Governance Aspects in the Water and Roads Sectors in Uganda

By:

Advocates' Coalition for Development and Environment (ACODE)

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Acronyms

ACODE	Advocates Coalition for Development and Environment
CAO	Chief Administrative Officer
CBMS	Community-Based Maintenance Systems
CBOs	Community-Based Organizations
CDO	Community Development Officer
DDCBS	District Directorate of Community-Based Services
DDPs	District Development Plan
DRCs	District Roads Committees
DUCAR	District Urban Community Access Roads
DWD	Directorate of Water Development
DWO	District Water Office
DWSG	District Water Sanitation Grant
JSR	Joint Sector Review
LC	Local Council
LGFC	Local Government Finance Commission
MFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MWE	Ministry of Water and Environment
NGOs	Non-Government Organizations
NIAR	National Institute of Administrative Research
NWSC	National Water and Sewerage Corporation
O&M	Operation and Maintenance
PAF	Poverty Alleviation Fund
PASGR	Partnership for African Social and Governance Research
PPPs	Public Private Partnerships
QSDS	Quality Service Delivery Survey
SACCOs	Savings and Credit Cooperative Organizations
SAS	Senior Assistant Secretary
UGX	Uganda Shillings
UNRA	Uganda National Roads Authority
UPE	Universal Primary Education
URF	Uganda Road Fund
USS	User Satisfaction Survey
UWASNET	Uganda Water and Sanitation NGO Network
WESGW	Water and Environment Sector Working Group
WUCs	Water User Committees
WUGs	Water User Groups

Executive Summary

Governance in contemporary Uganda is defined by elective democracy, decentralization, liberalization and privatization, all of which took root in the 1990s. Under decentralization, citizens were empowered to determine their leaders, while the role of the central government in provision of social services was limited to policy formulation, regulation, and monitoring. This was achieved by devolving functions, functionaries and funds to the lower tiers of government namely districts and sub-counties. This paved the way for greater involvement of non-state actors in provision of social services.

The drawing in of non-state actors in the provision of social services have created a number of challenges and dilemmas, particularly the sub-optimal capacity of the state to finance and effectively oversee the provision of social services by numerous actors. These challenges bring to the fore the question of the potential to improve the level of service provision. Despite recent increases in funds allocated for service delivery, indicators remain below target levels. For instance, while funding to the roads sector more than doubled from Uganda Shillings (UGX) 1,214.82 billion in 2009/10 from UGX 374.12 billion in 2005/06 there was abysmal improvement of service indicators. The proportion of paved roads stood at eight percent at the beginning of 2009 from four percent in 2005 with 45 percent of all the roads being in poor condition. The water sector follows a similar pattern with access to safe water in rural and urban areas remaining at 65 percent and 66 percent respectively despite increases in funding from UGX 110.02 billion to UGX 172.24 billion over the same period.

There are reports of widespread corruption and embezzlement of funds meant for service delivery in Uganda. Reinikka & Svensson (2004) found that in the mid-1990s, 24 percent of the capitation grant to primary schools was captured by local government officials and politicians. District officials have been suspected to collude with construction companies to divert funds by inflating costs and carrying out sub-standard works.

This paper seeks to explore three issues in relation to the provision of social services, namely i) service delivery measures for water and roads as defined by the actors and relations among them; ii) the implications of the different service delivery measures for the quality of services; and iii) the applicability of accountability in the provision of water and roads services.

This study largely draws from the World Bank's framework for accountability premised on the principal agent framework. The study covered five districts of Uganda selected based on performance on ***Golden Indicators*** for access to water as indicated in the Uganda Water Supply Atlas (2010) and in consideration of regional balance. The districts include Ntungamo (moderate performer), Soroti (poor performer), Nebbi (a best performer), Mbale

and Wakiso (in consideration of regional balance). In this study, we use multivariate probit analysis to investigate two basic relationships: (i) between governance aspects and the quality of services based on both objective evaluations as well as perceptions of users; and (ii) between demand for accountability (for which reporting issues related to service delivery by users is used as a proxy), and personal factors.

The findings agree with other writers that contracting out the provision of social services to the private sector is not a guarantee for better outcomes. Evidence from road works under the jurisdiction of sub-national governments (districts) shows that the frequency of monitoring of works is very important for quality of roads. The study also shows that incentives for front line providers for water sources under community management are important for quality of services rendered.

The findings suggest that there are disconnects in the long route of accountability under the prevailing service delivery arrangements. First, there are several power centres whose boundaries of responsibility in service delivery are blurred. The situation is compounded by the absence of clearly spelt out mechanisms for handling and resolving complaints related to social services. Results show that citizens start with the nearest centre and move up to higher levels with reducing degrees of responsiveness and satisfaction. In many cases the authorities reported having limited capacity to react to the issues raised. Further, the absence of clear complaint handling and redress mechanisms, results in diminished direct responsibility for politicians at different levels to act.

In addition, there appears to be a problem with decentralization in terms of the extent of political control over service delivery. The Chief Administrative Officer (CAO) was supposed to be appointed at district level, thus providing greater leverage of the political arm over the technical arm. Later, in response to collusion and mutual interference between the political and technical leadership, the appointment was recentralized. This seems to have significantly reduced the influence of the political arm over the technical functions at district level.

The findings also suggest that that there are failures related to institutional structures which impact on the quality of services (widely referred to as compact failures in the literature). Examination of road works shows that direct provision of road works by the districts is characterized by complications in monitoring and quality assurance, given the non-separation of roles. For the districts covered, it is not uncommon to have road works undertaken without prior specification of what is supposed to be done. Results from multivariate probit analysis of the quality of roads with several factors suggest that specification of road works together with allocation of funds for monitoring increase the chances of a road being categorized as good. Specification of details is not only important

for technical monitoring and supervision for cases where works are contracted out. It enables non-technical people, including politicians and ordinary citizens to scrutinize road works, which is good for accountability. The variation unit cost for similar works and allocation to monitoring and supervision across districts points to either the absence of applicable standards or non-compliance where they exist. This filters through to variations in outcomes, and potentially provides opportunities for rent extraction by district officials.

The short route, as used in the study brings out challenges faced under community management of social services. Within the accountability framework, the short route is defined by client power, which is the ability of citizens to hold providers accountable. In a market setting, the providers are mindful of losing clients to their rivals. Reduced profit or revenue from fewer clients is therefore a motivator for providers to respond to clients' needs. Under community management of water sources however, providers are usually volunteers. While these individuals can be dismissed from these positions for poor performance, absence of direct, individual loss negates the efficacy of dismissal in sanctioning misconduct. The study shows that having paid caretakers with clear responsibilities is associated with higher levels of satisfaction. In this case, there is something to loose on the part of paid caretakers if they are dismissed. Collier (2007) mentions shared values, reputation and prestige as implicit costs in the absence of pecuniary benefits.

A total of three key policy recommendations exclusive to Uganda are drawn from this study. First is the need to put in place a coherent grievance handling and redress mechanism in relation to social services compatible with the decentralized framework. While the proposed client charter would go a long way in effecting this recommendation its implementation has so far been slow, with seemingly limited government commitment. Second, the government should set standards for social service provision across the country and ensure compliance to them. The standards should cover aspects such as unit costs for service delivery and specification of details of works. The standards can be regional in order to take care of unique situations. Third, civil society organisations should focus more on service delivery issues at sub-national levels. These organisations should assume the role of scrutinizing the actions of policy makers and technocrats at sub-national levels.

1 Introduction and Framework of the Study

The concept of governance is relatively new and is perceived differently across disciplines and actors. Nevertheless, there appears to be agreement that it is the development of new styles of governing in which boundaries between and within public and private sectors have become blurred (Stoker, 1998). The ascension to prominence of the concept in development literature can been attributed to the limitations of the older models of the hierarchical and bureaucratic state, as well as to the dilemmas resulting from attempts at reform-liberalization, privatization and decentralization (Bevir, 2011). Blair (2000) observes that implementation of public policy in the 21st Century often involves a complex web or delivery network that minimizes traditional direct service methods used by governmental entities under what is referred to as New Public Management (NPM). Governance provides a framework and the language through which the reality of the changing landscape is explained (Bevir, Opt. Cit) .

Governance focuses on mechanisms that do not rest solely on the authority and sanctions of government (Milward and Provan, 2000). Stoker (1998) argues that governance challenges the notion of a unitary centre of power and recognizes that there are several power centres. In reality there are many centres at the national, local and regional levels with diverse links that form a complex system of government. He advances five propositions about various aspects of governance: (i) there is increasingly greater involvement of non-state actors in the provision of social services that was previously the preserve of government. Governance, therefore, draws from institutions within and outside government; (ii) the recognition of the blurring of boundaries and responsibilities of tackling social and economic issues, with the state stepping back and the private and voluntary sectors, together with the citizens taking on greater responsibilities; (iii) the recognition of interdependence of organizations committed to collective action through the exchange of resources and negotiation of common purposes; (iv) the recognition of the capacity to get things done through means other than power and command; and (v) self- regulation.

These propositions can be linked to several related concepts as well as relationships between the government and non-state actors. The concept of accountability is one of the most defined encapsulations of these propositions. Romzek and Dubnick (1994)[1] in their widely used typology represent accountability in four quadrants, namely the hierarchical/bureaucratic, legal, political, and professional core task areas. They locate the

[1]Cited in Van Slyke, D. M. and Roch (2004)

issue of the ability of citizens to hold those parties responsible for delivering quality services in the area of political accountability (also social accountability). Other prominent innovations for public service provision include corporatization, contracting out and public private partnerships.

The gist of social accountability is to keep the provision of services under some form of democratic control (Bevir, 2011). Through a delicately balanced system of incentives and sanctions in what has largely been termed as the principal-agent problem, citizens are able to influence the conduct of actors to ensure that their actions are in line with the interests of the citizens. In a democracy, citizens are the power centre and ideally the ultimate source of authority. This study draws extensively from the accountability literature, specifically the principal agent framework in assessing governance in the water and roads sectors of Uganda.

Governance in contemporary Uganda is defined by elective democracy, decentralization, liberalization and privatization, all of which took root in the 1990s. Under decentralization, citizens were empowered to determine their leaders, while the role of the central government in provision of social services was limited to policy formulation, regulation, and monitoring. This was achieved by devolving functions, functionaries and funds to the lower tiers of government namely districts and sub-counties. This paved the way for greater involvement of non-state actors in provision of social services. Liberalization and privatization paved the way for greater involvement of non-state actors in provision of social services. Non-state provision of basic social services is seen as an important substitute for government services in many developing countries (Batley, 2006) .

The ultimate aim of Uganda's decentralization program was to improve service delivery through transfer of real power (devolution) and reduction of the workload of the central government; ensuring the participation of citizens and democratic control[2]; achieving good governance as a prerequisite for an efficient public service; bringing political and administrative control over services to the point of delivery[3]; freeing local managers from central constraints; and improving the capacity of local government councils to plan, finance, and manage service delivery.

The water and roads sectors in Uganda, like many other sectors, have since the 1990s undergone several reforms characterized by the creation of autonomous institutions, and the enactment of policies aimed at improving efficiency and effectiveness in these sectors. The

[2] This was to be a guiding principle applied to all levels of government (World Bank, 2004)
[3] Thereby improving accountability and effectiveness of government programs.

World Bank, a major proponent of the reforms has since the 1980s included decentralization among its structural criterion. In its World Development Report 2004, the World Bank notes that most social services for which governments were responsible were systematically failing and hoped that decentralization would reverse this trend by expediting the decision making process and increasing participation by local people. This would in turn result into greater responsiveness to people's needs and reduce corruption Muriisa (2010) .

Nsibambi (1998) distinguishes two tracks of decentralization in Uganda. One is political decentralization, the goal of which is to involve more people in decision-making. Through elected representatives and channelling policy proposals to legislative bodies (local councils) all districts are required to draw and implement District Development Plans (DDPs) that reflect people's needs. The public service officials at district level were supposed to report to elected local council officials, who in turn account to the people (the constituency). However, this changed with the re-centralization of appointment of the Chief Administrative Officers—the accounting officers at the district level—after it was established that there collusion and mutual interference between the political and technical leadership.

The second track is financial decentralization, which involves the devolution of budgetary and spending powers to the districts which resulted in important expenditure responsibility in the social sector being devolved to sub-national governments. Financial decentralization transferred authority for collecting and allocating taxes and other financial grants to local governments Muriisa (2010) . However, the provision of these services is still largely funded by the central government through conditional grants[4]. According to the Local Government Finance Commission Annual Report 2010, local governments contribute to less than three percent of their budget.

The drawing in of non-state actors in the provision of social services has created a number of challenges and dilemmas, chief of which is the sub-optimal capacity of the state to finance and effectively oversee provision of social services by the numerous players. These challenges bring to the fore the question of the potential to improve of the level of service provision. Despite recent increases in funds allocated for service delivery, indicators remain below target levels[5]. For instance, while funding to the roads sector more than doubled from UGX 1,214.82 billion[6] in 2009/10 from UGX 374.12 billion in 2005/06[7], there was abysmal improvement of service indicators for the sector. The proportion of paved roads increased

[4] These are funds sent to local governments for the implementation of agreed upon programs/activities
[5] A recent review on the millennium development goals (2010) indicated that Uganda would not meet its target on eight of the 19 indicators.
[6] The exchange rate for the shilling to the US dollar has been UGX 2,400
[7] National Development Plan (2010/11 - 2014/15)

from four percent in 2005 to eight percent at the beginning of 2009, with 45 percent of all the roads being in poor condition. The water sector follows a similar pattern with access to safe water in rural and urban areas remaining at 65 percent and 66 percent respectively[8]despite increases in funding to UGX 172.24 billion from UGX 110.02 billion over the same period[9].

While it is clear districts specifically have challenges of inadequate funding and capacity for delivery of devolved services[10], the question still stands, whether the level of service provision could not be better. There are reports of wide spread corruption and embezzlement of funds meant for service delivery. Reinikka & Svensson (2004) found that in the mid-1990s, 24 percent of the capitation grant to primary schools in Uganda was siphoned by local government officials and politicians. Booth cite under-spending and very low efficiency in the roads sector as major problems in Uganda. teVelde (2008) [11] in a study carried out for the UK Department for International Development (DFID) argued that a combined assault on poor coordination, management and other institutional problems would halve unit costs for up-grading and maintenance of paved roads. There are reports of district officials colluding with construction companies to defraud funds using several ways, including inflating costs and carrying out shoddy works. Nyende, Alumai, and Nabiddo (2010) also found that there was rerouting of resources meant for road works in the districts of Soroti and Paliisa.

Muriisa (2010) notes that the lack of transparency in the allocation of resources; weak budgetary procedures with regard to record-keeping and auditing, undermine accountability and ultimately impact on service delivery. In the face of contracting out to non-state actors, the demand side accountability is diluted by a lack of user understanding of the providers' roles and responsibilities, (Van Slyke, and Roch, 2004) in what has become a complex web of actors.

1.1 Structure of the report

This study aimed at examining governance aspects in water and roads sectors in Uganda and how they impact on service delivery, the report of which comprises Section One as the introduction and framework. Section Two presents the Background and Sector Context; Section Three explains the Conceptual Framework in which the framework for accountability is applied to the institutional framework for service delivery in the two sectors. Section Four

[8]Uganda Water and Environment Sector Performance Report (2010)
[9]Approved Estimates of Revenue and Expenditure for 2006/07 and 2010/11
[10] In terms of personnel and Infrastructure
[11]Cited in Booth and Golooba-Mutebi (2009)

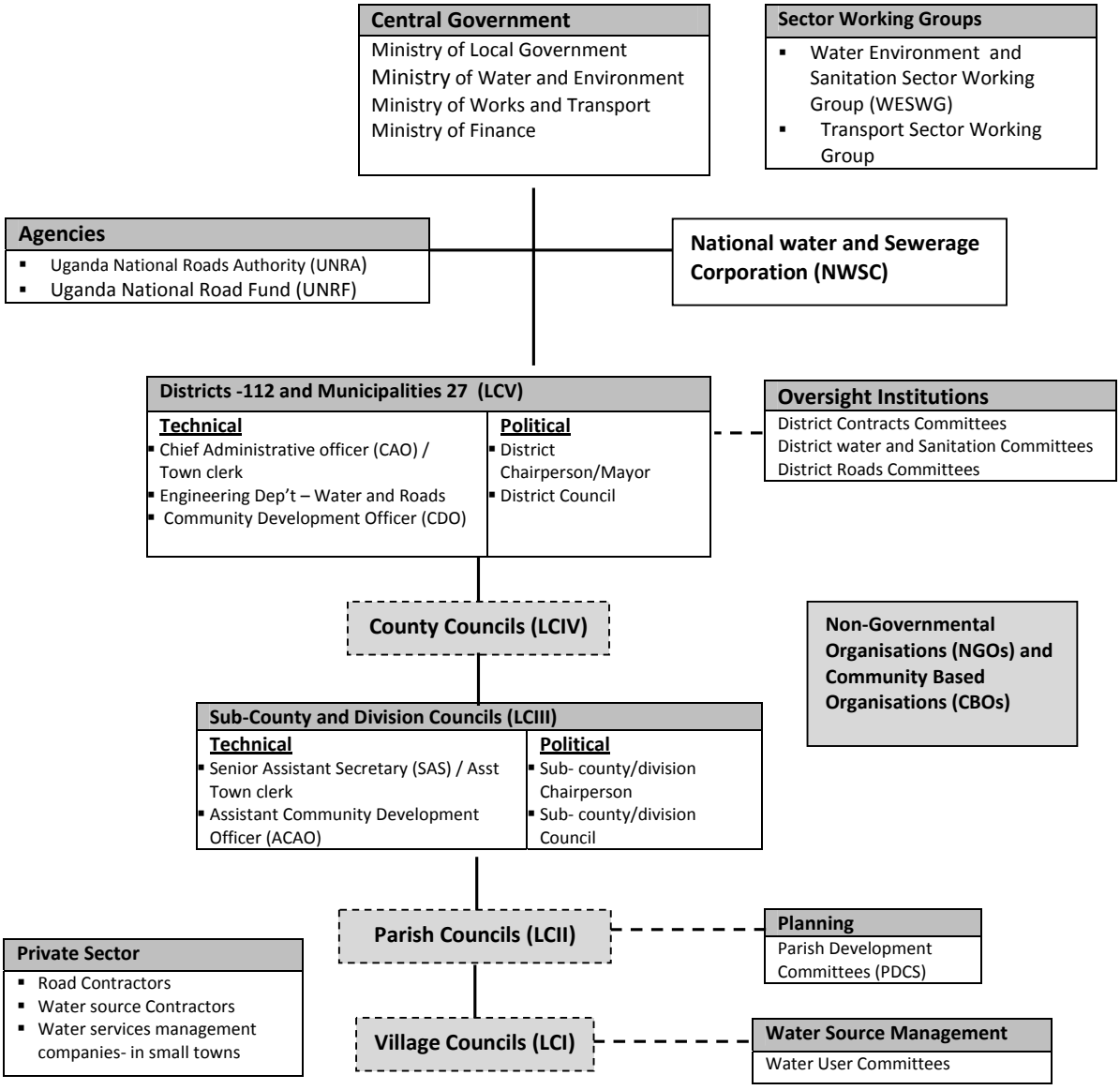
presents the Methodology, including the scope of coverage and sampling, while Section Five presents and analyses the findings. The report ends with Section Six in which the Conclusions and Recommendations of the study are presented.

2 Background and Sector Context: Provision of Water and Roads

As already alluded to, decentralization and liberalization have jointly had profound effects on service delivery in Uganda. Under decentralization, several functions were devolved to local governments, and government agencies. The central government retained functions of planning (including policy development), coordination, supervision and monitoring, and capacity development. Besides the line ministries – the Ministry of Water and Environment (for water) and the Ministry of Works and Transport (for roads), the ministries of Local Government and Finance are also key actors. The Ministry of Finance, Planning and Economic Development (MFPED) mobilizes and allocates funds and reviews sector plans and reports for compliance with sector objectives as a basis for releasing allocated funds. The Ministry of Local Government (MoLG) is mandated with establishing, developing, and facilitating the management of self-sustaining, efficient, and effective decentralized government systems capable of delivering the required services to the people.

Politically and administratively, a five tier local government system was created with Local Council Five (LCV) at district the and municipality levels, as fully fledged Local governments with an elected executive, a council and technical unit under the supervision of the Chief Administrative Officer (CAO). Ideally the LCV chairperson is supposed to supervise the CAO. A similar situation is played out at the sub-county level (also referred to as 'a division' in municipalities) with a Local Council Three (LCIII) executive and council and a small technical team that is an extension of the district technical arm headed by a Senior Assistant Secretary (SAS). Even here the LCIII Chair-person is expected to supervise the SAS. However, at both levels technical officers are appointed through the public service system and are therefore not accountable to the political heads. LC IV and LC II and LC I are administrative units. Figure 2-1 illustrates the institutional framework for provision of water and roads.

Figure 2-1: Provision of water and roads under decentralization



Source: Derived from several water and roads sector policy documents

2.1.1 Institutional framework for Water Provision

The water sector comprises four sub-sectors, namely: Water Resources Management; Urban Water for Production; Water Supply and Sanitation; and Rural Water Supply and Sanitation. Whereas the National Water and Sewerage Corporation (NWSC) is charged with the provision of water and sewerage services in 18 large urban centres where it operates [12],

[12]There are also smaller private companies that manage gravity flow schemes in small towns

local governments (districts, towns, and sub-counties) are charged with provision of rural water services. In liaison with the ministry, local governments undertake planning, budgeting, resource allocation, community mobilization. They ensure effective participation of end users, follow-up implementation by the private sector, and provide support for the operation, and maintenance of water services. In consultation with Directorate of Water Development (DWD) of the Ministry of Water and Environment (MWE), they also appoint and manage private operators for urban schemes outside the jurisdiction of NWSC.

The management of rural water follows the National Framework for Operation and Maintenance or Rural Water Supplies (2004). Under the framework, the District Water Office (DWO) is the lead agency in implementing all water and sanitation activities at the district level. It is responsible for planning, initiation, and follow-up of procurements, the drafting of contracts, the supervision of contractors, and contract management[13]. The office is also responsible for capacity building, as well as ensuring operation and maintenance (O&M) of water and sanitation facilities by Water User Groups (WUGs) through the Community Based Maintenance System (CBMS)[14]. The District Directorate of Community-Based Services (DDCBS) or Community Development Office (CDO) works with the DWO on matters related to community sensitization and mobilization before and after construction.

Other actors in the sector include private contractors, many of whom undertake design, construction, operation, maintenance, training, capacity-building, and other commercial services; donors, who contribute considerably to funding the sector's activities; Non-Governmental Organizations (NGOs) and Community-Based Organizations (CBOs), which also engage in the construction of facilities, as well as in community mobilization, training, advocacy and lobbying[15]. There is also an annual Joint Sector Review (JSR) by the Government of Uganda and its donors, a forum for performance assessments that allows a broad spectrum of stakeholders to gain insights into, discuss, and influence sector developments.

[13] Each district has a contracts committee established by the CAO (responsible for awarding of contracts), a procurement and disposal unit (responsible for procurement and disposal activities except the awarding of contracts), and an evaluation committee (which evaluates bids and reports to the procurement and disposal unit).

[14] A system in which the users thorough WUG are responsible for management of water and sanitation facilities including financing maintenance from user contributions.

[15] These come together under an umbrella organization known as the Uganda Water and Sanitation NGO Network (UWASNET).

2.1.2 Institutional Framework for Roads

Roads fall under the Department of Roads and Bridges in the Ministry of Works and Transport, which is the lead agency in the coordination of the sector's activities. The Department of Roads and Bridges comprises four divisions: District and Community Access Roads; Urban Roads; Bridges and Drainage; and Surveying Unit. Roads in the country are categorized following a hierarchical order, with National roads at the top followed by District and Urban roads and Community Access roads at the bottom.

The Uganda National Roads Authority (UNRA) is mandated to develop and maintain the national roads network, while the District Urban and Community Roads are under local governments. The Uganda Road Fund was created to finance routine and periodic maintenance of public roads. The fund is financed through fuel levies, cross-border charges, vehicle license fees, weight-distance charges, and axle-load fees. The services are provided by the private sector through public-private partnerships[16].

Reporting to the Department of Roads and Bridges in the Ministry, district roads departments are responsible for the coordination, planning, and supervision of the monitoring of road works. At the district level, the departments work with other units, such as the Procurement and Disposable Unit, and Contracts Committee in relation to issues of procurement. The Road Fund Act 2008 (Section 25 (2)) provides for the formation of District Roads Committees (DRCs) to supervise and monitor the expenditure of funds allocated to the district from the Road Fund. A DRC is comprised of the district chairperson and the district's mayor of urban centres, along with the chief administrative officer, the district secretary for works, and the district or municipal engineers. In districts where the DRCs are not constituted, the district councils and the works department take on this role.

Currently there are two modes of implementation of road works at district level. One is by private contractors through the tendering process, which covers substantive works, including road opening, rehabilitation and periodic maintenance. The second mode is where works are directly implemented by the district or municipal engineering department under force account arrangement and usually covers routine maintenance.

2.1.3 Financing of provision of water and roads

Funding of services remains dominated by the central government through grants to districts; (often including donor funds) for budget support. There is also direct financing of

[16] Direct provision of services by the public sector (district) is not uncommon, despite the central government's stance that the sector should be liberalized.

projects by donors. The district and municipal councils are supposed to be co-financiers in the provision of services. However, there is dearth information on the amount of resources districts allocate to this. Indications from the Local Government Finance Commission Annual Report 2010 suggest that local governments contribute on average a meagre three percent to their budget, implying that not much is added to service delivery from internally generated funds.

The annual allocation to the water and sanitation sub-sector has been steadily increasing for the last five years, reaching UGX 195 billion in the Financial Year (FY) 2010/11. Over the same period of time, the share of domestic resources in financing provision of water has been increasing reaching 70 percent in 2009/10 from just 34 percent in 2001/02[17]. Up-to 65 percent of the budget resources for water remains at the central government while only 25 percent and 10 percent respectively go to the districts and agencies for service delivery.

The road sector in Uganda is largely funded by the central government, donors, and fees collected from users in the form of a surcharge on the cost of fuel managed by the Uganda Road Fund (URF). According to the appraisal documents of the World Bank for a transport sector project for Uganda (2011), the maintenance and development funding for the national road network amounted to an average equivalent per annum of about US$100 million between 2001/02 and 2007/08. Out of this, donor funding accounted for about 50 percent. The creation of UNRA saw a sharp increase in financing to the road sector, with its actual expenditure reaching US$347 million, which is still less than the target of about U$ 400 million. Since July 2010, the URF has been providing additional funds for maintenance of roads. Table 2-1 below shows the approved expenditure for water and roads in the national budget for FY 2008/09 to FY 2010/11.

[17]The Uganda Water Supply Atlas 2010

Table 2-1: Approved Budget Estimates for Water and Roads (UGX' Bn)

Sector/Vote	FY 2008/09			FY 2009/10			FY 2010/11		
	UG Gov't	Donor	Total	UG Gov't	Donor	Total	UG Gov't	Donor	Total
Water									
Water - Ministry	40.58	24.23	64.81	49.24	24.98	74.21	59.87	77.44	137.31
District Water Conditional Grant	46.94	-	46.94	57.67	-	57.67	58.09	-	58.09
Total	**87.52**	**24.23**	**111.75**	**106.91**	**24.98**	**131.88**	**117.96**	**77.44**	**195.40**
Roads									
Works and Transport-Ministry	105.49	42.43	147.91	95.16	31.58	126.74	16.10	101.13	117.23
Uganda National Roads Authority (UNRA)	108.33	304.64	412.97	108.33	327.63	435.96	316.73	107.89	424.62
Trunk road Maintenance	135.39	-	135.39	67.70	-	67.70	-	-	-
Road Fund	-	-	-	116.24	-	116.24	283.88	-	283.88
District Roads Maintenance	55.63	-	55.63	53.70	-	53.70	-	-	-
Urban Roads Maintenance	11.50	-	11.50	14.22	-	14.22	-	-	-
District Roads Rehabilitation				-	-	-	32.58	-	32.58
Transport Corridor Project	320.26	-	320.26	400.26	-	400.26	179.76	-	179.76
Total	**736.60**	**347.07**	**1,083.67**	**855.61**	**359.21**	**1,214.82**	**829.05**	**209.02**	**1,038.07**

Source: Approved Estimates of Revenue and Expenditure MFPED

3 Conceptual Framework

From the literature, it is clear that while there is a general agreement that governance impacts on the quality of public services, the debate on linking development outcomes with quality of services rages on. This study uses the provision of rural water and roads services in five districts in Uganda to evaluate the governance aspects in the two sectors and how they impact on performance on selected sector indicators. Specifically, the study uses water to scrutinize the efficacy of community associations in service delivery[18], and roads to examine service delivery under public private partnerships. The study is based on a conceptual framework that posits that: a) better quality of public services are associated with provision under private arrangements[19], supervision and monitoring, and motivation of frontline service providers; and; b) Users who perceive their public service to be poorer than elsewhere are more likely to demand for better services.

Social services or goods provided by government are commonly referred to as public goods. Collier (2007) points out that basic social service are concentrated in activities which cannot be provided through the normal market mechanisms and thus government steps in. He argues that the non-market processes need to solve two types of problems. One concerns questions about the total amount of resources to be devoted to a given activity, and the subsequent allocation of those resources across service providing units. The other problem involves the question of production or how to maximize output from given inputs within each unit.

This paper seeks to explore three issues in relation to provision of social services: (i) the service delivery arrangements for water and roads as defined by the actors and relations between them; (ii) the implications of the different service delivery measures for the quality of services; and (iii) the applicability of accountability in the provision of water and roads.

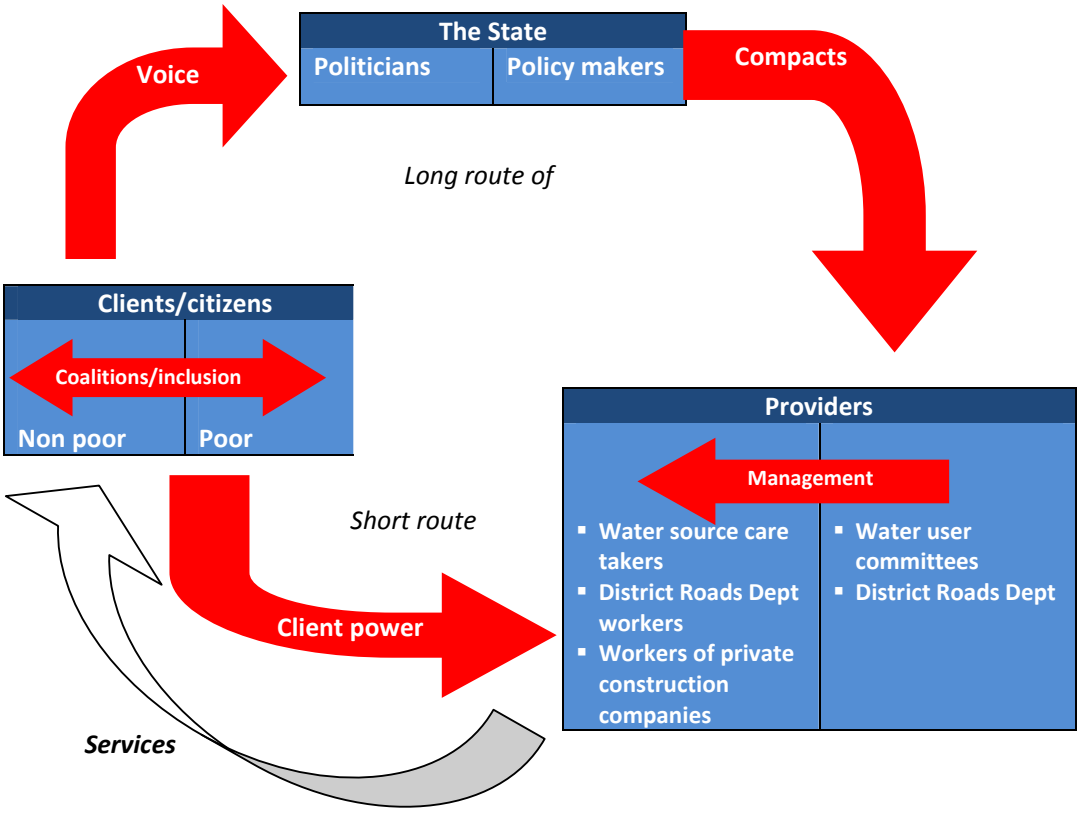
The 'principal agent 'framework widely used in the economics field is increasingly being used to explain why service delivery by governments fails, and provide solutions to the underlying problems. The principal agent frame work is premised on the divergence of interests between the agent and principal which necessitates sanctions that increase agent conformity. Using this framework, the World Bank and Oxford University in their World Development Report (2004) came up with a framework of accountability which has been modified to suit provision of water and roads in Uganda, as illustrated in figure 3-1.

[18] Thus the study does focus on issues of water source construction.
[19] Characterised by contracting out and/or payment for access to services

In the framework, actors in public service provision are categorized into three groups: (i) clients/citizens who are the users of services (also principals); (ii) politicians and policy makers to whom citizens delegate to act on their behalf in pursuance of specific objectives (agents); and (iii) finance related activities through taxes[20] as well as providers who can be public (central or local government), private, or not for profit organizations. The framework identifies four relationships of accountability: voice; compacts; client power; and management.

If water and roads were provided through the market, the relationship between the users and providers would be straight forward. Users would pay for services and would move away from providers with whose services they are not satisfied. The providers, on the other hand, being motivated by profit would strive to satisfy their customers.

Figure 3-1: Accountability Relationships



Source: *World Development Report 2004*

However, under the institutional framework for the provision of water and roads in Uganda, the situation is much more complicated. Citizens depend on *elected* officials at different

[20]There are concerns among policy circles that with the abolition of graduated tax, only a small fraction of the population are paying direct taxes and thus cannot link their contribution to services provided.

levels in the decentralized framework and can hold them accountable by voting them out, or not voting for them. This is referred to as ***voice*** in the accountability framework. Identifies four factors that impact on accountability: (i) citizen power (ability of citizens to demonstrate their preferences) through voting; (ii) access to information on the actions of politicians; (iii) knowledge of the motivation[21]of politicians; and (iv) the existence of checks and balances– including media, courts, and other public domains.

Compact. The policy makers formulate policies, including the allocation of resources, which reflect the preferences of the citizens and command the service providers who can be public (district engineering department workers) or private company workers to implement these policies - ***Management***. The service providers follow the policies and regulations delivered from above and together with financing made available deliver infrastructure including water sources and roads.

The voice, compact, and management together form *the long route of accountability*. At each link in the accountability chain, failure is possible—of voice, compact, or management—and can all lead to service delivery failures (Reppelin-Hill, 2005)[22].

In the case of water, users contribute directly to the provision of services through payment of user charges for water. The providers, such as National Water and Sewerage Corporation and the WUCs and caretakers of water sources can be held accountable by the users for their actions by either opting to get water from other sources, where they exist, or not pay their contribution or expel the caretaker. The ability of citizens to hold providers directly accountable is what is referred to as ***Client Power*** and it is what makes the ***Short route of accountability*** in the framework possible. In cases where there are no alternative providers, taking into account affordability, client power is greatly diminished. In the case of water, the absence of alternative water sources in the area keeps users tied to the provider despite being dissatisfied with the quality of water.

Accountability is ensured when policy makers reflect the voice of their constituents, and compacts create incentives such that service providers accurately and conscientiously follow

[21]He asserts that beyond pecuniary, motivation can be intrinsic or as a result of the socialization process

[22]The framework greatly simplifies the reality. Reppelin-Hill notes that the role of clients as service beneficiaries does not imply that all clients are alike or have the same views. Individuals and households may disagree about collective objectives and work to promote their own views, sometimes at the direct expense of others. Politicians and policy makers are not necessarily one and the same. There can be several types of providers (public and private). When the organizational provider is in the public sector, the analytical distinction between the policy maker and the provider becomes blurred. Nonetheless, the framework is useful in illustrating how the service delivery chain works.

the wishes of the policy makers[23]. They argue that the long route of accountability fails when on the one hand, the state does not succeed in taking cognizance of its citizens' needs and demands, and citizens have no mechanism through which to articulate their voice (failure in voice), and on the other, when the state is unable to create incentives such that providers accurately and conscientiously fulfil their duties (failures of compact).

The principal agent theory has been criticized for being one-sided because it negatively portrays the agent as being self-seeking and ignores agent loyalty, pride and identification with the principal's goals (Davis, Donaldson and Schoorman 1997)[24]. They further argue that some agents are not overwhelmingly motivated by self-interest, and may well place value on collective action (Awortwi, 2012) . While these are valid observations, they do not necessarily negate the applicability of the framework, but rather point to alternatives to the framework by suggesting alternative avenues through which congruence of the interests of principals and agents can be achieved.

3.1 The Governance Service Delivery Link

There is strong evidence that governance impacts on development outcomes (Kaufmann, Kraay, and Zoido-Lobatón, 2002: Globerman and Shapiro, 2002). The belief in salutary effects of market competition and local decision making on public service have spurred the privatization of public services (Smith and Smyth, 1996). The most common form of privatization for both water and roads is contracting out construction to the private sector for the provision of goods and services through competitive bidding, with government retaining regulatory control. In Uganda as well, the over-riding objective of devolution and contracting out was to ensure effective service delivery (Golooba-Mutebi, 2003). Contracting out is associated with quality infrastructure as it entails separation of provider and monitoring roles (Muriisa, 2010: Kumar, 2002) .

Contract implementation (referred to as compacts above), greatly impacts on the outcome of this arrangement for service delivery. Monitoring of private providers determines whether sanctions in the contract are to be invoked by government. Collier (2007) argues that since the limited capacity to observe agent behaviour only arises because information is costly, it follows that expenditure on the acquisition of information can be a choice variable. Chauvet

[23]National Institute of Administrative Research (NIAR) LalBahadurShastri National Academy of Administration, Mussoorie - 248 179 India (2011)
[24]Cited in Awortwi (2012)

et al, (2006) [25] show that the performance of development projects is improved by good supervision, and that expenditure on monitoring is a good proxy.

The other arrangement applicable to water is the mobilization of non-governmental organizations, and user community groups under water user groups. The reasons for increasing the role of the private sector and NGOs in the provision of public services include reducing of the cost of public services through increased efficiency; relieving government of pressure from financing requirements; satisfying unmet needs for public services; and increasing productivity by promoting competition (Mcmaster, 1999). Pessoa (2008) argues that not only are government resources invariably inadequate but also the quality and efficiency of the services they provide are very often poor. The Water User Groups and committees provided for under the framework for provision of water, especially in rural areas, are expected to improve the level of access to clean water through regular maintenance of the water sources[26].

The superior development outcomes attributed to governance can be linked to specific constituent aspects of governance including equity; availability of information to users and transparency; accountability; and a favourable institutional regime. Devarajan & Reinikka (2004) attribute the increase in enrolment levels in primary education in Uganda under Universal Primary Education (UPE) to among other things, abolishment of user fees, favourable macroeconomic environment and information to empower citizens. They also provide evidence – from Cambodia – that contracting out public services can improve coverage of public services in a short time.

As already indicated, accountability is a key feature of a self-regulating network of actors espoused in the governance literature. Therefore, anything that affects the accountability relationship in delivery of services may impact on development outcomes. The mode of access to a service (which is closely related to the nature of the service), or how it is offered, may debase the position of citizens to demand for better services. Services where users directly contribute to their provision have been found to be better because they can demand for better services from providers (World Bank, 2004). Treating access to water as a human right may mean that those who do not contribute cannot be excluded from accessing water which results into over-consumption, wastage, and free-rider problems associated with non-excludable goods (Robson, 2007)[27].

[25] Cited in Collier (2007)
[26] The Uganda Water Supply Atlas (2010)
[27] The application of this argument to roads needs no such qualification.

Access to information by the citizens is important for the functioning of the accountability relationship. Reinikka and Svensson (2004b) in their experiment to evaluate the effects of increased public access to information as a tool for reducing capture and corruption of public funds, found that public access to information is a powerful deterrent to capture at the local level. Capture was reduced from 80 percent in 1995 to less than 20 percent in 2001. Collier (2007) also mentions the availability of information to citizens among a repertoire of factors that impact on the citizen's demand for better services.

User satisfaction is increasingly becoming important in the evaluation of public services. Yet, very often citizens or users of public services err in their evaluation of the quality of services. Van Slykeand Roch (2004) attribute the mismatch between citizens' perceptions and objective evaluation of quality to two factors. One is that citizens are less knowledgeable on service delivery arrangements. Second is that they lack sufficient information to make judgements similar to those of professional evaluators. They further note that citizen satisfaction is also influenced by political and institutional factors. Results from their study showed that service users were more likely to identify good quality services (services with which they are satisfied) with non-state providers.

Batley (2004) proposes three criteria for evaluation of the capacity of citizens to control service provision, including organization of client groups; exercising choice; and influencing and measuring performance. Citizens are in more favourable positions with water user groups, alternative sources of water subject to other considerations[28], and straight forward measures of performance – functionality of water source, surroundings of the water source; and quality of the water. In relation to roads, user organizations are almost non-existent; for most areas there is no alternative and performance evaluation is more complex.

The motivation of actors is important for the design of effective sanctions for poor performance. Collier (2007) identifies motivation as a building block for accountability and points out that motivation of actors in public service provision goes beyond pecuniary benefits. Devarajan & Reinikka (2004) similarly mention motivation (both extrinsic and intrinsic) of frontline workers among requisites for effective management of services.

There are also contestations of the link between governance and service delivery. Milward and Provan (2000) argue that while good things may happen at community level it may not be possible to trace them back to any particular approach due to their complexity. They however posit that effective governance is more likely to occur with the presence of clear principal agent relationships; principals producing some services, which increases

[28]Including distance to source, cost and quality of the water

competition; balancing governance elements with resources; and the stability they link to infrequent bidding of contracts[29]. Awortwi (2004) also argues that simply turning over public service delivery to private agents without ensuring that the fundamentals that make them successful are put in place leads to a worse situation than portrayed in the literature about the benefit of public private partnerships.

Positer and Henry (in Richard Batley, 2004) find no significant difference in attitudes about the quality of services delivered by public or private sectors. Smith and Smyth (1996) too showed that privatization and devolution may not create competitive markets in the absence of substantial public intervention. This is attributed to the existence of minimal competition for contracts; government officials depending on trust and long standing relationships with firms in awarding contracts; inadequate funding for some important agencies; and localized markets.

Politics and politicians also play an important role in governance and, subsequently, the development outcomes. The interests of different groups interact to shape policy, programs and projects. Batley (2004) notes that in practice, international agencies and core government officials usually act as the 'principals' in the determination of reforms in developing countries. He further argues that the organization of service delivery is of little interest to citizens and the struggle for change remains within the bureaucratic arena. In the case of Uganda, besides external influence from donors, the internal drive for reforms was from government's recognition of the far-reaching collapse of its institutions (Golooba-Mutebi, 2003).

Several other reforms in Uganda appear to have been inspired by political considerations, which have led to adverse development outcomes in some cases. The UPE project is one example; in the run up to the 1996 election, the ruling National Resistance Movement (NRM) party realized that access to education was an important issue to a big proportion of the electorate and was the main campaign issue for the leading opposition candidate. While this greatly improved enrolment, inadequate planning for other elements has seen the quality of education under the program drop significantly. Another example is the abolition of graduated tax in 2007 in response to a promise to do the same by the leading opposition candidate in the 2006 presidential election. This greatly reduced the capacity of districts to

[29] Frequent rebidding of contracts is counterproductive as it discourages a long-run perspective on the part of the providers.

mobilize revenue and has greatly affected functioning of decentralization[30]. Other utterances by the president have also had profound impact on development outcomes.

Collier (2007) notes that while electoral competition determines how power is acquired, it may place only weak constraints upon which power is used and that other non-electoral checks and balances including courts and the media may be more important. Collier and Hoeffler (2006) [31] argue that without checks and balances resources get diverted into private localized patronage because it is more cost effective in winning elections than provision of national public goods. Thus, even with electoral competition, in the absence of checks and balances, politicians will assign low priority to public goods.

[30] Local Government Finance Commission, Annual Report (2010)
[31] Cited in Collier (2007).

4 Methodology

The strategy of this study is to relate outcomes of governance in the water and roads to specific governance aspects. For the water sector, the study explores the link between issues related to management of water sources as provided for under the Community Based Maintenance System (CBMS) and sector outcomes. The outcomes of interest for water include the quality of water and reliability quality of services widely used in policy and reports for the sector. An effort was made to use both objective evaluation and perceptions of users on quality of services. For roads, the study compares quality of roads whose works were undertaken by government with those where works were undertaken by the private sector.

Both qualitative and quantitative methods were used in data collection and analysis. Several methods of data collection were employed in this study, in addition to a review of relevant documents. Information on water and roads works undertaken in the five study districts over the preceding three financial years (2007/08 to 2009/10) was extracted using predesigned extraction forms. Predesigned questionnaires were used to collect information on service users-User Satisfaction Survey (USS) and on operations of WUCs- Qualitative Service Delivery Survey (QSDS). Interview guides were used in discussions with key informants.

4.1 Sampling and Selection of Respondents

A combination of purposive selection and random sampling was used at different stages. The districts were selected following three criteria. First, districts were categorized into three groups basing on their performance on ***Golden Indicators*** defined in the Uganda Water Supply Atlas 2010 namely best performers, moderate performers and poor performers. One district was randomly selected from each of the categories Nebbi (a best performer), Soroti (poor performer), and Ntungamo (moderate performer). Mbale and Wakiso districts were selected in consideration of regional balance and their relatively higher levels of urbanization. Table 4-1 shows performance of selected districts on the golden indicators.

In each district, a rural sub-county with the worst rating on water sector indicators was selected, along with a sub-county near the main urban centre but under the jurisdiction of the district. This was done to ensure that the study is not spread too thin across administrative boundaries (town councils are independent entities from districts). The water sources covered in the qualitative service delivery survey (ten for each sub county) were selected from the list of water sources in that sub-county extracted from the records by way of systematic random sampling.

Five water sources for the determination of sampling for the user satisfaction survey were randomly selected from each district, with two being selected from sub-counties near urban centres and three from the rural sub-county out of the ten covered in the QSDS. This was done to capture information from the providers of services (agents) and users of the service (principals). Twenty households were then randomly selected from a list of users of selected water sources generated from the records of either the water user committees or water source caretakers. In-depth interviews were held with the district water and roads engineers, chairperson of the District Water and Sanitation Committees together with the LC V chairpersons of the districts and LCIII chair persons of selected sub-counties.

Table 4-1: Performance of Study Districts on Golden Indicators and other Indicators

	District				
Indicator	**Mbale**	**Nebbi**	**Ntungamo**	**Soroti**	**Wakiso**
Golden Indicators					
Coverage	60	82	72	48	69
Functionality of water sources	89	81	81	70	81
Equity	121	91	102	158	107
% of functional WUC	34	45	14	24	22
At least a woman in key position	62	78	74	51	54
Other Indicators					
Population size ('000) *	416.6	537.2	458.0	554.9	1,260.9
Area (km^2) **	534.4	2966.3	2056.0	3715	2704
No.of sub-counties*	11	16	14	14	13
No. of TCs/MCs*	1	3	1	1	3
Road density**	0.44	0.14	0.29	0.02	0.26
Incidence of poverty^	24.3	48.2	21.8	24.3	10.7
Rate of urbanization^^	11.3	1.1	6.3	2.7	7.7

Sources: *^Uganda National Housing Census (2002), ^^Uganda National Household Survey (2009/10), *Uganda Water Supply Atlas (2010) and **various district reports (2010/11)*

4.2 Specification of Models and Definition of Variables

As already indicated, the study investigates two relationships. The first was between governance aspects and the quality of services based on both objective evaluations as well as perceptions of users. The second one was between reporting of issues related to water and roads by citizens (a proxy for demanding for better services) and individual characteristics, is also an important feature of governance. Unlike perceptions or satisfaction of users, objective evaluation of the quality of services involves several attributes – for instance, rating of a water source depends first and foremost on its reliability, and

secondly on the quality of water it produces. We base on observable attributes of quality to assign the service a good or poor quality creating binary dependent variables for our models. We then use probit models of the following forms.

Quality of service = f (governance and other controls)

Perceptions of quality = f (governance, individual characteristics and other controls)

Reporting service issues = f (individual factors and other controls)

The dependent variable for quality of service for roads (*QUALITY_RD)* is created by assigning 1 (good road) for roads where the surface rating in 2010 was good and drainage structures functional, otherwise it is assigned 0 (poor road). The dependent variable for quality of service for water (*QUALITY_SOS*) created by assigning 1 (good source) for water sources that were found functional at the time of the survey, and had not broken down more than 3 times in the preceding 12 months, otherwise it is assigned 0 (poor source). The dependent variables on perception of quality of water are two, one is related to reliability (*RELIABILITY_SOS*) and is created by assigning 1 (reliable source) where respondents indicated to be at least as reliable as other sources in the area and 0 (unreliable source) otherwise. The second one is related to the perception of quality of water from the source (*WATERSVS_QTY*) which is assigned 1 (good water) where respondents indicated that the water was at least as good as water from other sources in the area and 0 (bad water) where the water was indicated to be relatively worse. The dependent variable for reporting service issue is simply assigned 1 where the respondent indicated to have reported issues on water (*REPORTED_WTR_ISSU*) or roads (*REPORTED_RD_ISSU*). An attempt was also made to ensure that the categorical variables too are binary. Table 4-2 shows the derivation of independent variables used in the models as well as the expected signs of their relationship with the dependent variable based on the theoretical, empirical literature reviewed in preceding sections and intuition. The source of variables is also indicated; District road contracts (RC), Quantitative service delivery survey of WUCs (WUC) and User satisfaction survey (USS).

Table 4-2: Definition of variables

Variable name	Label	Source	Expected sign	
			Quality of services	Reporting of issues
Governance				
Dummy variable for contracted out road works	PRIVATE_PROVISION	RC	+/-	
Details of road works indicated in contracts	DETAILS_SPECIFICATION	RC	+	
Dummy variable for existence of budget for monitoring or supervision	MONITORING_BUDGET	RC	+	
Water source caretaker is paid	CARETAKER_PAID	WUC	+	
Existence of caretaker for water source	CARETAKER	WUC	+	
Existence of WUC for source	EXISTANCE_WUC	WUC	+	
Hand Pump mechanic is paid	HPM_PAID	WUC	+	
Proportion of water source users that regularly contribute to maintenance of water source	USERPROP_PAYS	WUC	+	
Existence of contractual arrangement with HPM	CONTRACTS_HPM	WUC	+/-	
Controls				
Dummy variable for road works greater than routine maintenance	PERIODIC_ MAINTENANCE	RC	+	
Whether there is a trained HPM for water source	TRAINED_HPM	WUC		
Dummy variable for locations in sub-county close to main town in district	PERI_URBAN	WUC, USS		+
Dummy variable for male respondents	MALE	USS		
Dummy variable for respondents who contribute to maintenance of water source	CONTRIBUTETO_MAINTAIN	USS		+
Dummy variable for respondents who are either head of household or spouse	RESPONSIBLE	USS		
Dummy variable for respondents with at least secondary (O-level) education	EDUC_LEVEL	USS		+
Covariates				
Cost of road works per km	COST_KM	RC	+	
Number of years since last works on a road	AGE_RD	RC	-	
Proportion of members of WUC that are active	PROP_ACTIVE_MMBRS	WUC		
Number of years since WUC was formed	WUC_TENURE	WUC		
Number of years since construction of water source	AGE_SOS	WUC		
Walking time in minutes to water source	TIMETO_SOS	USS		
Age of respondent	AGE_RSP	USS		
Size of respondents household	HH_ SIZE	USS		
Number of years household has stayed in the area	HH_TENURE	USS		

5 Presentation and Analysis of Findings

This section presents and synthesizes the findings of the study. The study suffered mainly two limitations. Foremost, the scope of coverage (only five districts were covered out of 114) was restricted to the amount of resources available for the exercise. For the same reason, urban centres in the study districts were left out. This means that the analysis and findings of the study are very constrained in scope. The second limitation was the non-availability of information at the district level, especially in relation to roads, which in turn limited the level and type of data analysis. For statistical tests, we use α=.05 throughout. The table below presents descriptive statistics of variables used in estimation of the models.

Table 5-1: Descriptive

Variable and source	N	Minimum	Maximum	Mean	Std. Deviation
Roads contracts					
PERIODIC_ MAINTENANCE	143	0	1	.44	.498
PRIVATE_PROVISION	131	0	1	.66	.474
DETAILS_SPECIFICATION	144	0	1	.24	.426
MONITORING_BUDGET	142	0	1	.85	.363
QUALITY_RD	144	0	1	.46	.500
COST_KM	136	9394	2.E8	8.26E6	1.952E7
AGE_RD	144	0	3	1.76	.784
Water User Committee					
AGE_SOS	92	0	19	4.2174	3.68491
CARETAKER_PAID	70	1	2	1.86	.352
CARETAKER	98	0	1	.73	.444
WUC_TENURE	84	0	13	2.8095	2.24132
EXISTANCE_WUC	99	0	1	.89	.316
PROP_ACTIVE_MMBRS	87	0	100	72.3919	27.35444
TRAINED_HPM	99	1	3	2.07	.982
HPM_PAID	47	1	2	1.17	.380
USERPROP_PAYS	63	8	100	54.13	28.763
CONTRACTS_HPM	90	1	2	1.84	.364
QUALITY_SOS	99	0	1	.67	.474
User satisfaction survey					
PERI_URBAN	497	0	1	.40	.491
MALE	494	0	1	.80	.401
TIMETO_SOS	492	1	99	22.95	20.441
CONTRIBUTESTO_MAINTAIN	493	0	1	.49	.500
REPORTED_WTR_ISSUS	479	0	1	.45	.498
AGE	496	19	84	45.23	14.322
REPORTED_RD_ISSUS	491	0	1	.32	.468
HH_ SIZE	497	1	16	5.79	3.018
RESPONSIBLE	457	0	1	.7571	.42930
EDUC_LEVEL	400	0	1	.2125	.40959
RELIABILITY_SOS	482	0	1	.59	.493
WATERSVS_QTY	484	0	1	.66	.475
SOSCATEKR_PAID	316	0	1	.32	.466
WUCFOR_SOS	477	0	1	.83	.374
CARETEKRFOR_SOS	477	0	1	.75	.434
HH_TENURE	488	0	81	25.32	18.063
GOOD_RD	489	0	1	.4785	.50005

5.1 Public versus private provision of social services

One of the key features of governance is public private partnerships. In this study, we compare the public and private sectors on implementation of road works on gravel roads, which make the bulk of roads under the jurisdiction of districts. The information from district roads contracts revealed that over the three financial years, the districts commissioned a total of 145[32] roads works projects dominated by routine maintenance (56%), followed by periodic maintenance (30 percent) as depicted in table 5-2 below. Rehabilitation of roads accounted for 12 percent of the road works, while road opening accounted for only one percent. In terms of road surface type, most of the roads were of gravel surface. In terms of length, the road works covered over 1,400 km of roads with an average width of four meters. Over 680 km of road received routine maintenance while 660 km received periodic maintenance. Less than 115 km of road was rehabilitated and less than 15km of new roads opened. Out of the 145 road projects funded over the period, 74 were funded under the URF, 24 funded under PAF and seven were funded by other actors including donors. The source of funding for 40 projects was not indicated in the contracts. The districts of Mbale, Wakiso and Soroti recoded much higher expenditure on roads compared to Ntungamo and Nebbi.

5.1.1 Prevalence of Contracting out road works

The Ministry of Works has in principle committed itself to reducing the use of force account for road works where district roads departments directly undertake road works as opposed to contracting out to the private sector. The information extracted from the contracts appears to conform to this position, with most of the works carried out over the three years being contracted out to private firms contracted by districts, with the exception of Nebbi, where all projects were undertaken by the district itself. It is also clear that force on account is not applicable to other types of works except routine maintenance. Table 5-2 shows the types of procurement for the different types of road works undertaken by the districts over the three years.

[32] Details of one of the roads were not indicated and thus not included in the table

Table 5-2: Type of procurement

Type of road works	District										Total	
	Mbale		Nebbi		Ntungamo		Soroti		Wakiso			
	Pub.	Priv.	Pub.	Priv.	Pub.	Priv.	Pub.	Priv.	Pub.	Priv.	Pub.	Priv.
Periodic maintenance	-	4	-	-	-	9	-	16	-	13	-	42
Routine maintenance	1	13	43	-	-	13	-	-	-	1	44	27
Rehabilitation and opening	-	11	-	-	-	2	-	4	-	2	-	19
Total	**1**	**48**	**43**	**-**	**-**	**24**	**-**	**20**	**-**	**16**	**44**	**88**

Source: *District roads contracts (2007/08- 2009/10)*

5.1.2 Per unit costs of Road Works

Over the three financial years, the cost of roads works carried out by the districts amount to over UGX 5.7 billion, with Wakiso and Mbale districts registering the highest sums at UGX 2.3billion and UGX 1.9billion respectively. Nebbi district registered the lowest contractual sum in relation to road works. The cost per km (or per unit cost) of a given type of works is an important parameter of efficiency for roads projects. For purposes of comparison, only periodic and routine maintenance of gravel roads was considered. The average per unit cost of periodic maintenance was UGX13.50 million while that for routine maintenance was UGX8.08 million. Table 5-3 presents a summary of per unit costs of periodic and routine maintenance under taken by districts.

Table 5-3: Unit costs of periodic and routine maintenance of gravel roads (UGX' Million)

Type of road works	District										Total	
	Mbale		Nebbi		Ntungamo		Soroti		Wakiso			
	Mean	S.dev	Mean	S.dev	Mean	S.dev	Mean	S.dev	Mean	S.dev	Mean	S.dev
Periodic maintenance	12.50	6.21	-	-	0.81	0.34	6.51	8.14	19.80	4.55	9.13	8.87
Routine maintenance	2.82	6.31	0.12	0.14	0.70	0.47	-	-	-	-	0.80	3.05

Source: *District roads contracts (2007/08- 2009/10)*

A comparison of unit cost of periodic maintenance and routine maintenance across districts was done using ANOVA. The results show that the difference in the average unit cost for both types of works across districts was significant F (3,24) = 6.25, $p<.01$ for periodic maintenance and F (2,73) = 5.32, $p<.01$ for routine maintenance. Post hoc analysis using the bonferroni test shows that the unit cost of periodic maintenance in the two more urban districts of Mbale and Wakiso was significantly higher than in Ntungamo and Soroti. Post hoc analysis on routine maintenance shows that the unit cost in Mbale was significantly higher than in Nebbi. A comparison of these two districts with Ntungamo revealed no significant differences with either of them.

5.1.3 Quality of Public of Services

The quality of services is a commonly used measure in the evaluation of development outcomes. Variations in the quality of services accessed by citizens (also referred to as equity) is an important aspect of democratic governance and is often used in the allocation of resources (Van Slykeand Roch, 2004) . The ultimate objective of the roads sector is to maintain roads in the country in good and motorable condition[33]. Districts are required to keep an inventory of roads under their jurisdiction, indicating their condition based on specific parameters including condition of surface, existence of drainage and silting level, among others. Information from the condition survey of 2010 for roads on which works had been under taken over the study period is presented in table 5-4 below.

Intuitively, the quality of road should be determined by some parameter, including the nature of works (whether it was routine maintenance, periodic or rehabilitation) and the cost of construction per km for each kind of works. A close look at the data shows that to a great extent routine maintenance (which is also the cheapest in terms of cost per km), is usually undertaken by districts while there is more contracting out of greater works such as periodic maintenance, rehabilitation and upgrading. We naturally expect, therefore, that the nature of procurement is correlated with the unit cost as well as contracting out of road works. We run two versions of the probit. One is with contracting out (PRIVATE_PROVISION) as an explanatory variable and not cost of road works per km (COST_KM) - **I** and vice versa **II**. Other explanatory variables include availability of funds for monitoring or supervision (MONITORING_BUDGET) and description of works in the contracts (DETAIL_SPECIFICATION). It was expected that there would be a positive relationship with quality of road as well as the time since the last time the road was worked on (AGE_RD), which is expected to be negatively related to the quality of road due to wear and tear of gravel roads.

[33]Project paper on Proposed Additional Credit to the Republic of Uganda for a Development Project in the Transport sector by the World Bank (2011)

Table 5-4: Quality of roads under different arraignments- estimation by multivariate probit

Variable	Quality of road based on objective evaluation			
	I		II	
	B	Sig.	B	Sig.
PRIVATE_PROVISION	.332	(.287)		
MONITORING_BUDGET	1.344*	(.004)	1.123*	(.009)
DETAIL_SPECIFICATION	-1.554*	(.000)	-1.335*	(.000)
AGE_RD	-.368*	(.021)	-.351*	(.024)
COST_KM			4.523E-9	(.603)
Intercept	1.488*	(.000)	1.410*	(.001)
N		116		116
Log likelihood		-65.567		-66.007
Perception of quality of roads				
EDUC_LEVEL	-.264	(.246)		
AGE	.025*	(.003)		
YEARS_OF_STAY	-.009	(.171)		
HHSIZE	-.034	(.225)		
GENDER	.093	(.672)		
PERI_URBAN	.683*	(.000)		
Intercept	-.948*	(.005)		
N	224			
Log likelihood	-142.620			

The results of the two models using the highest value of the binary variables as the reference category show that contracting out road works and the unit cost of road works are not significantly related to the probability of categorizing a road as good in 2010 while the relationship with the other variables is significant. As expected, roads for which no details of works were clearly spelt out were more likely to be categorized as poor. The same goes for the time since the road was last worked on, although the coefficient is too small. The negative sign suggests that the longer the roads take without works, the more they deteriorate. The most intriguing thing about the results is on the availability of funds for monitoring. The results suggest that roads for which funds were set aside for monitoring or supervision in the budget were of poor quality (more likely to be categorized as poor) compared to those for which no funds were set aside. This may imply that these funds may not necessarily have been put to this use, especially where the works are undertaken by the government.

The perception of service users is i becoming an increasingly important parameter of quality of services. The respondents to the user satisfaction survey were asked to rate the quality of two of the most important roads in their localities. The reasons given for importance of these roads were dominated by linking to, markets (75 percent), other parts of the country (69 percent) and social services (50 percent). While the roads mentioned include those

outside the jurisdiction of the district, there are generally stark differences between the rating by the district engineering department and the perceptions of the citizens on the condition of roads in these districts. The overriding view among respondents was that roads in the study areas are generally poor and it is the same everywhere.

The respondents were also asked to rate the quality of the important roads. The response was coded as 1 (good road) for roads that were at least the same as roads elsewhere and 0 (bad road) for roads that were reported to be worse than roads elsewhere. While this may appear to bias the split between good and bad towards 'good', doing the reverse would only reverse the bias towards 'bad road' due to the fact that most of the respondents (over 65 percent) felt that the roads were the same as elsewhere. The results on perception of quality of road given an individual's characteristics presented in the lower panel of table 5-5 shows that only age of respondent and location in a sub-county close to the town (PERI_URBAN) are significantly related to the probability of an individual rating a road as being at least as good as roads elsewhere. Again, while the figures are small, the signs associated with the indicates that older respondents are more appreciative of the quality of roads compared to younger ones and that respondents in near the urban centre are similarly more appreciative of the quality of roads than those further away from the urban centre, which is also the seat of the local administration. The latter suggests that there are variations in quality of roads between rural and urban areas in which the former is disadvantaged.

The respondents were further asked about issues or problems they experience with the roads which underlie the views on quality. Their responses indicate that the most prevalent issues with roads are interlinked. The issue of roads being potholed is related to inadequate maintenance and the two of these can be linked to poor drainage along the roads. The table below shows a disaggregation of issues with roads as mentioned by the respondents.

Table 5-5: Problems with roads

Problem with road	Percent
	(N=479)
Narrow	33
Pot holes	65
Slippery during rainy season and dusty during dry season	39
Roads breaks down as soon as they are repaired due to shoddy work	6
Accidents due to over speeding	11
No drainage structures	37
Roads not maintained	34
Sharp corners	5

*Multiple responses

Source: *ACODE water and roads governance aspects study – 2011 (USS)*

5.2 Provision of water under Community Management

Community management of water sources through WUCs is encouraged under CBMS. National statistics put functionality of WUCs at 65 percent. General information from the study districts showed that over 61 percent of water sources in the five districts were community owned, 34 percent owned by government and 5 percent by NGOs and religious institutions. The term 'ownership' as applied to public point water sources is largely in respect to two interrelated elements: the source of funding, including community contribution - and who initiated the construction of the water source.

Responses from 99 respondents during the QSDS who are also either members of the WUC or caretakers for the water sources indicated that 22 water sources were provided by central government, 29 by local governments (district and sub-county), and 21 by NGOs including religious institutions. The construction of 40 of the sources was reportedly initiated by community members, 25 by local leaders and 20 by local governments. Almost all (81) committees were formed through elections save for five that volunteered. The average size of WUC was seven persons of which up to 37 percent were women. On average, the proportion of active members was 72 percent. The average tenure term of the sitting WUC was found to be three years[34].

5.2.1 Functionality of Water User Committees

Functionality of WUCs is central to the functioning of the CBMS and it is defined by having an elected committee that mobilizes and collects funds for maintenance of the water source (Uganda WaterSupply Atlas 2010). It was reported that at 27 water sources under the community management, water is collected at no cost at all. Twenty five (25) reported that money is only collected from users when the need arises while for 43 water is paid for by subscription ranging from a month to six months. Only two respondents attested to collecting money from users per unit of water- usually a jerrycan[35]. It was claimed that those who cannot afford were reportedly allowed to access water for free at 58 water sources. The point of contention here is how inability to pay can be ascertained. The responses of users of 25 water sources covered by the USS appear to conform to this position.

Most respondents attested to paying for water by subscription (45 percent) while 42 percent reportedly access water at no cost. Only four percent attested to paying for water per unit of consumption. For those that contribute regularly, the average cost is UGX 100 per jerrycan and just over UGX 2,000 for those that pay on a monthly basis. Furthermore, even where

[34] The Operation and Maintenance framework suggests a two year term for each WUC.
[35] Commonly with a capacity of 20 litres

users contribute, on average, only 54 percent contribute. There was reportedly no money for maintenance of 55 water sources at the time of the survey, while up to 50 percent of those who said they had some money, had no more than UGX 40,000 on hand, which is barely enough to cover Hand Pump Mechanic's fees for two repairs. A total of 72 water sources had designated care takers of which 60 were paid. Also 48 sources were reported to have a trained HPM within the area.

On accountability, the WUCs are generally poor record keepers with 40 percent attesting to having no records. For those with some form of record, the most prevalent was a list of paid up users (51 percent). Only 17 percent reported to have cash books for transactions of the funds collected. Similarly, only 21 committees reported issuing receipts to users upon payment of their contribution, and only 35 attested to give financial reports to users.

A total of 33 committees reportedly did not hold meetings with users and for those who did, only 12 reported holding such meetings on a regular basis. The others only did so when there was need such as when the source breaks down. It was further noted that only 34 WUCs reported to have sanctions for embezzlement of funds, although the study did not delve deep into the type and adequacy of these sanctions.

5.2.2 Support to WUCs: Roles of Actors

Support to the WUCs is critical for their functioning. Usually the first kind of support is an induction on their duties. Only 28 respondents reported that the WUCs had been trained. In most cases the training had been carried out by sub-county officials (11) district officials (9), and officials from NGOs (8). The respondents were also asked about the kind of support the WUC receives from different sources.

Only five and twelve (12) respondents acknowledged support from the sub-county and district respectively. The respondents were asked to mention the kind of support they get from local leaders without attaching them to any level of local government. The responses show that the local leaders mobilize communities to plan for maintenance, contribute to maintenance of water sources, and forward complaints to higher authorities.

5.2.3 Quality of services under Community Management

The quality of water services goes beyond availability and quality of water and can be viewed from two different perspectives. One is from the condition of the water source and the other is the satisfaction of users of the water source. At the time of field work 67 percent of the sources were functioning normally, 16 percent were functioning partially while 17 percent were non-functional. The users were also asked to gauge the quality of service of

water source covered by the quantitative service delivery survey in the study on the two aspects of reliability and quality of water. The majority indicated that the source was better on both reliability and the quality.

We use binary variables constructed from the perception of users on the quality of water and reliability of water sources as dependent variables and combine individual and source factors as explanatory variables. Table 5-6 presents results of the multivariate probits for the two dependent variables using SPSS[36]. The results suggest that female respondents who comprised 20 percent of all respondents in the User Satisfaction Survey rated the quality of water from the sources highly compared to their male counterparts. The other significant explanatory variables for quality of water include whether the caretaker is paid, tenure of WUC and how old the source is. While their coefficients are too small to be conclusive, their signs conform to our expectations, i.e., there is better service where the caretaker is paid and when the water source is new. The fact that the tenure of the WUC was significant and positively related with higher rating of quality of water from the source is interesting because the term for a WUC is only three years. However, it may be true that those that stay on for longer are more knowledgeable about issues of management of the source, and may also be more dedicated.

The results on perceptions of reliability of the water source show that gender and the intercept are not significant in this case. Interestingly, the coefficient for payment of the caretaker is much bigger and we can infer that sources where the caretaker is paid are more reliable. This position is augmented by the indicated roles of care takers in the QSDS, including maintaining order at the source, regulating use, cleaning the surrounding and collecting fees from users. Also, remuneration of caretakers may motivate them to spend more time at the source as opposed to where no incentive is provided.

[36]The computer program used for analysis in this study.

Table 5-6: Multivariate probit results - Rating of quality of water and reliability of water sources

Variable	Quality of water		Reliability of source	
	B	Sig.	B	Sig.
MALE	-1.112*	(.002)	-.620	.080
PERI_URBAN	-.274	(.301)	-.289	.336
EDUC_LEVEL	-.429	.118	-.204	.499
AGE_RSP	-.004	.718	-.002	.844
HH_TENURE	.010	.231	.005	.536
TIMETO_SOS	.003	.598	-.006	.351
HH_SIZE	-.021	.562	-.037	.385
CONTRIBUTETO_MAINTAIN	-.049	.867	-.090	.785
CARETAKER_PAID	-.878*	.004	-1.641*	.000
WUC_TENURE	.168*	.006	.328*	.000
AGE_SOS	-.184*	.000	-.109*	.010
Intercept	1.099*	.037	1.167	.056
N		193		191
Log likelihood		-100.142		-78.648

The users were asked about the concerns they had with their water source. Three concerns were widely cited (i) poor quality of water characterized by bad smell, dirty and oily surface; (ii) the large numbers of users; and (iii) inadequate water flow. Table 5-7 presents details of the responses on issues with the water sources covered.

Table 5-7: Issues with water source

Problem with water source	Percent
	(N=477)
Poor quality of water (smelly, dirty, oily)	44
Very many users/ households	44
Inadequate water flow	40
Frequent breakdown of water source	32
Surrounding dirty	22
Long distance to water source	17
High water charges	10
Chaos at source	8
Non-payment of maintenance fees	4
Ineffective WUC	3

Source: *ACODE water and roads governance aspects study – 2011 (USS)*

5.3 Reporting issues related to service delivery

Reporting issues related to service delivery by citizens is important for voice under the accountability framework. Through reporting, citizens make their preferences and demands known to policy makers. Under this study, reporting issues related to service delivery is a proxy for demand for better services. A total of 216 (45 percent) respondents attested to having reported issues related to water and 158 (32 percent) reporting issues related to roads to the authorities. Table 5-8 shows the authorities to whom service issues were reported and satisfaction with the way they were handled.

Most of the respondents indicated that they had reported issues related to both water and roads to LCI officials, followed by the water source caretakers for water and LCIII (sub-county) officials. This pattern accentuates the fact that the LCI is the closest to the people yet they can only convey these issues to higher authorities. Further, there have been no elections for Local Council One (LCI) for over ten years- since their legality was challenged in court - which means that all LCIs in Uganda are operating defacto. In many cases the councils are not fully constituted and have lost legitimacy which appears to have greatly diminished their ability to preside. On the other hand, relatively few respondents indicated reporting to Members of Parliament, who may also be the hardest to reach.

Table 5-8: Authorities to which issues were reported and satisfaction with handling of issues

Authority	Issues related to water		Issues related to roads	
	Proportion that reported to	Proportion Satisfied with handling of issue	Proportion that reported to	Proportion Satisfied with handling of issue
	(n=216)		(n=158)	
LCI (Village)	57%	29%	57%	26%
WUC	28%	40%		
LCIII (Sub-county)	25%	26%	26%	29%
LCV (District)	19%	11%	19%	17%
Member of Parliament	17%	10%	13%	15%

Source: *ACODE water and roads governance aspects study – 2011 (USS)*

On the whole, the respondents largely expressed dissatisfaction with the handling of their concerns by the authorities they reported to. More respondents were satisfied with handling of issues by the WUC than any other authority. The most cited reasons for dissatisfaction include: nothing happened (73 percent); and not receiving feedback (22 percent). This could be attributed to the fact that for many public services, there is no clear mechanism of handling reported issues. It is therefore not always clear from whom, and in what timeframe to expect feedback.

A lot has been said about the determinants of reporting of water and roads issues in the literature; we put some of these postulations to test in this study using multivariate probit analysis of reporting, the results of which are presented in Table 5-9. While the coefficients are again too small to make conclusions on these relationships, the results suggest that the probability that a respondent reported water issues was higher for respondents who had reported roads issues as well. As well respondents who regularly contribute to maintenance of the water source (CONTRIBUTETO_MAINTAIN) by either paying per unit or subscription are more likely to report water issues compared to those who do not usually contribute. For

roads, respondents who had stayed in the area (HH_TENURE) for long are less likely to report roads issues.

Table 5-9: Multivariate probit results- Reporting roads and water issues

Variable	Reported Roads Issues		Reported Water Issues	
	B	Sig	B	Sig
EDUC_LEVEL	.225	(.222)	.061	(.743)
AGE1	.013	(.076)	-.006	(.435)
HH_TENURE	-.011*	(.046)	.001	(.867)
MALE	.473	(.100)	-.067	(.822)
PERI_URBAN	-.123	(.431)	-.084	(.605)
RESPONSIBLE	-.282	(.264)	.128	(.636)
REPOTED__RD			.895*	(.000)
REPOTED_WATR	.940*	(.000)		
TIMETO_SOS			.006	(.123)
HH_SIZE			.007	(.792)
CONTRIBUTETO_MAINTAIN			.615*	(.000)
GOOD_WTR			-.116	(.497)
RELIABL_SOS			.040	(.814)
GOOD_RD	-.189	(.215)		
Intercept	-.318	(.316)	-.716*	(.048)
N		278		278
Log likelihood		-186.855		-192.336

For those respondents who had never reported any issue in relation to water or roads, the reasons given point to exasperation and ignorance. Almost all of them (over 90 percent) felt that there was no need to report as the authorities were already aware of the problem. Others felt that it was not their duty to report such issues while some were not sure where to report. Table 5-10 below shows the prevalence of these and other reasons for not reporting issues, and a disaggregation of the reasons given for not reporting issues related to service delivery.

Table 5-10: Reasons for not reporting issues to authorities

Reason for not reporting	Water	Roads
	(n=257)	(n=325)
No need to report - authorities already aware	36%	38%
Not my duty to report	16%	20%
Do not know who to report to	16%	23%
Fear of reproach from community	9%	7%
Earlier attempts to report but did not yield results	7%	-
Too busy	6%	3%
Officials not accessible/ approachable	5%	9%
Existence of alternative water sources	4%	-
Problem is with users - non- payment of fees	2%	-

Source: *ACODE water and roads governance aspects study – 2011 (USS)*

6 Conclusions and Policy Recommendations

Decentralization and liberalization are popular in the development literature and have been embraced by many developing countries as part of the World Bank's Structural Adjustment Program. In Uganda, the two reforms, together with elective democracy, underpin governance as having greatly impacted on the institutional framework for provision of social services. Proponents of these reforms are quick to point out their advantages over the old centralized system. The reforms are portrayed as avenues to better development outcomes. The nascent governance literature explains how better development outcomes can result from this rather new configuration of government on the one hand while raising issues that may lead to poor outcomes even in the presence of decentralization liberalization and many other reforms on the other. This section presents the conclusions and makes some recommendations.

This study set out to assess the governance aspects in the water and roads sectors of Uganda and sought to address three concerns: 1) the service delivery arrangements for water and roads as defined by the actors, and relations between them, 2) the implications of the different service delivery arrangements for the quality of services and 3) the applicability of accountability framework in the provision of water and roads. The study largely utilized the framework for accountability premised on the principal agent framework proposed by the World Bank. The study focused on sub-national levels (districts) and Water User Committees, which are grassroots institutions for water source management, in interrogating the implications of contracting out road works to private companies. It also explored the community management of water under user associations, commonly referred to as Water User Committees.

The findings confirm that contracting out of provision of social services to the non-government and private sectors and community groups is not a guarantee for better outcomes. Evidence from roads shows that monitoring of works and frequency of works is very important for quality of roads, while from water we see that incentives to front line providers of services are associated with better outcomes. We follow the short and long routes of accountability to explain what is happening in the five study districts.

6.1.1 Disconnections in the long route: Failures of voice and compacts

The findings suggest that there are disconnects in the long route of accountability under the prevailing service delivery arrangements. The ability of service users to use political

processes to express their demands to the elected officials depends on many factors, all dependent on civic awareness. Citizens must be aware of the power they wield over politicians by having the requisite information on which to make value judgment as well as respond to service providers. First is that there are several power centres, of which boundaries of responsibility are blurred. Apportioning blame therefore becomes difficult in the absence of clear handling of complaints and redress mechanisms in relation to the provision of social services.

Results show that citizens start with the nearest centre and move up to higher levels with reducing degrees of responsiveness and satisfaction. The administration at the district is headed by the LC V chairperson, but there is no systematic way in which issues move from lower levels up to that office and beyond. Instead, we see evidence of forum shopping among citizens whereby they report to any authority they can gain access to. In many cases the authorities reported to have limited capacity to resolve the issues raised. The fact that respondents were more satisfied with handling of the issue by WUCs appears to be related to their being in a better position to responding to some of the issues compared to LC I response to roads matters.

Many respondents in the study cited non responsiveness of those to whom issues were reported as a de-motivator. Furthermore, there appears to be a problem with the decentralization in terms of the extent of political control over service delivery, the Chief Administrative Officer (CAO) was supposed to be appointed at district level, thus providing greater leverage of the political arm over the technical arm. Later, in response to collusion and mutual interference between the political and technical leadership, the appointment was re-centralized. This seems to have significantly reduced the influence of the political arm over the technical functions at district level. At the same time there seems to be limited awareness of the power service users collectively have over policy makers and the avenues through which they can hold them to account, demonstrated by the sentiment –'it was not my duty to report issues'.

Compact failures correspond to institutional design and failure to create optimal delegation and incentive structure in which accountability is possible. In relation to compacts, this study accentuates the importance of detailed works specifications, particularly for works undertaken by government at the most basic level. Public provision of social services means that there is no separation of roles between supervision and monitoring, and implementation functions. The findings show that it is not uncommon to find specification of works missing in the case of public service provision and that the chances of a road being good are improved by the availability of such details. These details would also provide

benchmarks to guide monitoring and supervision, especially by politicians and ordinary citizens, who are not part of the district engineering department. For works that are contracted out, the issue is about the quality of the contract, which was not covered by the study.

Allocating funds for monitoring and supervision is important for quality of services in situations of severe financial constraints, as is the case with service provision under decentralization in Uganda. Monitoring and supervision is the means by which performance is evaluated and triggers application of sanctions. For roads, the variation unit cost for similar works and allocation to monitoring and supervision across districts points to either absence of standards or limited adherence. This filters through to variations in outcomes but may also provide opportunities for rent extraction by district officials.

6.1.2 Client power under community management: Weaknesses of the short route

The study brings out the dilemma of the short route under community management of social services. As indicated in the conceptual framework, client power is the ability of citizens to hold providers directly accountable. In a market setting, the providers are mindful of losing clients to their rivals, which would result in reduced profit; this serves as a motivator for providers to respond to clients' needs. Under community management of social services, however, providers are usually volunteers. These include members of water user committees and source caretakers who are not paid. While these individuals can be dismissed from these positions for poor performance, the absence of a direct loss negates the efficacy of dismissal as sanction against misconduct of actors. For these reasons, they may care less whether clients go to other providers in instances where there are alternatives. On the other hand, paid caretakers have clear responsibilities and stand to lose if dismissed. Such costs need not be pecuniary. Collier (2007) mentions shared values, reputation and prestige as implicit costs in absence of pecuniary benefits.

6.2 Recommendations

A total of four key policy recommendations, exclusive to Uganda are drawn from this study. They may not necessarily apply to another country.

First there should be a mechanism for handling and resolving social services grievances that is compatible with the decentralized framework. At the district level, the framework should clearly spell out the responsibilities of those involved, the quality of service indicators, and sanctions applicable in relation to the different services. The LC I level, for which

remuneration is being proposed, could be charged with the management of certain services as opposed to having several unregulated committees as it is now.

The proposed client charter would go a long way in effecting this recommendation. However its implementation has been rather slow, with seemingly limited government commitment. There should also be a power centre charged with issues of service delivery. It is not clear whether it is the President's Office, the Ministry of Local Government, or the Office of the Prime Minister because they all make policy pronouncements on the issue from time to time.

The second, closely related to the first recommendation is the need to develop standards to be used across the country to ensure uniformity in both conduct and parity of development outcomes. These standards may be regional in order to take care of unique situations and cover the issue of specification of works. As well, they should address the accessibility of such information by the general public on the one hand, and allocation of funds for monitoring and supervision of works especially where works are contracted out, on the other. In situations where implementation is by government this requirement seems to have no justification.

Thirdly, civil society organisations should focus more on service delivery issues at sub-national levels. These organisations should assume the role of scrutinizing the actions of policy makers and technocrats at sub-national levels. Civil society is also well positioned to play a greater role in the proposed grievance handling mechanism. There are already several citizen groupings which could be brought into this, such as the famous Savings and Credit Cooperative Organizations (SACCOs).

Fourthly, and in relation to water provision, it is preferable to have designated caretakers for water sources with clear roles and responsibilities. The caretakers should be rewarded in some way - not necessarily financially- to ensure that they dedicate time to this role. The caretaker does not only regulate use of the source, but may serve to increase the proportion of users that contribute by refusing those who have not contributed from getting water. However, this recommendation does not apply to water sources to which access cannot be controlled, such as protected springs.

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Annex 1: Geographic location of Study Districts