



*Local Government Capacity in the Context of New Management Arrangements  
for Water Supply Systems in Small Towns  
Cases from Two Town Councils in Uganda*

By D. Muhangi and P. A. Mugisha

**Background**

The Ugandan government has over the past decade implemented far-reaching reforms in the system of government and that of service delivery in particular. The twin policies of decentralization and privatization have been the major forces that have characterized Uganda's economy and social sector. In the water sector, these changes have perhaps been more phenomenal than anywhere else. The Local Governments Act 1997, the National Water Policy of 1999, and the Water Statute of 1995 all provide for the decentralization of the responsibilities for water service provision to local governments and for a key role to be played by the private sector and the users. The water sector is currently built on a set of strategies that include demand-responsiveness, decentralization, sector-wide approach to planning, sustainability, financial viability, coordination and collaboration, institutional reform and private sector participation. These developments are part of a worldwide change in thinking about water services delivery; with the consequence that water should be treated as an economic good. They are also rooted in the shift in the thinking about the role of the state, to the effect that it should no longer be a direct provider of services but an enabler.

services, supervising and monitoring other actors, awarding and management of contracts, carrying out mobilisation and sensitization of communities, and providing back-up support to communities or their representative organisations. All construction work is to be undertaken by the private sector and all responsibilities for operation and maintenance of facilities are assigned to users or a private operator. The remaining roles of local governments require that local government departments and their staff have the necessary capacity, such as skills for planning, budgeting, monitoring, supervision, contract preparation, contract management, quality assurance, and so on, as well as the resources to perform these roles. While it has been generally recognized that the local government agencies or staff require new capacities in order to perform their new roles, it is not clearly known how in practice such capacities have been ensured or to what extent they actually do exist. It is similarly not known how existing capacities have been brought to use to bring about the desired interaction between different actors so as to produce better services for the population. This study was meant to deeply probe the latter issues using two towns found in Uganda as case studies.

**The Research Problem**

Reforms in the water sector as elsewhere have been based on a generally uniform prescription about what the roles of the state agencies and those of other actors should be. The role of local governments in the reformed water sector are known to include drawing plans, passing local policies, raising revenue and budgeting for

*These Policy Briefs are a product of the MDP multi country research project, which was funded by the Government of the Netherlands and coordinated by the Municipal Development Partnership for Eastern and Southern Africa. They are intended to inform, contribute and provoke dialogue on strategies for enhancing local government capacity for effective service delivery and poverty reduction in Sub-Saharan Africa. The views expressed here are those of the researchers and should not be attributed to the MDP secretariat.*

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## Research Objectives

The study had the following objectives:

- To assess and document the capacity building actions that have been undertaken to prepare urban local governments for their new roles in the delivery of water supply services.
- To assess the current local government capacities to perform their new roles.
- To establish the factors that enhances or constrains the building of local government capacities for new roles.
- To identify lessons and policy issues for the strengthening of urban local governments in the face of their new roles.

## Research Methodology

A participatory action based case study design was utilized. This involved a detailed and in-depth participatory-based investigation of the selected case studies to bring out a comprehensive picture from their experiences. The study took case studies from Wobulenzi and Lugazi Town Councils. Participants in the study included Town Council staff, political leaders, water users, staff and leaders of the Water User Association, staff of the Private Operators, and relevant District staff. Selection of all participant groups was done purposively. Individual participants were identified with the help of local guides, and selected on the basis of their relevance to the study and their deemed knowledge.

The following indicators were used in data interpretation and measurement: number of staff employed/deployed to water related tasks, monitoring, support and supervisory functions; qualifications of relevant urban local government staff; experience and skills of relevant staff; existence, composition and performance of relevant Council Committee or Board; staff facilitation in implementation, monitoring and supervision of activities; existence and adequacy of necessary tools and equipment; financial resources; existence and quality of training plans; actual enabling or supportive actions carried out by Town Councils vis-a-vis the Water Users Association or Private Operator; level of Water Users Association or Private Operator satisfaction or dissatisfaction with support from Town Council; level of satisfaction with the water services; established Town council personnel structure; and established Town Council working systems and procedures for dealing with Water Users Association or Private Operator.

## Research Findings

- The results of the study reveal that the Government has provided an enabling policy and legal framework for management reforms in the water sector, and for poverty alleviation in general. Existing policy and legal instruments include the National Water Policy of

1999, The Water Statute of 1995, The Local Governments Act of 1997, the Poverty Eradication Action Plan of 1997, and a set of other subsidiary instruments. All these instruments provide for reformed local governments that no longer play a direct implementation role. The government through the Poverty Eradication Action Plan identified water supply as one of the priority sectors for poverty alleviation, and thereby entitles local governments to receive increased funding in form of conditional grants for water development activities. At a broad national level therefore, the environment has been set for appropriate reform and poverty alleviation.

- The study found that since the introduction of alternative management arrangements, Town Councils keep only a minimum staff, recognising that implementation is not their role. Town Council staff was aware of their changed roles, but in practice, they had not translated or operationalized their new roles into practicable actions. They lacked work plans and other mechanisms that concretely define their specific tasks, how they are to be performed, and how progress or success would be measured. The Water Boards were equally not competent enough to fully meet the demands of their roles. Town Council staff in both towns also lacked adequate facilitation; allowances, transport, tools and equipment to do their work. Basic tools such as water testing kits were lacking in both towns. Consequently, some of the Town Council roles, such as water quality assurance had never been performed. Others such as physical inspection of system installations also received irregular attention.
- Whereas existing Town Council staff had the minimum qualifications for their positions, no systematic re-orientation had taken place to prepare them for their changed roles. Neither did they receive new job descriptions. The Water Boards had been trained once by central government. Both Town Councils did not have training plans, programmes and/or any other capacity building initiatives for staff. Staff had occasionally attended seminars organised by the central government. Staff also enrolled for different courses of their own choice at their own initiative without co-ordination or facilitation from the employers.
- In Wobulenzi, the Town Council's efforts to play its new roles and any possibility of capacity building were undermined by a poor working relationship with the Water Users Association. The poor relationship was found to be translating into poor

service delivery, including inability to extend safe water to un-served areas. Similarly, lack of effective working relationships between the Town Councils and the District Councils in both cases negated the possibility of Town Councils sharing the skills, equipment and other resources with the fairly well endowed District Water Departments. In general, both Town Councils are not adequately equipped to perform their new roles.

- The Water Users Association and the Private Operator themselves were found to lack sufficient capacity in terms of staff, tools, equipment and other logistics. The Private Operator like the rest in the country is a local firm with modest experience. The Directorate of Water Development was trying to build the capacities of Private operators through frequent meetings, frequent support supervision, development of a standard computerised billing system, and provision of materials such as meters, chemicals, and vehicles. However, more needs to be done in this area.
- Because of the weak capacities of both the Private Operators and the Town councils, the Directorate of Water Development had to continue to play a "God father" role perhaps doing more than its mandate in supervising, supporting, and monitoring Private Operators often crossing into the roles of the Water Boards. This presents a risk of creating dependency on the centre, but also of being construed as undue interference in the operations of Private Operators, while at the same time leading to doubt in the independence of local governments.
- Water users in both towns were more concerned about the quality and affordability of the service, than who provides the service. The users perceived the quality of service as good, but thought the price could be lower. In actual sense, the kiosk users paid more than their richer counterparts who had house connections signifying a regressive tariff regime. No exemption mechanisms exist for the poor and the indigent. A big proportion of the town population in Wobulenzi remain un-reached by the piped water, while a good proportion in Lugazi continue to use water from distant springs, where water quality had never been tested. These issues bring into question, the contribution to poverty alleviation of these reforms and the investments made therein. It appears that no substantial improvement in water services delivery can be achieved amidst the weak capacities of local governments and in absence of a clear poverty focus. At best, the reforms benefit a few sections of the population, who do not include the poorest.

## Recommendations

The specific recommendations coming out of this study are:

- Local governments need to concretely define and operationalise their new roles into measurable tasks, with accompanying inputs, outputs and indicators.
- Central government should offer carefully planned back-up and technical support to small urban local governments to initiate and implement capacity building activities.
- More practical and innovative approaches to capacity building need to be used, moving away from the traditional sensitisations and workshops. This should for example include seconding of experts, direct coaching, on-job demonstrations, and creation of technical support units.
- The centre should support programmes to re-tool the local governments, as part of the conditional grants already being given.
- A sharper poverty focus needs to be built in the reforms, especially at micro level for instance through tariff reforms and pro-poor payment schemes, to ensure that the poor are not left behind.

## About MDP

The Municipal Development Partnership for Sub-Saharan Africa was launched in 1991 as a multi year partnership between municipal governments and associated institutions and bilateral and multilateral donors. The Partnership was designed to be an alternative model of development assistance, operating regionally and nationally, dedicated to building local institutional effectiveness in Sub Saharan Africa. The Partnership is organised in two units both of which share the same objectives and methodologies. The Eastern and Southern Africa unit covers 25 countries and is based in Harare Zimbabwe. The Western and Central Africa Unit covers 22 countries and is based in Cotonou Benin

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