

Joint Water and Environment Sector Support Programme Phase II 2018-2023

Government of Uganda



Ministry for Water and Environment

Programme Document

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LIST OF ACRONYMS

All acronyms and abbreviations used in this document are explained where first used.

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
AFD	French Development Agency
AFDB	African Development Bank
AIA	Appropriation In Aid
BAU	Business-As-Usual (scenario of the SSIP)
C4D	Communication for Development
CC	Climate Change
CCD	Climate Change Department
CD	Capacity Development
CIF	Climate Investment Fund
CLTS	Community Led Total Sanitation
CRCCDR	Climate Change and Disaster Risks Project
CRERL	Rural Livelihoods in the Albertine Rift
CRRF	Comprehensive Refugee Response Framework
CRWEE	Climate Resilience and Women Economic Empowerment
CSO	Civil Society Organisation
DEA	Directorate of Environmental Affairs
DKK	Danish Krone
DLG	District Local Government
DP	Development Partner
DPG	Development Partners Group
DWD	Directorate for Water Development
DWRM	Directorate of Water Resources Management
DWSCG	District Water and Sanitation Conditional Grants
ECD	Early Childhood Development
ENR	Environment and Natural Resources
ENR-CSO	Natural Resources Civil Society Network
EU	European Union
EUR	Euro
JFFLS	Junior Farmer Fields and Life Skills
FAO	Food and Agriculture Organization
FCPF	World Bank Forest Carbon Partnership Facility
FFS	Farmer Field Schools
FIP	Forest Investment Programme
FREL	Forest Reference Emissions Level
FSM	Faecal Sludge Management
GCCA+	Global Climate Change Alliance Plus
GCF	Green Climate Fund
GEF	Global Environment Facility
GG	Good Governance
GGAP	Good Governance Action Plan
GGWG	Good Governance Working Group
GIZ	Gesellschaft für Internationale Zusammenarbeit

GoU	Government of Uganda
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HSSP	Health Sector Strategic Plan
IEC	International Electrotechnical Commission
IGAD	Intergovernmental Authority on Development
ISH	Improved Sanitation and Hygiene
IT	Information technology
IWMDP	Integrated Water Management Development Project
IWRM	Integrated Water Resources Management
JFA	Joint Financing Agreement
JICA	Japan International Cooperation Agency
JPF	Joint Partnership Fund
JSR	Joint Sector Review
JTR	Joint Technical Review
JWESSP	Joint Water and Environment Sector Support Programme
KCCA	Kampala Capital City Authority
KfW	Kreditanstalt für Wiederaufbau
lpppd	Litres per person per day
LVWATSAN	Lake Victoria Water and Sanitation
MIS	Management and Information System
MoFPED	Ministry of Finance, Planning and Economic Development
MFL	Moderate Funding Level
MPS	Ministerial Policy Statement
MTEF	Medium-Term Expenditure Framework
MWE	Ministry of Water and Environment
NDP	National Development Plan
NEMA	National Environmental Management Authority
NFA	National Forestry Authority
NFMS	National Forest Monitoring System
NGO	Non-Governmental Organisation
NWSC	National Water and Sewerage Corporation
OAG	Office of the Auditor Generals
OPM	Office of the Prime Minister
PC	Participants' Committee
PDO	Project Development Objective
PPCR	Pilot Programme Climate Resilience
PPD	Policy and Planning Department
PRAMAR	Programme for Resilience and Mitigation in the Albertine Rift
PSFU	Private Sector Foundation Uganda
REDD	Reducing Emissions from Deforestation and Forest Degradation
RF	Revolving Fund
RGC	Rural Growth Centre
RWSD	Rural Water and Sanitation Department
RWSS	Rural Water Supply and Sanitation
SBS	Sector Budget Support
SCD	Capacity Development Unit

SDG	Sustainable Development Goals
SESA	Strategic Environmental and Social Assessment
Sida	Swedish International Development Cooperation Agency
SIM	Sector Investment Model
SPCR	Strategic Plan for Climate Resilience
SPR	Sector Performance Report
SPRS	Support Programme to Refugee Settlements
SPS	Sector Programme Support
SSIP	Strategic Sector Investment Plan
STWSSP	Strategic Towns Water Supply and Sanitation Project
SWAp	Sector-Wide Approach
TA	Technical Assistance
ToR	Terms of Reference
TSU	Technical Support Unit
ENR&CCMS	ENR & CC Mainstreaming Subgroup
UA	Umbrella Authority
UBOS	Uganda Bureau of Standards
UGX	Uganda Shillings
UN	United Nations
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNMA	Uganda National Meteorological Authority
UAs	Umbrella Authorities
UPMIS	Utility Performance Management and Information System
USD	United States Dollar
UWASNET	Uganda Water and Sanitation NGO Network
UWSSD	Urban Water Supply and Sanitation Department
WASH	Water, Sanitation and Hygiene
WATSUP	Water Supply Update Project
WB	The World Bank
WESLD	Water and Environment Sector Liaison Department
WESWG	Water and Environment Sector Working Group
WfP	Water for Production
WMZ	Water Management Zone
WPC	Water Policy Committee
WRM	Water Resources Management
WSDf	Water and Sanitation Development Facility
WSS	Water Supply and Sanitation; or Water and Sanitation Subsector
WSSDP	Water and Sanitation Development Partner
WSSDPG	Water and Sanitation Development Partner Group
WSSGS	Water and Sanitation Gender Strategy
WSSP	Water and Sanitation Programme
WUR	Water Utilities Regulation
WURD	Water Utility Regulation Department

0. EXECUTIVE SUMMARY

The Joint Water and Environment Sector Support Programme phase two 2018 - 2023 (short: JWESSP-II or Programme) is a successor to the Joint Water and Environment Sector Support Programme 2013 – 2018 (JWESSP) building on its achievements. The JWESSP-II will be implemented by the Government of Uganda (GoU), represented by the Ministry of Water and Environment (MWE), with harmonised support from the water and environment sector Development Partners (DPs). The programme will help the water and environment sector to achieve its targets and improve its performance through consistent and harmonised support that is aligned to government objectives, policies and delivery modalities.

The JWESSP-II (including all on-budget funding) will assist Uganda in meeting its sector targets in line with the Sustainable Development Goals and the National Development Plan (NDP) targets by providing access to safe water supply to 6.7 million¹ Ugandans (rural: 4.4 million; urban: 2.3 million), as well as increasing access to improved sanitation for the same target population with present expected level of funding. Despite this substantial achievement, it should however be noted that this is still less than the demographic growth during the same 5-year period.

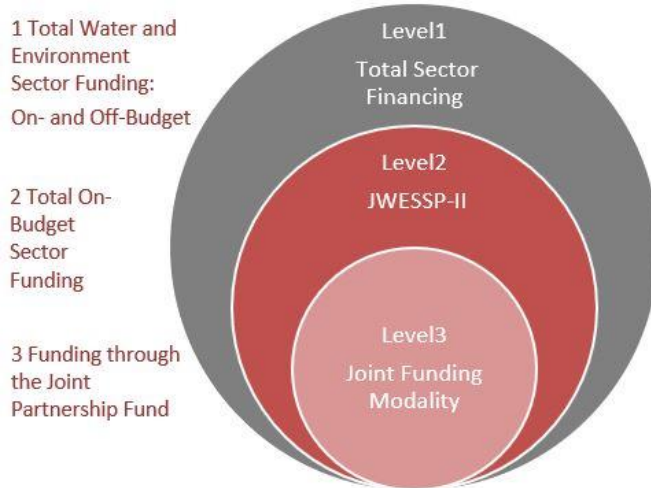
This programme document (PD) describes the differences between the prior and the new programme and assumptions for joining the JWESSP-II in chapter 1. Chapter 2 describes the sector context, experiences gained and the challenges ahead. It emphasises the need for the integration of water supply, environment and climate change as well as cross cutting issues in its objectives in chapter 3 and its strategic investment plan and monitoring of performance setup in chapter 4. Chapter 5 describes the nine programme components in detail including the component budgets and the monitoring framework. Further details on the components are provided in annexes numbered as the components and providing detailed project briefs and budgets. The chapters 6 and 7 of the PD investigate the financing and funding modalities and overall budget of the JWESSP-II. The programme management with its steering committees and governing structure is described in chapter 8. The envisaged risks and risk mitigation in chapter 9 describe risks and challenges and how the JWESSP-II will try to respond to these in the areas of fiduciary and governance performance, development of capacity and funding level considering sector needs. Besides the nine annexes for component project briefs, annexes also include details on mainstreaming environment and climate change concerns across the Ministry of Water and Environment departments and preliminary draft terms of references for the technical advisers required under the JWESSP-II. Annex (12) of the PD describe the refugee situation with its sizeable requirements for water and sanitation services and as such part of the sector but financed off-budget.

The JWESSP-II constitutes the framework for collaboration between DPs and the GoU. Over the course of the programme preparation phase, it was decided that the Programme should have a broader focus which encompasses the whole sector and therefore comprise all on-budget support. The Programme will be understood rather as a coordination than a joint financing framework. The change in scope and funding modalities show in general a move away from funding through Joint Partnership Fund (JPF) and Sector Budget Support (SBS) towards a direct project financing modality. Despite the fact that at the international level various partnership principles have been formulated since year 2000 in the Paris Agenda and Accra Agenda for Action, the actual development in Uganda has seen that those principles are not on top of the agenda of the DPs any more even though Uganda was one of the first developing countries to adopt Sector-Wide Approach (SWAp) implementation modalities.

¹ The estimate is based on the figures of the SPR 2017 and used to project the coverage numbers with present expected funding deducted for inflation and for water supply solutions becoming more expensive.

The JWESSP-II supports an integrated approach to environment, water resources management and water development as well as climate change which is crucial for the whole sector. Water supply, water for production, sanitation and hygiene, forestry, wetlands and environmental management are highly interdependent. Their interplay and sound management are further essential for sustainable economic growth, the transition towards a green economy, energy production and regional stability.

One major difference from the prior programme is that the support to the sector is looked at as divided into three levels: **level one** includes the total water and environment sector funding, both off- and on-budget. The JWESSP-II covers **level two**, which is all support provided by the GoU and DPs to the Water & Environment Sector, including the Ministry of Water & Environment and its semi-autonomous agencies



(i.e. the National Water and Sewerage Corporation (NWSC), National Forestry Authority (NFA), Uganda National Meteorological Authority (UNMA), National Environmental Management Authority (NEMA)). DP support to the GoU is usually provided through bilateral agreements. **Level three**, a sub level of level II, contains support provided by DPs and the GoU based on provisions in a Joint Financing Agreement and following the JPF Operations Manual. Figure 1 shows these three levels of support to the water and environment sector.

Figure 1: Three levels of support to the water and environment sector²

Another major difference is that to be part of the JWESSP-II it was previously necessary to use a joint funding modality JPF or SBS. Using the above outlook, the scope has opened up to include all on-budget funding, and the new joint programme now supports coordination across all on-budget funding modalities.

The JWESSP-II will support the achievement of the targets for the Strategic Sector Investment Plan (SSIP) 2018 - 2030, which are in line with the international (SGD) and national (NDP) overarching target frameworks. Progress will be monitored using the revised Sector Performance Measurement Framework (2017) which has now been aligned to the Sustainable Development Goals (SDGs). It will support national sector priorities, strategies and investment plans as described in the component descriptions and investment plans. The added value of the JWESSP-II is to provide a framework for coordinated support and strong accountability, and to monitor progress on sector targets.

The JWESSP-II will be implemented in components corresponding to MWE directorates/departments in terms of planning, reporting, budgeting and accounting. The JWESSP-II will have nine components, compared to the eight components of the present JWESSP, as the Water Utilities Regulation Department became a separate Department in 2016 and will therefore be a separate component rather than a sub-component under the Urban Component.

² For a more detailed presentation of the three funding levels, please refer to Figure 5.

The components of JWESSP-II, as described in detail in chapters 5.1 to 5.9. are:

- 1 - Sector Programme Support – SPS
- 2 - Rural Water Supply and Sanitation – RWSS
- 3 - Urban Water Supply and Sanitation – UWSS
- 4 - Water Utilities Regulation – WUR
- 5 - Water for Production – WFP
- 6 - Water Resources Management – WRM
- 7 - Water Management Zones – WMZ
- 8 - Environment and Natural Resources Management – ENR
- 9 - Climate Change – CC

Overall budget forecasts have been developed for the JWESSP-II together with the DPs supporting the sector and all the Programme components and is considered a snapshot of the funding situation in July



2018. Figure 2 below, shows the overall contribution to the sector divided into GoU total funding and DP funding.

**Figure 2:
 Development Partners' and Government of Uganda's contribution to the JWESSP-II 2018-2023**

Table 1 presents the JWESSP-II five-year budget overview split up into Programme components and funding modalities. It visualizes the disaggregation of the total five-year on-budget sector funding for the Programme period 2018-2023 of Uganda Shillings (UGX) 5,776 billion, whereas next page's illustration compares the DP's funding priorities with the GoU's precedencies and shows that the GoU's main emphasis is on funding urban water supply. As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as seen by July 2018 and that funding levels can and will change over the programme period as is normal in a dynamic process.

Table 1: Total available funding of the JWESSP-II by components and source of funding (in UGX bn)

On-budget funding in UGX Bn		MWE		Agencies			Total
		DP	GoU	DP	GoU	AIA	
Component							
1	SPS (incl. TA)	33.85	8.24				42.09
2	RWSS	373.56	292.73				666.29
3	UWSS	626.04	114.55	2250.00	0.05	729.15	3719.79
4	WUR	8.54	24.56				33.10
5	WfP	333.49	361.29				694.78
6	WRM	17.75	10.84				28.59
7	WMZ	100.60	13.30				113.90
8	ENR	103.96	74.25		108.80	185.65	472.65
9	CC	2.12	2.50				4.62
Totals		1,599.89	902.26	2,250.00	108.85	914.80	5,775.80

MWE vs. Agencies	UGX Bn	%	DP vs. GoU + AIA	UGX Bn	%
MWE	2,502.16	43%	DP	3,849.89	67%
Agencies	3,273.65	57%	GoU and AIA	1,925.91	33%
Total	5,775.80	100%	Total	5,775.80	100%

The compiled component budgets have been used in the Strategic Sector Investment Plan (SSIP) model to provide annual planned progress figures for 24 key sector indicators and comparing to the Business-As-Usual funding trajectory (BAU scenario) of the SSIP. This scenario assumes the Sector continues to receive the current level of funding of FY2017-2018, growing at three percent per year.

The following exchange rates have been provided by MWE and used for all calculations in this document:

- 1 USD = UGX 3,780.00³
- 1 EUR = 3,780.00 X 1.17 = UGX 4,423.00
- 1 UA = UGX 5,292.00

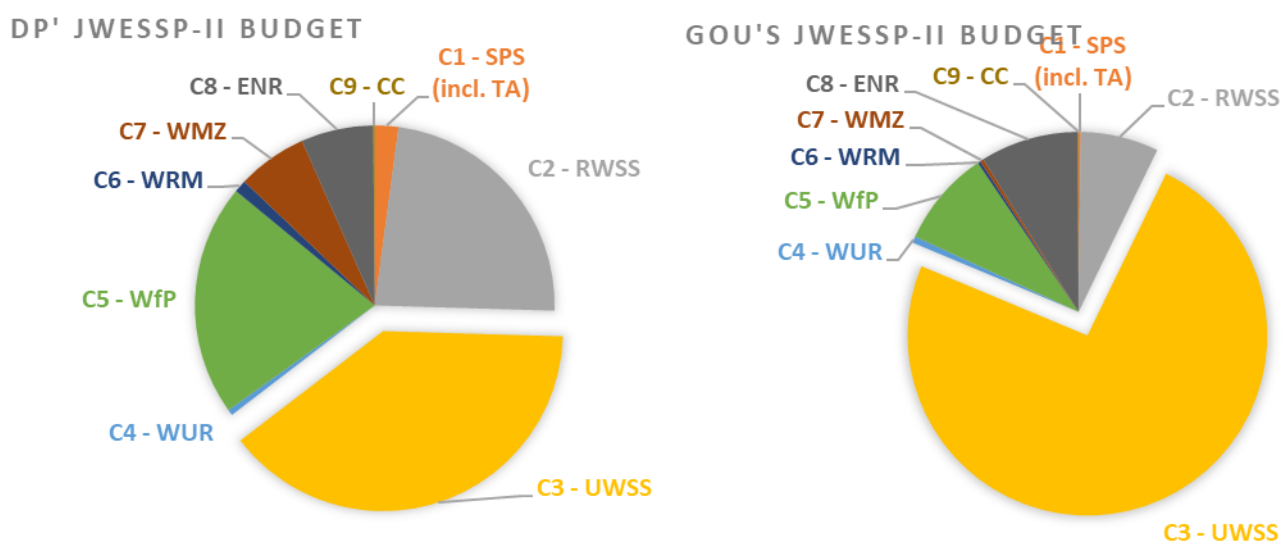


Figure 3: Distribution of Development Partners' and Government of Uganda's budget between JWESSP-II components

As in the prior programme, the overall governance and coordination structure is centred around the Water and Environment Sector Working Group (WESWG) to ensure efficient and effective long-term and annual planning, monitoring, and policy guidance for the water and environment sector. The WESWG also provides guidance in resource allocation under the sector to the different subsectors, including both on-budget under the Medium-Term Expenditure Framework (MTEF) and off-budget resources.

³ The official exchange rate of One Uganda Shilling against One US Dollar as shown in the budget call circular FY 2017/2018.

The WESWG coordinates the implementation of all water and environment programmes / projects / activities in view of national priorities, policies and strategies, and provides overall management and coordination of the Water and Sanitation Subsector (WSS) and ENR & CC Subsector Working Groups, as well as all subgroups and committees.

Operational management of the JWESSP-II – including overall programme coordination, planning, reporting and monitoring responsibilities, the organisation of sector studies, reviews and meetings – will be ensured by the Water and Environment Sector Liaison Department (WESLD). The same Department will also have the responsibility for the Sector Programme Support component, for the coordination of institutional development and technical assistance, and for cross-cutting issues, sector reform and the governance agenda. The JWESSP-II operations will be based on existing sector planning, reporting, procurement, contract management and financial management procedures.

There will be an inception phase of three months to (i) initiate the component performance monitoring framework, (ii) develop the formats for work planning and reporting, as well as (iii) draft the first annual workplan. Other activities for the inception period, see chapter 8.5 for details, include: (iv) water and environment DP group to review their ToR and plan for update of their DP mapping to include all off-budget DPs, (v) review / revision and possible re-drafting of ToRs for the WESWG subgroups. This includes new ToR for the ENR and CC subgroup, (vi) add mainstreaming key sector indicators to the monitoring framework and (vii) prepare a brief inception report summarising progress at the end of the inception phase.

1. INTRODUCTION

This Programme Document outlines the Joint Water and Environment Sector Support Programme (JWESSP-II) to be implemented from July 2018 to June 2023 by the Government of Uganda (GoU), represented by the Ministry of Water and Environment (MWE), with harmonised support from the water and environment sector Development Partners (DPs). The programme will help the Water and Environment sector to achieve its targets and improve its fiscal and physical efficiency through a consistent, harmonised support programme that is aligned to government objectives, policies and delivery modalities.

As a successor to the current Joint Water and Environment Sector Support Programme (JWESSP, 2013 – 2018) the proposed programme can build on considerable implementation experience. The existing support arrangements – essentially based on government systems combined with joint financing, monitoring/review and decision-making mechanisms – have generally demonstrated their effectiveness. The programme is embedded in a larger Sector-Wide Approach (SWAp) framework that has been developed from 2002 onwards, including a Joint Partnership Fund (JPF), a basket funding arrangement for pooling of funds from DPs, which has been operational since 2003.

The sector has developed during the implementation of the Joint Programmes as more and more reforms were implemented, especially the establishment of various MWE structures at the deconcentrated or regional levels. The JWESSP developed an integrated approach to environment, water resources management, water development and climate change, all crucial for the whole sector, realising that these areas are all highly interdependent.

At the time of the mid-term review of the JWESSP in 2016, some of the DPs made clear that their support strategies might change, and one important recommendation was to prepare a consolidation strategy⁴ and plan to consolidate and sustain the results achieved through the JWESSP in light of expected decreasing support from DPs both through the JPF and to Sector Budget Support (SBS) due to changing priorities of the DPs.

The DPs supporting the JWESSP-II are in general moving away from funding through JPF and SBS towards a direct project financing modality where DPs directly transfer funds to the contractors implementing the construction of water supply systems etc. While at the international level various partnership principles have been formulated since year 2000 in the Paris Agenda and Accra Agenda for Action, the actual development in Uganda has seen that those principles are not on top of the agenda of the DPs any more even though Uganda was one of the first developing countries to adopt SWAp implementation principles.

As part of the study process, meetings were held with all stakeholders and an option for continuation through a successor programme was presented. It was based on the support envisioned to be available and other recommendations to consolidate the achievements of the JWESSP. In a workshop in July 2017, both the GoU and the DPs agreed to seek a continuation and to prepare this JWESSP-II.

The overall assessment has been that the JWESSP has successfully supported the development of the sector and that the JWESSP-II will continue in the same direction but will have an enlarged focus that includes all on-budget support to the whole water and environment sector.

⁴ Joint Water and Environment Support Programme (2013-2018) - Consolidation Strategy and Plan July 2017.

Table 2: Total available funding of the JWESSP-II by components and funding modalities

Component	Project	JPF un-earmarked	JPF earmarked				SBS	MWE: GoU counterpart contribution	MWE: GoU funding	Agencies: DP+GoU+AIA	Total
	ADA	AfDB WSSP-II	AfDB STWSSP	AfDB Additional Funds	KFW						
1 SPS (incl. TA)	2.28	24.07	2.22	4.84		0.44		8.24		42.09	
2 RWSS	315.34	13.27	44.96				12.28	280.45		666.29	
3 UWSS	419.29	30.91	126.93	13.52		35.38	73.35	41.20	2979.20	3719.79	
4 WUR	8.54						4.40	20.16		33.10	
5 WfP	333.49						20.56	340.73		694.78	
6 WRM	12.00	5.75						10.84		28.59	
7 WMZ	93.97	6.63					10.90	2.40		113.90	
8 ENR	102.03	1.93					70.30	3.95	294.45	472.65	
9 CC		1.49			0.63			2.50		4.62	
Totals	1,286.93	84.05	174.11	18.36	0.63	35.82	0.00	191.79	710.47	3,273.65	5,775.80
		Total Donor JPF earmarked: 228.92									
		Total Donor JPF: 312.97									
		Total Donor Dev't: 1599.89									
						Total MWE: GoU		902.26			

This Programme Document therefore uses as much as possible the setup and structures of the present JWESSP, including financial modalities, ensuring that all sector activities and projects (to the extent possible) are coordinated within a programmatic framework. A framework that embraces SWAp principles, maintaining existing sector coordination mechanisms, and being a vehicle for implementing the National Development Plan (NDP) and the new Strategic Sector Investment Plan 2018-2030 (SSIP). This Programme Document also presents the broader picture of all support to the water and environment sector, both through description and by presenting the funding that is captured in the Ministerial Policy Statement and reported on an annual basis in the Sector Performance Report (SPR), as far as figures are known.

The DPs supporting the JWESSP-II are in general moving away from funding through JPF and SBS towards a direct project financing modality where DPs directly transfer funds to the contractors implementing the construction of water supply systems etc.

The SBS funding solutions have been maintained in principle only and no DPs subscribe to this funding modality at present. Present DPs and newly joining DPs would have an option to use this funding modality at a later stage during the five-year programme phase. Joining DPs would be expected to follow the general requirements for joining the JWESSP-II as described under chapter 2.7. New DPs planning to provide funding through the JPF will need to sign a Joint Financing Agreement (separate Document).

The overall five-year budget is split in terms of donor support per component and funding modality. Details are further described under the nine component descriptions in chapter 5, and annual targets for the five years and the SSIP are presented for each component and summarised in Annex 1 to Annex 9.

At the time of preparing the Programme Document, the total funding available for the five-year programme, including tentative GoU funding and funding to the agencies, amounted to UGX 5,773 billion as shown in Table 1 **presents the JWESSP-II five-year budget overview** split up into Programme components and funding modalities. It visualizes the disaggregation of the total five-year on-budget sector funding for the Programme period 2018-2023 of Uganda Shillings (UGX) 5,776 billion, whereas next page's illustration compares the DP's funding priorities with the GoU's precedencies and shows that the GoU's main emphasis is on funding urban water supply. As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as seen by July 2018 and that funding levels can and will change over the programme period as is normal in a dynamic process.

Table 1 and in more detail in Table 25. This funding level is considerably higher than in the prior JWESSP programme, notably due to a substantial increase in funding for the urban subsector both due to more funding from DPs and also due to the fact that the JWESSP-II now includes all DPs providing on-budget support to the GoU through the various funding modalities. A new SSIP was prepared and has been completed at the time of the start of the JWESSP-II. Despite the increase in funding level, there is still a substantial gap (Annex 1 to Annex 9) across all areas, especially for Water Resources Management (WRM), Environment and Natural Resources (ENR) and Climate Change (CC). The proposed mainstreaming process is expected to make that gap smaller through providing a comprehensive analysis of the funding available to ENR including the use of the 3% contribution from development of water supply projects for environment protection / catchment protection. The funding gap as analysed in the SSIP provides investment needs to meet the SDG 2030 targets and provides an idea of the difference between the available JWESSP-II funding and the three funding scenarios included in the SSIP.

This clearly raises concern over the long-term sustainability of infrastructure investments when important water resources, environment and climate change concerns are not addressed.

The budget figures in this document are indicative. Some support projects under the JWESSP II are planned but funds haven't yet been committed. The allocation details in the respective components will be confirmed and detailed in the work-planning and budgeting process.

1.1. PROGRAM DOCUMENT DEVELOPMENT PROCESS

The programme formulation process included a stakeholder consultation phase to get an indication which DPs are interested in supporting the Programme and with which funding modality, if they can operate with the timeframe for this present programme and also, their outlook for possible future support to the sector. The present DP mapping prepared by the DPs, was used as a basis for the information required and was updated in the process to include possible new project support. The preparation of the first draft component descriptions led to the first stakeholder workshop and the start of the programme drafting phase.

The first draft JWESSP-II programme document was presented at the second stakeholder workshop, which brought up a number of recommendations. In particular the overall programme inclusiveness was debated since the new programme should include all DP and GoU funding available to the sector.

The programme preparation approach was from the onset designed to be a lean and effective process that concludes with the GoU and the DPs signing a Joint Financing Agreement (JFA); with the DPs providing funding through the JPF. However, the Programme is flexible for DPs to join after its start in July 2018 when additional funding is available, and/or a new DP decides to join funding through JPF for activities under the JWESSP-II.

The overall on-budget support to the sector is captured in Table 25 and Table 26 and includes the latest updated figures as per the Ministerial Policy Statement 2017/18, this includes all on-budget funding from DPs.

1.2. DIFFERENCE BETWEEN JWESSP-II AND PREVIOUS JWESSP

1. Funding modalities: In the previous JWESSP programme the support modality was that the DPs' support was channelled through the JPF and SBS. The programme was designed around those funding mechanisms supporting the implementation of GoU strategies and the NDP through this support programme. This meant that the DPs providing SBS supported the GoU's efforts to develop the rural water subsector with its monitoring systems etc. The support through the JPF was used for programme management and to finance the development of water and sanitation infrastructure in small towns and rural centres, water resources management and ENR and capacity development. There was also support in-kind to TA as well as direct funding to studies etc, through a DP programme management fund.

Over the course of the programme preparation phase, it was decided that the Programme should comprise all on-budget support due to the broader focus which encompasses the whole sector. The definition of the Programme will be understood as described in the guiding principles for the support to the water and environment sector. The change in scope and funding modalities, is resulting in the DPs supporting the JWESSP-II in general are moving away from funding through JPF and SBS towards a direct project financing modality where DPs directly transfer funds to the contractors implementing the construction of water supply systems etc. Despite the fact that at the international level various partnership principles have been formulated, since year 2000, in the Paris Agenda and Accra Agenda for Action, the actual development in Uganda has seen that those principles are not on top of the agenda of the DPs any more even though Uganda was one of the first developing countries developing SWAp.

In the JWESSP-II, support to the sector is divided into three levels: level one includes all support to the sector including off-budget support, level two includes all on-budget support and level three, which includes the DPs' support through JPF and provided through a JFA using the below funding modalities. The funding made available for the implementation is described in detail in the nine component descriptions. Other DP support to the sector will be governed by the general requirements for supporting the sector as described under chapter 2.7. (See Figure 5). This programme is therefore wider in terms of possible funding modalities, so the current programme financing includes the previous three modalities, plus all on-budget projects, here named "direct project funding":

1. Direct project funding (all on-budget projects)
2. Joint Partnership Fund (JPF, both through earmarked and unearmarked funding)
3. In-kind support
4. Sector Budget Support (SBS)

The amount of funding to the JPF and the number of contributing donors has decreased, but as mentioned above, the amount of funding (now including all on-budget projects) of the whole programme and the number of contributing partners has increased, as well as its significance as a tool for sector coordination and planning.

2. Number of components: The previous programme had 8, now there are 9 components; otherwise the structure is the same. Water Utility Regulation has been added as a new component since the unit was elevated to a department of the MWE, from being a Unit under the Urban Water and Sewerage Department of the ministry under the previous programme.

The JWESSP used golden and platinum indicators plus some output indicators but the JWESSP-II now uses a new monitoring framework based on 42 sector indicators and 60 proposed output indicators. The new SSIP provides for three planning scenarios for meeting sector goals. One based on the present and expected macro-economic situation, named the "Business as Usual" (BAU) scenario which is used to monitor progress over the five years for the 24 key sector indicators used in the SSIP modelling.

3. ENR and CC mainstreaming approach: During the JWESSP programme period, mainstreaming of ENR and CC change activities were developed but lacked implementation. In the JWESSP-II, mainstreaming of ENR and CC concerns will be a key benchmark for success. The JWESSP-II governing structure has been strengthened by giving new responsibilities to the existing CC Subgroup. The new strengthened subgroup is named the ENR & CC mainstreaming Subgroup, to give the mainstreaming process high level guidance, monitoring and follow-up. Revised ToR for the Subgroup will be prepared during the JWESSP-II inception period for approval of the WESWG (see under chapter 8.3).

4. Sector funding: The previous JWESSP included tentative sector budgets. This JWESSP-II has detailed budgets providing a snapshot of the funding situation by 1 July 2018 and developed together with the DPs⁵ supporting the sector and all the JWESSP-II programme components. Funding levels can and will change over the programme period as is normal in a dynamic process.

The detailed component budgets will be valuable tools for tracking investments and for planning and monitoring. The compiled component budgets and total sector budgets have been used in the SSIP model to provide annual planned progress percentage figures for 24 key sector indicators.

⁵ The DP groups supporting MWE have prepared and updated a DP - WSS Mapping of funding and activities matrix, January 2018 and updated in April 2018.

2. SECTOR CONTEXT AND IMPLICATIONS FOR JWESSP II DESIGN

2.1. KEY SECTOR LEGISLATION, POLICIES, STRATEGIES AND RELEVANT STRATEGIC PLANS FOR THE PROGRAMME

Within the overall framework of the Constitution of Uganda (1995), the policy framework for the management and development of the water and environment sector in Uganda is anchored on a few very important documents: The National Environmental Management Policy (1994), the Uganda Water Action Plan (1995), the National Water Policy (2012) and more recently the Climate Change Policy (2015).

Legal Framework

The key legal frameworks that guide the management of the sector are:

- Constitution of the Republic of Uganda (1995);
- The Water Act, Cap 152;
- The Environment Act, Cap 153;
- The National Water and Sewerage Corporation Act, Cap 317;
- The Local Governments Act, Cap 243;
- Land Act, Cap 227;
- The Public Health Act (1964);
- The Children Statute (1996); and
- The National Meteorological Authority Act (2012).

Furthermore, the Regulations and Standards that are in place to guide users include:

- The Water Resources Regulations (1998);
- The Water Supply Regulations (1998);
- The Water (Waste discharge) Regulations (1998);
- The Sewerage Regulations (1999);
- The Waste Management Regulations (1999);
- Environmental Impact Assessment Regulations (1998);
- National Environment (Standards for Discharge of Effluent into Water or on Land) Regulations (1999);
- National Environment (Waste Management) Regulations (1999); and
- The National Forestry and Tree Planting Act (2003).

2.2. POLICY FRAMEWORK

The **National Water Policy** promotes an integrated approach to the management of the water resources in ways that are sustainable and most beneficial to the country. The approach is based on the continuing recognition of the social value of water, while at the same time giving much more attention to its economic value.

The **other policy documents** which complement the above policies are: The Wetlands Policy (1995), the Land Use Policy, National Health Policy and Health Sector Strategic Plan (1999), the National Environmental Health Policy (2005), the School Health Policy (2006), the National Gender Policy (1997), the National Irrigation Policy 2017, and the Uganda National Climate Change Policy 2015.

2.3. STRATEGIC PLANNING

The SSIP and model Sector Investment Model (SIM) (2018) were developed to translate the sector's goals and targets, NDP and Sustainable Development Goals (SDG) into a funding requirement. The SIM operates with three levels. First, a model based on the present level of funding, second, a medium level and third, a high level aiming at reaching the SDG (2030) for the 24 sector targets used by the sector.

Funding requirements in the SSIP have been arrived at by using the indicator target costing which is calculated within the Sector Investment Model or SIM. In addition to its use as budget allocation model, the SIM also serves as a consolidated database of investment unit costs, targets and baselines, and indicator units (e.g. population, GHG emissions, etc.) across all years of the SSIP (2017-2030) and all water management catchments in Uganda.

The results of this analysis show that at the current level of funding, very few, if any, of the 24 indicators will be achieved by 2030. In order for Uganda to meet not only the international standards agreed upon in the SDGs, but also to meet the important priorities defined by the Water and Environment Sector, the Sector requires funding of almost 5 trillion UGX in 2018, increasing to almost 10 trillion by 2030, accounting for population growth. (see more information on the SSIP/SIM⁶).

In the JWESSP-II the SSIP/SIM has been used to present targets in the monitoring framework based on the present level of funding (including all on-budget funding) which will assist Uganda in meeting the SDGs and related NDP targets by providing access to safe water supply to 6.7 million Ugandans⁷ (rural: 4.4 million; urban: 2.3 million), as well as increasing access to improved sanitation for the same target population with present expected level of funding. Despite this substantial achievement, it should however be noted that this is still less than the demographic growth during the same 5-year period.

The monitoring framework is included under each of the nine component descriptions.

The other strategic plans include the Forest Investment Programme for Uganda, the Water and Environment Sector Development Plan, 2015/16 - 2019/20 and the Water Catchment Management planning carried out under the WMZs.

2.4. INSTITUTIONAL FRAMEWORK

The Water and Environment sector consists of two sub-sectors: The Water & Sanitation (WSS) subsector and the Environment & Natural Resources subsector. The WSS subsector comprises water resources management, rural water supply and sanitation, urban water supply and sanitation, water utilities regulation, and water for production (WfP). The ENR subsector comprises environmental management, management of forests and trees, management of wetlands and aquatic resources. The Climate Change Department (CCD) coordinates climate change responses, as seen in Figure 4.

The institutional sector framework consists essentially of:

- The MWE, which has three Directorates: The Directorates for Water Development (DWD), Water Resources Management (DWRM) and Environmental Affairs (DEA). Four Departments report directly to the Office of the Permanent Secretary, MWE, and these include the Policy and

⁶ Strategic Investment Plan for the Water and Environment Sector, Uganda (2018-2030).

⁷ The estimate is based on the figures of the SPR 2017 and used to project the coverage numbers with present expected funding deducted for inflation and for water supply solutions becoming more expensive.

Planning, Water and Environment Sector Liaison, Finance and Administration and the recently created Climate Change Department.

- Local Governments (districts, town councils), which are legally in charge of service delivery under the Decentralisation Act,
- A number of deconcentrated support structures related to the MWE have been established: Technical Support Units (TSU), Water and Sanitation Development Facilities (WSDF), Umbrella Authorities (UAs), Water Management Zones (WMZ) under the DWD, and Water Resources Management (WRM) and regional entities under Water for Production and ENR,
- Four semi-autonomous agencies: National Water and Sewerage Corporation (NWSC) for large towns' water supply and sewerage as well as small towns handed over to NWSC after being constructed by the Urban Water and Sewerage Services Department (UWSSD), National Environmental Management Agency (NEMA) for environment management, and the National Forest Authority (NFA) (forestry) and the Uganda National Meteorological Authority (UNMA),
- NGOs / community-based organisations (CBO) coordinated through the national Uganda Water and Sanitation NGO Network (UWASNET) secretariat and Water User Committees / Associations,
- The Environment and Natural Resources Civil Society Network (ENR-CSO Network) Secretariat is hosted at the NGO "Environmental Alert". The coordination and reporting mechanism for the ENR-CSOs,
- The private sector (infrastructure operators, contractors, drillers, hydrogeologists, consultants).

Activities in Sanitation and WfP (mainly focusing on agricultural and animal production) require close coordination with other Line Ministries (Ministries of Health, Ministry of Education & Sports and the Ministry of Agriculture, respectively).

The WESWG provides policy and technical guidance for the sector. It comprises of representatives from all key sector institutions (government, development partners and NGOs). The Macro-structure for the water and environment sector, comprising MWE, its three directorates and the parastatal organisations is set out in the Figure 4 below, which is based on the approved organisational MWE structure (April 2016). An additional authority, UNMA, was created in 2017.

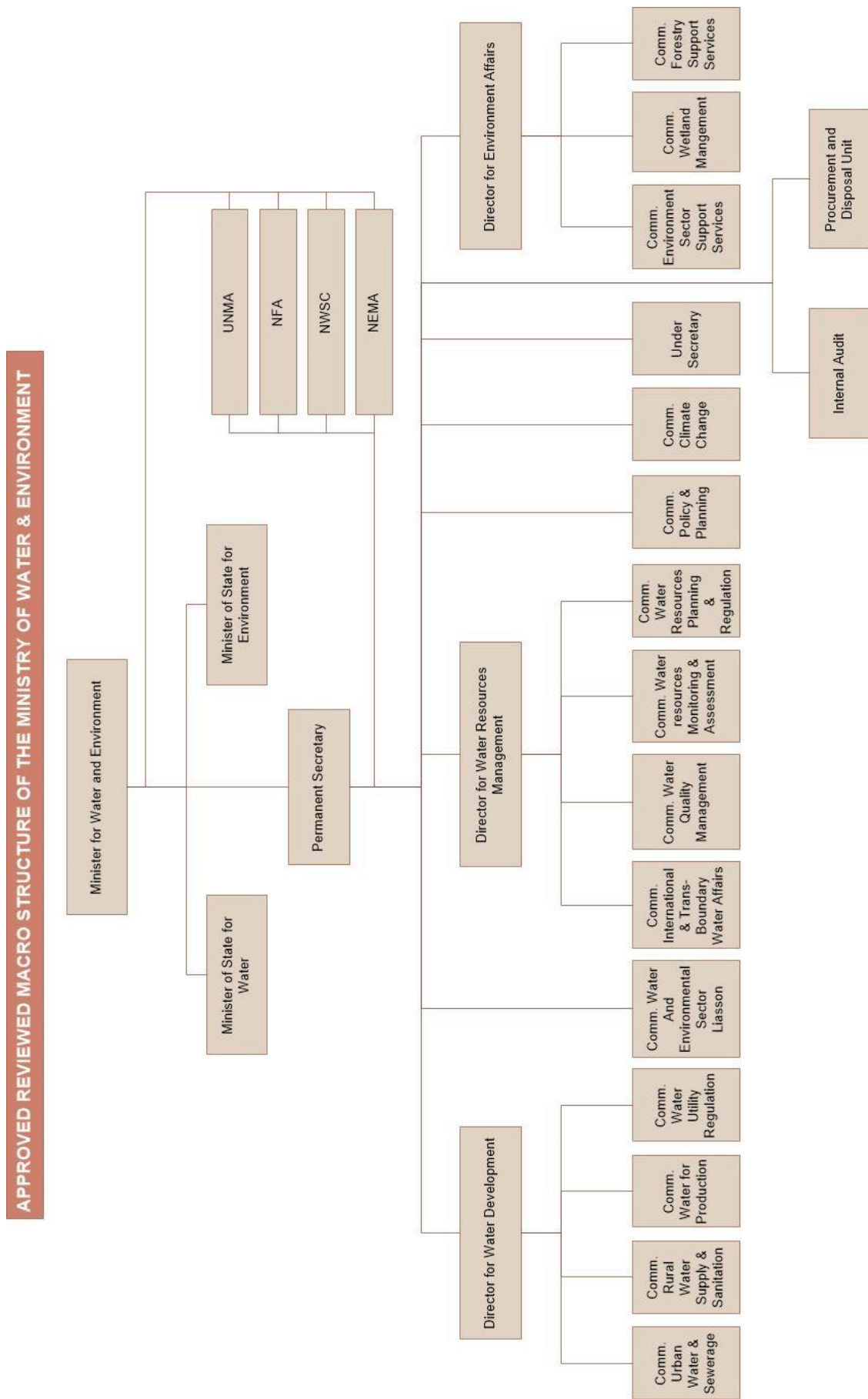


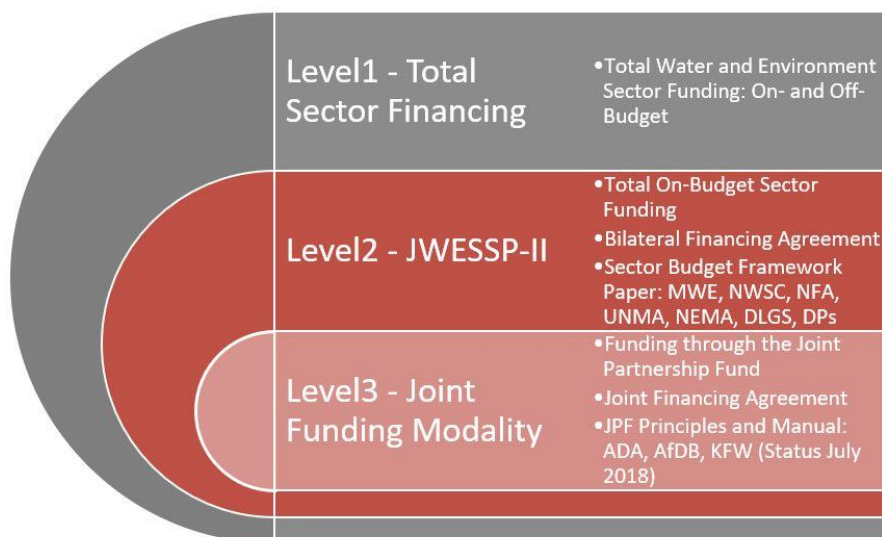
Figure 4: MWE organisational structure approved April 2016 with new UNMA added

2.5. THE JWESSP II WITHIN THE NATIONAL SECTOR FRAMEWORK

The Water and Environment Sector encompasses several key areas of development identified in the NDP, which is Uganda’s overarching national planning framework for the period 2015-2020. With its theme: “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, inclusive Growth and Employment” the NDP represents a shift in focus towards economic growth, a priority that is reflected in the JWESSP-II design by increased attention to Water for Production (WfP).

While the previous JWESSP focused on funding through JPF, the JWESSP-II has an enlarged focus so all on-budget funding to the water and environment sector is included. Off-budget support funding is in some cases not known in detail, but there is considerable off-budget support, some of which is also used for water supply, sanitation and environment interventions, mostly in connection with the refugee situation in northern Uganda (see chapter 2.8).

The definition of the joint programme therefore is a joint programme of the GoU and DPs providing on-budget support but also considering all support to the sector as shown in Figure 5 below which shows three levels of support to the water and environment sector.



The outer **level one** includes the total sector funding, both off- and on-budget. This includes support to the sector by Non-Governmental Organisations (NGOs) and Civil Society Organisations (CSOs). According to the Sector Performance Report 2017 the contributions in the Water and Sanitation subsector amount to approximately 40 bn UGX per year while

in the Environment and Natural Resources subsector on average 5 bn UGX are reported as average expenditure by CSOs. It has to be noted however that a 5-year forward looking estimation of the total funding wasn’t possible because of the project nature and unpredictability of support at this level. **Level two** is all support provided by GoU authorities/parastatals and GoU funding through MWE and through GoU conditional grants, as well as DP support provided through bilateral agreements.

Figure 5: Levels of support to the water and environment sector

Level three contains support provided by DPs and the GoU based on a Joint Financing Agreement and in line with the provisions in the JPF Operations Manual and on.

The JWESSP-II will be the core framework for joint support in the context of a SWAp for the water and environment sector. The most significant donor support to the water and sanitation subsector – with the exception of water supply and sanitation in towns under the NWSC – is being channelled through the current joint sector programme and this will continue throughout the JWESSP-II.

The JWESSP-II will be implemented in components which are the MWE directorates/departments in terms of planning, reporting, budgeting and accounting. The JWESSP-II will have nine components, compared to the eight components of the present JWESSP, as the Water Utilities Regulation Department was created in 2016. The nine components are described in detail in chapter 5.

The ENR subsector has had much less DP support. Since 2008, the WSS and ENR sectors have been formally merged. This is reflected in the formation of a joint WESWG and the integration of the ENR subsector into the sector performance measurement framework including the Joint Sector Review (JSR) and the annual SPR covering both subsectors and development of the first joint programme including both subsectors in 2013.

The SSIP has been prepared to provide a projection for the programme period 2018 – 2023, with the identified gaps presented in the three models of the SSIP/SIM, where these gaps relate to a shortfall in reaching the 2030 SDG goals for the various subsectors. It also provides guidance for the next NDP as well as to the Medium-Term Expenditure Framework (MTEF), providing a three-year budget for the water and environment sector.

Dimensions of JWESSP II

Table 3: Dimensions of JWESSP-II and relation to funding modality, agreements and monitoring

Level	Financing	Agreement	Level of Detail in Programme Doc	Indicators	Reporting
Level 1 Total Sector Funding	On-budget and Off-budget	Financing Agreements and/or general sector principles	General chapter and financial data to establish funding gap	Sector (including SSIP) indicators	Annual SPR
Level 2 JWESSP-II	On-budget, all modalities and sources of funding including JPF + GoU	Bilateral financing agreements	Component	Sector (including SSIP) indicators	GoU Progress Reporting Annual SPR
Level 3 Joint Funding Modality	JPF + GoU counterpart funding for the JPF-funded themes/projects	Bilateral financing agreements + Joint financing agreement	Theme	Set of output indicators per theme	Quarterly JPF Progress Report Annual SPR

To get an overview of the three levels shown in Figure 5, this Table 3 shows what is required of the levels as far as financing, type of agreements, levels of description in the Programme Document are concerned, as well as the monitoring and reporting requirements for each level.

2.6. CHALLENGES, KEY EXPERIENCES AND RESULTS OF PREVIOUS SUPPORT

One of the challenges of the Programme is that certain subsectors tend to receive less prioritisation for budget allocations, both at the central and local government level. The benefits of efficient water resources management, environmental services and adaptation to climate change are less tangible and less immediate than the infrastructure-oriented results of water supply and WfP projects, even though many primary growth sectors, as indicated in the NDP, depend on sustainable natural resources and ecosystems and may be strongly affected by the effects of climate change. The study’s findings of “Contribution of Water Resources Development and Environmental Management to Uganda’s Economy” from 2015 clearly show the importance of environmental and water resources management for Uganda’s

economic development. This has, however, not translated into more emphasis and funding to those subsectors.

The key challenges the subsectors still face include:

- The DPs moving away from funding through JPF and SBS towards using a direct project financing modality. However, to be in a joint programme with the GoU, the MWE maintains that some minimum requirements preferably should be fulfilled. These requirements have been spelled out in chapter 2.7. For DPs providing funding through the Joint Partnership Fund (JPF) a signing of a Joint Financing Agreement (JFA) will be required. It will be preferable that the DPs, whether they use direct project financing or earmarked funding through JPF, should allocate a share of their funding for activities required to run a joint programme i.e. reviews, institutional strengthening, JPF accounts office, etc. This support can be either earmarked for specific activities or unearmarked for Sector Programme Support (SPS) activities. Another preference is that the DPs funding through this model, should implement the projects through the existing sector structures as much as possible.
- Insufficient funding levels to reach the sector's targets, including the NDP targets and the SDGs, in a context of fast population growth and low budget allocations. The reason for this continued challenge is the population growth and the present government's prioritisation of the energy, transport and productive sectors.
- Slow progress on capacity development at the local government level, as progress is being jeopardised by the continuous creation of new districts. However, the political decision to increase the number of districts is beyond the sector's influence.
- Inadequate recognition of the importance of capacity development as a vehicle for operation and maintenance as well as sustainability of water and environment infrastructure investments as evidenced by the limited resources provided to the activity. The advancement of the IWRM-based WMZs and the forest landscape restoration which is based on the seven forest landscapes across the country has been a challenge. Some of the challenges in this respect include: a) inadequate institutional capacity within the technical management units; and b) inadequate coordination at landscape and water catchment management levels.
- Despite being an important feature under JWESSP, little has been achieved in terms of mainstreaming CC and ENR concerns in the sector. It was and remains appropriate that the MWE ensures that these concerns are integrated across its subsectors, while working to achieve the same across government line ministries generally.

2.7. ASSUMPTIONS AND REQUIREMENTS FOR JOINING THE JWESSP-II

The JWESSP-II constitutes the framework for DPs to support the GoU's efforts in the water and environment sector, to achieve its targets and to improve its efficiency through a consistent, harmonised support programme, which is aligned to government objectives, policies and delivery modalities. However, over the course of the programme preparation phase, it was decided to include all on-budget support, so this broader focus encompasses the whole sector. The definition of the joint programme should be understood as described in the guiding principles below and divided firstly for the support to the water and environment sector in general and secondly for the support that falls within the JPF. See Figure 5 and Table 3 which clarify how the three levels of support and collaboration are conceived.

The below Guiding Principles for the Sector should be followed for all provided funding for the Sector (to the extent possible):

- Provide information on projects and funding levels (DP mapping); this includes the mentioned funding modalities and off-budget funding.

The DP supporting the JWESSP-II shall, within the project, assist the GoU in ensuring the below (to the extent allowed):

- Environmental sustainability and mainstreaming of ENR and CC concerns
- Water source protection included in all water infrastructure development projects
- Use Integrated Water Resources Management (IWRM) – catchment management planning as a basis for project development
- Address sanitation, i.e. adopt Faecal Sludge Service Chain Approach and to the extent possible use the principle that there should be no water supply project without sanitation
- Address gender and equity aspects
- Enhance project sustainability through strengthening MWE to fulfil its mandate at central, de-concentrated and district level
- Promote good governance
- Support the aim of the Ugandan National Development Plan (2015-2020) and the Sustainable Development Goals
- Include NGOs and the private sector in sector planning and review processes and overall capacity development
- Submit concept notes and proposals of new projects to the MWE's Finance Committee for review
- Promote institutional strengthening and retooling (capacity development)

For DPs providing funding through the JPF the following additional conditions will apply:

DPs funding through the JPF are required to sign a Joint Financing Agreement (JFA). A JFA can be signed at any time during the Programme Phase for DPs joining the JWESSP-II after July 2018, subject to agreement with the original signatories.

Transparency and joint planning:

- New project designs have to be approved by the MWE Design Committee
- Link projects to SSIP targets and related model and promote cost-efficiency and regional equity
- Share ToRs and the results of evaluations and reviews
- All DPs contribute to the sector programme support (reports, sector reviews, evaluations), and undertake joint activities along the entire programme cycle: appraisal, inception, review (mid-term), evaluation
- Use government structures for the implementation of projects
- DPs should (to the extent possible) use programme reporting mechanisms (quarterly reports and SPR) rather than undertaking separate reporting
- DPs should (to the extent possible) use programme output indicators and sector indicators for their planning and internal reporting and support the MWE in monitoring these

DPs are expected to actively participate in meetings of:

- DP coordination groups where activities are coordinated, and views consolidated, and in lobbying for more support
- WESWG (overall sector steering, coordination and planning)
- Water and Sanitation as well as Environment and Natural Resources Subsector Working Groups, subgroups and thematic groups and committees as per ToRs for Water and Environment Sector Working Group (WESWG) and subgroups

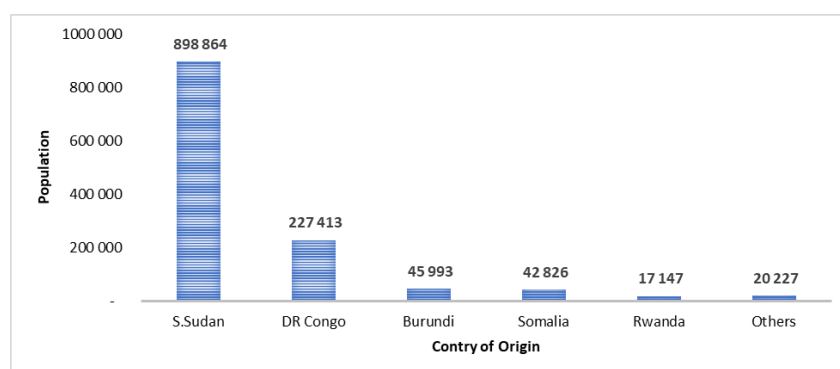
Institutional Strengthening:

- DPs should follow the guidelines for provision of long-term Technical Assistance (TA) worked out and approved by the WESWG during the prior JWESSP
- Support (to the extent allowed within the projects) the MWE in implementing training programmes; both ongoing and prepared under the prior JWESSP
- Capacity Development interventions to be implemented within the framework of the Water and Environment Sector Capacity Development Strategy and the operational guidelines (Tool Box & Handbook for Operationalization of the Sector Capacity Development strategy)
- Follow sector policies, strategies, guidelines, regulations, standards, processes and implementation arrangements

2.8. REFUGEE SITUATION IN UGANDA - WATER SUPPLY AND THE ENVIRONMENT

To present a conclusive description in the challenges facing water, sanitation and environment in Uganda, it is necessary to include the refugee situation and how it affects water supply and the environment.

Uganda hosts an estimated population of 1,252,470⁸ refugees and asylum seekers from South Sudan, DR Congo, Burundi, Eritrea and Somalia, as a result of conflict, political instability and famine.



The West Nile districts of Yumbe, Adjumani, Arua and Moyo host the bulk of this population. Further details about the refugee situation is attached as Annex 12.

Figure 6: Distribution of refugees to country

2.9. KEY EXPERIENCES AND RESULTS OF PREVIOUS SUPPORT

The sector has generally developed a conducive policy, strategic planning, performance measurement and implementation **framework** and made commendable efforts in terms of institutional reform and steps towards improved **governance and accountability** and has introduced processes for joint review and have established coordination structures like the WESWG and structures thereunder.

The sector has gained a lot during the development and implementation of joint programmes as more and more **reforms** were implemented, especially the establishment of various MWE structures at the deconcentrated or regional levels.

The JWESSP developed an **integrated approach** to environment, water resources management, water development and climate change as being crucial for the whole sector and in the realisation that water supply, water for production, sanitation, forestry, wetlands and environmental management are highly interdependent.

⁸ Source: Uganda Solidarity Summit on Refugees, 2017 (OPM and UNHCR—note that these figures are the subject of a review and validation process; Census data of district populations from Uganda Bureau of Standards (UBOS) 2016 Statistical Abstracts.

Despite challenges, the overall result of the earlier joint sector programmes has been a development assisting the GoU in moving towards a **better organised and more efficient implementation** of development activities in the sector.

The joint programmes have been instrumental in developing **strategies, guidelines and implementation manuals**.

This new JWESSP-II is seen as a platform for a continuous development of effective and efficient use of investments to the sector. The ongoing Danida evaluation of the Danish support to the water sector over 20 years and also of the joint programme will, once completed, provide further evidence of results of both the past and the present joint programme. The evaluation report is expected by August 2018.

3. PROGRAMME OBJECTIVES AND STRATEGIC APPROACH

This chapter presents a broad presentation of objectives, strategies, cross-cutting issues, good governance and institutional strengthening as well as technical assistance to guide the JWESSP-II programme.

3.1. **OVERALL OBJECTIVES**

The objective of the JWESSP-II is to implement the water and environment sector programme; to achieve its targets and improve its efficiency through a consistent, harmonised support programme that is aligned with government objectives, policies and delivery modalities.

JWESSP-II support will be aligned with the goals and targets of the NDP. With its theme, “Strengthening Uganda’s Competitiveness for Sustainable Wealth Creation, inclusive Growth and Employment”, the NDP emphasizes the objective of promoting economic growth. The JWESSP-II will also be measured in regard to meeting the SDGs.

The JWESSP-II will support the achievement of the targets for the SSIP, using the Sector Performance Framework as presented in the SPR 2017 towards meeting the SDGs. The JWESSP-II will support national sector priorities, strategies and investment plans as described in the relevant budget planning documents, work plans and (sub)sector investment plans. The added value of the JWESSP-II is mainly to provide a framework for coordinated support and strong accountability, and to monitor progress on the set targets provided by the new monitoring framework linked with the new developed SSIP with its three models to determine funding and performance gaps.

3.2. **INTEGRATION OF WATER, SANITATION, ENVIRONMENT AND CLIMATE CHANGE**

An integrated approach to water resources management, water development and climate change is crucial for the whole sector. Water supply, water for production, sanitation, forestry, wetlands and environmental management are highly interdependent. Their interplay and sound management are further essential for sustainable economic growth, the transition towards a green economy, energy production and regional stability. The mainstreaming of ENR and CC concerns across the MWE was a priority under the prior JWESSP but did not progress according to the high expectations. Considering the importance, this new JWESSP-II will seriously pursue these concerns by providing sufficient resources for the process.

3.3. **SAFEGUARD FRAMEWORK**

Management of safeguard issues will be conducted by MWE with responsibility for ensuring the preparation and implementation of safeguard instruments, as well as overall compliance and enforcement of relevant national safeguard regulations and safeguard policies. The Components/Departments with their regional entities will support MWE in its effort to implement safeguard measures.

3.3.1. Water Supply and Sanitation Project II

The Environment and Social Management Framework (ESMF) safeguards are described and approved for the African Development Bank (AfDB) funded Water Supply and Sanitation Project II (WSSP-II). The project is ongoing until 2020.

The ESMF was approved by NEMA on 7 August 2015 and the summary presented on the AfDB website includes descriptions on environment, climate change, gender and social safeguards.

In summary the ESMF for WSSP-II⁹ addresses environment issues like the development and implementation of integrated catchment management programmes and issues of pollution control around water points, livestock watering as well as pollution issues of vehicle washing and clothes laundering. It addresses the climate change issues as the programme activities will generate climate change benefits through the use of solar-powered pumping schemes and gravitated rural piped water schemes, hence reducing the carbon footprint. The ESMF will monitor the progress and will also help to ensure that infrastructure is constructed outside of flood lines and that production boreholes extract water from aquifers which are resilient to severe drought conditions. It addresses gender since the goal of the Water and Sanitation Gender Strategy II (WSSGS II) is to empower women, men, and vulnerable groups through ensuring equity in access to and control of resources in the water and sanitation sector, leading to poverty reduction. It addresses the social issues by continuing to support mainstreaming of HIV/AIDS in line with the MWE's HIV/AIDS strategy. The focus has been mainly on raising awareness and information dissemination. WSSP II will continue the mainstreaming but will also analyse the need to raise awareness on 'lifestyle diseases' which are on the increase. Urbanisation, changing food habits and less demanding day-to-day activities are part of a shifting lifestyle resulting in diseases which can be prevented with the appropriate information and creation of awareness.

3.3.2. Strategic Towns Water Supply and Sanitation Project

The AfDB's Strategic Towns Water Supply and Sanitation Project (STWSSP, approved by the Board of Directors of AfDB on 20 June 2018), has a similar ESMF including environment, climate change, involuntary resettlement, gender and social impact.

3.3.3. Integrated Water Management Development Project

The new Integrated Water Management Development Project (IWMDP, approved by the Board of Directors on 14 June 2018), funded by the WB has in its Project Appraisal Report (PAR), part E of the document, an environmental and social (including safeguards) analysis, which mentions that the environmental and social screening of the proposed project activities was conducted during the preparation phase, and the anticipated negative impacts were expected to be localized, site-specific and small to moderate in scale. It mentions that the project is not anticipated to generate any potential large scale, significant and/or irreversible impacts and that none of the project activities will be in environmentally sensitive areas, and all the associated impacts can be mitigated with standard mitigation

⁹ African Development Bank Group - Water Supply and Sanitation Programme Phase II – Environmental and Social Management Framework – Summary, 22 October 2015.

measures. All negative impacts within the project are expected to be mitigated with known technology, good practice and management solutions, resulting in residual impact of minor significance.¹⁰

3.3.4. Other DP requirements

In accordance with KFW requirements for Environmental and social standards, An ESMF must be developed for all the small towns water supply and sanitation projects to be financed as agreed in the minutes of the appraisal mission and the bilateral separate agreement. The ESMF will developed to guide the designs and specific ESMPs for the towns. Details to be defined in the bilateral agreement.

3.4. **CROSS CUTTING ISSUES**

The key cross-cutting issues as indicated by NDP II include gender, HIV/AIDS, environment and climate change.

Gender

Intensive work has been done in Uganda's water and sanitation sector to implement gender mainstreaming approaches and strategies. Sector policies and guidelines including extension workers hand books (2016), Community Resource Book (2017), the District Implementation Manual (2016) and the National Framework for Operation and Maintenance of Rural Water Facilities (2011), include specific actions to reduce gender gaps. Sector investment plans and annual plans and budgets have integrated gender for the purposes of ensuring equity and fairness in resource allocation. Gender sensitive indicators and reporting formats have also been developed to track progress of gender interventions. The sector launched its 3rd Water and Sanitation Gender Strategy (2018 – 2022) and formulated a Gender Plan of Action to guide sector stakeholders during the implementation process. The goal of the Water and Sanitation Gender Strategy III (WSSGS III) is to empower women, men, boys and girls and vulnerable groups through ensuring equity in, access to and control of resources in the water and sanitation sector, leading to poverty reduction.

The sector launched the very first Environment and Natural Resource Sub Sector Gender Mainstreaming Strategy (2015 - 2020) in 2015. The purpose of the strategy is to guide the ENR subsector to attain gender equity and equality in service delivery. A gender situational analysis undertaken in the sector before the development of the strategy indicated that gender interventions in the subsector were largely uncoordinated, weak and ad-hoc without clear guidelines and standards of mainstreaming gender. The strategy further indicates that women and children are most vulnerable to impacts of environmental degradation and climate change. Children and infants are vulnerable to illness and death. Women have had limited access to and control over resources, especially forests and land, and spend a lot of time and energy looking for water and firewood at the expense of other income generating activities in many cases.

The ENR strategy is currently being implemented with most of the activities focusing on the promotion of women's representation and participation in ENR activities and the dissemination of the strategy to sector stakeholders.

The sector gender strategies shall support the successful implementation of JWESSP II by ensuring that all water, sanitation and environment related activities promote social inclusion and that the needs of men,

¹⁰ The World Bank, Project Appraisal Document for Integrated Water Management and Development Project.

women and other vulnerable groups are catered for. Social Risk Assessments/ Gender Analysis shall guide the development and Management of major interventions to be undertaken.

Deliberate efforts shall be undertaken to ensure that key stakeholders are consulted in the planning, implementation and management of water, sanitation and environment services. Community participation and women centrality in the development and management of resources shall be promoted.

Skills development and economic empowerment of women and youth will ensure that the capacity of women and youth to make decisions is enhanced and they have better access and control over resources. The empowerment will ensure that they have a voice in society and are able to make decisions and participate in the development of water and sanitation services and also fully benefit from the services socially and economically.

Specific activities to ensure inclusiveness of the programme will include capacity building sector stakeholders in gender mainstreaming, developing gender implementation guidelines like the ENR gender training manuals, ensuring that the sector budget framework paper is gender compliant and ensuring accountability through reporting on the gender indicators in the Results Framework of the programme document. This will promote Integrated Water Resource management and ensure that needs of different people are met while conserving the environment.

HIV/AIDS

The water and environment sector activities undertaken by various departments and divisions expose staff to the risk of HIV infection. In addition, their interaction with the community also increases the communities' vulnerability to HIV infection. The provision of a safe water supply also provides an opportunity for prevention of opportunistic infections. A reduction of the distance to be overcome in collecting water and firewood reduces the vulnerability of sector beneficiary communities regarding HIV infection. It is, therefore, paramount that HIV/AIDS prevention and impact mitigation strategies be mainstreamed in the sector activities in order to reduce the vulnerabilities of both the staff and the communities they interact with.

The sector has been undertaking HIV/AIDS mainstreaming interventions since 2003. The focus has been mainly on awareness raising and information dissemination. A new Water and Environment HIV/AIDS Mainstreaming Strategy was launched in 2017.

The new programme will support HIV/AIDS mainstreaming with an emphasis on enhancing partnerships with HIV/AIDS service providers for the purpose of providing free services to staff and communities where the sector operates. The programme will also look into the need to raise awareness on 'lifestyle diseases', which are on the rise. Urbanization, changing eating habits and less demanding day-to-day activities are part of a changing lifestyle resulting in diseases which can be prevented with the appropriate information and creation of awareness.

The key strategic documents include:

- Water and Sanitation Subsector Gender Strategy (2018 - 2022)
- Environment and Natural Resource Subsector Gender Mainstreaming Strategy (2015 - 2020).
- Pro-Poor Strategy for the Water and Sanitation Sector (2006)
- Water and Sanitation Sector Strategy for Mainstreaming HIV/AIDS (2017 - 2022)

Mainstreaming climate change as an additional cross-cutting theme

At the 2015/16 Joint Sector Review of the MWE, the DEA accepted an undertaking to mainstream environment and climate change across five high-impact and high-profile areas of government business: agriculture, infrastructure, land rights and management, energy and water. Some steps have been taken to move the mainstreaming of environment and climate change forward within MWE, but overall, much remains to be done in both institutional and practical terms. A constraint has been that mainstreaming is understood to be the responsibility of DEA rather than the MWE within the Ministry and its DPs. Successful mainstreaming will have significant positive outcomes for performance across the ministry but will not be achieved unless prioritised and supported at the highest level.

The JWESSP-II will make a determined effort to address the ENR and CC mainstreaming concerns by focused activities with the objectives of 1) a mainstreaming process designed and approved by WESWG; 2) the capacity to implement and monitor the mainstreaming process to be put in place and supported; and 3) disseminate the outcomes of mainstreaming of environment and climate change across MWE and key government ministries, departments and agencies.

See detailed proposal for JWESSP-II Environment and Climate Change Mainstreaming, Annex 1.

The sector performance measurement framework includes indicators for gender i.e. representation of women in key positions of water committees and water boards, as a proxy for their involvement in planning and decision making.

Good governance

A permanent Good Governance Working Group (GGWG) was created in 2006 with a variety of members (GoU, DPs, CSOs, private sector) and mandated to oversee the implementation of the first Good Governance Action Plan (GGAP) adopted in the same year. Many encouraging steps have been taken to improve transparency and accountability in the sector, in particular through setting up a Good Governance Thematic Group and developing a Good Governance Action Plan. The GGWG continues to prioritise good governance. The JWESSP-II programme supports good governance (GG) through activities under the SPS component and through the inclusion of indicators in the sector performance measurement framework.

3.5. **INSTITUTIONAL STRENGTHENING APPROACH**

Institutional strengthening is at the heart of sector performance and has been a core aspect of previous support to the sector. Considerable resources have been devoted to capacity building for many years and much has been achieved, in particular in the water and sanitation subsector, but much still remains to be done in both subsectors. The sector will as it also was the case during the prior programme phase, need external assistance for instructional strengthening.

The JWESSP-II will, as the JWESSP, be based on the approach of the capacity development strategy (October 2012), which emphasises an outcome oriented, integrated approach which is not limited to human resources development and technical assistance but based on the strategic understanding of institutional strengthening needs and priorities. The un-earmarked funding for institutional strengthening has, however, been reduced greatly for the JWESSP-II, highlighting the importance that the capacity development taking place in a well-coordinated manner through project support.

At the Joint Sector Review in 2016, undertaking number 11 of FY16/17 was formulated as “Finalise the development of costed Capacity Development (CD) plans for the departments of the MWE and agencies and embark on implementation by end of FY 2016/17 and continue with implementation into 2018”. This will thus be implemented in the JWESSP-II programme period.

Technical assistance

The institutional strengthening strategy of JWESSP-II which is based on the capacity development strategy (October 2012), presents an assessment of the technical assistance needs based on shortfalls in capacity in reaching sector performance targets. The strategy concludes that technical assistance has been well received in the sector and there is a strong demand within MWE for continued technical assistance. Based on discussions within the sector, the following factors that have tended to increase the effectiveness of technical assistance have been identified:

- The department receiving technical assistance takes an active part in defining the needs, structuring how the assistance is to be delivered and has a say and responsibility in selecting the individuals.
- The department receiving technical assistance has the managerial capacity to make good use of the technical assistance and takes an active role in managing this valuable resource.
- There is a clear anchorage of the technical assistance personnel in the receiving institution.
- There are annual reviews of the effectiveness and continued need for technical assistance.
- The ToR of the technical advisors and the results expected are clear.
- The use of annual work plans and a result-orientated approach, whereby expected results are pre-defined and jointly reviewed, is needed/implemented.
- The technical assistance is performed in close corporation with those receiving the technical assistance.
- Sustained provision of technical assistance, so that new approaches and capacities are consolidated and entrenched in sector practice, are needed/implemented.
- A mix of approaches is planned: short term when a catalytic or expert role is needed; long term when a more continuous support role is needed.
- Clear indicators for transfer of expertise documented and monitored.

The factors that tended to reduce the effectiveness of technical assistance relate mainly to areas where the above conditions have not been met. Where technical assistance has been defined top down and supply driven, it has often failed to have the required impact. Of overwhelming importance is the combination of the skills, experience and communication skills of the individual technical assistance personnel and the ability of the receiving organisation to make good use of the technical assistance.

Technical assistance to the MWE shall be coordinated by the Commissioner, WESLD and only technical assistance fulfilling the above-mentioned criteria will be considered part of the JWESSP-II support.

3.6. **OUTLINE OF SUPPORT STRATEGY**

The design and support strategy of the JWESSP-II are essentially based on the considerable experience of harmonised support to the water and environment subsector and are a direct successor of the current JWESSP. As the JWESSP implementation modalities have been appreciated by all the partners involved, the JWESSP-II has been designed along the same lines, as far as coordination and decision-making mechanisms, the mix of funding modalities, the capacity building approach and performance measurement are concerned and can be used for reference concerning both implementation and financing modalities. The changed funding modality landscape influences the proportion of funding through JPF and SBS, which has been factored in for the JWESSP-II, i.e. the expanded focus to cover all on-budget funding support. The JWESSP-II is also seen as an appropriate vehicle for providing funds for investment in underfunded areas of the sector and for providing a platform for coordination (review, reporting etc.) of all on-budget support regardless of funding modality.

4. SECTOR PLANNING AND PERFORMANCE MONITORING

The Strategic Sector Investment Plan (SSIP) and model SIM (2018) was developed to translate the sector's goals and targets, NDP and Sustainable Development Goals (SDG) into funding requirements. The SIM has been used to prepare three levels based on sector funding assumptions, first a model based on the present level of funding, a medium level and a high level aiming at reaching the SDG (2030) for the 24 sector indicator targets used by the sector. The SIM has also been used in this JWESSP-II to present targets for the monitoring framework based on the present expected level of funding. The component monitoring framework is included under each of the nine component descriptions under chapter 6 Programme Components.

4.1. STRATEGIC SECTOR INVESTMENT PLAN

The Strategic Sector Investment Plan (SSIP) is using the current amount the Water and Environment Sector receives (FY 2016/17), which is about UGX 800 billion per year for investment, for modelling the SIM. With this amount of funding, the sector has managed to make progress across a number of indicators that track the sector's performance across its major activities. The sector has produced a set of targets for these indicators to be met by 2030, many of which align with the United Nation's SDGs. The SSIP is using 24 of the 42 sector key performance indicators for monitoring progress and has provided investment figures based on targets for those 24 indicators.

Based on the sector investment modelling, the current level of funding, with an assumed moderate annual growth rate of three percent, will not be sufficient for the sector to meet its targets. In the SSIP funding requirements, assessed and accounting for external trends such as population growth, it is estimated that the sector will need an average annual budget of almost UGX 7 trillion over the next twelve years to 2030 (i.e. about nine times the present funding level).

Due to the way the SIM has been prepared, direct linkage to sector progress is difficult to calculate due to the lack of distinction between urban and rural coverage/investments and the need to allocate the budget to the 24 sector indicators rather than to types of investments, leading to a lot of assumptions that have a great impact on the results. The SIM is useful as guidance and to assist in setting the JWESSP-II targets, but each SIM output needs to be logically reviewed to ensure realistic annual targets.

In the SSIP/SIM, return on investments is measured by indicator progress. Twenty-four indicators are included covering the primary functions of the sector. The indicators were selected from the list of revised sector indicators developed and approved in 2016. The review of the water and environment sector performance monitoring framework was done in consultations with sector stakeholders at the beginning of the SSIP 2030 process.

4.2. PERFORMANCE MONITORING, REPORTING AND REVIEW

The prior JWESSP developed an operational performance monitoring framework that consisted of a set of key indicators and subsector indicators (in total 21), which were reported in the frame of the annual Joint Sector Review (JSR) through the **annual Sector Performance Report (SPR)**, receiving the collected data progress reports as well as those by the Management Information System (MIS).

The JWESSP-II will use the newly developed Sector Performance Monitoring Indicators with its 42 indicators. Additional output indicators have been defined at the theme level and will be reported on in

the **quarterly progress reports** to measure component progress as shown for each component under the component performance monitoring table.

The JWESSP-II will ensure that a high quality of data is achieved by validation and that the underlying databases, including the geographic information system-based Water Supply Update Project (WATSUP) database of water supply infrastructure, are kept up to date as well as the other databases in use e.g. WfP and the borehole database.

The new set of indicators would thus aim to measure the effectiveness and the added value of JWESSP-II activities, as well as the assumptions made. When it comes to a midterm review and evaluation of the JWESSP-II, it is important to ensure that the institutional strengthening and capacity development interventions/activities are implemented to achieve the sector targets.

An **external midterm review** of the JWESSP-II will be conducted in the first half of FY 2020/21 to review physical and financial performance and extract the lessons learned, to reassess technical assistance requirements and adjust the implementation arrangements and funding modalities for the second half of the programme.

4.3. COMPONENT PERFORMANCE MONITORING

The SIM has been used to present annual progress per indicator using the expected JWESSP-II funding for the nine component budgets.

Table 4 has been prepared using the available total on-budget JWESSP-II funding applied in the SIM which also created the three scenarios, BAU, middle and high level of sector funding. The targets are set from the baseline year 2018 to year 2030 coinciding with the SDG target year. The below Table 4 is an overview, the detailed component tables are found under the component descriptions:

Table 4: Key performance indicator targets based on the SIM

SIM run on JWESSP-II funding	Baseline 2018	Total on-budget sector funding (including agencies)					
		Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030
All on-budget incl Agencies							
Rural Water Supply and Sanitation							
Village Water Supply	66%	69%	72%	74%	76%	77%	81%
Functional rural water sources	85%	84%	82%	81%	79%	78%	61%
Improved drinking water	70%	74%	78%	82%	84%	87%	68%
Safely managed drinking water	5%	8%	10%	12%	14%	16%	12%
Cost per Capita		\$56.77	\$58.64	\$60.37	\$62.03	\$63.60	
Urban Water Supply and Sewerage							
Improved drinking water	70%	74%	78%	82%	84%	87%	68%
Safely managed drinking water	18%	21%	23%	25%	27%	29%	25%
Cost per Capita		\$56.77	\$58.64	\$60.37	\$62.03	\$63.60	
Urban water service functionality	92%	93%	93%	93%	93%	93%	73%
Sanitation and Public Health							
Solid waste disposal	68%	63%	61%	59%	58%	56%	45%
Improved Sanitation corrected for urban	19%	20%	20%	21%	21%	21%	17%
Safely managed sanitation	28%	29%	29%	29%	30%	30%	26%
Handwashing at home	10%	10%	10%	11%	11%	11%	9%
Handwashing at school	37%	36%	35%	34%	33%	32%	25%
	35%	34%	33%	32%	31%	30%	24%
Water for Production							
Irrigation	0.49%	0.50%	0.50%	0.51%	0.51%	0.52%	0.52%
WfP functionality	85%	98%	100%	100%	100%	100%	79%
Storage Capacity	38.9	43.5	48.2	52.7	57.0	61.4	61.4
Water Resource Management							
Compliance with water standards	64%	63%	61%	60%	58%	57%	45%
Permit compliance	71%	90%	90%	90%	90%	90%	71%
Wastewater treatment	20%	19.7%	19.4%	19.1%	18.8%	18.5%	14.6%
Ambient water quality	0%	0%	1%	1%	1%	2%	2%
Water Stress	2%	3%	3%	3%	3%	3%	4%
Wetlands							
Wetlands coverage	10.9%	10.9%	10.9%	10.9%	10.9%	11.0%	11.0%
Forestry							
Forest Coverage	9.0%	9.0%	9.0%	9.1%	9.1%	9.1%	9.1%
Climate Change							
GHG Emissions	0.0%	0.7%	1.2%	1.5%	1.7%	1.8%	0.8%
Climate Vulnerability Index	34.39	34.53	34.64	34.75	34.83	34.90	34.28
Meteorology							
Operational weather stations	43%	48%	50%	52%	52%	52%	25%

For the actual programme monitoring and reporting of the JWESSP-II output indicators will be used and have been inserted under each component. The above SIM figures have been inserted for reference as sector indicators that are directly linked to investment.

4.4. SSIP SCENARIOS BAU AND MODERATE FUNDING LEVEL

To briefly describe the SSIP scenarios as compared with the JWESSP-II SIM projections, the below Table 5 and Table 6 have been extracted from the SSIP report¹¹:

¹¹ IEC – Strategic Investment Plan for the Water and Environment Sector (2018 – 2030).

Table 5: Indicator¹² achievement under BAU investment scenario of UGX 800 bn per year - extract from the SSIP (2018 – 2020)

UGX 800 bn per year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	Target
Rural Water Supply											
Village Water Supply	66%	73%	79%	83%	86%	88%	90%	91%	92%	90%	100%
Functional rural water sources	85%	89%	91%	92%	92%	92%	92%	91%	91%	88%	100%
Improved drinking water	70%	72%	74%	75%	76%	76%	76%	76%	75%	71%	100%
Safely managed drinking water	7%	7%	7%	8%	8%	9%	9%	9%	9%	10%	100%
Cost per Capita		29.24	33.54	38.06	42.24	45.65	48.78	51.38	53.64	55.02	
Urban Water Supply											
Improved drinking water	70%	72%	74%	75%	76%	76%	76%	76%	75%	71%	100%
Safely managed drinking water	7%	7%	7%	8%	8%	9%	9%	9%	9%	10%	100%
Cost per Capita		29.24	33.54	38.06	42.24	45.65	48.78	51.38	53.64	55.02	0.00
Urban water service functionality	92%	95%	96%	97%	98%	98%	99%	99%	99%	99%	100%
Sanitation and Public Health											
Solid waste disposal	68%	64%	63%	62%	63%	64%	66%	67%	69%	75%	90%
Improved Sanitation	19%	25%	31%	36%	40%	43%	46%	48%	49%	50%	100%
Safely managed sanitation	10%	10%	10%	11%	11%	12%	12%	12%	12%	13%	100%
Handwashing at home	37%	36%	36%	35%	35%	35%	35%	35%	36%	38%	90%
Handwashing at school	35%	35%	35%	35%	37%	38%	40%	43%	45%	53%	90%
Water for Production											
Irrigation	0.49%	0.50%	0.52%	0.53%	0.55%	0.57%	0.60%	0.63%	0.66%	0.83%	4%
WfP functionality	85%	91%	95%	97%	98%	98%	98%	99%	99%	99%	100%
Storage Capacity	38.87	39.28	39.90	40.77	41.84	43.21	44.79	46.60	48.58	59.62	163.67
Water Resources Management											
Compliance with water standards	64%	64%	64%	65%	66%	67%	68%	69%	70%	73%	90%
Permit compliance	71%	79%	84%	86%	86%	87%	87%	87%	87%	88%	90%
Wastewater treatment	20%	20%	19%	19%	18%	18%	18%	17%	17%	16%	60%
Ambient water quality	0.0%	0.4%	0.9%	1.4%	1.9%	2.4%	3.0%	3.7%	4.3%	7.6%	100%
Water Stress	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.6%	
Wetlands											
Wetlands coverage	10.9%	10.9%	11.0%	11.0%	11.0%	11.1%	11.1%	11.1%	11.2%	11.4%	13%
Forests											
Forest Coverage	9.0%	9.0%	9.1%	9.1%	9.2%	9.2%	9.3%	9.3%	9.4%	9.7%	24%
Climate Change											
GHG Emissions	0.0%	1.1%	1.9%	2.6%	3.0%	3.4%	3.7%	3.9%	4.1%	4.3%	22%
Climate Vulnerability Index	34.39	34.55	34.70	34.81	34.88	34.94	34.98	35.00	35.01	34.90	
Meteorology											
Operational weather stations	43%	44%	50%	56%	59%	63%	66%	68%	70%	74%	100%

The variations between the SSIP report scenarios and the modelling of the actual available budget is substantial and even though the expected available funding under the JWESSP-II is 45% higher than the funding used for the BAU, the indicators in many places show lower figures; as can be seen under RWSS, which are generally lower. When it comes to UWSS the indicator annual progress is higher. This is due to the contribution to NWSC and could be due to the rural / urban indicator overlap. An example of this is that targets for "Improved drinking water" are exactly the same for RWSS and UWSS as the SIM does not

¹² As revised Sector Performance Measurement Framework is operationalised, details in indicator formulations and definitions, as well as baselines will be adjusted.

distinguish between urban and rural. On many of the other indicators variations of more than 20% can be seen.

Table 6: Indicator achievement under Moderate-Low investment scenario of UGX 1200 bn per year - extract from the SSIP (2018 – 2020)

UGX 1200 bn per year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	Target
Rural Water Supply											
Village Water Supply	66%	80%	89%	95%	99%	100%	100%	100%	100%	100%	100%
Functional rural water sources	85%	91%	94%	95%	95%	95%	95%	95%	95%	93%	100%
Improved drinking water	70%	76%	79%	82%	83%	84%	84%	84%	84%	80%	100%
Safely managed drinking water	7%	7%	8%	9%	10%	11%	12%	13%	14%	16%	100%
Cost per Capita		29.52	38.03	46.71	53.78	58.71	62.44	65.12	67.31	69.30	
Urban Water Supply											
Improved drinking water	70%	76%	79%	82%	83%	84%	84%	84%	84%	80%	100%
Safely managed drinking water	7%	7%	8%	9%	10%	11%	12%	13%	14%	16%	100%
Cost per Capita		29.52	38.03	46.71	53.78	58.71	62.44	65.12	67.31	69.30	0.00
Urban water service functionality	92%	95%	96%	97%	98%	98%	99%	99%	99%	100%	100%
Sanitation and Public Health											
Solid waste disposal	68%	64%	64%	65%	67%	70%	72%	74%	76%	81%	90%
Improved Sanitation	19%	31%	41%	49%	55%	59%	62%	65%	66%	68%	100%
Safely managed sanitation	10%	10%	12%	13%	14%	15%	15%	16%	17%	19%	100%
Handwashing at home	37%	36%	36%	36%	37%	38%	39%	40%	42%	49%	90%
Handwashing at school	35%	35%	36%	38%	41%	45%	49%	52%	56%	66%	90%
Water for Production											
Irrigation	0.49%	0.51%	0.54%	0.57%	0.61%	0.66%	0.71%	0.77%	0.83%	1.17%	4%
WfP functionality	85%	91%	95%	97%	98%	98%	99%	99%	99%	100%	100%
Storage Capacity	38.87	39.63	40.83	42.56	44.72	47.42	50.52	54.00	57.76	78.09	163.67
Water Resources Management											
Compliance with water standards	64%	65%	67%	69%	71%	73%	75%	76%	77%	80%	90%
Permit compliance	71%	79%	84%	87%	88%	88%	89%	89%	89%	90%	90%
Wastewater treatment	20%	20%	19%	19%	19%	19%	18%	18%	18%	18%	60%
Ambient water quality	0.0%	0.8%	1.7%	2.7%	3.7%	4.9%	6.1%	7.4%	8.7%	15.7%	100%
Water Stress	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.6%	
Wetlands											
Wetlands coverage	10.9%	11.0%	11.0%	11.1%	11.1%	11.2%	11.3%	11.4%	11.4%	11.9%	13%
Forests											
Forest Coverage	9.0%	9.1%	9.2%	9.3%	9.4%	9.5%	9.6%	9.7%	9.8%	10.4%	24%
Climate Change											
GHG Emissions	0.0%	2.1%	3.7%	5.0%	5.9%	6.7%	7.3%	7.8%	8.1%	8.8%	22%
Climate Vulnerability Index	34.39	34.73	35.00	35.19	35.32	35.41	35.47	35.51	35.53	35.46	
Meteorology											
Operational weather stations	43%	54%	65%	72%	75%	78%	79%	81%	82%	85%	100%

This SSIP/SIM scenario is for the moderate funding level (MFL) and is closer to the actual expected funding level for the JWESSP-II and has therefore also been included and commented on as far as performance monitoring is concerned. The funding implication is described in chapter 6.7.

Brief analysis:

- For RWSS it is seen that both the BAU and the MLF scenarios are reasonably corresponding to the JWESSP-II SIM which is lower in the order of 7 - 15% except for "Safely managed water" which is over the target.

- UWSS is over target with the MFL (except functionality which is lower) due to the substantial more funding for urban water supply expected for the JWESSP-II. Sanitation on the other hand is quite far from meeting even the BAU target with e.g. "Improved Sanitation" being below half of the BAU target.
- WfP is basically on target with the MFL model except for irrigation which stands at 60% of the MLF projection.
- WRM is close to meeting the BAU targets with the exception of "Compliance with water standards" which in the JWSSP-II SIM is showing a declining trend.
- The indicator for Wetlands Component in the JWESSP-II SIM is on target with the MFL SIM.
- The indicator "Forest coverage" is in the JWESSP-II SIM on target with the BAU projection.
- The indicator "Operational weather stations" is in the JWESSP-II SIM 27% below the BAU projections.

There is no uniform conclusion when comparing the JWESSP-II SIM with the BAU and the MFL; some indicators compare to the BAU scenario based on UGX 800 Bn annual overall budget and some with the MFL based on UGX 1200 Bn annually, and other indicators are far below those targets. It is important to note that target setting for the indicators is based on the available and possibly expected funding to the sector and is subject to changes as GoU budgets are allocated and approved on an annual basis.

5. PROGRAMME COMPONENTS

The JWESSP-II will be implemented in components which are MWE Directorates/departments in terms of planning, reporting, budgeting and accounting. In general (with the exception of the WMZ component), components will be aligned to budget vote functions, as defined in the Budget Framework Paper and Output Budgeting Tool.¹³

The proposed JWESSP-II (2018-2023) will have nine components, compared to the eight components of the present JWESSP (2013-2018), as the Water Utilities Regulation Department was created in 2016.

These are:

1. Sector Programme Support – SPS
2. Rural Water Supply and Sanitation – RWSS
3. Urban Water Supply and Sanitation – UWSS
4. Water Utilities Regulation - WUR
5. Water for Production – WFP
6. Water Resources Management – WRM
7. Water Management Zones – WMZ
8. Environment and Natural Resources Management - ENR
9. Climate Change – CC

Linkages and overall structure: As the components follow the MWE budget structure, their inter-linkages are explained by the sector institutional set-up where choices over division of responsibilities have been made to most effectively meet sector targets. The SPS component is a cross-cutting component by definition and therefore supports implementation of all the other components.

The logic adopted for structuring the components has been an institutional one, whereby the components of support reflect the institutional structure and division of responsibility which is currently operational in the sector. The advantage of this is that the division of responsibility for components and vote functions (departments) is the same; as the component tasks are aligned with the departmental mandates and job descriptions of the departmental managers (commissioners).

The component descriptions include objectives and a summary of the component activities. It is important to note that the objectives mentioned are the objectives of the various departments, which have not and in some cases cannot be linked directly to the individual activities described under the specific JWESSP-II components as they cover the totality of the departments' objectives.

A number of deconcentrated entities have been created during the prior JWESSP so there are some under most of the departments/components; i.e. TSUs under the Rural Water and Sanitation Department (RWSD) supporting the districts, WSDFs and the Umbrella Authorities (UAs) under UWSSD as deconcentrated implementation of urban water supply and sanitation and O&M as well as creation of the new Umbrella Authorities. The deconcentrated staff under WUR, regional staff under WFP, under WRM a deconcentrated component WMZ was created earlier, as well as deconcentrated staff under ENR.

¹³ The National Budget Framework Paper (BFP) provides the link between the government's overall policies and the annual budget. It lays out the fiscal policy framework and strategy for the budget year and sets out how the government intends to achieve its policy objectives over the five-year medium term.

It is the aim of the JWESSP-II that all the deconcentrated entities work closer together utilising possibilities for cost-savings; as in the short-term and medium-term these entities will be further stressed due to the substantial reduction of DP funding through the JWESSP/JPF towards operational costs for umbrella authorities, TSUs and WMZs. What is seen is a regional structure mirroring the structure at the centre but avoiding overlapping functions.

All the water supply related activities are closely linked to the ENR and CC components, due to the fact that they are affected by environmental degradation and climate change. The environment also contributes to water resources management in that wetlands, forest and vegetation coverage will affect the hydraulic characteristics of water catchments in terms of runoff, delay and deep percolation to groundwater. The environment component includes a mainstreaming approach, whereby it will attempt to stimulate each sector as well as each component in the water and sanitation subsector to adopt environmental good practices. The CC component is also a cross cutting component and like environment, has a mainstreaming agenda. It is linked to all components in that each component should take climate change adaptation and mitigation into account; responding to the specific challenges and opportunities of each subsector.

5.1. **SECTOR PROGRAMME SUPPORT**

The SPS component combines activities needed for (i) programme management, (ii) management and information, (iii) good governance, (iv) institutional strengthening, and (v) cross-cutting issues. “Programme management” is understood as the overall process that includes planning, monitoring, reporting and evaluation activities. The SPS Component will support all processes along the entire programme management cycle and maintain and further improve overall sector guidelines and performance monitoring systems needed to ensure the quality of programme plans and reports. “Coordination” summarises all activities required to make different stakeholders, within and outside the MWE, work together to achieve the sector goals.

The support strategy for the SPS component will be to provide a mixture of technical assistance, funds for strategic studies and activities aiming at institutional strengthening. This effort is complemented by the DPs through policy dialogue to assist in consolidation of sector reforms. The main modalities of support will be ensured through AFDB and World Bank projects, as well as JPF and GoU support complemented by technical assistance.

Institutional strengthening activities should respond to the JWESSP-II principles and priorities and be outcome oriented and in response to the expressed need. They should be closely coordinated and anchored in MWE by the Sector Capacity Development Division (SCDD) under the Policy and Planning Department (PPD) to ensure consistent approaches and compliance with institutional strengthening/capacity development plans and implemented within the framework of the W+E Sector Capacity Development Strategy.

Long-term Technical Assistance (TA)

A Sector Advisor, and an Operation and Maintenance Advisor as well as a Development Partner Liaison Adviser (in the JWESSP this position was under Programme Management Support) will continue to be provided during the JWESSP-II period. TA will mainly be used to strengthen MWE and its deconcentrated units institutionally, to support sector reforms as well as to support the overall coordination and management of the programme (see Annex 11 for more details in the draft ToR for the provision of TA). It is envisaged that the provision of the Sector Advisor and the Operation and Maintenance Adviser will

be done using a framework arrangement that includes a pool of short term TA that can be flexibly used to address specific challenges as they arise.

In addition to that mentioned above, the following areas should be considered for technical support, combining both long-term and short-term elements:

1. Environment and natural resources and climate change with a focus on planning and mainstreaming. See Annex 1 for details.
2. Water Resources Management (short-term only).

In addition to the three above mentioned long-term advisors provided under the JWESSP-II (“Programme Advisors”), additional TA is provided by several DPs to support specific areas, processes, and projects in the sector. All TA will be provided in a coordinated, targeted manner and will avoid that advisors fill gaps or take over routine tasks or control functions. In the JWESSP-II coordination of TA as well as the implementation of the entire SPS Component will be under the Water and Environment Sector Liaison Department (WESLD). The rules for provision and management of technical assistance developed during the present JWESSP apply.

5.1.1. Development Partner support to SPS Component

The specific objectives and details of funding arrangements can be seen in Annex 1 – project briefs for WESLD:

Austrian Development Agency (ADA): (ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval)

- Austrian Development Agency (ADA) support of the JWESSP-II: unearmarked support to the SPS component (2018-2023),
 - ADA support of JWESSP-II for Technical Assistance (2018-2023), planned but not yet committed: see draft ToR for advisers in Annex 11.
 - Sector Advisor and Operation and Maintenance Advisor in combination with short term technical assistance;
 - Development Partner Liaison Advisor for WSS and ENR subsector (in-kind).
- AfDB support of “Water and Sanitation Programme Phase II (WSSP II)”. As far as the SPS component is concerned, this project implements (i) skills development for women and youth for economic empowerment, (ii) support towards sector coordination and programme management, and (iii) an institutional strengthening programme for the private sector, local government and ministry staff in the drilling and designing of solar-powered piped water systems. The project lasts from 2016/17 – 2020/21 and is carried forward from JWESSP to the second phase. Only figures for the last two project years, being the first two JWESSP-II years, were considered.
- AfDB support of “Proposed Strategic Towns Water Supply & Sanitation Project (STWSSP)”. Concerning the SPS component, the STWSSP will support: (i) skills development for women and youth for economic empowerment, (ii) the development of national strategy and implementation framework for bulk water supply, (iii) sector co-ordination and M&E (JTR, JSR, SPR), as well as (iv) an update of the water and sanitation atlas (2018/19 – 2020/21). Planned, but not yet committed.
- WB – Integrated Water Management Development Project (IWMDP). Under this project, institutional strengthening and a financing study to support the MWE leadership to use the SSIP and to make strategic decisions given limited resources and explore new financing opportunities from internal and external sources will be financed. The project duration is six years (2018/19 – 2024/25), but only figures for five years (unless one-off front-loaded activity) have been considered here. Planned, but not committed.

- KfW through the project “Support to water supply and sanitation in refugee hosting communities in Northern Uganda” will provide capacity building support to the JPF secretariat in (i) Reporting, (ii) data collection and management. This will be done through short term expert inputs, tailor made trainings and other related capacity building workshops to skill the secretariat staff.

5.1.2. Objective and summary of SPS component activities

The objective of the SPS component is “to manage the JWESSP-II along the entire programme management cycle and consolidate sector reforms to put the sector in a position to achieve its goals as set out in the Strategic Sector Investment Plan and sector policies and strategies.

The activities include a wide range of tasks which can be clustered into 7 themes:

Theme 1: Planning and coordination for effective programme management

1. Planning and reporting, coordination and performance review,
2. Planning and reporting on JWESSP activities,
3. Organisation of annual Joint Reviews (Joint Sector Review and Joint Technical Review) and draft Annual Sector Performance Report),
4. Coordination of initiatives under the guidance of the Water and Environment Sector Working Group,
5. Ensuring coordination between all JWESSP-II components as well as liaison with DPs and CSOs,
6. Administration of the JWESSP-II and operation of JPF,
7. Conducting financing study to support MWE in mobilisation of resources to address the funding gap (as compared to business-as-usual Scenario in SSIP) and usage of SSIP for informed resource allocation in line with sector priorities,
8. Supporting MWE to mobilise resources through professional project development as a continuation of the present funding for project development presently funded up to FY2019/20,
9. Conducting strategic sector studies, audits and evaluations, workshops and other events in response to need along the programme management cycle.

Theme 2: Management and Information (MIS), monitoring and reporting systems for informed decision making

1. Strengthening District Local Governments (DLGs) in data entry at district level, as well as data collection and the periodic update of the Uganda Water Supply Database, the use and operationalisation of the recently launched Uganda Water Supply Atlas 2017 and the new water supply database,
2. Regularly maintaining the water supply database, as well as skills development of MWE and in particular TSU staff in the use, management and access of the recently upgraded water supply database,
3. Periodic monitoring and offering of technical support to data management at district level, as well as regular filling of data gaps including tools reconciliation in the water supply database using the 11 tools developed during the update of the water supply atlas 2017,
4. Support to information technology (IT) for MWE and all de-concentrated units (software and hardware),

Unfunded priorities

5. Upgrade the district data collection and entry into the water supply data base using automated systems.

Theme 3: Good Governance for enhanced accountability and transparency

1. Conducting studies to improve compliance with sector and guidelines and de-centralisation policy,
2. Implementing Good Governance monitoring framework and reporting in line with Good Governance Action Plan, sector indicators and progress and audit recommendations,
3. Institutional strengthening of Good Governance focal points in MWE departments and outreach to senior management, as well as deconcentrated MWE units,
4. Communication and dissemination.

Theme 4: Institutional strengthening for sustainable results

5. Phased implementation of Institutional Strengthening Strategy/Water and Environment Sector Capacity Development Strategy, coordination of all activities to ensure compliance with the Institutional Strengthening Plans/Costed Capacity Development plans
6. Development and implementation of succession plan for the MWE in order to address the current human resources challenges arising from the exit of most of the senior qualified and experiences personnel who have attained the mandatory retirement age.
7. Strengthening the capacities of the sector institutions and human resources at various levels to improve service delivery and sustainability of water and environment infrastructure (Borehole design, drilling, construction and pump testing, design, installation of O&M of solar water pumping technology, Participatory Monitoring & Evaluation, capacities of the Umbrella Authorities etc).
8. Periodic review and monitoring of the Water and Environment Sector Capacity development strategy to address emerging sector challenges
9. Support to the coordination and operationalization of the Water Resources Institute (WRI)
10. Library and Documentation (Electronic archiving of sector documents)
11. Development of a data base for MWE pool of trainers (technical and trained trainers), training material and conducting internal trainings (unfunded),
12. Implementation of short and long term performance improvement measures for sector personnel (MWE, private sector, CSOs and local government) based on the gaps identified during the capacity needs assessment exercise (tailor-made short-term courses, short-term trainings in Uganda and the region),
13. Postgraduate training and professional career development (diploma and master levels) for sector personnel with focus on evening, distance learning and online courses,
14. Collaboration with Higher Education Institutions (HEIs) of Learning in research and development, and graduate training programmes for both undergraduates (internship) and fresh graduates (one-year graduate training programme)
15. Vocational skills enhancement and youth apprenticeship (accreditation of plumbers, electromechanical technicians and other artisans using the Practically Acquired Skills (PAS) approach in collaboration with NWSC)
16. Technical Assistance including sector and operation and maintenance advisor and short-term technical assistance,
17. DPs Liaison Advisor (in-kind).

Theme 5: Community management, cross-cutting issues (gender and HIV/AIDS) and social inclusion (children, youth, disabled, elderly, displacement, occupational issues etc.)

1. Development and review of community management, gender, HIV/AIDS, pro-poor guidelines, strategies and tools,

2. Dissemination of community management guidelines and institutional strengthening of district, sub-county and extension staff in using community participatory methodologies, gender, HIV/AIDS other social dimensions (children, elderly, disabled, youth, etc.),
3. Strengthen software coordination at national and regional level (WSDFs, WMZs, TSUs and UOs),
4. Coordinate the implementation of gender and HIV/AIDS mainstreaming strategies in the sector,
5. Undertake skills development and economic empowerment of women and youth in selected districts and towns,
6. Undertake community management, gender and social-related studies,
7. Monitor and support the implementation of community and gender interventions in the sector (Districts, WSDFs, WMZs, UOs and TSUs).

Theme 6: Coordinated and visible CSO contributions

1. Enhance the coordination and collaboration between the UWASNET secretariat and the ENR-CBOs and their member NGOs & CBOs, government and among the NGOs & CBOs themselves at district, regional, national and international levels,
2. Contribute to the effectiveness of monitoring performance in the sector by presenting the annual CSO contribution to the sector,
3. Provide a platform for effective CSO influence of policy and practise at all levels within the sector.

Theme 7: Coordination and contract management for mainstreaming environment, natural resources and climate change across the MWE, the implementation activities are placed under component 8 and 9. Detailed support structure and responsibilities to be decided during the inception phase according to description of Annex 1.

5.1.3. Budget

The support under SPS prioritises the following (groups of) activities under seven themes. The project activities have been grouped and budgeted as follows.

Table 7: Funding for the Sector Programme Support component, five-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality					GoU funding 0151 PMS	Total on-budget funding
		Project	JPF un-earmarked	JPF earmarked				
Themes		WB IWMDP	ADA	AfDB WSSP-II	AfDB STWSSP	KFW		
1	Effective sector planning and coordination	0.95	2.36	1.69	2.42	0.44	2.43	10.28
2	Strengthened M&E systems and MIS for enhanced programme management and accountability		3.05		0.97		1.13	5.14
3	Enhanced transparency, good governance and value for money		1.20					1.20
4	Capacity development including project development support	1.34	1.65	0.28			1.13	4.39
5	Community management and cross-cutting issues (gender and HIV/AIDS)		1.80	0.25	1.45		3.57	7.07
6	UWASNET support to coordinate and report member NGOs activities in the sector		1.00					1.00
7	Support for mainstreaming of Environment and Climate Change within the Ministry of Water and Environment		1.95					1.95
8	Technical Assistance (support across the entire sector)		11.06					11.06
Total		2.28	24.07	2.22	4.84	0.44	8.24	42.09
Total JPF funding incl. GoU counterpart contribution						31.57		

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

Funding for theme 7, mainstreaming of environment and climate change concerns is shared between the three components according to the description in Annex 1. The operational details will be worked out during the inception phase.

5.1.4. Component performance monitoring

Table 8: Performance monitoring framework for the Sector Programme Support component

JWESSP-II Component Monitoring Framework
Legend:

Sector Indicators
A Indicator monitored annually
Q Indicator monitored quarterly

Themes of Component 1: SPS		Indicator	Frequen- cy (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments	
1	Planning and coordination for effective programme management	Sector Indicators	Adequacy of Sector Funding:	A							Targets to be agreed during inception phase	
			% of WSS sub-sector funding needs (SIP) covered by actual budget releases	A								
			% of ENR sub-sector funding needs (SIP) covered by actual budget releases	A								
		Key Outputs	External Funding: % of sector expenditure covered by GoU budget	A								
			No. of planning meetings held for JSR	A	5	5	5	5	5	5	5	
		No. of planning meetings held for JTR	A	4	5	5	5	5	5	5		
		Annual Sector Performance Report produced	A		1	1	1	1	1	1		
2	Management and Information (MIS),	Key Outputs	Number of districts that submit complete data set in respective quarter	Q	60	70	80	90	100	110	110	
			No. of districts that access the WSDB quarterly	Q	30	60	80	90	100	110	110	
3	Good Governance	Sector Indicators	Auditing: MWE: % implementation of previous year's audit recommendations	A							New indicators, baselines and targets not	
			Procurement: MWE: Average weighed procurement performance	A								
4	Institutional strengthening	Key Outputs	No. of sector personnel trained	A	65	100	100	100	100	100	100	
			No. of performance improvement training courses conducted	A	2	4	4	4	4	4	4	
5	Community management, cross-cutting issues and social inclusion	Sector Indicators	Gender Indicators:	A	88%	90%	92%	94%	97%	100%	100%	New indicators, baselines and targets not
			Rural: % of Water User Committees with women holding key positions	A	72%	75%	78%	80%	83%	87%	95%	
			Urban: % of Water Boards/Committees with women holding key positions	A	83%	85%	88%	89%	90%	95%	100%	
			Water for Prod.: % of Water User Committees with women holding key positions	A								
			WRM: % of catchment management committees with women holding key positions	A								
		Key Outputs	ENR: % of Environmental mgmt. committees with women holding key positions	A								
			No. of women and youth empowered with economic skills	A		100	100	100	100	100	100	
			No. of guidelines developed/reviewed and disseminated	A	4	0	1	1	1	1	1	
			No. of studies undertaken	A	1	0		1	1			
			No. of HIV/AIDS mainstreaming capacity building trainings undertaken.	Q	3	4	4	4	4	4	4	
		No. of Voluntary Counselling and Testing sessions undertaken	Q		4	4	4	4	4	4		
		No. of gender mainstreaming capacity building trainings undertaken	Q	3	4	4	4	4	4	4		
		Budget framework paper gender compliant	A	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
		No. of ENR gender monitoring tools developed	A			1						
		No. of gender capacity building trainings conducted for ENR staff	Q	3	3	3	3	3	3	3		
6	Coordinated and visible Civil Society Organisation (CSO) contributions	Sector Indicators	CSO Contributions: % of District budgets that reflect CSO contributions	A							New indicator, baseline and targets not yet available	
		Key Outputs	No. of annual WSS CSO Performance reports produced	Q								

5.2. RURAL WATER SUPPLY AND SANITATION

5.2.1. Rural water supply and sanitation

The Rural Water Supply and Sanitation (RWSS) component will be implemented through both the district local governments, using the District Water and Sanitation Conditional Grants (DWSCGs) as the main funding channel, and central implementation by the Ministry's Rural Water and Sanitation Department through JPF. The JWESSP-II support for this funding channel will be provided in the form of funding from the GoU and by projects through JPF. RWSS component also receives some funding outside the JPF funding modality.

The rural water supply and sanitation components have a sanitation sub-component and a focal point for sanitation that will ensure liaison and coordination between the components and with other actors in sanitation and hygiene, in particular with the health sector. A similar sub-component and focal point for coordination is also established under UWSS.

The main focus will be to implement the Improved Sanitation and Hygiene (ISH) financing strategy which represents a national strategy for financing improved sanitation and hygiene aimed at achieving national targets. The strategy is defined by the Ministry of Education and Sports Sector Plan, the Health Sector Strategic Plan (HSSP). The strategy has three major objectives: (i) improved latrine coverage, (ii) improved hand washing practice, and (iii) improved safe water chain management.

5.2.2. Technical Support Units

TSUs were set up in eight locations around the country in 2002 with a ninth TSU being established in the north east for Karamoja in 2009. At present, there are approximately 35 professional staff employed in the nine units. The TSUs were established to build capacity in the districts following decentralisation of rural water supply and sanitation services through the District Water and Sanitation Conditional Grants (DWSCG). Simplified functions of the TSU include district level capacity building, supervision, monitoring and quality assurance.

The Rural Water and Sanitation Department is the only department with a support structure for districts and the TSUs are appreciated by the districts. The issue of equity in water sources allocation has been improved by TSUs through follow-up where implementation was not done in accordance with the approved district plans.

Even though the TSU were designed as temporary structures, the actual development of the capacity at the district level has not happened to the extent expected, mainly due to a substantial expansion of a number of districts and due to staff turnover. Earlier studies have concluded that the TSUs are here to stay and the GoU has gradually taken over financing of some of the TSU staff.

It is assumed that the JWESSP-II provides funding for the TSUs over a period of three to four years, meaning that the GoU will need to take over the full funding of TSUs after that period and to be confirmed by the GoU providing budgets for the TSUs in the MTEF for FY 2021/2022, when JPF funding for the TSUs ends.

5.2.3. Development partner support

Overview of the support to RWSS

The specific objectives and details of funding arrangements can be seen in Annex 2 – project briefs for RWSS.

Strengthen O&M Capacities for Rural Water Supply Infrastructure

Funding will be used to strengthen institutional capacity and coordination of the division created in 2015 and to implement the recommendations from the O&M study that the department is commissioning in the first quarter FY 2018/19. Particularly on piped water systems. Further on strengthen CBMS through HPMA's and sub-county water boards and enhance monitoring & supervision of management & functionality of water & sanitation facilities. The Division will also develop options for assets management for all rural water supply systems.

Support transition of TSUs into fully GoU funded entities within a period of four years

The JPF support to transition of the TSUs to be fully GoU funded within a period of four years should be verified by the MTEF (2021-2023) showing that TSU for FY2022/23 is 100% GoU-funded.

The TSUs under the RWSD have been in operation since 2002. Even though the TSUs were designed as temporary structures, the actual development of the capacity at the district level has not happened to the extent expected, mainly due to a substantial expansion of a number of districts and due to staff turnover. Two earlier studies have concluded that the TSUs are here to stay and the GoU has gradually taken over financing of some of the TSU staff. The GoU is presently funding around half of the running costs of the TSUs, but DP support has not yet been phased out.

Isingiro Water Supply – French Development Agency (AFD) 2019 - 2022

The planned project intends to supply the population of Isingiro district with water. Partly, it will construct extensions of the Kagera water supply system, which will soon be constructed to convey treated water throughout the district to Mbarara town. The project will take advantage of this new infrastructure to develop “en-route” water supply and increase access to piped water services across the district. The project also includes a component to improve sanitation in the target service areas.

The overall objective of the project is to improve the health, living standards and productivity of the local populace in the project areas through equitable provision of adequate, sustainable and good quality water supply and sanitation services. The water supply systems are intended to serve a total population of 923,590 people by the year 2040.

Water Supply and Sanitation Project (WSPP-II) – AfDB 2016 - 2020

The second phase of support by the MWE aims for the implementation of a rural water supply infrastructure, focusing on 10 Large Gravity Flow Schemes (LGFS) and 70 solar-powered mini water schemes including support for sanitation implementation through the construction of 50 public sanitation facilities in schools, institutions and RGCs in the form of waterborne toilet facilities. The WSPP-II further supports sanitation and hygiene awareness including Community Led Total Sanitation (CLTS), handwashing campaigns promotional training workshops, production of IEC materials, sanitation baseline surveys, setting up and training of WASH structures for the public facilities constructed, gender awareness and triggering and follow-up of triggered communities to ensure attainment of an Open Defecation Free (ODF) status.

Integrated Water Management and Development project – WB IWMDP 2019 - 2025

The project development objective is to improve access to water supply and sanitation services, capacity for integrated water resources management and the operational performance of service providers in Project areas. (Planned)

The Project will comprise 2 sub components:

1. Support to Small Town and RGCs: carrying out of activities to improve water supply and sanitation in selected small towns and rural growth centres in the Recipient’s territory.
2. Support to Refugee and Host Communities: this will involve carrying out of activities to improve water supply and sanitation in selected refugee hosting districts.

5.2.4. Objective and summary of component activities

The general objective of the RWSS component is to “contribute materially to the coverage of rural water supply and sanitation and to build capacity amongst all stakeholders so that the NDP and sector goals and policies can be reached”. The specific objectives are:

- To ensure availability of and access to safe and clean water, as well as hygienic sanitation facilities in rural areas countrywide,
- To support the local governments, NGOs, humanitarian organisations and CBOs to build capacity for efficient and effective service delivery in the water and sanitation sector,
- To upgrade the service level of safe water supply in rural communities thereby reducing the risk related to water-borne disease and improve the livelihood of rural communities,
- To increase access to piped safe water through solar-powered motorisation of high-yielding production wells in rural areas.

5.2.5. Budget

To support the prioritisation of these activities, a number of priority areas have been selected and budgeted.

Table 9: Funding for the Rural Water Supply and Sanitation component, 5-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality						GoU funding LG Rural CG	Total on- budget funding
		Project	JPF un- earmarked	JPF earmarked	GoU counterpart contribution				
Themes		WB IWMDP	ADA	AfDB WSSP-II	ADA	AfDB WSSP-II	WB IWMDP		
1	Improved access and equity	315.34		44.96		4.91	6.05	280.45	651.70
2	Improved functionality of water sources		4.42		0.44				4.86
3	Promotion of appropriate technology for rural water supply								0.00
4	Support to Local Governments and other stakeholders (NGOs, institutions)		8.85		0.88				9.73
5	Improved sanitation and hygiene practices								0.00
Total		315.34	13.27	44.96	1.33	4.91	6.05	280.45	666.29
Total JPF donor dev't funding				58.22					
Total JPF funding incl. GoU counterpart contribution						64.46			

Source: Project briefs project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

5.2.6. Component performance monitoring

Table 10: Performance monitoring framework for the Rural Water Supply and Sanitation component

Legend:
Sector Indicators
A Indicator monitored annually
Q Indicator monitored quarterly

Themes of Component 2: RWSS		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments	
1	Improved access and equity	Sector Indicators	Basic water: % of rural population using an improved drinking water source	A	70%	74%	75%	76%	76%	76%	SSIP: 71% (BAU) 80% (Moderate)	Baseline in line with SSIP and SPR 2017, but includes 41% of people with "limited service" (> 30 mins.) according to JMP (2017). Targets are based on the SSIP BAU scenario. This scenario indicates a decrease of coverage by 2030 as BAU funding levels do not keep up with population growth.
			Safely managed water: % of rural population using safely managed drinking water services located on premises	A	5%	5%	6%	6%	7%	7%	SSIP: 10% (BAU) 16% (Moderate)	Baseline derived from JMP 2017. Targets are based on the SSIP BAU scenario but are adjusted to the lower baseline; the SSIP uses a mixed urban/rural baseline of 7%.
			Villages served: % of rural villages with a source of safe water supply	A	66%	69%	72%	74%	76%	78%	SSIP: 90% (BAU) 100% (Moderate)	Baseline in line with SSIP, based on Water Atlas/MIS analysis. Targets estimated from SIM using JWESSP II on-budget funding (excluding agencies).
			Per Capita Investment Cost: Average cost per beneficiary (USD)	A	32\$	34\$	38\$	42\$	46\$	49\$	55\$	Baseline from SPR 2017, Golden Indicator No. 3. Targets from SSIP BAU scenario.
	Key Outputs	No. of schemes completed including solar powered (<i>Central and District Local Government implemented projects</i>)	Q	3	22	46	40	32	20		Baseline based on SPR 2017 Table 4.2 on annual achievements and projections on ADB assisted WSSPI and projections including possible outputs from the World Bank IWRMD and District Local Government investments.	
		Total no. of beneficiaries (<i>Centrally implemented projects and Districts</i>)	Q	105,000	250,000	250,000	250,000	250,000	250,000		Baseline based on SPR 2017 Table 4.2 on annual achievements and projections on ADB assisted WSSPI and projections including possible outputs from the World Bank IWRMD and District Local Government investments.	
No. of designs completed and approved (<i>Centrally implemented projects and Districts</i>)		Q	11	35	55	30	20	20		Baseline from outputs of the WSSPI and projections including possible outputs from the World Bank IWRMD and District Local Government investments.		
2	Improved functionality of water sources	Sector Indicators	Functionality: % of water sources functional at time of spot-check	A	85%	91%	92%	92%	92%	92%	SSIP: 88% (BAU) 93% (Moderate)	Baseline in line with SSIP and SPR 2017. Targets from SSIP BAU scenario.
			Management: % of water points with actively functioning Water & Sanitation Committees	A	88%	90%	92%	94%	95%	95%	95%	Baseline from SPR 2017, Golden Indicator No. 9. Steady increase to 95% assumed for the targets as this is not a SIM indicator.
			Drinking water quality: % of water samples taken that comply with national standards	A	59%	60%	61%	62%	63%	64%	69%	Baseline from SPR 2017, Golden Indicator No. 5. Annual increase assumed in line with the SSIP BAU scenario for the indicator "Compliance with water standards".
	Key Outputs	No. of handpump boreholes and gravity flow schemes rehabilitated and restored to functionality	Q	510	550	550	550	600	600		Baseline from SPR 2017, Table 4.3; p. 29 and p. 35.	
No. of Handpump Mechanics trained in operation and maintenance in rural areas		Q		150	150	150	150	150		Projections based on reporting under the SPR 2017		
3	Promotion of appropriate technology for rural water supply	Key Outputs	No. of appropriate technologies tested and implemented including pilots and upscaling	Q	3	4	4	4	4	4	Baseline is based from SPR 2017 (p.35 and para 4.2.5). Also on current activities of piloting rainwater harvesting strategy on the element of revolving fund approach	
4	Support to Local Governments and other stakeholders (NGOs, institutions)	Key Outputs	No. of reports received and analysed from the District Local Governments	Q	488	504	520	520	520	520	Baseline based on SPR 2017 and an assumption that districts will not exceed 130 over the reporting period	
5	Improved sanitation and hygiene practices	Sector Indicators	Basic sanitation: % of rural population using an improved sanitation facility	A	19%	25%	31%	36%	40%	43%	SSIP: 50% (BAU) 68% (Moderate)	Baseline and targets are in line with the SSIP BAU scenario for "improved sanitation", which is based on JMP data for "at least basic sanitation". This is in stark contrast to the value given in SPR 2017 (Golden Indicator No. 4.1) which is 80% for rural improved sanitation. Different definitions are being used and the indicator needs to be revised in coordination with the health sector.
			Safely managed sanitation: % of rural population using safely managed sanitation services	A	10%	10%	11%	11%	12%	12%	SSIP: 13% (BAU) 19% (Moderate)	New indicator, calculation method to be clarified. Baseline and targets are from the SSIP BAU scenario. The JMP report (2017) does not provide data for "safely managed sanitation" for Uganda.
			Handwashing: % of rural population with hand washing facilities with soap and water at home	A	37%	37%	37%	37%	37%	37%	SSIP: 38% (BAU) 49% (Moderate)	The baseline is in line with the SSIP, which is based on SPR 2017 (Golden Indicator No. 8). However, according to the JMP (2017) handwashing in rural Uganda is only 28%, of which only 6% use soap. The indicator needs clarification in coordination with the health sector. The targets are set to remain at least constant whereas the SSIP BAU scenario expects a decrease from 37% to 35% (by 2022/23).
			Handwashing at schools: % of pupils enrolled in schools with basic hand washing facilities	A	35%	35%	35%	37%	38%	40%	SSIP: 53% (BAU) 66% (Moderate)	The baseline is in line with the SSIP, which is based on SPR 2017 (Golden Indicator No. 8/schools). The targets are based on the SSIP BAU scenario.
		Key Outputs	No. of public and school toilet facilities constructed	Q		40	40	40	40	40		
No. of handwashing / hygiene / sanitation campaigns conducted	Q			80	80	80	80	80				

5.3. URBAN WATER SUPPLY AND SANITATION

The UWSS Component addresses piped water supply and sanitation systems in small towns and rural growth centres (brief: STs and RGCs), including O&M support/management services provided to rural piped water systems through the Umbrella Authorities.

Uganda's second National Development Plan (NDP II) aims to increase access to safe water in urban areas to 95% by 2020. Several hundreds of RGCs also aspire to have piped water supply services. The SDGs aim to "achieve universal and equitable access to safe and affordable drinking water for all" by 2030. Achieving these very ambitious goals would need a very substantial increase of the rate of investment, which cannot be achieved with the current levels of funding. In addition to serving the unserved population, many of the existing water supply schemes are more than 25 years old and reaching the end of their design life and need substantial investments during the JWESSP-II period, in order to maintain or restore their functionality and service quality. Finally, an effective operation and maintenance and regulatory framework are needed to ensure equity, affordability and sustainability of water and sewerage services in the longer term.

Three sub-components can be distinguished, each represented by one theme in the UWSS component:

- Construction of new piped water supply and sanitation infrastructure

Theme: Increased water supply service coverage for STs and RGCs

Implementation: Four regional Water Supply and Sanitation Facilities (WSDFs – Central, East, North and South West), coordinated by the planning and development division, UWSSD

- O&M of existing piped water supply and sanitation infrastructure

Theme: Sustainable O&M of piped water supply systems in STs and RGCs

Implementation: Six regional Umbrella Authorities (UAs) – Central, Eastern, Mid-Western, Northern, South Western and Karamoja), coordinated by the Support to Utility Management Division, UWSSD

- Sanitation and faecal sludge management

Theme: Improved sanitation and hygiene services in STs and RGCs

Implementation: Sewerage Services Division, UWSSD, in cooperation with the above-mentioned regional units (WSDFs and UAs) for the construction and O&M of sanitation infrastructure

Interventions in large towns under the jurisdiction of NWSC are not included in this component and, hence, in the JWESSP-II, with the exception of water and sanitation infrastructure that is constructed by WSDFs before being handed over to NWSC for management. Water Utility Regulation, which was a subcomponent of the UWSS component under the prior JWESSP, is now a separate component.

5.3.1. Water supply and sanitation in areas receiving humanitarian aid

The high influx of refugees has resulted in exceptional constraints on capacities to deliver effective WASH services to the refugee population, as well as the host population. Despite considerable efforts of humanitarian agencies, current demand in the settlements still exceeds supply. The ongoing negotiations with UNHCR work towards an involvement of the deconcentrated structures in northern Uganda, firstly by the UOs to take over O&M of water supply systems. But with reference to chapter 2.8 and Annex 12 more efforts will be needed to involve the other deconcentrated structures.

5.3.2. Development partner support

Overview of the support to UWSS

The specific objectives and details of funding arrangements can be seen in 0 – project briefs for UWSS.

ADA support of JWESSP-II: Unearmarked support to the UWSS Component (2018 - 2023), (ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval)

The planned focus areas of support include:

- Additional seed money to the revolving fund for investments in existing piped water schemes introduced under the JWESSP and support continuing in the JWESSP-II,
- Support to the institutional transformation of umbrellas of water and sanitation, including TA (see SPS component and Annex 11 on details on Technical Assistance),
- Water supply and faecal sludge treatment infrastructure investments in small towns and RGCs, to be implemented through WSDF-South West and WSDF-East,
- Funding of WSDF-SW for development of small towns water and sanitation infrastructure.

Water Supply and Sanitation Project (AfDB – WSSP-II 2016 - 2020)

The ongoing Water Supply and Sanitation Programme Phase II (WSSP II) Project, implemented by WSDF-Central, includes the construction of water supply systems in 25 towns. It also supports the construction of two faecal sludge plants, supply of two cesspool empties and four “vacutugs” (pit emptying machines), as well as the construction of 100 public water-borne toilets.

Strategic Towns Water Supply and Sanitation Project (STWSSP) Planned 2018 - 2023

AfDB – the planned Strategic Towns Water Supply and Sanitation Project (STWSSP) will be implemented in three components:

1. Urban water supply – design and construction of urban water supply systems in 10 strategic towns;
2. Improved urban sanitation and environmental management – construction of three regional faecal sludge treatment facilities, including procurement of six cesspool trucks, and construction of 40 public sanitation facilities;
3. SPS – support the regulatory framework, among other activities. The project has also set aside funding for the preparation of bankable climate change resilience investment projects to leverage financing from the Green Climate Fund.

Support to Water supply and Sanitation in Refugee Hosting districts of Northern Region (KfW - WSDF-North 2018 - 2021)

The existing water and sanitation infrastructure of refugee hosting districts in northern Uganda is overstretched by the high numbers of refugees migrating into the region. This project, to be implemented by WSDF-North, will therefore focus on creating water supply and sanitation systems in small towns and rural growth centres located in refugee hosting areas. Six pre-selected schemes which will be implemented to supply a current population of more than 50,000 people in the areas located in the districts of Amuru, Arua, Lamwo and Moyo.

The Integrated Water Management and Development Project (IWMDP) – World Bank 2019 - 2025

The IWMDP will support WSS infrastructure investments in small towns located primarily in Uganda’s northern and eastern regions. The project will also support RGCs in Uganda’s central and midwestern regions where low water coverage levels, high cholera cases and the opportunity to spatially balance development can be found. The project will integrate infrastructure investment, water source and catchment protection measures, support to the development of the O&M and regulatory framework, and comprehensive sanitation planning to ensure sustainability and increased resilience to climate change and variability.

Lake Victoria Water and Sanitation Project (LVWATSAN Phase 3 - 2019 - 2024)

LV WATSAN III will focus on water supply and sanitation systems for relatively large towns within the Lake Victoria region, as well as RGCs that are located near these towns. The improved sanitation component includes the construction of faecal sludge management (FSM) facilities, management training for FSM facilities and equipment such as cesspool trucks. Social and environmental safeguards, preparatory activities for operation and maintenance and water source protection will be part of the implementation modalities of the project. Strengthening the capacity of selected regional UAs will be included to enhance project sustainability.

Karamoja Small Towns and Rural Growth Centre WSS Project 2016 - 2021

Funded by the GoU, the Karamoja Small Towns and RGC Water and Sanitation Project will be implemented through a project setup which, in due time, will revolve towards a WSDf for the region. The project will target all district headquarters, town councils, small towns, and RGCs of the seven districts of the Karamoja Region. The project includes construction of piped water supply and sanitation systems, involvement of the communities and the promotion of improved sanitation and hygiene levels. The project will be implemented in close coordination with the Karamoja Umbrella Authority, which is in charge of scheme management, operations and maintenance.

Support to Small Towns Water and Successor Project: Upgrading and expansion of piped water supply and sanitation for small towns and rural growth centres

The current level of GoU funding to the “Support to Small Towns Water Supply” project (0164) is UGX 2.14 billion (allocation 2017/18), the equivalent of UGX 10.7 billion over five years. An increase of the funding level is planned. From FY2019/20 the project will be replaced by a larger successor project, with a requested funding of up to UGX 242 billion (of which UGX 109.4 billion is GoU funding) over a five-year period. However, the actual allocations are likely to be significantly lower and expected DP contributions are yet to be identified.

GoU Urban Water Conditional Grant

The Urban Water Conditional Grant (currently UGX 2.5 billion per year) is provided to finance minor investments (such as replacement of equipment) in piped water systems in STs and RGCs.

5.3.3. Objective and summary of component activities

The overall objective of the Urban Water Supply and Sanitation (UWSS) component is to provide sustainable water and sanitation services for small towns and RGCs in Uganda.

Particular emphasis will be given on strengthening and consolidating the new umbrella management model, where the six regional umbrellas of water and sanitation have taken on direct management responsibilities for about 250 small towns and RGCs (as of May 2018), for which they were appointed as water authorities. The objective of this ongoing institutional transformation is to establish a sustainable and efficient O&M structure which ensures high service quality, continuous investments to maintain the functionality of the infrastructure and sufficient revenue collections to become independent from external support to cover the running O&M costs as well as for repair and expansion investments.

Another challenge to be addressed during the JWESSP-II period is to create, operate and maintain piped water supply and sanitation infrastructure for refugee hosting areas, where the existing infrastructure is insufficient to cover the combined demand of the refugees and resident population. This includes the development of an appropriate O&M model which is suitable for systems supplying both refugee settlements and host communities.

The activities to be undertaken under the UWSS component include a wide range of tasks.

Construction of new piped water supply and sanitation infrastructure

- Construction of new piped water schemes and major overhauls and expansions of existing schemes. These projects are mainly implemented by the projects listed above, either through the regional WSDFs or under central management responsibility.
- Conducting the related feasibility studies, designs, implementation management, construction supervision and commissioning of water supply and sanitation facilities.

O&M of existing piped water supply and sanitation infrastructure

- Strengthening and consolidation of the new UA management model. This includes the introduction of electronic accounting, billing and payment systems, operation of a web-based performance monitoring system, and general institutional capacity building to support the transformation into regional water utilities.
- Ongoing O&M support to the piped water schemes which are not under direct management responsibility of the UAs.
- Improvement of the functionality, service quality and sustainability of existing piped water systems, by providing funds for capital maintenance and expansion investments; these will be partly funded by a revolving fund which is replenished from revenue collections from the water users.
- Quarterly drinking water quality monitoring in all schemes.

Sanitation and faecal sludge management

- Construction of faecal sludge management facilities, including the procurement of associated equipment (cess-pool emptying machines etc.), as well as public toilets. This infrastructure will be implemented within the same projects as listed above.
- Promotion of hygiene awareness and appropriate improved sanitation technologies.
- Capacity building will be needed across the subsector, with a particular focus on the UAs to enable them to effectively assume their additional responsibilities.

5.3.4. Budget

To support the prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 11: Funding for the Urban Water Supply and Sanitation component, five-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality							GoU counterpart contribution						GoU funding			Agencies DP+GoU+AIA		Total on-budget funding	
		Project			JPF un-earmarked	JPF earmarked			ADA	AfDB WSSP-II	KFW	WB IWMDP	AfDB STWSSP	LVWATSAN	Karamoja	Support to ST	LG Urban CG	NWSC	KCCA		
Themes		WB IWMDP	AfDB STWSSP	LVWATSAN	ADA	AfDB WSSP-II	AfDB STWSSP	KFW	ADA	AfDB WSSP-II	KFW	WB IWMDP	AfDB STWSSP	LVWATSAN	Karamoja	Support to ST	LG Urban CG	NWSC	KCCA	Total on-budget funding	
1	Increased Water Supply Service Coverage for Small Towns and RGCs	117.37	191.20	79.35	8.62	126.93	13.52	35.38	0.86	13.83	10.75	2.10	23.28	16.25	18.00					657.45	
2	Sustainable O&M of Piped Water Supply Systems in Small Towns and RGCs	2.16			14.37				1.44			0.00				10.70	12.50			41.17	
3	Improved Sanitation and Hygiene Services in Small Towns and RGCs	5.93	23.28		7.92				0.79		1.19	0.26	2.59							41.97	
4	Agencies: NWSC, KCCA																	2979.15	0.05	2979.20	
Total		125.45	214.49	79.35	30.91	126.93	13.52	35.38	3.09	13.83	11.94	2.37	25.88	16.25	18.00	10.70	12.50	2979.15	0.05	3719.79	
								Total JPF donor dev't funding		206.75											
											Total JPF funding incl. GoU counterpart contribution		235.60								

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

5.3.5. Component performance monitoring

Table 12: Performance monitoring framework for the Urban Water Supply and Sanitation component

Legend:
Sector Indicators
 A Indicator monitored annually
 Q Indicator monitored quarterly

Themes of Component 3: UWSS	Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments		
1	Sector Indicators	Basic water: % of <u>urban</u> population using an improved drinking water source	A	73%	75%	78%	81%	84%	87%	95%	Baseline of 73% is set according to the JMP report (2017), which is close to the value for urban access given in SPR 2017 (Golden Indicator 1). The SSIP uses a mixed baseline of 70% for urban and rural. The targets (except 2030) were calculated using the SIM with actual JWESSP II funding (on budget, including NWSC) as input. However, results are unreliable as the SIM does not distinguish between urban and rural coverage.	
		Safely managed water: % of <u>urban</u> population using safely managed drinking water services located on premises	A	18%	21%	23%	25%	27%	29%	40%	The baseline is from JMP 2017. The targets (except 2030) were calculated using the SIM with actual JWESSP II funding (on budget, including NWSC) as input, adjusted to the urban baseline of 18% rather than the mixed urban/rural baseline of 7% used in the SSIP. The target 2030 was obtained by extrapolation with decreasing rates of annual increase.	
		Villages served: % of <u>urban</u> villages with a source of safe water supply	A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	This indicator is currently not available for urban areas. However, it would be useful as a pro-poor indicator (e.g. to capture the water supply of slum areas, which can be defined as urban "villages").	
		Per Capita Investment Cost: Average cost per beneficiary (USD)	A	103	103	103	103	103	103	103	n/a	The baseline and annual targets are in line with the assumptions for per capita investment costs for piped water supply used in the SSIP/SIM.
	Key Outputs	No. of schemes completed (WSDFs and centrally implemented projects)	Q	14	20	20	20	20	20		Baseline from SPR 2017, p. 63, table 5.4. This figure was lower than in a typical year due to delayed release of funds.	
		Total no. of beneficiaries (WSDFs and centrally implemented projects)	Q	105,000	200,000	200,000	200,000	200,000	200,000		Baseline from SPR 2017, p. 62. This figure was lower than in a typical year due to delayed release of funds.	
		No. of designs completed and approved (WSDFs and centrally impl. projects)	Q	52	20	20	20	20	20		Baseline from SPR 2017, p. 63, table 5.4.	
2	<i>Note on the "Umbrella Indicators" below: Umbrellas will provide quarterly performance data for the gazetted towns based on UPMIS; the targets are for these gazetted towns only.</i>											
	Sector Indicators	Functionality: % piped water service availability in STs and RGCS	Q	92%	95%	96%	97%	97%	97%	97%	97%	Baseline in line with the SSIP and with SPR 2017 (Golden Indicator 2) as well as UPMIS data. Targets are from the SSIP BAU scenario but with a cap at 97% functionality.
		% Non-revenue water for gazetted schemes in STs and RGCS	Q	36%	35%	31%	27%	24%	20%	15%	15%	Baseline from UPMIS, February 2018.
		Financial Sustainability: Operating cost coverage ratio (revenue collections divided by running O&M costs)	Q	119%	130%	140%	150%	150%	150%	150%	150%	Baseline based on SPR 2017, page 70/71; to be verified using UPMIS data.
		Drinking water quality: % of water samples taken that comply with national standards	Q	95%	95%	95%	95%	95%	95%	95%	95%	Umbrella data indicate about 95% compliance with water quality standards. The target is to maintain this high level of compliance.
	Key Outputs	No. of schemes repaired by Umbrellas (major repairs or replaced components)	Q	67	60	60	60	60	60		Baseline from SPR 2017, p. 67.	
		No. of new connections installed by Umbrellas	Q		3000	4000	5000	5000	5000			
No. of schemes where drinking water quality samples were taken by Umbrellas		Q		1000	1500	2000	2000	2000				
	Umbrella managed schemes only: Total investments as % of revenue collection	Q		5%	10%	15%	15%	15%				
3	Sector Indicators	Basic sanitation: % of <u>urban</u> population using an improved sanitation facility	A	7%	34%	39%	43%	46%	49%	53%	The baseline is according to JMP data for "at least basic sanitation", which excludes people having "limited access" (e.g. using shared facilities). Targets were calculated using annual increments of coverage according to the SSIP BAU scenario. The values are to be used with caution as the model produces mixed results for urban/rural sanitation. Furthermore, baseline data are in stark contrast to the value given in SPR 2017 (Golden Indicator No. 4.1) which is 86% for urban improved sanitation. Different definitions are being used and the indicator needs to be revised in coordination with the health sector.	
		Safely managed sanitation: % of <u>urban</u> population using safely managed sanitation services	A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	New indicator, calculation method to be clarified. The baseline used in the SSIP (10%) is probably too low for urban areas as no distinction is made between urban and rural sanitation. The JMP report (2017) does not provide data for "safely managed sanitation" for Uganda.	
	Key Outputs	No. of regional faecal sludge treatment facilities constructed	Q	2	4	4	4	4	4		Baseline is from SPR 2017 (p. 63, table 5.4) but 4 other facilities were under construction.	
		No. of public and school toilet facilities constructed	Q		40	40	40	40	40			
		No. of handwashing / hygiene / sanitation campaigns conducted	Q		20	20	20	20	20			

5.4. **WATER UTILITIES REGULATION**

The Water Utility Regulation Department (WURD) was created in 2016 with the mandate of monitoring commercial and technical compliance in the water sector to ensure that water supply service standards are met. This is aimed at increasing access to safe water supply and sewerage services by improving efficiency of service provision in the sector. The scope of WURD covers regulation of service provision and includes urban and rural water subsectors (including the National Water and Sewerage Corporation, NWSC) and WfP and sanitation.

5.4.1. Development partner support

Overview of the support to WUR

The specific objectives and details of funding arrangements can be seen in Annex 4 – project briefs for WUR.

Strategic Towns Water Supply and Sanitation Project (AfDB - STWSSP 2018-2023)

Planned support under AfDB will primarily target effective regulation of urban water supply services, the development of a framework for future regulation of urban, rural, sanitation and water for production and the development of a communication framework (strategy and platform). This will support a cross-section of activities which contribute to the effective regulation of water supply and sanitation services. These project components for the STWSSP are planned under SPS.

The project will also develop a framework for future regulation of urban, rural (boreholes) and WfP. The activities to be carried out under regulation of water for production and sanitation activities are to be clarified and implemented as part of the department's mandate. This is also aimed at clarifying the activities which could be outsourced due to internal capacity limitations. The framework will also make the role of DWRM in regulation of water supply services clearer.

Support to Water Utility Regulation under the IWMDP (2019-2025)

This project is planned to mainly support the development of a regulatory framework and also to contribute to the effective regulation of the sector. These project components for the IWMDP are planned under SPS, theme 4 – Institutional Strengthening of WURD.

GoU Contribution to Water Utility Regulation – Strengthening Water Utility Regulation Project (2019 – 2023) (Planned, not yet fully funded)

The planned project is aimed at strengthening the regulatory system for improved and credible water services regulation with a focus on the deconcentrated regional regulation units. The project will ensure a strong regulatory presence in the different regions, capacity building for the water utility companies and water authorities and a strengthened regulatory system for improved and credible water and sanitation services regulation.

5.4.2. Objective and summary of component activities

To strengthen the capacity of the DWD in regulating the urban water and sanitation subsector effectively and efficiently.

Key activities carried out include:

- Development and/or renewal of service standards,
- Performance monitoring and evaluation of NWSC,
- Performance monitoring and evaluation of small town water authorities,
- Information dissemination on the performance of NWSC and water authorities,
- Independent technical and management audits (outsourced),
- Capacity development of the private operators and the water authorities water services boards in business planning, contract management including customer Care and Commercial Orientation, Non-revenue Water (NRW) Management and O&M operations,
- Tariff reviews and adjustments,
- Customer satisfaction surveys and determination of satisfaction indices,
- Protection of rights of vulnerable groups,
- Resolution of disputes and conflicts between private operators and water authorities.

5.4.3. Budget

To support prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 13: Funding for the Water Utilities Regulation component, 5-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality				GoU counterpart contribution		GoU funding	Total on-budget funding
		Project		JPF un-earmarked	JPF earmarked	AfDB STWSSP	WB IWMDP		
Themes		AfDB STWSSP	WB IWMDP			AfDB STWSSP	WB IWMDP		
1	Develop framework for future Regulation of Urban, Rural, Sanitation and Water for Production	0.35	1.49			3.12		6.91	11.86
2	Effective Regulation of Urban Water Supply services	1.95	3.13					2.18	7.26
3	Regulation of NWSC (Independent)							2.70	2.70
4	Develop Communication framework (Strategy and Platform)	0.88	0.74				1.29	8.38	11.29
Total		3.18	5.36	0.00	0.00	3.12	1.29	20.16	33.10
					Total JPF donor dev't funding				0.00

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

5.4.4. Component performance monitoring

Table 14: Performance monitoring framework for the Water Utilities Regulation component

Legend:

Sector Indicators

- A Indicator monitored annually
- Q Indicator monitored quarterly

Themes of Component 4: WUR		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030
1	Strengthened regulatory system for improved and credible water and sanitation services regulation	% Customer satisfaction index for Water Utilities	Q	90%NWSC / Nil Others	92% / 65%	94%/70%	96%/75%	98%/80%	99%/85%	100%/90%
		% of Water Utility companies performing and reporting in accordance with the Performance Contracts	Q	100%	100%	100%	100%	100%	100%	100%
2	Effective Regulation of Urban Water Supply services	No. of periodic performance reviews conducted	Q	4	4	4	4	4	4	
		No. of Utilities and towns using standard billing software in rural and urban areas	Q	7	7	7	7	7	7	
		No. of Asset Management policies in place and implemented	A	1 NWSC, 0 others	1	1	1	1	1	
		No. of publications during in the year	A	2	2	2	2	2	2	
		% age of gazetted towns implementing approved tariffs	Q	51%	60%	70%	85%	100%	100%	100%
3	Improved Water Utility monitoring	No. of approved periodic reports for each of the water Utilities	Q	7	28	28	28	28	28	
		No. of independent performance audits conducted.	Q	0	1	1	1	1	1	
4	Development of internal capacity through retooling to regulate	No. of Regulation staff trained in technical and economic	A	6	6	8	7	8	6	
		%age of Customer complaints received and addressed	Q	75%	80%	85%	90%	95%	100%	100%

5.5. WATER FOR PRODUCTION

The WfP component will be implementing facilities for utilisation of water resources for productive use in crop irrigation, livestock, aquaculture, rural industries and other commercial uses. WfP has, during the present JWESSP, received considerable support at the political and strategic level. The NDP puts clear emphasis on economic growth and production, to which WfP has made a direct contribution. It is therefore expected that during the JWESSP-II period considerable investments will be made to construct additional valley tanks and dams, using both GoU budget and DP funding.

5.5.1. Development partner support

Overview of the DPs support to WfP

The specific objectives and details of funding arrangements can be seen in Annex 5 – project briefs for WfP.

Multi-purpose Water Use Project in Kiruhura District (AFD 2018 - 2023)

The project will contribute to the improvement of the resilience to climate change and improve livelihoods and incomes of farmers through the provision of water for production in Kikatsi, Sanga and Kanyaryeru sub-counties in Kiruhura District. The project aims to increase water storage volumes through securing available, reliable, affordable, manageable and sustainable water for multi-purpose use to enhance production, especially water for livestock to reduce effects of water stress on livestock during drought periods.

Drought Resilience in Karamoja (KfW 2019 - 2022)

The programme aims at the development of concrete measures to strengthen drought resilience in vulnerable areas in the Karamoja sub-region by providing additional water structures that can collect and supply water throughout (a long) dry season in areas that are geographically close to the Kenyan border with dry season grazing areas. The project is to be complemented by smaller investments in livestock and road infrastructure.

GoU Contribution to WfP (2018-2023)

The specific objectives of the support are to create storage of water for productive use in irrigation, livestock, domestic, aquaculture and rural industry and to establish bulk water supply systems to transfer water for production from areas of plenty to areas of scarcity. To develop small, medium and large irrigation schemes across the country and to provide source protection for water for production facilities. The aim is also to establish sustainable management systems on water for production facilities and to provide technical support to line ministries, local governments and other private sector players.

Global Climate Change Alliance Plus (GCCA+): Scaling up agriculture adaption to climate change in Uganda (EU / FAO 2017 - 2022) (WFP involvement not yet decided)

The Cattle Corridor remains one of the regions of Uganda most vulnerable to climate change, dominated by pastoral rangelands where livestock is raised with scarce water and pasture, due to environmental degradation, partially related to opening of new land for pasture, fuelwood and charcoal production. The objective of the project is to contribute to the sustainable and gender transformative improvement of livelihoods for rural populations in Uganda by strengthening the inclusive, gender responsive and climate smart resilience of rural populations, depending on an agricultural production system in the cattle corridor.

Climate Resilience Livelihood Opportunities for Economic Empowerment of Women in Karamoja and West Nile Regions of Uganda (CRWEE) Project (Sida / FAO 2018 - 2022)

The objective of the project is to contribute to economic empowerment of women and the eradication of feminised poverty in Karamoja and West Nile Regions with the overall objective being to strengthen inclusive, gender responsive and climate smart resilience of rural women depending on agricultural production systems in Karamoja and West Nile Regions.

5.5.2. Objective and summary of component activities

The overall goal for the development of WfP is: “to promote development of cost-effective and sustainable water supply and water management for increased production and contribution to the modernisation of the agricultural sector in Uganda with a focus on poverty reduction and minimal environmental impacts”.

The activities to be undertaken include a wide range of tasks including:

- Capacity building across the subsector as guided by the capacity development strategy,
- Rehabilitation and improvement of WfP facilities with emphasis on increased irrigation coverage,
- Establishment of sustainable management systems of the constructed WfP facilities,
- Post construction support to O&M of WfP facilities,
- Feasibility studies, designs, contract management, construction and commissioning of the WfP facilities with focus on increasing production and productivity,
- Planning, development and establishment off-farm irrigation infrastructure as well as post construction support to the established off-farm infrastructure.

5.5.3. Budget

To support prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 15: Funding for the Water for Production component, 5-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality				GoU counterpart contribution		GoU funding	Total on-budget funding
		Project		JPF un-earmarked	JPF earmarked	AFD	KFW		
Themes		AFD	KFW			AFD	KFW		
1	Improving functionality of Water for Production facilities and the prospects for sustainability (O&M framework)		17.95				3.41	21.10	42.46
2	Construction of new multipurpose dams and valley tanks for increased production of livestock and irrigation	254.32	61.22			5.49	11.66	273.15	605.84
3	Construction of new bulk water transfer systems for multipurpose use							46.48	46.48
Total		254.32	79.16	0.00	0.00	5.49	15.07	340.73	694.78
Total JPF donor dev't funding					0.00				

Source: briefs, Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

5.5.4. Component performance monitoring

Table 16: Performance monitoring framework for the Water for Production component

Legend:

Sector Indicators	
A	Indicator monitored annually
Q	Indicator monitored quarterly

Themes of Component 5: WfP		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments		
1	Improving functionality of Water for Production facilities and the prospects for sustainability (O&M framework)	Sector Indicators	WfP Functionality: % of functional water for production facilities	A	85%	87%	89%	91%	93%	95%	95%	Baseline from SSIP in line with SPR 2017 (Golden Indicator No. 2/WfP). Targets were set assuming an annual increase by 2 % points with a cap at 95%. The assumptions for the SIM need to be reviewed.	
			WfP Management: % of water for production facilities with actively functioning Water User Committees/Irrigation	A	83%	84%	85%	86%	87%	88%	95%	Baseline from SPR 2017 (Golden Indicator No. 9/WfP). This is not a SIM indicator.	
		Key Outputs	Number of Farmer Field Schools (FFS) established and Integrated in O&M of WfP facilities	A	41								
2	Construction of new multipurpose dams and valley tanks for increased production of livestock and irrigation	Sector Indicators	Storage: Cumulative increase in water for production storage capacity [million m ³]	A	39	44	48	53	57	61	SSIP: 78% (Moderate)	Baseline from SPR 2017, also used in the SSIP. Targets were estimated using JWESSP II on-budget allocations for WfP in a SIM run. This is equivalent to a moderate to high SSIP funding scenario. The target 2030 is from the Moderate SSIP scenario.	
			Key Outputs	Number of multi-purpose dams constructed	Q	34							
			Number of valley tanks constructed	Q	1172								
			Number of Bulk Water systems constructed	Q	1								
3	Construction of new bulk water transfer systems for multipurpose use	Sector Indicators	Irrigation: Proportion of irrigation potential developed	A	0.5%	0.5%	0.6%	0.6%	0.7%	0.7%		Baseline as in the SSIP. The targets were set in line with the proposed increase of acreage of irrigation land. Potential irrigation area assumed to be 3.027 million hectares as in the SSIP.	
			Water use efficiency: Gross Value Added by irrigated agriculture per vol. of water used [USD/m ³]	A	0.081	0.121	0.161	0.201	0.241	0.281		Not a SIM indicator	
		Key Outputs	Acreage of irrigation land provided with water	A	15,000	15,000	18,000	18,000	21,000	21,000			

5.6. WATER RESOURCES MANAGEMENT

The WRM components will be implemented to address the strategic functions of WRM at the central level, namely water resources monitoring and assessment, transboundary WRM, water quality management, water resources planning and regulation, and coordination and implementation of water sector reforms. The component will ensure sustainable management and development of water resources for all social and economic needs of the present and future generations, with the full participation of all stakeholders.

5.6.1. Development partner support

Overview of the DPs support to WRM

Development partners support strategic water resources management functions at the central level under various projects as follows:

ADA support (2018 – 2023) to the coordination and strategic guidance of water resources management activities at the Water Management Zone level. ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

Support will be provided for coordination and strategic guidance of water resources management activities at the WMZ level as the management of water resources is a national level function. The WRM activities that are implemented at the lowest level through the WMZs need to be well coordinated and strategically guided to ensure that the national goals and objectives related to water resources are realised and the strategic interest of the country and the needs of the other countries in the Nile Basin sharing these water resources are considered.

World Bank - Integrated Water Management and Development Project (2019 - 2025)

This Water Management and Development Project (2012-2018) supported activities at the national level as well as at WMZ levels. Phase 2 of the World Bank support, IWMDP, will continue to support integrated water resources planning, development and management in Uganda. At the national level, support will be provided in (i) undertaking a national groundwater management study, (ii) roll out of water information systems at the national level and the 4 WMZs and (iii) the rehabilitation of the National Water Quality Reference Laboratory.

GoU contribution to WRM

The GoU contribution will be counterpart to the donor funding and additional funding under component 6. The GoU funds will enable more detailed work and outputs to be delivered. The priority outputs for GoU funding are therefore the same as those under component 6 through donor funding.

The specific objectives and details of funding arrangements can be seen in Annex 6 – project briefs for WRM.

5.6.2. Objective and summary of component activities

The objective of this component is to support the Directorate of Water Resources Management (DWRM) to implement various water resources management reform recommendations, provide the necessary support and guidance to the WMZs, and promote integrated planning, management and development of water resources of Uganda in line with the national water policy, Water Act and various regulations.

Key outputs:

- Reviewing and further development of the policy and legislation for water resources management,
- Coordinating water resources management interventions and stakeholders at national level including consolidating implementation of the catchment-based water resources management,
- Coordinating and continued participation in transboundary water resources programmes (Nile Basin Initiative, Lake Victoria Basin Commission, Intergovernmental Authority on Development (IGAD),
- Continuing to support the Water Policy Committee (WPC) to enable it to provide leadership in integrated and sustainable management and development of water and related resources in Uganda,
- Supporting the operationalisation of the water resources institute to improve visibility, build capacity and applied research in water resources management and development,
- Strengthening national level water resources monitoring, assessment and information management systems (Water Information and Decision Support System, etc.),
- Strengthening institutional coordination and capacity building for integrated planning, development and management of water resources,
- Reviewing and operationalising the water quality strategy with a focus on pollution management, water quality reference laboratory and regulation of other water quality laboratories,
- Promote coordinated water resources planning and allocation for different water uses, improve regulation of water resources use and quality and compliance to and enforcement of water laws and permit conditions,
- Maintain and protect water courses and reservoirs in view of emerging threats including water weeds, siltation and eutrophication.

5.6.3. Budget

To support prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 17: Funding for the Water Resources Management component, 5-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality			GoU funding	Total on-budget funding
		Project	JPF un-earmarked	JPF earmarked		
Themes		WB IWMDP	ADA			
1	Water resources coordination and sector reform	2.00	1.15		1.99	5.13
2	Improved water resource monitoring and assessment	3.20	1.38		2.05	6.63
3	International and transboundary water resources management		0.46		1.23	1.69
4	Water resources planning and allocation	2.00	0.69		0.28	2.96
5	Compliance and enforcement of water laws, regulations and permit conditions	2.00	0.69		1.00	3.69
6	Drinking water quality and water safety plans		0.46		3.15	3.61
7	Effective water quality management tools and information systems	1.60	0.46		0.50	2.56
8	Functional Water Quality Testing Laboratories	1.20	0.46		0.65	2.31
Total		12.00	5.75	0.00	10.84	28.59
				Total JPF donor dev't funding		5.75

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular.

5.6.4. Component performance monitoring

Table 18: Performance monitoring framework for the Water Resources Management component

JWESSP-II Component Monitoring Framework
 Legend:
 Sector Indicators
 A Indicator monitored annually
 Q Indicator monitored quarterly

Themes of Component 6: WRM	Indicator	Frequenc y (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments		
1	Water resources coordination and sector reform	No. of Water Policy (WPC) Committee recommendations implemented	Q	2	2	2	2	2	2			
		Annual WR Status Report produced and widely disseminated.	A	1	1	1	1	1	1			
		Hydrological Year Book produced	A	1	1	1	1	1	1			
2	Improved water resource monitoring and assessment	One Water allocation and flood forecasting models developed per quarter	Q	0	4	4	4	4	4			
		Number of expanded and modernized monitoring network Operated and maintained	Q	0							The target is 67, the annual targets to be set during the Inception phase of the JWESSP II.	
		Q&C & QA framework designed, operational and accredited by a WMO	Q	0							The target is 1, the annual targets to be set during the Inception phase of the JWESSP II.	
		Groundwater assessment activity identified and undertaken	Q	0	1	1	1	1	1	1		
		% of data received and processed	Q	100%	100%	100%	100%	100%	100%	100%		
		New transboundary Project prepared, funds secured and implemented	A	3	4	5	8	8	8	8		
3	International and transboundary water resources management	Number of transboundary catchments with catchment management plans developed and implemented	A	2	3	4	5	6	7	8		
		Number of Transboundary Water Resources Policies, Laws & Regulations formulated, Reviewed and Implemented	A	3	4	4	5	5	5	5		
4	Improved Water Resources Planning and Regulation	Sector Indicators	Compliance with permit conditions: % of permit holders complying with permit conditions	A	71%	74%	77%	80%	83%	86%	SSIP: 88% (BAU) 90% (Moderate)	Baseline in line with the SSIP (see SPR 2017, Golden Indicator No. 11). Targets set assuming a 3% increase per year, while SIM assumptions for the indicator need to be reviewed. The target 2030 is as per SSIP scenarios.
			Level of water stress: Water withdrawal as a proportion of available water resources	A	2.4%	2.6%	2.7%	2.8%	2.9%	3.0%	3.6%	Baseline and targets as per SSIP BAU scenario.
			Water use efficiency: Gross Value Added by irrigated agriculture per vol. of water used [USD/m ³]	A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	New SDG indicator, baseline and targets not yet available. Not a SIM indicator.
		Key outputs	No. of new water permits issued	Q	300	340	360	380	400	420	440	
			No. of water permit holders monitored for compliance	Q	200	300	350	400	450	500	550	
			Amount of water permitted for abstraction (m3)	Q	400	500	600	700	800	900	1000	
5	Improved water quality management	Sector Indicators	Drinking water quality: % of water samples taken that comply with national standards	A	see RWSS and UWSS Components							The WRM Component has a strong role in monitoring the indicator. On the other hand, the indicator represents achievements and investments made by the RWSS and UWSS Components/Departments.
			Proportion of bodies of water with good ambient water quality	A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	New SDG indicator, baseline and targets not yet available. The SIM uses the cost of BOD removal by wetlands/forest rehabilitation and wastewater treatment for this indicator. All this does not depend on WRM expenditures.
			Proportion of wastewater safely treated	A	20%	19%	19%	18%	18%	18%	16% (BAU) 18% (Moderate)	New SDG indicator. Baseline and targets are set as per SSIP BAU scenario but the underlying assumptions need to be reviewed. The SSIP/SIM results depend on assumptions on wastewater treatment costs and investments.
		Key outputs	No. of water and waste water samples received and tested	Q	2500	3000	3500	5000	6000	7000	10000	
			% of point water sources sampled that comply to potable water standards	Q	50	55	60	65	70	75	90	
			% of piped water sources sampled that comply to potable water standards	Q	80	885	90	95	95	95	100	
% of waste water discharges sampled that comply with waste water standards	Q	44	45	50	55	60	65	90				

5.7. WATER MANAGEMENT ZONES

The WMZ component will encompass all activities related to the operationalisation of integrated water resources management at the deconcentrated level (WMZs, catchments and districts). There are presently four WMZs, namely Victoria, Albert, Kyoga and Upper Nile. These have been formally established and staffed since July 2011 but still need further consolidation and operational strengthening. One of the focal areas of work is the preparation and implementation of catchment management plans, with effective stakeholder participation in various catchments of the country.

5.7.1. Development partner support

Overview of the DPs support to WMZ

Development partners support operationalisation of integrated water resources management at the deconcentrated level under various projects as follows:

Implementation of catchment-based water management activities through WMZs (ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval)

Continuation of the ADA support to the WMZs in preparation and implementation of catchment investment and management plans which include climate change adaptation measures in “hot spot” catchments. The support (2018-2023) under this phase will consolidate and strengthen catchment-based planning, management and development of water and related resources through the WMZs.

The Lakes Edward and Albert Fisheries and Water Resources Project (AfDB 2016 – 2021)

The Lakes Edward and Albert Fisheries and Water Resources Project is a regional project implemented by DR Congo and Uganda through the Nile Basin Initiative and with funding from the AfDB. The project’s overall objective is to “sustainably utilize the fisheries and allied natural resources of the Lakes Edward and Albert Basin through harmonised legal framework and policies”. It has 3 components: (i) fisheries resources development and management, (ii) integrated water resources management, and (iii) project management and coordination.

Enhancing resilience of communities to climate change (EURECCCA Project): implementation for Koga, Victoria and upper Nile WMZ (Adaptation Fund 2017 – 2021)

The EURECCCA Project is funded by the Adaptation Fund and is implemented in three catchments of Aswa in Upper Nile WMZ, Awoja in Kyoga WMZ and Maziba in Victoria WMZ. The overall objective of the project is to increase the resilience of communities to the risk of floods and landslides through promoting catchment-based integrated, equitable and sustainable management of water and related resources in the three catchment areas of Awoja, Aswa and Maziba. The project has three components, namely:

- Establishing frameworks for climate resilient catchment management in Awoja, Aswa and Maziba catchments,
- Implementing concrete adaptation actions for resilient and sustained ecosystems, agricultural landscapes and other livelihood systems,
- Building climate change adaptive capacities of institutions and communities and managing knowledge.

World Bank - Water Management and Development Project (2012 - 2018) and Integrated Water Management and Development Project (2019 - 2025)

The current phase of the World Bank support, the Water Management and Development Project, is promoting integrated water resources planning, development and management at both national and de-concentrated zone level.

Uganda is divided into four WMZs - the Upper Nile; Kyoga; Albert; and Victoria. The current WMDP has focused mainly on two zones – the Upper Nile and Kyoga WMZs, while the LVEMP II has focused on the Victoria WMZ.

At the WMZ the work is being undertaken in Kyoga and Upper Nile WMZs and involves: (i) preparing a water resources strategy for the Upper Nile Water Management Zone, (ii) preparing four catchment management plans for priority hotspot catchments, (iii) strengthening water resource monitoring and information systems, including: (a) the establishment of a water information system at one WMZ, (b) the installation of hydrologic monitoring systems and it will also carry out catchment management and restoration activities and developing a gravity-fed water supply systems in the Sipi sub-catchment.

The Phase 2 of the World Bank support, Integrated Water Management and Development Project, will continue to promote integrated water resources planning, development and management in Kyoga, Upper Nile and Albert WMZs through: (i) preparing a water resources strategy for the Albert WMZ, (ii) preparing catchment management plans for priority hotspot sub-catchments, and (iii) strengthening water resource monitoring and information systems, including (a) rolling out of the water information system to all the WMZs and (b) the installation of hydrologic monitoring systems. It will also be carrying out catchment management and restoration activities in five selected sub-catchments. Activities will consist of: (i) undertaking catchment management measures, including soil and water conservation, flood mitigation, riverbank protection and restoration, and (ii) providing alternative livelihoods for affected communities.

GoU support to Hydropower Development (2015 – 2020)

The aim of the project is to enable the DWRM to determine operational discharge values for the permits issued to Uganda's hydro-electric power (HEP) station operators on the Nile river to optimise hydropower production and minimise negative downstream impacts. The project aims to: (i) investigate Lake Victoria regulating alternatives and determine optimal operations to optimize power operations to improve lake potential during drought periods, ii) to determine the optimal conjunctive water use of the hydro plants at Owen Falls, Bujagali and other sites (Kalagala, Isimba, Karuma, Ayago and Murchison Falls) in the downstream over a specified time as basis for regulating water usage by the power station, and iii) to develop a tool that shall be used for water allocations for optimal conjunctive water use at various sites under the constraint of EAC and other water needs. The project shall therefore develop an operational control system, which incorporates the dynamic water and power forecasting approach which will be used by the HEP generating companies and energy sector for daily load scheduling as well as the longer-term planning components.

IWRM in Upper Nile WMZ (West Nile and Acholi sub-regions), Danida planned (2018-2022)

The project aims at improving climate change resilience in northern Uganda, including refugees and host communities, through improved management of water resources. It will do so to contribute to the NURI objective of enhanced resilience and equitable economic development, including refugees and host communities.

The project will prepare eight micro catchment management plans around refugee settlements and implement some of the priority water resources management livelihood improvement measures identified in the plans.

The specific objectives and details of funding arrangements can be seen in Annex 7 – project briefs for WMZ.

5.7.2. Objective and summary of component activities

The objective of the component is to support catchment-based planning, management and development of water and related resources of Uganda for meeting the socio-economic needs of the present and future generations of Uganda in a sustainable manner.

The main activities of the component, which reflect the core functions of the WMZs, are:

- Deconcentrated management of water resources, (in respect to both quantity and quality) including monitoring and assessment, licensing and regulation and information management,
- Stakeholder driven catchment-based water resources planning, management and development. This will include the preparation and implementation of catchment investment and management plans that include climate change adaptation measures in “hot spot” catchments,
- Increasing WRM support activities and investments directed towards improving water management and improving quality through activities including source protection, catchment conservation and improved regulation of water resources,
- Strengthening capacities of institutions and stakeholders (water management zones, CMOs, district local governments and water user groups) to implement catchment-based water management approaches.

5.7.4. Budget

To support prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 19: Funding for the Water Management Zones component, 5-year budget in billion UGX

On-budget funding in UGX B		Development Partner funding modality					GoU counterpart contribution				GoU funding	Total on-budget funding
		Project		JPF un-earmarked	JPF earmarked		WB IWMDP	AfDB LEAF	CCAF	ADA		
Themes		WB IWMDP	AfDB LEAF	CCA	ADA		WB IWMDP	AfDB LEAF	CCAF	ADA	Hydro-power	
1	Improved WR management at the WRM Zones				0.82					1.00		1.82
2	Integrated catchment-based water resources planning			21.26	0.82				5.00	0.50		27.58
3	Implementation of catchment based water resources management plans	53.34	19.37		5.00		0.79	2.61		1.00	2.40	84.51
Total		53.34	19.37	21.26	6.63	0.00	0.79	2.61	5.00	2.50	2.40	113.90
Total JPF donor dev't funding						6.63						

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular

5.7.5. Component performance monitoring

Table 20: Performance monitoring framework for the Water Management Zones component

Legend:

Sector Indicators

- A Indicator monitored annually
- Q Indicator monitored quarterly

Themes of Component 7: WMZ		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	
		Sector indicators	<i>See WRM Component for sector indicators. WRM activities at the centre and at the WMZ/catchment level are complementary and sector progress cannot be measured separately.</i>								
1	Improved WR management at the WRM Zones	Key outputs	Number of major polluters and abstractors identified,assessed .	Q	240	260	300	320	340	360	380
			No of permit holders monitored for compliance	Q	320	360	400	440	480	520	560
			No. of water quality samples collected and analysed	Q	1000	1200	1400	1600	1800	2000	2200
			%ge of data collected from operational of monitoring stations	Q	70	75	80	85	90	100	100
2	Integrated catchment-based water resources planning.	Key outputs	Cumulative No. of catchment management plans prepared.	A	12	14	16	18	20	22	24
			No. of catchment management plans implemented	A	6	8	10	12	14	16	18
3	Implementation of catchment-based water resources management plans	Key outputs	No. of operational Catchment based structures and organizations guiding IWRM planning and implementation	A	14	16	18	20	20	22	24
			No. of iinterventions implemented from catchment management plans	Q	4	6	8	10	12	14	18

5.8. ENVIRONMENT AND NATURAL RESOURCES

The ENR subsector is responsible for ensuring rational and sustainable utilisation, development and effective management of environmental and natural resources for socio-economic development in the country. The component will include all JWESSP-II activities under the DEA and its three departments, Forestry Sector Support Department (FSSD), Wetlands Management Department (WMD) and Department for Environmental Services (DES).

5.8.1. Development partner support

Overview of the DP support to ENR

The specific objectives and details of funding arrangements can be seen in Annex 1 – project briefs for ENR.

Mainstreaming of environment concerns in MWE

JPF funding is provided by ADA as un-earmarked funding to support the mainstreaming of environment considerations into all aspects of MWE implementation activities over a three-year period (see detailed write-up as Annex 1).

Building resilient communities and ecosystems through restoration of wetlands and associated catchments in Uganda

Total budget USD 42,222,000: USD 18,122,000 from the GoU and USD 24,100,000 from the Green Climate Fund (Planned).

The Project aims at improving the lives of some of the most vulnerable people in Uganda depending on subsistence agriculture and wetlands for their livelihoods. It has three main components.

Component 1: Restoration and management of wetland hydrology and associated catchment

Outputs:

1. Small-scale water storage and detention facilities designed and constructed or rehabilitated in critical waterways for communities to benefit from enhanced eco system functioning,
2. Improved inlet streams to increase water delivery,
3. Degraded catchment areas rehabilitated, and land productivity improved,
4. Strengthened wetland management practices.

Component 2: Improved agricultural practices and alternative livelihood options in the wetland catchment

Outputs:

1. Crop diversification and resilient agricultural best practices adopted,
2. Economically viable and sustainable agricultural based livelihood and income generating interventions introduced, promoted and supported in the wetland and immediate catchment,
3. Business and entrepreneurial skills promoted, including micro-credit schemes and revolving funds.

Component 3: Strengthening access to climate and early warning information of farmers and other target communities

Outputs:

1. Meteorological and hydrological infrastructural investments' support including additional manual and automatic weather stations, lightening sensors, hydrological monitoring equipment, agro-meteorological stations, forecasting equipment, and data archiving systems,
2. Capacity building of relevant staff on operation and maintenance of climate monitoring equipment, data interpretation, modelling and forecasting.

World Bank Support - FCPF Readiness fund grant No. TF0A5722 is the third grant agreement for Uganda's additional REDD+ readiness preparation support

The objective of the additional readiness preparation activities is to design a socially and environmentally viable national strategy for reducing emissions from deforestation and forest degradation as compared to a reference level. It is intended to support the continued implementation of Uganda's roadmap for REDD+ Readiness (called the Readiness Preparation Proposal (R-PP)) based on the identified remaining technical gaps and associated financial needs that were identified during the independent mid-term evaluation and self-assessed its REDD+ Readiness progress of the first grant.

The key result from this R-PP Implementation is the REDD+ strategy for Uganda. The following are the specific results for the additional funding support (AF):

- a) Uganda will be REDD+ Ready (based on the assessment criteria of the readiness package),
- b) A minimum of two jurisdictional Emission Reductions Programs (ER Programs) will be designed,
- c) A National Forest Monitoring System (NFMS) will be operationalised, and
- d) Indigenous peoples' organisations are better engaged on REDD+.

The additional support is USD 3,750,000 and is funded by the World Bank's Forest Carbon Partnership Facility (FCPF) and the GoU. The project will be implemented over a period of 2.5 years (2017-2019).

5.8.2. Planned unfunded projects

MWE through the Forest Sector Support Department have prepared two programme proposals for submission to the Green Climate Fund (GCF) and GEF. These are:

1. The Programme for Resilience and Mitigation in the Albertine Rift (PRAMAR) which focusses on mitigation and resilience of ecosystems, livelihoods and economic development by improving the management, conservation and protection of forests and other ecosystems to increase the productivity of land and to increase carbon sequestration and storage while reducing carbon emissions. The programme seeks USD 117 million from GEF, the World Bank and the GoU.
2. Climate Resilient Ecosystems and Rural Livelihoods in the Albertine Rift (CRERL) focuses on the Mgahinga-Echuya-Bwindi landscape and its associated biodiversity corridors in the Albertine Rift. The project will focus on strengthening the management of ecosystems in the water catchments in which the Mgahinga, Echuya and Bwindi protected areas are located, thus enhancing the resilience of communities and the ecosystems to impacts of climate change. The project seeks USD 5 million from GEF.

5.8.3. Objective and summary of component activities

Component objectives can be found in the NDPII, the Sector Development Plan, National Forest Plan and the REDD+ project document. The NDP II recognises the vital role environmental management plays in supporting local livelihoods and national economic growth, as well as increased ecosystem degradation

and the constant threat posed by poverty, rapid population growth and rapid urbanisation including the enlargement of informal settlements and unplanned industrialisation and the impact these could have on climate change. Objectives in the NDPII are:

1. To restore and maintain the integrity and functionality of degraded fragile ecosystems,
2. To increase sustainable use of ENR,
3. To increase wetland coverage and reduce wetland degradation,
4. To increase functionality and usage of meteorological information systems,
5. To increase the country's resilience to the impacts of climate change,
6. To increase afforestation, reforestation and adaptation and to mitigate deforestation for sustainable forestry,
7. To improve the legal and institutional framework regarding climate change.

The National Forest Plan highlights the central function forests fulfil in protecting water catchments and assuring sustainable water supply for domestic consumption, industrial use and generation of energy. In addition, effective forest management minimises costs associated with downstream effects of erosion or siltation of surface water sources and the impact of eutrophication on fisheries.

REDD is an international intervention that incentivises emission reduction by developing countries by providing financial return for carbon stored in forests. REDD+ considers conservation, sustainable management of forests and enhancement of forest carbon stocks in addition to curbing deforestation and forest degradation. In Uganda REDD+ started in 2008 and is implemented based on a national strategy with the eight strategic options related to: 1) climate smart agriculture, 2) sustainable fuel wood and charcoal production, 3) large scale commercial timber production, 4) restoration of natural forests in the landscape, 5) promotion of energy efficient cooking stoves, 6) integrated management of wildfires, 7) livestock management in the cattle corridor, and 8) strengthening policy implementation for REDD+.

The activities include a wide range of tasks that can be clustered into eight themes hereunder to strengthen the institutional capacity of DEA and its departments to implement their mandates:

Funding and activities to carry out mainstreaming of ENR and CC concerns across the MWE activities specifically and over the whole ENR mandate in general, are included.

1. Provide evidence of sector specific environment and climate change linkages and their impact on sustainable development,
2. Build capacity for mainstreaming of environment and climate change in the target sectors,
3. Collaboration with the leadership of MWE to deliver mainstreaming, including building understanding of the central place of the environment and climate change in achieving their mandates,
4. Guidelines, indicators and timelines for mainstreaming of climate change and environment,
5. Monitoring and reporting on mainstreaming processes and achievements to Joint Sector Working Group,
6. Strengthen the capacity of institutions charged with oversight (MoFPED, OPM, funders and parliament),
7. Mainstreaming of environment and climate change considerations into all aspects of MWE business over the five-year period of the JWESSP-II,
8. Technical advice to support the mainstreaming process and technical capacity to undertaken mainstreaming activities,
9. Strengthen the capacity of institutions charged with monitoring progress (National Planning Authority, Uganda Bureau of Statistics and CSOs),

10. Strengthen the capacity of private sector, media, and the communities,
11. Integration of environment and climate change into development processes in the country,
12. Provide legal basis for integration of ecosystem assessment economic analysis (social and environmental assessment / cumulative impact assessments, EIAs, tools such as the polluter pay, use pay, precautionary principles, etc.),
13. Review policies with the objective of supporting mainstreaming of environment and climate change adaptation in the different sectors,
14. Certification of achievements by MoFPED, OPM and parliament based on agreed indicators.

5.8.4. Budget

To support prioritisation of these activities, a number of priority areas have been selected and budgeted:

Table 21: Funding for the Environment and Natural Resources Management component, 5-year budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality					GoU counterpart contribution		GoU funding	Agencies			Total on-budget funding
		Project		JPF un-earmarked	JPF earmarked	DP+GoU+AIA							
Themes		WB-FCPF	GCF	UNDP	ADA		WB-FCPF	GCF + UNDP	LG Wetland MG	NEMA	NFA	UNMA	
1	Strengthen the institutional capacity of DEA and its departments to implement their mandates				1.93								1.93
2	Improve environmental compliance and observance of environmental laws												0.00
3	Strengthen forestry governance, regulation and compliance												0.00
4	Enhance the sustainable use of wetlands for optimum ecological value and social benefits		32.80	3.78			18.90	3.95					59.43
5	Enhance the potential of the natural resource base and restore degraded forests / wetlands		40.14	0.38			47.25						87.77
6	Strengthen environmental management aspects related to oil and gas exploration and production												0.00
7	Facilitate the establishment of the Uganda National Meteorological Authority		14.10	3.40			2.35						19.85
8	Provide support over a 3-year period for REDD+	7.43					1.80						9.22
9	Agencies: NEMA, NFA, UNMA									63.25	150.30	80.90	294.45
Total		7.43	87.04	7.56	1.93	0.00	1.80	68.50	3.95	63.25	150.30	80.90	472.65
					Total JPF donor dev't funding		1.93						

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular.

5.8.5. Component performance monitoring

Table 22: Performance monitoring framework for the Environment and Natural Resources Management component

Legend:

Sector Indicators

A Indicator monitored annually

Q Indicator monitored quarterly

Themes of Component 8: ENR		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments	
1	Strengthen the institutional capacity of DEA and its departments to implement their mandates	Key outputs	Management and Operation support activities events, held or attended									
			Regional Local Level Stakeholders engagement and consultation events									
			Media Sensitization at National Level and special supplements and media training of trainers.									
2	Improve environmental compliance and observance of environmental laws											
3	Strengthen forestry governance, regulation and compliance	Sector Indicators	% Uganda's land surface area covered by forest	A	9.0%	9.1%	9.1%	9.2%	9.2%	9.3%	SSIP: 9.7% (BAU) 10.4% (Moderate)	Baseline and targets as per SSIP BAU scenario.
			% forest areas under management plans									
			Proportion of population with primary reliance on clean fuels and technology									
4	Enhance the sustainable use of wetlands for optimum ecological value and social benefits	Sector Indicators	% Uganda's land surface area covered by wetlands	A	10.9%	11.0%	11.0%	11.0%	11.1%	11.1%	SSIP: 11.4% (BAU) 11.9% (Moderate)	Baseline and targets as per SSIP BAU scenario.
5	Enhance the potential of the natural resource base and restore degraded forests/wetlands		% wetland areas with approved management plans									
6	Strengthen environmental monitoring aspects related to oil and gas exploration and production	Key outputs										
7	Facilitate the establishment of the Uganda National Meteorological Authority	Sector Indicators	% weather observation stations operational and submitting data throughout the year	A	43%	50%	56%	59%	63%	66%	SSIP: 74% (BAU) 85% (Moderate)	Baseline and targets as per SSIP BAU scenario.
8	Provide support over a 3-year period for REDD+	Key outputs										

5.9. CLIMATE CHANGE

The Climate Change Component will develop the capacities of the Climate Change Department (CCD) to fulfil its mandate (providing policy and strategic advice on climatic changes and ensuring the integration of CC concerns into national planning through coordination with the relevant authorities).

CC Liaison office, second one which already exists to WESLD.

5.9.1. Development partner support

Additional Funds to Water Supply and Sanitation Programme JWESSP-II

This contribution from AfDB is an extension of an ongoing project with a total budget of UGX 992 million provided as an on-budget grant and implemented from 2015 until 2019.

Programme components include: building resilience to CC in flood prone areas of Mt. Elgon through Forest Sector Support Department; ensuring climate resilient sanitation in flood prone peri-urban areas by RWSD; ensuring access to water for production as an adaptation in drought prone areas by RWSD & the Water for Production Department; knowledge management, monitoring and evaluation by CCD.

Mainstreaming of CC in MWE – ADA funded (ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval)

JPF funding is provided by ADA as un-earmarked funding proposed to support the mainstreaming of CC considerations into all aspects of MWE implementation activities over a three-year period.

Given the importance of mainstreaming of CC activities across the MWE, it is proposed to present a proposal for mainstreaming within the MWE as per the attached project brief (see Annex 1).

Climate Change and Disaster Reduction Project Community Resilience to Climate Change and Disaster Risks Project (2016 – 2020)

The MWE (Responsible Party), in collaboration with the OPM (Implementing Partner), the UNDP, and with funding from the European Commission and the Governments of Germany and Australia is implementing the Community Resilience to Climate Change Risks and Disasters in Uganda project.

Investment Plan Preparation Grant for the Strategic Plan for Climate Resilience (PPCR) – Climate Investment Fund (CIF) (2016 – 2019)

This project involves a grant for project preparation (PPG) to assist Uganda in preparing its Strategic Plan for Climate Resilience (SPCR). The main objective of the PPG is to support the formulation of a well-developed SPCR for Uganda that will identify programmes and activities that will help implement climate change resilience while minimizing barriers to national efforts to reduce vulnerability and increase resilience.

Government of Uganda funding of the Climate Change Department

The GoU supports the running costs of the Climate Change Department with UGX 500 million for the period 2018 – 2019.

5.9.2. Objective and summary of component activities

The overall objective of the component is to support the attainment of the national climate change policy objectives, which are “to ensure that all stakeholders address climate change impacts and their causes through appropriate measures, while promoting sustainable development and a green economy”. The policy builds on a number of more specific objectives:

- To identify and promote common policy priorities to address climate change in Uganda
- To identify and promote adaptation policy responses for Uganda
- To identify and promote mitigation policy responses for Uganda
- To identify and promote monitoring, detection, attribution and prediction policy responses for Uganda
- To support the integration of climate change issues into planning, decision making and investments in all sectors and trans-sectoral themes through appropriate institutional arrangements.
- To facilitate the mobilisation of financial resources to address climate change in Uganda

The main activities of the component centre around increasing the institutional capacity of the MWE in mainstreaming climate change activities in the various areas that are the subject of the intervention including:

- Collaboration with the leadership of MWE to deliver mainstreaming, including building understanding of the central place of the environment and climate change in achieving their mandates,
- Guidelines, indicators and timelines for mainstreaming of climate change and environment,
- Monitoring and reporting on mainstreaming processes and achievements to Joint Sector Working Group,
- Mainstreaming of environment and climate change considerations into all aspects of MWE business over the five-year period of the JWESSP-II,
- Internal technical capacity to undertaken mainstreaming activities,
- Technical advice to support the mainstreaming process.

5.9.3. Budget

To support prioritisation of these activities a number of priority areas have been selected and budgeted:

Table 23: Funding for the climate change component, 5 years budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality		GoU funding	Total on-budget funding
		JPF un-earmarked	JPF earmarked		
Themes		ADA	AfDB - Additional Funds	GoU other	
1	Develop institutional capacities for CC management in Uganda and implementation of CC Department Capacity Development Plan		0.63	0.63	1.26
2	Establish the knowledge base for climate change mitigation and adaptation Development of district vulnerability assessments			0.63	0.63
3	Operationalize the Climate Change Policy by mainstreaming Climate Change in the Water and Environment Sector	1.49		0.63	2.11
4	Coordinate, initiate and monitor climate change implementation activities in Uganda			0.63	0.63
Total		1.49	0.63	2.50	4.62
Total JPF donor dev't funding			2.12		

Source: Project documents and funding agreements, draft appraisal documents and reports, 2nd Budget Call Circular.

5.9.4. Component performance monitoring

Table 24: Performance monitoring framework for the climate change component

Legend:

- Sector Indicators**
- A Indicator monitored annually
- Q Indicator monitored quarterly

Themes of Component 9: CC		Indicator	Frequency (Q/A)	Baseline 2018	Target FY 18/19	Target FY 19/20	Target FY 20/21	Target FY 21/22	Target FY 22/23	Target 2030	Comments			
1	Develop institutional capacities for climate change management in Uganda and implementation of Climate Change Department Capacity Development Plan	Key outputs												
2	Establish the knowledge base for	Key outputs												
3		Sector indicators	% change in Uganda's climate change vulnerability index		34.4	34.7	34.8	34.9	34.9	35.0	SSIP: 34.9 (BAU) 35.5 (Moderate)	Baseline and targets as per SSIP BAU scenario. The SIM treats this as a "reporting indicator" not directly influenced by investments.		
			CC Mitigation: % change in direct and indirect GHG emissions		0.0%	1.9%	2.6%	3.0%	3.4%	3.7%	SSIP: 4.3% (BAU) 8.8% (Moderate)	Targets as per SSIP BAU scenario. The indicator mainly depends on investments in forest rehabilitation, not directly on activities under the CC component.		
			CC Adaptation: % change in budgets for CC adaptation across the Ministry	A									New indicator, baseline and targets not yet available.	
		Key outputs	No. of MWE departments and agencies consulted on cc	Q	0	17	17	17	17	68	17			
			No. of MWE departments and agencies with cc screened work plans and budgets	Q	0	17	17	17	17	68	17			
			No. of MWE departments and agencies that have developed cc mainstreaming actions	Q	0	17	17	17	17	68	17			
			No. of MWE departments and agencies trained in cc mainstreaming	Q	0	17	17	17	17	68	17			
			No. of MWE departments and agencies with cc actions integrated in work plans and budgets	Q	0	17	17	17	17	68	17			
			Proportion of cc actions in each of the MWE departments and agencies monitored	Q	0	100	100	100	100	100	100	100		
			Level of compliance by departments and agencies with implementation of cc actions	Q	0	100	100	100	100	100	100	100		
			No. of meetings of the Thematic Working Group on Climate Change (Functionality of the TWGM)	Q	0	12	12	12	12	48	12			
			Proportion of the MWE departments and agencies submitting timely cc mainstreaming reports	Q	0	100	100	100	100	100	100	100		
			Proportion of the MWE departments and agencies reports reviewed and feedback done	Q	0	100	100	100	100	100	100	100		
			No of periodic monitoring visits by the TWG CC	Q	0	4	4	4	4	16	4			
Number of periodic review stakeholder meetings	Q	0	4	4	4	4	16	4						
4	Coordinate, initiate and monitor climate change implementation activities in Uganda	No. of climate change adaptation interventions monitored												
		% of CC Mitigation measures implemented												
		% of CDM projects monitored												

6. JWESSP-II FINANCING MODALITIES, FUNDING LEVEL AND GAPS

This section provides estimates for the JWESSP-II funding requirements for the various components within the context of overall on-budget sector funding. The total required sector funding is described in NDP 2015–2020 as well as in SSIP 2018–2030. In JWESSP-II the funding requirements are calculated based on the SSIP. The SSIP looks at the requirements in three scenarios, where the lowest based on present level of sector funding, Business as Usual (BAU) has been used.

6.1. **FUNDING MODALITIES**

External support to the JWESSP was provided through three main modalities (on-budget) – (i) sector budget support, (ii) the JPF, (iii) direct project funding – and off-budget technical assistance in-kind.

In the JWESSP-II the funding modalities have changed due to the fact that fewer DPs provide their support through JPF or only provide part of their support through this modality. Sector Budget Support, which was an important part of the prior JWESSP, will not at present receive funding from the DPs supporting this programme. An important change from the prior JWESSP is that it was decided to reflect support to the whole sector as described in chapter 2. The new JWESSP-II funding modality, direct project funding, includes the possibility of providing project funding in addition to support through the JPF, with the expectation that the DPs providing project funding also contribute to the common activities through earmarking part of the funding for these purposes as described further in the JFA.

The JPF funding is provided both earmarked to specific areas supported by the DPs and un-earmarked to be distributed where the often-limited funding can make most impact in meeting the objectives of the Joint Programme. This is done by supporting key areas, such as supporting the UOs/UAs and the Revolving Fund under UWSSD and the mainstreaming of environment and climate change concerns across all the MWE areas of responsibility, which with this support can have a major influence on meeting the programme objectives.

The un-earmarked funding has, during the process of preparing this PD, been allocated and as such “soft earmarked” and included under the components receiving this type of funding. Under the JWESSP-II, only one DP (Austria) has in principle indicated willingness to provide this type of funding.

6.2. **MANAGEMENT OF THE JOINT PARTNERSHIP FUND**

The JPF, a pooled fund managed by MWE, provides harmonised sector funding for the majority of JWESSP components. JPF operations are aligned to government procedures in terms of financial management, auditing, reporting and procurement but funds are kept separate from Government treasury funds. The support to be channelled through the JPF includes both non-earmarked and earmarked funding. Non-earmarked JPF funding is the MWE’s preferred modality to ensure harmonisation of procedures and flexibility for adjustments, using joint decision-making mechanisms, and to minimise transaction costs. The budget and allocation estimates provided in chapter 5, in Annex 1-Annex 9 and summarized in Table 25 as well as Table 26 are provisional and may be adjusted by the WESWG at any time following revisions in donor financing commitments. On the other hand, the JPF will also be used as a harmonised modality for channelling earmarked funding based on the different bilateral agreements between the GoU and sector DPs for the different projects. This modality is, in particular, used for SPS component activities and UWSS investments. In part, JPF funds will be spent through the deconcentrated (regional) structures of

the MWE, namely WSDFs and WMZs, which have been granted delegated authority for accounting and procurement. Detailed guidelines for JPF operations can be found in the JPF Manual.

6.3. SECTOR BUDGET SUPPORT AND FUNDING THROUGH LOCAL GOVERNMENTS

SBS and the financial management of funds channelled to local governments will be provided based on mechanisms and procedures that are not sector specific and, hence, not JWESSP specific. The linkage to JWESSP planning, monitoring and reporting procedures will be ensured by the respective component managers (currently RWSS only). At the time of preparing this Programme Document there were no DPs planning to provide SBS, but the funding option has been maintained to allow for future DPs to join later during the five-year programme phase or after the midterm review.

6.4. DIRECT PROJECT FUNDING

Due to fewer DPs providing funding through SPS, the JWESSP-II funding modalities now include – for level 3 joining DPs – the possibility of providing project funding within the programme provided the DPs have signed the JFA.

The minimum requirement for having a joint programme is that in addition to the DPs providing funding by direct project funding, that some support also will be provided either through the JPF, earmarked or unearmarked (which is the preferred option), or by specific direct project funding to contribute to the common programme activities, like the joint review, annual sector report, capacity development etc. as stipulated in the DP/GoU financial agreements. This support may also be in-kind. It ensures that the sector engages as a whole in a sector-wide approach, plans in a coordinated manner following common principles, mainstreams environment and climate change, and monitors implementation to reach common goals. Other DPs use this funding modality as standard as has been described in chapter 2.7.

6.5. OFF BUDGET FUNDING

Off-budget funding is in general not included in the JWESSP-II. Off-budget funding is, however, considerable when including the humanitarian aid provided to the huge numbers of refugees hosted in a number of districts in Northern Uganda as described in chapter 2.8 and Annex 12.

Besides funding for humanitarian aid, there are other funding sources from CSOs / NGOs and multilateral DPs such as UNICEF and the UNHCR, as well as DPs such as the Japan International Cooperation Agency (JICA) and GIZ. In most cases, funding amounts are not known. The DPs supporting the sector should include in their donor mapping, to the extent possible, an updated list of off-budget DP funding to the sector as was decided in the second stakeholder workshop and illustrated in Figure 5.

As was also decided, the off-budget DPs – as well as the DPs on-budget – will all be covered by the general requirements for joining the JWESSP-II as described under chapter 2.7.

6.6. JWESSP II TOTAL BUDGET ESTIMATE

The below overall budget provides a summary of all nine components and themes, as well as the DP and GoU funding provided. The overall total funding estimate is UGX 5,773 billion over the 5-year period 2018/19-2022/23.

Table 25: Total available funding of the JWESSP-II by components, themes and funding modalities, 5 years budget in billion UGX

On-budget funding in UGX Bn		Development Partner funding modality				GoU	GoU	Agencies	Total
Component	Theme	Project	JPF un-earmarked	JPF earmarked	SBS	counterpart contribution	funding through MWE	DP+GoU+AIA	
		(ADA)		(AfDB, KfW)					
1	Component 1 - SPS (incl. TA)	Sub-totals	2.28	24.07	7.50		8.24		42.09
	Effective sector planning and coordination	1	0.95	2.36	4.55		2.43		10.28
	Strengthened M&E systems and MIS for enhanced programme management and accountability	2		3.05	0.97		1.13		5.14
	Enhanced transparency, good governance and value for money	3		1.20					1.20
	Capacity development including project development support	4	1.34	1.65	0.28		1.13		4.39
	Community management and cross-cutting issues (gender and HIV/AIDS)	5		1.80	1.70		3.57		7.07
	UWASNET support to coordinate and report member NGOs activities in the sector	6		1.00					1.00
	Support for mainstreaming of Environment and Climate Change within the Ministry of Water and Environment	7		1.95					1.95
	Technical Assistance (support across the entire sector)	8		11.06					11.06
2	Component 2 - RWSS	Sub-totals	315.34	13.27	44.96		12.28	280.45	666.29
	Improved access and equity	1	315.34		44.96		10.95	280.45	651.70
	Improved functionality of water sources	2		4.42			0.44		4.86
	Promotion of appropriate technology for rural water supply	3							0.00
	Support to local Governments and other stakeholders (NGOs, institutions)	4		8.85			0.88		9.73
	Improved sanitation and hygiene practices	5							0.00
3	Component 3 - UWSS	Sub-totals	419.29	30.91	175.83		73.35	41.20	2979.20
	Increased Water Supply Service Coverage for Small Towns and RGCs	1	387.92	8.62	175.83		67.07	18.00	657.45
	Sustainable O&M of Piped Water Supply Systems in Small Towns and RGCs	2	2.16	14.37			1.44	23.20	41.17
	Improved Sanitation and Hygiene Services in Small Towns and RGCs	3	29.21	7.92			4.84		41.97
	Agencies: NWSC, KCCA	4						2979.20	2979.20
4	Component 4 - WUR	Sub-totals	8.54	0.00	0.00		4.40	20.16	33.10
	Develop framework for future Regulation of Urban, Rural, Sanitation and Water for Production	1	1.84				3.12	6.91	11.86
	Effective Regulation of Urban Water Supply services	2	5.08					2.18	7.26
	Regulation of NWSC (Independent)	3						2.70	2.70
	Develop Communication framework (Strategy and Platform)	4	1.62				1.29	8.38	11.29
5	Component 5 - WfP	Sub-totals	333.49	0.00	0.00		20.56	340.73	694.78
	Improving functionality of Water for Production facilities and the prospects for sustainability (O&M framework)	1	17.95				3.41	21.10	42.46
	Construction of new multipurpose dams and valley tanks for increased production of livestock and irrigation	2	315.54				17.15	273.15	605.84
	Construction of new bulk water transfer systems for multipurpose use	3						46.48	46.48
6	Component 6 - WRM	Sub-totals	12.00	5.75	0.00		10.84	28.59	28.59
	Water resources coordination and sector reform	1	2.00	1.15			1.99		5.13
	Improved water resource monitoring and assessment	2	3.20	1.38			2.05		6.63
	International and transboundary water resources management	3		0.46			1.23		1.69
	Water resources planning and allocation	4	2.00	0.69			0.28		2.96
	Compliance and enforcement of water laws, regulations and permit conditions	5	2.00	0.69			1.00		3.69
	Drinking water quality and water safety plans	6		0.46			3.15		3.61
	Effective water quality management tools and information systems	7	1.60	0.46			0.50		2.56
	Functional Water Quality Testing Laboratories	8	1.20	0.46			0.65		2.31
7	Component 7 - WMZ	Sub-totals	93.97	6.63	0.00		10.90	2.40	113.90
	Improved WR management at the WRM Zones	1					1.00		1.82
	Integrated catchment-based water resources planning	2	21.26				5.50		27.58
	Implementation of catchment based water resources management plans	3	72.71	5.00			4.40	2.40	84.51
8	Component 8 - ENR	Sub-totals	102.03	1.93	0.00		70.30	3.95	294.45
	Strengthen the institutional capacity of DEA and its departments to implement their mandates	1		1.93					1.93
	Improve environmental compliance and observance of environmental laws	2							0.00
	Strengthen forestry governance, regulation and compliance	3							0.00
	Enhance the sustainable use of wetlands for optimum ecological value and social benefits	4	36.58				18.90	3.95	59.43
	Enhance the potential of the natural resource base and restore degraded forests / wetlands	5	40.52				47.25		87.77
	Strengthen environmental management aspects related to oil and gas exploration and production	6							0.00
	Facilitate the establishment of the Uganda National Meteorological Authority	7	17.50				2.35		19.85
	Provide support over a 3-year period for REDD+	8	7.43				1.80		9.22
	Agencies: NEMA, NFA, UNMA	9						294.45	294.45
9	Component 9 - CC	Sub-totals		1.49	0.63			2.50	4.62
	Develop institutional capacities for CC management in Uganda and implementation of CC Department Capacity Development Plan	1			0.63			0.63	1.26
	Establish the knowledge base for climate change mitigation and adaptation Development of district vulnerability assessments	2						0.63	0.63
	Operationalize the Climate Change Policy by mainstreaming Climate Change in the Water and Environment Sector	3		1.49				0.63	2.11
	Coordinate, initiate and monitor climate change implementation activities in Uganda	4						0.63	0.63
Totals			1,286.93	84.05	228.92	0.00	191.79	710.47	3,273.65
					Total Donor Dev't			1599.89	
					Total Donor JPF			312.97	
						Total GoU	902.26		

Table 26: Total available funding of the JWESSP-II by components and source of funding, 5 years budget in billion UGX

On-budget funding in UGX Bn

Component	Development Partner												Sub-total
	WB IWMDP	WB-FCPF	AfDB STWSSP	AFD	LV-WATSAN	CCAF	GCF	UNDP	ADA	AfDB WSSP-II	AfDB	KFW	
C1 - SPS (incl. TA)	2.28		4.84						24.07	2.22		0.44	33.85
C2 - RWSS	315.34								13.27	44.96			373.56
C3 - UWSS	125.45		228.01		79.35				30.91	126.93		35.38	626.04
C4 - WUR	5.36		3.18										8.54
C5 - WFP				254.32								79.16	333.49
C6 - WRM	12.00								5.75				17.75
C7 - WMZ	53.34					21.26			6.63		19.37		100.60
C8 - ENR		7.43						87.04	7.56	1.93			103.96
C9 - CC									1.49		0.63		2.12
Development Partner sub-total	513.77	7.43	236.02	254.32	79.35	21.26	87.04	7.56	84.05	174.11	20.00	114.99	1,599.89

Component	GoU counterpart contribution												Sub-total
	WB IWMDP	WB-FCPF	AfDB STWSSP	AFD	LV-WATSAN	CCAF	GCF	UNDP	ADA	AfDB WSSP-II	AfDB	KFW	
C1 - SPS (incl. TA)													0.00
C2 - RWSS	6.05								1.33	4.91			12.28
C3 - UWSS	2.37		25.88		16.25				3.09	13.83		11.94	73.35
C4 - WUR	1.29		3.12										4.40
C5 - WFP				5.49								15.07	20.56
C6 - WRM													0.00
C7 - WMZ	0.79					5.00			2.50		2.61		10.90
C8 - ENR		1.80						68.50					70.30
C9 - CC													0.00
GoU counterpart contribution sub-total	10.49	1.80	28.99	5.49	16.25	5.00	68.50	0.00	6.92	18.73	2.61	27.01	191.79

DP & GoU counterpart contribution sub-total													
	524.26	9.22	265.02	259.81	95.60	26.26	155.54	7.56	90.97	192.84	22.61	142.00	1,791.69

Component	GoU funding through MWE								Agencies (DP, GoU and AIA funding)					Sub-total	Grand total
	0151 PMS	LG Rural CG	LG Urban CG	Kara-moja	Support to ST	Hydro-power	LG Wetland MG	GoU	NEMA	NFA	UNMA	NWSC	KCCA		
C1 - SPS (incl. TA)	8.24													8.24	42.09
C2 - RWSS		280.45												280.45	666.29
C3 - UWSS			12.50	18.00	10.70									3,020.40	3,719.79
C4 - WUR								20.16						20.16	33.10
C5 - WFP								340.73						340.73	694.78
C6 - WRM								10.84						10.84	28.59
C7 - WMZ						2.40								2.40	113.90
C8 - ENR							3.95		63.25	150.30	80.90			298.40	472.65
C9 - CC								2.50						2.50	4.62
Sub-total	8.24	280.45	12.50	18.00	10.70	2.40	3.95	374.23	63.25	150.30	80.90	2,979.15	0.05	3,984.12	5,775.80

6.7. SSIP VERSUS AVAILABLE BUDGET – RESULTS AND ANALYSIS OF FUNDING GAP

As mentioned earlier in chapter 4 under performance monitoring, the direct linkage to sector progress is difficult to calculate due to the lack of distinction between urban and rural coverage/investments and the need to allocate the budget to the 24 sector indicators rather than to types of investments leading to a lot of assumptions that have a great impact on the results. In the SSIP, return on investment is measured by indicator progress. The SIM presents results of three investment planning scenarios in terms of the implications for each subsector within the Water and Environment Sector of Uganda.

- Business-As-Usual (BAU). Under the BAU scenario, the annual budget is assumed to remain similar to historical levels and starts at roughly the allocation available during the 2017/2018 fiscal year of UGX 800 billion and using a 3% annual increase in funding.
- Moderate. A modest increase of 50% over the BAU scenario, to UGX 1.2 trillion per year.
- High. An increase of 200% over the BAU scenario, to UGX 2.4 trillion per year.

This JWESSP-II includes in principle all support to the sector. Support and funding has been divided into three levels; level one is including all support to the sector including off-budget support, level two is including all on-budget support and level three, which is DP support through the Joint Partnership Fund as described in chapter 2 and visualized in Figure 5.

For the purpose of analysing the funding gaps, the comparison will be based on the same funding level as in the SSIP/SIM report, which is the total on-budget funding as allocated by MOFPED.

It should also be noted that 70% of sector funding (exclusive agencies) is DP project funding earmarked for specific activities which are part of bilateral agreements with the GoU and is as such not flexible to fund areas where needs are identified by the SSIP. As the SSIP funding needs are planned based on indicators it is seen that some indicators require a substantial amount of funding; such as safely managed drinking water, which requires investing in expensive piped water supply, forest coverage, which requires rehabilitation of forests, ambient water quality etc. These three indicators contribute substantially to the SSIP estimate, that the sector will need an average annual budget of almost UGX 7 trillion over the next twelve years to 2030.

A straight forward "gap Analysis" would require that funding and progress was measured using the same indicators, which would then be used to analyse the expected available funding for the JWESSP-II. The SIM for BAU and also for the expected JWESSP-II funding provide an output of annual percentage targets and not annual funding budget targets. It is therefore difficult to analyse the gap between the expected available funding and the needed funding to meet the five years programme targets.

Due to the above limitation in analysing the funding gaps, this PD only looks at the overall SSIP/SIM report versus the expected JWESSP-II funding. The total JWESSP-II 5 years on-budget funding available is UGX 5,773 billion or an annual average of UGX 1,154 billion, which is approximately 45% higher than the 2017/18 budget and places funding level somewhere between the BAU and Moderate scenario.

6.8. SUMMARY OF UNFUNDED PRIORITIES

During the inception phase, it is proposed to review themes which at this initial point of time have no funding. This list of projects and activities are drawn from consultations with component managers and

from the project briefs. A number of proposed projects and activities are presently unfunded 'priorities' which will be in the first line for funding when more funds become available:

WUR Component: Funding required to support regulation activities. Under theme 3, it is expected that the DPs supporting NWSC would be interested in supporting MWE to carry out performance reviews on an annual basis. It is proposed that initial funding should be provided to prepare the framework for effective regulation. (Details under Annex 4).

ENR Component: The MWE, through the Forest Sector Support Department, has prepared two programme proposals—for submission to GCF and GEF. These are:

1. The Programme for Resilience and Mitigation in the Albertine Rift (PRAMAR), which focusses on mitigation and the resilience of ecosystems, livelihoods and economic development by improving the management, conservation and protection of forests and other ecosystems in order to increase the productivity of land and increase carbon sequestration and storage while reducing carbon emissions. The programme seeks USD 117 million from GEF, the World Bank and the GoU.
2. Climate Resilient Ecosystems and Rural Livelihoods in the Albertine Rift (CRERL) focuses on the Mgahinga-Echuya-Bwindi landscape and its associated biodiversity corridors in the Albertine Rift. The project will focus on strengthening the management of ecosystems in the water catchments in which the Mgahinga, Echuya and Bwindi protected areas are located, thus enhancing the resilience of communities and the ecosystems to impacts of climate change. The project seeks USD 5 million from the GEF.

CC Component: Pilot Programme Climate Resilience (PPCR) – Climate Investment Fund (CIF)

This project aims to obtain a grant for project preparation from the Climate Investment Fund (CIF) to assist Uganda in preparing its Strategic Plan for Climate Resilience (SPCR) with the main objective being to support the formulation of a well-developed SPCR for Uganda that will identify programmes and activities that will help implement climate change resilience while minimizing barriers to national efforts to reduce vulnerability and increase resilience.

7. OVERALL SECTOR FINANCING

7.1. PAST AND PLANNED SECTOR FINANCING

For reference and to extract off-budget financing, the figures for FY2016/17 have been used. The total financing to the Sector (including both off-budget and on-budget resources) was in total approx. UGX 1,098.66 billion, of which UGX 1,043.73 billion was on-budget (appropriated by parliament for the MWE and all the agencies (NEMA, NFA and NWSC)). The donor on-budget allocation within this total allocation amounted to UGX 331.552 billion, one-third of the total funding envelope. The off-budget financing was mobilized by Civil Society Organizations (CSOs) in both the water and environment Sub-sectors.

Table 27: Total financing for FY2016/17, in billion UGX:

Overall Sector Finance						
		Budget	Release	Payments	% Released	% spent
On-Budget	WSS	797.00	613.60	583.05	77.0%	95.0%
	ENRS	157.27	89.33	80.31	56.8%	89.9%
	SPS	30.72	26.75	27.41	87.1%	102.5%
	Conditional Grants to LG	58.73	58.64	51.37	99.8%	87.6%
	Conditional Grants to KCCA ¹⁴	0.01	14.64	14.64	146,440.0%	100.0%
	Total (On-Budget)	1,043.73	802.96	756.78	76.9%	94.2%
Off-Budget	WSS	38.39	38.39	38.39	100.0%	100.0%
	ENRS	16.54	16.54	16.54	100.0%	100.0%
	Total (Off-Budget)	54.93	54.93	54.93	100.0%	100.0%
Overall Total	WSS+KCCA & CGs	894.13	725.274	687.451	81.1%	94.8%
	ENRS	173.81	105.868	96.851	60.9%	91.5%
	SPS	30.72	26.745	27.405	87.1%	102.5%
	Total (On + Off-Budget)	1,098.66	857.89	811.71	78.1%	94.6%
Percentage On-Budget		95%	94%	93%		
Percentage Off-Budget		5%	6%	7%		

Source: MWE Sector Performance Report, 2017.

The following Table 28 and Table 29 provide a summary of the past performance and medium-term budget allocations.

¹⁴ Kampala City Council Authority (KCCA)

Table 28: Overview of MTEF expenditures and projections, in billion UGX

	2015/16 Outturn	2016/17		2017/18	MTEF Budget Projections				
		Approved Budget	Expenditure by End Dec.		2018/19	2019/20	2020/21	2021/22	
Recurrent	Wage	4,666	4,366	2,169	4,535	4,762	5,000	5,250	5,512
	Non-Wage	18,833	12,494	4,792	11,014	13,217	14,539	16,720	16,720
Devt.	GoU	181,258	212,754	112,505	244,356	317,663	381,195	457,434	457,434
	Ext. Fin.	101,493	323,129	63,133	233,608	299,613	260,047	163,290	54,461
	GoU Total	204,757	229,614	119,466	259,905	335,642	400,734	479,403	479,666
	Total GoU+Ext. Fin (MTEF)	306,251	552,743	182,599	493,514	635,255	660,781	642,693	534,127
	Arrears	0,129	0,085	0,085	7,470	0,000	0,000	0,000	0,000
	Total Budget	306,380	552,828	182,684	500,984	635,255	660,781	642,693	534,127
	A.I.A. Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Grand Total	306,380	552,828	182,684	500,984	635,255	660,781	642,693	534,127
	Total Vote Budget Excluding Arrears	306,251	552,743	182,599	493,514	635,255	660,781	642,693	534,127

Source: MPS 2017.

The MTEF budget projections over the four years to FY 2021/22 seem to slightly reduce and as such do not show the 3% annual increase assumed in the BAU but it should also be noted that these are projections subject to change in the outer years.

Table 29: Total budget outlay for MWE (FY 2018/19), by Vote distribution, in UGX billion

Vote	Uganda Shillings in billions					
	Wage	Non-Wage	GoU Dev't	Donor Dev't	AIA	Total
019-Ministry of Water & Environment	4.73	12.89	263.71	316.30	0	597.63
0150-National Environment Management Authority	6.12	5.57	0.92	0.00	11.73	24.34
0157-National Forestry Authority	5.40	0.09	5.88	0.00	24.18	35.55
0302-Uganda National Meteorological Authority	7.41	4.16	14.96	0.00	1.22	27.75
501-850-Local Governments	0.00	7.79	51.59	0.00	0	59.38
National Water and Sewerage Corporation	0.00	0.00	0.00	570	510.38	1,080
Total	23.66	30.50	337.06	316.30	547.51	1,825.03

Source: MWE from MPS 2017/18 with updated DP figures

The following exchange rates have been provided by MWE and are used for all calculations:

1 USD = UGX 3,780.00

1 EUR = 3,780.00 X 1.17 = UGX 4,423.00

1 UA = UGX 5,292.00

8. PROGRAMME MANAGEMENT, STEERING AND COORDINATION

8.1. OVERVIEW

Overall programme steering, coordination, planning and decision-making will be ensured – as for the Water and Environment Sector in general - by the WESWG (chaired by the Permanent Secretary) and its sub-groups. The WESWG is also the forum to ensure overall coordination between the government, development partners and NGOs.

The annual Joint Sector Review (JSR) and Joint Technical Reviews (JTR) will be the main forum for performance review with broad stakeholder engagement including District Local Governments.

8.2. IMPLEMENTATION ARRANGEMENT

MWE will be the implementing agency for all JWESSP-II components. Its three Directorates – DWD, DWRM and DEA – and their Departments will be responsible for the implementation and management of the individual JWESSP-II components, as shown in Figure 7 below.

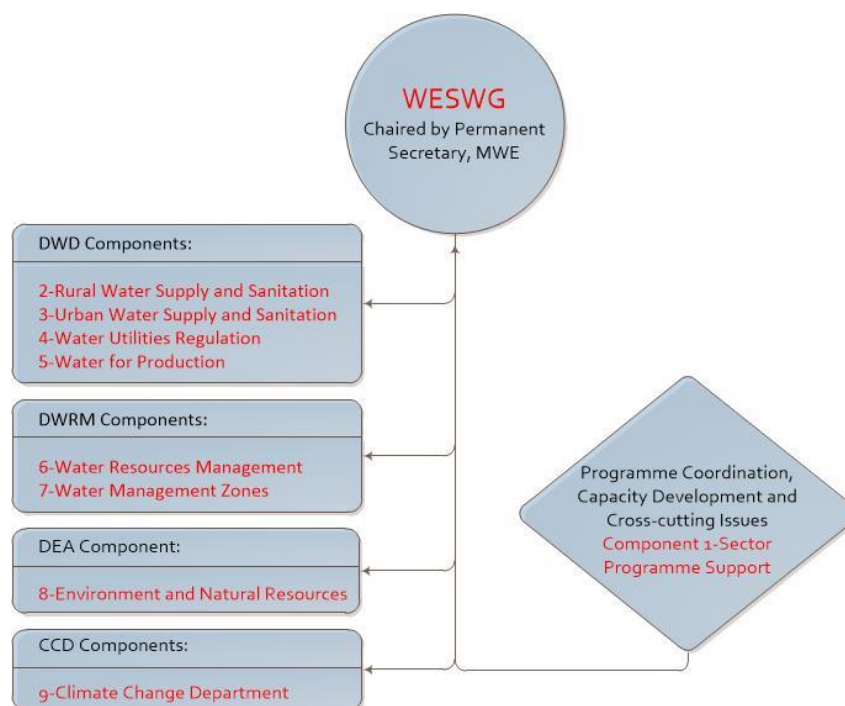


Figure 7: Proposed management and component structure for the JWESSP

Each JWESSP-II component will have a Component Manager who will be responsible for planning, budgeting, implementation, financial management, procurement and reporting for their specific component.

JWESSP-II operations will be based on existing sector planning, reporting, procurement, contract management and financial management procedures. These are largely aligned to GoU procedures but include specific reporting and financial management arrangements related to the JPF, as described in the JPF manual. Specific DP’s procurement procedures, if stated in their bilateral agreements, will prevail over GoU procedures in some cases.

The larger part of the activities under Component 2 (Rural Water Supply and Sanitation) will be implemented by District Local Governments with support and guidance from MWE, mainly through its regional Technical Support Units (TSUs). Operations are guided by a District Implementation Manual prepared by MWE. Funding for these activities will be channelled through the local government financial management system as a district conditional grant for rural water and sanitation. The MWE (DWD / RWSS Depts.) will ensure oversight, monitoring and reporting according to JWESSP-II requirements.

Implementation responsibilities for activities under Components 3 (Urban Water Supply and Sanitation), Component 4 (Water Utilities Regulations), Component 5 (Water for Production) and Component 7 (Water Management Zones) will be partly delegated to the de-concentrated (regional) level structures.

The managers of the four WSDFs have been granted delegated accounting and procurement responsibilities and are working based on the approved WSDF Operations Manual (2014).

The sector's semi-autonomous agencies – NWSC, NEMA, UNMA and NFA – are considered part of the on-budget support under the JWESSP-II, and are closely involved in sector dialogue, strategy formulation and institutional reforms.

8.3. WESWG, SUBGROUPS AND COMMITTEES

The WESWG ensures efficient and effective long-term and annual planning, monitoring, and policy guidance for the water and environment sector. It also provides guidance in resource allocation under the sector to the different sub-sectors, including both on-budget under the MTEF and off-budget resources.

The WESWG will coordinate the implementation of all water and environment programmes / projects / activities in view of national priorities, policies and strategies, and provide overall management and coordination of the WSSWG and ENR & CC Subsector Working Groups, as well as all subgroups and committees.

Subgroups and committees

Cross-cutting, thematic and divisional groups were approved to work at a sub-group level to handle specific and technical issues. Subgroup 3 was not created under the JWESSP but will be established under the JWESSP-II to ensure the implementation of the mainstreaming of ENR and CC concerns across the MWE. Thus, the following subgroups and committees have been established:

1. Finance Subgroup
2. ENR & CC Mainstreaming Subgroup
3. Capacity Development Subgroup
4. Good Governance Subgroup

These groups have their own ToRs and report to both Subsector Working Groups.

Figure 8 below visualises this structure. Each group has been briefly described in the ToR for JWESSP-II. The Environment and Climate Change Mainstreaming subgroup will be created to guide ENR and CC mainstreaming across the MWE and will be merged with the existing Climate Change Subgroup.

Each subgroup will have its own terms of references. The existing ToRs as well as new ToRs for subgroups will be revised and/or drafted during the three-month JWESSP-II inception phase. New or ad-hoc committees can be created as and when needed.

See Annex 1 for details on the mainstreaming activities.

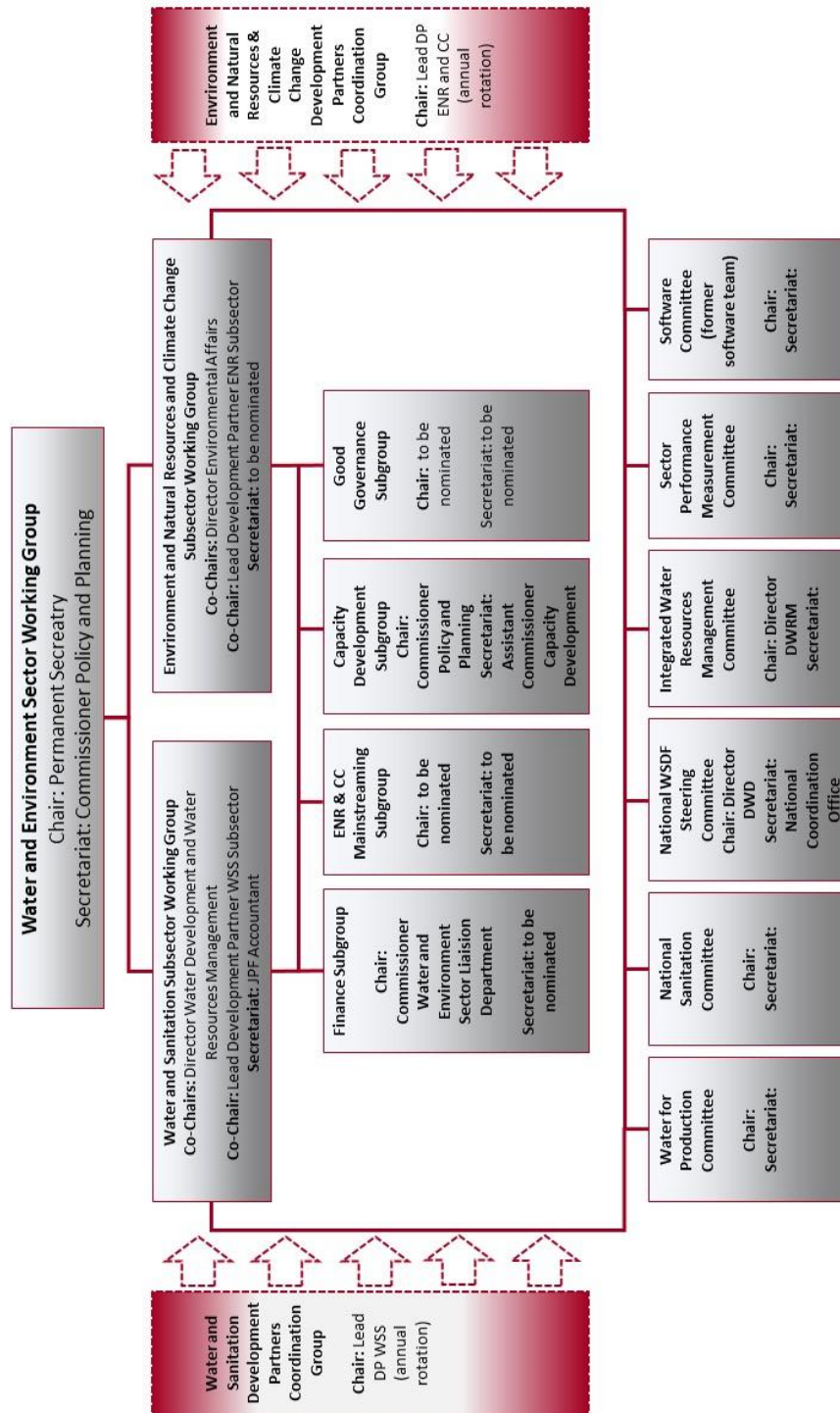


Figure 8: The Water and Environmental Sector Working Groups and its substructure

8.4. JWESSP-II MANAGEMENT AND COORDINATION UNIT

The JWESSP-II overall programme management and coordination functions will be assumed by the Water and Environment Sector Liaison Department (WESLD), as under the prior JWESSP, and it will have the responsibility for the overall consolidation of JWESSP-II workplans, physical and financial reports, monitoring and evaluation, and for SPS component activities, including the coordination of technical

assistance and operational follow-up on cross-cutting and governance agendas. The difference from the present JWESSP will be that the overall scope of the programme has changed to include all on-budget funding to the sector as described and shown in chapter 2. The reporting requirements and responsibilities for reporting of Level 3 activities is described in the JPF Manual.

The WESLD will, as at present, coordinate closely with the Policy and Planning Department of MWE for the implementation of the human resources development activities. The JWESSP-II workplans, budgets and reporting will be a sub-set of the official workplans, budgets and reporting systems presented annually in the Ministerial Policy Statement and subsequent reporting. All the components will liaise closely with the Policy and Planning Department to ensure consistency and coherence.

8.5. JWESSP-II INCEPTION PHASE

An inception phase of three months is expected to performance monitoring indicators and baseline values for the component indicators, development of formats for work planning and reporting, as well as for the first annual workplan. Specific activities for the inception period include:

Table 30: Activities during the JWESSP- II inception phase

#	Inception phase	Action
1	If not completed before start of the programme, then complete the JFA for the DPs financing through the JPF.	WESLD, WESWG
2	Review themes which at this initial stage of the programme have no funding and consider the need for future fund-raising initiatives in accordance with the importance of these themes.	All components
3	Initiate the completion of the monitoring tables for the key output indicators inclusive confirming the baseline data as some components did not manage to provide all the expected key output targets. Missing targets are highlighted in yellow in each indicator table. This is required before drafting the first annual workplan.	All components
4	Review of the proposed output indicators on gender and align them with the two gender strategies and consider need for additional gender equality indicators	WESLD, components
5	Water and environment DP groups to initiate a review of their ToR and update their DP mapping which already includes some off-budget support, so as to include all off-budget DPs.	DPs
6	The review of TORs for the WESWG subgroups will be initiated in the inception phase. This includes new ToR for the ENR and CC subgroup which will now be restructured to be in charge of the mainstreaming of ENR and CC concerns across all the MWE departments.	WESLD, WESWG Subgroups
7	Initiate adding mainstreaming key sector indicators to the monitoring framework based on the plan for mainstreaming of ENR and CC concerns which will be worked out during the inception phase.	WESLD, ENR and CCD
8	Agree on operational details concerning mainstreaming of environment and climate change concerns to be shared between SPS, ENR and CC components according to the description in Annex 1.	WESLD, DEA, CCD
9	Prepare brief inception report summarising progress at the end of the inception phase with the objective to strategically plan, clearly define and put into operation the implementation of the approved programme document, developed workplans and other supporting activities.	WESLD, components
10	Revise the quarterly reporting to incorporate a summary and reporting on carry over funds and carry over activities.	WESLD, All
11	Review the results of the synoptic Environment, Gender and Social Impact Analysis and recommended mitigation activities – if any – performed in collaboration with the Austrian Development Agency.	WESLD

9. RISKS AND RISK MITIGATION

The main overall risks of the envisaged support programme are related to: fiduciary and governance risks; effective progress in institutional strengthening; successful cooperation within the sector and with other stakeholders; on-going political support for sector reforms; and the level of sector funding. Political stability, the absence of conflicts and the general macro-economic development of Uganda constitute additional, “cross-cutting” assumptions that influence all other risks and assumptions.

There are four major areas of concern:

- Fiduciary and governance performance
- Inadequate capacity for programme implementation
- Inadequate or ineffective intra-sector coordination
- Insufficient funding for the sector

Fiduciary and governance performance

It is assumed that the fiduciary and governance environment will lead to increased sector effectiveness in reaching targets. This assumption will have a major impact on the JWESSP-II objectives because failure to improve fiduciary and governance performance will lead to the low attainment of outputs and the loss of confidence by both the DPs and the GoU.

The GoU has numerous agencies that are tasked with mitigating the risk of poor governance or performance. Most relevant for the JWESSP-II is the MoFPED Budget Monitoring and Accountability Unit and the annual Office of the Auditor General’s (OAG) Ministerial audit report. The government is committed to continued strengthening of these bodies as a strategic approach to minimising risk and loss.

JWESSP-II mitigation action(s):

Within the JWESSP-II, the Good Governance Working Group (GGWG) will ensure that actions introduced to the GGWG Action Plan are followed up and reported on in each WESWG meeting.

The JPF, together with its JPF Manual, guides the spending of funds and is subject to annual audits by the OAG. The GGWG follows up on the recommendations and remarks of the Audit reports. The JPF Manual will be reviewed and if required revised during the JWESSP inception phase.

Inadequate capacity for programme implementation

It is assumed that capacity will be developed continuously and that the training and support offered will be translated into increased capacity and not lost due to poor institutional performance or poor capacity development practice. This assumption will have a major impact on the JWESSP-II objectives because without capacity development the quality of sector interventions will not improve and could worsen. This will impact both the speed at which infrastructure can be implemented but also its quality and sustainability.

There are risks of fragmentation, ignorance of developed capacity development plans, a focus on training as the only modality, only theoretic awareness and little usage of other modalities, continuous dependency on projects/consultants/foreign trainers and attitude towards capacity development as consumptive. The consequence are inadequate budgetary provisions for training and capacity development while the need persist for many reasons e.g. more districts being created.

JWESSP-II mitigation action(s):

- Recognise the important role of capacity development and succession planning in the delivery of sector services and therefore provide adequate resources for implementation of the developed CD plans.
- Strengthen the coordination and reporting mechanisms for Capacity Development at sectoral level to avoid duplication of resources.
- Provide support and institutional strengthening at the local government level (TSUs, WSDFs and other de-concentrated entities). For the Umbrella Authorities (UAs) provide support to strengthen their attempts to become a Water Utility aimed at providing better support to the small water supply systems managed by the Local Authorities.
- Implementation and follow up of the Capacity Development Strategy including its focus on the readiness assessment to ensure good use is made of capacity development resources (MWE with DP support using JPF and other funding modalities).
- Provision of advisory services as long term advisers and short-term TA.

Inadequate or ineffective intra-sector coordination

It is assumed that coordination within the sector and with other stakeholders will improve. This assumption will have a major impact on the JWESSP-II objectives because without improved cooperation, areas such as sanitation, water for production and water resources management that rely on interagency cooperation, will not progress well. In addition, those areas where mainstreaming is important – such as ENR and climate change – will suffer if other subsectors do not adopt the practices being promoted. This will impact the effectiveness of sector regulation as well as the sustainability of developed infrastructure and long-term economic development.

JWESSP-II mitigation action(s):

The sector will continue to use and strengthen operational collaboration frameworks through the governing structure of the programme (WESWG, sub-working groups, as appropriate).

- The role of DP coordination groups is more important now as the JWESSP-II will consider support to the whole sector as part of the programme as explained in chapter 2. This will increase the need for information sharing and coordination amongst members, including a need for cooperation with humanitarian partners to improve in view of the refugee crisis and its influence in the sector.
- The role of DP coordination is needed to support the proposed mainstreaming approach by ensuring follow up on progress reporting and recommendations at WESWG and subgroup meetings. Follow up by the MWE top management leadership to ensure active department level cooperation is essential.

Insufficient funding for the sector

It is assumed that funding levels for the sector will not continue their downward trend and will instead show a rise in the long term, aiming to reach the GoU's target for 2030, which is also the assumption in SSIP 2018-2030. However, the SSIP/SIM model operates with three funding level scenarios. If only scenario one (BAU) is attained, it will have a major impact on the JWESSP-II objectives considering that the SDGs – with its targets of safely managed water supply and ambient water quality aspects – require substantial funding. Even without an increase in sector funding, sector targets, particularly for rural water supply and sanitation, will not be met and this will in turn reduce the poverty alleviation impact of the sector. Water resources and environmental management are also likely to be critically affected. This will impact the effectiveness of sector regulation in WRM and ENR as well as the speed, quality and sustainability of especially rural infrastructure.

JWESSP-II mitigation action(s):

The sector will aim to demonstrate sector performance through efficient management and accountability, as this could attract additional support or budget allocations. All sub-sector actors under MWE leadership need to obtain political support for the investments needed but also to implement reform etc. to increase awareness of the sector's needs.

- Operationalisation of a new sector performance monitoring framework and the close link of this with SSIP and JWESSP-II monitoring.
- The new project development initiative needs to be continued in the JWESSP-II.
- The preparation of future projects – like the development of feasibility studies and detailed designs – are embedded in ongoing projects.

Other risks and mitigation assessments

Projects which are not part of the JWESSP-II also carry out risks assessments, like the World Bank financed Integrated Water Management and Development Project (IWMDP)¹⁵ (2019 – 2025) in a similar process as the Environment and Social Management Framework (ESMF) safeguards for AfDB described in chapter 3.3.

¹⁵ The Integrated Water Management Development Project (IWMDP 2019 - 2025, approved by the WB Board of Directors on 14 June 2018).

Annexes

Annex 1. **Component 1: Sector Programme Support – SPS**

Contributions to Component 1 come from several DPs, namely ADA, WB, AfDB, KfW and GoU.

ADA¹⁶

Funding from ADA has been provided as unearmarked and distributed over several components hereunder SPS, based on an assessment where unallocated funding could most effectively be used and to areas traditionally supported by ADA. While funding from ADA is described as unearmarked, it has in the process of selecting areas of support been “soft earmarked” and budgeted for within the components thus supported by ADA.

AfDB

Under the WSSP-II project providing support to SPS of UGX 2.22 billion, within the next two financial years the following areas are supported: support to the GoU/Donor Joint Technical/Sector Reviews; production of Sector Performance Reports; training of sector staff (MWE/LGs/Private Sector) on solar energy in WSS; drilling supervision and management of small towns water & sanitation services; skills development for women and youth for economic empowerment.

SPS Funding under the STWSSP project amounts to UGX 4.84 billion to be used for skills development for women and youth for economic empowerment, the development of a national strategy and implementation framework for bulk water supply, the update of the water and sanitation atlas, and support to sector co-ordination and M&E (JTR, JSR, SPR).

KfW

KfW through the project “Support to water supply and sanitation in refugee hosting communities in Northern Uganda” will provide capacity building support to the JPF secretariat in (i) Reporting, (ii) data collection and management. This will be done through short term expert inputs, tailor made trainings and other related capacity building workshops to skill the secretariat staff.

WB

Funding from the World Bank of UGX 2.28 billion is part of the Integrated Water Management Development Project and is provided under IWMDP Component 4 to be used to undertake institutional strengthening activities. These include: (i) preparing a water supply and sanitation sector financing study with a view to support the Recipient’s SSIP; and (ii) strengthening MWE’s regulatory functions, including its: (A) Utility Performance Management and Information System (UPMIS); (B) the monitoring, operations and maintenance framework; (C) performance contracts with Water Supply and Sanitation Authorities; and (D) preparing regulatory guidelines on water safety plans, sanitation and pro-poor approaches.

¹⁶ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

Annex 2. **Component 2: Rural Water Supply and Sanitation – RWSS¹⁷**

STRENGTHEN O&M CAPACITIES FOR RURAL WATER SUPPLY INFRASTRUCTURE

Implementation period:	2018 - 2023
Development partner:	ADA ¹⁸
Financial tool:	Grant, on-budget
Amount:	UGX 4.86 billion of which UGX 4.42 billion from ADA Ca. UGX 0.44 billion (10%) GoU counterpart funding.
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

The Division of Infrastructure Operation and Maintenance (IOM) was created within the RWSSD in 2015 to strengthen the sustainability of rural water supply and sanitation infrastructure.

An estimated 28.4 million people (82% of Uganda's population) live in rural areas and depend on rural water and sanitation facilities. The main technologies for accessing safe water are point water sources (boreholes, protected springs and shallow wells) and piped water schemes, which account for 89% and 11% of the coverage, respectively. Upgrading of high yielding communal boreholes with solar pumping modules is aimed at improving service levels.

Currently 15% of the rural water infrastructure is not functioning (SPR, 2017). To improve the functionality of the water facilities, the IOM Division's interventions are anchored on the following key sustainability building blocks: institutional development, financing mechanisms, asset management, monitoring, and water resource protection. Strengthening institutional capacity and coordination are key to the performance of the Division, and activities in that line need to be prioritized.

Various factors and developments are posing challenges to the O&M of rural water facilities and require attention. These include persistent challenges faced by the Community-Based Management System (CBMS), which is the main service delivery model, and new demands on the management and backup support mechanisms for solar pumping schemes. The most recent development is the reorganisation of Umbrella Organisations as Water Authorities, which may result in reduced capacities to support small rural piped water supply systems, especially those that are not metered. Many of these schemes had never joined the Umbrella Organisations and are without any management support mechanism.

The RWSS Department will commission an O&M study in September 2018, with support from Danida, that will come up with recommendations for the further development of the O&M framework for rural water facilities. The framework is aimed at streamlining and strengthening O&M aspects in the planning and implementation and monitoring of water and sanitation activities by all sector players. During the JWESSP-

¹⁷ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

¹⁸ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

II period the Division will prioritize implementation of the recommendations from this study, in particular on developing solutions for non-supported piped water systems and strengthening of the CBMS.

Develop and analyse options for assets management for all the rural water points to identify, catalogue and classify all water systems within a district, establish level of water service provision and general timeline for eventual repair and/or replacement of significant components. This is expected to contribute to enhancing monitoring and supervision of the management and functionality of rural water and sanitation facilities.

Summary of above mentioned activities:

- Strengthen institutional capacity and coordination of the division
- Implement the recommendations from the O&M study that the department is commissioning in the first quarter FY 2018/19. Particularly on piped water systems
- Strengthen CBMS through HPMA and sub-county water boards
- Enhance monitoring & supervision of management & functionality of water & sanitation facilities
- Develop options for assets management

SUPPORT TRANSITION OF TSUs INTO FULLY GOU FUNDED ENTITIES WITHIN A PERIOD OF 4 YEARS

Implementation period: 2018 - 2023

Development partner: ADA

Financial tool: Grant, on-budget

Amount: UGX 9.73 billion of which
UGX 8.85 billion from ADA
Ca. UGX 0.88 billion (10%) GoU counterpart funding.

Funding modalities: JPF un-earmarked funding

Executing agency: Ministry of Water and Environment

Support transition of TSUs into fully GoU funded within a period of four years to be verified by the MTEF (2021-2023).

While the TSUs under the Rural Water and Sanitation Department have been in operation since 2002 (despite being designed as temporary structures), the actual development of capacity at district level has not happened to the extent expected, mainly due to a substantial expansion of number of districts and due to staff turnover. Two earlier studies have concluded that the TSUs are here to stay and the GoU has gradually taken over financing of some of the TSU staff. The GoU is presently funding around half of the running costs of the TSUs but DP support has not yet been phased out.

This funding under the JWESSP-II is provided over a period of three to four years; meaning that the GoU will have taken over the full funding of the TSUs after that period as evidenced by GoU providing budgets for the TSUs in the MTEF for FY 2021/2022, when the JPF funding for the TSUs ends.

ISINGIRO WATER SUPPLY

Implementation period: 2019 - 2022

Development partner: AFD

Financial tool: Loan, on-budget

Amount: The total budget is still under discussion, but eventually will be between EUR 50 to EUR 60 million and parts will be implemented through the Ministry of Water and Environment.

For planning purposes, the following assumptions are made:

Total budget of EUR 60 million of which 20% (EUR 12 million) will be spent through the Ministry of Water and Environment, Rural Water Supply and Sanitation Department.

Funding modalities: JPF earmarked and/or direct project funding

Executing agency: Ministry of Water and Environment and NWSC

The Isingiro district has a population of 550,000. Only 37% of this population currently has access to an improved water source. The rural water component for Isingiro District will cover the sub-counties of Endiinsi, Kashumba, Mbaare, Ngarama, Rugaaga, Rushasha, Bireere, Kabingo, Kabuyanda, Kikagate, Masha, Nyakitunda, Nyamuyanja, and Ruborogota. The rural water component will be served by both ground water sources (boreholes) and a surface water source (the River Kagera).

Rationale:

A major water supply infrastructure (the Kagera system) will soon be constructed to convey treated water throughout the district up to Mbarara city. The GoU would like to take advantage of this new configuration to develop an “en route” water supply and increase access to piped water services across the district. The project is currently under development.

Objectives of the Project:

The overall objective of the project is to improve the health, living standards and productivity of the local populace in the project areas, through equitable provision of adequate, sustainable and good quality water supply and sanitation services. The water supply systems are intended to serve a total population of 923,590 people by 2040. The specific objectives of the proposed project are:

- To ensure adequate water supply in each of the target supply areas by addressing the water supply challenges through the development of new infrastructure and the expansion of existing water supply systems,
- Boosting economic growth by reducing the time spent collecting water from a long distance away and increasing the time spent on education, farming activities, business activities, etc.,
- To ensure the sustainability of water supply and sanitation services in the targeted villages through the establishment of efficient and institutional management systems.

Expected Outputs:

- Infrastructure: Permanent infrastructure will be built and shall include intake structures, water treatment works, pipelines, reservoir tanks, water offices, sanitation facilities and tap stands among

others. These structures will be very important in ensuring that water supply services are delivered in a sustainable way.

- Improvement of water supply service level: This project will improve the water supply service level because the time spent on collecting water shall be reduced by bringing water closer to the people through individual yard connections and public water kiosks situated in convenient locations that are easily accessed by community members.

Planned Activities: The activities to be carried out include socio-economic surveys and engineering design of the water supply systems, construction and supervision of the system components. The four components are:

- Development of water supply in the Central and Western parts of the district, through lateral extensions of the Kagera system,
- Development of water supply in the Eastern part of the district,
- Improvement of the sanitation in the target service areas,
- Design and implementation of a set of accompanying measures.

WATER AND SUPPLY AND SANITATION PROJECT - WSSP-II

Implementation period:	2016 - 2020
Development partner:	AfDB
Financial tool:	Loan, on-budget
Amount:	UA 18.99 million of which UA 16.1 million from AfDB and UA 1.9 million from the GoU
Funding modalities:	JPF earmarked funding
Executing agency:	Ministry of Water and Environment

This is the second phase of support for the MWE for the implementation of rural water supply infrastructure, focussing on ten Large Gravity Flow Schemes (LGFS) and 70 solar powered mini water schemes, which include support to sanitation implementation through the construction of 50 public sanitation facilities in schools, institutions, and RGCs in the form of waterborne toilet facilities. The WSSP-II further supports sanitation and hygiene awareness through including Community Led Total Sanitation (CLTS), handwashing campaigns promotional training workshops, the production of IEC materials, sanitation baseline surveys, the setting up and training of WASH structures for the public, construction of facilities, gender awareness and triggering, and follow up of triggered communities to ensure attainment of Open Defecation Free (ODF) status.

INTEGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT - IWMDP

Implementation period:	2019 - 2025
Development partner:	The World Bank, International Development Association
Financial tool:	Loans and grants, on-budget
Amount:	Total: USD 250 million of loans and USD 25 million of grants.

Component 1.2 - Support to Rural Growth Centres: USD 43.27 million from the World Bank and USD 0.88 million GoU counterpart funding.

Component 1.3 - Support to Refugees and Host Communities: USD 56.98 million from the World Bank and USD 1.14 million from GoU counterpart funding

Funding modalities: Direct project funding

Executing agency: Ministry of Water and Environment

Project development objectives:

The project development objective (PDO) is to improve access to water supply and sanitation services, capacity for integrated water resources management, and the operational performance of service providers in project areas.

Project description:

The project will support WSS infrastructure investments in small towns located primarily in Uganda's northern and eastern regions. The project will also support RGCs in Uganda's central and midwestern regions given low water coverage levels, high cholera cases, and the opportunity to spatially balance development. To select the beneficiary towns and RGCs, the project applied an eligibility and selection mechanism that considers contribution to Uganda's economic growth plan, refugee hosting districts, commitment to the project, technical feasibility and readiness of the proposed plans, and a viable service delivery provider.

The water resource activities are designed to consolidate IWRM in overall water sector planning and infrastructure development. Specific water resources measures will be conducted in the Upper Nile and Kyoga WMZs where a number of CMPs have been prepared for select hotspots catchments and where most of the WSS infrastructure investments proposed under this project are located. The project's implementation approach will consider spatial differences between small towns and large towns. It will also ensure that a citizen engagement strategy, gender approaches, and sanitation and hygiene campaigns are included to foster behavioural change and project ownership. The project will integrate infrastructure investment, water source and catchment protection measures, and comprehensive sanitation planning to ensure sustainability and increased resilience to climate change and variability. The project will provide TA aimed at consolidating water sector reforms to support efficient and effective service delivery models for small towns and rural growth centres. The project will comprise four components:

Component 1 – WSS in Small Towns and RGCs and Support to Refugee and Host Communities (USD 163.3 million of which IDA country envelope USD 110.1 million and IDA 18 Refugee Sub-Window USD 50 million)

Subcomponent 1.1: Support to Small Town and RGCs (USD 79.7 million of which National IDA USD 78.1 million)

Subcomponent 1.2: Support to Refugee and Host Communities (USD 83.6 million, of which National IDA USD 31.9 million and IDA 18 Refugee Sub-Window USD 50 million)

Component 2 – WSS in Urban Large Towns (USD 116.1 million of which National IDA USD 87.1 million)

Component 3 – Water Resource Management (USD 18.5 million of which National IDA 18.2 million)

Component 4 – Project Implementation and Sector Support (USD 10.1 million of which National IDA USD 9.6 million)

Annex 3. **Component 3: Urban Water Supply and Sanitation – UWSS¹⁹**

ADDITIONAL SEED MONEY FOR THE REVOLVING FUND FOR INVESTMENTS IN EXISTING PIPED WATER SCHEMES

Tentative funding: UGX 5.75 billion from un-earmarked JPF funds

GoU counterpart funding will be provided through project 0164 “Support to Small Towns Water Supply and Sanitation Project (SSTWSSP)” in FY2018/19 and through the successor project “Upgrading and Expansion of Piped Water Supply and Sanitation Systems for Small Towns and Rural Growth Centres” from FY2019/20 onwards.

Implementing entities: Six regional Umbrella Authorities (Central, Eastern, Mid-Western, Northern, South Western and Karamoja Umbrella of Water and Sanitation)

As of June 2018, the six Umbrellas are gazetted as Water Authorities for 270 small towns and RGCs, supplying about 1.7 million people. The Umbrellas’ water systems were constructed (on average) more than 10 years ago by different actors (the WSDFs, Local Government, the Rural Water and Sanitation Dept., NGOs etc.), for a much smaller population than today. Repairs and replacement investments are urgently needed to maintain the functionality and ensure the sustainability of the systems. Most schemes are still functional but a lack of investment and deferred maintenance in the past have led to a situation where service quality is often poor, and breakdowns are becoming more and more frequent. This backlog of investment needs to be addressed urgently.

Other investment needs include additional connections and capacities to keep up with the growth in demand and population, and to increase the revenue base for financially viable operations. Water meters and cashless payment systems need to be procured and installed as a precondition for increasing revenue collection. Finally, investments are needed to improve water source protection and the rehabilitation of sanitation facilities.

In April 2018, the Umbrellas received ADA seed funding for the “**Revolving Fund**”, an arrangement to finance these types of small to medium investments in existing water schemes. Each Umbrella Authority has a ring-fenced account for the Revolving Fund (RF). Loans from the RF can only be used for the specified purpose and have to be paid back from the collected revenue. This allows the Umbrellas to make upfront investments and use the increased revenue (resulting from the investment) for back payments. The RF can thus be considered as the Umbrellas’ “credit card” for minor investments. The RF does not subsidise the running costs of operation and maintenance. These will be fully covered by revenue collection from user fees.

The initial allocation to the RF was far from sufficient given the large number of Umbrella schemes and the huge demand for investments. **The JWESSP-II will therefore provide additional seed funding** for the RF mechanism described above. The performance of the RF, including the projects financed and the flow of re-payments, will be reported by MWE / Support to Utility Management Division at quarterly intervals.

¹⁹ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

SUPPORT TO THE INSTITUTIONAL TRANSFORMATION OF UMBRELLA ORGANISATIONS TO BECOME WATER AUTHORITIES

Tentative funding: UGX 14.37 billion from un-earmarked JPF funds, with larger allocations during the first two years of the JWESSP-II (ADA²⁰)

Counterpart funding will be provided:

- By the GoU through the Urban (O&M) Conditional Grants, with a total allocation of UGX 12.5 billion (UGX 2.5 billion per year),
- By the Umbrellas from revenue collections: the running costs of Umbrella operations will be fully covered by the income from water sales during the JWESSP-II period.

Implementing entities: Six regional Umbrella Authorities (Central, Eastern, Mid-Western, Northern, South Western and Karamoja Umbrella of Water and Sanitation)

The transformation process of the Umbrella Authorities of Water and Sanitation into regional water authorities/utilities is very dynamic. As of June 2018, the Umbrellas were gazetted as Water Authorities for a total of 270 schemes, providing water supply services to about 1.7 million people and providing backup support to many other schemes. In the gazetted towns, the Umbrellas directly contract and supervise the local scheme operators and are in charge of revenue collections (using electronic payment systems) and investments. A web-based Utility Performance Monitoring and Information System (UPMIS) is in place to monitor the performance of the Umbrella as well as of each of the Umbrella schemes.

The initial performance of the new, professionalised Umbrella Authorities model is encouraging. Revenue collections increased by 48% in the 50 towns of the first gazette for which data were available for analysis, with an average collection efficiency of 82%. Water supply services were available for 92% of the time, and Non-Revenue Water reduced from 46% to 36% during the first five months of operations. The trends of revenue vs. operational expenditure indicates that in most towns the collections exceed the local direct operation costs and can be used in the future to: (i) address the backlog of investments, using the Revolving Fund, and (ii) to contribute to the Umbrellas' operational costs and make them gradually independent from donor support.

Revenue collections are increasing from month to month but – at less than one year after launching the new Umbrella Authorities model – are not yet sufficient to cover the full operational overhead costs of the Umbrellas. It is urgently needed that additional staff are recruited and additional vehicles procured as current resources are not sufficient to cope with the additional mandate and workload. The Umbrellas are expected to continue providing free support services to other schemes, which are not contributing to the Umbrellas operational budget. For all these reasons external support to Umbrella operations is still needed, at least during FY 2018/19 but probably longer for some of the Umbrellas (such as the Karamoja Umbrella).

Under the JWESSP (up to June 2018) the Umbrellas used to receive a JPF allocation of UGX 77 million per Umbrella per quarter to cover operational costs such as staff salaries, fuel, office running costs etc. This allocation will be gradually reduced during the JWESSP-II period as a growing share of the overhead will be covered by their own revenue collections.

²⁰ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

In addition to these decreasing subsidies the institutional transformation process itself needs capacity development support. This includes training and coaching of Umbrella staff, in particular in the domains of commercial utility management and reduction of non-revenue water. The internal management procedures of the Umbrellas need to be strengthened and adapted to the new mandate. Accounting software needs to be introduced and the existing UPMIS system needs to be developed to support the new utility management tasks, including asset management and other additional functionalities.

Finally, support is needed to meet the start-up costs for schemes that were taken over recently. These are the costs of purchasing a terminal for electronic revenue collection, refurbishing and equipping the water office, and providing a motorcycle for the scheme operators of the larger schemes. JPF funds will be used to cover part of these start-up costs as they cannot be fully covered from the revenue being collected from the other schemes that were earlier gazetted.

WSDF SW AND/OR WSDF E - SLUDGE TREATMENT PLANTS INFRASTRUCTURE INVESTMENTS

Tentative funding: UGX 2.87 billion from un-earmarked JPF funds (ADA²¹)

GoU counterpart funding of at least 10%

Implementing entities: WSDF South West and/or WSDF East
(to be decided during the Inception Phase)

The project implementation cycle under the WSDF framework provides for several sanitation improvement approaches including community sensitisation, the construction of demonstration toilets for households and institutional sanitation facilities, the promotion of handwashing, and the requirement to achieve 100% sanitation coverage as a condition to qualify for a WSDF water supply project.

In addition, with the increased level of water services in many communities, regional faecal sludge management (FSM) facilities are now required to manage the large amounts of sludge being generated. The cost of safely emptying and disposing of faecal sludge are often prohibitive due to long haulage distances. The repercussions of unsafe practices are detrimental to the ecological environment and to public health.

Therefore, a regional concept for responding to the growing demand for FSM needs to be developed, along with the necessary institutional and management arrangements (enabling environment, institutional setup and tools) to guide the implementation of viable regional FSM systems. Existing sanitation facilities have to be adapted to the new requirements of sludge collection, collection plans have to be developed and the financing of FSM – including transport, treatment and re-use/disposal – has to be clarified.

FUNDING OF WSDF-SW FOR DEVELOPMENT OF SMALL TOWNS WATER AND SANITATION INFRASTRUCTURE

Tentative funding: UGX 7.92 billion from un-earmarked JPF funds

GoU counterpart funding of at least 10%

²¹ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

Implementing entity: WSDF South West

Out of the four regional WSDF branches, the WSDF South West is at present not scheduled to receive any new DP project funding. A limited amount of un-earmarked funding will be allocated to WSDF-SW for the development of water and sanitation infrastructure for small towns and RGCs, in order to preserve the present implementation capacity until new sources of funding become available.

Implementation will follow the approved procedures of the JPF Manual and the WSDF Operations Manual.

WSDF-SW has developed a Water and Sanitation Project Profile as a planning tool for the coming five years. The situation of water supply in most of the listed small towns and RGCs is poor, with water being collected from dilapidated gravity flow systems, unprotected springs or shallow wells or even surface water sources. The drinking water from these sources is unsafe.

In those towns where some water infrastructure exists, the migration of people from rural areas has led to rapid population growth, rendering the existing water and sanitation facilities inadequate to meet current demand. Interventions in these towns need to be carried out as soon as possible to mitigate epidemics emanating from the lack of safe water and sanitation facilities.

Within the south western region there are sub-regions with a service coverage well below the sector average. While the region has received support in the past, the population growth rate has remained considerably higher than that for which the level of investment allows. As a result, water coverage remains low in the districts of Kyenjojo, Kyegegwa, Kamwenge, Sembabule, Isingiro, Kiruhura and parts of Mbarara. These are water stressed districts where certain areas have not seen substantial investments in water and sanitation for the last 20 years. Some areas have also had a constant influx of refugees from unstable neighbouring countries (DRC, Burundi, and Rwanda).

The JPF contribution will finance infrastructure investments in the development of new piped water and sanitation systems, rehabilitation of old systems, and extension of existing systems to cover the un-served population. It will help bridging the gap until more substantial funding for the region can be mobilised.

WATER SUPPLY AND SANITATION PROJECT (WSSP-II, Component 1 and 2)

Implementation period: 2016 – 2020

Development partner: AfDB

Financial tool: Loan, on-budget

Amount: UA 52.33 million of which:
- UA 47.10 million from AfDB
- UA 5.23 million from the GoU

Funding modalities: JPF earmarked funding

Executing agency: Ministry of Water and Environment

The second Phase of support to MWE for the implementation of 25 new and/or rehabilitation/expansion of town water supply systems. This will support: the construction of two faecal sludge plants including the supply of two cesspool empties and four Vacutugs; the construction of 100 public water-borne toilets; and the implementation of sanitation and hygiene development through community-based planning,

baseline surveys, sanitation and hygiene education, CLTS, physical constructions and installations. The engagements with beneficiaries will address the cross-cutting elements of gender, HIV-AIDS, environmental restoration, M&E, training and capacity building. There will also be further support to sanitation and hygiene promotion, and the training of masons, women and youth groups in construction and the management of appropriate sanitation measures.

STRATEGIC TOWNS WATER SUPPLY AND SANITATION PROJECT (STWSSP, Component 1 and 2)

Period of implementation: 2018 – 2023

Development partner: African Development Bank

Financial tool: Loan (to be signed in 2018)

Amount: Total project cost of UA 47.98 million of which the following goes to:

Component Urban Water Supply:

- AfDB funds UA 38.69 million
- GoU contributes with UA 4.40 million

Component Improved Urban Sanitation and Environmental Management:

- AfDB funds UA 4.40 million
- GoU contributes with UA 0.49 million

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

The objective of the Strategic Towns Water Supply and Sanitation Project (STWSSP) is to support the GoU's efforts to achieve the sustainable provision of safe water and hygienic sanitation for the urban population by 2030. This in turn will contribute to the improved health and productivity of the population in the targeted towns across the country. The project will be implemented over a five-year period from July 2018 to December 2023.

The project will be implemented in three components:

Component 1: Urban Water Supply

Construction of urban water supply systems covering 10 strategic towns; engineering services (design and construction supervision); additional feasibility designs, production capacity; transmission & distribution lines and reservoirs; equipment for the wider O&M and extension through Umbrella utilities.

Component 2: Improved Urban Sanitation and Environmental Management

Construction of three regional faecal sludge treatment facilities; procurement of six cesspool trucks, construction of 40 gender-segregated & disabled-friendly public sanitation facilities including in schools/institutions, implementation of environmental management and climate change resilience measures within urban water and sanitation sub-sector.

Component 3: Sector Programme Support

Support the regulatory framework through developing of regulation tools and undertaking tariff regime reviews; skill development for women and youth, framework for bulk water; water and sanitation atlas, sector coordination and M&E.

SUPPORT TO WATER SUPPLY AND SANITATION IN REFUGEE HOSTING DISTRICTS OF NORTHERN REGION (WSDF-NORTH)

Period of implementation:	2018 – 2021
Development partner:	Kreditanstalt für Wiederaufbau
Financial tool:	Grant
Amount:	Total project cost of EUR 10.7 million of which <ul style="list-style-type: none">- KfW funds EUR 8 million and- GoU contributes EUR 2.7 million
Funding modality:	JPF earmarked funding
Executing agency:	Ministry of Water and Environment

The existing water and sanitation infrastructure of refugee hosting districts in northern Uganda is overstretched by the high numbers of refugees migrating into the region. This project, to be implemented by WSDF-North, will therefore focus on creating water supply and sanitation systems in small towns and RGCs located in refugee hosting areas. The design and the operational concept of the schemes will be adapted in a way to ensure that both the hosting community and the refugees benefit.

The selection of towns was based on a priority list prepared by WSDF-N but ranking first those towns that are located in refugee hosting districts and where no other infrastructure development is foreseen in the near future. Ranking was done using a set of criteria including the proximity to the nearest refugee settlement, the population and the water supply coverage in the settlement. The six pre-selected schemes to be implemented, with a current population of more than 50,000 in the supply area, are located in the districts of Amuru, Arua, Lamwo and Moyo.

INTEGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT - IWMDP

Period of implementation:	2019 – 2025
Development partner:	World Bank
Financial tool:	Mixed loan and grant
Amount:	Total project cost of USD 40.58 million of which <ul style="list-style-type: none">- World Bank funds USD 39.83 million and- GoU contributes USD 0.75 million
Funding modality:	Direct project funding

Executing agency: Ministry of Water and Environment

The project will support WSS infrastructure investments in small towns located primarily in Uganda's northern and eastern regions. The project will also support RGCs in Uganda's central and midwestern regions given low water coverage levels, high cholera cases, and the opportunity to spatially balance development. The project's implementation approach will consider spatial differences between small towns and urban large towns. It will also ensure that a citizen engagement strategy, gender approaches, and sanitation and hygiene campaigns are included to foster behavioural change and Project ownership.

The project has four components where only Component one will be implemented through UWSS, namely the Support to Small Towns and RGCs, including the carrying out of activities to improve water supply and sanitation in selected small towns and RGCs in the Recipient's territory.

Activities to consist of: (i) constructing and rehabilitating water supply and sanitation facilities, as well as providing associated services, including engineering, environmental and social studies and the supervision of construction activities; (ii) providing technical assistance to selected small towns, including the preparation of faecal sludge management assessments and integrated sanitation plans; (iii) strengthening the capacity of selected Regional WSS Authorities (UOs) in the areas of operational and financial management; and (iv) carrying out of environmental and social management related activities with a view to protecting water sources and sensitizing communities.

LAKE VICTORIA WATER AND SANITATION - LVWATSAN PHASE 3

Period of implementation: 2019 – 2024

Development partner: Lake Victoria Water and Sanitation (LVWATSAN)

Financial tool: Grant

Amount: Total project cost of UGX 119.50 million of which

- LVWATSAN funds UGX 99.19 million and
- GoU contributes with UGX 20.32 million

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

The project (LV WATSAN III) will focus on water supply and sanitation systems for relatively large towns within the Lake Victoria region, as well as RGCs that are located near these towns.

The project activities will include: community mobilisation, advocacy and sensitization; construction and rehabilitation of piped water supply and sanitation systems; as well as activities related to cross-cutting issues such as gender mainstreaming, good governance and the implementation of pro-poor strategies. The improved sanitation component includes the construction of FSM facilities, management training for FSM facilities and equipment such as cesspool trucks. Social and environmental safeguards, preparatory activities for operations & maintenance and water source protection will be part of the implementation modalities of the project. Strengthening the capacity of selected regional Umbrella Authorities will be included to foster project sustainability.

KARAMOJA SMALL TOWNS AND RURAL GROWTH CENTER WSS PROJECT

Period of implementation:	2016 – 2021
Development partner:	Government of Uganda
Financial tool:	GoU Budget
Amount:	Total project cost of UGX 30 billion
Funding modality:	Direct project funding
Executing agency:	Ministry of Water and Environment

The Karamoja Small Towns and RGC Water and Sanitation Project will be implemented through a project setup that in due time will revolve towards a WSDP for the region. The project will target all district headquarters, town councils, small towns, and RGCs of the seven districts of the Karamoja Region. The project includes construction of piped water supply and sanitation systems, involvement of the communities and the promotion improved sanitation and hygiene levels.

Among the project activities are the construction and/or rehabilitation of water supply and sanitation facilities; technical designs, supervision of construction activities; environmental and social studies; as well as the preparation of FSM assessments and integrated sanitation plans. Climate change adaptation and source protection measures will also be part of the programme.

The project will be implemented in close coordination with the Karamoja Umbrella of Water and Sanitation, which is in charge of scheme management, operations and maintenance, in order to foster the sustainability of the constructed infrastructure.

SUPPORT TO SMALL TOWNS AND SUCCESSOR PROJECT: “Upgrading and Expansion of Piped Water Supply and Sanitation Systems for Small Towns and RGC”

Period of implementation:	2018-2023
Development partner:	Government of Uganda
Financial tool:	GoU Budget
Amount:	Total project cost of UGX 10.7 billion

The current level of funding of the “Support to Small Towns Water Supply” project (0164) is UGX 2.14 billion (allocation FY2017/18), the equivalent of UGX 10.7 billion over five years. An increase to the funding level is planned.

From FY 2019/20, the project will be replaced by larger successor projects, with a requested funding of up to UGX 242 billion (of which UGX 109.4 billion is GoU funding) over a five-year period. However, the actual allocations are likely to be significantly lower and expected DP contributions are yet to be identified.

Funding modality:	Direct project funding
Executing agency:	Ministry of Water and Environment

The current “Support to Small Towns Water Supply” project (0164) finances a variety of investments in existing water supply systems in small towns and RGCs.

The proposed successor project (submitted to the MoFPED Development Committee) will upscale investments to upgrade and expand a large number of piped water supply and sanitation systems that are being taken over by the Umbrellas of Water and Sanitation, now gazetted as Water Authorities for 248 schemes in total, a number that is expected to keep increasing. The Umbrella Water Authorities are now directly responsible for operation and maintenance of the gazetted schemes and will implement the project as part of their mandate to provide reliable and safe water supply and sanitation services.

If the total requested funding is made available, the total number of project beneficiaries will be approximately 2.2 million people living in or near the service areas of at least 300 existing piped water supply systems. About 360,000 people will gain access to safe water supply by being connected to network extensions. The others will benefit from more reliable services of existing water schemes that would otherwise break down, as well as from less queuing and better water quality.

Typical investments to be made are major repairs, replacement and expansion of system components and network extensions, up to a cost of about UGX 700 million per intervention. The proposed repair and replacement investments are urgently needed to address a backlog of investments and deferred maintenance in the past. This backlog cannot be financed by the water users without raising the water tariffs to unaffordable levels.

Additional connections and capacities are needed to keep up with demand and population growth, and to increase the revenue base for sustainable operations. By connecting additional villages in the service area this will also contribute to complying with the Presidential Directive that each village should have at least one source of safe water supply.

Finally, the project will also create the conditions for viable commercial operations by installing water meters (for unmetered schemes and connections), billing software and cashless payment systems. Other investments to be funded are source protection, the rehabilitation of sanitation facilities and improved faecal sludge management.

Annex 4. **Component 4: Water Utilities Regulation – WUR²²**

STRATEGIC TOWNS WATER SUPPLY AND SANITATION PROJECT - STWSSP

Period of implementation: 2018 – 2023

Development partner: African Development Bank

Financial tool: Loan (to be signed in 2018)

Amount: Component Sector Programme Support spent for Water Utility and Regulation activities:

- AfDB funds UGX 3.18 billion
- GoU contributes UGX 3.12 billion

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

As part of the institutional strengthening of the young WURD, the planned support under AfDB will primarily target the effective regulation of urban water supply services, develop a framework for the future regulation of urban, rural, sanitation and water for production, and develop a communication framework (strategy and platform). This will support a cross-section of activities that are to contribute to the effective regulation of water supply and sanitation services. These project components for the STWSSP are planned under SPS.

The project will also develop a framework for future regulation of urban, rural (boreholes) and WfP. The activities to be carried out under the regulation of WfP and sanitation activities are to be clarified and implemented as part of the Department's mandate. This is also aimed at clarifying the activities that could be outsourced due to internal capacity limitations. The framework will also make clearer the role of DWRM in the regulation of water supply services.

TA SUPPORT TO WATER UTILITIES AND REGULATION

Period of implementation: 2019 – 2025

Development partner: World Bank

Financial tool: Loan

Amount: Total project cost of USD 2.11 million or UGX 7.98 billion of which the GoU contributes with UGX 1.54 billion

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

²² As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

This project is planned to mainly support the development of a regulatory framework and also contribute to the effective regulation of the sector. These Project Components for the IWMDP are planned under SPS – Institutional Strengthening and the budget is estimated at USD 2 million for WURD.

GOVERNMENT OF UGANDA CONTRIBUTION TO WATER UTILITY REGULATION: STRENGTHENING WATER UTILITIES REGULATION PROJECT

Period of implementation:	2019 – 2023
Development partner:	GoU
Financial tool:	GoU
Amount:	Total project cost of UGX 20.16 billion
Funding modality:	Direct project funding
Executing agency:	Ministry of Water and Environment

The planned project is aimed at strengthening the regulatory system for improved and credible water services regulation, with a focus on the deconcentrated Regional Regulation Units. The project will ensure a strong regulatory presence in the different regions, and capacity building for the water utility companies and water authorities; and a strengthened regulatory system for improved and credible water and sanitation services regulation. These include staff salaries, operational costs, and utility retooling.

- Outcome 1: Strengthened regulatory system for improved and credible water and sanitation services regulation,
- Outcome 2: Capacity building for the Water Utility companies and Water Authorities,
- Outcome 3: Improved Water Utility monitoring,
- Outcome 4: Development of internal capacity through retooling to regulate Water Utility Operators.

This project proposal is yet to be forwarded to the Ministry of Finance.

FUNDING REQUIRED TO SUPPORT REGULATION OF NWSC

(Planned activities not yet funded)

Under theme 3, it is expected that the DPs supporting NWSC would be interested in supporting the GoU to carry out external independent performance reviews on an annual basis. It is proposed that initial funding should be provided to prepare the framework for external independent regulation as proposed below.

It is planned that an external consultant is procured (preferably on a framework contract basis) to carry out an independent annual technical and management audit of NWSC for a period of three years.

This is to coincide with the Performance Contract 6. The process is divided into two parts:

- Firstly, the preparation of ToRs for the performance monitoring and evaluation for NWSC, to be prepared by a short-term consultant. The consultancy will include preparation of tender documents, the tender process and evaluation of tenderer. Services required as agreed between the GoU and the DPs. Estimated cost USD 80,000.
- Secondly, implementation of the performance monitoring and evaluation of NWSC. Estimated cost USD 600,000 for a three-year framework contract

Annex 5. **Component 5: Water for Production – WFP²³**

MULTI-PURPOSE WATER USE PROJECT IN KIRUHURA DISTRICT

Implementation period:	FY 2018/19 – FY 2022/23 (five years)
Development partner:	AFD
Financial tool:	Loan, on-budget (to be signed in 2018)
Amount:	Total project cost of EUR 58.75 million of which <ul style="list-style-type: none">- AFD funds EUR 57.51 million- GoU contributes EUR 1.24 million.
Funding modalities:	Direct project funding
Executing agency:	Ministry of Water and Environment

Overall goal:

To contribute to the improvement of resilience to climate change and improve livelihoods and incomes of farmers through provision of water for production in Kikatsi, Sanga and Kanyaryeru sub-counties in Kiruhura District.

Main objective:

The project aims to increase water storage volumes through securing available, reliable, affordable, manageable and sustainable water for multi-purpose use to enhance production, especially water for livestock to reduce effects of water stress on livestock during drought periods.

This project comprises five components:

1. Construction/reconstruction of water for production infrastructure and facilities (seven earth dams, 13 valley tanks and a local bulk water supply system),
2. Support the construction of individual valley tanks through investment in equipment,
3. Establishment of sustainable management for the project's infrastructure and facilities,
4. Environmental and watershed management of the storage reservoir catchments,
5. Preparation for future extensions through the development and the implementation of an integrated water resources management plan.

Beneficiaries:

Small holder farmers and rural households in the three sub-counties of Kiruhura district (Kikatsi, Sanga and Kanyaryeru).

²³ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

DROUGHT RESILIENCE IN KARAMOJA

Implementation period:	2019 – 2022
Development partner:	KFW
Financial tool:	Grant, on-budget
Amount:	Total project cost of EUR 21.31 million of which <ul style="list-style-type: none">- EUR 20 million from KFW- EUR 3.41 million from GoU
Funding modalities:	Direct project funding
Executing agency:	Ministry of Water and Environment / Office of the Prime Minister
Partners:	Office of the Prime Minister, Ministry of Works and Transport, Ministry of Agriculture, Animal Industry and Fisheries

The programme aims at the development of concrete measures to strengthen drought resilience in vulnerable areas in the Karamoja sub-region.

Rationale:

Providing additional water structures that can collect and supply water throughout (a long) dry season, which are geographically close to the Kenyan border in dry season grazing areas. To be complemented by smaller investments in livestock and road infrastructure.

Scope:

The programme is envisaged to comprise of water and agriculture infrastructure development projects covering the following components

- Water supply and management,
- Livestock production and marketing,
- Crop Production and development,
- Rural roads.

Proposed Interventions:

- Medium-sized dams at centre; three earth dams of 1.4 – 3 million m³ each with watering facilities,
- Satellite valley tanks; nine communal valley tanks of 20,000 m³ each,
- Boreholes for human consumption; 12 boreholes with hand pumps delivering 10 m³ per day,
- Livestock crushes and livestock watering troughs,
- Road spot improvements; Irish bridges, culverts, road grading/shaping and wearing course/gravelling.

Complementary investments:

- Veterinary lab equipment,
- Livestock markets and slaughter structures.

GOU CONTRIBUTION TO WFP

Implementation period:	2018 – 2023
Development partner:	n.a.
Financial tool:	GoU budget
Amount:	UGX 340.73 billion
Funding modalities:	GoU expenditure
Executing agency:	Ministry of Water and Environment

The specific objectives:

1. To create storage of water for productive use in irrigation, livestock, domestic, aquaculture and rural industry,
2. To establish bulk water supply systems to transfer water for production from areas of plenty to areas of scarcity,
3. To develop small, medium and large irrigation schemes across the country,
4. To provide source protection for water for production facilities,
5. To establish sustainable management systems on water for production facilities,
6. To provide technical support to line ministries, local governments and private sector players.

Brief description of Objectives and Activities to be carried out by WFP using GoU Funding:

Key interventions:

1. Construction/ Rehabilitation of Water for Production Infrastructure and Facilities

Activities include the design, construction/rehabilitation and supervision of the construction of the communal valley tanks, earth dams and associated local reticulation water systems, irrigation schemes and bulk water supply schemes. The GoU also facilitates the Supervision and Monitoring of WfP activities by WfP staff.

2. Support Individual farmers to create storage on their farms

This is mainly implemented under public private partnerships using the Ministry's earth moving equipment to construct privately owned valley tanks. This equipment is hired out to individual farmers at subsidized rates. The GoU also supports the maintenance of all equipment units already procured and being utilised by WfP.

3. Sustainable Management of Water for Production facilities

The establishment of well-trained, effective, sustainable, functional, and commercially viable Farmer Based Management Organisations (FBMOs) to operate and maintain the WfP infrastructure after construction is completed is always adopted on all WfP facilities. The GoU therefore supports the establishment of sustainable management systems on all communally owned WfP facilities.

GLOBAL CLIMATE CHANGE ALLIANCE PLUS (GCCA+): SCALING UP AGRICULTURE ADAPTATION TO CLIMATE CHANGE IN UGANDA

Implementation period:	2017 – 2022
Development partner:	EU (funding), FAO (contracting authority)
Financial tool:	Grant, on-budget
Amount:	EUR 8 million: whether or not the MWE will participate in the implementation of this project has not finally been decided while preparing the JWESSP-II
Funding modalities:	Direct project funding
Executing agency:	Ministry of Water and Environment
	Other project partners are:
	Ministry of Agriculture, Industry and Fishery
	Ministry of Energy and Mineral Development

The Cattle Corridor remains one of the regions of Uganda most vulnerable to climate change, dominated by pastoral rangelands where livestock is raised with scarce water and pasture, due to environmental degradation, partially related to the opening of new land for pasture, and fuelwood and charcoal production. Resilience to climate change is also obstructed by significant, persisting gender gaps in agriculture. Women and men are exposed to different risks and vulnerabilities due to their different roles, needs, capacities and social positioning.

Rationale:

The final evaluation of the first phase of GCCA identified aspects that needed further strengthening, consolidation and scaling up, including: a) the need for improvement in climate resilience in the Cattle Corridor, especially linked to water supply, organisation of Farmer Field Schools (FFS), and gender inequality; b) the need for capacities and best practices emerging from the first phase to be scaled up (best practices examples: production of drought-resistant beans, maize and fodder, and the combinations of coffee trees, shade trees, mulching, irrigation, trenches and organic composting); and c) utilising the opportunities available within GCCA+ to build on the achievements of phase 1.

Other studies and programming lessons have emphasised the imperative of developing peoples' capacities in fragile ecosystems – such as the Cattle Corridor – to cope and to adapt their livelihoods, and of improving governance systems, ecosystem management and health. These capacity and institutional development initiatives enable communities to be better prepared for stresses and recurrent shocks. These aims are best achieved through strategic intervention at multiple levels (national, district and community), through promotion of improved policies and adaptive practices, and the adoption of integrated production systems.

Objectives of the Project:

The overall objective is “to contribute to the sustainable and gender transformative improvement of livelihoods for rural populations in Uganda”. The specific objective of the project is “to strengthen the inclusive, gender responsive and climate smart resilience of rural populations, depending on agricultural production system in the cattle corridor”.

Results and sub-results of the project:

Result 1: Knowledge and institutional capacities for gender-responsive climate change adaptation and mitigation strengthened

1. Capacities of national government institutions and DLG for gender-transformative climate change adaptation and mitigation developed,
2. Capacities of non-state actors (CSOs and private sector) to support climate change adaptation and mitigation developed,
3. Lessons learned and best practices are generated and shared among stakeholders.

Result 2: Household income and climate resilient livelihood capacities improved in a gender-responsive manner

1. Sustainable and gender-responsive climate resilient agriculture production practices promoted,
2. Appropriate small and medium scale agricultural water management system established and rehabilitated to support crops and livestock,
3. Agro-based gender-responsive income generating opportunities and linkages with the private sector are promoted along selected value chains,
4. Household dynamics on gender equality and gender relations are enhanced, to support climate-resilient production.

Result 3: Ecosystem adaptive and mitigation capacities enhanced

1. Bioenergy plantations, biogas models, and energy saving technologies promoted,
2. Capacities of LAs, NGOs, and local communities to plan, implement and mobilize resources for ecosystem-based adaptation and mitigation developed,
3. Degraded watershed ecosystems rehabilitated.

CLIMATE RESILIENT LIVELIHOOD OPPORTUNITIES FOR ECONOMIC EMPOWERMENT OF WOMEN IN KARAMOJA AND WEST NILE REGIONS OF UGANDA

Implementation period: 2018 - 2022

Development partner: SIDA (donor), FAO Uganda (contracting agency)

Financial tool: Grant, on-budget

Amount: USD 10.8 million: whether or not the MWE will participate in the implementation of this project has not finally been decided while preparing the JWESSP-II

Funding modalities: Direct project funding

Executing agency: FAO Uganda (lead executing agency) in partnership with relevant national government ministries, district local governments, research agencies, civil society organisations, and private sector companies

Gender inequality constitutes one of the most pronounced socio-economic characteristics in the Karamoja and West Nile regions, and it has implications in every aspect of women's lives. Women generally have only indirect and temporary access to land, largely dependent on their relationship to men (as daughters, wives or sisters). With the increasing pressure on land due to population growth, development, refugees, etc. women are among the most vulnerable tenure rights holders.

This situation limits access to credit due to a lack of/or limited collateral, and impacts productivity and investment, hence retarding the general growth in agriculture. With barely any technical and financial capacity, women have little decision-making capacity over the use and governance of households' productive assets.

The existing socio and cultural norms continue to hinder economic empowerment of women. Women are normally accorded less profitable and more labour-intensive agricultural activities such as weeding, harvesting and post-harvest activities, and given limited involvement in marketing. This is the reason why women continue to live in extreme poverty and are less resilient to socio, environmental and economic shocks. Understanding the decisions and behavioural patterns of women in agriculture, especially in areas most vulnerable to climate change is critical to unlocking the power differentials that have for long hindered the sustainable economic empowerment of women. A livelihood approach to violence against women recognises that while economic independence does not shield women from violence, access to economic resources can enhance women's capacity to make meaningful choices, including escaping violent situations and accessing mechanisms for protection and redress.

Rationale:

The proposed Climate Resilience and Women Economic Empowerment (CRWEE) project will enhance the FAO's integrated approach through the Farmer Field School methodology and lay economic interventions around the FFS approach. It will build on FAO expertise on land and tenure issues and strengthen tenure security for project beneficiaries. The direct beneficiaries include 250 Junior Farmer Fields and Life Skills (JFFLS) groups, reaching a total of 52,500 people (women, children, men, youths) including 12,600 refugees and 27,000 youths, from 12 districts in the West Nile and Karamoja Region: 70 percent of the beneficiaries will be females. At least 200 out of these 250 groups of around 7,000 women will be established and strengthened in quality declared seed production, value addition and collective marketing.

Objectives of the Project:

The main goal of the project is "to contribute to economic empowerment of women and eradication of feminized poverty in Karamoja and West Nile Regions of Uganda", with the overall objective "to strengthen inclusive, gender responsive and climate smart resilience of rural women populations depending on agricultural production systems in Karamoja and West Nile Regions".

Results and Sub-Results:

RESULT 1: Women's access to and control of productive resources and decision-making capacity improved.

1. Capacities of national government institutions and DLG for gender-transformative climate change adaptation and mitigation developed,
2. Socio-cultural and household dynamics on gender equality and relations enhanced to support climate resilient production,
3. Tenure security for both men and women increased.

RESULT 2: Household income and climate resilient livelihood capacities of women improved in a gender-responsive manner.

1. Sustainable market-oriented gender-responsive climate resilient agriculture production practices promoted,
2. Appropriate small-scale agricultural water management systems established for domestic and agricultural production,

3. Agro-based value chain development and non-farm income generating opportunities in partnership with the private sector promoted.

RESULT 3: Ecosystem adaptive and mitigation capacities enhanced.

1. Bioenergy plantations, biogas models, and energy saving technologies promoted,
2. Capacities of NGOs, and local communities to plan, implement and mobilize resources for ecosystem-based adaptation and mitigation developed,
3. Degraded watershed ecosystems rehabilitated.

Annex 6. **Component 6: Water Resources Management – WRM²⁴**

SUPPORT TO THE COORDINATION AND STRATEGIC GUIDANCE OF WATER RESOURCES MANAGEMENT ACTIVITIES AT THE WATER MANAGEMENT ZONE LEVEL

Implementation period:	2018 – 2023
Development partner:	ADA
Financial tool:	Grant, on-budget
Amount:	UGX 5.75 billion of which UGX 5.75 billion is from ADA ²⁵
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

The objective of this component is to support the Directorate of Water Resources Management (DWRM) to coordinate and provide strategic guidance to water resources management activities implemented at the WMZs level. Considering that the management of water resources is a national level function and is not decentralised like water supply service provision, any water resources management activities implemented at the lowest level through the WMZs need to be well coordinated and strategically guided to ensure that the national goals and objectives related to water resources are realised and the strategic interests of the country and the needs of the other countries in the Nile Basin sharing these water resources are considered. This component will therefore ensure that water resources issues are strategically planned for but agreed actions implemented at the WMZs level in a coordinated manner.

Key outputs:

- Reviewing and further development of the policy and legislation for water resources management,
- Coordinating water resources management interventions and stakeholders at national level including consolidating implementation of the catchment-based water resources management,
- Coordinating and continued participation in transboundary water resources programmes (Nile Basin Initiative, Lake Victoria Basin Commission, IGAD),
- Continuing with support to the Water Policy Committee (WPC) to enable it to provide leadership in integrated and sustainable management and development of water and related resources in Uganda,
- Support operationalization of the Water Resources Institute to improve visibility, build capacity and applied research in water resources management and development,
- Strengthening national level water resources monitoring, assessment and information management systems (Water Information and Decision Support System etc.),
- Strengthening institutional coordination and capacity building for integrated planning, development and planning of water resources,

²⁴ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

²⁵ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

- Review and operationalize the water quality strategy with a focus on pollution management, water quality reference laboratory and regulation of other water quality laboratories,
- Promote coordinated water resources planning and allocation for different water uses, and improve regulation of water resources use and quality, and compliance to and enforcement of water laws and permit conditions,
- Maintain and protect water courses and reservoirs in view of emerging threats including water weeds, siltation and eutrophication.

WORLD BANK - INTEGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT (IWMDP, Component 3)

Implementation period:	2019 – 2025
Development partner:	World Bank
Financial tool:	Grant on-budget
Amount:	UGX 12.0 billion all from World Bank
Funding modalities:	Direct project funding
Executing agency:	Ministry for Water and Environment

The Water Management and Development Project (2012–2018) supported activities at the national level as well as at WMZ levels. Phase 2 of the World Bank support, the Integrated Water Management and Development Project (IWMDP), will continue to promote integrated water resources planning, development and management. At the national level support will be provided in: (i) undertaking a national groundwater management study; (ii) the roll out of water information systems at the national level; and (iii) the rehabilitation of the National Water Quality Reference Laboratory.

GOU CONTRIBUTION TO WRM

Implementation period:	2018 – 2023
Development partner:	n.a.
Financial tool:	GoU budget
Amount:	UGX 10.84 billion
Funding modalities:	GoU expenditures
Executing agency:	Ministry of Water and Environment

The GoU contribution will be a counterpart to the donor funding under Component 6. The GoU funds will enable more detailed work and outputs to be delivered. The priority outputs for GoU funding are therefore the same as those under Component 6 through donor funding.

Annex 7. **Component 7: Water Management Zones – WMZ²⁶**

CATCHMENT-BASED WATER MANAGEMENT, PLANNING AND ACTIVITIES THROUGH WMZs

The ADA has been supporting the WMZs in preparation for and implementation of catchment investment and management plans that include climate change adaptation measures in “hot spot” catchments. The support has included investments in water management, source protection, catchment conservation and improved regulation of water resources. In addition, the capacities of institutions and stakeholders (WMZ, CMOs, district local governments and water user groups) have been strengthened to implement catchment-based water management approaches. The support under this phase will consolidate and strengthen catchment-based planning, management and development of water and related resources through the WMZs.

Implementation period:	2018 - 2023
Development partner:	ADA
Financial tool:	Grant, on-budget
Amount:	UGX 6.63 billion of which UGX 6.63 billion is unearmarked funds from ADA ²⁷
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

The WMZ component will involve all activities related to the operationalization of integrated water resources management at the de-concentrated level (WMZ, catchments and districts). There are presently four WMZs namely Victoria, Albert, Kyoga and Upper Nile. These have been formally established and staffed since July 2011 but still need further consolidation and operational strengthening. The key focal area of work under this component is the preparation and implementation of Catchment Management Plans, with effective participation of stakeholders, in various catchments of the country.

The objective of the component is to support catchment-based planning, management and development of water and related resources to meet the socio-economic needs of the present and future generations of Uganda in a sustainable manner.

The main activities of the component which reflect the core functions of the WMZs are:

- Deconcentrated water resources management (in respect to both quantity and quality) including monitoring and assessment, licensing and regulation and information management.

²⁶ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

²⁷ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

- Stakeholder-driven catchment-based water resources planning, management and development. This will include the preparation and implementation of catchment investment and management plans that include climate change adaptation measures in “hot spot” catchments.
- Increasing WRM support activities and investments directed toward improving water management and improved quality through activities that include source protection, catchment conservation and improved regulation of water resources.
- Strengthening capacities of institutions and stakeholders (WMZ, CMOs, district local governments and water user groups) to implement catchment-based water management approaches.

LAKE EDWARD AND ALBERT FISHERIES AND WATER RESOURCES PROJECT, ALBERT WMZ

Implementation period:	2016 – 2021
Development partner:	African Development Bank
Financial tool:	Loan, on-budget
Amount:	UGX 36.63 billion of which <ul style="list-style-type: none">- AfDB funds UGX 32.28 billion- GoU contributes UGX 4.35 billion.
Funding modalities:	Direct project funding
Executing agency:	Ministry for Water and Environment

The Lakes Edward and Albert Fisheries and Water Resources Project is a regional project implemented by DR Congo and Uganda through the Nile Basin Initiative with funding from the African Development Bank. The project’s overall objective is to “sustainably utilize the fisheries and allied natural resources of the Lakes Edward and Albert Basin through harmonized legal framework and policies”. It has 3 components: (i) Fisheries resources development and management, (ii) Integrated water resources management, and (iii) Project management and coordination.

ENHANCING RESILIENCE OF COMMUNITIES TO CLIMATE CHANGE (EURECCCA PROJECT): IMPLEMENTATION FOR KOGA, VICTORIA AND UPPER NILE WMZ

period:	2017 – 2021
Development partner:	CC Adaptation Fund
Financial tool:	Grant, on--budget
Amount:	UGX 35.02 billion of which <ul style="list-style-type: none">- the CC Adaptation Fund contributes UGX 28.35 billion (USD 7.5 million)- GoU contributes UGX 6.67 billion.

Funding modalities: Direct project funding

Executing agency: Ministry for Water and Environment

The EURECCA Project is funded by the Adaptation Fund and is implemented in the three catchments of Aswa in Upper Nile WMZ, Awoja in Kyoga WMZ and Maziba in Victoria WMZ. The overall objective of the project is to increase the resilience of communities to the risk of floods and landslides through promoting catchment-based integrated, equitable and sustainable management of water and related resources in the three catchment areas of Awoja; Aswa and Maziba.

The project has three Components namely:

- Establishing Frameworks for Climate Resilient Catchment Management in Awoja, Aswa and Maziba catchments.
- Implementing concrete adaptation actions for resilient and sustained ecosystems, agricultural landscapes and other livelihood systems.
- Building climate change adaptive capacities of institutions and communities and managing knowledge.

INTEGRATED WATER MANAGEMENT AND DEVELOPMENT PROJECT (IWMDP Component 3)

Implementation period: 2019 – 2025

Development partner: The World Bank, International Development Association

Financial tool: Loans and grants, on-budget

Amount: Total: USD 250 million of loans and USD 25 million of grants.

Component 3 – Water Resources Management: USD 16.93 million from the World Bank and USD 0.25 million GoU counterpart funding.

Funding modalities: Direct project funding

Executing agency: Ministry of Water and Environment

Project development objectives:

The project development objective is to improve access to water supply and sanitation services, capacity for IWRM, and the operational performance of service providers in project areas.

The water resource activities are designed to consolidate IWRM in overall water sector planning and infrastructure development. Specific water resources measures will be conducted in the Upper Nile and Kyoga WMZs where a number of CMPs have been prepared for select hotspots catchments and where most of WSS infrastructure investments proposed under this project are located.

The project has four components but only Component 3 will be implemented through WMZ, namely the Support to Water Resource Management, with aspects including: carrying out of catchment management and restoration activities in selected Sub-Catchments. Activities to consist of: (i) undertaking catchment management measures, including soil and water conservation, flood mitigation, riverbank protection and restoration; and (ii) providing alternative livelihoods for affected communities.

GOVERNMENT OF UGANDA SUPPORT TO HYDROPOWER DEVELOPMENT

Implementation period:	2015 – 2020
Development partner:	GoU
Financial tool:	GoU
Amount:	UGX 6 billion
Funding modalities:	Direct project funding
Executing agency:	Ministry for Water and Environment

The aim of the project is to enable the DWRM to determine operational discharge values for the permits issued to Uganda's hydro-electric power (HEP) station operators on the Nile River to optimise hydropower production and minimise negative downstream impacts. The project aims to: (i) investigate Lake Victoria regulating alternatives and determine optimal operations to optimize power operations to improve lake potential during drought periods; (ii) determine the optimal conjunctive water use of the hydro plants at Owen Falls, Bujagali and other sites (Kalagala, Isimba, Karuma, Ayago and Murchison Falls) in the downstream over a specified time horizon as the basis for regulating water usage by the power station; and (iii) develop a tool that shall be used for water allocations for optimal conjunctive water use at various sites under the constraint of EAC and other water needs. The project shall therefore develop an operational control system, which incorporates the dynamic water and power forecasting approach that will be used by the HEP generating companies and the energy sector for daily load scheduling as well as the longer-term planning components.

IWRM IN UPPER NILE WMZ-WEST NILE AND ACHOLI SUB-REGIONS

Implementation period:	2018 – 2022
Development partner:	Danida
Financial tool:	Grant, off--budget
Amount:	Total Danish Krone (DKK) 35 million of which <ul style="list-style-type: none">- DKK 30 million goes to NGO- DKK 5 million administrative support under JWESSP-II
Funding modalities:	Direct project funding
Executing agency:	Ministry for Water and Environment

The project aims at improving climate change resilience in Northern Uganda, including for refugees and host communities, through improved management of water resources. It will do so to contribute to Northern Uganda Resilience Initiative's (NURI's) objective of enhanced resilience and equitable economic development in Northern Uganda, including for refugees and host communities.

The expected overall result to be delivered by the project is improved climate change resilience in target areas of Northern Uganda through Water Resources Management (WRM), including for refugees and host communities.

The project will prepare eight micro catchment management plans around refugee settlements and implement some of the priority water resources management livelihood improvement measures identified in the plans.

Annex 8. **Component 8: Environment and Natural Resources Management – ENR²⁸**

MAINSTREAMING OF ENR ACTIVITIES ACROSS MWE: CONTRACT STAFF FOR DEA - LIAISON OFFICER FOR ENR MAINSTREAMING

Implementation period:	2018 – 2023
Development partner:	ADA
Financial tool:	Grant, on-budget
Amount:	UGX 0.16 billion from ADA ²⁹
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

See details on implementation in Annex 1.

IMPLEMENTATION PROJECT FOR MAINSTREAMING OF ENR ACROSS MWE

Implementation period:	2018 – 2023
Development partner:	ADA
Financial tool:	Grant, on-budget
Amount:	UGX 1.77 billion from ADA
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

See details on implementation in Annex 1.

BUILDING RESILIENT COMMUNITIES AND ECOSYSTEMS THROUGH RESTORATION OF WETLANDS AND ASSOCIATED CATCHMENTS IN UGANDA

Period of implementation:	2017 – 2025
Development partner:	Green Climate Fund
Financial tool:	Grant
Amount:	Total USD 44.262 million, of which: - USD 24.1 million from Green Climate Fund

²⁸ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

²⁹ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

- USD 18.122 million from GoU
- USD 2.0 million from UNDP

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

The Project aims at improving the lives of some of the most vulnerable people in Uganda dependent on subsistence agriculture and wetlands for their livelihoods. It has three main components.

Component 1: Restoration and management of wetland hydrology and associated catchment

Outputs:

1. Small-scale water storage and detention facilities designed and constructed or rehabilitated in critical waterways for communities to benefit from enhanced ecosystem functioning,
2. Improved inlet streams to increase water delivery,
3. Degraded catchment areas rehabilitated, and land productivity improved,
4. Strengthened wetland management practices.

Component 2: Improved agricultural practices and alternative livelihood options in the wetland catchment

Outputs:

1. Crop diversification and resilient agricultural best practices adopted,
2. Economically viable and sustainable agri-based livelihood and income generating interventions introduced, promoted and supported in the wetland and immediate catchment,
3. Business and entrepreneurial skills promoted, including micro-credit schemes and revolving funds.

Component 3: Strengthening access to climate and early warning information to farmers and other target communities

Outputs:

1. Meteorological and hydrological infrastructural investments supported including additional manual and automatic weather stations, lightning sensors, hydrological monitoring equipment, agro-meteorological stations, forecasting equipment, and data archiving systems,
2. Capacity building of relevant staff on operation and maintenance of climate monitoring equipment, data interpretation, modelling and forecasting,
3. Global Environment Fund: Ecosystem and wetland adaptation through wetlands and forests: total funding EUR 4.5 million from Global Environment Fund.

REDD+ - ADDITIONAL READINESS PREPARATION SUPPORT FCPF READINESS FUND GRANT NO. TF0A5722 THIRD GRANT AGREEMENT FOR REPUBLIC OF UGANDA

Period of implementation: 2017 – 2019 (2.5 years)

Development partner: World Bank's Forest Carbon Partnership Facility

Financial tool: Grant

Amount: Total USD 3.75 million from FCPF of which

- USD 3.275 million for implementation of the project and its five components and
- USD 0.475 million for project management and administration

Funding modality: Direct project funding

Executing agency: Ministry of Water and Environment

The overall objective of the additional Readiness Preparation Activities is to design a socially and environmentally viable national strategy for reducing emissions from deforestation and forest degradation as compared to a reference level.

The objective of the Readiness Fund Grant is to design a socially and environmentally viable national strategy for reducing emissions from deforestation and forest degradation as compared to a reference level. This supports the continued implementation of Uganda's roadmap for REDD+ Readiness (called the Readiness Preparation Proposal (R-PP)) based on the identified remaining technical gaps and associated financial needs that were identified during the independent mid-term evaluation and self-assessed from the REDD+ Readiness progress of the first grant.

The key result from this R-PP Implementation is the REDD+ Strategy for Uganda. The following are the specific results for the additional funding support (AF):

1. Uganda will be REDD+ Ready (based on the assessment criteria of the Readiness package),
2. A minimum of two jurisdictional Emission Reductions Programmes (ER Programmes) will be designed,
3. A NFMS will be operationalized,
4. Indigenous peoples' organizations are better engaged on REDD+.

The additional support is USD 3,750,000, funded by the World Bank's FCPF and the GoU. The project will be implemented over a period of 2.5 years (2017-2019).

The structure and implementation arrangements of the additional funding support activities will remain as under the original grant. The additional funding support activities are organized into five components that correspond with the components and sub-components of Uganda's R-PP, as follows:

Component 1: Coordination and Monitoring of REDD+ Readiness Process (USD 0.525 million, from FCPF)

The objective of this component is to continue supporting national level coordination and monitoring of the REDD+ process. This support builds on structures and processes of the current REDD processes involving the REDD Secretariat and national REDD+ coordination, supervision and stakeholder participation. Uganda also intends to prepare its Readiness Package (R-Package) for submission to the FCPF Participants Committee (PC) in 2018.

Component 2: Stakeholder Engagement and Feedback in Readiness Process (USD 0.1 million, from FCPF)

The objective of this component is to support broad stakeholder engagement – with a particular focus on implementation of the Uganda REDD+ gender strategy. The support aims to implement key actions as identified in the Uganda REDD+ Gender Strategy and foster gender and indigenous people's integration in national REDD+ processes. The approach recognizes that any future REDD+ investments will need to explicitly acknowledge how gender specific barriers in future proposed REDD+ investments are addressed.

The AF grant will provide a particular focus of support to advancing the Uganda REDD+ gender strategy and building the capacity of indigenous groups and forest dependent communities to engage in the

discussions about future REDD+ interventions – this also comes as a response to specific recommendations by the FCPF PC, as expressed in the Co-Chairs’ Summary of the May 2016 PC meeting and builds on extensive engagement efforts supported by the original grant.

Component 3: REDD+ Strategy and SESA (USD 0.3 million, from FCPF)

The objective of this component is to continue supporting the National REDD+ Strategy process and the environmental and social elements of it. The initial design of Uganda’s National REDD+ Strategy and the Implementation Plan and Strategic Environmental and Social Assessment (SESA) and ESMF were completed in June 2017 with support from the original FCPF grant. However, the National REDD+ Strategy is a living document and it is important that the lessons from the ongoing global, national and sub-national REDD+ processes (including development of the ER Programmes) feed into the REDD+ Strategy and the safeguards instruments

Component 4: REDD+ Implementation Framework (emission reduction (ER) programmes) (USD 0.95 million, from FCPF)

The objective of this component is to advance the design of the development of ER programmes nested in the National REDD+ Strategy. In this regard, the FCPF grant will support the development of design options and outlines for two or three landscape level ER programmes in selected landscapes. Priority consideration will be given to the ER programmes within the Albertine Rift and Mt. Elgon ecosystems. These landscapes are also target areas for the proposed landscape operations under the forest investment programme (FIP) and pilot programme on climate resilience (PPCR). The outline ER programme packages will include complete documentation covering implementation, financing, and safeguards aspects.

Component 5: National Reference Scenario & Inventory of Forest Resources (USD 1.4 million, from FCPF)

The ongoing REDD+ preparation grant supported the development of the first baseline reference scenario (Forest Reference Emissions Level, FREL). Uganda made its first submission of its national FREL to the United Nations Framework Convention on Climate Change (UNFCCC) in January 2017 and will submit revisions based on the guidance from technical assessment, updates and improvements going forwards. The FREL provides an important part of the NFMS, initial design of which is currently under development with support from the UN REDD Programme (under activities undertaken by the FAO) and ADC.

The objective of this component is to refine the National Reference Scenario / FREL – most notably by undertaking analysis to better determine forest degradation levels as well as establish and institutionalize the NFMS as approved by the national REDD+ structures. FAO will be engaged to support the GoU in the implementation of activities under this component, under a TA framework agreement (this mechanism has operated effectively under the original grant).

Annex 9. **Component 9: Climate Change – CC³⁰**

ADDITIONAL FUNDS TO WATER SUPPLY AND SANITATION PROGRAM (WSSP-II)

Implementation period:	30 May 2015 – 30 June 2019
Development partner:	GEF through AfDB
Financial tool:	Grant, on-budget
Amount:	USD 8.37 million total, of which USD 500,000 for CCD
Funding modalities:	Direct project funding
Executing agency:	Ministry of Water and Environment

Programme components include:

1. Building resilience to CC in flood prone areas of Mt. Elgon by Forest Sector Support Department,
2. Ensuring climate resilient sanitation in flood prone peri-urban areas by the RWSD,
3. Ensuring access to WfP as an adaptation in drought prone areas by the RWSD and WfP Department,
4. Knowledge Management, monitoring and evaluation by CCD.

MAINSTREAMING OF CLIMATE CHANGE ACTIVITIES ACROSS MWE: CONTRACT STAFF FOR CCD - LIAISON OFFICER FOR CC MAINSTREAMING

Implementation period:	2018 – 2023
Development partner:	ADA
Financial tool:	Grant, on-budget
Amount:	UGX 0.16 billion from ADA ³¹
Funding modalities:	JPF un-earmarked funding
Executing agency:	Ministry of Water and Environment

Reference is made to Annex 1.

IMPLEMENTATION PROJECT FOR MAINSTREAMING OF CLIMATE CHANGE ACROSS MWE

³⁰ As with all budget figures provided in this document, it should be remembered that they provide a snapshot of the funding situation provided by DPs and component managers as it was seen by July 2018 and that funding levels and figures can and will change over the programme period as normal in a dynamic process.

³¹ ADA contributions to JWESSP-II are indicative and subject to change upon Supervisory Board approval.

Implementation period: 2018 – 2023

Development partner: ADA

Financial tool: Grant, on-budget

Amount: UGX 1.33 billion from ADA

Funding modalities: JPF un-earmarked funding

Executing agency: Ministry of Water and Environment

Reference is made to Annex 1.

CLIMATE CHANGE AND DISASTER REDUCTION PROJECT COMMUNITY RESILIENCE TO CLIMATE CHANGE AND DISASTER RISKS PROJECT

Implementation period: July 2016 – June 2020

Development partner: European Commission and the Governments of Germany and Australia through the UNDP

Financial tool: Grant, off-budget

Amount: USD 1 million of which
USD 150,000 (assumption) goes to CCD

Funding modalities: Direct project funding

Executing agency: Ministry of Water and Environment (Responsible Party)
Office of The Prime Minister (Implementing Partner)

Project Description

The MWE (Responsible Party), in collaboration with the Office of the Prime Minister (Implementing Partner), the UNDP, and with funding from the European Commission and the Governments of Germany and Australia is implementing the Community Resilience to Climate Change Risks and Disasters in Uganda project for the period 2016–2020.

Expected Results

Programme outcome: natural resources management and energy access is gender responsive, effective and efficient, reducing emissions, negating the impact of climate-induced disasters and environmental degradation on livelihoods and production systems, and strengthening community resilience.

Programme outputs and key activity results

By 2017, relevant MDAs and Parliament with adequate technical capacities to: (a) update and strengthen national climate change-response policies; (b) integrate their key components into sectoral policies and strategies; and (c) develop all required legal frameworks that provide adequate funding, incentives and disincentive measures:

- Enhanced policy, legal and regulatory framework for climate change response and disaster risk reduction,

- Government meets regional and global commitments for CCR/DRR and influences policy, financing and governance discourse,
- Climate change response and disaster risk reduction integrated and mainstreamed in policies, plans and budgets of MDAs and local governments,
- Enhanced financing capacity for climate change and disaster risk reduction.

INVESTMENT PLAN PREPARATION GRANT FOR THE STRATEGIC PLAN FOR CLIMATE RESILIENCE (PPCR-UGANDA)

Implementation period:	July 2016 – April 2019
Development partner:	Climate Investment Funds (CIF) through AfDB
Financial tool:	Grant, off-budget
Amount:	USD 1.5 million
Funding modalities:	Direct project funding
Executing agency:	Ministry for Water and Environment

This project concerns a grant for project preparation (PPG) to assist Uganda in preparing its Strategic Plan for Climate Resilience (SPCR).

Project objective

The main objective of the PPG is to support the formulation of a well-developed SPCR for Uganda that will identify programmes and activities that will help implement CC resilience while minimizing barriers to national efforts to reduce vulnerability and increase resilience.

Description of activities

- Conducting gap analysis studies in the thematic areas identified by the coping mission and firmed up by the Joint Technical Missions in Uganda,
- Elaboration of Uganda's SPCR investment strategy,
- Organization of meetings and workshops with key stakeholders in support of the SPCR investment plan document preparation,
- Support to the National Climate Change Advisory Committee (NCCAC) and the multi-disciplinary and the multi stakeholder PPCR planning team,
- Support to MWE supervisory and coordination activities.

Expected programme outcome: natural resources management and energy access is gender responsive, effective and efficient, reducing emissions, negating the impact of climate-induced disasters and environmental degradation on livelihoods and production systems, and strengthening community resilience.

GOVERNMENT OF UGANDA SUPPORT FOR THE CLIMATE CHANGE DEPARTMENT

Implementation period:	2018 – 2019
Development partner:	n.a.

Financial tool: GoU funding, on-budget

Amount: UGX 500 million

Funding modalities: GoU funding

Executing agency: Ministry for Water and Environment

Funding to meet running costs of the CCD.

Annex 10. **Support for mainstreaming of environment and climate change**

Background

At the 2015/16 Joint Sector Review of the MWE, the Directorate of Environmental Affairs (DEA) accepted an undertaking to mainstream environment and climate change across five high impact and high-profile areas of government business – agriculture, infrastructure, lands, energy and water. The water sector was included to ensure that mainstreaming was a priority within MWE. It was and remains appropriate that the Ministry responsible for environment and climate change ensures that these concerns are integrated across its business while working to achieve the same across government business generally.

Some steps have been taken to move forward the mainstreaming of environment and climate change within MWE but overall much remains to be achieved in both institutional and practical terms. A constraint has been that mainstreaming is understood within the MWE and its DPs to be the responsibility of the DEA rather than the Ministry as a whole. Successful mainstreaming will have significant positive outcomes for performance across the Ministry but will not be achieved unless prioritized and supported at the highest level.

Despite the evident importance of strengthening the Environment and Natural Resources Sub-Sector (ENRS), it is accepted amongst MWE officials and DPs that ENRS has suffered from lack of programmatic support. This has also been recognised as a shortcoming of the JWESSP and development assistance to date. Lack of support to ENRS has contributed towards the lack of progress in mainstreaming.

Problems for achieving mainstreaming arising from the lack of engagement with environmental concerns in general and mainstreaming in particular include:

1. Significant gaps in ENRS capacity to meet targets, deliver on mandates, and contribute to the overall performance of the ministry,
2. A lack of ENRS participation in de-concentrated units that represent important institutional development of MWE and provide operational structures to help achieve mainstreaming,
3. Weakness or absence of ENRS-led cross cutting processes to deliver mainstreaming within MWE,
4. Failure to develop integrated planning, development and implementation processes necessary to mainstream environment and climate change concerns not only into MWE policies but also into work plans and budgets.

Mainstreaming of environment and climate change across the full spectrum of MWE's operations will strengthen steps necessary to achieve mainstreaming across sectors identified in the 2015/16 undertaking. The proposed support under the JWESSP-II will facilitate the mainstreaming process within MWE to ensure that environment and climate change considerations are fully integrated across the complete range of Ministry operations and functions.

Goal of initiative

To contribute towards the continued and sustainable availability and delivery of water to the people of Uganda.

Objective

Environment and climate change concerns are integrated within the policies, priorities, plans and programmes of MWE.

Immediate objectives

- Mainstreaming process designed and approved by WESWG,
- Capacity to implement and monitor the mainstreaming process in place and supported,
- Outcomes of mainstreaming of environment and climate change across MWE disseminated within MWE and across key government ministries, departments and agencies.

Activities

Activities aim to design and implement practical actions to achieve mainstreaming over a five-year period; monitor, report on progress and outcomes, and employ adaptive management to strengthen mainstreaming; “market” mainstreaming to achieve a constituency for it within MWE. Indicative actions will include but not be limited to the following:

1. Establishing a subgroup for Mainstreaming,
2. Develop and approve the ToR for the subgroup for mainstreaming and the Mainstreaming Support Consultant,
3. Establish department/agency level Mainstreaming Desk Officers,
4. Procure the Mainstreaming Support Consultant, produce the project document for mainstreaming of ENR and CC within the MWE and develop as well as approve the ToR for the Mainstreaming Implementation Consultant,
5. Design the mainstreaming process, and develop and disseminate guidelines, indicators and timelines for mainstreaming process,
6. Implement the mainstreaming process. Indicative activities will include:
7. MWE leadership meetings/workshops to discuss interconnections between environment and CC and delivery of mandates, and to agree the main elements of the mainstreaming process,
8. Department/agency processes to identify impacts of environment and climate change on department/agency targets, and to agree roles in the mainstreaming process,
9. Technical meetings with departments and agencies to develop actions to address mainstreaming,
10. Mainstreaming actions embodied in agreements between directorates, departments and agencies and MWE,
11. Monitor compliance with agreements,
12. Respond to achievements registered and problems identified through monitoring to agree and design steps to strengthen delivery.

Deliverables

1. ToR for the Subgroup for Mainstreaming,
2. ToR for the Mainstreaming Support Consultant,
3. Project document for mainstreaming of ENR and CC within the MWE, detailed mainstreaming plan of operations,
4. ToR for the Mainstreaming Implementation Consultant,
5. Establish department/agency level Mainstreaming Desk Officers,
6. Design the mainstreaming process, and develop and disseminate guidelines, indicators and timelines for mainstreaming process,
7. Implement the mainstreaming process as per approved project document,

8. Monitoring and evaluation plan,
9. Quarterly progress reports.

Outcomes

1. Awareness, capacity and institutional environment for undertaking mainstreaming within the MWE,
2. Quantifiable indicators against which to monitor progress towards mainstreaming,
3. Indicators of outcomes of mainstreaming in terms of MWE mandates.

Implementation

Support for mainstreaming environment and climate change within MWE can be best included under the SPS component of the JWESSP-II as an additional Theme 7. This will ensure that the process of mainstreaming is recognised as a ministry-wide concern, be institutionally linked across all three directorates of the Ministry and allow the mainstreaming process to be connected to the planning and liaison functions of the Ministry.

To ensure high-level engagement with the mainstreaming process, it will be necessary for mainstreaming to be understood as the responsibility of the MWE as a whole, and not of ENRS alone. It is expected, however, that ENRS will have a special interest in the mainstreaming process and will contribute technical inputs in line with its mandate.

It is proposed that the WESWG will be responsible for the mainstreaming initiative, providing formal approval of annual work plans and budgets, ToR for contracted MWE officers and consultants, and receive and respond to quarterly and annual reports.

A Subgroup for Mainstreaming will be established under WESWG and will oversee implementation of the project. The ENR & CC Mainstreaming Subgroup (ENR&CCMS) will oversee the work of a dedicated team to be established with project support and will provide quarterly and annual reports to WESWG. The ENR&CCMS will comprise a Commissioner or Assistant Commissioner from each of the three Ministry directorates; a senior officer from the Water and Environment Sector Liaison Department, the Policy and Planning Department and the Climate Change Department; a representative of MWE's DPs; the MWE Senior Sector Advisor; and the DP Liaison Advisor.

International and national expertise will be provided and comprise the following positions:

4. **Mainstreaming Liaison Officer for ENR and CC** – this MWE position has never been filled due to financial constraints. Two temporary positions will be established by MWE and filled by contract staff at a Principle Officer or Assistant Commissioner level. The contract staff will be internally (if possible) recruited by MWE and funded by the project to fill the position of the Mainstreaming Liaison Officer for ENR at DEA and the Mainstreaming Liaison Officer for CC at CCD. These two staff will become permanent MWE staff by the end of year 3 of the JWESSP-II. The WESWG will approve the ToRs of both the Mainstreaming Liaison Officer for ENR and Mainstreaming Liaison Officer for CC that will specify their role in the project. The Mainstreaming Liaison Officers will work exclusively on the mainstreaming process under ToRs approved by the TWGM. **Mainstreaming Support Consultant** – an international Mainstreaming Support Consultant will be procured by MWE and funded by the project. The international consultant will produce the ToR for the Mainstreaming Implementation Consultant and will also develop the project document for mainstreaming of ENR and CC within the MWE through a period of four years.
5. **Mainstreaming Implementation Consultant** – an international Mainstreaming Implementation Consultant will be procured by MWE and funded by the project. The international consultant will provide technical inputs for an agreed number of working months

per year throughout 3 years. The Mainstreaming Implementation Consultant will support the Ministry to prepare the ToRs approved by the WESWG.

The Mainstreaming Implementation Consultant will function within and be managed under the MWE structure. This is necessary to ensure the team is properly linked to the MWE institution and in a position to ensure mainstreaming succeeds. The best location for the Mainstreaming Implementation Consultant is not clear. Three options are presented, to be decided on by MWE/ WESWG, with each providing different strengths:

6. Water and Environment Sector Liaison Department: WESLD provides institutional links between the MWE and its DPs that would strengthen the oversight and support of MWE’s development partners. WESLD is also responsible for cross-sector processes within MWE including monitoring and evaluation.
7. Policy and Planning Department: PPD is responsible for planning across all three directorates, integration with which will be essential for effective mainstreaming.
8. Mainstreaming Office: Establishing the Mainstreaming Implementation Consultant within the Office of the Permanent Secretary for the duration of the project would avoid institutional capture and inertia.

Budgets

Budget and deliverables of the Mainstreaming Support Consultant:

- For the development of the project document for mainstreaming of ENR and CC within the MWE, and
- For the development of ToR for the Mainstreaming Implementation Consultant.

The following estimated budget has been developed. **These and the below given figures are indicative and will be updated and confirmed in the work-planning and budgeting process.**

Table 31: Estimated Budget for the Mainstreaming Support Consultant, in EUR

Item	EUR
Short consultancy contract with project duration of 2 months	
Remuneration (incl. taxes)	75,000
Miscellaneous expenditures	10,000
Grand total	85,000

Legend: Budget spent through Component 1: SPS

Budget for the Mainstreaming Implementation Consultant:

- From a framework type of contract, the ministry can call for consultancy support from a team of international and national mainstreaming expertise in the environmental sector and a background in organisational development.
- The Mainstreaming Implementation Consultant, CCD, DEA and WESLD jointly implement a project for mainstreaming of ENR and CC within the ministry.

Table 32: Estimated Budget for the Mainstreaming Implementation Consultant, in EUR

Item	Total price EUR
Long-term consultancy framework contract with a project duration of 3 months	
Remuneration (incl. taxes)	
International mainstreaming expert	280,000
National mainstreaming expert	80,000
Contract staff for DEA: Liaison Officer for ENR mainstreaming	36,000
Contract staff for CCD: Liaison Officer for CC mainstreaming	36,000
Miscellaneous expenditures	50,000

Legend: Budget spent through

Component 1: SPS	360,000
Component 8: ENR	36,000
Component 9: CC	36,000

Deliverables:

- Detailed mainstreaming plan of operations,
- Monitoring and Evaluation plan,
- Quarterly progress reports.

Type of contractual arrangement: 3-year consultancy framework contract with joint definition of individual assignments based on specific ToRs; provision of national and/or international experts specialized according to ToRs for the assignments.

Table 33: Tentatively proposed time frame, tasks and milestones

Targets and milestones	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Thematic Working Group established	x																			
Thematic Working Group TORs approved	x																			
TOR for Mainstreaming Support Consultant (MSC) approved	x																			
MSC recruited/procured	x																			
MSC output/TOR for Mainstreaming Implementation Consultant (MIC) approved	x																			
MSC output/project document for mainstreaming ENR and CC approved	x																			
MIC recruited/procured			x																	
Liaison Officers for ENR and CC mainstreaming appointed			x																	
Mainstreaming guidelines disseminated				x																
Monitoring framework developed				x																
Mainstreaming activities undertaken: as per approved project document for mainstreaming ENR and CC																				
a. MWE leadership meetings							x													
b. Department/agency processes								x	x	x										
c. Technical meetings								x	x	x										
d. Mainstreaming agreements approved										x										
etc								x	x	x	x	x	x	x	x	x	x	x	x	x
Adaptive management of process								x	x	x	x	x	x	x	x	x	x	x	x	x

Annex 11. **Draft terms of reference for long term technical advisers**

The Government of Uganda (GoU) and Development Partners (DPs) are implementing a **Joint Water and Environment Sector Support Programme II (JWESSP-II)** over the five-year period 2018–2023. The programme is a continuation of a similar programme running from 2013 to 2018 and supports the GoU's effort to eradicate poverty in Uganda in line with the mandate of the Ministry of Water and Environment (MWE). The objective of the JWESSP-II is to support the water and environment sector in achieving its targets and improving its efficiency through a consistent harmonised support programme that is aligned to government objectives, policies and delivery modalities.

JWESSP-II supports institutional development through long-term and short-term Technical Assistance, the latter in the form of consulting. Using two different modalities, long-term Technical Advisors are provided either in kind or through using earmarked funding through the Joint Partnership Fund.

The summarised Terms of Reference presented in this chapter will be further developed and complemented to suffice the recruitment or procurement procedure. Short-term Technical Assistance will be described during the preparation of tender documents.

Senior Sector Advisor

The Senior Sector Advisor will be placed in the Water and Environment Sector Liaison Department (WESLD), under the MWE in Kampala (Luzira). The closest counterpart will be the Commissioner for WESLD.

Objective

The Senior Sector Advisor will support the sector in achieving its objectives by supporting the MWE management to effectively and efficiently plan and use the resources made available for the sector. More specifically this will be done through support of JWESSP-II implementation along the entire programme management cycle while contributing to the improvement of accountability and transparency, as well as supporting the coordination and liaison functions with a focus on project development.

Scope of Work

The scope of work of the Adviser will include advisory services to WESLD and MWE at large (DEA, DWD, DWRM) with the aim of strengthening the sector's overall performance through the three directorates of MWE with a focus on the support areas of the JWESSP-II. All work shall take place in close cooperation with other advisers, especially the Development Partner Liaison Advisor. The tasks can be clustered in the following areas of support and will include but not be limited to:

Support JWESSP-II management:

1. Support the MWE in **implementation of the JWESSP-II**, all reporting, monitoring, review and evaluation activities in line with the Programme Document and the Joint Partnership Fund Operations Manual
2. Support the MWE to further improve sector planning, implementation, monitoring and reporting systems, based on reliable data and existing information systems
3. Assist the MWE in identifying relevant strategic issues for the Joint Reviews and discussion in the WESWG, for informed decision taking based on work plans, budgets and reports
4. Take initiative to support both sub-sector Working Groups and (operationalisation of) all sub-groups

5. Coordinate with all TAs in the sector, especially with the Development Partner Liaison Advisors, to ensure smooth and efficient collaboration between MWE and its Development Partners, attend all Development Partners Coordination Group Meetings as well as relevant coordination meetings of humanitarian actors
6. Collaborate with sector NGOs and CBOs through the sector NGO umbrella secretariat organisations

Capacity Development, Good Governance, Cross-cutting and mainstreaming agenda:

1. Support a coherent and sustainable approach towards Capacity Development including the implementation of the Sector Capacity Development Strategy as well as the Capacity Development Plans that have been developed for most departments
2. Support the WESLD in arranging at least two annual long-term Technical Advisor coordination meetings and in reviewing the needs for TAs at the latest at the occasion of the Mid-Term Review in close collaboration with all Directorates and in line with the criteria spelt out in the Programme Document
3. Support the Good Governance Agenda of the MWE, cross-cutting activities, human rights approaches, as well as climate change and environment mainstreaming

Financing modalities and funding levels:

1. Assist the WESLD Commissioner in the coordination of relations with Development Partners within and outside JWESSP-II and (to a limited extent the Ministry of Finance) as required to implement and develop projects
2. Support the Ministry's efforts to advocate and mobilize for adequate water and environment sector funding to enable it to reach its targets, both within Uganda and at the international level, and including the private sector where relevant
3. Support the Ministry in using the Strategic Sector Investment Plan and to make funding gaps transparent and in closing them; active support of the MWE's Project Development Initiative
4. Further improve sector funding mechanisms, first and foremost the Joint Partnership Fund but also projects aligned to MWE approaches
5. Support the MWE in formulating a successor programme to the current JWESSP-II, should the need be expressed

Qualification

1. Relevant university education at a master's degree level or higher qualification in subjects relevant to the water, sanitation and environment sector, management/ finance and/or public sector restructuring and reform
2. Experience in sector institutional and organisational development and management of change processes
3. Experience in capacity development within public institutions with decentralised units
4. Experience in working as an adviser at central government level, preferably at senior management level
5. Extensive work experience with central governments and Development Partners
6. Strong experience from developing countries, preferably East Africa; knowledge of the Ugandan water and environment sector is an asset
7. Experience in water and environmental policy development and strategic planning
8. Fluency in English (written and spoken)
9. Analytical, outgoing but diplomatic and robust with a pragmatic approach and appreciation for dynamics in public service

10. Ability to work as part of an interdisciplinary team with relations to different ministries and stakeholders
11. Excellent skills for working in a cross-cultural environment, and sensitive to cultural differences

Institutional anchorage and reporting

The Senior Sector Adviser will be supporting the MWE as reflected in the objectives and scope of work. The focus will be to assist the WESLD in fulfilling its mandate to support the Ministry in its planning, coordination and capacity development functions. The support areas include water development, environmental affairs and water resource management with a focus on the main support areas of JWESSP-II.

All required reporting will pass through the WESLD Commissioner. At the start of the assignment, the Adviser shall agree with the WESLD Commissioner on an overall work plan that will be revised every six months.

Operation and Maintenance Advisor

The Operation and Maintenance (O&M) Advisor will be placed in the Directorate of Water Development (DWD), under MWE in Kampala (Luzira). The closest counterparts will be the Commissioners for Urban and Rural Department. He or she will provide support to DWD in the area of O&M of piped water supply systems in small towns, rural growth centres (RGCs) and rural areas as well as refugee settlements, including rolling out and consolidating the existing Umbrella Authority model and collaborating with the regulation unit.

Objective

To further develop and consolidate the present O&M framework to increase access and ensure long-term functionality and cost-efficient O&M of all piped water supply facilities in the country through efficient management and appropriate support services.

More specifically, to improve technical standards, strengthen capacity and develop competence at crucial points within the O&M systems and to support the development of effective cooperation procedures between the ministerial MWE departments with a focus on O&M support, regulation at the central and de-concentrated level as well as local government level.

Scope of Work

Strengthening of the O&M framework shall encompass all aspects of sustainable service delivery, including the necessary institutional set-up and definition of roles and responsibilities of the different stakeholders, with a focus on support to the four (4) thematic aspects below.

Strengthen the O&M support structures by supporting:

1. The management of Umbrella Authorities including their institutional consolidation
2. Liaise with utility development experts in this process and provide technical input for further professionalisation
3. The development of standardized training for Scheme Operators incl. training of trainers
4. The development of reporting systems, including utilisation of Utility Performance Monitoring System (UPMIS)
5. The development of an effective water quality surveillance system and initiation of action in case of “non-compliance” with standards

6. The continued support to piped water supply systems not managed by the Umbrella Authority and gradual integration of all “non-members” into the O&M support structure
7. Operations of the Revolving Facility and lobbying for more support to fund major repair / exchange and rehabilitation
8. Initiate discussion and development of emergency supply procedures for small towns

Collaboration with the de-concentrated regulation through:

1. Input to the development process of regional units and necessary tools for de-concentrated regulation
2. Development of communication system for Regulation Unit with Water Boards and (Umbrella) Authorities
3. Development of a “compliance” reporting framework, as an input to regional regulation plans, and its implementation

Support exchange and feedback between Umbrella Authorities and WSDF / WMR by:

1. Organization of regular feedback meetings on “system failures” with WSDF and design committee and WRM respectively
2. Support close cooperation of Umbrella Authorities with WSDF during scheme commissioning and the handover phase
3. Support the development of standard O&M guidelines for all schemes
4. Support the cooperation of Umbrella Authorities with WRM zones on monitoring water resources in the protection area and the catchment area, and implementation of Water Source Protection Guidelines

The TA will support these three focus areas of work by providing advice at all levels. She/he will thus:

1. Provide advisory support to DWD, including all relevant central units and the regional O&M support structures of the Urban and Rural Department as far as piped water supply schemes are concerned
2. Assist in implementing the Rural O&M Framework that is being developed
3. Assist in developing a monitoring system with appropriate performance indicators as well as incentive systems for private sector participation in O&M
4. Assist in establishing procedures for systematic learning from experience, propose and facilitate studies related to the O&M framework, and help to identify and procure suitable consultants
5. Assist with the development and formulation of procedures and tools, such as operational guidelines
6. Support all kinds of evaluation and review activities related to O&M issues

Qualifications

1. University degree at a master’s level or higher in engineering or water resources management or a relevant field
2. At least fifteen (15) years of international experience in the water sector
3. At least five (5) years of experience in the development and management of water supply and sanitation projects, programmes and policies with a focus on STs, RGCs and rural areas in African countries
4. Work experience shall include long-term assignments in African countries; specific short- and long-term working experience in Uganda is an asset
5. Experience with the Ugandan water sector, knowledge of the Ugandan water sector institutional architecture, specific experience with Uganda’s de-concentrated structures (e.g.

Water and Sanitation Development Facilities, Umbrella Authorities etc.) and regulatory framework is an asset

6. Proven ability to work effectively with donors and government at all levels
7. Proven ability in supporting change processes and the transfer of skills and knowledge in a catalytic way including participative approaches
8. Proven work experience in the English language of more than five (5) years

Institutional anchorage and reporting

The O&M TA will report to the Director of DWD through the Commissioners UWSD and RWSD. On a day to day basis she/he will work closely with the Assistant Commissioners of the Water Authorities Division (urban) and Operation and Maintenance (rural).

At the start of the assignment, the O&M TA shall agree with the Commissioners on an overall work plan that will be revised every six months.

Development Partner Liaison Advisor

Objective

The DP Liaison Advisor will support the DPs organised in the Water Supply and Sanitation and the Environment and Natural Resources and Climate Change Development Partners Group in achieving an effective and coordinated collaboration with the MWE and the sector. This will facilitate effective achievement of the planned sector outcome and efficient use of the resources made available, while contributing to improvement of alignment, harmonisation, accountability and transparency for the period of the JWESSP-II until 2023.

Scope of Work

Liaison:

1. Support the Chairs of both Development Partners Coordination Groups in liaison between DPs, MWE and other sector stakeholders including civil society organisations
2. Liaise closely with the MWE on policy and programme development and on the implementation of sector priorities
3. Cooperate closely with Commissioner WESLD and TAs at the MWE to ensure flow of information concerning ongoing processes
4. Support proactive liaison with DPs that are not part of the JWESSP and encourage them to join the JWESSP or at least to align to the JWESSP to the extent possible

JWESSP Progress Monitoring:

1. Support to DPs in JWESSP progress monitoring, participate in all sector events and WESWGs, subgroup and other relevant Meetings
2. Review quarterly and annual JWESSP progress reports and SPR and highlight issues that require Development Partners Coordination Groups' or the GoU's attention
3. Support the sector to strengthen JWESSP monitoring systems and the utilisation of indicators
4. Support the Water and Sanitation Development Partner (WSSDP) in monitoring of agreed work plans, road maps, action plans and undertakings
5. Participate in consultancy studies and review missions, inception and debriefing meetings, and track implementation of study and review mission's recommendations

Support to strategic developments:

1. Support the MWE in appreciating and implementing strategies that are of particular importance to the DP (e.g. pro-poor or climate change adaptation strategies)
2. Support the Water and Sanitation Development Partner Group (WSSDPG) in identifying strategic dialogue issues for the Joint Sector Reviews and Joint Technical Reviews, as well as policy and strategic issues for discussion in the Sector Working Groups
3. Support WSSDPG during the entire process of setting up a new support programme post-JWESSP-II and update the respective five-year work plan
4. Support the MWE and DPs to ensure sustainable financing levels of JWESSP-II and a possible successor programme by:
 - i. Supporting the chairs of the Development Partner Groups for high-level advocacy and lobbying for the water sector at the national level (Ministry of Finance)
 - ii. Supporting dialogue with financing institutions and interested bilateral donors
 - iii. Assisting the sector in acquisition of new projects and realising new funding options

Support to the WSSDPG and in particular to the lead DP (chair):

1. Organise and document regular and ad-hoc WSSDPG meetings
2. Support the lead DP (chair of WSSDPG) in timely and efficient communication to all DPs
3. Prepare consolidated comments on routine reports (quarterly reports and SPR) as well as budget and work-planning documents (JPF work plan)
4. Support DPs technical input and be pro-active on strategic issues in WESWG, WSSWG and sub-groups and other events (specific workshops)
5. Support DPs in following up recommendations of reviews, evaluations and audits
6. Support the respective DP lead donor and ensure continuity when the function rotates annually

Qualifications

1. University education at a master's degree level or higher in the area of water supply and sanitation, water resource management or environment
2. Extensive work experience with DPs and African government institutions at all levels
3. Experience in working as an adviser to government and implementation of development projects internationally
4. Experience in the development of sector organisations and management of change processes
5. Experience in capacity development within public institutions with decentralized services
6. Strong work experience in developing countries, knowledge of the Ugandan Water and Environment Sector is an asset
7. Proven experience of working in complex multi-stakeholder environments
8. Experience in water and/or environmental policy development and strategic planning at an international level
9. Analytical, outgoing and robust with a pragmatic approach and appreciation for the dynamics in public service organisations
10. Political flair and understanding of public service dynamics and power relations
11. Ability to work as part of an interdisciplinary team with relations to different DPs and their headquarters, ministries and stakeholders
12. Excellent skills for working in a cross-cultural environment, sensitive to cultural differences

Institutional anchorage and reporting

The DP Liaison Advisor collaborates with the rotating lead DPs of the two Development Partner Coordination Groups. He/she will collaborate closely with the WESL Department, all three Directorates and the MWE Advisers. Administratively, he/she reports to ADA.

Annex 12. Refugee situation in Uganda - water supply and the environment

To present a conclusive description in the context of water, sanitation and environment in Uganda, it is necessary to include the refugee situation and how it affects water supply and the environment. Uganda hosts an estimated population of 1,252,470³² refugees and asylum seekers from South Sudan, DR Congo, Burundi, Eritrea and Somalia, as a result of conflict, political instability and famine. The West Nile districts of Yumbe, Adjumani, Arua and Moyo host the bulk of this population.

Gender: The majority of the refugee and asylum seeker population is under 18 years old (58.8%), and an estimated 51.8% of them are female. Women and children combined comprise 81.5% of the entire refugee population. Elderly form a relatively small proportion of the population (2.5%). The distribution according to gender and age groups can be seen in Figure 9 below.

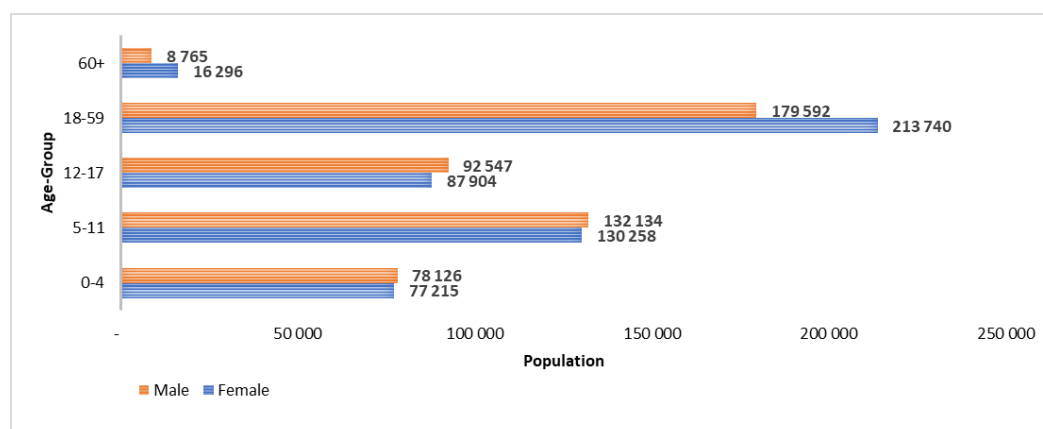


Figure 9:
 Distribution of refugees according to gender and age

To get an idea what it means for the various districts hosting refugees, the Table 34 below has been provided. It clearly shows the distribution per affected districts and also that in districts like Arua there are nearly five times more refugees than the usual district population. In the districts of Moyo and Adjumani, the refugee population is as big as the usual district population.

Table 34: Distribution of refugee populations in various settlements

District	Population in all settlements	District population (UBOS, 2016)
1. Lamwo	7,115	135,600
2. Kyegegwa	24,647	323,900
3. Hoima	45,805	617,600
4. Kiryandongo	51,052	279,900
5. Kamwenge	64,256	442,600
6. Kampala	94,958	1,568,900
7. Isingiro	130,325	517,800
8. Moyo	160,809	141,600
9. Arua (Incl. Koboko)	174,369	799,500
10. Adjumani	224,318	226,600
11. Yumbe	272,707	506,900
Totals	1,250,361	5,560,900

³² Source: Uganda Solidarity Summit on Refugees, 2017 (OPM and UNHCR—note that these figures are the subject of a review and validation process); Census data of district populations from Uganda Bureau of Standards (UBOS) 2016 Statistical Abstracts.

Legal background for service provision

The Refugees Act (2006) and the Refugees Regulations (2010) grant full access to services, property and work and provide for freedom of movement. This is considered to be quite progressive internationally. The procedural process for a refugee starts with an entry phase of one to three days at a reception centre where health screening, documentation of family particulars etc. are carried out and basic non-food items are provided. Subsequently, the settlement phase involves allocation of land for basic housing and farming. Finally, during the integration phase, basic services such as education, healthcare, water supply, security, protection, vocational training and agricultural extension etc. are provided.

Brief situational analysis

Water Supply

By September 2017, it was estimated that up to 19,276m³/day³³ of water is provided to the refugee population, 73% of whom are serviced by 1,187 boreholes (equipped with India Mark II and III hand pumps), and 104 reticulation systems that are powered by mono pumps, solar or diesel generators or hybrids (both solar and diesel) to enable night pumping.

The remaining 27% are supplied with about 5,232m³/day by water trucks. Monthly expenditure on water trucking is about UGX 650 million (USD 176,185) in the Rhino refugee settlement; UGX 760 million (USD 206,000) in the Imvepi settlement and UGX 115 million (USD 31,171) in Omugo (Rhino extension).³⁴ Because of the very large population, water infrastructure is under tremendous pressure, and a recent study by the Danish Refugee Council estimated that up to 50% of the boreholes in settlements were non-functional at any time. For the piped schemes, overuse results in frequent breakdown of electro-mechanical equipment, and as a fall back, agencies revert to water trucking. Clearly water trucking is unsustainable in the medium and long term and presents enormous costs in terms of what other investments in water, sanitation and other essential services these resources could have been used for.

Operation and Maintenance

Water user involvement in the operation and maintenance (O&M) of water provision is very limited. Many refugees are also not currently able to contribute and agencies serving the needs of the refugees have limited skilled staff and, to a certain extent, are overwhelmed by the sheer scale of the response required. NGOs are currently repairing taps and other water infrastructure directly or through local contractors – albeit in an unsustainable way. The Northern Umbrella Authority is located remotely in Lira and is constrained in offering services without further support.

Hygiene and Sanitation

There are an estimated 135,176 household latrines and about 2,696 institutional (hospital, school, market) latrines. At the household level, a simple pit latrine with a dome shaped slab is the common technology. Most institutional latrines are drainable and the need to dispose of their rapidly accumulated sludge has given rise to the urgent need of effective solutions and management.

Environment

Refugee activities and some of the integration policies have resulted in rapid environmental degradation. For instance, the relatively small land plots allocated to refugees for both residential and agricultural use result in overuse, soil exhaustion, siltation and eutrophication of surrounding water courses. Food rations

³³ UNHCR September, 2017 figures.

³⁴ Source: Danish Refugee Council Key Informant Interview (April 2018).

include maize and dry beans, which typically require longer cooking time. A 2017 rapid wood fuel assessment carried out in Bidibidi settlement in Yumbe district by the Food and Agriculture Organization (FAO) and United Nations High Commissioner for Refugees (UNHCR) revealed the following key concerns:

- Fuel wood consumption for cooking was assessed at 20.5kg/household/day or 3.5kg/person/day. For a total population of more than 270,000, the fuel wood needed per day could be up to 952 metric tonnes per day or 347,743 tonnes per year. In West Nile, where tobacco growing and curing and poor agricultural practices (e.g. bush burning), have further depleted wood cover, the impact on loss of forest and vegetative cover is greater.
- Fire wood is the main fuel used for cooking in up to 60% of the households, followed by charcoal and crop residue. The high use of green (non-dry) wood results in larger volumes of fuel wood used. Although there is increasing use of fuel efficient cook stoves by the refugee population, the use of the traditional three stone fire is still quite high (55%).
- Soil erosion, wetland degradation, deforestation and flooding, sand mining and poor solid waste management have also contributed to environmental degradation in the settlements.

Coordination and its challenges

On 19 September 2016, the United Nations General Assembly hosted a high-level Summit for Refugees and Migrants that aimed at improving the way in which the international community responds to large movements of refugees and migrants. At this summit, all 193 Member States of the UN unanimously adopted the New York Declaration for Refugees and Migrants. Among the key new elements are commitments by states to support the development and application of a **comprehensive refugee response framework (CRRF)** for large refugee movements. To better support refugees and the communities hosting them, the New York Declaration calls on the UNHCR, the UN Refugee Agency, to work with a wide range of partners. These include not just governments, NGOs, refugees and other UN agencies, but also the private sector, international financial institutions and civil society, including think tanks, academia and faith leaders.

The Ugandan government coordinates UN support through the Office of the Prime Minister (OPM), whereby Water, Sanitation and Hygiene (WASH) delivery to refugees and host communities follows the New York Declaration coordinated by UNHCR. On a monthly basis the humanitarian WASH community meets with UNHCR as the chair, and MWE (and UNICEF) as co-chairs. Important progress has been made under UNHCR's mandate, whereby the water supply services have increased tremendously, and on average, people in refugee settlements can access 15 litres per person per day (lpppd), though this is still less than Uganda's guideline of a minimum of 20 lpppd for rural water supply. Water trucking, which is very costly compared to other water provision, was reduced sharply, as piped schemes providing water through boreholes were gradually constructed.

The achievements were not without challenges. UNHCR and implementing partners had to work, especially in West Nile, in a situation where refugees streamed in in an uncontrolled manner and WASH services had to be brought to the communities where they settled, rather than planning for these where the resources were available and the amount of people to be served was known. This has resulted in many smaller water supply systems that were set up in an ad hoc manner with many different designs, often not tailored for long-term use. The linkage with the MWE has only gradually happened, and national guidelines for water supply systems were therefore mostly not followed. Also, boreholes were often poorly designed. Finally, sanitation and hygiene aspects are only rudimentarily covered, whereby households construct their own latrines and faecal sludge management is barely happening.

Much as the attempts for coordination are commendable, there is still a great need for further coordination and improved planning and coordination, especially with MWE and bilateral and multilateral donors outside the UN framework.

MWE response and involvement

The MWE is in the process of formulating a costed Water and Environment Sector Response Plan within the CRRF. The MWE has therefore formed a task team representing all Directorates as well as Climate Change. The task team, together with DPs will work on the development of a detailed plan that responds to the needs of the refugee settlements and host communities in gradually moving from humanitarian support to development support in all areas of water and environment. The plan will be costed and afterwards used to guide all implementations.

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Government of Uganda



Ministry for Water and Environment