effectively participate at that level. This is where it would have been appropriate for UWASNET to have membership representation, as it is a nationwide network with varying membership and could effectively play a role.

According to the executive director of UWASNET, “it seems members are comfortable with this arrangement”.

It remains questionable to what extent governance issues in this arrangement are being monitored. This is an area that should be of interest to CSOs, but apparently there is a gap.



Section two: What CSOs have done

The NWSC currently operates under a quasi private sector model. This model has evolved to a level where bidding for management by private operators is under consideration. Despite this, UWASNET and its members are not involved in the process. The new mode of management is therefore not being monitored and all reports about the NWSC are internally generated.

The success of reforms and the re-thinking on outright privatisation of the NWSC seems to have overwhelmed CSOs that were initially anti-privatisation.

Some UWASNET members have expressed discomfort about the effectiveness of the network in representing them. This is a non-documented observation but one which seems to lay credence to the desire by some members to seek direct representation in different discussion and consultative fora.

However, CSOs have accomplished the following:

Representation on sector committees

UWASNET officially represents CSOs on a number of technical and policy committees within the Ministry of Water and Environment. It is through these committees that policy and

reform processes are facilitated and discussed.

Instrumental in stopping privatisation

During Uganda's Poverty Eradication Action Plan (PEAP) review in 2004, UWASNET presented a comprehensive and well-articulated position from the CSO perspective on water sector reforms, particularly with respect to the NWSC.

The timing of this position was instrumental in four major processes:

- the PEAP was being revised;
- NWSC was about to enter into a new performance contract with the government;
- the contract for Odeco, the second private operator used for Kampala, was due to expire;
- the ministry responsible for water had just presented the expanded version of the strategy for urban water and sanitation reform, providing for a range of private sector participation options in service delivery.

This combination of factors and timing made it necessary for the key policy makers and influencers to rethink the direction of the NWSC and effectively led to privatisation being dropped.

Direct service delivery and support services

CSOs have provided direct service delivery and support services. For example, in Kajansi, a trading centre outside Kampala's central business district, a small network of CBOs carried out a pilot training programme for community self-management of public stand pipes.

Furthermore, in July 2005, WaterAid in Uganda started 'Citizens' Action for accountability in water supply

and sanitation.' This programme was carried out in Kawempe, a suburb of Kampala inhabited by some of the poorest people in the city.

The objectives of the project were threefold: to create awareness among stakeholders on the water supply and sanitation situation in the area; to foster proactive dialogue between stakeholders to address water and sanitation needs; and to empower communities to effectively address water and sanitation issues. The

Community members prioritising their needs and concerns as part of WaterAid's Citizens' Action project in Mulago III Parish, Kawempe, Kampala

James Kiyimba



Citizens' Action project employed a mixture of methods to achieve its aims, including resource mapping and enumeration, continuous dialogue and review meetings with area leaders and providers.

A number of positive outcomes were registered. Service providers and local leaders were open to the collective voice of the poor, rubbish collection and management improved, and community workers registered as a CBO with a mandate to manage hygiene and sanitation. But perhaps most important is that the NWSC intends to adopt the method by incorporating the mapping into its electronic database for use. These developments clearly indicate that CSOs can contribute in many ways to urban water and sanitation reforms for the good of the poor.

Pro-poor committee

UWASNET, as a member of the pro-poor committee of the National Technical Committees, was instrumental in the design of the Water Sector Pro-Poor Strategy. The NWSC responded by developing their own pro-poor project, which remained on the shelf until early 2007, when German banking group KfW provided funding for its implementation.

It's important to note that the pro-poor committee's strategy has been in place for about two years without implementation, owing to lack of resources.

Successful recognition

Despite coming into the sector reforms midway, UWASNET has been recognised by most of the key stakeholders as the most influential CSO for leveraging consultations, implementation, monitoring and evaluation in the sector. Before UWASNET was established, NGOs, CSOs and CBOs were lone voices with little noticeable presence. Now, government and development partners find UWASNET a convenient and effective entry point for dealing with CSOs in the water and sanitation sector.

Successful coordination and capacity building

Through the network it is now possible to coordinate NGO activities and reduce duplication and resource wastage. Before the network was formed, water and sanitation annual sector reviews only captured information on government water and sanitation services, thereby leaving data gaps and portraying an unrealistic picture of the sector. These reviews now capture data from NGOs and CBOs as well.

Section three: Challenges and outcomes

Difficulty in reaching consensus

The membership of UWASNET is composed of local, national and international NGOs and CBOs. Some members are service providers, while others are advocacy organisations. The profile of some members is more imposing than that of the whole network. Even more complicated are the differences in opinion on subjects such as privatisation. The executive director recognises that “sometimes it is very difficult to find consensus”. This is especially so because it is not possible to hold general membership meetings on every specific policy issue.

Small secretariat

The water and sanitation sector is very broad with various different players. UWASNET, on the other hand, has a lean secretariat and is therefore inadequately staffed to attend to all the policy issues and to be consistently represented in all sector forums.

Policy reversal

UWASNET came into existence after a number of policy and legal instruments were already completed, so the best the network has done is to engage at the implementation stage of reform, even when the membership may not be comfortable with the particular policy positions adopted. Policy reversal is a rather difficult process to achieve, although depending on the circumstances and timing, slowdown on implementation can be achieved, as the case for NWSC demonstrates.

Funding sources

The source and channel of funding for UWASNET – the Joint Partnership Fund and DWD respectively – has provided ammunition for the network’s critics. They argue that it is funded by government and therefore is not independent. At the last joint donor /Government of Uganda water and sanitation sector review, even donors expressed their dissatisfaction with the level of monitoring and critique of government activities by the network.

Section four:

Lessons learnt and top tips

Top tips

1. **Get involved in institutional reform processes and structures.**

CSOs should try to position themselves for representation on the vital reform structures, usually committees, at all levels without compromising themselves or being seen to be doing so by others. The three key stages and committees are policy and legal reform, at which the modes and design of reforms is undertaken; reform implementation committees; and reform progress review and evaluation committees.

2. **Gain entry into the reform process at an early stage.**

As evidence from the NWSC case shows, involvement at the implementation stage only serves to fast track or slow down the process, but does not help in effectively influencing the outcome. Thus the influence is on the form, not the substance. This is not only applicable to the water and sanitation sector but all utilities. CSOs need to acquire skills and a network of contacts that enable them to identify, investigate and detect legal and policy reform early and on a continuous basis, in order to influence the design, and therefore possible outcomes, for the reform.

3. **Take a proactive approach and gather intelligence.**

CSOs should not wait to formally learn from government of what is going on in a particular sector. They need to be investigative and get on to issues before policy and legal reform that may affect service delivery for vulnerable groups are concluded. This also means that CSOs should always be in some form of collaborative information sharing alliances, irrespective of the existence of reforms. This enables for a quicker set up of networks and may cut out processes like physical audits and initial workshops for consensus.

4. **Solicit members' views and sensitise them to issues.**

Many NGOs form opinions and policy positions based on insufficient knowledge of the objectives of the reforms. It is important therefore that networks collect members' views on a continuous basis using simple questionnaires and tele-interviews, or other appropriate methods. The information generated can then form a basis for representation and be used to design sensitisation programmes for members.

Top tips (continued)

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5. **Build relationships with NGOs outside the sector.**

Some NGOs outside the mainstream water and sanitation sector may hold information and status that is relevant to the activities of your CSO. Therefore, CSOs should extend their relationship with non-sector NGOs by inviting them to meetings, including them in information gathering processes, and seeking their political support during advocacy.

6. **Learn from existing CSOs.**

Potential CSOs need to learn from existing ones within and outside the countries

of operation to avoid any pitfalls and adopt best practice. During the set up of UWASNET, members went to Ethiopia to see how a similar network worked.

7. **Find a willing and capable champion.**

That WaterAid was already in existence as a key player with the technical capacity to lead the formative stages of network formation was one of the key success factors.

8. **Assess whether trends are favourable.**

Global and national trends need to provide a conducive environment for CSO formation.

Reform of the National Water and Sewerage Company of Uganda began in 1995 and continues to date. In November 2000, the Uganda Water and Sanitation NGO Network (UWASNET) was launched to enable civil society organisations to collectively engage in the reform. This case study outlines the successes UWASNET has had in influencing policy and highlights some of the key challenges the coalition faces in reaching consensus and effectively and independently monitoring government activities.

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