The Capacity Gap: Why District Stakeholders Struggle to Internalize DLI Requirements

A mason next to a newly constructed pit latrine

Results-Based Financing depends on more than stakeholders understanding how to pay for results. It requires district stakeholders, as core implementing partners and owners of programme delivery, to translate detailed **Disbursement Linked Indicators (DLI)** requirements into routine implementation, household follow-up, documentation, internal validation, and reporting. In Uganda's RBF Programme on Improved Sanitation and Hygiene, funded by the United Nations' (UN) Sanitation and Hygiene Fund (SHF) and implemented by Water For People Uganda in partnership with district technical teams, Village Health Teams (VHTs), Health Assistants and other local stakeholders, the first verification round revealed gaps in this process.

This is not unique to the programme. **WASH systems strengthening experience from Uganda and other contexts has emphasized the importance of strengthening local governments' capacity to plan, coordinate, monitor, and lead WASH services.** WaterAid's[1] work on strengthening WASH systems, for example, highlights government leadership, coordination, accountability, and

[1] *Crichton-Smith, H., & Casey, V. (2020, October 1). System strengthening for inclusive, sustainable WASH: Experiences from SusWASH. WaterAid. https://www.wateraid.org/washmatters/blog/system-strengthening-inclusive-sustainable-suswash*

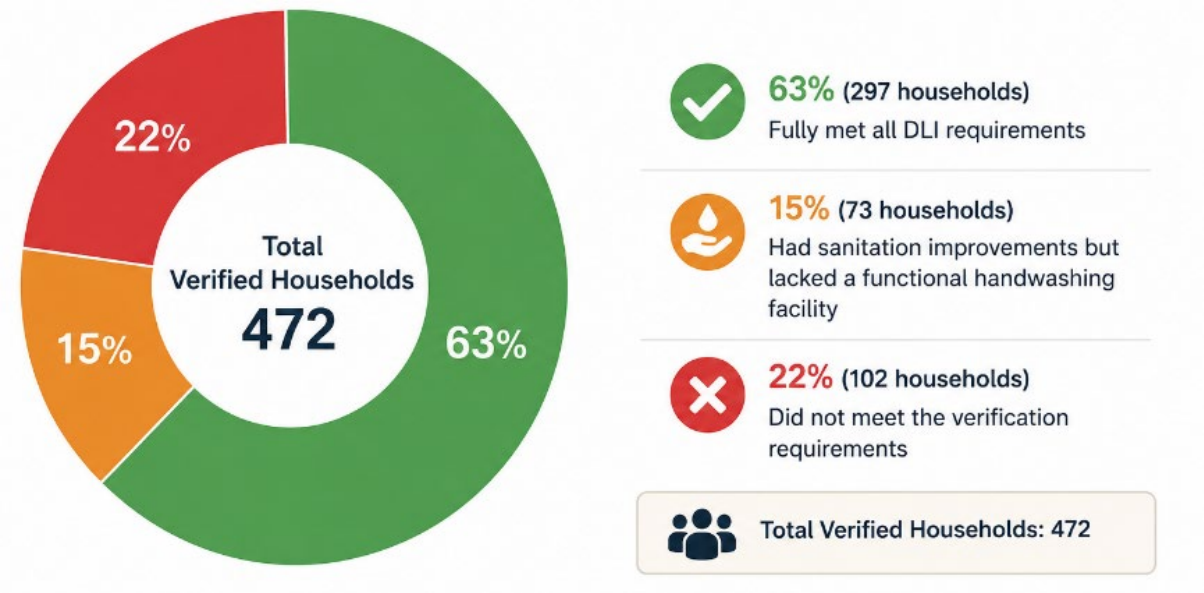
capacity development as important elements of sustainable WASH service delivery. Similarly, WHO and UNICEF's[2] latest assessment of WASH systems identifies institutional arrangements, human resources, monitoring and data use, governance, and local participation as critical components of systems that can translate plans into results.

For an RBF programme, however, the capacity requirement is more specific. District stakeholders must not only implement sanitation activities; they must understand what constitutes a qualifying result, identify eligible households, document the achievement correctly, and validate claims before they are submitted for independent verification.

When Knowing the DLI Is Not Enough

The programme uses two DLIs: DLI 1 for newly constructed sanitation facilities and DLI 2 for upgraded existing facilities. For both pathways, a household must also have a functional handwashing facility to fully meet the DLI requirements.

Across the project districts, 63% of the verified households fully met all DLI requirements during verification round 1, 15% had sanitation improvements but lacked a functional handwashing facility, while 22% did not meet the verification requirements.



The functional handwashing requirement therefore emerged as a requirement that district teams had not fully internalized. Among the four districts verified were Buikwe, Kamuli, Kabarole and Kayunga. Kayunga was the only district where all households with sanitation improvements also had functional handwashing facilities.

[2] *State of systems for drinking-water, sanitation and hygiene: global update 2025. Geneva: World Health Organization and the United Nations Children's Fund (UNICEF), 2025. Licence: CC BY-NC-SA 3.0 IGO. https://www.who.int/publications/i/item/9789240118980*

The challenge extended beyond eligibility. Inconsistencies in household names and identifiers made it difficult in some cases to match submitted households with baseline records. Some households were recorded using nicknames or alternative names, while variations in interpretation of DLI requirements among district and community-level actors resulted in households being submitted without fully meeting the verification standards.

These findings suggest that the challenge is not simply whether district stakeholders have been introduced to the RBF model. It is whether the DLI requirements have become sufficiently embedded in the everyday processes through which households are identified, supported, documented, and submitted for verification.

From Programme Understanding to Routine Practice

This distinction matters because RBF changes what counts as successful implementation. Under conventional programme implementation, reporting that a household received support or improved its sanitation facility may be sufficient to demonstrate progress. Under RBF, the standard is more demanding. The household must meet the specific DLI requirements, be correctly identified, have the relevant information documented, pass internal validation, and ultimately satisfy independent verification.

The verification findings therefore highlight a capacity challenge that sits between implementation and verification. District teams and community-level actors may understand the overall objective of improving sanitation, while inconsistencies can still arise in applying the detailed requirements that determine whether a reported achievement qualifies as a verified result. This is important because districts are not simply implementing agents. They are central to planning, coordination, supervision, and delivery of WASH services.

Verification Losses Show Where the System Breaks Down

Verification losses are often viewed primarily as rejected claims. But they can also provide valuable information about where implementation and reporting systems need strengthening. A household may have received support and made sanitation improvements but still fail to qualify because the facility does not meet all the required criteria, the household cannot be matched to the baseline record, the reported information is incomplete, or the claim was submitted before the district had adequately validated it.

The verification therefore provides more than assurance for incentive payments. It exposes points in the results chain where information, implementation, and verification do not yet connect effectively. The verification report recommends stronger district-level orientation on DLI requirements, routine data quality

assessments, pre-verification reviews, improved household identification and documentation, and stronger follow-up by VHTs and other community-level actors.

Building Capacity Into the RBF System

The implication is not simply that districts need more training. **The programme needs to make DLI requirements part of routine district implementation.** This means reinforcing DLI requirements through ongoing engagement with district technical teams, Health Assistants and VHTs; strengthening internal checks before claims are submitted; using consistent household identifiers and documentation; and systematically feeding verification findings back into district implementation.

This approach is consistent with wider WASH systems experience. WaterAid's[3] work with local governments has emphasised strengthening specific capacities, including understanding standards, using data, planning, leadership and facilitation rather than treating capacity building as a stand-alone training activity. For the RBF programme, the same principle can be applied to DLI management: the requirements need to become part of how districts plan, supervise, document and report sanitation results.

Turning Verification Into a Learning Mechanism

The programme's learning framework poses a question for which the first verification round provides an important starting point for generating evidence.

"What variations in compliance, verification outcomes, and reporting behavior are observed across districts under the same RBF framework?"

The observed differences do not necessarily indicate that one district has more capable stakeholders than another. Rather, they point to differences in how DLI requirements are being translated into practice. The next opportunity is therefore to identify which internal systems, supervision practices, stakeholder engagement approaches and feedback mechanisms are associated with stronger verification performance. This is also consistent with wider WASH systems approaches that emphasize coordination, joint planning, monitoring and performance reporting across local government and other WASH stakeholders.

The Capacity to Deliver Results Includes the Capacity to Verify Them

The first verification round suggests that achieving results under RBF requires more than delivering sanitation improvements at household level. District stakeholders must also be able to identify the right households, apply the DLI criteria consistently,

[3] *Hueso Gonzalez, A. (2022, July 18). To accelerate progress in rural sanitation, governments need to be in the driving seat. WaterAid. https://www.wateraid.org/washmatters/blog/accelerate-progress-rural-sanitation-governments*

maintain reliable records, validate claims, and respond to verification findings. The capacity gap is therefore not simply a question of whether stakeholders have received sufficient training. It is about whether the RBF requirements have become embedded in the systems through which districts manage implementation. As subsequent verification rounds are completed, the programme can assess whether stronger DLI orientation, internal validation and feedback mechanisms reduce verification losses and improve reporting accuracy.

In results-based financing, implementation does not end when an activity is completed. The result must also be correctly identified, documented, validated, and verified. Strengthening that capacity is therefore part of strengthening the result itself.

The United Nations Sanitation and Hygiene Fund (SHF) provided US$6.3 million in catalytic financing and technical assistance to implement the “Accelerating Access to Improved Sanitation and Hygiene Services using Market-Based Approaches in Uganda” Project from April 2023 to 30 September 2026.

The Project was implemented by Water For People Uganda, working with the Ministry of Health as the Government lead institution, providing policy direction, oversight, coordination, and stewardship throughout implementation. Other implementing partners included the Ministry of Water and Environment, Ministry of Education and Sports, IRC, Uganda Water and Sanitation NGO Network (UWASNET), Kampala Capital City Authority (KCCA), Finnish Mondial, and participating District Local Governments.

The Project reached approximately 2.4 million people across seven districts: Buikwe, Kabarole, Kamuli, Kayunga, Luuka, Buyende and Kole, and five urban areas: Fort Portal City, Kamuli Municipality, Kayunga Town Council, Kampala Capital City and Kole Town Council. It focused on scaling household sanitation and hygiene services, strengthening sustainable WASH and menstrual health and hygiene services in schools and healthcare facilities, and promoting innovation for safely managed sanitation and hygiene.

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