



The Uganda Water & Sanitation Dialogues

**Reviewing the institutional framework for Sanitation in Uganda: The
case for new Sanitation Council**

September 28, 2008

EXECUTIVE SUMMARY

This paper arises out of the Multi-Stakeholder Dialogue on Water and Sanitation in Uganda, a sector-wide process addressing the sharing of roles between the public and private sector in efforts to make optimum use of all available resources and accelerate the achievement of service improvement goals in sanitation. A major obstacle identified is the weakness of institutional arrangements for sanitation, given the absence of a specific home for the sector and the lack of a specific policy framework.

It is argued that the water and sanitation sector reforms in Uganda gained momentum in the context of broader public reforms i.e. economic liberalisation and decentralisation, respectively under the Public Enterprises Reform and Divestiture Statute (1993) and the Local Government Act 1997. However, while private sector participation in water services provision originates from this reform era, private sector provision of sanitation far predates the reform programmes, and its record in the experience of most ordinary people surpasses that of public service provision.

Indeed while private sector provision of water and sewerage services has been rife with controversy, in sanitation, it has long been accepted as fact, the only real problem being the weak and confusing institutional frameworks within which the private sector must engage in the sanitation sector.

Much of the confusion arises from the fact that there is no single government institution that takes responsibility for sanitation. The sector is spread across different ministries, agencies and government levels, budget lines as well as policy frameworks, that it is confusing even to sector players to figure out which agency will take responsibility for what.

Various measures have been taken by the concerned stakeholders to attempt to streamline the responsibilities for sanitation, notably the Kampala Declaration on Sanitation, the Ministerial Memorandum of Understanding for Sanitation, the National Sanitation Working Group, including the on-going review of the ministerial MOU. Other attempts have been made to fill the policy vacuum created by the lack of a sanitation-specific policy with various strategies, notably the 10-Year Improved Sanitation and Hygiene Strategy 2006. However, all these efforts have yielded little success largely because of the absence of a clear institutional structure through which they can be coordinated.

To address this gap, this paper proposes the creation of a specific organ responsible for sanitation and a sanitation specific-policy to give this sector a home and coordinate all efforts towards improved sanitation in Uganda. With clear structures of responsibility, sanitation will be a more attractive destination for private sector investment.

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1.0 BACKGROUND

1.1 Emergence of Sanitation from the Water Dialogues

This paper arises out of the Multi-Stakeholder Dialogue on Water and Sanitation in Uganda, a sector-wide process addressing the sharing of roles between the public and private sector¹ in the effort to initiate appropriate interventions to create an institutional, legal and policy environment that ensures available resources are optimally utilised to improve service provision and meet national and global goals².

While the international discussion mostly focuses on water, was agreed by stakeholders in Uganda that Sanitation be clearly articulated and addressed in the Ugandan dialogues³, to reflect the growing sector debate regarding the sharing of responsibilities for sanitation and the significant role the private sector must play in the improvement of sanitation services⁴.

1.2. Water and Sanitation sector reforms

The water and sanitation sector reforms in Uganda gained momentum in the context of broader public reforms i.e. economic liberalisation and decentralisation, respectively under the Public Enterprises Reform and Divestiture Statute (1993) and the Local Government Act 1997. Economic liberalisation paved way for the privatisation of public enterprises through sector and institutional reforms, including the supply of essential social services. Among the public enterprises scheduled for divestiture was National Water and Sewerage Corporation, opening debate about the privatisation of water and sewerage, *and by extension, sanitation*. The divergent and dissenting views on 'private sector participation' in water supply and sanitation in Uganda emerged during this period – coming from the government sector, NGOs as well as the general public.

The controversies notwithstanding, a series of interventions have been undertaken that introduced private sector participation in water and sanitation service provision in both large and small towns, with mixed results, but with the growing conviction in the sector that the private sector must play a role if set targets are to be achieved⁵. In large towns, NWSC has experimented with the

¹ A part of the international Water Dialogues, the UWSD arose out of concern that the lack of a clear sharing of roles between the public and private sector was causing unnecessary conflicts in the process of service provision and hampering the delivery of services to people who need them, especially the poor.

² Uganda's development targets for water and sanitation are based on the Poverty Eradication Action Plan and the UN Millennium Development Goals.

³ Hence the formal reference to the Ugandan process as the Uganda Water *and Sanitation* Dialogues, while other countries' processes are only referred to as the Water Dialogues

⁴ Responsibility for sanitation is shared between various sectors, but none of these considers it to be their core mandate.

⁵ National Water Policy 2005; Water and Sanitation Sector Performance Report 2007

international private sector and its current 'commercialisation' reform programme is based on an imitation of private sector principles of reward for performance in relationship to its area managers⁶. In the small towns, local private water operators have been engaged to manage systems in a growing number of small towns around the country, on behalf of local governments, and are increasingly being encouraged to manage sanitation as well⁷. Private cesspool emptiers, especially through the Private Emptiers' Association, are also playing a growing role in urban areas, where networked sewerage services are not sufficient to satisfy the needs of the growing population and where land scarcity means that even latrines must be emptied and reused due to lack of space for new structures.

1.3 The private sector in sanitation

The largest provider of sanitation services in Uganda is the private sector. It is reported that only about 8% of Ugandans (mainly urban and in large towns) are served by the sewerage network operated by the public utility, National Water and Sewerage Corporation⁸. The majority of Ugandans (currently 92% or more) provide their own sanitation services through private means, mostly on-site approaches like septic tanks, VIPs, ordinary latrines, urine diversion ecosan toilets, etc. Most of these are established through small scale independent providers like masons, artisans, pit diggers, builders and others. The breakdown is presented in Figure 1 below:

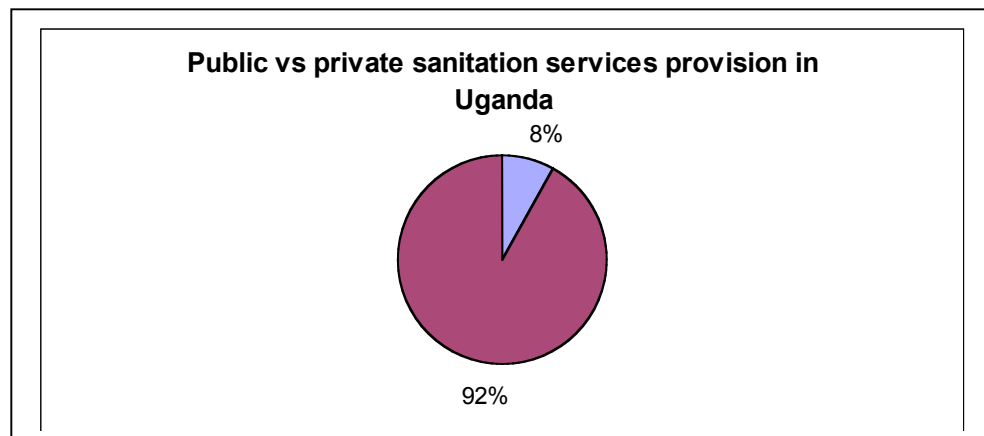


Figure 1: public vs private services provision in Uganda.

Solutions provided by formal companies like Crestanks and Poly Fibre (manufacturers of prefabricated modular toilets) are also largely installed by small scale independent masons and builders. Maintenance/ emptying services

⁶ It is expected under the reform programme that NWSC's areas will eventually be contracted to purely private sector operators

⁷ Water and Sanitation Sector Performance Report 2007

⁸ Water and Sanitation Sector Performance Report 2007

for such facilities are also largely provided by private cesspool emptiers, mostly small scale enterprises. Private provision of sanitation services in Uganda therefore has a history that predates the sector reform programmes, and a record that surpasses public service provision.

Part of the foundation for the private sector's dominant contribution in sanitation provision is laid in the Public Health Act (1964) which states that provision of sanitation services/ facilities in Uganda is the responsibility of households. The law requires property owners/ managers to provide sanitation facilities on their premises as a condition for their habitation⁹.

The new thrust of local and international policy/ advocacy processes is that without enhanced private sector participation, sanitation service provision goals will not be reached. This position relies on the practical realities of the legal framework that delegates the responsibility for sanitation provision to the private sector, and the historical experience of many Ugandans satisfying their sanitation needs through private sector providers, It also relies on the recognition of the business potential of sanitation, and therefore its attraction for private investment¹⁰.

On the policy level campaigns, protocols and strategic guideline documents have prioritised private sector contributions towards achievement of MDGs. Respectively, these include examples like: the *International Year of Sanitation 2008*, the *African Action Plan 2008* (signed in February 2008 by African Ministers responsible for sanitation) and the *Ugandan 10-Year Improved Sanitation & Hygiene (ISH) Financing Strategy 2006-2016*. The ISH particularly, advocates private sector-driven approaches, like sanitation marketing and public-private partnerships, as the most affordable and sustainable¹¹, and by so doing maps a clear future for the private sector engagement in sanitation services. The question at this point is, what is stopping the private sector in Uganda from seizing this opportunity?

⁹ The Public Health Act (1964) provides that any dwelling without proper sanitation facilities should be closed down and or its owner prosecuted

¹⁰ It is reported that for every dollar invested in improved sanitation, \$ 8 - \$24 is earned as profit, either in terms of payment for the service or savings made from improved health and social welfare. This also takes into account the close relationship between sanitation and other MDGs like poverty reduction, child mortality and others (Water Aid 2007)

¹¹ These new approaches inform a significant proportion of new interventions in the sector, e.g the GTZ-Crestanks-Poly Fibre Public Private Partnership in Kampala; the sanitation marketing approaches being piloted in Tororo by the USAID-funded Hygiene Improvement Project and in Namutumba district by WSP-World Bank, based on the mobilization of local masons and financial services providers; the Handwashing campaign in which Unilever and Mukwano are active, as well as the increasingly prominent Private Cesspool Emptiers' Association which brings together informal operators of emptying services. Also notable are formal products manufacturers like Crestanks and Poly Fibre, which make pre-fabricated plastic toilet inputs and, finally the large numbers of masons, latrine builders, pit diggers, latrine product suppliers, who serve the majority of Ugandans.

2.0 CONTEXT OF SANITATION SERVICE PROVISION

2.1 Economic context

The economic system in Uganda is private sector-led with government institutions mandated to carry out policy and regulatory functions. However, given the high levels of poverty, the main national development strategic framework is the Poverty Eradication Action Plan (PEAP), with a substantial proportion of development programmes financed by donors. As such most sanitation interventions are subsidy-driven. This is prohibitive of private sector entry as it distorts the potential market and creates the unrealistic expectation that sanitation services are free or otherwise paid for by the government/ donors/ NGOs. However, the new policy direction in sanitation reforms favours self-provision over subsidies and presents an opportunity for private sector participation.

2.2 Socio-cultural

Uganda has diverse cultural attitudes towards sanitation that often enable or impede improvement. In most cultures the subject of sanitation, especially the disposal or handling of faeces, is seen as taboo and not to be discussed. Such silence prevents the influence of community pressures in favour of better practices and presents an opportunity for private sector innovation to create specific products for the needs of these communities and stimulate demand for sanitation services.

2.3 Policy & legal context

All key national development strategies recognize that improving access to sanitation and hygiene can make an integral contribution to improvement of the health of Ugandans and reduction of poverty¹². Over the past decade, the Government has undertaken a range of policy and institutional reforms to improve sanitation and hygiene and promote well being (see Annex 1). In recognition of its impact on the national disease burden, particularly high diarrhoeal disease morbidity, and infant and child mortality and morbidity, sanitation is gaining increasing priority in Uganda level (see Ministry of Finance, Planning & Economic development, 2004). It is a priority of the country's commitment to the MDGs, the 2004-2008 Poverty Eradication Action Plan (PEAP), and Government's Environmental Health Policy and the Water Policy. It should be noted however that there is no specific national sanitation policy in the sector designed to guide sanitation interventions.

The sanitation sector in Uganda is managed under a broad network of laws, regulations, bye-laws and policies. Sanitation-related policies and legislations date back to the early 1960s, with the enactment of the Public Health Act 1964,

¹² In this paper, sanitation is defined in terms of the isolation of human excreta from the environment; maintenance of the safe water chain; the sustained practice of personal, domestic, public and food hygiene; safe disposal of solid and liquid wastes; and control of disease vectors and vermin .

amended in 2000. The Public Health Act clarifies the power of the national and local governmental authorities in the prevention and suppression of infectious, epidemic and venereal diseases, provision of sanitation and housing and for the prohibition of public nuisances. It also clarifies the rights and responsibility of local governments to provide public sewers and sewerage disposal works, as well as the rights of owners and occupiers to drain into public sewers. In addition to these a number of other laws and regulations have been passed pertaining to waste and water pollution, such as the Water Act, National Environment Management Act and the Waste Regulations (see annex).

Assessments of the sanitation sector have concluded that existing policy and legal frameworks are sufficient to achieve desired improvements in sanitation services, the problem being only the lack of law enforcement. However, it must be noted that none of the policy and legal instruments referred to introduce any specific institution in charge of sanitation. Instead, they distribute functions across a range of ministries and government levels. This institutional weakness and lack of coordination among the institutions responsible for sanitation improvement (especially between the central government institutions and local governments) may explain the general absence of sanitation law enforcement and the difficulty in the improvement of access to safe sanitation services.

3.0 INSTITUTIONAL ARRANGEMENTS FOR SANITATION

3.1 Institutional arrangements for sanitation

	Institution	Responsible department/ division	Specified role
1	Ministry of Health	Environmental Health Division	Promotion of household hygiene and sanitation
2	Ministry of Water and Environment	Directorate of Water Development and National Water and Sewerage Corporation	Planning investments in sewerage services and public toilet facilities in urban areas
3	Ministry of Education and Sports	Primary Health Department	Latrine construction and hygiene education in schools (<i>Administratively educational institutions/schools fall under local governments but for sanitation are [wrongly] presumed to be under control of MOES</i>)

4	Ministry of Gender, Labour and Social Development	Community Development Department?	Develop policies and guidelines with respect to community mobilisation and empowerment, gender responsiveness, coordinating and mentoring community development workers, and coordinating cross-cutting development areas like education, health and water and sanitation across all sectors
5	Ministry of Local Government	----	Inspect, monitor, advise and provide technical assistance to local governments as per Local Govt Act 1997
6	Local Governments	District Health Inspectorates/ Water Offices	Law enforcement and provision of sanitation services at the local level
7	National Sanitation Working Group		Coordinate ministries responsible for sanitation; coordinate sanitation promotion activities in sector
8	District Water and Sanitation Working Groups		Coordinate sanitation promotion activities at the district level

Table 2: Institutions responsible for sanitation in Uganda

As shown above there is no single institution with direct mandate to authoritatively deal with sanitation in Uganda. Roles and resources are scattered around the various institutions, with no specified lead agency. There is also concern regarding the delegation of specified roles within the ministries. For example in the Ministry of Health, EHD has no mandate to budget for sanitation since it is below the level of a department. In the Ministry of Water and Environment, DWD has no specific division (or even section) for sanitation (except rural sanitation, which is covered by the Department of Rural Water and Sanitation). Hence, the ministry allocates no specific resources for sanitation. MWE has recently created and filled the position of a Sanitation Coordinator, driven by its new pro-sanitation ministerial team. The problem with this

endeavour is that it has no grounding in policy or in the organisational structure of the Ministry and can easily be abandoned. To further emphasise the lack of a clear institutional structure for sanitation, below are institutional coordination relationships for sanitation in Uganda, as presented in a recent continental report:

Country	Uganda
National body in charge of wastewater and excreta in urban areas	City Councils and their technical departments (e.g. KCC)
National body in charge of wastewater and excreta in rural areas	Ministry of Water and Environment
Lead national body for health education and hygiene promotion	Local governments
Sector coordination: Existence of a formal coordination committee	Yes, at both national and local government levels
Quality of the coordination	*** ¹³
Lowest level of authority charge of sanitation	Local governments
Are problems in implementing decentralisation in the sanitation sector mentioned in the Country Sanitation Review?	Yes

Table 3: Coordination of sanitation

Extract from *Can Africa Afford to miss the sanitation MDG target? – Overview of sanitation and hygiene in Africa; AMCOW/ WSP-World Bank, 2008*. Worth noting is the responsibility of “lead national body for health education and hygiene promotion”, allocated by the report to “local governments”. This is a complex arrangement as there are more than 80 districts in Uganda (a number that is constantly changing), further desegregated to town councils in urban areas, and each operating as a semi-autonomous, self accounting entity.

A number of measures have been undertaken to improve the institutional, policy and strategic arrangements under which sanitation services are delivered over the past decade. These are hereby presented in chronological order to demonstrate that the sector has recognized the institutional weaknesses and has been taking measures, though unsuccessfully, to bridge existing gaps:

- Kampala Declaration on Sanitation (KDS) 1997
- Ministerial Memorandum of Understanding 2001
- Formation of the National Sanitation Working Group 2003
- Environmental Health Policy 2005
- Improved Sanitation & Hygiene (ISH) Financing Strategy 2006

¹³ Poor coordination appears to be not just a Ugandan, but Africa-wide problem. In fact, Uganda is one of the continent’s leaders on institutional coordination of sanitation.

3.2 Kampala Declaration on Sanitation 1997

In response to the decentralisation reforms in 1997, a National Sanitation Forum was held to raise the profile of sanitation and develop a national programme of action through leaders of the local governments. The forum produced a Kampala Declaration on Sanitation 1997, with strong backing from political leaders of all 45 districts in Uganda at the time, as signatories¹⁴. In essence, local leaders agreed - a 10-point strategy - to commit resources and act as champions to reverse the declining status of sanitation. However, despite this strong initial support, and the continued devolution of service delivery responsibilities to the local levels, the KDS has not resulted in any significant local government responses to sanitation improvement. In fact, in some cases, the situation has deteriorated. This has been largely due to unclear institutional mandates at the national and local government level. The current National Sanitation Programme for the International Year of Sanitation 2008 has proposed a KDS+10, to 'renew' the commitment of local government leaders to sanitation improvement. However, under the same weak institutional arrangements at the national level, the results may not be very different in terms of implementation at the district and lower local levels.

3.3 Ministerial Memorandum of Understanding 2001

A key reform measure undertaken by the ministries in this context was the signing of a Memorandum of Understanding (MOU) between the Ministries of Water and Environment (MoWE), Education and Sports (MES), and Health (MoH), in 2001. The MOU was a Government of Uganda effort to address the structural shortcomings in the context of institutional responsibilities with respect to sanitation and hygiene and improvement at the national level. Under the MOU, the three Ministries agreed to put in place institutional arrangements, including cooperation mechanisms, and to prioritize resources with respect to sanitation and hygiene. The MOU distributed responsibilities (as in Table 2 above) for the three ministries, with the requirement that each provide an institutional anchor (DWD, EHD, Primary Health Department) for their area of responsibility, including prioritisation of resources. These roles were not meant to be exclusive and it was intended that strategies would be devised to maximise cooperation between departments and with other organs in these areas.

Unfortunately, adherence of the ministries to these commitments has remained relatively weak, presenting a significant challenge for the operationalisation of the MOU and pushing the sector to seek its review¹⁵. The following are some of the main challenges in implementation of the MOU:

1. Excludes key players in sanitation implementation, including the Ministry of Local Government (and the local governments) and the Ministry of Gender, Labour and Social Development.

¹⁴ The number of districts in Uganda has now risen to 80

¹⁵ MOU's review is ongoing with support from WSP/ World Bank

2. There is no policy/legal basis for implementing the MOU, no clear accountability mechanisms that can be enforced on the basis of a policy framework or budget allocation.
3. Offers no guidance on how the three responsible sectors are to be coordinated to fulfil their mandates at local and national levels (NSWG was set up two years later as the coordinating mechanism, but its roles and functions are also unclear)
3. It focuses on excreta management and ignores the institutions mandated for environmental sanitation, including solid waste management and drainage.
4. In the special case of large towns where NWSC operates, the MOU does not address the role of NWSC vis-à-vis town councils

3.4 National Sanitation Working Group (2003)

In 2003, the sector reviews of Health and Water & Sanitation, agreed to establish a joint working group dedicated to sanitation, to promote the national sanitation programme and guide the implementation of the MOU above. Subsequently, the National Sanitation Working Group was formally established on 19th November 2003, at a meeting of the Water & Sanitation Sector Working Group (WSSWG). The NSWG is chaired by a representative of the sector donor group (WSP-World Bank), with EHD-MOH as its secretariat. It has a broad membership, including representatives of government, donors and NGOs. It has since become the key policy and strategy coordinating forum of the sanitation sector, implementing such activities as Sanitation Week, the International Year of Sanitation 2008, etc. The NSWG's mandate is to "*raise the profile of sanitation*" with the following specific tasks elaborated:

- Co-ordinate and liaise with sanitation stakeholders and operationalise the MoU.
- Facilitate operationalisation of the MoU, the NSWG and its Secretariat:
- Advocate for clear budget mechanisms for sanitation at all levels to fulfil the institutional mandates as reflected in the MoU;
- Test models in selected districts and urban councils to guide future strategy, work-plans, budgets, implementation mechanisms and coordination at district and sub-district levels.

The NSWG has spear-headed preparation of a range of strategic sector instruments, key among which is the *10-year Improved Sanitation and Hygiene Financing Strategy, 2006-2016*. It has initiated a national hand washing campaign, the Sanitation Week over the past five successive years, and currently guides a work plan of promotional activities for the International Year of Sanitation 2008.

The NSWG has improved coordination in the sector by lobbying for its integration in the PEAP, JSRs and HSSP II. However, it faces a number of challenges, many of them originating from the institutional weaknesses of its host secretariat EHD, and the multi-institutional structural weaknesses embedded in the MOU, which it was established to coordinate. For instance:

- Key stakeholders are under-represented i.e. National Environment Management Authority, MOES, Ministry of Local Government, etc¹⁶
- Working directly under mandates of Water and Health, its link to implementing institutions (local government level) is weak at best, or even non-existent. The NSWG has lobbied for establishment and operationalisation of District water and Sanitation Boards for this purpose, but success in this area remains weak given its lack of clear institutional/ policy mandate
- NSWG suffers the institutional weaknesses of its host secretariat (EHD) and so has been weak in facilitating coordination and sharing of information about ongoing sanitation activities and programmes across the sectors
- Like the MOU it was established to coordinate, NSWG has much goodwill, but not the institutional clout/ mandate to ensure that responsible sector institutions deliver on their responsibilities. Partly this is because of the instruments under which it is established, as well as the fact of its chairmanship. While a donor chair enjoys much sector clout in terms of stakeholder goodwill, they do not have the political and policy mandate of a government agency.

3.5 The ISH strategy 2006

In recognition of the weaknesses of earlier interventions, the ISH Financing Strategy was formulated under the aegis of the NSWG, to provide a broad guideline through which sustainable sanitation can be achieved over the ten-year period 2006 - 2016. The strategy attempts to map clearer roles for all players, including the private sector, and rests on 3 main pillars:

- **Demand generation** for sanitation and hygiene through health and hygiene awareness, social marketing and financial incentives or rewards;
- **Supply** of sanitation in terms of appropriate technology solutions, product/project development, private sector supply; and
- **Enabling framework** to support and facilitate an accelerated scaling up through policy and legislation, coordination, comparative monitoring and incentives (fiscal and awards), and capacity building support to local governments and other stakeholders.

¹⁶ Participation in NSWG activities includes on average 26% government, 26% development partners, 33% NGOs and 15% Technical Advisors to MWE and MOH

A10- point programme was formulated to guide implementation:

THE 10 POINT ISH STRATEGY FOR UGANDA	
Demand	1) Implement ISH promotion and social marketing
	2) Enforce ISH
Supply	3) Release budgets through prioritized workplans
	4) Accelerate pro poor affordable technology development
	5) Improve private sector supply chain
Enabling Environment	6) Rationalize, simplify and disseminate policy and guidelines
	7) Improve Multi-sectoral coordination of ISH
	8) Create a rewarding and competitive environment for the private sector
	9) Enhance government efforts to improve civil service performance
	10) Launch the KDS+ 10 and then monitor and rank performance

Adapted from ISH Strategy 2006

A summary of estimated costs by implementing agency for the implementation of the ISH strategy is presented below:

Summary by Implementing agency		Estimated costs M UGX				
Area of expenditure	Implementing agency	10 year recurrent	10 year development	10 year total	Total by area	%
Public sector decentralised	1 Rural districts	1,680	2,956	4,636	6,688	17%
	2 Urban districts	459	948	1,407		
	3 Schools	289	355	644		
Public sector Central	4 IDPs ^(*)	4,590	0	4,590	10,102	26%
	5 EHD	88	673	760		
	6 DWD	0	4,690	4,690		
	7 Training institutions					
	8 MOES	52	10	62		
	9 MOLG					
Civil society	10 NGOs	366	0	366	366	1%
Private sector	11 SSIPs				22,334	57%
	12 Formal private sector	175	22,159	22,334		
	Totals	7,699	31,791	39,491	39,491	100%

Adapted from ISH Strategy 2006

As shown above, the ISH strategy provides clear public and private sector roles in sanitation, including projected financial investment estimates for a ten-year period, with a clear breakdown the formal and small scale independent sectors. This is the first document in the sanitation sector to demonstrate such a clear sharing of roles in an official policy document. However, while this is a rich opportunity for the private sector, it can be easily missed if current institutional arrangements are not streamlined to enable coordinated action. This is because to succeed, the private sector needs to operate in an environment with a well-defined public sector agency to deal with; and policy measures, procedures and

contractual arrangements that are well established. Such a stable and predictable environment would provide conditions more conducive to private sector investments, including:

- A central contact point for entry into the sector, providing information, guidelines to invest, and research, etc, on the sanitation sector
- Established guidelines and standards, including a clear regulatory framework and a sanitation-specific policy
- Predictable public spending/ budgeting
- Better coordinated sector action, with a fully mandated sector coordinating agency to mobilize stakeholders to invest in agreed sector plans

4.0 OPTIONS & RECOMMENDATIONS

4.1 Policy options currently under discussion

Ongoing discussion in the sector has considered three main institutional and policy interventions¹⁷:

- 1) Review of the Ministerial MOU for sanitation to include key players such as the Ministry of Local Government and that of Gender,
- 2) Establishment of specific budget lines for sanitation in all responsible sectors at national and local government levels, and
- 3) A system of rewards and incentives to motivate well-performing districts

However, on their own, these interventions cannot sufficiently address the institutional shortcomings of the sanitation sector as they continue the incremental approach of previous ones, fix a few gaps without addressing the broad institutional question of which specific institution is in overall charge of sanitation in Uganda, and what specific policy framework they rely on. This paper argues that a bolder institutional re-arrangement needs to be considered for the sanitation sector to be transformed into a favourable target of private sector financing.

In addition, Uganda has no specific sanitation policy under the current institutional and policy arrangements. Implementation of interventions relies on inferences from other policies like the National Environmental Policy and the Water Policy, which are not adequate to address the needs of the sanitation sector, because they are designed for specific needs of other sectors, in this case environment, health and water, respectively. This explains why even progressive strategies like the ISH, which is championed by the NSWG as the preferred approach to sanitation improvement, remains difficult to implement and monitor, as they have no institutional home, but largely rely on the goodwill of various agencies and persons, and often the short-term pressure of development partners, especially through the NSWG. Unfortunately such goodwill does not

¹⁷ These recommendations are subject of a draft report titled: *Environmental sanitation in Uganda: Addressing Institutional and Financial Challenges, 2008, by WSP*

provide an adequate anchor for private sector participation or a guarantee of security for their investments.

4.2 Recommendations

This paper offers two recommendations for a complete restructuring of the existing institutional framework for sanitation management in Uganda to provide an authoritative home for the sector and a specific guiding policy. The proposals include a national sanitation policy and a central institution for sanitation.

4.2.1 A new sanitation-specific policy

A sanitation policy would be adopted by all the respective ministries and stakeholders as the main guiding document of the sanitation sector. It would define the broad spectrum of the sanitation sector and provide guidelines how strategies like the ISH would be formulated, guided and coordinated. It would define the private sector, where it is found, with clear roles, avenues and procedures for entry into the sanitation sector. However such a policy would need clear, uncontested custodianship, and that brings in the question of an authoritative home for sanitation.

4.2.2 A new central institution for sanitation/ the Sanitation Council

Various options have been considered for an appropriate institutional home for sanitation: It cannot be a directorate in any single ministry as this would perpetuate the same coordination shortcomings that exist today and not succeed to reach across the various ministries. The proposal of this paper is for the creation of a Sanitation Council, established under law and mandated through the National Sanitation Policy as the overseeing authority over sanitation in the whole country.

As the coordinator of all sanitation activities in the country, it would take over the monitoring of the Ministerial MOU on Sanitation and ensure that every organ of government or the private sector entrusted with sanitation mandates carries them out as required. This would include setting standards; monitoring the planning and budget process to track and ensure that all responsible institutions adequately budget for sanitation; monitoring disbursement of sanitation funding and implementation of work plans; and ensuring accountability. The Sanitation Council would also provide authoritative reports on the status of sanitation in the country, which is currently done by no one.

It would take over the primary advisory role to the Ministers/ Ministries responsible in all matters related to sanitation and would be the main source of information on the sanitation sector for all stakeholders including government departments, donors, the private sector, NGOs and the public. For instance, such campaigns as the International Year of Sanitation 2008, which has not gained its potential profile because of the lack of an institutional home and ownership,

would fall under the mandate of the Sanitation Council. It would host a database of all players in the sanitation sector, what they are doing. It would have information on the kind of sanitation products on the market, their standards and prices; what kind of funds are in sanitation, necessary investments and their potential sources, and many other areas. It would offer guidance on issues like subsidies, especially for the poor, vis-à-vis private sector investment and the legal requirements of self-provision. For the private sector especially, it is a crucial institution as it would provide a convenient and reliable first stop in considering sanitation as investment. For the public as well, this would be a crucial of intermediation between themselves and the agencies working in the sector.

The design and character of such a council can borrow as appropriate from other already existing councils in Uganda which guide and cut across various ministries. While semi-autonomous, the council can be hosted under either the Ministry of Health or Water and Environment, as these have the primary responsibilities for sanitation improvement. Members of council can be drawn from already existing institutions of government, the private sector and civil society, to avoid the building of new costs in the system. Members can carry out their regular duties and be called upon to sit as a council as and when required. The secretariat ministry would budget for costs of running the council, including meetings, studies, etc ...

5.0 Opportunity/ Risk

Ongoing review of the sanitation sector in Uganda, especially against the backdrop of MDG reviews and the interest in sanitation and hygiene stimulated by the International Year of Sanitation, is an excellent opportunity to propose a more comprehensive re-examination of the role the private sector can play in accelerating the achievement of improved services, and what appropriate institutional arrangements are needed to maximise its potential. While the role of the private sector is increasingly recognised, and cross-sectoral MOUs have demonstrated the good will of the institutions involved, institutional mandates remain unclear, inter-sectoral coordination is limited, and mechanisms for engagement of different stakeholders are weak.

There is a general national aversion towards creation of new self accounting bodies, as they are considered to be an unsustainable strain on the public purse and carry out roles that could be well performed through mainstream government departments. This may cause immediate opposition to the formation of the council. However, this is the most plausible approach to untangling the institutional relationships in sanitation provision, and achieving improved services through the success of reforms that lead to service improvement.

6.0 Reference documents

Water & Sanitation Sector Performance Report, 2007, Ministry of Water and Environment

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