

MAXIMIZING THE BENEFITS FROM WATER AND ENVIRONMENTAL SANITATION

Out of projects and into SWAP
Lessons from the Ugandan rural water and sanitation sub-sector

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Experience of Sector-wide Approaches (SWAPs) for improving rural water supply and sanitation in Uganda has shown that not all of the “negative” aspects of project are overcome. Despite the difficulties that RWSS has experienced with regards to SWAP, we do not urge Donors or Government to abandon this approach. However, for SWAPs to work, and enable Governments to develop the vision for development of their citizens, a high level of commitment is required among all stakeholders, a long time horizon (more than ten years) is essential. Issues of procurement and accounting procedures, management skills and systems in Government, inadequate remuneration of civil servants, heterogeneity between different parts of the country and the need for targeted support to disadvantaged districts, and donor coordination need to be fully addressed.

Introduction

Numerous policy papers about the Sector-Wide Approach (SWAp) have been written by “donors and their consultants” (eg Brown et al., 2001; Hutton, 2002, CIDA 2000; and Schacter 2000). Literature on SWAPs is dominated by official donor preoccupations and analyses with relatively little written from the perspective of developing country governments or civil society (Tomlinson, 2000).

Experiences from the SWAP in the Ugandan Water Sector have already had notable impact on the way in which the Danish Government is formulating water sector programme support in other countries, with the Uganda model a driving force in the development of new water sector programme support to Kenya, Zambia and possibly Ghana (Anon, 2004).

This paper attempts to address the imbalance of analysis of SWAP by sharing the experiences of Government employees through the transformation from a project to a (SWAp) approach in the Rural Water Supply and Sanitation (RWSS) sub-sector in Uganda.

The report authors have experienced working with central and local Government through this transition.

SWAPs

Objectives

Schacter (2001) and Muhumeza et al (2002) outline the major criticisms projects suffered during the 1990s:

- fragmentation of development assistance as donors pursued their own objectives
- inadequate consideration of inter- and intra-sectoral issues or beneficiary country needs and preferences
- lack of local ownership of programs
- excessive burden on local capacity due to multiple donor relationships
- weak public sector management, local managerial passivity and subterfuge

- long preparation times and implementation delays
- high administrative costs
- limited sustainability and impact.

Sector Wide Approaches (SWAPs), also referred to as Sector Wide Approaches to Planning (SWAPs) were introduced into the development arena in order to overcome such negative aspects of project approaches.

By supporting the development vision of the recipient country’s own government, SWAPs are intended to strengthen country ownership and leadership and provide a real opportunity to strengthen the country’s own capacity, systems and institutions (Rodlan et al, 2004). SWAPs are also intended to enhance the possibility of government to ensure uniform practices (Anon, 2004).

Definition

Schacter (2001) and Brown et al (2001) state that SWAp is an approach to development assistance rather than clearly defined rules and procedures. DFID (2001) defines SWAP as a process whereby

- (i) funding for the sector supports a single policy an expenditure program,
- (ii) the program is under government leadership,
- (iii) the program adopts common approaches in the sector.

Brown et al (2001) adds that SWAP

- (iv) progresses towards relying on Government procedures to disburse and account for all funds.

Prerequisites

Prerequisites for the introduction of SWAP are the existence of a robust national framework for the sector which reflects national policy documents (Anon, 2004). DANIDA (Anon, 2004) states that Uganda’s National Water Policy (1999) and the PEAP provide just that important background.

DFID (2001) states that SWAp is

- “generally accompanied by efforts to strengthen government procedures for disbursement and accountability” and
- that it should involve “broad consultation in the design of a coherent sector program at [all] levels”.

Rodlan et al (2004) states SWAp require partnership and close coordination among the government, development partners and other relevant stakeholders, and commitment on the part of all parties to openness, consultation, and sharing of information.

However, the literature does not highlight the importance of interpersonal relationships, particularly for young and developing institutions.

Uganda RWSS Experiences SWAp

The Ugandan rural water and sanitation (RWSS) sub-sector adopted a “Sector-wide Approach to Planning (SWAP)” in 2000/1 whereby all sub-sector funding:

- follows a common approach
- is within a framework of a single expenditure plan (Sector Investment Plan (SIP 15))
- relies on Government of Uganda procedures for disbursement, accounting, monitoring and reporting on progress

All funds for RWSS investments are transferred to the GoU consolidated fund and then remitted to the Districts as Conditional Grant for RWSS. This has enabled RWSS implementation to take place in all districts at the same time (MWLE, 2004).

Transition from projects to SWAp

Prior to the SWAp, a number of projects were undertaken in the RWSS sub-sector (ie SWIP1, RUWASA2, WATSAN3, WES4). Although approaches to key areas including community mobilization and hygiene education, as well as staffing structures were well developed and tested in these projects, many of these were not carried over in the transition to SWAp.

Rather than explicitly determining which approaches, were particularly successful and should thus be incorporated into SWAp, the prevailing attitude was that the “projects are ending”. Approaches utilized by the WES program, which was decentralized, relied heavily on Government structures and was coordinated from the capital, Kampala automatically became part of the SWAp. Many key lessons from other projects were initially shelved.

It must be emphasized that the SWAp approach was introduced at about the same time as contracting out service delivery for rural water supplies to the private sector and increased emphasis on decentralization.

Comparison between projects and SWAp

Table 1 summarizes eight areas where considerable differences between the SWAp and project approach have been observed in the Ugandan RWSS sub-sector.

Table 1. Comparison between SWAp and Projects

Projects	SWAp
Accountability is to donors rather than citizens. Overall performance is difficult to measure due to different approaches.	Accountability is still primarily to donors due to relatively weak civil society. However, performance measurement is undertaken for the sector as a whole.
Innovations are relatively easy to introduce. A project can nurture a culture of learning.	Innovations are difficult to get off the ground due to bureaucracy and “urgency for outputs”!
Heterogeneity between different areas and peoples can be taken into account.	Heterogeneity is barely considered as a uniform approach is taken across the country.
Staff can be paid a living wage and sanctions can be taken for poor performance. Staffing structures can be adjusted to respond to local needs.	Staff are not paid a living wage and must earn a living through alternative means. Government rarely sanctions against low performance. Staffing structures are lean. Supervision of local Government and the private sector is difficult.
Financial flows are relatively smooth, flexible and timely once released from the donor.	Financial flows suffer from bureaucracy and funds tend to arrive late
Funding is insulated against budget cuts and unrealistic political requests	Funding can be reallocated to other sectors. Insulation from political requests varies..
Procurement can be undertaken in bulk to ensure economies of scale.	Procurements suffers from diseconomies of scale as small contracts are tendered out separately by Districts.
Inflation is not regulated through macroeconomic controls. Projects can attempt to spend as much money as they can attract.	Inflation is regulated through macroeconomic controls over sector ceilings. Government cannot use more funds than specified by sector ceilings.
Multiple donors place different demands on Government.	Multiple donors do not always take a common stance.

SWAp in Practice

The eight issues set out in Table 1 have major implications:

1. Accountability in RWSS by the Ugandan Government to its own people was difficult under projects, which were fragmented and tended to focus more on accountability to donors than to its citizens.

Through the annual Joint Sector Review process, donors, civil society and government all examine performance in the sector and make recommendations for improvements. However, donors have been discouraged from supporting NGOs, and encouraged to contribute to basket funds. Due to existing procurement criteria, these funds are not easily accessible to NGOs. In cases where NGOs can access Government funds, financial dependence threatens to undermine the independent voice of civil society.

The Uganda Water and Sanitation NGO Network (UWASNET) aims to coordinate over 100 sector NGOs and CBOs in the country. Currently, over 80% of UWASNET funding is from Government, undermining the independence of the organization.

The sector performance measurement process aims to capture the performance of NGOs and Government. It remains to be seen if this will enable NGOs to be critical of Government, or whether they will focus on being noticed.

The decentralized procurement of private sector contractors has resulted in considerable corruption and political interference in RWSS at District level. Central Government is still trying to find ways of overcoming the poor quality workmanship and inequity that this sometimes causes. Lean staffing and inadequate financial resources for contract supervision at local levels render this a very difficult task (Carter et al, 2003).

2. Innovations are very difficult to develop and promote under SWAP due to bureaucracy, lack of consideration of heterogeneity (see below) and the urgency for outputs. At the early stages of innovation development and promotion, the freedom to pilot and demonstrate different approaches and technologies is essential. This requires a project approach.

The Joint Partnership Fund (JPF), which has been set up for sector capacity building allows a funding mechanism for innovations. However, lack of clarity regarding how funds should be spent and accounted for has resulted in lack of trust in Government by some JPF donors. This threatens to undermine the project environment which is essential alongside the SWAP to enable innovation and learning to take place.

Scaling-up innovations while they are still not well understood is a further challenge. Domestic roofwater harvesting, for example, has been piloted by in several parts of the country through NGOs on a project basis. However, its proving to be a major challenge to mainstream the technology and implementation approached. The pressure to scale-up on a national basis, even when some Districts lack capacity is very high.

Lean staffing structures in central Government mean that it is difficult for civil servants to focus on innovations and provide the requisite support to local Government.

3. Heterogeneity. Districts closer to larger towns, with more resources and better infrastructure (eg schools, hospitals) tend to and benefit more from assistance than remoter, less resourced and less organized areas. Heterogeneity in terms of remoteness, capacity, socio-economics and culture is currently difficult to consider. SWAP encourages uniform policies and uniform support throughout a country which is not uniform.

This is unfair in terms of inequity reduction. The current preferred mode of funding (budget support) treats all districts the same and yet some disadvantaged districts with difficult terrain and poor infrastructure would be better served by project Aid, but this is currently discouraged.

Fortunately, parallel projects, supported by DANIDA in Rakai District, IFAD in Hoima District, Irish Aid in Kibale and Austrian Aid in Kisoro District have been able to fill some capacity gaps (financial and human

resources) in these areas. Other disadvantaged districts have been less fortunate.

4. Staff. Moving from a project to SWAP in RWSS in Uganda has meant scaling up water supply provision with less staff, and lower remuneration. Although the private sector is now responsible for construction, a high degree of competency regarding contract management is essential to ensure construction quality. Government must be strong in order to supervise, regulate and monitor implementation.

The reality is that under the current SWAP, RWSS faces:

- lean staffing structures at both Central and District level
 - lack of sanctions for non-performance of staff
 - no salary compensation in Government wages for heavy workload. It is thus very difficult to recruit high caliber staff for remote parts of the country and employees must look for alternative, parallel ways to earn a living.
5. Financial flows from central Government to Districts are late every year. The first tranche of funds usually arrive in the second quarter of the financial year and the final tranche in the last month. Funds are thus available for only about half of the year. Unspent monies are remitted to central Government. This causes a sudden rush in the Districts to build infrastructure. Community mobilization, and the collection of community contributions are often neglected as a cause, with detrimental effects on sustainability. The private sector is overwhelmed with demand (Carter et al, 2003). Various weakness in the financial system (including lack of clear guidelines and lack of trust) and among staff in central Government often result in a bureaucratic nightmare in order to successfully requisition for funds. Directorate of Water Development (DWD) staff sometimes wait for months before requested funds are released. This delays activities and lowers moral and has a negative impact on District support.
 6. Funding. Districts have argued that the conditionalities which accompany grants to local governments are unconstitutional as they undermine their autonomy to allocate funds according to their priorities. However, under fiscal decentralization (currently being introduced), Districts will continue to have more autonomy to determine their priorities and more latitude for use of funds without recourse to the centre. Although this sounds good, it carries with it the high susceptibility of local political interference that may lead to diversion of funds to satisfy 'political requests'. This even more likely in an election year (2006)! Although central Government is relatively isolated from political requests, the potential allocation of funds between sectors or sub-sectors is possible.
 7. Procurement at District level means that the tenders for works are very small. This has the potential to allow very small local firms and artisans to undertake work within their locality. However, the tender regulations in place

favor companies which are VAT registered – and thus larger in size and more experienced. High-cost of water supply provision methods ie borehole drilling is rendered even more expensive by the small number of sources which are tendered out by each District. For example, Yumbe District situated in the remote north western corner of Uganda, tenders out about four boreholes per year. The cost of equipment transport, for such a small number inflates drilling costs considerably.

8. Inflation. Sector Budget Ceilings (SBC) are set by Ministry of Finance (MoF). They are based upon estimates of the overall resource envelope and sector priorities. Ceilings depend on the strength of the case for expenditure in one particular sector relative to the claims of other sectors.

The argument for budget support and sector ceilings is that different donor funded projects are inflationary and destabilize the economy. Thus each sector should have a ceiling dependent on the general priorities within the economy and then prioritize within it. Should any donor wish to provide funds (loan or grant) for the sector, the sector, MoF deducts an equivalent amount from other funds. In total therefore the ceiling stays the same (ie no additionality). However, this funding principle raises two issues.

- What rationale is used in determining the priority of say rural roads over rural water? The allocation principles between sectors have never been explained. There is thus competition between sectors which is not understood by all stakeholders.
- The current sector ceilings for RWSS mean that Uganda can not achieve its Strategic Investment Targets set over the next 15 years even when development partners are willing to devote extra resources to the sector.

Recommendations

A number of issues need to be carefully considered when operating in a SWAP environment.

One must not underestimate the time and effort which is required in order to achieve the required level of trust and real partnership amongst donors, between donors and Government and within Government. One must pay more than lip service to the phrases “broad consultation”, “close coordination” and “partnership” stated as prerequisites for SWAP. High level dialogue alone is not enough but rather needs to extend right down through less senior levels of central Government and to local Government. The day to day realities of operating in a SWAP environment need to be appreciated by decision makers among Donors and Government. If SWAP is indeed an approach as stated by Schacter (2001) and Brown et al (2001) a culture of continuous learning and improvement needs to be cultivated among donors and the Government. However, given the inevitable drive for outputs, there is the need to appreciate the delicate balance between improving the SWAP process and achieving the product, ie the sector targets.

DFID (2001) states that efforts to strengthen government procedures for disbursements and accountability generally accompany SWAPs. Experience in RWSS shows that this is an essential requirement. There needs to be an in-depth review of these procedures both at local and central level, followed by a gradual, step by step and integrated approach to improving them. Late releases of funds and lack of clarity regarding accounting procedures are a major threat to the success of operating within a SWAP environment.

The management skills and systems which need to be cultivated and developed to manage a national program in a country with poor infrastructure should not be underestimated. For central Government, learning their new roles and responsibilities is a major challenge. Providing the right level of guidance and support to rural water supplies in 56 districts is not something which is learned overnight. Although these challenges are being met, improvement will continue to demand more time and adequate support. Central government needs donor representatives who are willing to listen, get alongside in facing difficulties and understand this very difficult transition.

The effects of poor remuneration and lack of rewards or sanctions for staff performance on the morale of Government staff must be recognized. Efforts to reduce corruption and improve concentration at work must address these facts. If SWAPs are to build on the foundation of Government, civil servants must be well motivated to perform well.

Conclusions

Despite the difficulties that RWSS has experienced with regards to SWAP, we do not urge Donors or Government to abandon this approach. SWAP can work, and enable Governments to develop the vision for development of their citizens. However, when implementing and supporting this approach, a high level of commitment is required among all stakeholders, a long time horizon (more than ten years) is required. Issues of procurement and accounting procedures, management skills and systems, inadequate remuneration of civil servants, heterogeneity between different parts of the country and donor coordination need to be addressed.

Notes

1. South West Integrated Health and Water Project
2. Rural Water and Sanitation Eastern Uganda
3. National Water and Sanitation Program

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