

# **Country Level Evaluation Uganda**

**Final Report**

**VOLUME 2: ANNEXES**

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**Evaluation carried out on behalf of the European Commission**





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**The opinions expressed in this document represent the views of the authors, which are not necessarily shared by the European Commission or by the authorities of the countries concerned.**

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## LIST OF ABBREVIATIONS

ACP	African, Caribbean and Pacific Group of States
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
ALA	Asia and Latin America
APEX	EIB loan facility
APF	Africa Peace Facility
APIR	Annual PEAP Implementation Review
ASARECA	Association for Strengthening Agricultural Research in Eastern and Central Africa
AU	African Union
BUDS	Business Uganda Development Services
CEMAC	Economic and Monetary Community of Central Africa
CET	Common External Tariffs
CfP	Call for Proposal
CFSP	Common Foreign Security Policy
CJRP	Commercial Justice Reform Programme
COFOG	Classification of the Functions of the Government
COM	Communication
COMESA	Common Market for Eastern and Southern Africa
CRIS	Common Relex Information System
CSCBP	Civil Society Capacity Building Programme
CSSC	Civil Society Steering Committee
CSO	Civil Society Organization
CSP	Country Strategy Paper
CTN	Common Tariff Nomenclature
CU	Custom Union
DAC	Development Assistance Committee (OECD)
Danida	Danish International Development Assistance
DfID	UK Department for International Development
DP	Development Partner
DoL	Division of Labour
DRC	Democratic Republic of Congo
DRRP	District Roads Re-gravelling Programme
DUCAR	District, Urban and Community Access Roads
EAC	East African Community
EAP	Economically Active Poor (farmers)
EBA	Everything But Arms
EC	European Commission
ECHO	EC's Humanitarian Office
EDF	European Development Fund
EIA	Environmental Impact Assessment
EIB	European Investment Bank
ELU	Environmental Liaison Unit
EPA	Economic Partnership Agreement
EQ	Evaluation Question
ESA-IO	Eastern and Southern Africa – Indian Ocean
EU	European Union
EU-EOM	EU Election Observation Mission
FA	Force Account
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investments
FINMAP	Financial Management and Accountability Programme
FRMCP	Forestry Resources Management and Conservation Programme
FTA	Free Trade Area
GATT	General Agreement on Tariffs and Trade
GBS	General Budget Support
GDI	Gender Development Index (UNDP)
GDP	Gross Domestic Product
GoU	Government of Uganda
HDI	Human Development Index

HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immune-Deficiency Virus/ Acquired Immunodeficiency Syndrome
HPPG	Harmonised Participatory Planning Guidelines
HSSP	Health Sector Strategic Plan
ICT	Information and Communication Technology
IDA	International Development Association
IDP	Internally Displaced Persons
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management System
IGAD	Intergovernmental Authority on Development
IMF	International Monetary Fund
IOC	Indian Ocean Commission
IRRC	Inter Regional Co-ordinating Committee
JAF	Joint Assessment Framework
JAR	Joint Annual Review
JBSO	Joint Budget Support Operation
JC	Judgement Criteria
JDSF	Joint Donor Strategic Framework
JICA	Japan International Cooperation Agency
JLOS	Justice, Laws and Order Sector
JTSR	Joint Transport Sector Review
KIDDP	Karamoja Integrated Disarmament and Development Plan
LAs	Local Authorities
LGs	Local Governments
LGDP	Local Government Development Programme
LGSIP	Local Government Strategic Investment Plan
LRA	Lord's Resistance Army
LRRD	Linking Relief, Rehabilitation and Development
LTEF	Long-Term Expenditure Framework
LVFO	Lake Victoria Fisheries Organisation
MDA	Major Development Areas
MDG	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative
M&E	Monitoring and Evaluation
MFPED	Ministry of Finance, Planning and Economic Development
MOU	Memorandum of Understanding
MOWHC	Ministry of Works, Housing and Communications
MoWT	Ministry of Works and Transport
MSC	Most Significant Change
MTCS	Medium Term Competitiveness Strategy
MTEF	Mid-Term Expenditure Framework
MTR	Medium-Term Review
NAADS	National Agricultural Advisory Service
NAO	National Authorising Officer
NARO	National Agricultural Research Organisation
NARP	National Agricultural Research Organisation
NARS	National Agriculture Research System
NCR	Northern Corridor Route
NDF	Nordic Development Fund
NDP	National Development Plan
NEMA	National Environment Management Authority
NEPAD	New Economic Partnership for Africa's Development
NES	National Environment Statue
NGO	Non-Governmental Organization
NIMES	National Integrated Monitoring and Evaluation Strategy
NIP	National Indicative Programme
NRM	National Resistance Movement
NSA	Non-State Actors
NSCG	Non Sectoral Conditional Grant
NTB	Non-tariffs Barriers
NTMP	National Transport Master Plan
NTR	Non-Tax Revenue

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NURP	Northern Uganda Reconstruction Programme
OECD	Organisation for Economic Cooperation and Development
OPM	Office of the Prime Minister
PABS	Poverty Alleviation Budget Support
PAF	Poverty Action Fund
PBA	Programme Based Approach
PD	Paris Declaration on Aid Effectiveness
PDEs	Procurement and Disposal Entities
PDU	Procurement and Disposal Unit
PEAP	Poverty Eradication Action Plan
PEFA	Public Expenditure and Financial Accountability
PFA	Prosperity For All
PFM	Public Finance Management
PMA	Plan for Modernisation of Agriculture
PPDAA	Public Procurement and Disposal of Asset Authority
PPE	Pro Poor Expenditures
PRDP	Peace Recovery Development Plan
PRSC	Public Reform Service Commission
PRSP	Poverty Reduction Strategy Paper
PSP	Private Sector Provider
RAFU	Road Agency Formation Unit
RF	Road Fund
RG	Reference Group
RIO(s)	Regional Integration Organization(s)
RIP	Regional Indicative Programme
ROM	Results Oriented Monitoring
RSDP	Road Sector Development Plan
RSP	Regional Strategy Paper
QuAM	Quality Assurance Mechanism
SADC	Southern Africa Development Corporation
SBS	Sector Budget Support
SDP	Support to Decentralisation Programme
SIP	Strategic Investment Plan
SO	Strategic Objective
STABEX	Stabilisation of Export Earnings
SSATP	Sub-Saharan Africa Transport Programme
SWAp	Sector Wide Approach
SWG	Sector working Group
SWURMP	South Western Uganda Road Maintenance Programme
TB	Tuberculosis
TA	Technical Assistance
TCF	Technical Co-operation Facility
ToR	Terms of Reference
UBOS	Uganda Bureau of Statistics
UDHS	Uganda District and Household Survey
UGX	Uganda Schilling
UHRC	Uganda Human Rights Commission
UJAS	Uganda Joint Assistance Strategy
UN	United Nations
UNDP	United Nations Development Programme
UN-ECA	United Nations Economic commission for Africa
UNRA	Uganda National Road Authority
UPDF	Uganda People's Defence Forces
UPE	Universal Primary Education
USAID	United States Agency for International Development
US\$	United States Dollar
WB	World Bank
WFP	World Food Programme
WTO	World Trade Organisation

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# **Annex 1: Information matrix**

## **Background Information for Evaluation Questions**

## Evaluation Question 1:

**To what extent are EC cooperation objectives consistent with the evolving needs of Uganda, as indicated in GoU development policies and plans?**

*Justification and issues covered by the EQ*

Wherever possible, the EC's co-operation supports partner countries' national development policies, because the relevance of a co-operation strategy is an obvious key factor to ensure ownership and success. The EC's co-operation therefore should be consistent with the needs of Uganda's people, as expressed in national policies and plans - assuming that these are a true reflection of needs and capable of adequately accommodating changing priorities.

The question assesses the EC's co-operation and its relevancy to development policies, strategies and objectives adopted by GoU. In addition, it assesses GoU priorities and their relevancy to development needs in Uganda. The question goes beyond the sole National Indicative Programme, to include other EC interventions such as those financed under a variety of funding mechanisms. Furthermore, the question also assesses the EC's co-operation capacity to adapt its cooperation to political, economic and social changes in Uganda.

**JC 1.1 The EC's policy dialogue has had some effect on the formulation of GoU's development policies, programmes and plans, but it is mostly at the technical level.**

**I 1.1.1: The EC has actively engaged in policy dialogue with the government and they have jointly monitored the performance of development programmes.**

Documentation consulted during the desk phase (JARs, sector reviews) gives evidence that EU Delegation in Kampala and Development Partners (DPs) are involved in permanent policy dialogue, and that GoU and DPs are jointly monitoring the performance of development programmes.

The JAR 2007 indicates:

“The EU's political dialogue with Uganda is being carried out in the framework of the restructured Article 8 Dialogue. During the relevant high-level meetings important issues, concerning human rights, media, multi-party politics, security, regional relations, and governance are being dealt with in a frank and constructive manner.

Numerous consultations between various stakeholders (NAO, Delegation, EU Member States, NSAs, LAs) have contributed to the drafting of Uganda's Country Strategy Paper and National Indicative Programme under the coming 10<sup>th</sup> EDF, including also credible Government commitments on governance issues.”

The available documentation confirms that EC was – alone and together with other donors - involved in permanent dialogue with the GoU on policy matters. Policy dialogue is pursued at political level and in sector working groups. Permanent dialogue and especially linking of disbursement of fix and variable tranches under GBS and SWAps gives to EC the opportunity to enter in discussions with the GoU and to influence thus GoU's development policies, plans and programmes.

The following additional information is also relevant.

Macroeconomic support & Economic reform:

The volume of aid provided by donors - as well as their alignment on national policies - has placed them in a position of strength to engage with the GoU on issues of public discipline and financial

management. In 2005, donors including the EC took part in a Uganda Case Study: Joint Evaluation of General Budget Support 1994-2004. However, this study showed that policy dialogue and participation in development partners' joint activities do not necessarily lead to expected results. This conclusion was also supported by this evaluation.

- There are no clear indications as yet that the EC's active involvement in the PEAP's annual reviews amounts to effective policy dialogue, except for technical discussions concerning outputs and plans. However, the Annual PEAP Implementation Review (APIR) refers to an APIR Stakeholder Consultation undertaken in February 2007. Involvement in other national policy, strategy or programme reviews do take place and they offer an opportunity for continued assessment of the relevancy of the EC's aid. However, whether the outcome and the recommendations of the evaluation exercises lead to an appropriate response, in the form of adaptations, is not clear. It seems that the APIR was not well prepared and did not receive sufficient support from senior government levels, nor did it demonstrate national ownership. Results therefore might not have had a major incidence on policy making and budget processes;
- The current phase of the Poverty Eradication Action Plan (PEAP) has been extended to June 2009 and will be replacing the National Development Plan. Meanwhile the Government of Uganda has started the process of reviewing the current PEAP into a National Development Plan. A concept paper for the next phase proposes a five-year timeframe, (with much emphasis on investment in energy, roads, and water) to support growth, employment and prosperity for all. It focuses on improving the quality of service delivery. There are concerns that the tight timetable may compromise the quality of the process and the extent of the consultations including with the donors. No evidence was found which would permit the evaluation team to assess the effectiveness of EC/EU's policy dialogue and its possible influence on policy formulation. Interviews with donors and GoU officials brought forth the idea that the GoU had done, in fact, the vast majority of the planning without any donor or NSA influence. While the ability to put together a plan is laudable, it means that the consultation process was not effective or not deemed important.
- Transport - road networks: The EC has engaged in a dialogue process with the GoU on issues of government funding shortfalls and backlogs in road maintenance works, but the GoU has not allocated more resources to that purpose; the Joint Annual Transport Sector Reviews are the main forum for such discussions. The evaluation has found that the dialogue is mostly at the technical level.
- Agricultural and rural development sector: The EC was instrumental in helping GoU design and launch its Plan for the Modernisation of Agriculture, which later enjoyed wide donor community support for implementation. The PMA is constantly monitored, in a public and therefore transparent manner, but essentially at the technical level and the discourse rarely becomes political. Reviews take place at regular intervals with the active involvement of all stakeholders. No evidence was found which would permit the evaluation team to assess the detailed outcome of EC/EU's policy dialogue in this sector and its possible influence on policy formulation.
- Capacity building for Good Governance and the Rule of Law: Whereas the Deepening Democracy Programme (DDP) has only begun very recently, and hence does not allow for making judgements, its comprehensive, multi-faceted approach and engagement with a range of actors is worth noting. The objective of the DDP is to contribute to a deepening of democracy in Uganda by, on the one hand, supporting country-led processes aimed at increasing public participation in decision making and, on the other hand, building the capacity of those institutions that have the mandate to promote and safeguard such public participation.

The programme has six components: National Civic Education Programme; Support to the Electoral Commission; Organisational Development of Political Parties; Support to the Parliamentary Processes; Civil Society Networks; Media in Democracy. The evaluation team found that some parts of this programme involved in short-term and punctual

interventions done with relatively low levels of financial support, so it is unlikely that they would not bring about any important or sustainable change in the dialogue dynamics of the country.

Three years have elapsed since the country held its first multi-party election in 2006. However, both inside and outside parliament, the management of the different political parties, as well as their operations and relations between them indicate serious contradictions on the understanding of pluralism. These have created a certain level of disillusionment and apathy among the general public but also pose threats to the nascent democracy and national stability. There is a need to strengthen and build a positive environment for democracy and pluralism by engaging a broad range of actors that have the ability to promote and safeguard respect for political and civil rights. This is relatively urgent given that the next election is only years away, and the EC, while keenly interested in the topic, was not seen (by a small sample of interviewees) as being public about its intentions or socially inclusive in its policy dialogue approach.

### **I 1.1.2: Mechanisms are used to ensure that aid provided by the EC continues to be relevant to GoU priorities or that it is adapted to reflect changing priorities.**

#### Macroeconomic support & Economic reform

GoU and development partners regularly engage in policy dialogue. Through the various programme-Based Approaches (PBAs), they take part in many working groups and joint-monitoring fora to assess activities and outputs. This has allowed partners to adapt their support to changing Uganda needs, based on shared lessons learned.

Furthermore, disbursement for GBS - when provided by the EC - is subject to achievements, as measured against performance indicators. Performance indicators are established following mutual agreements involving GoU, the EC and other development partners engaged in the sector. Data that indicate the progress achieved are drawn from sector reviews. The assessment of performance indicators linked to target achievements offer the opportunity for discussions to take place between the National Authorising Officer, sector representatives and the EC; and, where necessary, changes affecting disbursement conditions can be introduced (e.g., indicator P3 for the variable `tranches` of Poverty Alleviation Budget Support (PABS 5) have been modified).

The joint annual review of the PEAP's implementation provides the donor community with an opportunity to engage with GoU on matters of national policy, but the net result is mostly a sharing of opinion rather than policy or priority change.

Trends in social indicators support the view that living conditions are improving slightly, although they are far from acceptable. However, the extent to which policy dialogue, by donors generally and the EC specifically, actually brings about change cannot be qualified or quantified other than through anecdotal evidence. Moreover, donors have not set-up monitoring systems to enable them to draw conclusions from their co-implementation of GBS, especially with regard to grass-root level impacts - such as improved service delivery - nor is it clear whether changes can be introduced to allow them to do so at this stage.

#### Transport - road networks

The PEAP Review (in section 4.8.2, page 49) makes note of local roads only - i.e., district, urban and community access roads. It does not make reference to national roads, which are essential to the national economy. The review points out the strong correlation existing between adequate access and agricultural output. It also notes the high rates of return from district roads rehabilitation. GoU and donors' contributions are inadequate to meet road development and maintenance requirements. The extent to which the EC's strategies were flexible enough to allow for adaptation to the needs of the transport sector is described under EQ 6 in this Annex.

#### Agricultural and rural development sector

The PMA being an integral part of the PEAP, its annual reviews would normally ensure that its

priorities, as well as those of the PEAP, remain relevant to needs - whether changing or unchanged. Furthermore, annual PMA reviews and Joint (DP-GoU) reviews take place. Overall progress achieved in the agricultural, forestry and fishery sector is monitored under APIR, as well as other aspects: e.g., decentralisation and local governments, but data is very poor and decisions are taken on very limited information.

The extent to which the EC's strategies were flexible enough to allow for adaptation to the needs of the transport sector is described under EQ 5 in this Annex.

Capacity building for Good Governance and the Rule of Law

Overall progress achieved in the areas of Good Governance and the Rule of Law is monitored in the APIR general framework, under Pillar IV.

Capacity building for Non State Actors' enhanced role in policy dialogue

There is evidence of civil society being marginalized (in the sense that there are now fewer dialogue spaces open) instead of taking an active part in the review of GoU's projects and programmes as well as playing a role in monitoring government's actions. There is a potential for civil society to influence policy decisions so they reflect changing needs, especially since they appear to have credibility at the local levels and are often the only agency capable of delivering services.

**JC 1.2 The EC's cooperation strategies and objectives are consistent with Uganda's development needs.**

**I 1.2.1: Extent to which the EDF's support to focal and non-focal sectors is relevant to national programmes and plans such as the PEAP.**

The Country Strategy for the 9th and 10th EDF has been prepared taking into account the national Poverty Eradication Plan (PEAP) of the Government of Uganda. The PEAP was originally formulated in 1997 and its 2nd revision builds on wide consultations between GoU, civil society and donor institutions. The CSP itself is the result of a consulting process with GoU, member states, other donor institutions and civil society. Thus, when the EC started to design its country strategy paper in 2000, the Government's Poverty Reduction Strategy was already under implementation and subject to a monitoring process which involved wide and deep consultations with development partners and non-state actors, and which can therefore be qualified as legitimate. The EC strategy paper was designed jointly with the Government, with a significant input of non-state actors.

As the following table shows, EC's cooperation strategies and objectives are fully aligned with the strategies and objectives of the GoU's PEAP.

**Table 1: Alignment between PEAP Priorities and EC objectives**

PEAP Priorities		EC objectives according to CSP
Pillar I: Economic Management	The government's strategy aims to maintain macro-economic stability and facilitate private sector, export-led growth. This will be achieved by continuing to control inflation and reducing the public sector deficit through improved mobilisation of domestic revenue. The PEAP emphasises the need to improve the efficiency of <b>public expenditure</b> , and to <b>enhance the quality of public services in the medium-term</b> . It sets out specific criteria for prioritising expenditure with focus on infrastructure and agriculture to achieve growth.	<p><b>Macroeconomic support and economic reform</b> (38% of A-envelope)</p> <p><b>Long-term target</b> Sustainable poverty reduction in all the country</p> <p><b>Intervention Objectives</b></p> <ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Efficient and equitable use of public funds</li> <li>• An enabling environment for rapid and sustainable economic growth and structural transformation</li> <li>• Outward oriented trade policies</li> </ul>

PEAP Priorities		EC objectives according to CSP
<p>Pillar II: Enhancing Production, Competitiveness and Incomes</p>	<p>GoU targets the commercialisation of agriculture, which provides the majority of employment and the greatest opportunity for growth. This will be achieved through support to the comprehensive PMA. It will include the further roll out of <b>demand-led extension services</b>; implementation of reforms to <b>research institutions</b> and funding to promote greater responsiveness and participation; improvements to <b>market access roads and energy</b>; <b>promoting rural financial services</b>; facilitating transparent functioning market services through price information systems and commodity trading exchange linked to a warehouse receipt system. Other sectors for support include tourism, mining and fisheries.</p>	<p><b>Focal Sector Transport</b> (38% of A-envelope)  <b>Long-term target:</b> To sustain economic growth, reduce poverty and promote regional and national integration  <b>Intervention Objective</b></p> <ul style="list-style-type: none"> <li>To provide a safe and sustainable transport network reducing transport costs and improving access to rural areas</li> </ul> <p><b>Focal Sector Rural Development</b> (15% of the A-envelope)  <b>Long-term target:</b> Directly increasing the ability of the poor to raise incomes and the quality of their life  <b>Intervention Objective</b></p> <ul style="list-style-type: none"> <li>Increase incomes &amp; quality of life of poor through increased productivity and increased share of marketed production.</li> <li>Improve household food security through the market rather than self-sufficiency.</li> <li>Provide gainful employment through secondary benefits of PMA implementation such as commercial farms, agro-processing factories and rural services.</li> <li>Promote sustainable use and management of natural resources by developing a land use and management policy and promotion of environmentally friendly technologies.</li> <li>Improving access to rural areas</li> </ul>
<p>Pillar III: Security, Conflict Resolution and Disaster Management</p>	<p>This pillar is a significant addition to Governments policy agenda from the previous PEAP revision since it recognises the close links between poverty and insecurity. The policies proposed include the promotion of conflict resolution, offering of amnesty, controlling small arms, strengthening defence and police services and establishing disaster management response systems.</p>	<p>(ECHO interventions)                      LRRD approach used by EC in Northern Uganda</p>
<p>Pillar IV: Good Governance</p>	<p>The major policy initiatives under this pillar are the transformation of the political system to multi-party politics, commitment to human rights, reforms to strengthen criminal and commercial justice systems, and actions to improve public accountability and control corruption. Other priorities include public service reform and revenue generation systems for local government.</p>	<p><b>Non-focal sectors. 9% of A-envelope</b>  <b>Non-focal sector: Capacity building for good governance</b>  <b>Long-term target</b>                      Improving service delivery and decentralisation, reducing corruption ensuring law and order.</p> <p><b>EU interventions objectives</b>  <b>Decentralisation</b></p> <ul style="list-style-type: none"> <li>Strong and reliable accountability for decentralised public spending</li> <li>District and sector plans adequately reflect community priorities, while participatory approaches are coordinated.</li> <li>Quality and quantity of service delivery and facilities as identified by the local communities increased.</li> </ul> <p><b>Rule of Law</b></p> <ul style="list-style-type: none"> <li>Increased transparency and accountability of both NGO and government service delivery entities.</li> <li>Increased capacity of the criminal justice systems to process cases effectively and</li> </ul>

PEAP Priorities		EC objectives according to CSP
		<p>efficiently.</p> <ul style="list-style-type: none"> <li>• Corrupt acts exposed and sanctioned effectively.</li> </ul> <p><b>Human Rights</b></p> <ul style="list-style-type: none"> <li>• Increased protection of human rights.</li> <li>• Support more comprehensive monitoring and analysis of the situations.</li> <li>• Increased demand for HR, rule of law and good governance through civic education and support to civil society.</li> <li>• Support Community Service as an alternative to prison.</li> </ul> <p><b>Non-focal sector: Capacity building for non-state actors</b></p> <p><b>Long-term target:</b> Increased role of NSAs the development process</p> <p><b>EU-intervention objectives:</b></p> <ul style="list-style-type: none"> <li>• To enhance the capacity of NSAs to be involved within focal and / or non-focal sectors and to monitor and be part of the implementation</li> <li>• To enhance the advocacy capacity of non-state actors</li> </ul>
Pillar V: Human Development	<p>This pillar focuses on strengthening education and health services. Key priorities in education include quality and increase in completion rates at the primary level to facilitate access to post-primary education and to increase the relevance and quality of higher education and adult literacy. In the health sector government aims to improve the quality of and access to child and maternal health care; to continue with reforms; and to build on past success in reducing HIV prevalence.</p>	<p><b>Macroeconomic support and economic reform</b></p> <p><b>Long-term target</b></p> <p>Sustainable poverty reduction in all the country</p> <p><b>Intervention Objectives</b></p> <ul style="list-style-type: none"> <li>• UPE with net enrolment approaching 100%, including full enrolment of females and those currently disadvantaged by geographical location. 65% transition rate of primary completers to post primary institutions</li> <li>• Establishment of skills development opportunities</li> <li>• Increases in all sub-sectors of participation of females, disadvantaged groups and children with special needs.</li> <li>• Reduce child mortality, improve maternal health and combat HIV/AIDS, malaria and other diseases</li> </ul>

**Table 2: Government priorities versus EC strategic priorities**

Government priorities according to PEAP	EC support strategy according to CSP
Pillar I: Economic Management	GBS (and indirectly support to Pillar IV)
Pillar II: Enhancing Production, Competitiveness and Incomes	SWAP Rural Development SWAP Transport Sector (not implemented) Non-focal sectors
Pillar III: Security, Conflict Resolution and Disaster Management	ECHO
Pillar IV: Human Development	Indirectly GBS Non-focal sectors

### Macroeconomic Support & Economic Reform

In its original form, the PEAP was an ambitious programme and its implementation required high levels of investment. Uganda is dependent on aid for its macroeconomic stability, the implementation of its development strategy and the delivery of basic services to its population.

Therefore, since it considers that its revenue options are limited, it is unlikely to implement its poverty reduction strategy without financial support from outside donors - from the EC in particular (see also EQ4 for more details).

Thus Macroeconomic Budget Support is highly relevant in Uganda; in fact, disbursements of development aid were about USD 1.035 million in 2006/7 (Source: PD Evaluation 2008), whilst EC disbursements corresponded to € 104.089.000 (2007), out of which € 44.390.000 using national budget execution procedures. EC's commitments that encourage to reform public financial management and procurement are consistent with on-going GoU efforts to deal with inefficiencies and corruption.

Under GBS, EC's support to Uganda is not limited to the sole disbursement of funds. Policy dialogue and institutional strengthening also accompany it. Thus, the EC supports the strengthening of four institutions, which are strongly involved in the implementation and monitoring of PEAP.

The institutional and capacity building support consisted in the provision of long- and short-term international expertise as well as local technical assistance; equipment, vehicles and office running activities; training activities; financial support for reviews in the health and education sectors, for surveys and for monitoring and evaluation assignments. Institutions that benefited from such support were the Budget Department, the Procurement Authority (PPDA), the Office of the Prime Minister, the National Integrated Monitoring and Evaluation Strategy (NIMES), and the Ugandan Bureau of Statistics (UBOS).

#### Transport-roads networks

The existence of an adequate transport infrastructure at all levels is a precondition for socio-economic development, poverty reduction and economic growths; it permits the flow of goods at regional, national and international level, is a precondition for service delivery and a precondition for rural development. Without a functioning transport sector Uganda can neither have access to imports nor will it be able to sell its products on the regional and international markets; rural population is unable to buy consumption and productive goods and unable to sell their products on the regional and national markets. Thus, EC's support to the transport sector is directly related with the PEAP Pillar II: Enhancing Production, Competitiveness and Incomes. Transport infrastructure and services are essential to promote economic and social development, to foster national and regional integration, to develop trade, to contribute to food security and to prevent conflicts. The EC's support to improve the roads network in Uganda is relevant as it is one of the GoU's strategies to reduce transport costs and, thereby, improve the country's competitiveness - as expressed in Pillar I of the PEAP. The EC's road sector interventions are undertaken in the framework of the Road Sector Development Programme and in consultation with the MoWT and MFPED. The RAFU and the MoWT are executing agencies. The EC has, in the past, provided substantial volumes of aid to road improvements and maintenance, but now concentrates its aid to main trunk roads.

#### Agricultural and rural development sector

The EC's support to the sector is highly relevant to national programmes and plans such as the PEAP, PMA and Plan for Reconstruction of Northern Uganda. As well, the goals and objectives of EC's projects in the sector are aligned with those that the PMA seeks to attain. Both the EC support and national objectives seek to achieve poverty alleviation through a transformation of farming, with an emphasis on food security, increased incomes and better job prospects. EC's interventions in Northern Uganda apply an LRRD approach (Linking Relief, Rehabilitation and Development) and thus contribute to the GoU's efforts of reconstruction/rehabilitation of the regions.

#### Capacity building for Good Governance and the Rule of Law

Good governance and the principle of Rule of Law are key prerequisites for the GoU's development achievements to be sustainable. They feature prominently in a substantial number of government strategies and policies, not least as a pillar *and* a cross cutting issue in the PEAP. EC support for those two sets of commitments is therefore entirely relevant.

### Capacity building for Non State Actors' enhanced role in policy dialogue

A strong civil society is considered essential to counter-balance government power, by monitoring its action and holding it accountable. It is also seen as the most effective channel to advocate for the vulnerable in society, by bringing forward their concerns, and for decision makers to act upon them. Therefore, the EC'S support to strengthen civil society is highly relevant for enhancing policy dialogue at a national level and to contribute to poverty alleviation.

#### **I 1.2.2: Extent to which the EC's interventions are capable of adapting to the changing needs of Uganda's development.**

There is clear evidence that EC's strategies and interventions adapt to changing needs of Uganda's development.

#### Macroeconomic support & Economic reform

These sectors are financed through GBS, which can adapt to Uganda's changing needs when PEAP reviews suggest so. The financial agreement between EC and the GoU has defined performance indicators for fixed and variable tranches. Disbursements of tranches are conditioned by the achievement of indicators. Nevertheless, there is a limited capacity for adapting these indicators, even if some of them are more in the nature of "outputs or outcomes" than "policy change".

#### Transport-road networks

Even after two decades of European support, Uganda's transport sector is not well developed. GoU has not been able to mobilise adequate funds for the improvement of its national and local road networks, nor for the maintenance of existing infrastructures. Hence, to attain appropriate coverage and conditions, it is highly dependent on development partners' support, where EC in particular has played a significant role in supporting the road sector. Analysis of information provided in the assessment of EQ 6 - indicates that the amount of funding required to implement road projects is not adequately met, neither by government, nor by donors. However, pressing needs that were identified later, after agreements had been reached, have been addressed with donors increasing funds allocated to the reduction of a backlog in [road] maintenance work.

Constant problems of delays when implementing roadwork projects appear to recur with a large number of contracts, due in part to complex procedural provisions - hampering the emergence of national contractors and affecting overall efficiency and even effectiveness. The enabling environment for implementing large-scale projects in Uganda is not very conducive. EC has shown a high degree of flexibility to adjust to this complex situation, but is also burdened with its own rules and procedures.

#### Agricultural and rural development sector

The EC's support to the PMA is capable of adapting to changing needs and priorities, inasmuch as the PMA itself is capable of adaptation. Annual PMA review meetings – with participation of different stakeholders - are undertaken, which give – at least theoretically – the opportunity to define new targets and adapt strategies. Development partners including EC seem to demonstrate a certain flexibility to adapt to Ugandan needs.

#### Capacity building for Good Governance and the Rule of Law

A number of weaknesses identified in EQ 7 point to progress being made at one level - drafting laws - but there is clear evidence of insufficient progress in achieving results once laws have been enacted. The problem leads to a considerable questioning of the intent by government because enforcement is very weak.

The evaluation also found that the EC strategy of adaptation to needs was clearly demonstrated in this non-focal sector because the EC generally requested that its partners provide proposals to the EC for support based on their own perception of needs.

## Evaluation Question 2:

**To what extent are EC cooperation with Uganda and its objectives consistent as regards: 1) the design of the country strategy, 2) the EC development policies; and 3) the EC intervention framework of different financing instruments?**

### *Justification and coverage of the EQ*

EC is supporting Uganda through different cooperation instruments (EDF, STABEX, central budget lines, regional cooperation, etc). In order to maximize the efficiency of EC interventions in Uganda it is evident that consistency has to be maintained between the CSPs, as well as consistency with EC/EU development framework and consistency of the overall EC intervention framework (NIP, RIP, ECHO, EIB, Budget lines and Facilities).

**Scope:** The question analyses the consistency of all EC interventions in Uganda from the 8<sup>th</sup>-10<sup>th</sup> EDF and their consistency with EC/EU development policies.

### **JC.2.1 Programmes under EDF 8 and 9 designed during the evaluation period are consistent with the CSP objectives**

#### **I.2.1.1 Continuity between sectors/interventions financed under the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> EDF.**

There seems to exist a high coherence/continuity between interventions financed under the 8<sup>th</sup> EDF and interventions financed under the 9<sup>th</sup> and 10<sup>th</sup> EDF.

A large number of programmes/projects financed under the 7<sup>th</sup> and 8<sup>th</sup> EDF were implemented during the reference period (2001-2007); no inconsistencies between these programmes/projects and the interventions financed under the 9<sup>th</sup> EDF or CSP (2002-2007) objectives could be traced:

- EC has been supporting Uganda through macroeconomic support for many years (structural adjustment support; PABS 4 - PABS 5);
- Support to education and health sectors was important during the 7<sup>th</sup> and 8<sup>th</sup> EDF; under the 9<sup>th</sup> EDF, EC supports service delivery by supporting the GoU through GBS. This supports enables the GoU to keep Poverty Alleviation Fund (PAF) expenditures higher than they would otherwise be;
- Support to the rural development sector – a priority sector for EC interventions for many years – continued under the 9<sup>th</sup> EDF, and
- Interventions in the Good Governance sector and support to NSAs started under the 8<sup>th</sup> EDF and continued under the 9<sup>th</sup> EDF.

The Country Strategy for the 9<sup>th</sup> and 10<sup>th</sup> EDF has been prepared taking into account the national Poverty Eradication Plan (PEAP) of the Government of Uganda. The PEAP was originally formulated in 1997 and its 2<sup>nd</sup> revision built on wide consultations between GoU, civil society and donor institutions. The CSP itself is the result of a consulting process with GoU, EU Member States, other donor institutions and civil society. Thus when the EC started to design its country strategy paper in 2000, the Government's Poverty Reduction Strategy was already under implementation and subject to a monitoring process which involved wide and deep consultation with development partners and non-state actors, and which can therefore be qualified as legitimate. The EC strategy paper was designed jointly with the Government, with a significant input of non-state actors.

Reference is furthermore made to EQ1 in this annex for a comparison between the Government priorities according to PEAP and the EC support strategy according to CSP.

### Macroeconomic Budget Support

A large part of Macroeconomic Budget Support implemented during the period 2000-2007 corresponded to financing that originally was committed under the 8<sup>th</sup> EDF. It was accompanied by other interventions promoting economic growth and competitiveness of the Ugandan Economy. Financed interventions related to economic growth and competitiveness and seem to be fully coherent with the macroeconomic budget support and the PEAP.

Macroeconomic Budget Support in Uganda is a Poverty Alleviation Budget Support operation, and primarily promotes improved service delivery in the health and educational sector. Thus there is coherence with the interventions financed under the 8<sup>th</sup> EDF and still under implementation during the reference period, although health and educations are not focal sectors in the CSP 2001-2006.

### Transport infrastructure

Transport infrastructure is directly related to the promotion of economic growth. Thus it complements the interventions under GBS. EC interventions in the transport sector are completely coherent. Since 1998 EC supports the transport sector through different interventions.

### Rural Development

EC support to the agricultural and rural development focal sector is consistent, and thus coherent, with national and European policies whose goals are to lift a majority of Ugandans out of poverty - because it affects 85% of population and will contribute to an improvement in food security. Interventions in the rural development sector financed under GBS are a pre-condition for economic growth with equity, and for creating more social cohesion in Uganda.

Under EDF 9, funds earmarked for support to PMA totalled €17.5 m., which represents 44% of what was intended. Besides, during the period from 2001 to 2007, a substantial number of aid projects in the sector were not, strictly speaking, Sector Wide Support; as they were funded from 7<sup>th</sup> and 8<sup>th</sup> EDF budgets, the so-called Brussels-administered 'budget lines' and from 'regional' funds on an *ad hoc* basis.

During the reference period, EC has also co-financed several projects with NGOs (PVD, ALA) and important interventions under FOOD and Emergency (ECHO) budget lines. All interventions seem to be completely coherent in that they do not contain contradictions in their fundamental goals.

### Capacity Building for Good Governance and NSAs

EC support to the non-focal sector identified as "Capacity Building for Good Governance and NSAs" is consistent with the objectives of the PEAP. It is considered as a crosscutting issue as it affects all pillars. CSP priority areas were aligned by design on PEAP, and remained aligned. The CSP for the 10<sup>th</sup> EDF continues the historical tendency for EC strategies to correspond to GoU priorities as expressed in the PEAP.

#### **I.2.1.2: The focal and non-focal sectors constitute individually and collectively a coherent approach**

The evaluation team was not able to document cases where the focal and non-focal interventions were specifically designed to complement each other, a necessary pre-condition to a "coherent approach". In the case of rural development, an observer could identify where work with NSAs and agriculture support could be seen as a coherent approach, but this is likely the result of coincidence rather than design.

#### **I.2.1.3 The implementation of the focal and non-focal sectors' interventions are consistent with the Ugandan context**

The main objective of the CSP is to address some of the key determinants of poverty as mentioned in the PEAP and to support GoU efforts in alleviating poverty whilst promoting macroeconomic stability and sustainable growth; the foregoing is to be accomplished by stressing the benefits of

concentrated targeted development cooperation delivered in a complementary and coordinated way with the other donors. The evaluation found a close relation between EC's support and the needs and priorities of PEAP; the interventions are complementing the actions of the GoU.

## **JC 2.2 The 9<sup>th</sup> EDF intervention framework is coherent with other EC policies and interventions**

### **I.2.2.1: Degree of coherence and synergy with other EC policies,**

There is minimal reference to the EC's other global and regional objectives within the CSP, and no reference to the strategies, which the EC intended to employ to ensure coherence. However, the EDF intervention framework seems to be highly coherent with other EU/EC policies and interventions.

- There is a synergy between ECHO and Development Policy and between Development Policy and Human Rights and Democratisation Policy.
- The *European Consensus on Development* sets out common principles, which include ownership and partnership, political dialogue, participation of civil society, and gender equality. EC's development policy includes comparative advantages, differentiated approaches, transparency of allocation and combining concentration with flexibility whilst identifying areas of EC action (e.g. environment, sustainable, management of natural resources, information and communication technology (ICT), water, energy, rural development, territorial planning, agriculture and food security, governance, human rights, economic and social reform, conflict prevention, fragile states, human development, social cohesion and employment and mainstreaming of democracy, good governance, human rights, rights of children and indigenous peoples, gender equality, environmental sustainability and HIV/AIDS). As noted, the evaluation team could not identify any contradictions between European policies and the objectives of planning or the interventions in Uganda. There is close correlation between EC support and the needs and priorities of PEAP.
- The *EU Strategy for Africa* provides a long-term strategic framework for interaction between Europe and Africa at all levels and defines how the EU can best support Africa's own efforts to promote sustainable development and achieve the Millennium Development Goals (MDGs). The Strategy rests on three pillars: (i) promoting peace, security and good governance (ii) supporting regional integration, trade and interconnectivity to promote economic development and (iii) improving access to basic social services and protection of the environment to reach the MDGs. The EC's programmes in Uganda did not register any contradictions with these policy thrusts.
- There were no contradictions found between the programmes and interventions of the EC in Uganda and the objectives promoted for Article 28 of the *Cotonou Partnership Agreement*: Gradual integration of ACP states into the world economy; accelerated economic cooperation and development both within and between regions of ACP states; promotion of free movement of persons, goods, capital services, labour and technology; acceleration of diversification of economies; coordination and harmonisation of regional and sub-regional cooperation policies; promotion and expansion of inter and intra-ACP trade.

The mid-term review in 2004 did not mention inconsistencies with EC/EU development policies.

## **JC 2.3: RIP, ECHO, EIB, budget lines, and other facilities are consistent with CSP and NIP**

### **I.2.3.1: Coherence between CSP and RIP**

A high degree of coherence between the CSP and the RIP in focal and non-focal sectors can be observed. The 9<sup>th</sup> EDF/NIP indicates that the focal sectors are transport, rural development and macroeconomic budget support (with the aim of assuring macroeconomic stability, promoting efficient use of resources through appropriate planning and public finance management and

improving service delivery); whilst the RSP for the South and Eastern African Region indicates that the focal areas are Economic Integration, Natural Resource Management and Transport and Communications.

**Table 3: CSP/NIP 2002-2007 versus RSP/RIP 2002-2007**

CSP/NIP 2002-2007	RSP/RIP 2002-2007
Macroeconomic Support and Economic Reforms	Regional Economic Integration which will allow countries of the region to continue to pursue economic liberalization policies at a regional level, within the framework of WTO, which should help the region's producers to obtain improved market access and attract investment into the productive sectors.
Transport (focal sector)	Programmes in Transport and Communications aim at reducing costs of transport and communications mainly through improved utilization of existing infrastructure and services and through the development of a master plan, which will address the most immediate requirements in this focal sector.
Rural Development Sector (focal sector)	Programmes in Natural Resource Management aim to improve the economic development of the region through the more efficient and sustainable management of the region's natural resource base.
Non-focal sectors are: <ul style="list-style-type: none"> <li>• Capacity building for good governance</li> <li>• Capacity building for NSAs</li> </ul>	The non-focal areas include programmes in conflict prevention, resolution and management, capacity building, higher education and culture. Involvement of non-state actors is a process in development (rather than an event) and cross-cutting issues (such as environment, capacity building and gender) concerns will be mainstreamed in all programmes.

### **I.2.3.2: NIP interventions seem to be consistent with those financed under ECHO, Food, and budget-lines (LRRD approach)**

EC interventions in Northern Uganda, which are/have been afflicted by conflict, seem to be highly coherent and use an LRRD approach. Globally, the approach used by LRRD is supported by EC programmes and projects, and all parts of the EC that operate in Northern Uganda provide complementary interventions.

First step: Emergency, relief, food-security (financed through ECHO, WFP, NGOs)

Second step: Reconstruction projects (i.e. EC Northern Uganda Reconstruction Programme (NURP - €20 million); Agricultural Livelihoods Recovery Project for Northern Uganda.

Third step/parallel interventions: EC Decentralization Programme (€10.000.000) which supports local Government capacity building in Northern Uganda districts to promote effective and sustainable service delivery, Sector Support Programme to PMA (PMA covers the whole country).

Further (consistent) support, which seems to be fully coherent with the before-mentioned interventions, is foreseen under the 10<sup>th</sup> EDF (Agricultural Recovery and Conflict Resolution in Northern Uganda and Karamoja). Agricultural growth and assistance to the return of the IDPs will form the basis of a programme aimed at ensuring the link between relief assistance and rehabilitation and development aid. It will be complemented by conflict resolution assistance programme that will mainly focus on Karamoja.

### **I.2.3.3: Coherence between CSP/NIP and EIB interventions**

EIB has a portfolio of € 175.000.000 in Uganda, out of which € 98.500.000 correspond to the Bujagali Hydroelectric Project and the remaining funds to seven Global Financing Schemes (APEX, EIB Microfinance Scheme and PEFF, and DFCU LEASING GLOBAL LOAN). These interventions support the objectives of Pillar II of the PEAP and are therefore coherent with EC's GBS and its programming overall.

**I.2.3.4: Existence/ non-existence of projects/programmes financed/co-financed by EC, which positively or negatively affect the 9<sup>th</sup> EDF intervention framework (examined on the basis of interviews with Delegation and other stakeholders)**

On the basis of the documentation analysed no projects could be traced which affect negatively the 9<sup>th</sup> EDF intervention framework.

**Table 4: Macroeconomic Budget Support**

Sector	Start	End	Ref. No	Programme	Amount (Euro)
Macro Economy	2000		8 ACP UG 23	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	19.050.000,00
	2000		8 ACP UG 24	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	27.400.000,00
	2000		8 ACP UG 25	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	2.900.000,00
	2000		8 ACP UG 26	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	4.110.000,00
	2000		8 ACP UG 27	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	21.000.000,00
	1997	2007	8 ACP UG 3	Third structural adjustment support programme (sasp3)	34.300.000,00
	2005		9 ACP UG 14	5TH POVERTY ALLEVIATION BUDGET SUPPORT (PABS V)	88.045.000,00

**Table 5: Health and Education**

Sector	Start	End	Ref. No	Programme	Amount (Euro)
	1996	2002	7 ACP UG 16	Uganda Health Programme	23.405.000,00
	1999	2007	8 ACP UG 11	Support to Uganda National Blood Transfusion Service Phase III	2.270.039,04
	2001	2005	8 ACP UG 35	HUMAN RESOURCES FOR HEALTH	17.000.000,00
	2000		8 ACP UG 5	Improving Sexual and Reproductive Health in Uganda	5.502.859,05
	2001		8 ACP UG 9	Support to Universal Primary Education	30.709.220,89

**Table 6: Transport Infrastructure**

Sector	Start	End	Ref. No	Programme	Amount (Euro)
Transport Sector	1997	2001	7 ACP UG 43	South Western Uganda Road Maintenance Programme	25.458.198,15
	1999	2006	7 ACP UG 88	FEASIBILITY STUDY N. CORRIDOR ROAD PROJECT (KAMPALA-KATUNA)	1.069.779,80
	2003		8 ACP UG 40, 8 ROR 28	KAMPALA NORTHERN BY PASS	41.000.000,00
	2005		9 ACP UG 10	RECONSTRUCTION OF PRIORITY SECTIONS IN THE KAMPALA-MBARARA Road	87.000.000,00
	2005		9 ACP UG 18	STRENGTHENING OF NORTHERN CORRIDOR ROAD (JINJA-BUGIRI)	19.000.000,00
	2007		9 ACP UG 25	KAMPALA NORTHERN BY PASS II	5.000.000,00
	2005		9 ACP UG 9	TECHNICAL ASSISTANCE TO THE ROAD AGENCY FORMATION UNIT (RAFU)	2.999.500,00
	2003		CA/SXP92/017	KAMPALA-MALABA RAILWAY LINE	
	2002		CA/SXP93/04	UPGRADING OF KAGAMBA-RUKUNGIRI ROAD	

**Table 7: Rural Development**

Sector	Start	End	Ref. No	Programme	Amount (Euro)
Rural Sector	2000	2007	8 ACP UG 13	8th Micro projects programme	4.224.621,51
	2001		8 ACP UG 30	FOREST RESOURCES MANAGEMENT AND CONSERVATION PROGRAMME.	12.000.000,00
	2001		8 ACP UG 32	ACHOLI PROGRAMME (Decentralised cooperation programme for the North of Uganda)	3.893.732,24
	2004		9 ACP UG 12	SECTOR BUDGET SUPPORT - PROGRAMME MODERNISATION AGRICULTURE	17.500.000,00

**Table 8: Good Governance**

Sector	Start	End	Ref. No	Programme	Amount (Euro)
Good Governance and NSA	2006		9 ACP UG 15	SUPPORT TO DECENTRALISATION PROGRAMME	10.000.000,00
	2000	2002	8 ACP UG 18	SUPPORT PROGRAMME GOOD GOVERNANCE, RULE OF LAW & HUMAN RIGHTS	69.700,00
	2000	2002	8 ACP UG 19	SUPPORT TO CIVIC EDUCATION & MONITORING OF REFERENDUM ON FUTURE POLITICAL SYSTEM	1.000.000,00
	2001		8 ACP UG 29, 8 ACP TPS 103	SUPPORT TO HUMAN RIGHTS, DEMOCRATIC PRINCIPLES AND RULE OF LAW IN UGANDA	8.000.000,00
	2005		9 ACP UG 17	HUMAN RIGHTS AND GOOD GOVERNANCE PROGRAMME	7.000.000,00
	2003		9 ACP UG 4	CIVIL SOCIETY CAPACITY BUILDING PROGRAMME	8.000.000,00
	2003		9 ACP UG 5	SUPPORT TO THE COMMERCIAL JUSTICE REFORM PROGRAMME	1.950.000,00

**Table 9: The PEAP Pillars**

Key determinants of poverty	Priorities according to PEAP	EC Response
<ul style="list-style-type: none"> <li>- Unequal economic growth (territorial and per sector)</li> <li>- Economic stability</li> <li>- Indebtedness</li> </ul>	<p><b><u>PILLAR 1 Economic Management</u></b></p> <p>Key priorities in economic management are:</p> <ul style="list-style-type: none"> <li>• The maintenance of macroeconomic stability</li> <li>• Fiscal consolidation</li> <li>• Boosting private investment</li> </ul>	<p><u>9<sup>th</sup> EDF:</u> GBS/PABS</p> <p><u>8<sup>th</sup> EDF:</u> GBS/PABS</p>
<ul style="list-style-type: none"> <li>- Subsistence agriculture</li> <li>- Low productivity of agriculture</li> <li>- Inadequate transport network</li> <li>- Negative environment for private development</li> </ul>	<p><b><u>Pillar 2: Enhancing production, competitiveness and incomes</u></b></p> <p>Key priorities in this area are:</p> <ul style="list-style-type: none"> <li>• The modernization of agriculture</li> <li>• Preservation of the natural resource base, particularly soil and forests</li> <li>• Infrastructure including roads, electricity and railways; better maintenance, cost- reduction and private sector participation will be a key to achieving improvements in the context of fiscal consolidation.</li> <li>• Enhancing private sector skills and business development</li> </ul>	<p><u>9<sup>th</sup> EDF:</u></p> <p>SWAP Rural Development</p> <p>SWAP Transport</p> <p><u>8<sup>th</sup> EDF:</u></p> <p>Multiple interventions (microfinance, PME etc.)</p>

Key determinants of poverty	Priorities according to PEAP	EC Response
<ul style="list-style-type: none"> <li>- Conflicts in the north</li> <li>- Internal displacements</li> </ul>	<p><b>Pillar 3: Security, conflict-resolution and disaster management</b></p> <p>The key priorities in this area are:</p> <ul style="list-style-type: none"> <li>• Ending rebel insurgency, by peaceful means if possible</li> <li>• Ending cattle-rustling</li> <li>• Dealing with internal displacement and abduction, which are major sources of distress in contemporary Uganda</li> </ul>	<p>ECHO NGO financings</p>
	<p><b>Pillar 4: Good Governance</b></p> <ul style="list-style-type: none"> <li>• Democratisation</li> <li>• Justice, law and order</li> <li>• Managing the public sector</li> </ul>	<p><u>8<sup>th</sup> + 9<sup>th</sup> EDF:</u> Several support programmes</p>
<ul style="list-style-type: none"> <li>- Limited quality and access to education and health services (regional differences)</li> <li>- Limited coverage of water supply</li> </ul>	<p><b>Pillar 5: Human development</b></p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Health</li> <li>• Water supply</li> <li>• Social development</li> </ul>	<p><u>7<sup>th</sup>-8<sup>th</sup> EDF:</u> several interventions in the water, health and educational sectors  <u>9<sup>th</sup> EDF:</u></p> <ul style="list-style-type: none"> <li>• Indirect support through GBS/PABS and</li> <li>• 1st CfP Water Facility</li> </ul>

## Evaluation Question 3:

### To what extent is EC support coordinated and complementary with other donors (EU Member States and other bilateral and multilateral donors)

#### *Justification and coverage of the EQ*

Uganda is receiving a big volume of development aid in different sectors. Thus EC has to coordinate its support and to contribute to optimisation of overall donor support. It is evident that EC cooperation will be more efficient if complimentary to and coordinated with other donors. EC cooperation interventions with Uganda (bilateral and regional) under the CSPs and other cooperation instruments therefore need to be coordinated with and complementary to other donor strategies and interventions.

The question will analyse whether the cooperation of EC is coordinated and complementary to that of other donors (taking into account the Paris Declaration) and with GoU frameworks. A specific attention will be given to the coordination with Member States.

#### **JC 3.1: The Ugandan Joint Assistance Strategy (UJAS) constitutes an effective coordination framework for GoU and donor interventions.**

##### The performance of UJAS as a key coordination mechanism <sup>1</sup>

The agreement among DP to create UJAS was a milestone in a number of respects, not least for the coordination support it was to provide to Uganda's national poverty reduction strategy (the PEAP) and to improving the performance of development partner efforts to deliver more effective development assistance.

The UJAS was developed against a backdrop of improving economic development in the country with support from significant financial and technical cooperation between the Government of Uganda (GoU) and its international development partners. However, DPs recognised that the GoU was now struggling to manage the increased number of development partners and the proliferation of interactions with them.

Fundamentally, UJAS was to become a fora for streamlining the way in which DP worked with government and with one another. The third iteration of the government's Poverty Eradication Action Plan in 2004 provided the main policy context for the UJAS, which dealt with a shift of policy focus from recovery to sustainable growth and structural transformation. The PEAP focused on addressing four core challenges:

- Restoring security, dealing with the consequences of conflict and improving regional inequality;
- Restoring sustainable growth of the incomes of the poor;
- Human Development;
- Using public resources transparently and efficiently to eradicate poverty.

...through a series of policies and measures grouped under five pillars:

- Economic management
- Enhancing competitiveness, production and incomes
- Security, conflict resolution and disaster management
- Governance
- Human resource development.

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<sup>1</sup> The material contained in this section is largely taken from the UJAS review report. The evaluation team has edited it for size and emphasis, but it remains the IP of that review team.

The PEAP also clarified a set of Partnership Principles that identified its preferences on aid modalities and ways of working with development partners, as well as its own commitments to improved public financial management, audit and oversight of public funds.<sup>2</sup>

*“By replacing multiple country assistance strategies with a single shared strategy, by embedding the strategy and monitoring framework in the PEAP, by agreeing to some common principles for doing business and some stretch goals for working more effectively, the UJAS sought to improve on existing working relations and help GoU in its delivery of PEAP outcomes.”*

UJAS review document

It is clear that the UJAS reflected a growing momentum around a number of international initiatives associated with improving the focus and effectiveness of development assistance, most notably the MDGs and the Paris Declaration on aid effectiveness.

As noted by the UJAS review team, it is extremely difficult to attribute any specific contribution to UJAS distinct from the multiple other processes supporting PEAP implementation. To the extent that UJAS DPs included most of the country’s GBS donors it is possible to make some tentative judgements about the contribution of GBS/PRSC to PEAP implementation but, even here, the links back to UJAS are somewhat tenuous.

Changed GoU-DP dynamics resulted in less access to the GoU at central levels. The number of development partners had grown considerably since the beginning of the PEAP but that came at a cost, particularly in terms of the amount of attention it required from senior managers and policy-makers within GoU. The PEAP evaluation noted that as a result of that growth, first, the Government increasingly shied away from dealing with the development partners as a group; and second, development partners were less inclined to see themselves as needing to be managed ‘as a group’. The second is considered to be a function of intense engagement by development partners at sector level which has, the evaluation argues, distracted attention away from the big picture GoU/development partner relationship around the national development strategy. This observation is particularly interesting for UJAS because while it was an explicit aim of the UJAS to rely on the government’s own assessment of PEAP results in judging the development effectiveness of the UJAS, it was also an aim for UJAS to create a common platform and common assessment framework for engaging with GoU and to minimize the transactions costs linked with multiple DP interactions. While there was no clear mechanism for doing the latter beyond existing sector arrangements, the loss of a clear policy centre linked to the PEAP meant a loss of visibility for UJAS at the centre of government<sup>3</sup>, while the intensity of DP engagement at sector level tended to overshadow its strategic role in improving the overall fit between aid and the PEAP.

While at its inception, UJAS was at the forefront of efforts to redraw the development financing relationship in Uganda, by the time it was signed it was already becoming a casualty of these wider trends. The UJAS commits partners to further harmonizing programming and policy dialogue and to rationalising engagement in sectors. For instance, they were to coordinate sector support by supporting a number of mature SWAps (in health, education, water, HIV/AIDS, and justice, law, and order), engage with government sector working groups, use basket funding mechanisms, and bring development partner-funded projects into alignment with sector strategies. Progress has been made in the development of these collaborative arrangements and these have been beneficial in improving efficiency.

Development partners who are active at the sector level believe they have not only contributed to policy debate, but that the policies being promoted have been influenced by their inputs. But the extent to which UJAS was a catalyst for such changes is debatable. Sectors where both Government and donors feel that the aid relationship is working fairly well (water, justice and law,

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<sup>1</sup> It’s worth noting that an effort had been made in 2003 to ‘formalise’ the partnership principles by getting them signed off by both GoU and DPs. In the event this did not happen, and instead the UJAS emerged as a DP response to the PEAP and the partnership principles.

<sup>3</sup> Senior officials in MoFED knew of UJAS, some had been involved in the Harmonisation Committee, while officials in OPM and NPA were much less familiar and wondered how it related to PRSC, JBSF and other ‘high-level’ government-donor initiatives.

health), attribute success to sector-wide processes already underway before UJAS. The UJAS review team concluded that UJAS was able to build on them but was by no means the trigger for them. In addition, gains made at the sectoral level needed to be placed alongside a number of continuing problems and uncertainties, including worries that the power and influence of development partners at the sectoral level may be too great and that, despite progress on common arrangements, development partners would still insist on bilateral MoUs with government. IT was feared that these Bilateral arrangements would supersede the SWAps in place.

The review team concluded that the UJAS was also a means to intensify efforts of DPs, towards improved harmonisation. The UJAS and the subsequent division of labour exercise were thus considered significant steps in the path towards better efficiency. It concluded, however, that there was no evidence to substantiate any claim that harmonisation efforts had lowered transactions costs. If anything, according to the UJAS Review, coordination mechanisms at sector level increased the overall costs in recent years.

**Table 10: Results of DP Survey on Progress on Harmonisation as a Result of UJAS efforts**

Areas of Harmonisation (UJAS)	Baseline (UJAS)	Targets 2010 (UJAS)	Baseline 2005 (PD survey)	Progress 2007 (PD survey)
1. Aid flows are aligned on Ugandan priorities	85% of total aid is reported on budget	92%	79%	98%
2. Donors provide coordinated support for capacity strengthening	43% of technical cooperation flows coordinated through programmes consisted with PEAP	50%	42%	58%
3a. Percentage of aid flow using PFM system	77 % of flows to the public sector use PFM system.	85%	60%	57%
3b. Percentage of donors using PFM system	90% of donors use PFM system	95%		
3c. Percentage of aid flow using national procurement system	72% of flows to the public sector use national procurement system	81%	54%	37%
3d. Percentage of donors using national procurement system	95% of donors using partner country's procurement system	100%		
4. Avoiding parallel implementation structures	39 PIUs	13	54	55
5. Aid to Uganda is more predictable	91% of project and budget support aid flows disbursed within the fiscal year for which it was scheduled	95%	84%	74%
6. Aid to Uganda is untied	More than 90% of bilateral commitments are untied	95%	81%	85%
7. Donors use common arrangements or procedures	37% of ad flows are provided in the context of PBAs	66%	50%	66%
8a. Joint missions by donors to Uganda	20% of donor missions to Uganda are joint.	40%	17%	24%
8b. Donors use joint analytical work	20% of country analytic work is joint	66%	40%	54%
9. A results oriented framework in Uganda, focused on the government led PEAP review process	The Performance Assessment Framework in the 2004/5-2007/8 PEAP is largely developed toward achieving good practice = B	The Performance Assessment Framework substantially or largely achieves good practice = A	B	B
10. Mutual assessments of progress in Uganda in implementing agreed commitments on aid effectiveness	No independent assessment review has taken place	Uganda undertakes independent assessments annually	No assessment has taken place	No assessment has taken place

The evidence gathered for the review suggested that the UJAS was well conceived but was rapidly taken over by events. The decline in political traction around the PEAP; the difficulty in operationalising the PEAP monitoring framework and the annual review process; and changes in leadership across the top of government made it impossible to live up to the original expectations promise of UJAS. A deterioration in the political and governance climate triggered reactions from DPs and increased the level and quantity of “political dialogue”, but UJAS partners did not act as a group.

Importantly, it is worth noting that since the signing of UJAS, DPs have continued their active engagement in sector level processes but, according to the UJAS review and interviewees in the field carried out by the evaluation team, to the detriment of a higher-level engagement with GoU on the overall aid architecture.

Dialogue with GoU is happening on multiple fronts especially bilaterally, there are good examples of donor-government coordination at sector and thematic levels (JLOS to PRDP), but the wider promise of UJAS of more selective and harmonised assistance supported by a common analysis embedded in Uganda’s own development agenda remains very much work in progress, with some worrying signs of a reversal of improving practice in some areas. See table 10 above).

As for the main elements of the UJAS, it is widely acknowledged that:

1. the shared analysis, while a critical feature, became out of date fairly rapidly, despite a commitment to update it in order to reflect developments
2. the shared risk matrix, did not provide a clear mechanism for how DPs would manage risks together.
3. financing scenarios proved to be more of a useful paper exercise than a reality for guiding DP financial projections.
4. the UJAS M&E framework, based on the PEAP policy and results matrix and the annual review of PEAP implementation, was not be operationalised as envisaged.
5. plans to undertake an annual independent assessment of progress of partners in operational effectiveness also never transpired.

Interviews with DPs revealed a sense of disappointment that UJAS had not achieved its objectives in aid effectiveness. Despite that, some DP’s responded to the review team’s inquiry on the usefulness of UJAS by stating that despite its poor assessment rating, DPs regard UJAS or something like it as still relevant in the Uganda context today.

Development partners acknowledge a changed environment in which the partnership with government is largely sector based and the priority around aid effectiveness has to be seen within a context of increasing domestic revenues and new sources of development financing. But this same environment offers some key opportunities, including, most crucially, an opportunity to re-energise the aid partnership within a changed development financing landscape.

Seven of EU’s Member States are members of UJAS (Austria, Denmark, Germany, Ireland, the Netherlands, Sweden, and the United Kingdom) along with WB, AfDB and Norway. The other three (Belgium, France and Italy) are currently assessing the possibility of UJAS. Non-membership of UJAS does not prevent the Member States from participating in a harmonisation process, which will result - it is hoped - in a more rational division of their support. This will imply that some members will need to disengage from certain sectors and concentrate their efforts in others.

### **I 3.1.1: GoU has taken leadership in donor coordination**

The PEAP is the point of departure for GoU’s leadership role and its coordination efforts towards the development partners.

As noted above, Uganda’s experience suggests that donor coordination through the UJAS has added some value to pre-existing arrangements for the management of aid. By acting jointly, according to the principles of the Paris Declaration (PD), the donors in Uganda have tried to reinforce the message of ownership, alignment and harmonisation – already robust in the PEAP Partnership Principles (PP) of 2001 – thus elevating the significance of this strategy for aid effectiveness management to the extent that even development partners (DPs) reluctant to ratify

the PP ended up doing so. The DPs therefore were interested in acting as a collective, but it is clear that the GoU's strategy for donor coordination is to work bilaterally or sectorally, as will be shown in the following paragraphs.

Starting from the annual review of the PEAP, the donors re-assess their collaboration with respect to: a) the strategic guidance for the sectors in accordance with the PEAP's five pillars; and b) the relative emphasis and interface between the sectors. Although the GoU has not become a member of UJAS per se, Joint Sector Working Groups are the fora where GoU and development partners discuss sector policies, strategies, plans and their implementation. As a result, the donors are now discussing the means to reinforce working groups and somehow finding a way to integrate them, if only at the macro level. The UJAS will, in all probability be subject to change in order to become compatible with NDP or, failing that, it might be replaced with another mechanism.

As noted, the important fora for harmonising the support of all development partners are the Joint Sector Working Groups, along with the reviews of the PEAP implementation. The First Annual PEAP Implementation Review (APIR) was undertaken for FY 2005/06. The final report was issued October 2007. EC and the EU Member States have agreed to realign their programmes and projects with the APIR process and will use the PEAP indicators and targets to guide their support. EC and the EU Member States have agreed to support the GoU in keeping the PEAP Results and Policy Matrix updated, but as a community they have not been able to put in place an effective policy dialogue mechanism where the DPs are present as a collective (as is the case elsewhere, including Vietnam, for example).

The APIR process will be institutionalised as a core process in public sector management, informing stakeholders annually about progress made in implementing the PEAP. The overall objective of the APIR is to improve planning, budgeting and implementation of activities leading to the realisation of the PEAP outputs and outcomes. The APIR framework will enable GoU and stakeholders to make decisions that will keep the PEAP implementation on track. It will provide inputs to guide adjustments of the PEAP Results and Policy Matrix. The APIR process is managed under the National Integrated Monitoring and Evaluation Strategy (NIMES) implemented by the Office of Prime Minister (OPM). But it is important to note that the APIR is not a donor coordination mechanism per se. Rather, coordination may or may not result as an indirect benefit.

As foreseen by some (information related to the evaluation team by donors), the first APIR was a quite complex process and faced many challenges, e.g. differences in the annual reporting cycles of the various Major Development Areas (MDAs), and inconsistency and unavailability of updated data for the 2005 and 2006 periods. The first APIR process generated fruitful lessons that can be instrumental in the institutionalisation of future reviews. The APIR process will notify GBS allocations/decision to EC and those Member States that provide part of their support as GBS. EC, the EU Member States, and other donors will reform their operations around a joint budget support procedure. But is clear that the coordination/adjustment that results from this process is quite unilateral, with little opportunity for the DPs as a whole to engage in real dialogue on policy.

**Table 11: Development partners active in Uganda**

Type	EC	WB	UN	AFDB	Austria	Belgium	Denmark	Germany	France	Ireland	Italy	Netherlands	Sweden	Norway	United Kingdom	United States
Economic Development	x	x	x	x	x	x		x		x		x	x	x	x	x
Productive Sectors	x	x	x	x		x	x	x	x	x		x	x	x		x
Social Development	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Crosscutting Issues	x		x		x	x	x	x	x	x		x		x	x	x

Source: 10<sup>th</sup> EDF CSP/NIP for Uganda

Following the interventions by participants of the seminar organized for this evaluation in Kampala, it is clear that "coordination" of donors has not been a priority for the GoU. It does not generally

participate in the most comprehensive donor coordination mechanism, preferring sector-by sector work with individual donors, and it has significantly reduced the use of the PEAP/APIR as a focussing mechanism with donors<sup>4</sup>. These conclusions, supported by the finding that donors have become disenchanted with the collaborative mechanisms that the GoU prefers to use, including within SWAp<sup>5</sup>, leads to the conclusion that the GoU has not shown leadership in establishing “DP community- based” coordination.

### **I 3.1.2: Joint sector working groups have been established and are effectively operational, measured in terms of number of meetings, and of outputs produced, etc.**

Joint actions are pursued through participation in: joint sector working groups, the development of sector wide approaches, and pooled funding mechanisms. Development partners are also pursuing joint missions, silent partnerships, joint analytical work and advisory services. Joint sector working groups comprise representatives from relevant ministries and development partners, some times including non-state actors and private sector stakeholders.

Joint technical working groups have been established for a number of sectors:

- Health
- Water
- Transport
- Agriculture and Rural Development
- Justice, Law and Order

The public expenditure review-working group has established a forum to review and monitor the budget process and outcomes.

Some WG are more active than others, largely due to the size of the development investment and the political support provided. Health, for example, has often been used as an example of a vigorous sector with a sector working group that meets regularly, has access to senior public officials and is able to field evaluations, studies and other activities to advance the sector. The transport sector, on the contrary, has met often but the level of discussion is largely technical. More on the transport sector working group is found under EQ6 in this Annex. The EC has had a leading role in the JLOS working group over the years, and, according to GoU officials, donor representatives and NGOs, it was relatively effective in bringing about a coordinated approach to JLO issues by donors. But JLOs is not as politically sensitive as, say, health or education, and civil society organisations related to the evaluation team that donors were reducing their support in that sector.

Discussions with donors, NGOs and GoU officials have shown that the working groups are generally well managed but that they lack resources to undertake necessary studies or to develop policy options as a group. They generally work with plans and priorities and meet their planned results, at least at the output level; the main success factor, according to those interviewed, was the nature of the political support and interest in the sector.

### **JC 3.2: The Sector Wide Approach (SWAP) is applied for the main development sectors.**

#### **I 3.2.1: EC sectors are moving towards SWAP**

From 1998 onward, the donor community moved progressively towards support to the Poverty Action Fund (PAF), GBS and Sector Budget Support (SBS) – although not all donors are able to work directly with GBS or SBS - due to their internal procedures. However, even those development partners that are not able to cooperate directly through PAF, GBS, or SBS seem to have aligned their interventions with GoU policies and procedures. GoU has started to scaling-up the SWAp beyond the pioneering sectors (education and health) due to positive SWAp and PD experiences. However, most sectors do not benefit from this approach.

During the PEAP1 period, budget support evolved in tandem with SWAp and the PAF, without an

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<sup>4</sup> IBID, Evans and Ssentongo, section 6 and 7

<sup>5</sup> IBID, Evans and Ssentongo, section 6.23-6,24

explicit government policy on budget support, but, through its action, the GoU was clearly a leader and driver for increasing budget support. Donors have used one or a combination of three main approaches,

- Sector Budget Support – budget support notionally earmarked to a particular sector, sub-sector or programme within the sector, whether inside or outside the PAF.
- PAF General Budget Support – budget support that is notionally earmarked to the PAF - as a whole and not to individual sectors.
- Full General Budget Support – full General Budget Support, which is completely un-earmarked.

Different donors have used budget support in different ways: Some donors such as Ireland, Sweden, Ireland, Norway and DFID have progressively moved almost completely away from project support into budget support. Other donors have made substantial but not complete shifts towards budget support (e.g. the World Bank, EC).

*General Budget Support:* A number of development partners provide budget support either through Poverty Action Fund (5 donors), or through completely un-earmarked General Budget Support (6 donors including WB and EC). Through the GBS operation, the EC has been an active partner in the policy dialogue with the Government and with other development partners at macro and at sector level. In the context of GBS, EC participates in the dialogue and coordination between donors and donors and GoU. There exists a specific working group of GBS. However, although several development partners provide GBS, EC has defined its own indicators for the disbursement of the variable tranches of GBS and seems to take its own decisions on disbursements and/or reduction of instalments. The decision on disbursement of fixed tranches related to the achievement of certain macroeconomic indicators is related to the conclusions of IMF assessments.

*Transport:* A Joint Transport Working Group has been established – with EC as the lead partner – and joint transport sector reviews have been undertaken on an annual basis since 2004. The Road Sector Development Programme (RSDP) guides the GoU and development partner interventions. The 2006 APIR states that GoU's recurrent spending for maintenance has fallen in real terms from 1.9% of total GoU recurrent expenditure in 2002/03 to 1.5% in 2004/05. The GoU has taken ownership in terms of providing the national road/transport sector framework, but not in terms of releasing funds for maintenance in accordance with the budget allocations.

*Agriculture and rural development:* EC is participating jointly with other donors (IFAD, DFIP, and Danida) in the SBS to the Programme for Modernisation of Agriculture (PMA). Preliminary findings, concluded on the basis of information available so far, indicate that the donor community takes an active part in the PMA's joint annual reviews. PMA is an integral part of PEAP aiming at a transformation of farming, encouraging farmers to produce for the market and evolve out of subsistence farming. Taking part in joint annual reviews is seen as a positive move towards donor co-ordination, harmonisation and alignment on government policies, priorities and strategies. Many among the agencies that review the PMA jointly are active supporters too: donors to the agricultural sector – including the EC and Member States.

*Governance:* EC has financed the “Human Rights and Good Governance Programme, 2006” and is a member of the Justice, Law and Order Sector (JLOS) SWAp donor group which co-ordinates donor inputs in the SWAp and liaises with the JLOS secretariat. Support to the sector is guided by the five-year Sector Investment Plans. The mid-term review of the JLOS indicated that although there have been some improvements in the criminal and commercial justice reform programmes, a number of challenges including poor co-ordination amongst the various agencies and insufficient supervision from the centre continues to hamper progress.

### **I 3.2.2: Percentage of volume of EC development aid implemented through SWAps and GBS**

Assuming that both transport and rural development are implemented in SWAp like manners, the percentage of the amended 9<sup>th</sup> EDF volume provided through SWAP and GBS would be 86% of Envelope A and 75% of Envelope A & B. The corresponding figures for the 10<sup>th</sup> EDF are 95% and 90% respectively.

**Table 12: EDF Envelopes (€ millions) of 9<sup>th</sup> and 10<sup>th</sup> EDF**

	9 <sup>th</sup> EDF	9 <sup>th</sup> EDF Amended	10 <sup>th</sup> EDF
<b>Envelope A</b>	246	277	439
Transport	93,5	130	171
Rural Development	36,5	17	62
Macroeconomic Support	93,5	91	184
Governance and NSA	22,1	37	22
<b>Envelope B</b>	117.0	39	22
<b>Total</b>	363.0	316	461

Source: CSP/NIP EDF 9 and 10

**JC 3.3: The principals of ownership, alignment and harmonisation are generally adhered to.**

**I 3.3.1: GoU has taken ownership of the development process**

GoU has put policies, plans and programmes in place, creating an overall framework for the development partners’ interventions. However, it has not created mechanisms for donor coordination, nor does it always appear to value the benefits of improved coordination.

Both the Rome and Paris Declarations emphasised the need for DPs to adopt a “*pragmatic approach to the division of labour and burden sharing*” so as to reduce transaction costs. The joint Local Development Partner Group / GoU Harmonisation Committee agreed in January 2006 to initiate the Division of Labour (DoL) exercise, which began in June 2006 with funding from DFID and the WB. The initial stages involved five steps:

1. Aid Information Map
2. DP Questionnaire
3. Financial Data Tool
4. Peer Review Process
5. MTEF-PEAP mapping exercise

Generally, Uganda’s leadership in the DoL exercise has been sporadic. The exercise was viewed as being primarily for the sake of harmonisation and coordinating donor efforts and therefore would be donor-led. There was no framework for addressing sectoral congestion, under-funding and other aid delivery problems.

According to the Interim Report on the development partner DoL, Government was expected to attend the DoL exercise to other DPs that had not participated in the first phase. In addition, the DoL results were supposed to be taken to the sector level, where intensive discussions and validation of consensus about DP participation by the sector ministries would take place. In order to encourage a more even participation of DPs in all sectors, the GoU noted it hoped to use the result of the DoL Study with the objective of achieving the right distribution of aid across all sectors of the economy, starting with the implementation of the new National Development Plan. The first phase of the DoL exercise in Uganda has demonstrated that agreements on joint donor programming is difficult to reach among donors because of different objectives and rules. However, once agreements are reached they have high pay-offs.

**I 3.3.2: Degree of donor alignment and harmonisation**

Under the theme “harmonisation”, the Paris Declaration principles are geared to ensure that “*donors’ actions are more harmonised, transparent and collectively effective*”. By agreeing to these principles, donors pledged to reduce fragmentation and aid related transaction costs that fall on the part of government. In 2006, about half the aid to Uganda was channelled through programme-based approaches (PBAs) (OECD, 2007). This includes SWAs. About 36% of the aid was delivered through the Budget Support modality. SWAs have long been a traditional feature of Uganda’s aid architecture, having been introduced as early as 1999 starting with health and education in 2000. Whilst there has been a gradual shift to programme-based approaches, not every donor has the enabling rules and conditions for joint programming with other DPs, e.g. USA

whose rules constrain the DP from shifting to a SWAp or Budget Support. Besides the ability to enter into PBA modalities, some donors have chosen to avoid PBAs for other reasons: AfDB, the EU and WB have also retained some infrastructure projects partly because some are governed by separate loan agreements and partly because they are preferred for their non-fungibility.

So far, a number of achievements of donor alignment efforts have been noted. The recently introduced process resulted in the production of an agreed plan based on the DoL exercise and the AID Information Map, both of which were shared among the DPs and Government. Based on this information, DoL has been operationalised in some sectors such as Education and the Justice, Law and Order sectors. Information in the Aid Information Map has given DPs a full picture of the aid architecture in Uganda. DPs also appraised each other of future plans (in terms of continued sector presence or withdrawal). The peer review exercise under the DoL was important in that DPs got to know exactly where their peers considered their comparative advantages lie and what roles they are best placed to play in each sector, thus leading DP's to revise their plans. The DoL exercise refocused the DPs on aid effectiveness and thus changed their mindset of many DPs, but staff turnover in DPs tends to undermine results achieved.

#### **I 3.3.4: Non existence of duplication of technical assistance (i.e. to key ministries)**

Interviews with the GoU and with donors identified that the duplication of technical assistance (TA) was not as significant a problem as was originally believed. Generally, when a concentration of TA took place in a division of a key ministry (an unusual event), they tended to work together or to work in a complementary manner on similar but not identical tasks. Where there may have been some discomfort is when the TAs competed for the attention and time of the GoU senior managers. When slightly different policy options were offered, that event offered an opportunity for debate, not conflict, according to the GoU officials.

Little new technical assistance and capacity building (CB) are explicitly mentioned in un-earmarked GBS programme documentation. Some donors provide parallel TA and CB projects or funds, e.g. DFID. The Joint Evaluation on GBS concluded that TA and CB have been the least well specified inputs of PGBS, and have been uncoordinated and fragmented, but the donors claim that they have learned since then and that they manage both TA and CB better.

#### **JC 3.4: The 9<sup>th</sup> EDF intervention framework is complementary with EU Member States' and other donors' interventions.**

Interviewees in the field noted that, in their opinion, EC strategies and interventions are to be complementary with those of EU Member States' and other donors. When asked, most interviewees offered as proof of their opinion the sector working groups in which they worked alongside officials of the EC. In those fora, EC interventions were seen to support the objectives of the WG, which implied, naturally, complementarity with the interventions of the donors. No interviewee had purposefully made an analysis of the complementarity of the EC's framework and their own.

Some donors referred to the collaboration between themselves and the EC with respect to the ongoing management of PBAs as proof of the complementarity. It was noted that there are several donors – EU member states and other development partners – which support the same sectors as the EC in the application of PBAs: for instance, there are seven EU Member States and the World Bank which are providing GBS support, alongside the EC. It was also noted that five EU Member States, along with a number of UN Organizations (IFAD, WFP, FAO), USAID and the World Bank that support the Rural Development Sector and that work closely with the EC in planning and monitoring in that sector. Considering that EC is implementing a high percentage of its development aid through GBS and SWAps it was proposed by interviewees that EC support is complementary to the support provided under the same modalities by other development partners.

Another example provided by the Delegation involves the LRRD approach that the EC is adopting in Northern Uganda. In that context, the EC's intervention framework reflects and complements the

interventions of other donors, including other development agencies (including DANIDA within the transport sector, the WFP and FAO) and partners (NGOs, Government).

From the preceding, it is clear that the evaluation team can only offer descriptive observations on this Judgment Criteria. Structured comparisons of the intervention framework of the EC and those of other donors were not available (including an analysis of conflicting priorities or strategies), and the resources to carry out such comparisons were not available. What is clear is the unanimous agreement amongst donors that they and the EC are aligned to the priorities of the country and work well together because their programmes are seen as being complementary.

### JC 3.5: The 9<sup>th</sup> EDF objectives are not contradictory to other EU policies

The mid-term review in 2004 did not identify any contradictions (incoherencies) between EC development objectives and the intent of other EU policies; the evaluation team examined this issue again, albeit at a cursory level, and found that the objectives of EDF 9, as implemented by the EC in Uganda, do not present any incoherencies with the range of policies adopted:

**Table 13: Coherence between Country Support Strategy and other EU policies**

Policy	Areas of interventions	Degree of Coherence
Common Foreign Security Policy (CFSP)	Conflict prevention, civil crisis management	Seems to be coherent
Comprehensive Strategy for Africa	MDGs, supportive economic environment, governance, increased financing	Seems to be coherent
Humanitarian Aid (ECHO)	Humanitarian, water and food	Seems to be coherent
Human Rights and Democratisation Policy	Human Rights Democratisation Women, Children	Seems to be coherent
Trade Policy/ EPAs	ACP - EU trade relations, present unilateral preferences for ACP countries until 2008, when Economic Partnership Agreements are scheduled to enter into force. Furthermore, ACP-LDCs have been granted full market access to the EU under the EBA scheme, with transition periods for the three commodities sugar, rice and bananas	This is a complex area and allows for a considerable degree of interpretation. Whether in the national or regional context, there is coherency, but that sometimes depends on the paradigm used, for example the dichotomy between agricultural promotion and a customs union.
Refugees		Seems to be coherent
Agriculture	The ongoing reform of the EU's Common Agricultural Policy, which is also linked to the WTO post-Doha negotiations, may have a considerable effect on ACP producers and exporters to the EU markets;  EU policies in the area of sanitary and phytosanitary measures may also have an impact on Uganda, notably in cases where transitional periods for introducing new regulations are short and exporting countries do not have the capacity to adapt their productions to the new requirements	Seems to be coherent
Environment		Seems to be coherent

## Evaluation Question 4:

**To what extent has EC macroeconomic budget support contributed to improve:  
 1) macroeconomic stability; 2) overall planning and public finance management;  
 3) institutional reforms; and 4) public service delivery (especially health and  
 education)?**

**JC 4.1: The EC's interventions in the framework of Budget Support (BS) have been provided on time corresponded to the envisaged inputs and have been appropriate as regards Uganda's political, economic and institutional context.**

EC budget support in the reference period consisted in 2 Programmes, namely PABS 4 covering the period 2001 -2004 and PABS 5 covering the period 2004/5 until 2007/08. Main challenges during the implementation period of PABS 4 were posed by the rapid growth of aid-flows (i) in the short-term for macro-economic management; (ii) in the longer terms in controlling potential “Dutch disease”<sup>6</sup> effects. From 2005 onwards, main point of discussion was how to find an appropriate mix between social expenditures and infrastructure spending in the budget. (I.4.1.1).

**Table 14: PABS 4 and PABS 5**

Programme	Value M€	Fixed tranches	Variable tranches	Indicators for Fixed tranches	Indicators for variable tranches
PABS 4	74.5				
PABS 5	87 + 5 Institutional support	43.5	43.5	Macroeconomic performance indicators (IMF review)	11 performance indicators related to: the execution of the PAF); improvements in procurement; achievements in the educational an health sectors)

The institutional/capacity building support (provided in form of project support) constituted long-term, short-term and local technical assistance; equipment, vehicles and office running costs; training activities; funds for health/education reviews; studies, monitoring and evaluation. Beneficiary institutions of the support were the Budget Department, the Procurement Authority (PPDA); Office of the Prime Minister, National Integrated Monitoring and Evaluation Strategy, (NIMES) and the Ugandan Bureau of Statistics (UBOS).

Furthermore, the GBS was accompanied by policy dialogue, which is guided by the partnership principles that were agreed between the GoU and the Development Partners in 2003. Government engages the development partners in regular policy dialogue in all sectors where funding is provided. Development Partners are invited to budget workshops, sector working group meetings and public expenditure reviews, where information on key policy issues is shared. EU Delegation staff participated actively in technical working groups; high engagement and level of proficiency in technical discussions was confirmed by development partners.

The mix of EC budget support inputs seems to be adequately defined, especially in relation to the mix between fixed and variable tranches, The selection of performance indicators for the variable tranche from the health and education sector is justified considering the clear relationship between the health and education sectors and socio-economic development, the compromise taken by Uganda to be achieved as MDGs, using the experience gained by EC in support to health and education sectors under the 7th and 8th EDF.

<sup>6</sup> Dutch disease is an economic concept that tries to explain the apparent relationship between the exploitation of natural resources and a decline in the manufacturing sector combined with moral fallout. The theory is that an increase in revenues from natural resources will de-industrialise a nation's economy by raising the exchange rate, which makes the manufacturing sector less competitive and public services entangled with business interests.

Performance measurement indicators have been agreed upon with the Government and other donors (SWAP partners for the Education and Health Sector) and easy availability of data has been one of the criteria for selection.

Achievement of Macroeconomic Performance indicators (PABS 5) was satisfactory, and fixed tranches were fully released (I 4.1.2). For the implementation of PAPS 4 and 5, the EC was the only development partner whose budget support agreement did not include any explicit link to the World Bank’s Public Reform Service Commission (PRSC). However, the implementation of PABS 5 was linked to the satisfactory results of the IMF reviews and the release of the respective tranches of the Poverty Reduction of Growth Facility.

**Table 15: Macro economy Performance indicators**

<b>Tranches</b>	Basic considerations made at the moment of taking the decision for disbursement of the fixed tranches
<b>Fixed tranche 1</b>	According to IMF reviews Uganda remained on track with achievement of macroeconomic indicators (4th IMF PRGF review which was completed in February); less convincing was the engagement in PFM reforms
<b>Fixed tranche 2</b>	IMF PRGF 5th review: Uganda remained on track with achievement of macroeconomic indicators
<b>Fixed tranche 3</b>	The IMF executive board has completed the first review of Uganda’s second PSI in June 2007. In addition, a recent IMF mission in Uganda for the second PSI review has signalled its anticipated support for its adoption by the board on account of strong macro-economic, monetary and aggregate fiscal performance. Source: Delegation Note D (2007)/VDV/TV/FL/3766

IMF reviews considered the macroeconomic performance during the reference period was good.<sup>7</sup>

However not all variable tranches of PABS 5 were fully released (I 4.1.3) due to the fact that not all 11 performance indicators (related to the execution of the PAF, improvements in procurement; achievements in the educational and health sectors) have all been fully achieved.

**P1: Execution of the Poverty Action Fund**

The PAF is a virtual fund created to identify expenditures with a high poverty reduction impact. It targets expenditures in primary health care, primary education, rural water and sanitation, rural feeder roads and agricultural extension. Performance in the execution was measured by comparing actual releases with approved PAF expenditures. There have been considerable budgetary pressures in recent years due to the power crisis, the Commonwealth Heads of Government Meeting, flood damage, public administration, and defence. However, the government was fully committed to protect poverty related expenditures despite these pressures. Expenditures of the Poverty Action Fund have constituted 34.4% of the budget and performed at 97.7% of budgeted amounts.

Government of Uganda used PAF as a mechanism to improve budget management and enhance accountability of expenditures by guaranteeing disbursement of funds to PAF Programmes. A PAF programme is a specific intervention or set of interventions within a sector or subsector that meets the following 4 criteria:

1. Identified as a priority area in PEAP;
2. Directly poverty reducing in the sense that it either increases the ability of the poor to raise their incomes or improves their quality of life;
3. Delivers a service to the poor;
4. Has a well-developed investment plan and clear indicators to track that implementation has been made.

<sup>7</sup> IMF: Uganda: Third Review Under the Policy Support Instrument and Request for Waiver and Modification of Assessment Criteria-Staff Report; Press Release on the Executive Board Discussion; and Statement by the Executive Director for Uganda; July 2008

Overall PAF expenditure has grown in nominal terms compared to its 1997/1998 level. PAF expenditure increased from UGX 134.4 billion, in 1997/98 to UGX 1,118.04 billion in FY 2006/2007 and is projected to further increase to UGX 1,217.86 billion in FY 2007/08. As a percentage of GoU discretionary budget, PAF expenditure increased from 18% to 39.8% in FY 2006/07 and is projected to remain at the 2006/07 level in 2007/2008. However, the increase of PAF expenditure has been driven by definitional changes in PAF over time rather than in increased allocations to the original 1997/1998 PAF Programmes. Using the 1997/98 definitions PAF share increased from 18% to 21.2% in FY 2006/07 and has been falling since its peak in FY 2003/04. According to the FY 2007/08 projections this will further decline to 19.8% of the GoU discretionary budget<sup>8</sup> (i.e. education (excluding primary education until 2006/07) accounted for over 50% of PAF expenditure up to 2000/01. Subsequently other sectors grew more rapidly than primary education and in FY 2005/06 primary education accounted to 42.9% of the PAF as compared to 80.8% in 1997/98. The inclusion of secondary education in the PAF in 2006/07 however, further increased the percentage composition of education to 52.4% of the PAF budget.

### **Uganda Central Government Total Expenditure**

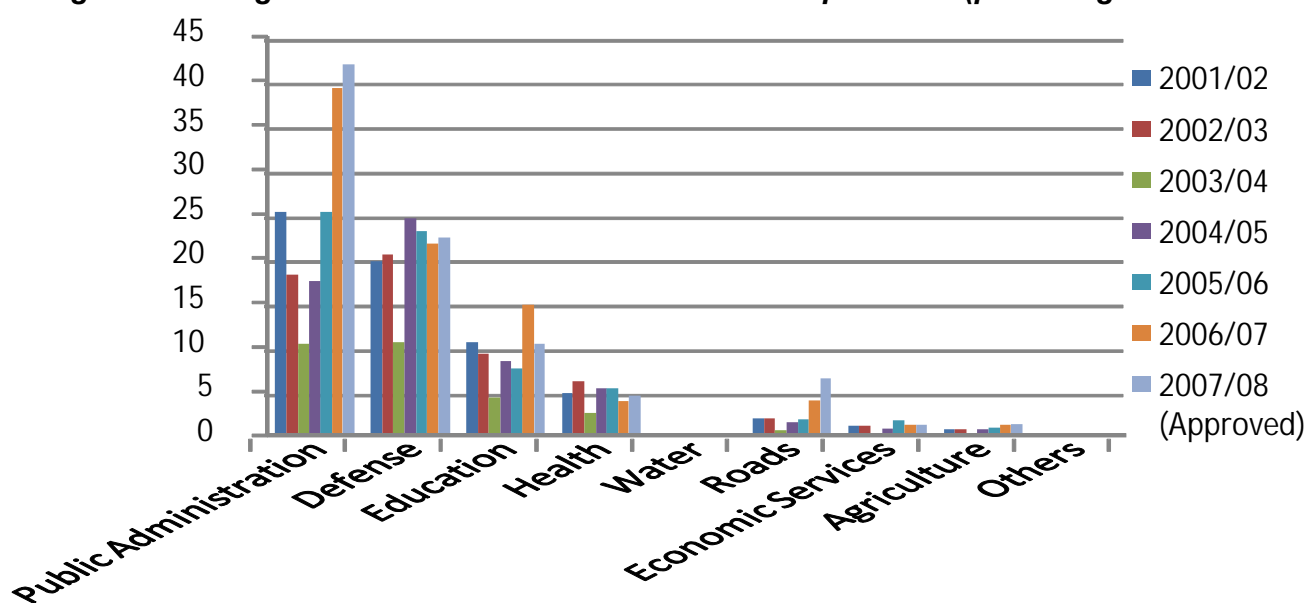
Data provided by UBOS showed that **Development expenditures**<sup>9</sup> remained high; however, increases were especially observed within the “economic services” sector. Development investments in the health, education, water and agriculture sectors did not show an increase during the last years. Development expenditures in the road sector were high until 2004/2005 but have dropped off since that period.

**Table 16: Uganda Central Government Development Expenditure by percentage 2001/02-2007/08**

Functional classification	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08 (Approved)
Public Administration	19,1	17,5	17,2	17,4	23,1	16,1	15
Defence	2,1	2,7	3,6	3,6	2,4	2	3,5
Education	13,9	10,4	9,3	8,7	5	4,6	4,8
Health	5,5	7,7	11,4	7,2	6,6	5,9	3,8
Water	6,7	6,2	6,4	5,2	3,5	2,9	3,6
Roads	32,7	26,4	28,1	39,1	22,4	12	8,2
Economic Services*	5	9,8	8,4	2,1	12,9	43	48,3
Agriculture	9,4	9,3	6,3	3,7	7,2	3,5	5

\*Includes support to Budget Directorate

**Figure 1: Uganda Central Government Recurrent Expenditure (percentages 01/02–07/08)**



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9 The above expenditures excludes Donor funds under development component and includes taxes and arrears; Source: Uganda Bureau of Statistics

An analysis of the GoU **recurrent expenditures**<sup>10</sup> during the period 2001-2008 shows a sharp increase in expenditures for general public administration, a continuous high level of expenditures for the defence sector and no significant increase (in some cases a decrease) in recurrent expenditures for other sectors.

**Table 17: Uganda Central Government Recurrent Expenditure**

Uganda Central Government Recurrent Expenditure by percentage 2001/02-2007/08							
Functional Classification	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08 (Approved)
Public Administration	25,2	18,1	10,3	17,4	25,2	39,2	41,8
Defence	19,7	20,4	10,5	24,5	23,1	21,6	22,3
Education	10,5	9,2	4,3	8,4	7,6	14,7	10,3
Health	4,8	6,1	2,5	5,3	5,3	3,9	4,5
Water	-	0,1	0	0,1	0,1	0,2	0,2
Roads	1,9	1,9	0,6	1,5	1,8	4	6,4
Economic Services	1,1	1,1	0,3	0,8	1,7	1,2	1,2
Agriculture	0,7	0,7	0,2	0,7	0,9	1,2	1,3

Note: The above expenditures excludes Donor funded development component and includes taxes and areas  
 Source: Uganda Bureau of Statistics

## **P2: Establishment of an organisational structure of procurement entities**

The indicator measures the proportion of Procurement and Disposal Entities (PDEs) having established Contract Committees and Procurement and Disposal Units. The targets were 90% of PDEs at central level for the year 2005 and 50% of the PDEs for the year 2006 (including local government PDEs only).

Progress on procurement reform has been slow. The Government intended to introduce revisions to the PPDA Act and its regulations, and to fast-track formation of procurement and disposal of assets units (PDUs) in central government and top-tier local governments<sup>11</sup>.

However, as regards the indicators related to PABS 5 in the area of procurement reforms, the targets for the establishment of functioning PDEs have also been met, with progress recorded by PPDA for PDEs at Local Government level higher than expected.

## **P3: According to the FA of PABS 5 “Proportion of PDEs displaying of statutory information on PPDA website”, however a new indicator related to domestic arrears (P3), was introduced in June 2007**

In the area of domestic arrears (P3), the performance has been mixed.

- ✓ The stock of Commitment Control Arrears (CCS<sup>12</sup>) (P3 (ii)) has continued to increase mainly on account of a very significant increase of pension arrears, which had not been adequately accounted for.
- ✓ The level of discretionary arrears (P3 (ii), i.e., arrears to suppliers for the receipt of goods and services), has decreased mainly on account of the generalisation of IFMS in Central Government Ministries and Agencies, which includes a real-time Commitment Control mechanism.

<sup>10</sup> The above expenditures exclude Donor funded under development component and includes taxes and arrears.  
 Source: Uganda Bureau of Statistics

<sup>11</sup> Source: JAF 2008

<sup>12</sup> Arrears for categories of Central Government expenditure, which are subject Commitment Control System (since 2001) and tracked by the IMF PSI.

- ✓ Additionally, Government has stepped up its budget allocation to repay past arrears (P3 (iii)) so that the macro-economic impact of the recent arrears built up remains insignificant<sup>13</sup>.

#### **P4-P7 Educational Sector**

The Ugandan Education SWAP has been in place since the beginning of 2000 and since 2003, yearly Educational Reviews are undertaken. The setting of performance indicators and their evaluation is a process led by the Minister of Education and involves all development partners active in the sector (EFAG members). After discussion with the Ministry of Education and EFAG members, EC has selected 4 performance indicators related the education sector.

As shown in the following table, the GoU did not achieve the targets for the performance indicators E2 Primary Completion Rate and E3 Literacy and Numeracy Levels.

**Table 18: Performance Indicators, Educational Sector**

<b>Indicator related to the educational sector (P4-7)</b>	<b>Baseline 2003</b>	<b>Target 2007</b>	<b>Status 2004</b>	<b>Status 2005</b>	<b>Status 2006</b>	<b>Status 2007</b>
E1: Primary Gross Enrolment ratio	127%	131%	124%	108%	112.5%	111.7%
E2: Primary Completion rates	62%	69% 74% boys, 64% girls	62%	51%	48%	50%
E3 Literacy levels in P6 Numeracy levels in P6		75%			34% 31%	50% 41%
E4. Gross enrolment ratio (proportion of students attending secondary schools to the number of children aged 13-18 in the entire population)		27% in total 30% boys 25% girls				

No recent data concerning E1 Net enrolment rates (Target 2007: 90% (90,4% boys, 89,7 % girls)) were found, however the targets seem to be fully achieved. Quality of education is still affected by the relatively low payment of the 125.196 primary and 21.724 secondary school teachers; unequal distribution of teachers/classrooms in the different districts; high average pupil teacher ratio (more than 53:1) and pupil classroom ratio (more than 77:1).

#### **P8-P11 Health Sector**

The Ugandan Health SWAP has been managed since several years through a system of yearly Sector Reviews. However, as opposed to interventions in the education sector, most outcomes reflect a mix of influences of which government interventions are only one group of factors and, particularly in the short-term, usually not the main determinant influence. Furthermore key data are not available annually. Thus it was decided by EC to use output indicators, which provide a more realistic index of the short-term impact of government policies.

Especially the indicator “proportion of approved posts filled by trained health workers” has not been achieved, due to very low salaries offered to staff in the public health sector, which has resulted in insufficient candidates making themselves available for these posts. The situation is still more critical in districts, which offer poor living conditions.

<sup>13</sup> Source: Delegation Note VDV-TV-FL42774

**Table 19: Performance Indicators, Health Sector**

Indicators related to the health sector (P8-11)	Baseline FY 04/05	Target FY 2007	FY 05/06 Achieved	FY 06/07 Target	FY 06/07 Achieved
H1: OPD Utilisation in GoU & PNFP units	0,9	0,82	0,9	0,9	0,9
H2: DPT / Pentavalent vaccine coverage	89%	90%	89%	87%	90%
H3: Percentage of Deliveries taking place in health facilities (Govt & PNFP)	25%	40%	29%	35%	32%
H4: Proportion of approved posts filled by trained Health workers	68%	72%	No new data	85%	38,4% <sup>14</sup>

Source: Mid Term Review for the Health Sector Strategic Plan Phase Two

The recently concluded survey on the implementation of the Paris Declaration<sup>15</sup> revealed that overall aid predictability stood at 74% for the overall average and to 56% for the average donor (I.4.1.4). The 2010 Paris Declaration target for Uganda was set at 92% for the overall average. The document indicates that for EU, out of USD 209 million scheduled to be disbursed in 2007, only USD \$ 144 million or about 53%, was actually disbursed for Government sectors. This shows the differences between scheduled and actual disbursements. This may be attributed partly due to the delays in disbursements of Budget support, for instance budget support under PABS 5, which was meant to be budget support for FY2006/07, was only disbursed in January 2008, six months after the start of the financial year.

**PABS 4** suffered from delays mainly due to slow administrative processing on the part of the GoU, (limited communication between the GoU and the EC and difficulties in fulfilling some of the conditions laid out in the Financing Agreement concerning the choice of performance indicators<sup>16</sup>. The drafting of the implementation agreement triggering the release of the second and third tranches and showed to be problematic due to the lack of outcome indicators that could be identified in the sector reviews. As a result the transfer of the last tranche was only effective in summer 2004, after the end of FY2003/04. This delay could however also be explained by the long administrative processes in releasing of funds with the EU systems.

**PABS 5**, following the first fixed tranche, suffered significant delays in implementation (for some tranches up to 12 months) and variable tranches were not fully disbursed due to failures in achieving some of the required performance indicators.

**Capacity building** support provided complementary to GBS is targeting four institutions involved in the planning, implementation and performance monitoring of GoU's PEAP.

**Table 20: Capacity Building and Institutional Support**

Beneficiary	Time-table of institutional support
Budget Policy and Expenditures Department of the Ministry of Finance, Planning and Economic Development	Second half of 2006
Procurement and Disposal of Public Assets Authority	Support started in October 2006
Monitoring and Evaluation Department of the Office of the Prime Minister (OPM/NIMES)	Contract awarded in 12/2006
Uganda Bureau of Statistics (UBOS)	Support started in the second half of 2006

<sup>14</sup> This is not directly comparable to previous data as different methodology was used. The staffing norms were upgraded from HSSP I to HSSP II.

<sup>15</sup> Uganda-Office of the Prime-minister: Evaluation of the implementation of the Paris Declaration in Uganda, Kampala May 2008

<sup>16</sup> Source JARs

**Table 21: Capacity Building and Institutional Support, Disbursements**

Tranches	Projected disbursement	Disbursements	Comments
1 <sup>st</sup> fixed tranche (€15.000.000)	April 2005	Delayed released in August 2005 and it seems paid in December 2005	The first fixed tranche was foreseen to be disbursed following the 4th IMF PRGF review, which was completed in February 2005. However the timetable for this disbursement slipped, due to delays in signing the Financing Agreement <sup>17</sup>
2 <sup>nd</sup> fixed tranche (€14.250.000)	Oct.2005	November 2006	The second fixed tranches for the PABS V programme) were released in November 2006
3 <sup>rd</sup> fixed tranche (€14.250.000)	Oct.2006	Fully released in 2007 (dates have to be checked)	Positive note of the Head of Delegation (D (2007)/VDV/TV/FL/3766)
1 <sup>st</sup> variable tranche (€ 1.250.000 max.)	Jan.2006	Released 80% in Nov. 2006 €18.000.000	Disbursement for the variable tranche performed at 80% on account of failure to reach indicator targets in the areas of Procurement and Disposal Entities statutory displays of tender processes and results in education and health
2 <sup>nd</sup> variable tranche (€ 21.250.000 max.)	Dec.2006	Released 68% on 17th Jan 2008 €13.783.059	Disbursement for the variable tranche performed at 68% on account of failure to reach indicator targets in the areas of domestic arrears, education completion rate, primary health centres staffing or the lack of appropriate monitoring information on literacy/ numeracy rates and Secondary education enrolments. Final disbursement was still that the disbursement is less than the foreseen, this was reduced by about €0.5m due to ineligible expenditures in some programmes

The institutional support provided by EC was all timely and beneficiary institutions confirmed its good quality and usefulness. I.e. The support to UBOS permitted the implementation of capacity building measures to statistic officers at the level of the Local Governments. All districts were supported through capacity building measures organized in cooperation with 7 universities spread over the country. The support to OPM/NIMES consisted in the provision of technical assistance for setting up an adequate monitoring system at the level of the office of the Prime Minister. Support provided to the Public Procurement and Disposal of Public Assets Authority consisted in capacity building measures.

#### **JC 4.2. Improvements of Planning and Public Finance Management were observed and Institutional reforms are implemented or ongoing**

During the reference period improvements have been introduced in PFM and several reforms have been undertaken or are ongoing. (I 4.2.1).

Public finance management in Uganda is improving<sup>18</sup>. However, many reforms are still ongoing and it is thus not possible to state the final outcome.

Uganda has strengthened the legal and regulatory framework that underlies public expenditure management. The Government enacted the Public Financial Management Act of 1999 with the purpose of regulating financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management. Other reforms include the decentralization of capital development expenditure and the introduction of the

<sup>17</sup> The JAR 2006 states: "The release was delayed because of concerns over public finance management issues, triggered by the suspension of Global Fund operations over alleged irregularities in July 2005. Other budget support donors had announced budgetary cuts in relation to political governance concerns and/or over-expenditure in public administration. Dialogue on these issues has been intensified but its effectiveness has been hampered by political pressure in the run-up to the 2006 elections."

<sup>18</sup> Office of the Auditor General Kampala-Uganda, Appraisal of the Financial Management Performance on Uganda, 31 March 2008.

Integrated Financial Management System (IFMS). The implementation of new accounting regulations provides tangible results as regards rationalization of the expenditure cycle. Government's strategy in public finance reform relies, to a large extent, on the gradual computerization of Government financial transactions through the implementation of the IFMS and related computerized systems (e.g., Electronic Fund Transfers introduced in July 2007). Notwithstanding some delays in the early phases of implementation, IFMS covers all Ministries and fourteen local authorities for more than a year now, with significant positive effects on the payment cycle and the quality and timeliness of financial accounting and reporting. Advancement was also achieved in the area of Local Government PFM. However not all districts have access to internet and a reliable connection is not always available; those districts without internet connections have to send data for final processing to Kampala.

Significant advancement has been made following the implementation of the Public Procurement and Disposal of Public Assets (PPDA) Act, which has resulted in procurement officers' increased capacity that should lead to allowing them to monitor more closely all issues related to procurement. In order to reform the procurement system a new Procurement Bill passed in March 2002 together with harmonized procurement regulations and a reformed institutional structure, all aiming to ensure increased transparency and competition; furthermore it is allowing decentralization of procurement within clear guidelines. A central authority is being established to ensure compliance, standards and capacity development.

Budget comprehensiveness: The budget is quite comprehensive but still falls short of showing all government expenditures as a result of: projects number of funded off-budget; some expenditure funded by non-tax revenue exempt from transfer to the Consolidated Fund; under-reporting of non-budgeted tax revenues by the ministries and local governments; inadequate reporting by semi-autonomous agencies; and the introduction of a road fund – following that of an energy fund. The PFM Report 2007 concludes that despite being on the agenda for quite some time, effective progress both on the integration of projects and of Non-Tax Revenue (NTR) reporting of the Mid-Term Expenditure Framework (MTEF) has been limited.<sup>19</sup>

Budget transparency: This seems still to be hampered by the slow progress with the integration of the functional analysis in the new chart of accounts introduced in the 2004/05 budget, which encompasses administrative and economic classifications. According to the PFM Report 2007<sup>20</sup>, the functional analysis set out in the Classification of the Functions of the Government (COFOG) is not fully applicable to Uganda's PEAP structure; thus the GoU has decided to adjust it to match the PEAP with the link to the COFOG being provided through the Integrated Financial Management System (IFMS) reporting qualities. However progress in the integration of the functional analysis in the new Chart of Accounts through IFMS is still limited. Budget cuts and limited execution of budgets are frequent, thus that budgets do not necessarily reflect the amounts spent. Local governments reported that due to late disbursements of the last instalment of conditional grants (most of them PAF expenditures) these funds often cannot be used and have to be returned to the general budget at the end of the financial year.

Aggregate risk oversight: Fiscal and financial information on public sector entities, autonomous government agencies and local authorities seems to remain seriously deficient. Many agencies have not submitted any statements for several years; Local agencies are audited in line with statutory obligations, but the stock of arrears seems to be unknown. The GoU is committed to reduce the number of non-compliant entities regarding statutory reporting, however progress seems slow.

Budget formulation: According to the PFM Report 2007 the introduction of the MTEF has made it possible to formulate a resource envelope for medium-term planning, which is well in line with macro-economic projections. However, this process is hampered by the limited possibility of the Ministry of Finance, Planning, and Economic Development (MFPED) staff to predict political decisions and their impact on the budget (defence, administration expenditures) as well as donor funding. However, the budget formulation process and the establishment of ceilings still show

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<sup>19</sup> PFM Report 2007, Page 11

<sup>20</sup> PFM Report 2007 p.12

limitations. Furthermore the credibility of the budget (both at the formulation and execution stages) seems to be limited due to frequent changes during the budget formulation period.

A Pay Reform Strategy with a 10-year timeframe was introduced in March 2002 to enable a transparent and equitable pay structure for the civil service and the recruitment and retention of qualified staff. However the progress made in this reform seems to be still limited and it is difficult to attract qualified staff (especially for service provision in the social sectors).

Another reform was related to the simplification of the transfer system of conditional grants to local governments which implies: (a) a recurrent transfer system and; (b) a development transfer system, and (c) a pilot project transfer system.

The decentralization process in Uganda is well advanced with ample powers and service delivery responsibilities formally delegated to Local Governments. However, the local authorities continue to find themselves without adequate funding, including local revenue, to provide the necessary basic services. The increased conditional grants have enabled local governments to deliver a wide range of services, however as these are earmarked funds they have reduced the discretionary autonomy of local governments to use resources in areas where local needs are more felt.

The creation of new districts (there are now 80 in total) in 2005-2006 has contributed to worsening finances and has created gaps in capacity.

Macroeconomic performance was satisfactory during the reference period and targets of macroeconomic indicators (economic growth, inflation, and indebtedness) have been achieved. (I.4.2.2.)

**Table 22: Macro economic performance**

Macro economic targets	Results achieved
Increased and stable GDP growth (target 7% pa.)	Average GDP growth in the reference period was less than expected: 5,5% in 2003/4; 6,6% in 2004/5; 5,3% in 2005/6 and 6,2% in 2006/7
Inflation rate under control	About 5% in recent yeas
Government revenue in percentage of GDP target 15,8% in 2013/14	Government revenue in percentage of GDP is growing less than expected: 13,2% in 2005/2006; Target 2007/2008 =13,5%
Keep interest payments for government borrowings under control	Total interest payments increased by 42% between 2001/2 and 2005/6 and were 12% of recurrent spending in 2005; however interest payable is expected to fall due to debt relief
Keep aid dependence under control	Aid corresponds to about 50% of both domestic revenue and recurrent expenditure; however progress in reduction of aid dependence, as measured by the budget deficit excluding grants as a percentage of GDP, was satisfactory. The deficit decreased from - 11, 4% in 2002/3 to -8, and 6% in 2005/06 (the target for 2005/6 was 8%). However the APIR (p.23) estimates that the deficit will have increased to 9, 2% of GDP in 2006/7 again.
Reduce fiscal deficit (% of GPD)	The fiscal deficit was reduced from 11,3% in 2002/03; the target for 2007/8 is 8% and for 2013/14 6,5%
Keep budget deficits under control	In the reference period, until 2004/5 the budget deficit as a percentage of GDP was decreasing from -4,4% in 2002/3 to -0,7% in 2004/5; however it increased again to -2,1% in 2005/6 and results for 2006/7 are expected to be even worse.
Increase government revenues	Government domestic revenues should grow faster than the sum of inflation and GDP growth rates. This has been achieved but only just.
Government expenditure as of part of GDP	Government spending is quite in line with PEAP targets; targets are of 21,5% of GDP in 2007/8 and of 22, and 5% of GDP in 2013/14. Actual data vary between 21,6% and 23,2% during the period 2001-2006/7 with 22,6% during 2006/7.
Reduce external debt	The net present value of external debt as a percentage of export earnings was reduced to 150% by HIPC debt relief, but rose subsequently. Actual outstanding debt (2006) was 4583 million US\$. However, a large reduction of external debt is under negotiation under the Multilateral Debt Relief Initiative (MDRI). NPV of external debt (% of export earnings): 2002/2003: 305%, 2007/2008: 238%; target 2012/14: 187%

International reserves should cover at least 5 months of imports	This target is comfortably met; in fact the reserves covered more than 7 months of imports.
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Between 2001 and 2007, Uganda achieved satisfactory macroeconomic stability. The average inflation rate was below 5%. The average annual GDP growth was above 5%, which permitted a reduction of poverty. According to the APIR 2005-2006 (p.4) all trends improved: the proportion of the population living below the poverty level; the measure of how far below the poverty line poor people are on average; and an other indicator which gives greater weight to the poorest and is therefore an indicator for the depth of extreme poverty. According to the same source, indicators have improved in all regions of the country and in rural and urban areas. However, the target of 7% growth for 2006/07 seems not to have been achieved. Fluctuations in growth are linked to weather conditions, changes in international coffee prices (and other commodity goods), variations in donor funding (which affect consumer demand and hence construction and trading sectors), and the energy crisis.

**Table 23: Macroeconomic stability: GDP**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Annual growth of GDP			+5,5	+6,6	+5,3	+6,2 (a)
Growth per head of GDP			+2,2	+3,2	+1,9	+2,7 (a)

Source: Statistic Abstract 2006, APIR

The inflation rate was on average 6.2% during the 2001/02-2004/05 period. The inflation rate dropped down to 5.5% in June 2006, but rose to 7.5% in August 2006. The Bank of Uganda is making an effort of maintaining the inflation rate close to the target indicated in the PEAP, which is >5% p.a. However, it seems that it was not possible to achieve this target in 2006/2007.

The fiscal deficit is almost under control. Interest payments reached about 12% of recurrent expenditures in FY 2005. Domestic revenue has a positive trend, but is not sufficient for reaching the PEAP target. The GoU's economic programmes have been severely hampered by low domestic tax revenue, which amounted to only 13,3% of GDP in 2006/2007 (against the Sub-Saharan average of 18%). Value added tax (VAT) was introduced in 1996, but collection remains a problem. The concern about Uganda becoming excessively dependent on grants and the availability of large volumes of joint budget support operations (JBSO) reduces GoU's incentive to increase tax revenue as stated in the "The First Annual PEAP Implementation Review" (APIR, p.22).

Uganda benefited from the HIPC initiative and has been eligible for write offs. However, as a high percentage of Uganda's debts are with multilateral creditors, Uganda could not benefit in a substantial way from the debt relief provided by bilateral creditors. In 2005 the WB, the IMF and the AfDB accounted for about 85% of Uganda's debt and 75% of debt-service payments. This situation changed in 2006. Under the multilateral debt relief initiative (MDRI) for countries that had reached completion point under the HIPC initiative, 100% of the debt owed to the WB, the IMF, and the AfDB was written off. As a result of this initiative, Uganda's external debt stock is estimated to have fallen to 7.2% of GDP at the end of the fiscal year 2006/2007 according to IMF figures.

The PEAP targets for foreign exchange reserves are that they should cover at least five months of imports. This target has been met. Foreign exchange reserves covered 8,2 months in 2004, decreased to 7,7 months in 2005 and again to 7,0 months in 2006.<sup>21</sup>

The financing of the general budget of Uganda is highly dependent on external funding (I.4.2.3). The support given by IMF and WB to the reform programmes has attracted substantial funds from other donors, which increasingly are disbursed as GBS. Aid has been essential for the long-term rehabilitation of infrastructure and productive resources, and for short-term balance of payments support. ODA as a percentage of gross national income (GNI) has increased over the years from

<sup>21</sup> Statistical Abstract 2006; EIU Country Report October 2006

12.4% in 2002 to 17.3% in 2004. The main donors are IDA, AfDB, USA, UK and EC. The aid architecture of Uganda is dominated by budget support which modality accounted for 46.8% of total inflows in 2006/7<sup>22</sup>.

The risk of cuts of GBS is severe, given that this form of cooperation can be more easily cut than other funding modalities. Uganda has already experienced a reduction of GBS grants of 16% in 2006 compared with the previous financial year. GoU maintained its budget by drawing on its financial reserves. Donor disbursements declined sharply to USD 733 million in 2005/6 before rising again to USD 1.035 billion in 2006/7.

There is some progress with a reduction of aid dependency, as measured by the budget deficit excluding grants as a percentage of GDP. The budget outturn, excluding grants, as a percentage of GDP reduced from -11.4% in 2002/3 to -8.6% in 2005/06. However, the 2006/07 budget estimate would reverse this improvement, with the deficit estimated at 9.2% of GDP (APIR p.23). The reasons are related to the increased expenditures related to the energy crisis and the rehabilitation costs for Northern Uganda.

Until recently the budget deficit (including grants) as a percentage of GDP was decreasing (2002/03: - 4.4%; 2003/04: -1.5%; 2004/05: -0.7%; and 2005/06: -2.1%).<sup>23</sup>

According to the budget speech, budget and project support from outside Uganda will finance 38,7 percent of the Budget for FY2007/08. The EC GBS with an annual disbursement of about € 30 million per calendar year on GBS seems to correspond to less than 10% of overall GBS received.

Budget ceilings indicated by ministries do not always correspond to real financial needs; they are set at a low level in order to be accepted, but later on an increase is needed. The budget estimates for 2005/06 were greatly exceeded (APIR, p.24) (I.4.2.4). It seems that ministries, while making low budget estimates do so in the expectation of getting supplementary estimates accepted later in the year. Government revenue has consistently grown faster than the sum of inflation and GDP growth rates. The Government revenue increased from UGX 1.434 billion in 2002/03 to UGX 2.567 billion in 2006/07 – corresponding to 12.2% of GDP and 13,3% of GDP respectively. With inflation between 5% and 6%, and GDP growth rates of a similar magnitude, any growth in domestic revenue greater than 12% shows that Government is increasing revenues as a percentage of GDP<sup>24</sup>.

However, the abolition of the Graduate Personal Tax in 2005 has meant that local governments are now almost entirely dependent on grants from the central government.

Government spending has been quite close in recent years to targets indicated in the PEAP. Annual growth of Government spending as a percentage of GDP has varied slightly in recent years between a minimum of 21.6% in 2004/5 and a maximum of 23.2% in 2003/4. The expenditure was 22.6% of GDP in 2006/7 and should be 21.5% of GDP in 2007/8.

GoU has made progress in achieving more transparency in management; however progress is slow and mainly concentrated in the central level. (I.4.2.5) Long-term efforts at all levels will be needed to achieve real transparency in management at all levels of Government, including agencies. EC has supported the OPS/NIMES and UBOS with long-term technical assistance, training, equipment, funds for surveys, etc., thus it can be expected that a contribution to improvements has been made. The PFM Performance Report 2007 indicates that the information and reporting systems provide only limited useable information to assess the impact of public expenditure at the local (decentralized level). Whilst the data collection and processing has improved considerably at central level, there are still shortcomings in reporting/flows of information at the level of local and regional governments. This raises concern regarding the lack of performance information to feed back in the budget allocation process.<sup>25</sup>

From the PFM Performance Report 2007, it appears that the PFM has some challenges, which are, however, acceptable when compared to other countries in the region (I.4.2.6). The main

<sup>22</sup> Source: PD Evaluation, 2008

<sup>23</sup> Source: APIR; statistical abstract, Table 4.3A

<sup>24</sup> APIR, p.24

<sup>25</sup> PFM Performance Report 2007 (p.7)

challenges include: the fact that the budgeting process has been losing credibility due to overspending; the significant reallocation between votes; and recurrent under-funding of unprotected votes; and the accumulation of domestic arrears. The case of overspending seems to be most evident in the case of Public Administration votes, which reached 18% of the approved budget in FY 2005/06. The JAR 2007 stated: “Targets to contain the creation of arrears have not been met while FY 2006/07 over-expenditure in public administration and defence led once again the World Bank and other donors to cut their budget support disbursements.”

Furthermore, it appears that there is an increased political interference at the different stages of the decision-making process that undermines the efficiency of the institutional and administrative structures. Another difficulty mentioned seems to lie in the growing tendency of some ministries to enter into direct funding agreements with donors, thereby avoiding normal budget appropriation. MFPED seems to encounter difficulties in formulating credible budgets, which creates subsequent difficulties in budget execution.

As mentioned before, execution of the Poverty Action Fund (Performance indicator 1 of the variable tranches of PABS 5) remained high, also given the fact that there have been considerable budgetary pressures in recent years due to the power crisis, the Commonwealth Heads of Government Meeting, flood damage, public administration, and defence. However, Government is fully committed to protect poverty related expenditures despite these pressures. Expenditures of the Poverty Action Fund have constituted 34.4% of the budget and performed at 97.7% of budgeted amounts

There seems to have been some difficulties related to overspending of certain budget lines and reallocation of votes. However, the Government is fully committed to protect the poverty related expenditures of the Poverty Action Fund.

Although significant efforts are being made to fight corruption, there still seems to exist a certain difficulty with law enforcement and a limited capacity of Anti-Corruption Agencies to successfully prosecute cases of corruption (I.4.2.7). According to the consulted documentation, corruption is endemic in Uganda at all levels of society and represents a serious impediment for business, and in particular for foreign companies to do business in Uganda. The Transparency International survey of global corruption perceptions ranked Uganda 105th out of 163 countries in 2007, unchanged from 2006. The report indicates that anticorruption measures have experienced setbacks through slow progress in the implementation of recommendations of Commissions of Inquiry investigating unfavourable court decisions (and the Government’s perceived lack of enthusiasm for pursuing exposed cases of corruption has been a major cause of donor dissatisfaction).

The PFM Performance Report 2007 (p.4) indicates that the lack of administrative and legal action taken against offenders of the Public Finance and Accountability (PFA) Act and Public Procurement and Disposal of Public Assets (PPDA) Act regulations is undermining the enforcement of these Acts. There seems to exist a perceived lack of political commitment to tackle corruption cases, but also an inadequate legislative and institutional arrangement in the area of law enforcement.

The JAF Assessment (2/2008) stated that “The Government of Uganda has made good progress in creating the basic legal and institutional framework required to fight corruption. Anti-corruption policy is set out in the National Anti-Corruption Strategy (NACS), which was first launched in 2005 and is now being revised (due to be completed by end of 2008). Specialist institutions like the Anti-Corruption Court have been created to operate alongside the established offices of the Auditor General, Police and Directorate of Public Prosecutions, and resources for key anti-corruption institutions have been increasing over the last two years. In addition, some improvements have been made to reduce the opportunities for corruption through strengthening the systems of public financial management, revenue collection and the highly publicised follow-up made by the parliamentary oversight committees.”

Furthermore it mentioned that there are mixed signals regarding the political commitment to fight corruption. The President has made a number of strong statements about the importance he attaches to addressing corruption. In 2006, he sacked his three health ministers because of their

involvement in serious mismanagement of resources provided by the Global Fund to fight AIDS, TB and Malaria. Over the last few months there have been a number of cases where high-level officials, including the Solicitor General, have been held to account administratively for their alleged involvement in corruption. But, there is a fairly poor track record of ensuring follow up on recommendations from judicial commissions of inquiry and following through on criminal prosecutions.

**JC 4.3. Service delivery has improved what concerns availability of service, but not what concerns quality of services**

Although no disaggregated data are available per district or region it is evident that per capita expenditure on health is insufficient and efficiency of the expenditures made seems to be problematic. A considerable number of interventions seem not to be completely coordinated with the Ministry of Health. (I.4.3.1.)

The WHO report indicates for 2005 a total expenditure of USD \$ 130 per capita on health, which is considerably higher than in other African countries (Congo USD \$ 17, Cameroon USD \$ 78), but also much less than South Africa (USD \$ 811) or Namibia (USD \$ 344).

According to the JAF 2008, GoU expenditure on health increased slightly in FY 06/07 to 9,6% of all government expenditure. However budget increases are earmarked by MFPED and not necessarily allocated to the sector's priorities and needs.

Nevertheless it is very difficult to maintain a complete overview concerning activities in the health sector due to the existence of a large number of donors using a project approach: Donor project funding to the sector increased in FY 06/07 mainly due to earmarked interventions by the US Government and Global Health Initiatives. Donor project funding in 06/07 represented more than double the government expenditure on health. Similarly donor funds are not always allocated to the sector's priorities and needs. An estimated 31% of project spending is allocated to non-HSSP II inputs.

The APIR states (p.8) that the Uganda National Minimum Health Care Package is estimated at US\$28 per capita but the recurrent level of funding is only about US\$15 per capita. This is a major contributing factor to the insufficient availability of essential drugs.

Data provided in the National Service Delivery Survey and in APIR, show a probability that access by the poor has slightly improved in education and health services. (I.4.3.2) Net primary enrolments have remained nearly 90%, which implies that the majority of the poor are in school, although dropout rates are high. There also seems to exist a probability that access by the poor to health services has improved since the abolition of user fees. However, as there might exist a problem of quality of services it is not evident that the outcome and impact indicators in health and education sectors will have improved; or that the final users of services feel satisfied.

**Table 24: Performance indicators, Education**

Education	2000	2001	2002	2003	2004	2006
Pupil/teacher ratio	65	58	56	56	54	
Pupil/class room rate	106	98	94	94	85	
Enrolment rate	86%	87%	85%	87%	89%	86%

Source: Ministry of Education, Ministry of Health, National Service Delivery Survey 2004.

**Table 25: Performance indicators, Health**

Primary Healthcare	2000	2001	2002	2003	2004
Outpatient visits per person	0.40	0.43	0.60	0.72	0.79
% Approved posts filled	33%	40%	42%	66%	68%
Deliveries in health units	25%	23%	19%	20%	24%

Source: Ministry of Education, Ministry of Health, and National Service Delivery Survey 2004.

There exists no evidence that staff posts available in the health sector are now filled in a higher percentage than in the past; availability of reliable data - especially at district level – is poor. (I.4.3.3.)

**Table 26: Total numbers and densities of the health workforce in Uganda (2002)**

Doctors	2,209 (0.08)
Nurses	16,221 (0.61)
Midwives	3,104 (0.116)
Dentists	363 (0.01)
Pharmacists	688 (0.03)
Public health workers	1,042 (0.04)
Community health workers	??
Lab technicians	1,702 (0.06)
Other health workers	3,617 (0.14)

Source: World Health Statistics (WHO web-site), Country Health System Fact Sheet 2006 Uganda

However other health indicators like maternal mortality rate, children's mortality rate and vaccine coverage show a positive trend<sup>26, 27</sup>.

According to Uganda's Progress Report 2007 on the Millennium Development Goals, a significant increase in the enrolment of children after the introduction of Universal Primary Education (UPE) has not been matched with an equivalent increase in teachers, classrooms and materials.

However this has not resulted in a corresponding increase of the quality of education services, as dropout rates and the number of repeaters continue to increase. Moreover a high percentage of pupils are not achieving targets in literacy capacities. Uganda would need a 50% increase of the current budget allocation (from USD 160 to USD 240 million) in order to tackle the education challenges adequately. This, in turn, raises the issue of absorption capacity.

The teacher/pupil ratio has improved but is still inadequate in primary education in public schools. Furthermore no territorial equity exists.<sup>28</sup> (I.4.3.5).

It appears that the teacher/pupil ratio has improved significantly during recent years. Nevertheless, a teacher/pupil ratio in primary education in public schools of more than 54 (in 2004) still seems to be unacceptably high. Furthermore, it is not evident whether this improvement was experienced all over the country.

Access to secondary education has improved, but has not resulted in a corresponding increase in the quality of services as trends show an increase in the numbers of repeaters. The statistics provided by the Ministry of Education and Sports show clearly that there was an increase in enrolment in secondary education in recent years. (I.4.3.6.) Even the enrolment of girls increased slightly. The participation in private education remained very high. As shown in the statistics below the % of repeaters increased significantly from 3.82% in 2000 to 28.21% in 2004. See Table 4.3.

Aspects of gender equality have been introduced in the PEAP (I.4.4.1) The EC has given specific attention to gender aspects in the formulation of performance indicators related to the variable tranches of GBS (education and health sector). I.e. for P4-P7 Educational Sector, targets are set

<sup>26</sup> Source: MDG Uganda's Progress Report 2007

<sup>27</sup> A main challenges relate to inadequate human resources in numbers and skills particularly in the rural areas; inadequate funding for the sector, which has resulted in drugs and supplies stockouts; Source: MDG Uganda's Progress Report 2007

<sup>28</sup> An estimated one and a half to two million pupils were affected by conflict during 2003 in northern, north-eastern and some parts of western Uganda. While displacement was most severe in 2003, the conflict in the north has persisted for 20 years now. Education delivery in northern Uganda remains heavily reliant on humanitarian agencies including UNICEF, World Food Programme (WFP), NGOs and faith-based organisations. Schools have been destroyed, supplies looted and there is a shortage of teachers. Many teachers and children have moved to more secure districts where they have further strained over stretched facilities and resources. This has created a shortage of accommodation for teachers and students, scholastic materials, classrooms, drugs, water and sanitation, and recreation facilities. (Source: MDG Uganda's Progress Report 2007)

for male and female students. Indicator H3 is gender oriented (Percentage of Deliveries taking place in Health facilities).

EC has given a specific attention to capacity building aspects by accompanying the GBS with institutional strengthening. (I.4.4.2.) In fact, further GBS training and technical assistance was provided in favour of the Budget Department, the Procurement Authority (PPDA); Office of the Prime Minister, National Integrated Monitoring and Evaluation Strategy, (NIMES) and the Ugandan Bureau of Statistics (UBOS).

GoU support indicates capacity building as a crosscutting issue in its PEAP; thus through GBS EC might have contributed to GoU's own capacity building activities.

Good Governance and Decentralization (I.4.4.3) were covered by the selection of Performance Indicator P2 for the variable tranches of GBS, which is related to the establishment of an organisational structure of procurement entities (which included procurement entities at local level).

**Table 27: Education and Sports Sector Indicators fact Sheet, MoES**

SN	Educational level/Type	Indicators	Source	2000	2001	2002	2003	2004
1	Pre Primary	(a) Total Enrolment	EMIS	NA	59.829	78.257	64.484	41.775
2	Primary	(a) Total Enrolment	EMIS	6.559.013	6.900.916	7.354.153	7.633.314	7.377.292
		(i) Boys	EMIS	3.395.554	3.528.035	3.721.135	3.872.589	3.732.928
		(ii) Girls	EMIS	3.163.459	3.372.881	3.663.018	3.760.725	3.644.364
		(b) % Age of girls to total enrolment	EMIS	48,23%	48,88%	49,81%	49,27%	49,40%
		(c) Enrolment by Ownership						
		Government	EMIS	5.351.099	5.917.216	6.575.827	6.835.525	6.707.845
		Private	EMIS	1.148.208	891.568	768.842	779.219	658.340
		(d) % Age of Private to total enrolment	EMIS	17.51%	12.92%	10.45%	10.21%	8.92%
		(e) Repeaters	EMIS	635.021	655.862	774.314	1.014.272	1.017.573
		(f) Repetition Rate	EMIS	10,10%	10,00%	11,22%	13,79%	13,33%
		(e) Dropouts:	EMIS	297.529	325.918	325.107	343.204	
		(g) Total No. of Teachers	EMIS	110.366	127.038	139.484	145.587	147.242
		(h) Teachers on Gov't Payroll	EMIS	82.148	101.818	113.232	121.772	124.137
		(i) Number of Classrooms	EMIS	50.370	60.199	69.900	73.104	78.403
		(j) Enrolment Growth Rate	EMIS	NA	11%	11%	4%	-2%
(r) Survival Rate: Survival rate to grade 5 (percentage of a pupil cohort actually reaching a grade)	EMIS	88,4	58,5	68,3	52	55,7		

SN	Educational level/Type	Indicators	Source	2000	2001	2002	2003	2004
		(s) Completion Rate: Completion rate to P7	UNEB	NA	62,9	49,1	56%	62%
		(t) Literacy Rate: Percentage of pupils reaching defined level of competency in literacy at						
		(i) P3	NAPE UNEB	18,0%	NA	NA	34,3%	34,3%
		(ii) P6	NAPE UNEB	13,0%	NA	NA	20,5%	20,0%
		(v) Numeracy Rate: Percentage of pupils reaching defined level of competency in numeracy at						
		(i) P3	NAPE UNEB	39,0%	NA	NA	42,9%	45,0%
		(ii) P6	NAPE UNEB	41,0%	NA	NA	20,5%	22,0%

**Table 28: Teacher/pupil ratio, MoES**

SN	Educational level/Type	Indicators	Source	2000	2001	2002	2003	2004
	Primary	<b>(a) Total Enrolment</b>	EMIS	6.559.013	6.900.916	7.354.153	7.633.314	7.377.292
		Government	EMIS	5.351.099	5.917.216	6.575.827	6.835.525	6.707.845
		<b>(h) Teachers on Gov't Payroll</b>	EMIS	82.148	101.818	113.232	121.772	124.137
		Teacher/pupil ratio public schools		65,13	58,11	58,07	56,13	54,03
	Secondary	<b>(a) Total Enrolment (private and public)</b>	EMIS	518.931	539.786	655.951	683.609	697.507
		<b>(g) Total No. of Teachers</b>	EMIS	30.384	30.425	37.227	38.549	37.313
		Teacher/pupil ratio		17,07	17,74	17,62	17,73	18,69

**Table 29: Education and Sports Sector Indicators Factsheet, MoES**

SN	Educational level/Type	Indicators	Source	2000	2001	2002	2003	2004
3	*Secondary	<b>(a) Total Enrolment</b>	EMIS	518.931	539.786	655.951	683.609	697.507
		(i) Boys	EMIS	290.176	301.814	359.494	374.659	383.652
		(ii) Girls	EMIS	228.755	237.972	296.457	308.950	313.855
		<b>(b) %Age of girls to total enrolment</b>	EMIS	44,08%	44,09%	45,19%	45,19%	45,00%
		<b>(c) Enrolment by Ownership</b>						
		Government	EMIS	216.292	261.664	317.806	336.362	370.807
		Private	EMIS	302.639	278.122	338.145	347.247	324.856
		<b>(d) %Age of Private to total enrolment</b>	EMIS	58,32%	51,52%	51,55%	50,80%	46,57%
		<b>(e) Repeaters</b>	EMIS	10.557	10.825	12.904	14.181	185.019
		<b>(f) Repetition Rate</b>	EMIS	3,82%	2,09%	2,39%	2,16%	28,21%
		<b>(g) Total No. of Teachers</b>	EMIS	30.384	30.425	37.227	38.549	37.313
		<b>(i) Number of Classrooms</b>	EMIS	11.216	10.159	11.923	13.433	14.440
		<b>(k) GER: Proportion of students attending secondary schools (S1-S6) to the number of children aged 13-18 in the entire population.</b>	EMIS/UBOS	13,00%	13,19%	19,64%	19,90	17,20
		(i) Boys	EMIS/UBOS	15,00%	14,69%	21,10%	21,38	19,09
		(ii) Girls	EMIS/UBOS	12,00%	11,73%	18,12%	18,36	15,34

**Synthesis – Overall Conclusions and Recommendations**  
**Joint Evaluation of General Budget Support 1994-2004**

<b>ISSUE</b>	<b>Follow-up/preliminary conclusions of the country level evaluation of the EC’s cooperation with Uganda – GBS (done by the consultants)</b>
<p><b>Overall Assessment</b></p> <p>The overall assessment is positive. PGBS has been an effective means of supporting a relevant national poverty-reduction strategy. It enabled the GOU to expand the delivery of basic services to the poor through decentralized bodies quicker than otherwise would have been the case. There have, on balance, been gains in both allocative and operational efficiency, including a reduction in the transaction costs of utilizing aid. PGBS funds, combined with other inputs, have had some important systemic effects on capacity, particularly in strengthening the planning and budgeting system by making discretionary funds available. There were also positive effects on the harmonization and alignment of aid.</p> <p>The Poverty Action Fund and the system of notional earmarking were very useful devices in demonstrating the purpose and uses of aid without incurring the inefficiencies of prescriptive earmarking. It is highly implausible that the same level and effectiveness of expenditures could have been achieved through other modalities alone. There were elements of good fortune in the timing of PGBS, and in its ability to build on systems for linking policies and budgets that MFPEP had already developed. The scale of PGBS flows was important in giving the government budgeting system a decisive influence.</p> <p>PGBS has been more of a partnership than previous conditionality, and has helped to extend GOU ownership across modalities. The focus on government systems has helped to strengthen transparency and raise some fiduciary standards, although fiduciary risks remain high. In hindsight, Uganda’s strategy of expanding basic public services paid too little attention to income-generation and to the quality and pro-poor targeting of public services. The pace of expansion inevitably had a cost in efficiency, and put the capacity and the accountability mechanisms of local governments under enormous stress. However, the systems of dialogue and policy review associated with PGBS enable such issues to be confronted, and these early imbalances are beginning to be rectified.</p>	<p>The overall assessment continues to be positive. EC is supporting through GBS the national poverty reduction strategy PEAP.</p> <p>EC support – as well as support of other donors-- seems to have contributed to increase allocative and operational efficiency (planning, budgeting, accountancy) and seems to have contributed to harmonization and alignment of aid.</p> <p>This conclusion seems to be still valid. Thanks to PAF the level of investments in the service sector has increased sharply. Increase in central government’s transfers was about 366,4% in the period 1977-2007/8; however most funds were earmarked and this reduced the discretionary autonomy of local governments over the use of resources. There is no evidence that the sharp increase of conditional grants for investments was accompanied by an increase in unconditional grants (for recurrent cost) and thus for assuring appropriate operation and maintenance of investments.</p> <p>This conclusion is still valid. Although public services have been expanded, there is no evidence that up to present an improvement of quality of services has been achieved. One of the hampering factors are the low salaries and difficult working conditions (lack of incentives) for public service providers (especially in the health and education sectors), which make that part of the available positions are not filled.</p>

<p><b>Future Challenges</b></p> <p>Looking ahead, the rationale for PGBS remains valid, but the political and institutional context has become more difficult. Although PGBS is essentially an instrument for long-term financial and institutional support to a national poverty-reduction strategy, it seems particularly vulnerable in the short term when difficulties arise in the relationships between IPs and an incumbent government. There is a danger that a reversion to project modalities will erode what has already been achieved. Donors and the GOU should review aid strategies more systematically, with sector-by-sector attention to the best fit between different instruments. PGBS instruments themselves need to be adapted to achieve a balance between their role as a support for long-term development strategies, and the need to be responsive to performance. We make the following recommendations, addressed to both the GOU and donors, for the future design and management of PGBS:</p> <ul style="list-style-type: none"> <li>• <i>Safeguarding long-term stability</i></li> </ul> <p>R1 The GOU and IPs should try to ensure that the overall relative shift towards PGBS is maintained. OK</p> <p>R2 IPs should develop safeguards against a rapid and destabilizing withdrawal of PGBS. OK</p> <p>R3 IPs should move towards a graduated response mechanism which provides credible incentives for performance and long-term predictability, protected from short-term political cuts. OK</p> <p>R4 IPs should seek forms of graduated response to political concerns that do not undermine the fundamental long-term objectives of PGBS. OK</p> <p>R5 IPs should provide aid information in line with the MTEF and budget cycles and make rolling three-year commitments for GBS and other aid. Seems that this has been done Idem</p> <p>R6 The objectives and uses of PGBS must be clearly signalled alongside other instruments if it is to retain the political support of home constituencies; and aid strategies should ensure that one instrument is not disproportionately more vulnerable than another to short-term cuts. No data on this point</p> <ul style="list-style-type: none"> <li>• <i>Design of aid and PGBS instruments</i></li> </ul> <p>R7 The GOU needs to develop a more elaborate aid policy (beyond the order of preference of aid instruments given in the Partnership Principles), instead highlighting the roles, and the good practice design features, of different aid instruments. ok</p> <p>R8 A set of operational principles and guidelines for PGBS should be developed and ok</p>	<p>Although the GoU continues to emphasize its poverty reduction strategy, the focus has been shifted now more to economic growth; diminishing the focus on particularly vulnerable segments of the population and to growth with equity. The observations made by the evaluation team confirm the conclusions made in the last evaluation. The evaluation team considers that there is the danger that donors will move back to project modalities in order to ensure that there will be a focus on poverty reduction, growth with equity and improved quality of service provision. The evaluation team recommends to continue with PGBS however to be more careful and rigid with the definition of performance indicators.</p>
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<p>IPs should adhere to these guidelines.</p> <p>R9 In this context the balance between instruments in each sector should be reviewed.</p> <p>R10 Options such as upstream co-financing of different types of budget support should be considered – e.g. co-financing the PRSC or a single full PGBS instrument, with, ideally, one co-financed sector budget support instrument in each sector.</p> <ul style="list-style-type: none"> <li>• <i>General Budget Support in Uganda</i></li> </ul> <p>R11 The GOU and IPs should agree a common disbursement schedule for all PGBS (one or two tranches a year) and stick to it.</p> <ul style="list-style-type: none"> <li>• <i>The focus of dialogue and conditions</i></li> </ul> <p>R12 Continue to develop sector-style processes for strategy and dialogue in cross-cutting areas of reform (e.g. decentralization, public sector reform, PFM), and in sectors without Swap processes.</p> <p>R13 The PRSC dialogue can be useful in promoting certain CCIs, but should be used sensitively, to avoid overwhelming it.</p> <p>R14 IPs should continue to engage on the governance agenda set out in the PEAP, but be realistic about areas where progress is most feasible.</p> <p>R15 Continue to increase the profile of productive and private sector issues, including the expansion of growth-promoting initiatives.</p> <p>R16 Continue to shift attention in the dialogue towards service quality and income generation.</p> <ul style="list-style-type: none"> <li>• <i>Accountability</i></li> </ul> <p>R17 The GOU and IPs should develop a strategy for building accountability systems to domestic stakeholders which reflect domestic democratic interests yet also satisfy IP demands.</p> <p>R18 Without neglecting other aspects of corruption, IPs should persist with a long-term strategy: using the influence that PGBS brings to strengthen financial management, transparency, procurement standards and so forth, at both central and local government levels, in ways that reflect domestic democratic interests as well as IPs' own fiduciary concerns.</p> <p>R19 Take care to ensure that policy processes provide room for the voices of domestic constituents, including Parliament as well as civil society, to be heard in the dialogue.</p> <p><i>Capacity development and focus</i></p> <p>R20 In the context of "sector" processes in cross-cutting areas such as PFM, decentralization and public sector reform (see above):</p> <p>(a) Develop capacity-building strategies for reform in these areas.</p> <p>(b) Align TA/CB and other institutional support</p>	<p>ok</p> <p>Ok, if indicators have been achieved</p> <p>Dialogue should not be limited to the technical level (Ministerial level) only, but should be done at the level of decision makers (Presidency).</p> <p>Development partners should engage mainly in the promotion of poverty reduction and growth with equity .</p> <p>No data</p> <p>No data</p> <p>ok</p> <p>Ok, but this has to be done under a project approach as it seems not to be a high priority of GoU</p> <p>.</p> <p>Ok, this is done already, however it should be ensures that responsible institutions will receive sufficient budget funds in order to assume in an appropriate way these tasks.</p> <p>.</p> <p>Ok, but this has to be done under a project approach as it seems not to be a high priority of GoU</p> <p>Ok, this is done already, however it should be ensures that responsible institutions will receive sufficient budget funds in order to assume in an appropriate way these tasks</p>
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<p>to these strategic plans.</p> <p>R21 Increase the relative focus on systemic PFM issues at local government level.</p> <p>R22 At sector level, shift the balance more towards building capacity of service providers, not just continued service expansion.</p> <p>R23 Actively seek to maximize complementarity of aid inputs (funds, TA/CB) in building capacity.</p> <ul style="list-style-type: none"> <li>• <i>Using PGBS efficiently</i></li> </ul> <p>R24 MFPED should reinvigorate the budget challenge to promote efficiency.</p> <p>R25 The definition of pro-poor expenditures should be revisited regularly so they do not stagnate.</p> <p>R26 Increase the flexibility of the PAF to facilitate expansion of growth-promoting initiatives</p> <p>R27 Assess Uganda's long-term absorptive capacity for aid, and investigate the efficiency of GOU sterilization choices.</p> <p>R28 Ensure that monitoring covers implementation activities and intermediate results as well as final outcomes.</p> <p>(S12)  <i>Donor selectivity</i></p> <p>R29 Donors should be sensitive to the role conditions can usefully play, and choose conditions where signals are needed and success is likely.</p> <p>R30 Donors should improve their capacity to engage fruitfully in the dialogue, e.g. by:</p> <ol style="list-style-type: none"> <li>(a) focusing on fewer sectors and issues of engagement;</li> <li>(b) ensuring more consistency and coherence in policy across sectors;</li> <li>(c) making more use of delegated cooperation;</li> <li>(d) maintaining staff in post for longer;</li> <li>(e) giving staff early training on the details of how Uganda's systems work;</li> <li>(f) developing greater understanding of the political economy of reforms.</li> </ol>	<p>This has to be confirmed. The definition of PAF expenditures has to be reviewed permanently and has to be published in a transparent way. A specific attention should be given to the monitoring of which percentage of PAF expenditures are returned as unused to the general budget. In parallel it should be ensured that the institutions/local governments in charge of service provision and maintenance of infrastructures will count with the necessary budget funds (recurrent funds)</p> <p>Donors should pay more attention to the definition of indicators for disbursement of tranches.</p> <p>Seems to be done</p> <p>Seems to be done</p> <p>Seems to be done</p> <p>Seems to be done</p>
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## Evaluation Question 5

**To what extent has EC support in rural development contributed to: 1) increased agricultural production, productivity, food security through the market, and increased income and employment; and 2) sustainable use and management of natural resources?**

### Summary of Interventions in the sector

Agriculture and rural development has been a key sector for EC support to Uganda and substantial contributions have been made since the 4<sup>th</sup> EDF from NIPs, RIPs, Stabex and financing under centralized budget-lines. Projects financed during the 7<sup>th</sup>-9<sup>th</sup> EDF have a value of about €100 million while under the 10<sup>th</sup> EDF the envelope for the agriculture/rural development sector corresponds to €61,46 million. As already noted by the 2001 evaluation of the Uganda Country Programme, aid to the rural development sector continues to be implemented through a variety of ‘ad hoc’ projects and programmes, relatively small in scope and widely scattered, either in terms of focus and outputs or geographically. Some of these projects/interventions – financed earlier than the 9<sup>th</sup> EDF - were still under implementation during the reference period for this evaluation.

Under the 9<sup>th</sup> EDF the main intervention in the rural development sector (€17,5 million) was a sector support programme to the Government of Uganda’s Plan for Modernization of Agriculture (PMA). Further to the SWAp, numerous programmes and projects related to the rural/agricultural sector were financed under different budget lines. Furthermore Uganda benefited from regional programmes funded by the EC (i.e. National Agricultural Research, Fishery Sector).

The following table gives an overview of main interventions financed in the sector, however there might exist other interventions (specially financed through Stabex funds) relevant for the rural and agricultural sector which are not recorded in CRIS and therefore have not been considered; i.e. health, education projects as well as projects under the water facility and water for intermediate towns. Micro-projects and decentralized cooperation have been mentioned as they have a direct influence on rural development.

**Table 30: Main interventions in the rural development sector**

Programme Number	Programme Title	Value, Euro
7 ACP UG 31	(EX 05 P046) KARAMOJA DEVEL PROGRAMME	268.658,33
7 ACP UG 63	Farming in Tsetse controlled areas of Eastern Africa	
7 ACP UG 009/042/047	Support to feasible financial institutions and capacity building (SUFFICE)	6.270.760,00
9 ACP UG 1, STABEX 1999	SUPPORT TO FEASIBLE FINANCIAL INSTITUTIONS AND CAPACITY BUILDING EFFORTS (SUFFICE), PHASE II	2.514.106,77
7 ACP PRP 744, 7 ACP RPR 745, 8 ACP TPS 32, 8 ACP TPS 33, 8 APC ROC 9	Pan-African Programme for the control of Epizootics (PACE) R	
8 ACP ROR 14	Support Agricultural Research in East Africa R	
8 ACP UG 13	8th Microprojects programme	14.960.040,81
7 ACP UG 9	FOURTH MICROPROJECT PROGRAMME	4.211.278,33
7 ACP UG 21	MICROPROJECTS PROGRAMME IN WEST NILE	2.999.364,43
7 ACP UG 42	RWANDA BORDER REHABILITATION PROGRAMME	993.878,43

<b>Programme Number</b>	<b>Programme Title</b>	<b>Value, Euro</b>
8 ACP UG 32	ACHOLI PROGRAMME (Decentralised cooperation programme for the North of Uganda)	3.893.732,24
7 ACP UG 59	AGRO-FOREST.NETWORK EAST-AFRIC.HIGHLANDS(+7RPR393,KE76,RW58)	1.010.854,84
8 ACP UG 30	FOREST RESOURCES MANAGEMENT AND CONSERVATION PROGRAMME.	12.000.000,00
ENV/2000/060-518	Radio Drame Series on Sustainable Agriculture in Uganda	314.283,53
ONG-PVD/2003/020-018	AMURIA DECENTRALISATION SUPPORT PROJECT - UGANDA	
ONG-PVD/2003/020-053	INCOME SMOOTHING THROUGH AGRICULTURAL MARKETING INTERVENTIONS (ISAMI)	
ONG- PVD/2000/665	RURAL FARMERS CAPACITY BUILDING PROJECT IN MASINDI DISTRICT UGANDA	400.097,00
ONG-PVD/2005/096-123	ESTABLISHING AN EXPORT MARKET FOR RESPONSIBLE COFFEE WITH SMALLHOLDER PRODUCER GROUPS IN UGANDA	
ONG-PVD/2000/671	RAKAI DISTRICT ENVIRONMENTAL PROTECTION PROJECT IN UGANDA	213.948,00
	PVD/1999/535/UK	
ONG- PVD/1999/686	THE CO-OPERATIVE AND RURAL ENTERPRISE PROGRAMME PHASE II	221.066,00
ONG- PVD/2000/664	PROMOTION OF SUSTAINABLE ORGANIC FARMING AND OF COMMUNITY BASED ORGANISATIONS IN UGANDA	383.450,00
PVD/2001/119/FI/PR	STRENGTHENING COMMUNITY BASED RESOURCE MOBILISATION TO EMPOWER VULNERABLE WOMEN AND THEIR CHILDREN IN MID-WESTERN UGANDA	640.148,00
ONG- PVD/2001/123	A THREE YEARS AND THREE MONTHS STRATEGIC PLAN FOR AGRICULTURAL AND RURAL ENTERPRISES DEVELOPMENT ASSISTANCE-UGANDA	1.104.639,00
ONG- PVD/2001/4	ENVIRONMENT AND SUSTAINABLE AGRICULTURE PROJECT (ESAP)- UGANDA	902.586,00
ONG- PVD/2001/575	PROMOTION DE MODELES ARCHITECTURAUX, RESPECTUEUX DE L'ENVIRONNEMENT ET ACCESSIBLES AUX POPULATIONS DEFAVORISEES DE L'OUGANDA	118.845,00
PVD/2000/666	FOOD SECURITY THROUGH FARMER INNOVATIONS PROJECT-UGANDA	489.322,00
FOOD/2007/141-003	Agricultural Livelihoods Recovery Project for Northern Uganda	4.000.000,00
SX99/05 etc	National Agricultural Advisory Services	
9 ACP UG 12	SECTOR BUDGET SUPPORT - PROGRAMME MODERNISATION AGRICULTURE	17.500.000,00
7 ACP UG 36	Refugies soudanais en ouganda (urg/ug/7-93/100).	927.625,46
8 ACP UG 39	Echo/uga/254/2002/01000 - humanitarian aid for population GROUPS AFFECTED BY INSECURITY IN UGANDA	1.151.445,47
8 ACP UG 41	Echo/uga/254/2002/02000 - humanitarian aid for vulnerable POPULATION IN UGANDA	458.842,43
9 ACP UG 3	ECHO/UGA/EDF/2003/01000 - HUMANITARIAN AID FOR POPULATION GROUPS AFFECTED BY CIVIL STRIFE IN UGANDA	1,980,905.57
9 ACP UG 11	ECHO/UGA/EDF/2004/01000_UGANDA HUMANITARIAN AID IN FAVOUR OF THE PEOPLE	6.000.000,00
7 ACP UG 18	SMALLHOLDER TEA DEVELOPMENT PROGRAMME (STDP)	14.521.198,20
8 ACP UG 21	STABEX 99 COFFEE -RAW OR ROASTED	26.602.089,00
8 ACP UG 22	STABEX 99 HIDES AND SKINS	1.081.228,00
8 ACP UG 33	Franchise art 195 a - cafe vert	7.454.798,47
9 ACP UG 16	NORTHERN UGANDA REHABILITATION PROGRAMME	20.000.000,00
7 ACP UG 70	Water and Environmental Sanitation in Rural Districts	4.224.621,51

The following is a Judgement Criteria-by-judgement criteria and Indicator-by-indicator analysis of EQ5.

**The EC support has been efficiently delivered (JC.5.1)**

EC sector budget support (to PMA) has been delivered efficiently and disbursements were on time with very few exceptions. Indicators designed to condition disbursements were achieved and tranches were fully disbursed as planned.

Programme	Value M€	Disbursement Planned acc. to FA	Disbursements made	Indicators for disbursement of fix tranches
1 <sup>st</sup> tranche	5,69	Q1 2005	December 2005	Agreement for indicators for 2006 reached by NAO and EC
2 <sup>nd</sup> tranche	6,65	Q1 2006	Sept.2006	Number of districts and sub districts participating in NAADS programme Establishment and starting of activities of National Research Council
3 <sup>rd</sup> tranche	5,16	Q1 2007	Sept.2007	At least 15% of research funds channelled through competitive grant system

Further to the SWAP about 40 programmes and projects related to the rural/agricultural sector were financed under different budget lines. Analysis based on the information available in CRIS shows that (other) interventions financed under a project approach have been implemented with a moderately good score, as measured on the scale for the EC's internal 'ROM' assessments.

**Cross-cutting aspects have been considered**

In the Financial Agreement for the Sector Budget Support, specific attention is given to the question of sustainability and the attention given by NAADS/NARs to cross-cutting aspects. According to the documentation available (PMA-web-site) PMA has a specific focus on Gender, youth, HIV, natural resources management and poverty. It ensures that all intervention programmes are planned to be gender focused and gender responsive. Gender issues for the PMA revolve around the unequal division of roles and responsibilities, reducing women's burdens, reducing their productivity and increasing the success of their business ventures, food security and welfare. Thus – according to the joint annual reviews on PMA - NAADS and NARs give specific attention to the need of women, persons with HIV/AIDS and people living with handicaps. However at field level results seem less convincing: although crosscutting issues (i.e., gender and HIV/AIDS) are appropriately incorporated at the formulation stage and Private Service Providers (PSPs) have been asked in their TORs to integrate cross-cutting issues, outcomes are highly mixed. Most PSPs did not have capacity to deliver the cross-cutting issues; others were not convinced of the relevance of gender training and have essentially opted-out.<sup>29</sup>

**An LRRD approach is applied**

Intervention appraisal papers underline links and synergies between sister interventions - from both the EC and other donors (LRRD approach).

Northern and north-eastern regions of Uganda have suffered from conflict in the past, which has created about 1,5 million of IDPs with about half of them living in camps; this has affected rural development and agricultural production. Thus many interventions in the rural development sector in the Northern Uganda used an LRRD approach: (1) International and national NGOs, WFP and GoU's interventions also received EC support. About €4-5 million annually were spent during recent years on food security interventions financed through ECHO and WFP. (2) EDF funds were mainly used for promoting good governance at local level and reconstruction activities. This has been done through several Micro-project Programmes For example, it was observed that the following were put into place: an EC Decentralization Programme (€10.000.000) which supports local government capacity building in Northern Uganda districts (to promote effective and sustainable service delivery); an EC Northern Uganda Reconstruction Programme (NURP -€ 20 million); in a parallel fashion the "Food Budget Line" in 2007and the Agricultural Livelihoods

<sup>29</sup> Source: Observation during the field visits and Performance Evaluation NAADS.

Recovery Project for Northern Uganda were financed.<sup>30</sup> However, these interventions are mainly implemented under a project approach with little in the way of formal planning and monitoring, thus full consistency with GoU's priorities could not be assured.

**There exists evidence for increase of coverage of extension services and intensification of agricultural research; however no evidence for significant improvement of land tenure situation and water management: (JC 5.2.):**

### **Extension services and agricultural research have improved during the reference period**

The EC has supported Ugandan extension services since 2001 under a project approach and since 2004 under a sector wide approach. The predecessor of NAADS (Agricultural Extension Project-AEP) was criticized for its limited empowerment of farmers, the reliance of public extension workers and unsatisfactory service delivery. Under NAADS, extension services have significantly increased in coverage and agricultural research has been intensified<sup>31</sup>. NAADS structures are based at district and sub county level and delivered, during the reference period, through demand-driven extension services through PSPs. Some 39.600 farmers groups were established under NAADS (about 715.000 farmers) and there is evidence that the quality of service providers was highly variable but generally poorer than planned, with good quality PSPs not available in all districts. (I 5.2.1) The challenges the programme faces relate to high levels of group dropouts and widespread dissatisfaction of group members with critical NAADS services such as training, technological development sites, access to credit, and delivery of material inputs<sup>32</sup>.

Due to some difficulties and problems observed during implementation, the release of funds for the NAADS Programme activities was halted (through official suspension) since September 10th 2007 in order to allow Cabinet to review programme implementation and assess the way the programme has addressed the challenges and shortcomings for which it was created. A "revised" programme protocol was then released with the objectives of more efficient and effective implementation of the program as measured through (for example) an increase in farm level earnings in line with Prosperity For All (PFA) aspirations. Additional guidelines were released in April 2008 and additional responsibilities were assigned to the NAADS programme, including a primary agro-processing support role and a clear emphasis on support to model farmers<sup>33</sup> in order for selected farmers to act as demonstration cases and learning centres for the rest of the farmers (who, evidence shows, received very little).

**Agricultural research has been intensified (5.2.1):** *The EC has supported NARs/NARO under a project approach since the beginning of the reference period at national and regional level (through Stabex funds).* A National Agricultural Research Policy was formulated in 2003, making research farmer-oriented and client-driven. In fact, the PMA's stated vision for agricultural research is "a farmer-responsive research system that generates and disseminates problem-solving, profitable and environmentally sound technologies on a sustainable basis".<sup>34</sup> Significant progress has been

<sup>30</sup> Further support under the 10<sup>th</sup> EDF is foreseen (Agricultural recovery and Conflict Resolution in Northern Uganda and Karamoja. Agricultural growth and assistance to the return of the IDPs will form the basis of a programme aimed at ensuring the link between relief assistance and rehabilitation and development aid. A conflict resolution assistance programme that will mainly focus on Karamoja will complement it).

<sup>31</sup> The presence of the extension services in districts and sub-counties has considerably increased since 2001/2. In 2001/2 NAADS was present in 6 districts and 24 sub-counties (Source: NAADS Secretariat). In 2007 NAADS was present in 79 districts and more than 745 sub-counties (80% of total). Thus NAADSs' targets have been fully achieved

<sup>32</sup> Source: Performance Evaluation of National Agricultural Advisory Services, 1<sup>st</sup> June 2008, executive summary point 9

<sup>33</sup> Model farmers are selected by the group (based on criteria like potential for development). Support in areas such as agricultural inputs, mechanization, marketing support, etc. are concentrated in these farmers in order to show rapid and significant results, however according to a recent press-release also money within the NAADS Subcounty budget will be available to support farmers in their groups for the provision of extension services, planting and stocking materials (for both commercial and food crops), monitoring as well as strengthening farmer groups

<sup>34</sup> The mission for research is "generation, adoption and dissemination of appropriate and demand-driven technologies, knowledge and information through an effective, efficient, sustainable, decentralized and well co-coordinated agricultural research system." In the new vision priority research areas now includes: technology development and multiplication, where emphasis is to be placed on commercial development, packaging and dissemination of technologies to farmers; socio-economic research, to ensure that research meets the needs of farmers and incorporates gender analysis; Strategic research to address biotechnology and genetic resource conservation; Farm-power and post-harvest

made although significant challenges remain. Successes include (1) The appointment of a NARO Director General and research scientists has been achieved. (2) A registration of research providers was undertaken and a competitive grant scheme was introduced. (3) NARO has achieved more than 2000 research outputs. (4) The number of research outputs has increased. However, no evidence was found for the existence of a systematic relation between PSPs and NARs institutions, with the result that the transfer of research results is not systematically assured.<sup>35</sup> Further, interview participants were essentially all of the opinion that the research was not “farmer-driven” and that it was difficult to determine what activities were going to be undertaken and in what fields of research. Small farmers noted that their specific needs were not well served.

### **No reduction of pressure on land and land tenure conflicts could be observed (5.2.2.)**

Of the total area of Uganda, 84.694 km<sup>2</sup> is farmland of which 84.010 km<sup>2</sup> is under subsistence agriculture. A mere 684 km<sup>2</sup> is used for commercial farming, much of it close to the main trunk corridor, illustrating the importance of land in supporting rural livelihoods and of transport networks in enabling access to broader markets. Land is thus the major constituent of household assets.<sup>36</sup>

During the reference period three principal areas of conflict affected Uganda: (1) West Nile, where about 200.000 refugees from DR Congo and Sudan caused local tensions over land; (2) In Karamoja, in the northeast of the country, where 30 years of armed cattle rustling and insecurity has restricted access to grazing and watering points. It has equally a caused displacement of agricultural communities from their ancestral lands into trading centres and camps. (3) The 19 year-old conflict in Acholi sub-region in the central part of Northern Uganda between the Lord’s Resistance Army rebels and the Government of Uganda.

The vast majority of land in rural areas is owned through customary tenure, through rules that have developed over generations. These rules have never been documented, resulting in a number of misunderstandings and misconceptions which, when translated into modern law, could have devastating consequences for large sectors of society, particularly the most vulnerable. The 1998 Land Act recognizes customary tenure for the first time in Uganda law alongside freehold, leasehold and *mailo*. There are, however, a number of inconsistencies and problems with its implementation.<sup>37</sup>

The PEAP noted that less than 1% of households have land titles for agricultural production. The target is for 1,5% in 2007/08, and 3% in 2013/14. However no information on progress towards these targets could be traced (Source: APIR). Even if achieved, this objective leaves 97% of potential land titles unresolved, resulting in severe economic constraints for those who would claim such titles. The JAR related to the implementation of PMA (2006) indicates that little progress in the establishment of an appropriate legal framework has been made.<sup>38</sup>

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technologies, including agricultural transport and marketing; Land and water resource management, to identify practices and technologies that will restore and increase soil fertility in a sustainable manner.

<sup>35</sup> See as well Performance Evaluation NAADS, Final report, 2008

<sup>36</sup> Millennium Development Goals Uganda’s Progress Report 2007, p.56

<sup>37</sup> One example is the 1924 Registration of Titles Act, which states that the titles are ultimate proof of ownership. This implies that that Certificates of Customary Ownership (CCOs), provided for in the new land law, are inferior to titles. In the case of the northern region and especially Acholi land, a number of threats were identified. A Publication of Uganda Land Alliance, 2005 indicates: “Short term threats are illegal occupation and logging, particularly by Army officers or private investors. A second short term customary land allocation to ease food insecurity and raise incomes of IDPs. These have been opposed by IDPs who fear the land will be grabbed. However, Government has not given up the idea. The third threat is the government settling IDP s and soldiers on private family land. The other longer-term threat is land grabbing by neighbours and relatives – particularly land belonging to orphans and widows. Customary land ownership vests authority in the head of the households, usually men, many of whom have died due to the war.”

<sup>38</sup> “The 12 undertakings agreed at the fourth JAR for this pillar were aimed at improving the access and administration of land by having enabling policies, a legal and regulatory framework in place and completing land management actions. Progress in implementing these undertakings was very slow. Out of the 12 undertakings, only one was completed and 10 were partially done. “The various draft bills and policies were either not completed or had not been submitted to Cabinet for approval. These include the Land and Land Use Policies and the draft bills on registration of titles, land survey, land acquisition and town and country planning.”

### **There is no evidence on improved water management for agricultural purposes (5.2.3)**

No information concerning the increase of land under irrigation is available. FAO-Aquastat continues to use (in 2009) the data of 1998, which indicate that 15 irrigation schemes exist in Uganda and that the area equipped for irrigation is 9.150 ha. There is no evidence that NAADS has had a significant impact on improving water management either from an infrastructure or a knowledge perspective. During the field visits undertaken by this evaluation, farm enterprises with newly-established citrus production facilities were visited: farmers organized themselves to assure irrigation of plants either by carrying water from the nearest available source or – for those who had sufficient levels of their own funds - by digging a well (however without having the funds necessary for buying a pump or assuring its operation). Water management appears to be very low on the list of priorities for rural development in existing GoU programming even though it is a key efficiency enabler for farmers and the key to increased production. The budget allocation for rural water for production is/was very low (for the year 2009/2010 it was only about UGX 5000 billion).

Access to drinking water has improved: access to water in rural areas increased from 47 per cent in 1999 to 59 per cent in 2006 with considerable variations across districts. Whereas Kabale, Kanungu, Luwero, Nakaseke, Kaberamaido and Kibale have coverage of over 80 per cent, Kaabong, and Yumbe districts have only 10 per cent and 24 per cent respectively<sup>39</sup>. EC support (under micro-project programmes) and under the Water Facility has contributed to improve access to drinking water.

### **Food security has improved since the delivery of EC aid (JC 5.3).**

Nevertheless the UGANDA FOOD AND NUTRITION STRATEGY AND INVESTMENT PLAN (2005) indicates an important number of persons nutritionally at risk. This is confirmed by the draft WFP Draft Country Programme 2009<sup>40</sup> And the UNDP MDG report 2007.<sup>41</sup>

No recent statistical data are available, but **there is some evidence that the overall food-security status of the Ugandan population is under control; however there continue to exist problems of malnutrition and pockets of famine and hunger in the country (especially but not only in areas affected by conflict in north and north-eastern Uganda)**. Sufficient food is available in the markets, but not all segments of the population have the necessary financial means to acquire sufficient food throughout the year. In rural areas, subsistence farmers suffer occasionally during several months from food shortage. Furthermore in Uganda many families/households with good access to sufficient food for their caloric needs, suffer from a poor nutritional status for dietary reasons. They consume a monotonous, unvaried diet and so suffer from micro-nutrient deficiencies. Children are particularly affected and the impacts of this type of nutrition are considered to be cumulative and permanent, affecting not only health, but education and other social services as well as economic production (ability to work).

### **Food consumption has increased slightly (daily food intake), but no recent statistical data at country or district level are available (5.3.1)**

- It is difficult to find reliable information; agricultural statistics are not updated and are recognised as inaccurate and unreliable. The main information found is published in the web-site of FAO (web-site: FAOSTAT)

<sup>39</sup> Millennium Development Goals Uganda's Progress Report 2007

<sup>40</sup> It indicates: "Uganda still faces challenges in meeting the hunger target of MDG 1. To achieve the hunger target of MDG 1, Uganda must reduce the proportion of undernourishment (a measure of food availability) and the prevalence of underweight (an indicator of food access and utilization) in its population by half between 1990 and 2015. For undernourishment, it needs to lower the proportion to 9.5 percent, i.e. 3.5 million undernourished among an estimated population of 36.9 million. Uganda had 4.1 million undernourished people in 2003–2005 and may have had 4.4 million in 2008 (Assuming a constant proportion since 2001–2003 and using the Uganda Bureau of Statistics' population figure of 29.6 million for 2008.)"

<sup>41</sup> The UNDP MDG report 2007 states (p.15): Over the period 1995-2006, the proportion of underweight children reduced to 20.4 per cent from 25.5 per cent in 1995. The proportion of the population unable to meet the recommended food caloric intake increased from 58.7 per cent in 1999 to 68.5 per cent in 2006, with wide geographical divergences. Urban rather than rural households had a higher caloric deficiency mainly because urban dwellers consume more restaurant foods, which are less nutritious, in comparison with the food available in the rural areas.

- Food consumption has increased slightly from 1992 - 2003 (increase of about 100 kcal/person/day); same dietary protein consumption has increased;
- The percentage of persons suffering from food deprivation has slightly decreased
- The prevailing levels of childhood under- and mal-nutrition are high, over 38% of children under 5 years of age are stunted (with the rural population being more affected than the urban), 4% wasted and 22% underweight. All these indicators reflect either chronic or acute malnutrition

**Agricultural statistics are poor, UBOS data are based on surveys (Range, volumes, worth of produce processed beyond farm gate) (5.3.2.)**

There is little in the way of valid statistical information available concerning agricultural production in Uganda. However information published in FAOSTAT shows that (with the exception of meet) there was a permanent increase in food production during the period (1999-2004).

**Table 31: Food production 1999-2004**

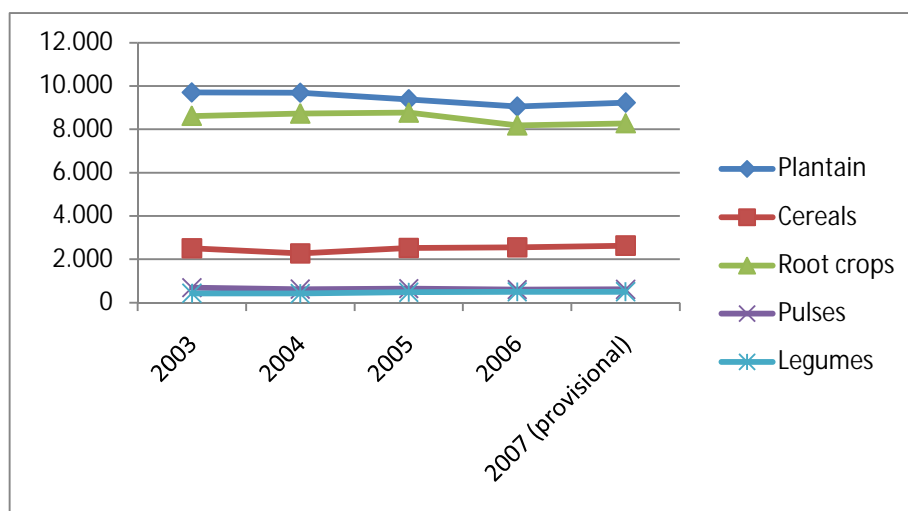
Uganda	(1000 tonnes) (FAOSTAT)				
	1979-1981	1989-1991	1999-2001	2003	2004
Fruit and vegetable	6589	8805	10571	10829	11124
Cereals	1171	1597	2200	2413	2625
Meet	149	200	267	263	259

Official data provided by UBOS do not completely coincide with those of FAOSTAT but show that the increase in production of food crops was not significant and per-capita availability was decreasing (considering the growth-rate of the population).

**Table 32: Production of Selected Food Crops**

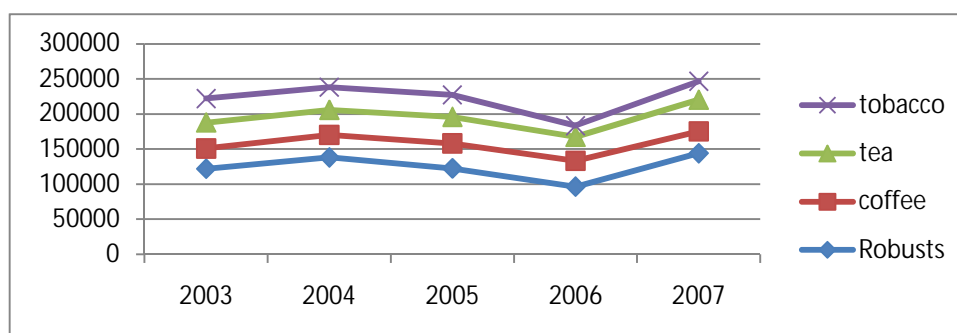
T2: Production of selected food crops, '000 tonnes, 2003-07					2007 (provisional)
Crop	2003	2004	2005	2006	
<b>Plantain</b>					
Bananas	9.700	9.686	9.380	9.052	9.233
<b>Cereals</b>					
Finger millet	640	659	672	687	732
Maize	1.300	1.080	1.237	1.258	1.262
Sorghum	421	399	449	440	458
Rice	132	121	153	154	162
Wheat	15	15	15	18	19
<b>Total</b>	<b>2.508</b>	<b>2.274</b>	<b>2.526</b>	<b>2.557</b>	<b>2.632</b>
<b>Root crops</b>					
Irish potatoes	2.610	2.650	2.604	2.627	2.654
Sweet Potatoes	557	573	585	628	650
Cassava	5.450	5.500	5.576	4.924	4.973
<b>Total</b>	<b>8.617</b>	<b>8.723</b>	<b>8.765</b>	<b>8.179</b>	<b>8.277</b>
<b>Pulses</b>					
Beans	525	455	478	424	430
Field peas	14	15	15	16	16
Cow peas	67	69	70	71	75
Pigeon peas	84	84	85	88	89
<b>Total</b>	<b>690</b>	<b>623</b>	<b>648</b>	<b>599</b>	<b>610</b>
<b>Legumes</b>					
Ground nuts	150	137	159	154	162
Soya beans	160	158	158	175	176
Sim Sim	120	125	161	166	168
<b>Total</b>	<b>430</b>	<b>420</b>	<b>478</b>	<b>495</b>	<b>506</b>
Source: MAAIF and UBOS					

**Figure 2: Food Crops production (UBOS)**



Source:UBOS

**Figure 3: Production of tobacco, tea, coffee and Robusts, 2003-2007**



Source: Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and Uganda Bureau of Statistics.

### Incomes from activities in rural areas have slightly increased (JC5.4)

The only available source of information during our desk and field research was that of the APIR: it indicates that labour is moving out of agriculture into full and part-time employment. In the ten years to 2003, the proportion of the labour force self-employed in agriculture fell by 5 percentage points, while the proportion self-employed in non-agricultural sectors rose by 14 percentage points (2.6% to 16.9%). The proportion of women self-employed in non-agricultural sectors rose from 24% to 40% over the same period, so that women participated fully in this major structural change. (5.4.1.).

There is evidence that the rural population seeks to increase off-farm and non-farm income. An increasing number of subsistence farmers are gradually switching to commercial farming.<sup>42</sup> (5.4.2) There is no strong evidence that a significant part of the rural population has benefited from an increase in agricultural income, however selling-off of small surpluses and income-generating activities beyond the farm gate has contributed to a decrease in poverty. **There is evidence for increase of household incomes in Uganda, but little evidence concerning increase of household incomes of the rural population.** Access to reliable data related to income is difficult to trace, most data available is not updated and do not distinguish between rural and urban areas.

<sup>42</sup> A number of surveys conducted between 2000 and 2005 have shown that the proportion of subsistence farmers selling some of their produce has increased from 76 to 80%. Labour is moving out of agriculture into full and part-time employment; in the ten years to 2003, the proportion of the labour force self-employed in agriculture fell by 5 percentage points, while the proportion self-employed in non-agricultural sectors rose by 14 percentage points (2.6% to 16.9%). The proportion of women self-employed in non-agricultural sectors rose from 24% to 40% over the same period, so that women participated fully in this major structural change. (Source: APIR).

The proportion of people living below the poverty line has dropped from 56% in 1992/93 to 31% in 2005/06. There is evidence that the Gross National Income<sup>43</sup> per capita has increased significantly during the last decades.

**Table 33: Gross National Income per Capita**

Year	1985	1990	1995	2000	2003
<b>NI-Gross National Income per capita (PPP\$) (Current PPP\$)</b>	560	700	950	1230	1430

Source: Global Analysis: based on World Bank data

However there is enormous difference in income, regional and between urban and rural areas (Gini index 2008: 45.7).

Nationally, the income poverty figure still stands at 38% (2003) with 42% and 12% among rural and urban dwellers respectively. There seems to be increasing income inequality amongst and within regions as well as between rural and urban population. Also, the share of agriculture in terms of contribution to GDP has continued to decline and is estimated at 34.0 percent during FY2005/06, as compared to 35.6 percent the previous year.

There seems to be evidence that growth of household income (especially in rural areas) was lower than expected; in particular, low growth-rates were observed in the agricultural sector (the agricultural growth rate has fallen from 2.3% in 2002/03, to 0.4% in 2005/06).

Within agriculture, subsistence output (non-monetary as in the table below) increased at less than 0.4% per year between 2001 and 2005. Low growth rates, combined with high population growth rates, combined to create a decrease in per-capita income.

Mean farm size has declined; with the agricultural work force increasing 45% while the availability of land per worker fell by about 25% since 1987, showing that in the long run increasing numbers within the working age population will become landless. The continued population expansion puts immense pressure on land as more and more and more people seek to make a living out of smaller and smaller farms. Average land holdings decreased from 2ha per household in 1992/93, to 1.2ha in 2005/06<sup>44</sup>. The evaluation team was unable to identify any GoU policy dealing with this issue.

There is ample evidence showing that agriculture is important for both economic growth and poverty reduction in Uganda. Agriculture performance has a direct impact on poverty incidence given the very large share of the population (86%) living in rural areas and dependent on agriculture – 3.8 million (75%) households are directly engaged in the sector. This is important to note since, among all sectors, poverty is the highest among those dependent on crop agriculture. Despite the good past performance, growth in the sector remains volatile, being highly dependent on weather using rudimentary technology.<sup>45</sup>

<sup>43</sup> PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. Data are in current international dollars. This indicator measures the total output of goods and services for final use produced by residents and non-residents, regardless of allocation to domestic and foreign claims, in relation to the size of the population. As such it is an indicator of the economic productivity of a nation. It differs from gross domestic product (GDP) by further adjusting for income received from abroad for labour and capital by residents, for similar payments to non-residents, and by incorporating various technical adjustments including those related to exchange rate changes over time.

<sup>44</sup> National Household Survey, 2005/06

<sup>45</sup> Information is taken from the Poverty Status Report (2005) and World Bank: Uganda: Agriculture Sector Performance, A review for the CEM 2006, June 2006.

**There is no recent information available concerning volumes/€-worth of food traded at farm gate or at local collectors markets (I 5.4.3)**

According to the APIR the proportion of farmers depending entirely on subsistence output is declining. An increasing number of farmers are selling part of their production. According to APIR both are indicators that show an increasing competitiveness and efficiency. They also indicate the impact of improved infrastructure, especially feeder roads. However, no recent data (for 2007/08) could be found.

**Table 34: Agricultural products**

Year	2002/03	2004/05	2005/06	Target 2007/08	Target 2013/14
Agricultural product marketed as % of total agricultural production	56,3% (a)	58,5%	58,2		70%

However, during the field visits, farmers interviewed confirmed that improved district roads have permitted increased marketing of products.

**Trends in the number of employees registered by local SMEs (I 5.4.4)**

No information was available; a survey conducted by the Uganda Bureau of Statistics for the GoU shows that between 2001 and 2007, the number of large agricultural companies had increased from 359 to 382 - a 6 percent increase. Together these [presumably] large companies employed a workforce totalling a little over 28.400 - where women represent 17 percent of those employed. The region of Uganda that hosts the majority of these companies is Western region.

**Progress in sustainable management of natural resources, maintenance of soil fertility and conservation of bio diversity is still limited (JC 5.5)**

Before the rule of Idi Amin, Uganda had a relatively sound environmental record. During his reign (1971-1979), the forests suffered from civil and political strife. From 1971 to 1987, Uganda lost 50 percent of its forests, including virtually all of its primary forests. Between 1990 and 2005, Uganda lost 26,3 percent of its remaining forest cover, and deforestation continues today at a rate of 2,2 percent per year, mostly due to subsistence farming, cutting for fuel, and colonization by the burgeoning population.

According to the U.N, very little of Uganda's forest cover is presently considered as being primary forest. In spite of this, more than 25 percent of the country's forest is under some form of protection.

**There is no strong evidence that natural resources are managed to preserve soil fertility and conserve biodiversity**

The country is facing a number of environment challenges including soil degradation, deforestation, drainage of wetlands, and loss of biodiversity. The centre and south of the country is suffering "severe" or "very severe" land degradation, while the north is suffering from "low" to "medium" level impacts in climatic production potential. (FAO-Country Profiles and Mapping Information Systems). The main causes of environmental degradation include poor farming methods, demographic pressures leading to land scarcity, limited non-farm income generating opportunities, inefficient use of energy sources, climate effects, and conflicts. While the PEAP has mainstreamed the environment in all its five pillars, and while it is generally accepted that the sustainable use of natural resources is a pre-requisite for the aimed enhancement of competitiveness, production and incomes, national rural development and agricultural production improvement institutions do not place any real emphasis on the environment (for instance, there is no provision for environmentally-related agricultural research and the extension services do not provide technology transfer).

### **Improvements in the creation of an appropriate policy and institutional framework for the sustainable management of natural resources (5.5.1).**

Uganda has in place a number of policies concerning the environment. The National Environment Management Authority (NEMA) has been established, however no evidence could be found for a strong political will for sustainable management of natural resources<sup>46</sup>. Responsibility for environment management has been devolved to local governments but the latter lack the capacity to implement, monitor and enforce the relevant policies. They also lack the capacity to implement, monitor and enforce the relevant policies. No evidence was found for increased capacities of local Government to undertake and enforce territorial planning; nor is there a systematic linkage between land-tenure, territorial planning, reforestation, disaster prevention. In the districts visited by the evaluation team, an important pressure on natural resources (especially swamp lands) was observed or described by interviewees. During 2005/06, wetlands management guidelines were disseminated to only 20 districts, (less than 30% of national coverage); however reports in only four districts were updated. No evidence was found on progress in wetland management.

Training communities in sustainable resource harvesting, and updating of wetlands management reports covered roughly 10% of the country. Despite the urgent need for action on the environment, little was done and there are serious delays in developing and publishing relevant policy. Most of the policies and legislations that were planned to be completed were not accomplished. These include the Environment and Natural Resources (ENR) Investment Plan, bills on Registration of Titles, Land Survey, Land Acquisition and Town as well as Country Planning, Land Use Policy, Land Policy, and Plan of Action on land rights awareness.

### **Technological packages for sustainable management of natural resources elaborated by NARS are not systematically divulgated by NAADS (I 5.5.2)**

There is no evidence that NAADS has succeeded to pass systematically messages to the farming community on how to achieve sustainable development or to maintain soil fertility. NAADS services are demand-driven and farmers' groups, according to GoU officials, have other priorities. This evaluation has hypothesized that they also have a very low level of awareness of these issues and are therefore not in a position to formulate a demand. Aspects of sustainable management of resources are often included in the messages of the PSPs (according to their knowledge and experience). However, size of agricultural holdings is decreasing in many districts of Uganda, thus that traditional practices like crop-rotation cannot be applied.

The JAR (PMA) agreed that in order to address soil degradation, responsible ministries should complete and submit to Cabinet a National Soils Policy and the Rangelands Policy. It was also agreed that the ENR Sector Investment Plan should be completed.

There is no evidence that NAADS has succeeded to pass systematically messages to the farming community on how to achieve a sustainable development and especially maintain soil fertility. Local governments' capacity to promote sustainable management of natural resources has not been systematically promoted; progress made in the formulation of the Environment and Natural Resource Management Regime is limited.

### **Strengthened Environment and Natural Resource Management Regime**

Ugandans still depend to a great extent on their forests with around 95% of the country's energy needs being met from wood. This includes firewood and charcoal for domestic use, for agricultural industries (e.g. for the drying of tea, tobacco and fish) and for other industrial uses (e.g. brick-making). The country's high population growth rate is also putting increasing pressure on the

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<sup>46</sup> Uganda's President Museveni has been at odds with the National Forest Authority (NFA) over his attempts to grant 7.000 hectares of Mabira forest reserve to a sugar cane plantation company and to hand over a forest reserve on Bugala island in Lake Victoria to oil palm developers. Both projects have now been shelved (Mabira in October 2007, Bugala in May 2007), but Museveni has also battled NFA over evictions of encroachers in protected forests ordering the agency to halt evictions in 2005. Source: Gerald Tenywa. Uganda: Politics, Corruption Fuelling Destruction of Forest Reserves. New Vision (Kampala) 2 November 2008.

country's remaining forests for clearance for agriculture - especially for growing cash crops, whilst the rapidly growing economy is placing an increased demand for timber for construction and other timber products.<sup>47</sup> There is evidence that the EC support has given a valuable support to the demarcation and management of the national forests and the biodiversity conservation in key forest reserves. Furthermore in order to diminish pressure on national forests the EC Forestry Conservation Programme (FRMCP) promoted the production of timber. This project component was recently refinanced (Uganda's Sawlog Production Grant Scheme) and is reported to give good results. FRMCP worked closely with the Ugandan Forest Department, which during the reference period has been transformed into a semi-autonomous National Forest Authority. However no information was available on the percentage of forest land covered by sustainable forest management plans.

Furthermore there is evidence that EC has contributed to strengthening the health and management of Lake Victoria (Support to the Lake Victoria Fisheries Organization<sup>48</sup>) and has thus positively influenced fishing activities in the Lake Victoria.

**Table 35: Forest Cover and Forest Classification**

<u>Forest Cover</u>	<u>Forest Classification</u>
<b>Total forest area:</b> 3.627.000 ha <b>% of land area:</b> 18,4% <b>Primary forest cover:</b> n/a <b>% of land area:</b> n/a <b>% total forest area:</b> n/a	<b>Public:</b> 29,8% <b>Private:</b> 70,2% <b>Use</b> <b>Production:</b> 14,9% <b>Protection:</b> n/a <b>Conservation:</b> 14,8% <b>Social services:</b> n/a <b>Multiple purpose:</b> n/a <b>None or unknown:</b> 70,2
<b><u>Deforestation Rates, 2000-2005</u></b> <b>Annual change in forest cover:</b> -86.400 ha <b>Annual deforestation rate:</b> -2,2% <b>Change in defor. rate since '90s:</b> 21,2% <b>Total forest loss since 1990:</b> -1.297.000 ha <b>Total forest loss since 1990:</b> -26,3%	<b><u>Forest Area Breakdown</u></b> <b>Total area:</b> 3.627.000 ha <b>Primary:</b> n/a <b>Modified natural:</b> 3.591.000 ha <b>Semi-natural:</b> n/a <b>Production plantation:</b> 36,000 ha <b>Production plantation:</b> n/a
<b>Primary or "Old-growth" forests</b> <b>Annual loss of primary forests:</b> n/a <b>Annual deforestation rate:</b> n/a <b>Change in deforestation rate since '90s:</b> n/a <b>Primary forest loss since 1990:</b> n/a <b>Primary forest loss since 1990:</b> n/a	<b><u>Plantations</u></b> <b>Plantations, 2005:</b> 36.000 ha <b>% of total forest cover:</b> 1% <b>Annual change rate (00-05):</b> 200.000 ha

<sup>47</sup> Forests and woodlands covered about 108.000 km<sup>2</sup> of Uganda in 1890; and as of 2002, this coverage had shrunk to approximately 49,000 km<sup>2</sup>. Seventy per cent of the remaining forests and woodland area are on private or customary land while the other 30 per cent by law is land held in trust by government. Uganda is reported to be losing its forest cover through deforestation. Studies such as (FD, 2000; MFPED, 1994; FAO, 2000) cited in UNDP (2004) report estimates of varying annual deforestation rates from 550 km<sup>2</sup> per year to 700 km<sup>2</sup> – 2.000 km<sup>2</sup> /year primarily due to deforestation for agricultural purposes. Since 70 per cent of forest and woodland areas are private or customarily owned, the decision to convert into alternative use is easily since people for example think that agriculture will generate higher returns than forestry. Other factors contributing to deforestation include policy failures, lack of alternative energy sources which leads to over-harvesting of trees for firewood; high population growth; absence of effective systems for enforcement of forest and other environmental laws; and increased demands for construction materials and charcoal. Deforestation result into increased poverty through higher fuel wood (firewood and charcoal) costs, both in terms of money and time spent in collection. Distance travelled particularly by women and children to collect firewood has increased dramatically between 1992 and 2002 from 0.06 km to 0.9 km. (Source: Millennium Development Goals. Uganda's Progress Report 2007).

<sup>48</sup> The Implementation of a Fisheries Management Plan (IFMP) project was funded by the EU and implemented by the LVFO. The duration of the project is from 1 April 2003 to 31 August 2008 The cost of the project was €29,9 million

## Evaluation Question 6:

**To what extent has EC support to the transport sector contributed to increased safe and sustainable national and local transport networks, which promote: 1) improved access to rural areas; and 2) balanced national integration; and 3) regional integration?**

Justification and coverage of the EQ: Transport has been and remains to be a focal sector in EC's support to Uganda as well as in EC's regional support. Transport interventions are generally conceived to contribute to economic growth and poverty reduction through improved service levels and accessibility. Transport infrastructure and services are key elements for regional economic integration and trade liberalisation. The cost of transport in Sub-Saharan Africa is 50% higher than other regions and thus reduces the region's competitiveness – even more so for the landlocked countries such as Uganda. A significant reduction of transport cost and time contributes to regional integration and integration into the world economy.

The question covers mainly road transport, as this constitutes the main transport mode in Uganda. It is the sub-sector to which EC has provided most of its support. Rail and air transport are other transport modes to which EC has provided (limited) support. They are integrated in the analysis. Special emphasis will be placed on EC's support to road maintenance, as this is critical for maintaining the road infrastructure assets. Within the scope of EC's transport sector support, the Evaluation will cover:

- The national transport policies and regulatory framework;
- Road sector institutional set-up and capacity
- Infrastructure condition (road, rail) and transport services (including road safety)
- National, district, and rural roads and asset management

EQ6 will be subject to the following evaluation criteria: efficiency, effectiveness, impact, sustainability, and added value. EQ6 will focus on the improved condition of the national and district road networks and the direct benefits stemming from these improvements. The long-term impact and sustainability of EC's road sector interventions as regards regional integration will be dealt with in EQ9.

The conditions of the national and local roads are key indicators of the road sector's general performance. The 9<sup>th</sup> EDF NIP set the targets for the end of the reporting period: 1) The percentage of national roads in good to fair condition is increased to 80% in 2006; and 2) The percentage of district roads in good to fair condition is increased to 55% in 2006. The improved condition of the road networks lead to a number of economic and social benefits. For national roads the main indicator are savings on vehicle operating costs (VOC), whereas for district roads the main indicators are improved access to market places and social services.

### **The transport sector context**

Road transport is the major component of the transport system in Uganda. An estimated 90% of the traffic is ensured by the road network, which is consistent with an economy still widely dependent on crops and other agricultural products. Rail infrastructure is in place from the colonial time but is increasingly unreliable, as the transport services offered. Rail's share in modal distribution is shrinking.

The road network itself is, compared with neighbouring countries, poorly developed with only 7% of paved roads. The network in itself is oversized, at least if to be proportioned with available resources for maintenance. Remote villages are linked with district roads and small centres by non-motorized transport, but at a far higher cost than if motorized transport would be available.

This hindrance for rural economy growth is particularly strong in the Northern part of the country, characterized by comparatively less fertile soils and years of troubles, even if that region has often been looked at as the “breadbasket of Uganda” in the past. .

Network condition, by the end of the reference period (2007), is poor with only 20% of the national roads stated as good, and 29% for district roads.

A important feature of the transport system is the so-called Northern-Central Corridor, which is located in the Southern part of the country. It's a major road and rail transit infrastructure that attracted most of EC resources allocated to the sector.

Transport services were de facto deregulated when public-owned transport operators bankrupted, prior to the evaluation period. Public transport is now fully undertaken by private operators, from the very small-scale/informal to more organised firms with significant fleet. A so-called auto-regulation was established among operators, but all GoU regulatory basis duties (vehicle control, licensing, line contracting, etc.) are not carried, mainly due to insufficient levels of budget. The transport legal framework (Road Act, 1961) is too old to provide a comprehensive enabling environment for modernising transport services and establishing an effective levelled playing field for the private sector. For rail, services operations were recently given under concession to stop a steady decay in reliability and services.

The institutional framework, during all the reporting period, was of a temporary nature leading thus to unbalance, uncertainties and efficiency shortcomings. The reform initiated in 1997 is, in 2009, not expected to come into being fully functional before 2010. It will, at that time, be aligned with the Road Maintenance Initiative's principles supported by EC and the WB. Meanwhile, various institutional features were applied on an apparently rather ad hoc basis: maintenance was implemented through private contractors and force account brigades; work contracts were managed by the MoWTC, RAFU and local governments.

The number of road accidents increased from 2001 and peaked in 2005 at 19.783 recorded accidents and has since then declined so that the number in 2007 (at 17.428) corresponds to the level in 2003. On the other hand, given the large increase in traffic volumes, over the 2002-2007 period, the number of accidents in relation to the number of km driven has declined drastically. Overloading of trucks remains a serious problem, which affects both road safety and road conditions.

Transport has been an important sector and substantial funding contributions have been made since the 6<sup>th</sup> EDF from NIPs, STABEX and RIPs. The transport sector EC projects are as follows:

**Table 36: EC Transport sector projects**

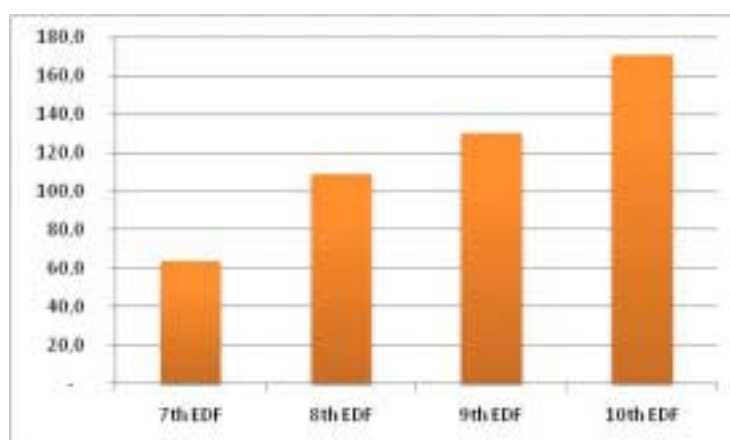
Ante 10th EDF	€ million
Northern Corridor: Malaba Border Post & Jinja - Bugiri Roa	69,2
Kampala Northern By-pass	52,5
Masaka - Mbarara Road	92,0
Technical assistance to the Road Agency Formation Unit	3,0
District Roads Re-gravelling project	11,4
Urgent Repairs to the Kampala- Malaba Railway line	10,0
Karamoja Roads Development Programme	11,0
Backlog Road Maintenance Project	15,0
<i>Total</i>	<i>264,1</i>
<b>10th EDF</b>	
Northern Corridor Road Improvement Project: Kampala-Masaka, Mbarara	122,0
Post-Floods Rehabilitation of Roads and Bridges in North and North East	3,2
Ugandan Road Sector Policy Support Programme	49,1
<i>Total</i>	<i>174,3</i>

Source: EC delegation website

The EC financial support to the transport sector from the 7<sup>th</sup> and 9<sup>th</sup> EDF' NIPs amounts to €303 million, with €107 million considered under the 10<sup>th</sup> EDF. Between 1990 and 2013, the EC support

is of €474 million. For the reporting period, €240 million have been programmed. At each programming cycle, EDF contribution to Uganda’s transport sector steadily increased:

**Figure 4: Evolution of EDF transport sector contributions**



The main road infrastructure projects concluded, under implementation, launched and planned during the 2002-07 period are:

- The 7th EDF South Western Uganda Road Maintenance Programme (SWURMP) was completed in 2004 and comprised maintenance works on the NCR and in a number of adjacent districts.
- The Kampala Northern By-Pass Road (KNB) forms part of the NCR and will link all the national roads from east to west and thus avoid that all transit traffic has to pass the Kampala City centre. Construction work started under the 8th EDF and is still ongoing.
- The Jinja - Bugiri section forms part of the NCR west of Kampala. Construction work started under the 8th EDF and is still ongoing.
- The District Roads Re-gravelling Project commenced end of 2003 and comprise seven districts along the NCR. The second phase will cover 15 districts including the Karamoja area in North Eastern Uganda. The Project is financed with STABEX funds.
- The 9th EDF Backlog Road Maintenance Programme (BRMP) commenced in 2007.
- The 9th EDF Reconstruction of Masaka-Mbarara Road is part of the NCR southwest of Kampala. Construction work started in 2008.

The EC also supported RAFU and then UNRA with TA and dedicated studies when WB support was terminated.

### **STABEX**

An amount of € 40 million was allocated to district and local roads under STABEX funds. They were used in full consistency with EDF resources and in continuity with already improved sections.

### **RSP/RIPs**

Under 8th and 9th EDF, RIPs contributed to Uganda transport sector for an amount of € 20 million (for the three main infrastructure projects), to be compared with the € 240 million allocated under NIPs and Stabex.

Under the 8th EDF RIP for East Africa, focal area 2 ‘Transport, Trade and Regional Integration’ were allocated together 75% of the total ECU 194 million envelope. The RIP stresses the objective of “Deeper regional cooperation and integration, on the basis of equity and mutual benefit, providing for cross-border investment and trade, and freer movement of factors of production across national borders”. In this framework, the support to the transport sector was conceived as one of the pillars to develop trade between the countries of the region whereby “Adequate, well-maintained transport infrastructure and the removal of non-physical barriers should enhance the

opportunities for regional and export trade". The question of respective contribution of the infrastructure and NTBs in relation to their cost was not considered.

The 9th EDF RIP for the ESA-IO region includes Transports & Communications as one of three focal areas (with 15-25% of the initially allocated financial envelope of €223 million). Although shortcomings in transport infrastructure are recognised as a serious constraint to sector development, the relatively limited resources available under RIP are insufficient to meaningfully address such infrastructure deficits, which were intended to be more realistically addressed under the better endowed NIPs of MS.

### **Other DPs intervention in the road sector**

The World Bank is a major contributor to the road infrastructure sector with a total of € 263 m. Its Road Development programme's phase 1 interventions focused on high priority trunk roads (Busunju-Kiboga-Hoima, 145 km; Pakwach-Nebbi-Arua, 130 km; and Kawempe-Kafu road, 166 km) outside the NCR. Phase 2 upgraded 108 km of gravel roads, strengthened 163 km of paved roads, and improved 12 black spots on Kampala Jinja road (part of NCR). Phase 3 includes upgrading of the following national roads: Soroti-Lira, 125 km; Kampala–Gayaza-Zirobwe-Wobulenzi, 68 km; Atiak-Moyo, 91km; Busega-Mityana, 57km.

The other significant contributor is the AfDB, with €200 m with three phases for the road sector support project. It focused on Kabale and Kisoro districts (to promote regional integration with DRC and Rwanda) and the South-western region of Uganda (Kagama - Ishaka, Ntungamo - Kakitumba Kapchorwa - Suam and Hoima to Kaiso-Tonya)

## **JC 6.1: EC has a decisive role in improving Uganda's transport policies, regulatory framework, and institutional capacity**

### **I 6.1.1: EC support was closely related to GoU priorities for poverty reduction and at sector level**

*EC's strategy framework provided clear direction for stakeholders*

Transport was a strategic issue in EC cooperation with Uganda during the 7th, 8th and 9th EDF. It was the 9th EDF's main focal sector. Substantial funding contributions have been made since 6th EDF from NIPs, STABEX and RIPs amounting to some € 264 million. Taking into account 10th EDF programming, EC contribution to the sector will amount € 440 million.

This continuous and predictable involvement of the EC provided all stakeholders (GoU as well as DPs) with long term partnership opportunities.

The sector strategy advocated by the EC in its successive programming and technical documents shown an unchanged and consistent path for reforms, aligned with internationally agreed best practices (Road Management Initiative), particularly regarding road maintenance.

### **CSP/NIPs**

The EC transport sector strategy has been exceptionally consistent from 7th EDF to 10th<sup>49</sup> EDF. The main thrust has continuously been on:

- improving the Northern Corridor Route (NCR), which in Uganda constitute the most essential transport link of both national and regional importance – the NCR links with the Mombassa Port in Kenya and connects with Rwanda, Burundi, DCR and South Sudan.
- improving district roads<sup>50</sup> in districts adjacent to the NCR (15 districts as part of the South Western Uganda Road Maintenance Programme (SWURMP) and 7 districts as part of the

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<sup>49</sup> The transport sector has been identified as one of two focal sectors for EC's cooperation with Uganda for the years 2008-2013 under the 10th EDF. The objective of this cooperation is to complete the rehabilitation and upgrading of the Northern Corridor Route in Uganda linking the Port of Mombasa to in Kenya and also serving Rwanda and Eastern DRC; and to improve the national road network through rehabilitation and institutional strengthening.

District Roads Re-gravelling Programme (DRRP) – to be expanded with a further 15 districts);

- strengthening road sector institutions through commercialising network management under semi-autonomous agencies (roads authority), restricting the line ministry to policy and control functions, and mobilising road user charges channelled directly to an autonomous road fund and fully dedicated to road maintenance.

The EC financial support to the transport sector from the 7th and 9th EDF' NIPs amounts to € 303 million, with additional € 107 million considered under the 10th EDF. Between 1990 and 2013, the EC support to this sector, and mainly to the road sub-sector, will be of € 474 million, thus some 15.3 million for each inhabitant or annually € 660 000 per inhabitant.

For the reporting period, € 240 million were programmed.

The NCR improvement encompassed (from East to West):

- Bugiri – Jinja section (78 km, € 69,2 million, incl. Malaba border crossing development);
- Kampala by-pass (21 km, € 52,5 million);
- Mbarara – Masaka section (130 km, € 92 million);
- Kampala – Mbarara and Masaka - Ntungamo – Katuna sections rehabilitation is under preparation under the 10th EDF (236 km) for an indicative budget of € 122 million).

Total length improved/constructed will be of 555 km for € 335.7 million (71% of EC allocation to the road sector). The average cost by km will be of approximately € 0.6 million.

This pattern of EC funds allocation is somehow contradictory with the response strategy stated at the forefront of the 9th EDF CSP section for the transport sector: *“Improvements of the rural transport infrastructure are crucial for economic growth and reduction of poverty in Uganda’s rural areas. **An improved main road network alone will not bring adequate transport infrastructure within reach of most rural producers, hence further development of the district road network will be necessary. Institutional development at both central and district levels will be required to achieve the announced goals. Improvement in maintenance is required to consolidate investments in infrastructure**”*.

Planned 9th EDF interventions were initially:

- Institutional support: Support to MoWT to redefine its role towards policy, regulatory and monitoring functions. Capacity building of Road Agency and MoWT staff;
- Support to national road maintenance and axle load control;
- Integration of agricultural areas of South West Uganda into the national road network: Upgrading of priority sections of the Kampala - Kabale section (part of the Northern Corridor Route) – with complementary regional funds, and upgrading of district roads to improve access to productive areas.

The 9th EDF’s NIP statement of specific objectives for the transport sector was more in line with planned interventions:

- To sustain economic growth, reduce poverty and promote regional integration;
- Improved flows of traffic and goods;
- Improved road connectivity with neighbouring countries;
- Improved transport policy development and implementation;
- To provide a safe and sustainable transport network reducing transport costs and
- Improving access to rural areas.

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<sup>50</sup> NB. Investments of district roads and community access roads have traditionally been classified as ‘rural development’ and part of the funding to secondary and tertiary road improvements fall under the support to this sector. EC’s support to the transport sector is almost exclusively to the road-sub-sector.

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The EC strategic framework was shared with the World Bank and Danida in its principles and implementing modalities right from the early 90's. It was clearly and repeatedly agreed upon with GoU and other stakeholders, notably during annual Joint Sector Reviews.

The 8th EDF CSP faced however significant strategy shortcomings. The strategy was evaluated<sup>51</sup> as being based largely on continuity and acceptance of political constraints, rather than analysis. The road programme has suffered for that reason from serious delays and has proven to be seriously over-programmed. Significant changes in the projects identified for funding have also brought into question the original prioritisation and the quality of the programming exercise – nevertheless EC has chosen to press on with the original strategy. EC's 1998 Country Review concludes that the original implementation schedule was “... unrealistic from the beginning and could never possibly have been met”. The 1999 Country Review, which had to decide whether to allocate the second tranche of the 8th EDF NIP, noted that: “the time necessary for the preparation of the various large projects has been grossly underestimated”. Given the delays that had occurred, it was considered only to release 50% of the second tranche. It was, however, decided to allocate 100% of the second tranche. The 1999 Country Review justified this by arguing that all projects were in the pipeline and well underway and the conditions for a smooth and effective implementation were considered favourable. However, little evidence supported this assertion. It was very difficult to avoid the conclusion that EC was choosing to prioritise political signals over development effectiveness. (2000 Country Evaluation p. 17-18).

The situation was almost unchanged in 2007, at the end of the present evaluation reporting period. The same projects were continuously supported by bringing additional funding. Recommendations issued by the 1996-2000 national level evaluation were not taken into account, particularly the one challenging the Kampala bypass. The statement related to improved conditions for implementation proved to be more of a day-dream than evidence-based. Projects' completion is foreseen in June 2009 for Jinja-Bugiri and it would be unrealistic to state a date for Kampala bypass' completion.

*Transport sector policy supported by the EC has been aligned with national poverty reduction priorities*

The Poverty Eradication Action Plan (PEAP) was originally formulated in 1997 and the current phase ended in June 2008<sup>52</sup>. The PEAP's Pillar Two – “Enhancing Production, Competitiveness and Incomes” includes the strategic objective to strengthened infrastructure in support of increased production of goods and services.

The PEAP actions related to transport infrastructure are:

- Continue to invest in rehabilitation and maintenance in accordance with the RSDP;
- Enforce axle load restrictions;
- Develop a price index for construction to enable a more accurate monitoring of unit costs;
- Establish the National Road Authority;
- Provide financial resources through conditional grants for district, urban, and community access roads (DUCAR) roads maintenance;
- Give priority to those rural roads which could unlock areas with potential high agricultural surplus and also enable the rural populace to access basic services and markets; and
- Increase private sector participation in management, investment and maintenance projects within the transport sector as well as strengthening the national construction industry.<sup>53</sup>

GoU, with the assistance of development partners (DPs) – particularly EC, prepared the 10-Year Road Sector Development Plan for the 1996/97-2005/06 period (RSDP1). The RSDP1 was revised

<sup>51</sup> Evaluation of EC Country Strategy: Uganda 1996-2000, February 2001

<sup>52</sup> The PEAP will be replaced by the National Development Plan (NDP), which is anticipated ready for implementation from June 2009. The PEAP will remain in place until the NDP is launched. Provision of transport infrastructure will be a key component of the NDP.

<sup>53</sup> PEAP 2004, page 228

in 2001 for the 2001/02-2010/11 period (RSDP2).<sup>54</sup> The RSDP 1 and 2 are fully consistent with PEAP's priorities.

From the above, there is a clear duality in the way GoU looks at the transport sector. First, it is included in the PEAP as a major contributor. Second, the sector policy is elaborated in the section of the PEAP relating the growth and competitiveness. Third, actions listed are all (but DUCAR) specifically related to growth and competitiveness. It can be thus stated, from the GoU point of view, the transport sector does not relate to pro-poor policy and that its alignment towards poverty reduction is not an option. This focus on relying almost exclusively on the economic trickle-down effect runs across all GoU transport sector programming; thus the EC's transport programme adopted the same focus when it endorsed the PEAP and decided, purposefully, to closely align itself to the GoU's development principles and priorities.

Since 1996, GoU aligned road sector policy to the three pillars of the wider on-going economic policy reform: liberalisation of the economy; decentralisation; and public sector reform. This alignment was translated in the following sector policies: withdrawal of the state from the direct management of transport infrastructure and increased reliance on the private sector for designing, implemented and controlling road works and exploiting rail services. GoU has continuously proclaimed that it will revert the transport line ministry to the role of policy maker, regulator, and monitor; it intends to establish autonomous agencies, such as the Uganda National Road Agency (UNRA), to manage infrastructure networks; on the same token, the Road Fund has been acknowledged as a proper feature to canalise road users' money to maintenance.

*NSAs, and thus the private sector, was punctually associated to the policy dialogue but without managing to influence it.*

MoWT and MFPED conduct annual Joint Transport Sector Review with private sector participants. The intent was to provide private sector representatives in the UNRA and RF boards with a majority in decision making. This was achieved for UNRA in 2007 and for the RF in 2009. This consistency between the roads management commercializing and the actual institutional framework is relatively rare within other African countries.

### **I 6.1.2: The EC achieved a good record in supporting a comprehensive set of clear policies but corresponding legislation and regulatory frameworks are not in place or not enforced.**

After more than 10 years of EC (and other DPs) involvement in the transport sector reform, this 2008 assessment is locally widely shared: "The road transport sector in Uganda has been characterised by inadequate and unpredictable funding and weak capacity in the Government and private sector. Improvements are needed to planning and investment prioritization, maintenance systems, axle load control, traffic management, public transport regulation and road safety." (Feasibility Study: Building a Uganda Road Sector Policy Support Programme, Hydratec Consortium, April 2008). This situation is all the more striking that both principles and implementation modalities were initially agreed in 1992 with the GoU. To a very large extent, the diagnostic was similar at that time. Achievements are therefore very limited by the end of the reporting period. Meanwhile, major steps were taken by GoU.

#### **An outdated road sector legal framework, partly revisited.**

The principal legislation relating to the road sector are:

- The Roads Act, 1964
- The Traffic and Road Safety Act, 1971
- Road Safety Act, 1998
- The Uganda National Road Agency Act, 2006
- Road Fund Act, June 2008

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<sup>54</sup> A RSDP3 is now under preparation. The principal task will be to formulate the new programme and to update the investment plan for the 2008/09-2018/19 period.

The legislation is either very old or very new. Considering the development in road traffic since 1964, there would be a need for a new Roads Act and a new Traffic and Road Safety Act. However, the Acts recently passed on UNRA and the RF are a significant breakthrough to achieve a comprehensive legal framework. The related institutional framework is being put in place slowly: UNRA started its operations in 2008, and is now operational (2-3 years after it's enactment). The RF board was approved in April 2009, and is anticipated to become operational in 2010. From the evaluator point of view, even this late perspective is unrealistic as it is likely that President's elections (2011) will put a hold on any such decision.

The Government in cooperation with COMESA Member States is committed to enforcing axle-load control measures. The Government and COMESA neighbouring countries have put in place legislation concerning maximum permissible axle-loads in the region and modalities for enforcement. Enforcement is still pending. Procurement for fixed and mobile weights is on-going and most of the coordination with the Police Forces is still to be design. On the other hand, regional transport operators look rightly at axle load controls as one more opportunity for bribery.

**The comprehensive transport policy is not translated in realistic programming documents, with far reaching policy reversals while Presidential elections are becoming closer.**

The preparation of a comprehensive Transport Sector Policy and Strategy<sup>55</sup> was initiated in 2001, which covered all modes of transport. This work was, however overtaken by the preparation of the National Transport Master Plan (NTMP), which commenced in 2004 and was not approved by the end of the reporting period (and still pending in 2009). The NTMP would provide the opportunity to established a prioritised list of investments. The outcome of the NTMP 'White Paper' did not meet the Government's expectations in terms of thoroughness and analysis, but the official position statement is not yet released.

At a lower level, the RSDP1 (1996/97-2005/06) covers almost all the reporting period. Its objectives<sup>56</sup> were:

- Provide a national road network capable of meeting the present and future traffic demands while harmoniously integrating road safety and environmental protection requirements;
- Establish and develop a strong road administration for effective and efficient management of the national road network;
- Enhance and develop the local construction industry; and
- Promote and develop cheap, efficient, more reliable and safer transport services.

The RSDP1 was subject to a mid-term review in 2001-2002. The physical targets for rehabilitation and maintenance of national roads were only partly met (97% manual routine maintenance, 75% mechanised routine maintenance, and 60% mechanised periodic maintenance), mainly because delays in establishing the requisite institutional framework, in securing the development partners' financial packages which means mainly allocating the counterpart funds from the annual budget exercise.

The RSDP1 was updated and expanded (March 2002) to cover the 2001/02-2010/11 period (RSDP2) keeping full policy alignment. The cost for the ten-year period was estimated at USD 2.2 billion of which GoU and donors have committed USD 1,3 billion only.

**Table 37: Summary of RSDP2 costs (2001/02-2010/11)**

Programme Component	Cost USD mn	% of total cost
National road network rehabilitation & maintenance	542,18	23,8
National road network improvements	1.042,04	45,7
Local road network rehabilitation & maintenance	577,00	25,3
Institutional development and capacity building	118,84	5,2
<b>Programme total</b>	<b>2.280,06</b>	<b>100</b>

Source: RSDP2, March 2002.

<sup>55</sup> GoU/MoWHC, Transport Sector: Draft Policy and Strategy Paper, August 2002.

<sup>56</sup> As quoted in the RSDP2 Volume One, page 18.

Along with RSDP2, the road sub-sector measures are fully consistent with EC strategy and performance indicators:

- Improve accessibility to all rural and urban areas of the country on a sustainable basis by having at least 80% of the national and district road networks in a fair to good condition by year 2006;
- Establish an Executive Road Agency to manage national road programmes by the year 2003;
- Increase substantially maintenance funding in the medium-term;
- Increase the participation of the local construction industry in road maintenance to 90% by the year 2006;
- Increase road transport services distribution throughout the country;
- Demarcate and ensure adherence to the road reserves and environmental legislation by the year 2004;
- Improve road safety;
- Improve the flow of traffic and the speed of passenger movement in Kampala.

The Government's role with respect to the supply of transport services was to provide policy guidelines and to clearly define by law and efficiently exercise its non-economic regulatory powers. The Government continued the policy of "de facto" free access to the transport sector market and of letting the market forces determine the tariffs. On regional corridors, the Government cooperates with its neighbours through the East African Cooperation Agreement and the Northern Corridor Transit Agreement to ensure the effective and safe passage of transit traffic.<sup>57</sup>

Occasioning the railways services was achieved jointly with Kenya in 2006 with the support of the WB, the ADB and the EC (track rehabilitation).

### **Delayed reforms**

There have been repeated delays in implementing agreed policy priorities. It took for example 10 years to bring the National Roads Authority (UNRA) into existence and it can be considered to be operational only since a couple of months. Its planning functions should not be effective before 2011. The Road Fund record is even poorer as the recent postponement of its creation for one year allows foreseeing it to be operational nowhere before July 2010. One more year from that date might be a more realistic view.

Other related issues other lesser institutional or political significance were also endlessly postponed against strong commitments to DPs more or less soft conditionalities: axle load control, phasing out from force account operation, predictable budget for maintenance.

### **Low level of enforcement**

Axle load control is important both for the durability of the roads. The flouting of axle load control by transporters indicates low levels of enforcement. Most fixed weight weighbridges are out of order. GoU policy enforcement remained weak in respect of declared targets related to reducing overloading and improving road safety. The EC interventions emphasised on axle load control right from the 90s' and included the provision of weighbridges in several of its projects.

The same applies *ceteris paribus* to traffic regulations where petty bribery by officials and police is seen as standard behaviour.

### **Significant policy reversals**

Additionally, after the end of the reporting period, major policy changes were announced in 2008-2009 constitute a complete reversal of road strategy supported by EC and other DPs: reinforcement of Force Account<sup>58</sup> (FA) for local roads maintenance, free vehicles licensing

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<sup>57</sup> RSDP2 Volume One, March 2002, page 6.

<sup>58</sup> The districts force account operations in Uganda were gradually being replaced from the late 1990s. Danida's support under the RSPS1 and RSPS2 has been instrumental in expanding the use of small-scale, LBM contractors and in developing the management and implementation capacity.

(typically on of the major source of revenues of the Road Funds (RFs)), and creation of State Construction Company. Those drives are related by all interviewees to 2011 President's elections and discretionary decisions taken to prepare the campaign. This is particularly clear with FA, as that pattern is far more flexible and quick in responding to voters' expectations to have the road in front of their house hastily repaired than hiring contractors through public procurement procedures. The same applies to vehicle licensing. Other measures are more of demagogic nature, showing that if the need for a road sector reform is shared in the sector, the general public is lagging far behind.

These reversals might be seen as an evidence of a lack of sustainability of EC interventions. In the Delegation's view, it is more seen as recurrent and unavoidable pattern of Uganda governance; it should be patiently suffered, waiting for elections results to come back to real business.

### **The DPs moved towards the sector wide approach with GoU in a coordinated manner**

The main DPs in the road sector during the reporting period are: WB, EC, AfDB, JICA and Danida (DfID, KfW, NDF, BADEA are other donors that were formerly active). The Road Sector Development Programme (RSDP) provides the framework for cooperation with the DPs. The RSDP Steering Committee (RSDP-SC) has since 1998 been the coordination forum for GoU and DPs in the road sector, but has now been abolished in consequence of the recent institutional changes.

A process of Joint Annual Transport Sector Reviews (JTSR) has been embarked upon in 2002 (funded by Danida). The third JTSR took place in October 2006 (and the 4<sup>th</sup> in October 2008).

The GoU and DPs agreed in 2006 to deepen their dialogue. A platform for policy dialogue was set-up, the Transport Sector Working Group (TSWG), in which MFPED and MoWT represent the Government. The TSWG is government-led, having quarterly meeting. EC is the lead partner.

EC strives towards harmonisation among the DPs and alignment with GoU procedures. Sector budget support was considered under the 10th EDF.

DPs coordination in the sector has been relatively low-key but is improving. No major disagreements have been identified between the DPs about policy/reform priorities and there is no sense of competition for sector leadership. The DPs meet on a regular basis, to share information and coordinate their support. DPs' approach to the sector reform is coordinated, consistent and comprehensive. The relation with Danida was particularly instrumental and was managed on the basis of a clear division of labour (complementarity): Danida focused mainly on Districts and rural roads, while EC was more focused on national issues. Synergies were also looked for when opportunities arose (EC financing Southwest District roads, Danida funding TA to MoWT for its restructuring).

Coordination with WB and AfDB were more based on a focus on particular corridors or roads. The WB focused on the regional corridor heading to South-Sudan while the ADB interventions were targeted to mainly the west part of the country.

A feasibility study, EC funded, was finalised in 2008 for moving towards a transport Sector budget support programme (SPSP). This prospect was abandoned.

### **I 6.1.3: EC contributed in a decisive way improving the capacity of road sector institutions in order for them to be able to implement reforms and manage the road networks.**

The transport sector institutions' capacity for policy-making, planning and management stayed insufficient during all the reporting period, unless 2007 where UNRA became operational.

The public sector management encountered substantial problems, e.g.:

- lack of proper macro-level prioritisation, planning and budgeting;
- unreliable project-level design, cost estimation and supervision;
- delayed procurement of consultants and contractors.

Key Public Finance Management (PFM) problems identified by the Auditor General concerning the road sector management, which undermines the road sector's capacity, are:

- Undertaking of unplanned and unbudgeted work;
- Failure to follow procurement procedures;
- Late payments of contractors and consultants (arrears)
- Poor accountability of funds that have been released; and
- Poor management of equipment, stores and assets in the sector.

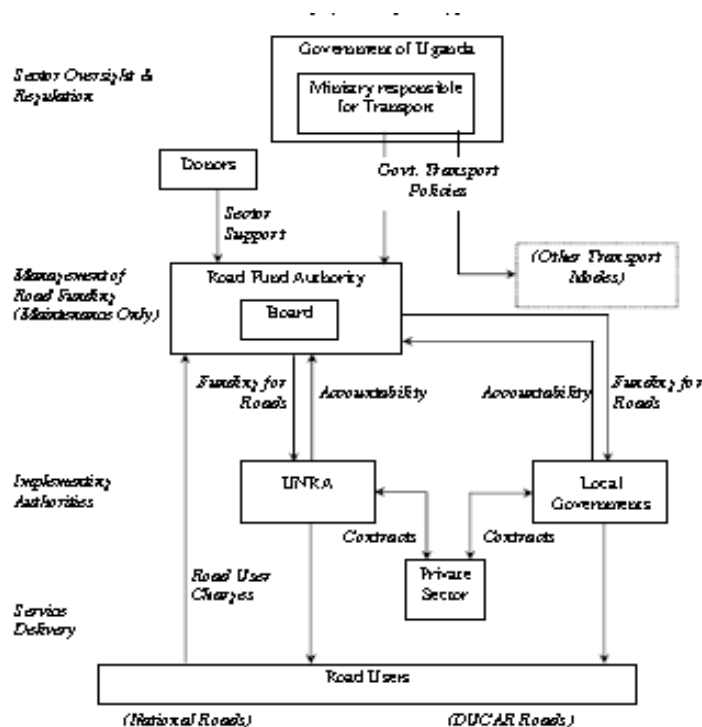
The Government’s decision in June 1998 to transfer policy matters for district, urban and community roads from MoLG to MoWHC facilitated that a comprehensive policy framework could be developed for the entire road sector.

The responsibility for managing the road network was initially shared by:

- The Ministry of Works and Transport (MoWT)
- Local Governments for urban, district and community roads, assisted by MoWT.
- The Ministry of Finance, Planning and Economic Development (MFPED) is responsible for public investment planning, budgeting, monitoring and aid coordination.

From 1998 to 2007, national roads, and particularly WB’s projects, were handled by the Road Agency Formation Unit (RAFU)<sup>59</sup>; this agency was in turn replaced by UNRA.

**Figure 5: Organisation of Uganda Road sector**



### Ministry of Finance and Economic Development

The Transport Section in MFPED played a crucial role in coordinating with MoWT and RAFU as regards the level of development and recurrent expenditures for the road sector. GoU has initially decided not to have a Road Fund and the MFPED thus performed up to the end of the reporting period many of the functions that a road fund (1<sup>st</sup> generation) undertakes.

MFPED is furthermore responsible for coordination of DPs contributions to the transport sector. The Aid liaison office is also the deputy NAO.

<sup>59</sup> The Road Agency Formation Unit (RAFU) was established in 1998 as a transitional arrangement outside the organisational set-up of MoWHC but accountable to MoWHC. The establishment and operation of RAFU was funded under the World Bank’s “Road Sector Institutional Support and Technical Assistance Project” (RSISTAP).

Uganda had during the reporting period a well-organised budget process, which includes the preparation of the rolling Medium-Term Expenditure Framework (MTEF). The MTEF is translated for the transport sector in a Transport Sector Investment and Recurrent Expenditure Programme (TSIREP).

There is adequate capacity in the ministry to prepare sector budgeting and MTEF.

The transport section of the MTEF should ideally provide the link between priority setting, funding, and the sequencing of activities. Yet MTEFs were planned without proper information about the network conditions, so budgets are not evidence based. There is no management system using Highway Development and Management (HDM) system for prioritising interventions<sup>60</sup>. Additionally, the BFP 2008/09-2011/12 is more of a 'wish-list'. GoU's funding gap is € 37 million.

The TSIREP's resource envelope contained in the Long-Term Expenditure Framework (LTEF, 10-year projections of GoU and DP budgetary resources) was less<sup>61</sup> than the estimated cost of implementing the NTMP. Budgeting for road maintenance proved to be systematically insufficient and erratic, hindering any efforts for programming rationally network management, was it for national roads or districts ones.

The major issues were here on resources, budget arbitration and lack of earmarked tax.

The road sector had a considerable problem with arrears with contractors, as well as delayed payments. It faced problems accounting for the funds it has received at both central and local government level. The accounting system made it difficult to perform value for money audits.

### **Ministry of Works and Transport**

During the reference period, discussions took place with MoWT (then MoWHC) to decide on how the Ministry should be restructured to become a policy, regulatory and monitoring body. Meanwhile MoWT retained the maintenance responsibilities for the national road network until UNRA became operational.

MoWT received little institutional support from neither the WB nor EC, and is still confronted with the challenge of transforming itself from an implementing body to a policy-making body. MoWHC received very little institutional support from neither the WB nor EC and is still confronted with the challenge of transforming itself from an implementing body to a policy-making body. Danida supported the RAFU Coordination Unit in MoWT/MoWHC and the MFPED Transport Section with a view to ensuring proper coordination between the three entities.

According to the most recent proposals for restructuring of the MOWT, it will retain some service delivery functions, including materials testing and mechanical workshops. There is scope for further streamlining of the new structure. DANIDA is providing support to the restructuring process.

The Directorate of Transport of the MOWT has historically had insufficient financial and human resources to address key activities. Resource allocation in the transport sector has tended to favour infrastructure development.

The weaknesses in the regulatory environment in the transport sector are more due to inadequate enforcement than inadequate regulations. This includes regulations governing axle load control, road safety and the registration of consulting engineers and contractors. The exception is public transport, which operates largely under self-regulation.

The field mission revealed that a large part of delays in reform implementation laid with senior officials in the MoWT which positions and carriers would have been directly affected. Ministry's record of transparency was poor and corruption known to be prevalent. The reform had no support the highest political level, thus resistance was strong. As far as it has been traced, the IMF focus on deteriorating infrastructures during article IV 2006 mission was instrumental in sending the right signal from the top. The EC contributed also by scaling-up pressure put on GoU, reported by government senior officials as a "no reform, no money" stand.

<sup>60</sup> GoU/EC, Assessment Report, Feasibility Study: Building a Uganda Road Sector Policy Support Programme, April 2008, Chapter 3.

<sup>61</sup> Discussed at the third JTSR in 2006.

### **Extraordinary length in establishing the Uganda National Road Authority**

RAFU was established in 1998 and was intended to be a two-year transition arrangement, while preparing for the establishment of a Road Agency. UNRA only became operational in 2008 thus extending the transition period from two to ten years. This long-drawn process appears to be symptomatic for the road sector reform process.

RAFU was created as a default Project Implementation Unit for WB projects and as a nucleus for the establishment of an autonomous road authority. RAFU was early on involved in policy issues (with WB support) thus distorting the institutional arrangements in the road sector and causing marginalisation of MoWT. Most of its salaries and operational costs were paid for by WB funding to mitigate the risks related to erratic government financing and to ensure that the staff was well motivated to implement the projects. As the WB continued to finance RAFU this became another disincentive for moving rapidly toward a government financed road authority.<sup>62</sup> Understaffing was a major problem for RAFU to perform its tasks: in December 2006 on the 96 posts only 62 recruited. This situation is aggravated by a high staff turnover.

RAFU sheltered an impressive number of preparatory studies for reforming the institutional framework:

- 1998: Environmental Policy and Management Assessment Study
- 1999: Update of District Roads Rehabilitation and Maintenance Strategy
- 1999: Road Network Management Policy Study
- 2000: Transport Sector Strategy Study
- 2000: Road Safety Improvement and Audit Study
- 2001: Road Management and Financing Study
- 2002: Road Agency Study
- 2004: Ten Year District Roads Investment Program (TYDRIP)
- 2004: National Transport Master Plan
- 2005: Study to formulate policy and implementation options for the establishment of a multi-sectoral transport regulatory agency

The WB support ended in December 2007 without much, if any, institutional achievement. After that EC TA managed the establishment of UNRA. EC provided support to RAFU (9 ACP UG 9) to assist with its operation and the restructuring of the road sector. There were initial delays in awarding and preparing the EC TA contract (actual start was in April 2004) in support of RAFU. The delays were further prolonged as the consultant failed to field an acceptable team. The Mid-term Review (October 2006) noted that the TA team was functioning satisfactorily, which was confirmed by the Monitoring Consultant (April 2007). RAFU has suffered problems of understaffing, which is a major cause of concern. The WB TA has been withdrawn. This situation made the EC TA even more relevant. The EC TA ended in March 2008. The EC TA team's role was expanded to assist with the establishment of UNRA.

UNRA was established by Act, No. 15 of 2006 and became effective late 2006. UNRA became fully operational in July 2008. The mandate of UNRA is to develop and maintain the national road network. In 2008, UNRA competencies were de facto enlarged by modifying road classification to extend disproportionately the national road network and by transferring force account management (including a workforce of 600 persons).

UNRA is responsible for approximately 20.000 km of national roads along with associated drainage systems and bridges, axle load control, ferry services across rivers and to specific islands.

### **Inertia in establishing a Road Fund**

The establishment of the 2<sup>nd</sup> generation Road Fund (RF) is contemplated by the EC and the WB since the beginning of the reporting period. The aim of the RF is to secure a higher level of maintenance funds to national and local roads (urban and district).

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<sup>62</sup> Source: WB, Implementation Completion and Result Report: Road Sector Institutional Support Technical Assistance Project, June 25 2008.

The Road Fund Bill was approved by Cabinet only on May 2007. It was then enacted by the Parliament on June 2008. The Road Fund board was appointed in May 2009. MFPED will be the parent ministry for the Road Fund. It was anticipated that a new budget line for the Road Fund shall be created under the budget for FY 2009/10. The revenues base of the RF is not yet finalised. An EC TA is working on it as part of the support to UNRA. The operational procedures also remain to be determined, among others: the share of the revenues that will be allocated to national, urban, district and community access roads; the share of revenues will be allocated to administration, routine maintenance, periodic maintenance, and rehabilitation.

The financial requirements for national road maintenance are foreseen to be €58 million by mid 2009 and €75 million by mid 2012.

### **A Multi-Sectoral Transport Regulatory Agency is considered**

A Multi-Sectoral Transport Regulatory Agency (MTRA) is in the process of being established, which will regulate railway, inland water transport, and public road passengers and freight services. MoWT is preparing a Government Position Paper and the Cabinet Memo with the intent of having MTRA established by Act. The feasibility study is financed by the WB.

### **Local governments**

District and city councils exercise all political and executive powers and functions in accordance with the constitution and with the government policy. A high degree of authority and autonomy is granted to local governments according to the Local Government Act 1997. They are the planning authority of their area of jurisdiction.

District roads maintenance and LGs competency. The districts' and sub-counties' revenue base was recently severely affected by the abolishment of the graduated tax, which was a main source of road maintenance funding. A replacement of the graduated tax is in the process of being introduced, which is expected to enhance local government revenues significantly – although not to the same level as the graduated tax.

Local governments received a significant support from DPs for plant, equipment, capacity building, technical assistance and road works, which were mainly realised under force account. Small contractors undertook off-carriage works. In 1992 the Government published the "Strategy for Rural Feeder Roads Rehabilitation and Maintenance". The 1992 Strategy received significant support from development partners. External support was provided for plant, equipment, capacity building, technical assistance and road works. Principal development partners included the African Development Bank (AfDB) and the Arab Bank for Economic Development in Africa (BADEA). In October 2004 the Government adopted a new "Strategy for Sustainable Maintenance of District, Urban and Community Access Roads (DUCAR)". The 9<sup>th</sup> EDF set the target of district roads in good to fair condition is increased to 55% in 2006.

### **EC contributed to the fact that DPs' support to institutional development was comprehensive, closely coordinated, and monitored for results**

The reform process encompasses legal and regulatory framework, institutional restructuring, planning/programming, capacity development, and financial support to road network improvement and maintenance. The EC, as other DPs involved, undertook a continuous advocacy on reform's principles and supported it by in depth studies (and updates) and study tours in neighbouring countries where a similar process has been successfully completed. Their support to institutional development was thus comprehensive.

Overall, the World Bank has led the institutional reform process from the DPs' side up to 2007. The bulk of the institutional reforms design has been financed through the RSISTAP credit, which was effective from August 1998 to December 2007. The EC has played an important and complementary role in the institutional reform process in the sector by providing TA to support the change management process and the establishment of UNRA. The shift from WB to EC was instrumental in speeding up the reform process. DANIDA has supported this process too in MOWT in strengthening district level planning and implementation capability.

The reform process was closely followed by DPs on a daily basis through working relationships based on road projects procurement and contract management. This follow-up was fed as well by the various studies undertaken, which were systematically reporting on the advancement of the reform process. Joint Transport Sector reviews were another instrument for this monitoring. The project-base approach during the reporting period was not an incentive for developing a set of process indicators and benchmarks. Those indicators were drawn for preparing a sector budget support, but were eventually left out.

### Comparison of investment levels with other countries

The expenditure level in the road sub-sector is in the range of 1,6% - 2,0% of GDP, whereas as other countries have a level of about 5% (e.g. Tanzania and Mozambique). The GoU budget for the road sector in FY 2008/09 will be around 4% of the forecasted GDP. The World Bank estimated (in 2006) that a total funding requirement for the road sector should be in the range of USD 250 million annually, of which USD 100 million should be used for maintenance. While GoU is moving ahead with major sector reforms and plans – although at a slow pace – the funding contributions has not adhered to the budgeted level. There has been a financial under-performance during FY 2001/02-FY2007/08 of approximately USD 670 million (combined GoU and development partners).

The under-performance would be even higher if the annual maintenance requirement of USD 70 million for national roads had been fully incorporated in the RSDP2 budget. The annual budget for national roads maintenance has varied between USD 88,1 million (FY 2007/08) and USD 43,6 million (FY 2002/03) during the seven-year period – totalling USD 370,3 million. Ideally, the budget should have been USD 490 million for the seven-year period, but the actual budget releases was USD 281,3 million, representing 57 % of what ideally should have been spent on national roads maintenance. Correspondingly, the RSDP2 funding target for local roads (district, urban roads and community access roads) is also assessed to be below the requirement, where the actual release is 60% of the allocated budget. The 2004 DUCAR Strategy assumed a total funding requirement of USD 331,4 million for the seven-year period.

### JC 6.2: The condition of the main trunk roads and rail services improved, but funds are not available for development and maintenance in the long term

While the Government’s transport sector policies and strategies were well aligned with the national Poverty Eradication Action Plan (PEAP) and appear appropriate and well articulated, the reality is that the provision of transport infrastructure in Uganda is lagging behind other African and low-income countries.

**Table 38: Comparison of Uganda’s transport infrastructure**

	Low income countries	Africa	Uganda
Paved roads as % of total	27,2	23,1	7,0
% of firms citing transport as a major or severe constraint	17,0	20,6	22,9

Source: WB, Uganda CEM, 2007

The road infrastructure, which provides for over 90% of passenger and freight traffic, comprises 10.800 km of national (trunk) roads, 27.500 km of district roads, 4.300 km of urban roads and approximately 30.000 km of community access roads. The railway network consists of four lines totalling 1.248 km of standard gauge line (of which only 259 km are currently being used under a concession with M/s Rift Valley Railways of South Africa). Ferry services on Lake Victoria and smaller passenger ferries on Lake Kyoga and Lake Albert are also organised. Air transport is mainly concentrated at Entebbe International Airport, but there are 11 other aerodromes and 8 airstrips scattered across the country.

**I 6.2.2: Public budget funding for investments and maintenance was not provided consistently with medium and long-term expenditure frameworks**

Funding levels for investment and recurrent expenditures are low. As per the 2006 Transport Sector Investment Program, the combined development partner and GoU expenditures in the transport sector (including recurrent expenditures) averaged US\$ 200 million per annum during the last three years. With a GDP of US\$ 8,6 billion (2005 estimate), this is only 2% of GDP, whereas neighbouring countries have a level of about 5% (e.g. Tanzania and Mozambique). The World Bank estimated (in 2006) that a total funding requirement for the road sector should be in the range of USD 250 million annually, of which USD 100 million should be used for maintenance.

The capital budget is largely driven by the counterpart funding of donor financed road construction and rehabilitation programmes; some donors' projects have been delayed by a lack of GoU counterpart contributions. The funding of GoU contributions has not adhered to the budgeted level.

There has been a financial under-performance during FY 2001/02-FY2007/08 of approximately USD 670 million (combined GoU and development partners). The under-performance would be even higher if the annual maintenance requirement of USD 70 million for national roads had been fully incorporated in the RSDP2 budget.

The actual disbursement for road improvements and road maintenance were, respectively, 47% and 76% of the budget. Under these conditions, the transport sector infrastructure is in serious danger of decaying and cannot be considered to be sustainable.

District authorities rely virtually entirely on PAF allocations for routine maintenance of the District Roads<sup>63</sup>. These allocations fall well short of requirements, as indicated in the table below. The current total PAF allocation to the seven districts is about 15% of the requirement to undertake full maintenance on the entire district road network, assuming the roads remain with gravel surfaces.

**Table 39: District roads**

District	PAF allocation for routine and periodic maintenance 2006-2007 UGX million	PAF allocation in euros	Length of District Road network (km)	Maintenance requirement if 100% of network is maintainable	Current allocation as proportion of requirement for maintenance
Mpigi	218	€ 93.000	583	€ 548.000	17%
Masaka	266	€ 114.000	836	€ 786.000	15%
Jinja	95	€ 41.000	307	€ 288.000	14%
Tororo	103	€ 44.000	405	€ 380.000	12%
Wakiso	150	€ 64.000	633	€ 596.000	11%
Mukono	348	€ 149.000	820	€ 770.000	20%
Bugiri	152	€ 65.000	317	€ 298.000	22%
Total	1.332	€ 570.000	3.901	€ 3.666.000	15%

The Annual District Roads Inventory and Condition Survey (ADRICS) and the Rehabilitation and Maintenance Planning System (RAMPS) formed the basis for the districts' priority setting and work plans. In practice, district engineers go annually around their network, make a visual inspection and set empirically priorities.

The EC road interventions were based on the assumption that GoU would provide adequate budget allocations for maintenance. In May 2004, MFPED introduced substantially increased ceilings for maintenance in the MTEF. This move enabled the DPs to provide assistance in two important areas: reduction of the backlog maintenance and introduction of new road maintenance models.

<sup>63</sup> Small allocations are also received from the World Bank funded Local Government Development Programme (LGDP). These are used mainly for re-grading of short lengths of district roads.

The targeted amount for district roads during the FY 2001/02 – FY 2007/08 period for rehabilitation and maintenance for district roads was USD 304,1 million. The major part of the funds was intended for maintenance purposes. The actual amount released was only USD 183,2 million, corresponding to 60%.

**Table 40: RSDP2, Budget Performance, GoU and DPs (USD million)**

	Accumulated FY 2001/02 – 2007/08			Annual Average FY 2001/02 – 2007/08		Budget FY 2008/09
	Budget	Actual	%	Budget	Actual	
National Road Improvement	865,5	402,7	47	123,6	57,5	430,8
National Road Maintenance	370,3	281,3	76	52,9	40,2	92,2
DUCAR	304,1	183,3	60	43,4	26,2	53,8
<b>Total</b>	<b>1.535,9</b>	<b>867,8</b>	<b>57</b>	<b>219,4</b>	<b>124,0</b>	<b>542,8</b>

Source: MFPED, RSDP Main Report, March 2006; MFPED, Issue Paper: Transport Sector Financing 2007/08, January 2008; and MFPED Proposed Budget for FY 2008/09. The exchange rate applied for converting budget for FY 2007/08 and FY 2008/09 is UGX 18.000 to USD 10. The DUCAR figures include improvement and maintenance expenditures.

In the coming years, the Road Fund resources are not expected to come to a balance with maintenance needs. To reach the €95 million needed, the fuel levy should increase by 50% while its rate is already high compared with neighbouring countries, and fuel price a high level political concern, moreover with the presidential elections coming in 2011.

“The estimated requirements for routine maintenance are based on a cost of €90 per kilometre for light reshaping by grader, and €200 per kilometre per annum for other routine maintenance activities. If it is assumed that 50% of District Roads require reshaping twice a year and 50% require reshaping four times a year, the average total requirement per kilometre per annum for routine maintenance is €470. The average annual cost of periodic maintenance is assumed to be approximately the same as the cost of routine maintenance, based on €5.000 per kilometre for re-gravelling, and this intervention required every ten years. A more accurate assessment of the frequency of re-gravelling is only possible once a more effective routine maintenance system is in place. The frequency also depends on traffic levels, gravel quality, rainfall and the nature of the terrain”. Mid-Term Evaluation of the District Roads Re-gravelling Project Phase I (DRRP I) in Uganda, March 2007.

#### **I 6.2.6: The condition profiles of the road network have not improved overall**

The deficit in funding for maintenance has resulted in a steady decline in the condition of the roads. Failure to prioritise periodic maintenance of paved roads has resulted in the need for premature and expensive reconstruction works.

GoU funded routine maintenance from the national budget, whereas periodic maintenance relied heavily on donors’ support – including a substantial contribution from EC. The 2005 figures only coming from road surveys and not MoWT statistics (collected after rudimentary visual inspections of District Engineers), it can be said that the network condition deteriorated with roads in poor condition rising from 20 to 35%. On the other hand, roads in good condition percentage increased from 18% to 29%, showing the effect of DPs’ involvement.

**Table 41: National Roads condition<sup>64</sup> profile 2002-2007 (%)**

Condition rating	2002	2003	2004	2005	2007 <sup>1</sup>	GoU target 2010	GoU target 2013
Good	18	30	20	29	20,2	40	55
Fair	56	52	62	35	61,7	60	40
Poor	20	17	17	35	7,2	0	5
Bad	5	1	1	1	10,8	0	0

Source: RSDP2 Report and National Road Network Performance Report, 2004. Note: 1, the 2007 figures are stated in the SSATP, Case Study for Uganda, October 2007

<sup>64</sup> The road network conditions in 2004 were estimated, whereas the 2005 figures are based on surveys and are thus more accurate. The 2007 figures stem from Sub-Saharan African Transport Programme (SSATP) case study for Uganda.

The condition of the national road network would have deteriorated further with 2006-2007 funding levels. The rehabilitation and maintenance backlog would have increased. However, the road sector budget for FY 2008/09 has been substantially increased, and is likely to be so up to the 2011 Presidential elections. With UNRA now in charge of maintenance of national roads, the situation is likely to improve, and maintenance funding will be secured once the Road Fund becomes operational (2011?).

The efficiency and effectiveness of maintenance activities has been undermined in the past by erratic funding to the sector. Furthermore, road maintenance strategies adopted in the past have not always been effective in preserving the condition of roads. For example, experience has shown that inadequate resources have been directed to periodic maintenance of paved roads. This is despite the large proportionate investment they represent relative to gravel roads in the network. Detailed strategies have not been developed for road maintenance under EC support to UNRA. No comprehensive inventory and condition survey of National Roads was undertaken and updated (they are included in EC support to UNRA).

The most current conditions for local roads are shown in the table below indicating that the EC target has been surpassed in all years. However, annual budgets for the maintenance of District Roads are only sufficient for the maintenance of a small proportion of the network.

**Table 42: District roads condition<sup>65</sup> profile for 2003 to 2008**

Condition rating	2003	2004	2005	2006	2007	2008	DUCARIP Target 2010
Good	23	15	26	31	29	22	47
Fair	37	58	48	37	43	40	20
Poor	40	27	26	32	28	38	33

Source: DUCAR Division, October 2008.

**Table 43: Current road condition GoU targets for local roads (%)**

Condition	District (Secondary)	Community (Tertiary)	Urban
Good	-	-	28,0
Fair	10,5	28,6	25,2
Poor	35,8	28,6	18,7
Bad	53,7	42,8	28,1

Source: SSATP, Case Studies, October 2007. Note: The DUCAR Division disputes the SSATP figures for district roads.

#### **I 6.2.4: The EC postponed capacity building to the local construction industry, and the private sector does not have adequate capacity for designing, building and maintaining roads**

The Ugandan private sector's capacity for consulting and construction services has not been adequately developed compared to better-off neighbouring countries, but still all construction, rehabilitation works are undertaken by private contractors. Periodic maintenance is undertaken by large-scale contractors, whereas routine maintenance is undertaken by small-scale contractors or under force account. In recent years, labour-based methods have gained momentum mainly for off-carriageway activities such as grass cutting and clearing drainage systems. Small-scale, labour-based contractors were introduced during the late 1990s in few districts, which resulted in a limited retrieval of the force account brigades.

Up to 2001-2002, MoWT undertook maintenance operations with their own equipment and work force (force account). EC provided equipment to the MoWT equipment pool. The track record in Uganda – as most other developing countries – of keeping the equipment in an operational condition proved to be poor. The Government policy envisaged 80% of maintenance work on National Roads to be contracted to the private sector, up from only 20% in 1994. This was not

<sup>65</sup> There is a substantial discrepancy between the MoWT condition indicators and the SSATP indicators from year 2007.

achieved in practice and the recent policy reversal on this issue postponed it for years (2-3 according to UNRA).

The problems faced by the construction industry are the following<sup>66</sup>:

- Lack of work continuity due to inadequate public policies;
- Difficulty in accessing finance and credit;
- Difficulty in accessing bid securities, performance bonds and advance payment guarantees;
- Underdeveloped human resources.

The Mount Elgon Labour-Based Training Centre (MELTC) was consolidated to expand training services nationwide to private contractors and district engineers, technicians, and councillors. The state of affairs is nonetheless poor and is presently jointly underlined by GoU and DPs (it was already pinpointed in 1992 strategies). The Cabinet approved the DUCAR Strategy in 2005 to become the national strategy for local roads rehabilitation and maintenance. Although the benefits of labour-based systems is widely recognised, an official certification system has not been introduced, which would ensure that all districts use qualified contractors, i.e. those who have undergone training at MELTC.

The Ugandan private construction industry has limited capacity, has not matured fast, and the limited number of firms may pose capacity constraints, with implications for the pace at which investment and maintenance can be scaled up.

Small and large-scale contractors' essential problem is the cost of accessing capital. Large-scale contractors maintain that the heart of the problem lay with the procurement and contract management processes applied by the Government in the roads sector. These undermine predictability and mean that it is not possible to ensure that equipment is utilised effectively throughout the year – greatly increasing costs. At district level, the procurement processes are slow and funds can be delayed.<sup>67</sup> The GoU and the Bank of Uganda (BoU) are preparing a comprehensive financial sector development strategy that seeks to address the problems from a macro perspective.<sup>68</sup>

The concept of private consultants was introduced in order to support districts with planning and supervision of road works on a demand basis. Technical Support Units were established as an interim measure to develop the consulting capacity.

#### **I 6.2.5: EC-funded road projects faced weak/inappropriate design, suffered from excessive delays and increased budgets.**

The environment in Uganda for implementing large-scale road projects has not been conducive to the improvement of efficiency levels, as both RAFU and MoWT have had capacity constraints and contractual problems have persisted at most levels. This has affected the efficiency of the EC supported projects (JAR 2006 and JAR 2007) as well as other DPs projects. There have been substantial delays during procurement and implementation. The complex and complicated nature of the EC's procurement rules has also contributed to the difficulties.

#### **EC road projects**

EC's national road sector interventions have concentrated on the Northern Corridor Route (NCR), which in Uganda constitute a very essential transport link connecting the Eastern, Central and Western Regions. The NCR links with the Mombassa Port in Kenya and connects with Rwanda and the DCR and thus has substantial regional significance. The Kampala Northern By-Pass Road

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<sup>66</sup> MoWT, National Construction Policy, Draft, February 2008.

<sup>67</sup> GoU/EC, Assessment Report, Feasibility Study: Building a Uganda Road Sector Policy Support Programme, April 2008, page 54.

<sup>68</sup> GoU/EC, Assessment Report, Feasibility Study: Building a Uganda Road Sector Policy Support Programme, April 2008, page 54.

(KNB) forms part of the NCR and will link all the national roads from east to west and thus avoid that all transit traffic has to pass the Kampala City centre.

Construction work on the KNB, started at the edge of the reporting period, is still ongoing. The Jinja-Bugiri section forms part of the NCR, but is still under construction.

### **District roads are the principal means of vehicular access to the rural areas.**

EC's allocations to district roads steadily increased from one EDF to the other: from € 4,5 million under the 7th EDF, to € 12 million and € 25 million for the 8th and 9th EDF. The initial geographical focus for EC's support to district roads was in the Western Region. The first intervention was the "Rural Feeder Roads Masaka Project" (7th EDF, STABEX).

GoU obtained funding from the EC to supplement the district roads budgets in seven selected districts of Tororo, Bugiri, Jinja, Mukono, Wakiso, Mpigi and Masaka. The € 11,4 million "District Roads Re-gravelling/ Improvement Project" was launched end of 2003 and encountered a slow start due to a delayed procurement process of the Technical Support Unit (TSU). The rate of implementation was significantly improved when the TSU was commissioned. The first phase made funds available for district road rehabilitation and maintenance – covering rehabilitation of 1.250 km and maintenance of 3.000 km.

The proposed second phase (9th EDF) will cover 15 districts (which is planned also to include the Karamoja area in North Eastern Uganda) – covering rehabilitation of 2,600 km and maintenance of 7.000 km. District Roads Re-gravelling Project (financed with STABEX funds) continued during 2006 with work on approximately 400 km. The 10th EDF does not include support to district roads.

### **Protracted preparation and difficult implementation of EC road projects**

Project preparation of road projects has been protracted, leading to significant slippages in the programme. In addition, the quality of work submitted by the consultants involved in project preparation has often not been strong, partly because of weak quality control by MoWT – quality controlled improved under RAFU, partly as a result of the EDF funded TA. Weaknesses in project preparation have in turn resulted in slow implementation. The Kampala Northern By-Pass is an example.<sup>69</sup>

EC faced severe problems in procurement and contract management. The implementation of the road projects have been subject to delays due to contractual disputes, lengthy procurement procedures, as well as delays by GoU in meeting its obligations. Most EC funded projects have suffered substantial delays during tendering of TA and contractors, and during implementation – EC required that its own procurement rules should be applied.

The design has sometimes been inadequate, which implied time and cost overruns. In these cases EC had to provide additional budgets under next EDF.

Many contractors have had difficulties in meeting their contractual obligations. In one case the contractor abandoned the site and the contract was terminated (Jinja-Bugiri Road, Kampala by-pass).

### **RAFU has been responsible for managing all construction works since 1998. RAFU has also encountered capacity problems.**

The quality of the construction work is generally good. The fuel shortages posed a serious risk to the timely completion of contracts.

The Evaluation of the EC Country Strategy, 2001 commented on the efficiency problems, which confront the road sector interventions, i.e. that these were seriously over-programmed and unrealistic from the beginning. The projected dates for financing decision slipped by 18 months for the Kampala Northern By-pass, by 16 months for the Kamala-Katuna section, and 14 months for the Jinja-Bugiri section.

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<sup>69</sup> Source: Evaluation of EC Country Strategy: Uganda 1996-2000, page 57.

**Table 44: Funding situation end 2006 for the road sector**

	Amount € million	Percentage
Funds assigned	224,6	100
Funds decided upon	217,6	96,8
Funds contracted	111,2	49,5
Funds disbursed	44,4	19,7

Source: EC, Joint Annual Report, 2006

The low level of funds contracted, is explained by the fact that works contracts for two projects (Reconstruction of Masaka-Mbarara Road and Backlog Road Maintenance) were not yet signed. The tenders for the Masaka-Mbarara Road were opened in June 2007. It is also explained by the termination of the initial contract for the Jinja-Bugiri Road and the time taken (18 months) to mobilise a new contractor; and the progress of the Kampala Northern By-Pass Road has been below expectation.

Several key issues have been identified which affects the efficiency of road construction and maintenance:

- High inflation has occurred in contract values for road construction and periodic maintenance contracts;
- Poor value for money for some contracts;
- Construction industry limited capacity, and the limited number of firms pose capacity constraints, with implications for the pace at which investment and maintenance can be scaled up; and
- The problem of arrears (to contractors and consultants) and poor workflow.

In several cases, donor funded projects have had to be scaled back because costs have exceeded engineering estimates by as much as 42%. Examples include: 1) the EC €15 million Backlog Road Maintenance Programme (BRMP) being financed under the 9th EDF; and 2) roads to be financed by the WB under the Road Development Project (RDP) II and III.

**Cross-cutting issues (i.e. gender, HIV/AIDS, environment, and good governance) were taken on board in preparing EC road projects but there is little monitoring of cross-cutting plans after project approval (by the EC or the implementation partners).**

All contracts concerning the preparation and implementation of EC road projects are subject to environmental compliance with the national environmental legislation. Tender dossiers include provisions for appropriate HIV/AIDS awareness campaigns. Gender issues are taken into account in project planning and design. EC's road sector interventions in Uganda ought to comply with the 1995 National Environmental Statutes, 1997 National Gender Policy, HIV/AIDS National Strategic Framework 2000/01-2005/06, and Occupational Health and Safety Regulations.

The EC road sector interventions have generally incorporated the crosscutting issues (CCIs) in design and planning. When it initially came to implementation, the conceived measures were not followed to any large extent. The HIV/AIDS campaigns were not conducted effectively. There was limited gender awareness during construction. Environmental mitigating measures in connection with construction works were not always adhered to, e.g. exploitation of quarries, borrow pits, scarred landscape, dust, etc.

Things changed in 2002-2003. The crosscutting issues have generally not been adequately pursued during implementation<sup>70</sup>. All supervision contracts for road project (JAR 2004) provide environmental specialists to ensure compliance with the national environmental legislation and new tender dossiers have enhanced this requirement. HIV/AIDS campaigns are put in place for all works contracts under implementation – coordinated by the Makerere University Medical School. As far as possible, gender issues are duly taken into account.

<sup>70</sup> EC Project Monitoring Reports

#### **I 6.2.4: EC has provided value-added interventions to those of EU Member States.**

*Value added:* Denmark (Danish Ministry of Foreign Affairs/ Danida) is the only EU Member State that is engaged in the road sector during the reporting period.

Danida has been involved since 1996. A first five-year phase of the Road Sector Programme Support (RSPS1) was launched in January 1999 and ceased in December 2002. A second phase commenced in January 2003 and will end in December 2008, as it has been extended with one more year. A Rural Roads Programme was launched in July and will end during 2010. The main thrust of Danida's support has been on institutional support, national roads, and district and community access roads. Initially, great emphasis was placed on national roads (e.g. the Kampala – Fort Portal Corridor – serving North Western Uganda), but the emphasis has gradually been changed to be on rehabilitation and maintenance of district and community access roads. Danida has been instrumental in developing the national "Strategy for Sustainable Maintenance of District, Urban and Community Access Roads" and promotion of labour-based methodologies.

EC ability to allocate large financial volume on grant have had a distinctive added-value in improving the NCR and, when actually backed by GoU, to support reform quick implementation by providing large and flexible amount of TA, far out of reach for Danida and other member states.

EC has exploited its comparative advantage as well at regional. EC has the funding leverage to engage in large projects of regional significance, while at the same time having a strong focus on the regional integration agenda. International Financing Institutions and member states interventions on trade facilitation would not have significant impact EC absent from EC supported infrastructure development. EC engages in EAC's member states simultaneously thus being able to address the need for regional infrastructure comprehensively.

#### **JC 6.3: Performance, quality and cost of transport services – in particular road services improved but EC did not contribute significantly to road safety.**

##### **I 6.3.1: Transport times and costs along the main national transport corridors have decreased.**

The rehabilitation and maintenance works on the NCR and connecting national roads having not been completed during the reporting period, no significant reduction in transport time and cost can be expected neither in national averages (if available), nor on and alongside the NCR itself. The benefits of improving selected sections of the NCR are said to be offset by other sections in increasing need of improvements. Due to prolonged implementation periods the benefits are correspondingly delayed. It is the same for the Kampala Bypass.

In 2006, it was noted that high transport costs are still prevalent and act as a deterrent to the private sector.

The reduction in transport time and costs was evidenced by the mid-term evaluation of the re-gravelling project: *"In Masaka it was reported that the farmgate price per bunch of matoke has risen from about UGX 1,000 prior to the road improvement to about UGX 3,500 currently. It was also reported that the truck traffic from the Chazangwa market carrying matoke to Kampala had increased from about 10 vehicles per day to some 45 vehicles per day. (...) In addition journey times had fallen substantially so that the population served had greatly improved access to such social services as health centres, schools and so on"*.

Additional data was provided under the 2<sup>nd</sup> phase of the World Bank Road Development programme. Average travel time reduction on main roads compared to baseline after upgrading range from 48% to 68%. Approx. travelling time was approx. 5 hours on the Karuma-Pakwach and approx. 4 hours on Katunguru-Fort Portal roads This has been reduced to 1.6 hours on the Karuma-Pakwach and approx. 2.1 hours on Katunguru-Fort Portal roads.

The same trend was witnessed by district officials met during the field mission.

The impact on vehicle operation costs was estimated under the above WB project. Initial VOC was US\$ 0.352/veh-km on Karuma-Pakwach, Katunguru-Fort Portal and Equator roads. VOC reduced by 36% on both roads (US\$0.224/veh-km ).

The structure of short distance transport services, checked as well during the mission, does not allow for any kind of price inelasticity, as numerous operators are active in rural areas.

The same trend is witnessed by district officials met during the field mission. The structure of short distance transport services, checked as well during the mission, does not allow for any kind of price inelasticity, as numerous operators are active in rural areas.

The case of long distance haulage is different, as most of the transport services are undertaken by Kenyan transporters due to their modernized fleet and better logistic opportunities. There is no hard evidence of any significant constraints for free adjustment of transport prices to road condition and time of transport.

Unfortunately, there was little information readily available to develop this analysis further. We have noted particularly that:

- No base line surveys were carried out at the time of project preparation so no data is available on changes in traffic levels, types of farm product, use of fertilisers, farm gate prices, attendance at schools and health centres and so on
- The available data is not sufficiently disaggregated to develop robust analyses;
- Cost and network performance is not monitored by reliable sources;
- There is very little information on the performance of the transport sector from the view of the roll-up cost of delivered products or services.

**I 6.3.2: The volume of transport services has increased and services are provided at affordable levels but there is an important lack of regulation concerning network use**

Traffic surveys were intended to be conducted annually, but only one was undertaken in 2003 for the national road network during the 2002-2007 period. The 2003 traffic survey was compared for FY 2000/01 with FY 2002/03 and revealed that traffic (measured in ‘vehicle-kilometres’) has almost doubled over the two-year period, which suggest that traffic could have quadrupled or more during the 2002-2007 period.

There is number of formal and informal transport service providers and on the type and price of services provided allow adjusting to the demand.

The number of vehicles is one rough indication, as these figures cover all type of vehicles and include private and public owners. The number of vehicles was 189,105 in 2000 growing from 50,102 in 1991.

**I 6.3.3: Road safety has improved without specific EC involvement**

The reported number of accidents, fatalities and persons injured increased steadily during the period under review (see table).

**Table 45: Road safety**

	2001	2002	2003	2004	2005	2006	2007
Number of accidents	14.843	15.677	17.422	18.128	19.783	18.092	17.428
Number of persons killed	1.819	2.017	1.996	2.032	2.034	2.172	2.334
Number of persons injured	11.274	11.239	11.867	11.900	12.275	12.158	12.056

Source: Annual traffic and road safety reports, Uganda Police

The Road Safety Act was enacted in 1998 and a Road Safety Action Plan has been prepared. However, the basics for a significant reduction of traffic accidents and fatalities are not met:

The Transport Licensing Board (TLB) is a key regulatory body within the MOWT. The TLB is responsible for inspections and licensing of public service vehicles. The TLB does not, however, have capacity to undertake thorough vehicle inspections. There is no mandatory inspection of public service vehicles.

The National Road Safety Council (NRSC) has tended to be ineffective, largely due to an inadequate budget. The NRSC implements education programmes for road users on road safety,

such as the roadside posters that are present in Kampala urging better driving; but these campaigns are not sufficiently extensive.

It is estimated that the number of Traffic Police in Uganda is 40% of the requirement. The Traffic Police are not adequately trained and are severely under-resourced, particularly for patrol cars, motorcycles, speed guns, breathalysers, etc. About 4.000 cases are prosecuted a year for violation of driving codes, with a success rate of about 30% (100% for fatal accidents. Only about 30% of fines are paid due to lack of coordination between the Traffic Police and the Uganda Revenue Authority (URA), which is responsible for collection.

GoU envisages that the number of road fatalities and injuries will be reduced to the 2004 level by end of 2010. However, the number of accidents had an increasing trend until 2005, but has since declined moderately. The cost roads accidents to the economy were estimated UGX 557.953 mn corresponding to 2.7% of GDP for FY 2006/07.

The EC had no specific intervention in this field during the reporting period.

#### **JC 6.4: EC did not contribute to more interregional equity in road network development and maintenance development; and to reducing poverty though transport infrastructure or institutionalisation**

##### **I 6.4.1: Uganda's regions are not evenly connected and served with transport services.**

Uganda is divided into four regions. The Eastern, Central and Western regions are well connected by the NCR, whereas the Northern Region is less well connected.

Taking all DPs interventions, the road network improvements projects as for 2007 are covering large part of the country.

The Northern Region has for the last two decades encountered severe civil strife that has disrupted development and is also the least fertile region of the country. As the improvement of the national road network has primarily been based on economic parameters, the Northern Region has received the least investments in transport infrastructure. Paved network density is 3 m/km<sup>2</sup> in the Northern region, for an average of 15 m/km<sup>2</sup> in the other region. On the same token, the Northern region has 40 m of paved roads for 1.000 habitants, for 105 for other regions. There is no gap of the same magnitude in road condition between regions. Correspondingly, the transport services are not well developed.

The trunk roads towards the Northern part of Uganda were rehabilitated during the reporting period by the WB (corridor towards South-Sudan) and the ADB (north-south road in the western part of



the country. Under those projects, accessibility of the Northern region was significantly improved. The corridor towards Sudan is connected to the NCR.

EC interventions, on their side, fully focused on the NCR, which is vital for the development of the more active part of the country, as it can be seen from the map.

The National Peace, Recovery and Development Plan for Northern Uganda (PRDP) contains an assessment of the situation in Northern Uganda's three sub-regions and provides solutions to some of the problems identified. Budgets have been prepared for various sectors including infrastructure rehabilitation. A budget in the amount of USD 29 million has been elaborated for maintenance and rehabilitation of district and community roads. This budget includes what is already budgeted for by GoU and committed by donors, but includes also complementary GoU funding (USD 10 million for FY 2007/08).

#### **I 6.4.2: Flow of people, goods and services has increased.**

A comprehensive survey<sup>71</sup> on national road network performance was undertaken for FY 2000/01 and 2002/03. The vehicle-kilometres almost doubled over those two years.

**Table 46: Vehicle-Kilometres travelled by road class**

Surface type	Road Class	Road Length	2000/01 Veh-Km	2002/03 Veh-Km
Unpaved	A	1.600	344.681	724.243
	B	2.617	444.716	1.231.782
	C	2.850	403.480	874.137
Paved	I	1.844	3.186.562	5.512.706
	II	154	163.599	399.431
	III	199	139.640	315.436
Total		9.263	4.682.677	9.057.735

Source: MoWHC, National Road Network Performance Report for FY 2002/03, October 2004. Note: RSDP2 road length used as benchmark

The comprehensive survey has not been repeated and thus it is not possible to be very precise about the trends of road traffic. Rail traffic decreased due to deteriorating services for freight and passengers.

**Table 47: Transport statistics**

	2001	2002	2003	2004	2005
Railway: Goods traffic ('000 tonne-km)	219.491	217.476	212.616	229.439	185.559
Tourist arrivals ('000)	254	306	512	468	539
By air	86	97	131	172	200
By road	168	209	381	296	339
Air					
Passengers landed, embarked & in transit ('000)	413	423	493	544	624
Cargo unloaded & loaded (tonnes)	37.607	34.992	36.756	48.514	53.077

Source: Uganda Bureau of Statistics, Statistical Abstracts 2006.

Most of Uganda's foreign trade passes through Mombassa and most of the goods to and from DRC, South Sudan, Rwanda and Burundi are transported on roads through Uganda. A sharp increase in agricultural products trade with neighbouring countries has contributed to a rise of traffic.

#### **I 6.4.3: Access to markets, social services and employment has increased for rural communities.**

Public transport services available in Uganda include bicycles and motorcycles (boda-bodas), minibus taxis and buses. Bicycles and boda-bodas are available in urban and rural areas. In rural areas they normally provide short distance trips from villages and farming areas to public roads. Minibuses provide low capacity collective transport for medium and long distances. Buses have well established boarding points, routes, intermediate stops and timetables. Public transport is

<sup>71</sup> MoWHC, National Road Network Performance Report for Financial Year 2002/03, October 2004

available in most rural areas and the smaller centres. Access depends mainly on the user's ability to pay. There are no government subsidies to assist poorer sections of the population.

Transport is identified as a priority sector in Uganda's PEAP. The GoU Road Sector Development Programme (RSDP ref. I 6.2.1) tends to be biased towards the richer areas. MFPEd states in the PEAP (July 2000, pg 85): "*the prioritisation of roads in the original ten-year programme was based mainly on economic rates of return due to the reduction of transport costs. Some criteria were added to address poverty, though some of these (e.g. food production) would have tended to favour richer rather than poorer areas. In the update of the 10-year programme (RSDP2), only economic returns are modelled, with no distributional elements included. Because traffic levels are higher in richer regions, this leads to 68% of the proposed investments being in the two richer regions, Central and Western*". As long as the updating of RSDP is based on policy and economic analyses driven by engineering consultants reporting to RAFU, poverty analysis (as well as other wider socio-economic issues) is likely to be downplayed.<sup>72</sup>

The 8<sup>th</sup> EDF CSP states that EC interventions: "*will essentially be targeted at the rural poor and will aim at improving living conditions in rural areas*". However, the CSP contains no analysis of whether the chosen areas of interventions are particularly appropriate for the purpose of poverty reduction, e.g. there is no analysis of what types of roads might achieve the highest poverty impact. In fact the focus of the assistance has been on roads serving the richer parts of Uganda (partly because of the security situation in Northern Uganda). Poverty eradication as a priority theme was not directly reflected in the original road programme. The later inclusion of feeder road projects was a move in this direction, although the preparation of the projects advanced slowly and continued into the 9<sup>th</sup> EDF.<sup>73</sup> The Mid-term Review of the EC District Roads Re-Gravelling Project (DRRP) confirms that the interventions had contributed to reduced transport time and cost and increase in agricultural production. Other socio-economic impact was not assessed, as no monitoring system was established.

The GoU attempted to address these needs through improvement of the rural roads network. In nominal terms, the allocations for local government roads have increased from UGX 11,43 bn in FY 1997/98 to UGX 40,99 bn FY 2006/07. This increase, considering the rise of fuel and bitumen prices during the period, implied that in real terms resources decreased for local roads. The share of the PAF funding for roads has declined. Progress in this area was also constrained by the limited capacity of local governments, which are in charge of it.

Improvement of the district road networks in the districts selected for EC support – mainly in districts adjacent to the NCR – has resulted in: improved access to the national network; and increased intra-district access. Even if no univocal correlation can be considered, there is a link between the infrastructure development and the fact that poverty in the Northern Region has been reduced substantially less (13% between 1992 and 2006) than in the other regions (28%).

Overall, at the end of the reporting period, 53,7% of district roads and 48,3% of communal roads are in bad condition. Considering the state of affairs of road maintenance as a whole, these records can not be assessed as poor.

**Table 48: Trade (USD million)**

	2002	2003	2004	2005	2006	2007	2008*	2009*
Exports fob	481	563	709	864	1.004	1.625	1.871	2.021
Imports cif	1.112	1.246	1.461	1.781	2.239	2.803	3.273	3.590

Source: IMF, International Financial Statistics/EIU Country Report, April 2008. \* EIU forecasts

Agriculture remains the mainstream of Uganda's economy. Although restructuring has seen its share fallen to around 30% of GDP, farming still engages about 80% of the workforce. Outputs come almost exclusively from smallholders, most of whom work less than 2ha land each, using

<sup>72</sup> Source: Evaluation of EC Country Strategy: Uganda 1996-2000, page 28.

<sup>73</sup> Source: Evaluation of EC Country Strategy: Uganda 1996-2000, page 16.

simple, traditional methods of cultivation and mainly family labour. A significant proportion (about 42%) of agricultural output (and about 51% of food production) still comes from the informal sector. A micro-credit scheme was introduced for FY 2006/07 to tempt subsistence farmers into the formal sector. Food production is the primary activity: food crops account for 65% of agricultural output, with livestock products making the next largest contribution. Export crops (traditionally coffee, cotton, tea and tobacco, but increasingly supplemented by vanilla, flowers and cacao) represent about 10% of agricultural production. The current leading non-traditional export is fish and fish products. Uganda has access to Lake Victoria, the Nile and a number of smaller lakes. Fishing therefore has always been part of the traditional economy, but commercial exploitation of the sector began only in the early 1990s. In some recent years, exports of fish have exceeded those of coffee. The vast majority of Uganda’s fish exports are processed and ready for consumption, with fish processing factories based entirely around Lake Victoria.

**Table 49: Trends in production of major food and export crops**

	2002	2003	2004	2005	2006
Production of selected food crops ('000 tonnes)					
Plantains	9.888	9.700	9.686	9.380	9.054
Cassava	5.373	5.450	5.500	5.576	4.926
Sweet potatoes	2.592	2.610	2.650	2.604	2.628
Maize	1.217	1.300	1.080	1.237	1.258
Production of major export crops ('000 tonnes)					
Coffee	210	151	170	158	133
Tobacco	184	122	138	122	96
Tea	25	29	32	36	37

Source: Ministry of Agriculture, Animal Industries and Fisheries.

The volume of food crops has almost stagnated, whereas the volume of export crops has declined.

### Positive impacts from improved access

Improved road networks and transport services have a significant positive impact on mobility and access. Access is a key dimension for alleviating poverty and creating equal opportunities. Evidence shows that the poor are often excluded from the benefits of transport interventions. Transport constraint is implicit in the expressed need to create greater access – to employment opportunities, educational and health facilities, agricultural development, and social inclusion. Lack of roads hampers communities’ political access. Government officials and district leaders avoid visits to villages that are not easily accessible.

- Improved access to social and welfare services, i.e. schools and health centres; the MDG to ensure universal primary education requires better access and shorter distances to schools – a factor especially important for the increased enrolment of female pupils;
- Improved access to police and other public authorities;
- Improved provision of social services, such as health information and medicine (e.g. HIV/AIDS prevention information and treatment drugs) as well as distribution of schoolbooks to remote areas.
- Health personnel and school teachers are also provided with more easy access to their places of work – teacher absenteeism, for instance, is a major drawback to the quality of education in developing countries;
- Improved access to industrial and agricultural production areas;
- Improved access to markets for buyers and sellers. Farmers reduce the need to use intermediaries for selling their products. This implies that farmers encounter a higher demand for their products and improve income resulting in improved welfare.
- Improved mobility of people and improved transport services (including non-motorised vehicles) increase social integration;

- Improved access encourages the expansion of services like electricity, telephones, schools and clinics into new/remote areas;
- Improved access to employment opportunities, also non-agricultural employment;
- Increased access to locations where there is greater demand for services. Increased access enables people to take advantage of seasonal employment opportunities and travel to urban centres when the need for labour is scarce in the rural areas.<sup>74</sup>

### **JC 6.5: Transit and custom facilitation for movement of cargo and passengers on regional corridor have improved**

Being landlocked, Uganda is heavily dependent on transport through Kenya and most of its foreign trade passes through Mombassa. The government wanted to reduce this dependence by developing road and rail links to Dar es Salaam via the Tanzanian lake port Mwanza. The Uganda-Mombassa link (the Northern Corridor) has been losing business to the Uganda - Dar es Salaam link (the "Central Corridor") in recent years<sup>75</sup>.

Transport is among the fastest growing service industries. Its contribution to GDP was 3,8% in 2004/05.<sup>76</sup>

Given the unreliability of rail services, most business opt to use trucks, which carry an estimated 90% of goods traffic – and road freight continues to grow.

#### **I 6.5.1: Coordination of regional infrastructure development has been efficiently promoted by regional organisations, supported by EC**

(see also EQ9 – regional integration)

Regional organisations effectively promoted infrastructure development coordination, but this is of limited relevance for Uganda the usefulness for its transport operators of the Regional corridor depends only on Tanzania transit.

EC resources on RIPs for the Northern Corridor on Uganda territory amounted to € 16 million, which is a limited contribution compared to improvement requirements. RIOS' major achievements are more to be looked at for tariff and non-tariff barriers where trade and transport facilitation acknowledged significant successes. For the documentation, no much EC interventions on NIPs were implementing to reinforce RIPs supported measures.

#### **I 6.5.2: Uganda enforced regional transport agreements and harmonised along them its regulations**

(see also EQ9 – regional integration)

COMESA and EAC see the need to address the issue of non-tariff barriers (NTB) and their removal if the cost of trade is to be reduced and are working on a NTB monitoring mechanism with the intent of eliminating these. Steady progress in implementing the regional trade agenda were made during the reference period.

COMESA facilitation programmes encompass:

- harmonised axle load, GVM and maximum vehicle dimensions<sup>77</sup>
- carriers licence (for operation of commercial vehicles in all MS and carriage of back-loads from other countries)
- yellow card (3rd party insurance and medical costs)

<sup>74</sup> Source: Danida, Overview and Synthesis of Road Sector Evaluations, February 2008 (Note: The road sector evaluations comprised multilateral (including EC) and bilateral donors).

<sup>75</sup> Economist Intelligence Unit: Country Profile 2007. Request has been made to EIU to verify this statement. The response is that data on trends in the Uganda transport system is fairly sparse, so the statement is based on anecdotal evidence and press reporting from sources in the country.

<sup>76</sup> Uganda Bureau of Statistics (2005).

<sup>77</sup> This continues to be under review as enforcement issues are very tricky and overall enforcement is almost completely ineffective

- customs bond guarantee (replaces multiple national customs bonds for transit traffic)
- customs documents (replaces multiple national documents)
- harmonised transit fees

However, there is still a large agenda to complete, including: harmonisation of trade and tax policies; harmonisation of customs procedures; and legislation, design and implementation of investment policies.

Progress on Uganda’s adherence to transport agreements and regulations will be explored during the country visit to Uganda.

### **Cross-border transportation administration efficiency was enhanced**

A Baseline Survey was undertaken on behalf of the Northern Corridor Transit Transport Coordination Authority (NCTTCA) in 2005<sup>78</sup>. The major finding that relates to this indicator is the transit time per border post. Ugandan border posts are close to the average, unless Malaba’s one, where twice that time was needed whilst already upgraded.

**Table 50: The transit times in hours per border post**

Malaba (K)	17	Malaba (U)	30
Katuna (U)	18	Gatuna (R)	12
Mirama (U)	8	Kagitumba (R)	13
Akanyaru (R)	4	Akanyaru	16
Gisenyi	1	Goma (C)	16
Ruzizi	15	Bukavu (C)	32

Source: NCTTCA, Final Report, October 2005

A visit to Malaba crossing border was realised during the field mission. The transit time has considerably reduced since 2005, due to the EC funded site development and to the slow down of Uganda imports implied by the global financial crisis. It is now roughly aligned with other border post. However, number of shortcomings in the EC project design led to significant dysfunctions in trucks management. The GoU is funding the necessary extension of the initial site and the purchase of a scanner.

### **I 6.5.3: EC-financed regional transport corridors improvement in Uganda’s territory contributed to promoting economic development in the region**

High transport costs have negative effects on trade and economic growth particularly of landlocked countries like Uganda, which is served by Mombasa and Dar-es-Salaam seaports. First, high shipping costs reduce profits from exports and thus reduce the country’s level of income. Second, high freight costs inflate the price of imported inputs, which is harmful to an economy highly dependent on imported raw materials and semi-finished/intermediate goods. Third, high transport costs reduce the level of investment, both directly through increasing costs of imported capital and indirectly through reducing the level of total savings that is available for investment. Fourth, the availability of a well functioning transport system is essential not only for trade to take place but also for attracting foreign direct investment (FDI). Indeed, among economic factors considered for selecting a host country for FDI, physical infrastructure, availability of reliable, affordable and efficient transport and communication services feature prominently. Thus, high transport costs make Uganda less likely to attract export-oriented FDI, which denies the country both new technologies and increased productivity. Finally, transport costs have influence on the country’s selection of trading partners.

Since the 90s, a 2005 study<sup>79</sup> estimated that “*transport costs have fallen, although not dramatically. Transport costs remain a significant trade barrier, equivalent to effective protection of over 20% and an implicit tax on exports of over 25% (and up to 50% on air freight)*”.

<sup>78</sup> NCTTCA, Final Report: Baseline Survey of Key Non-Physical Barriers Along the Northern Corridor and the Establishment of a Database at the TTCA Secretariat. October 2005

<sup>79</sup> Nichodemus Rudaheranwa, Trade policy and transport costs in Uganda, 2005

The Northern Corridor Transit Transport Coordination Authority (NCTTCA), given the institutional and physical problems along the Northern Corridor Route (NCR), has been mandated recently to transform the northern transport corridor into an economic development corridor.

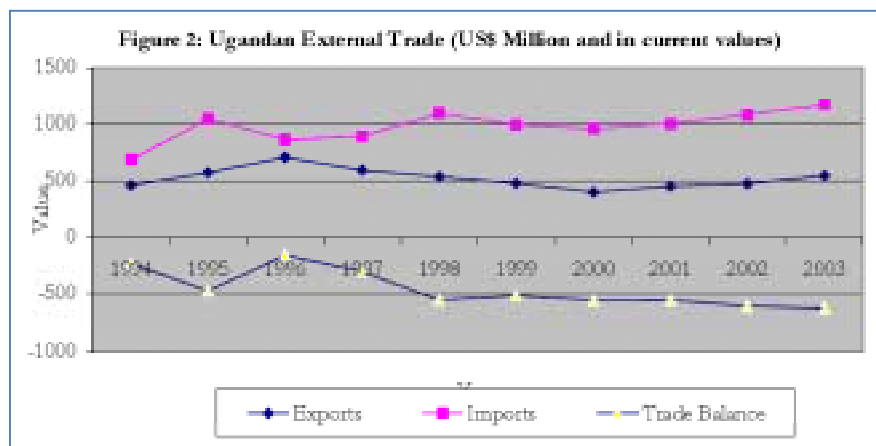
**International and intra-regional trade has increased**

The Ugandan trade is increasingly unbalanced, with imports value as high as 210% of exports in 2007. On the longer period, 2000-2007, the situation was slightly favourable to the country.

MERCHANDISE TRADE	Value		Annual percentage change	
	2007	2000-2007	2006	2007
Merchandise exports, f.o.b. (million US\$)	1 623	20	17	37
Merchandise imports, c.i.f. (million US\$)	3 466	12	25	36

Source: WTO, Trade profiles, 2008, p.173

**Figure 6: Ugandan External Trade (US\$ Million and in current values)**



Most of Uganda's exports are mainly agricultural products. The persistent trade imbalance arises not only due to a narrow range of export products but also poor terms of trade and limited market access. In addition, Uganda export products tend to be mainly unprocessed agricultural products that are subject to vagaries of weather and price fluctuations compared to high-value imports.

They have traditionally gone to the developed markets of Europe (coffee), and UAE. A recent move reoriented those (formal<sup>80</sup>) exports towards neighbouring countries such as Kenya, Sudan, and the DRC. Those two last new markets may not be sustainable as they are related to internal crisis.

**Table 51: Uganda Trade profile 2007**

	2007		2007
<b>Share in world total exports</b>	0.01	<b>Share in world total imports</b>	0.02
<b>Breakdown in economy's total exports</b>		<b>Breakdown in economy's total imports</b>	
By main commodity group (ITS)		By main commodity group (ITS)	
Agricultural products	50.8	Agricultural products	13.6
Fuels and mining products	4.5	Fuels and mining products	20.1
Manufactures	23.0	Manufactures	63.4
By main destination		By main origin	
1. European Union (27)	24.3	1. European Union (27)	20.6
2. United Arab Emirates	13.3	2. Kenya	13.5
3. Sudan	11.8	3. United Arab Emirates	12.0
4. Kenya	8.8	4. India	9.9
5. Congo, Dem. Rep. of	7.5	5. China	7.9

Source: WTO, Trade profiles, 2008, p.173

<sup>80</sup> Informal trade estimates are of a decuple of the formal ones, see below.

The trade-policy reforms initiated in Uganda since the mid-90s consolidated the removal of controls in financial and commodity markets, reductions in protection for import-competing firms and simplification of the tariff structure began in the late 1980s. The five tariff bands in 1993 (0%, 10%, 20%, 30% and 60%), with more than 95 percent of tariff lines between 10 and 30 percent and a simple average tariff rate of 17%, were reduced to three (zero, 7% and 15%) in 2001 (WTO, 1995 and 2002)<sup>81</sup>.

Exports to COMESA Member States and other African countries have grown strongly in recent years. According to Uganda’s export promotion board, Uganda’s trade with COMESA countries in 2005 was equal to trade with the EU, with each accounting for 31% of export earnings. The changes reflect the increasing importance to Uganda’s economy both to the large market of the West and of regional markets.

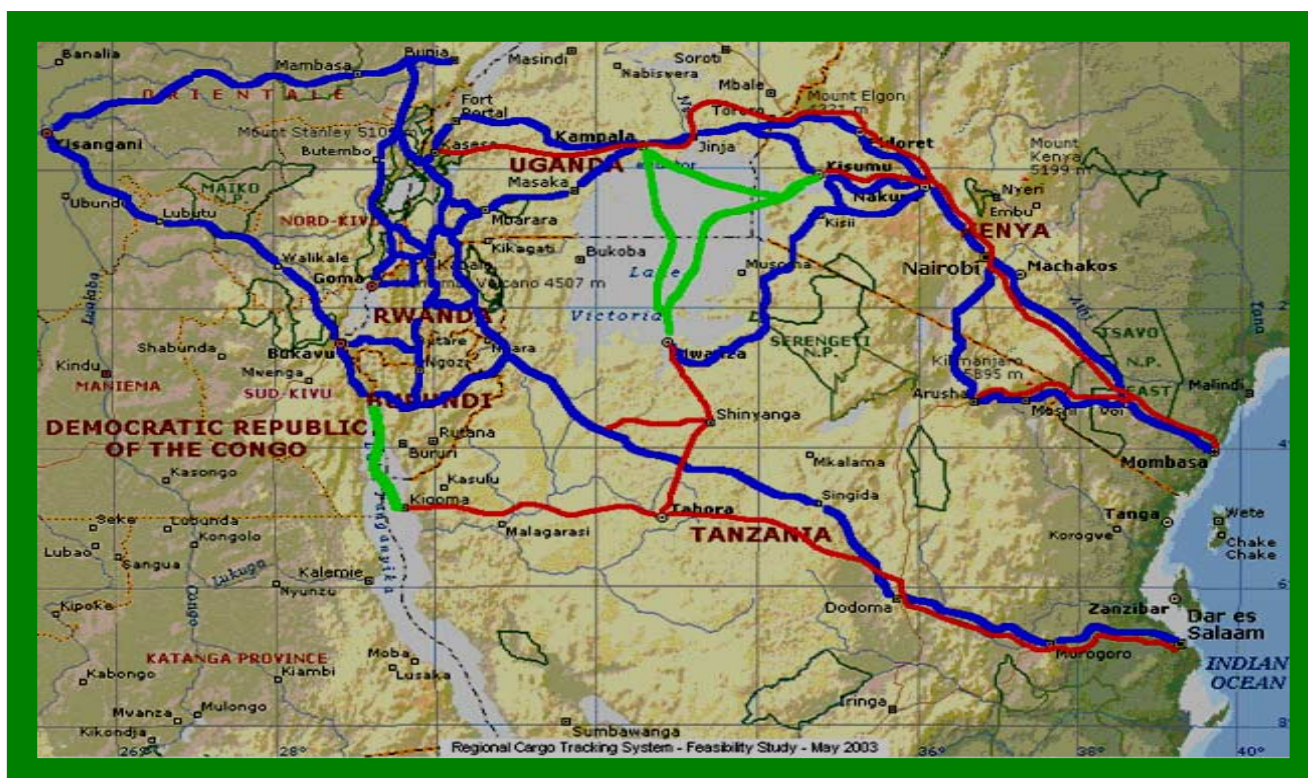
The oil discovery at Lake Albert may further increase trade between DRC and Uganda.

**Table 52: Trade and foreign direct investments in % of GDP**

	2000	2001	2002	2003	2004	2005
GDP (current USD billion)	5.926	5.681	5.848	6.255	6.822	8.712
Trade (% of GDP)	34,23	36,40	38,49	39,00	41,21	42,33
Exports of goods and services (% of GDP)	11,18	12,15	11,91	12,43	13,68	14,63
Foreign direct investments, net inflows (% of GDP)	2,72	2,66	3,16	3,23	3,25	-

The trade statistics clearly indicates a strong surge in imports and exports, where exports to DRC, Sudan, Rwanda and Burundi have encountered particular large increases, but also trade with Kenya and Tanzania. The following figure gives illustrate for Ugandan transit traffic at Mombassa Port the extent of trade increases:

**Figure 7: Location Map of the Northern Corridor/Central Corridor**



<sup>81</sup> idem

## National Road EC projects Summaries

<b>South Western Uganda Road Maintenance Programme (SWURMP): 7 ACP UG 43 &amp; 44 – start date 1997 and completion date 2004</b>					
<p>The SWURMP will cover 2,046 km of roads including 417 km of NCR. Road segments improved are: Kampala-Masaka and Kabale-Katuna.</p> <p>The maintained roads are in good driving condition, which has lead to increased traffic flows and economic activity.</p> <p>District councils have improved the feeder road networks, which have complemented SWURMP.</p>	<p>The improvement and maintenance works have resulted in reduced travel time and vehicle operating costs.</p>	<p>The region is important for agricultural produces. There has been a significant increase in cross-border traffic and trade.</p> <p>Weighbridge was constructed. Road safety aspects were given limited attention. Regulatory controls should be enforced.</p>	<p>MOWTC was responsible for maintenance and had its own equipment pool and staff.</p> <p>Trading and contracting elements were affected by the late procurement of equipment. Delayed payments are causing problems, particularly for the local contractors. Some of the equipment supplied under the programme remained unused.</p> <p>The contracting industry has a poor image.</p> <p>Labour-based works should be let out to small-scale contractors.</p>	<p>It took 2.5 years to appoint the TA. Due to the late start up many sections required reconstruction rather than maintenance. Many projects started towards the end of the programme. The time to procure equipment was underestimated. Drainage works was largely overlooked in the original design. The quality of the construction and maintenance work has been very good.</p> <p>The EC procedures under EDF proved to be very constrained.</p>	<p>Measures were taken to ensure that the environment is not significantly disturbed.</p> <p>Community participation will be achieved under labour-based schemes. Equal opportunities will be given to men and women.</p>
<b>Upgrading of Kagamba-Rukungiri Road: CA/SXP93/04 (STABEX) – start date December 2002 and completion date May 2005</b>					
<p>The road is an important national link and will be upgraded to all weather Class II bituminous road.</p> <p>There is evidence of increased traffic.</p>	<p>The improved road segment has resulted in reduced transport costs and time.</p>	<p>The road is a contributor to the Northern Corridor Route linking up to DRC and increases the accessibility in the national sub-region.</p> <p>There is a risk of overloading as a consequence of the increased traffic.</p>	<p>The local communities take part in construction and maintenance works, and could possible be involved in post-construction maintenance work.</p>	<p>The project was managed by RAFU. It started 16 months later than planned and was completed 10 months later than planned. Quality of work is satisfactory.</p>	<p>The HIV/AIDS campaign was delayed well into the implementation period.</p> <p>The construction process may impact negatively on the environment</p>
<b>Kampala-Katuna Road: 7 ACP UG 88, – start date xx and completion date xx</b>					
<p>The road is an important national link.</p>	<p>The improved road segment has resulted in reduced transport costs and time.</p>	<p>The road is part of the Northern Corridor Route linking up to DRC and increases the</p>		<p>The completion of the feasibility study was delayed, as GoU and the consultant could not find a</p>	

		accessibility in the national sub-region.		way forward to address the critical review by an independent consultant. Project appraisal in December 2002. Financing Proposal in early 2003 and Financing Decision in July 2003.	
<b>Strengthening of the Northern Corridor Route – Jinja-Bugiri and the Malaba Border Post: Start date June 2002 and expected completion date December 2008 7 ACP RPR 773, 8 ACP ROR 20, 8 ACP UG 31, 9 ACP UG 18</b>					
The Jinja-Bugiri section (72.8 km) is a Class 1 road and is an essential link of the NCR. The NCR is both an important regional corridor and a national route. The Jinja-Kampala has previously been improved.	The Jinja Bugiri is still under rehabilitation, but will when completed result in reduced transport costs and time. The achievements will be jeopardised by other sections of the NCR in need of maintenance and rehabilitation.	The NCR connects the Port of Mombasa via Kenya and Uganda with the DRC, Rwanda and Burundi. The NCR links the Eastern, Central and Western provinces.  The effective performance of the Malaba Border Post is essential for trade between Kenya and Uganda and transit to DRC, Rwanda and Burundi.  The Kenya-Uganda Transit Agreement is observed. URA has transferred custom clearance from Kampala to Malaba.  Control of overloaded vehicles should be enforces.	Concerns are raised as regards efficient road maintenance and enforcement of axle load control.  The GoU is overwhelmed by the task of managing the deteriorating road network.	RAFU is the implementing agency. A first Addendum extends the completion date from December 2005 to December 2008. A second Addendum increases the funding from €50.2 to €69.2. The road construction has suffered severe contractual problems.  The Malaba Border Post was completed in December 2005.  The first contract was awarded in April 2004, but the contractor abandoned the site and the contract was terminated November 2006. The contract was re-tendered and was awarded July 2006. The persistence of the fuel shortage could pose a serious risk to the time completion. The new contractor delivers good quality work	Adherence to workers' safety is insufficient.  The abandonment of the first contractor caused great discomfort for the resident communities, e.g. dust, terrible road conditions, bad drainage.  There is no gender sensitive policy, but the contractor finds that the reliability of women is high for QA and record keeping.  There had been limited awareness of environmental management responsibilities, but the contractor's environmental management plan was in the process of being approved (April 2007)

**Kampala Northern By-Pass (KNB): Start date December 2002 and expected completion dated December 2010  
 8 ACP UG 40, 8 ACP ROR 28, 9 ACP UG 25**

<p>The KNB will when completed constitute part of the NCR. The KNB will link all the national roads emanating from the east, north and west sides of Kampala connecting the Jinja Road to the east and the Masaka road to the west. The KNB is 21 km long</p>	<p>At present all through-traffic passes through the central part of Kampala.  When completed the KNB will result in a considerable reduction of transport time and costs and decongestion of traffic in Kampala City.</p>	<p>The contribution of the KNB relies on the good quality of the remainder of the NCR to ensure reliable transport services for passengers and goods.  The assumptions included adequate budget for road maintenance by GoU and enforcement of axle load control. The flouting of axle load control by transporters indicates low enforcement, which cause reduced durability of the road.</p>	<p>Ugandan private contractors undertake all construction works.</p>	<p>RAFU is the executing agency.  The contractor's mobilisation was slow. 100% of the works were sub-contracted to local companies (and is a violation of the rules). The contractor did not assign a senior roads engineer until April 2007. Bridgeworks are well advanced.  The Supervisor's Representative and the work site managers do not work well together. The delays, quality problems and the contentious strategy of the contractor have induced the SR to adhere strictly to the terms and specifications.  The diesel shortage may cause further delays and possible claims.</p>	<p>The KNB was designed to facilitate poverty alleviation and economic development, notably in the northern suburbs crossed by the proposed highway.  Price escalation of real estate is already observed along the KNB. Small businesses and housing will also develop along the KNB.  Exposure to AIDS risks will increase – a threat for which the project does not adequately address.  The contractor demonstrates a low level of environmental awareness. The exploitation of 28 quarries and 15 borrow pits caused environmental degradation (erosion) and a scarred landscape in the densely populated, peri-urban areas.</p>
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**RSDP2, Financial Performance (GoU and development partners) FY 2001/02-2005/06 (USD \$ million)**

	FY 2001/02		FY 2002/03		FY 2003/04		FY 2004/05		FY 2005/06		FY 2006/07		Accumulated		
	Target	Actual	T	A	T	A	T	A	T	A	T	A	T	A	%
National Road Improvement	40.2	41.6	109.2	34.8	138.9	98.2	118.0	66.7	113.4	40.7	113.0	84.2	676.1	366.0	54
National Road Maintenance	50.4	41.5	43.6	34.1	45.6	34.1	44.2	33.0	46.2	38.0	48.2	37.7	282.2	218.4	78
DUCAR	34.5	15.0	28.9	12.8	31.7	26.7	34.5	30.0	49.4	32.7	70.8	32.4	249.8	149.6	59
<b>Total</b>	<b>125.1</b>	<b>98.1</b>	<b>181.7</b>	<b>81.7</b>	<b>216.2</b>	<b>159.0</b>	<b>196.7</b>	<b>129.7</b>	<b>209.0</b>	<b>111.4</b>	<b>232.0</b>	<b>154.3</b>	<b>1,204.1</b>	<b>734.0</b>	<b>60</b>

Source: RSDP" Main Report, March 2006, MFPED and MFPED, Issue Paper: Transport Sector Financing 2007/08, January 2008

Note: The figures for FY 2003/04 include 17% VAT – and since FY 2004/05 road projects have been VAT exempted, implying an input VAT level at about 8%.

**RSDP2, Financial Performance (GoU and development partners) FY 2001/02-2005/06 (USD \$ million)**

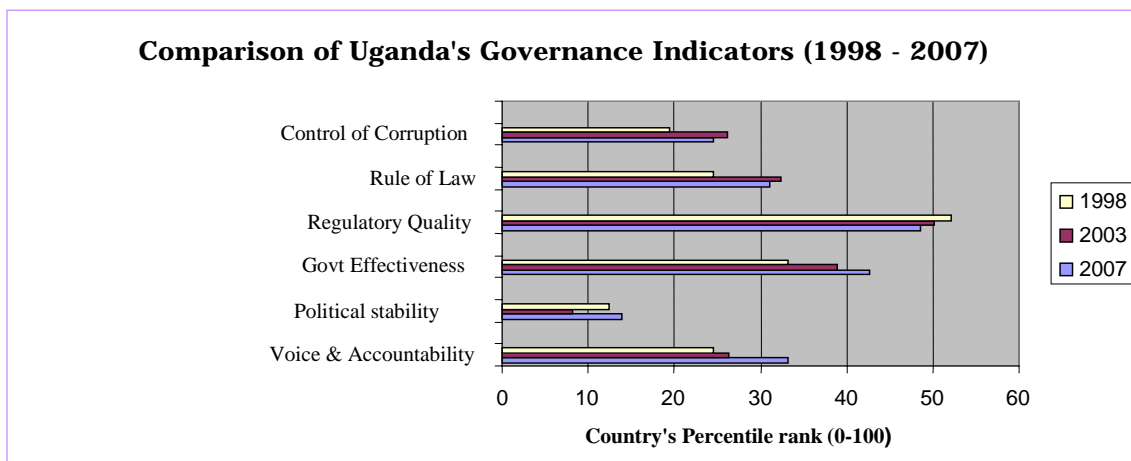
	FY 2001/02 to FY 2004/05		FY 2005/06		FY 2006/07		FY 2007/08		Accumulated FY 2001/02 – 2007/08		
	Target	Actual	T	A	T	A	T	A	T	A	%
National Road Improvement	406.3	241.3	113.4	40.7	113.0	84.2	189.4	36.7	865.5	402.7	47
National Road Maintenance	183.8	142.7	46.2	38.0	48.2	37.7	88.1	62.9	370.3	281.3	76
DUCAR	129.6	84.5	49.4	32.7	70.8	32.4	54.3	33.7	304.1	183.3	60
<b>Total</b>	<b>719.7</b>	<b>468.5</b>	<b>209.0</b>	<b>111.4</b>	<b>232.0</b>	<b>154.3</b>	<b>331.8</b>	<b>133.3</b>	<b>1,535.9</b>	<b>867.8</b>	<b>57</b>

Source: RSDP" Main Report, March 2006, MFPED and MFPED, Issue Paper: Transport Sector Financing 2007/08, January 2008

Note: The figures for FY 2003/04 include 17% VAT – and since FY 2004/05 road projects have been VAT exempted, implying an input VAT level at about 8%.

## Evaluation Question 7:

To what extent has EC support contributed to good governance through the strengthening of institutional capacities for: 1) strong and reliable accountability for decentralized public spending; 2) enhancement of the rule of law; and 3) increased protection and respect for human rights?



Source: Kaufmann D, A. Kraay and M. Mastruzzi 2008: Governance Matters VII: Governance Indicators for 1996 – 2007

**JC 7.1 Local Governments' capacity to plan and deliver services that are responsive to local needs; and to manage public finances efficiently has improved slightly.**

**I 7.1.1: Establishment of reporting systems to ensure that local governments fully comply with LGDP accountability requirements**

The volume of resources channelled through local governments has increased<sup>82</sup> tremendously from 225 billion Uganda shillings in 1997/98 to 740 Billion Uganda Shillings in 2002/03 and in the last financial year 2008/9, rose to 1,15 trillion (US\$ 700.000.000). To date, over 38% of the national budget is spent through the local government (LG) system and hence the need for stringent financial management and control measures.

*Reporting mechanisms:* Significant progress has been achieved in strengthening and updating the legal framework and regulatory environment for Public Finance Management (PFM) to improve *transparency, accountability and the efficient management* of public resources. In addition to a series of PFM reforms<sup>83</sup>, measures taken have included implementation of the MFPEP's *Medium Term Communication Strategy* which requires the publication of fiscal transfers i.e. the mandatory posting of notices on PAF allocations, expenditures as well as tender awards at district, s/county and facility level, with the aim of strengthening communication & community involvement in monitoring public expenditure.

*Compliance:* Progress has been most evident at the *vertical* level (between LGs and CG) as indicated by local governments' improved compliance with financial reporting requirements<sup>84</sup>.

<sup>82</sup> Background to the Budget reports

<sup>83</sup> Aimed at improving accounting practices and financial reporting and reducing fiduciary risk management

<sup>84</sup> Local Governments are also required to report regularly on PAF expenditures, prior to quarterly releases of funds.

(According to the assessment report 2005<sup>85</sup> 48 districts passed minimum conditions<sup>86</sup> in 2005 compared to only 37 districts in 2004). Over 90% of local governments were reported to be producing final accounts within the stipulated time (JARD 2004), While improved reporting has contributed to the faster release of funds, the timeliness of disbursements from the CG and the auditor general's reports are however still far from satisfactory.

*Upward vs. downward accountability:* There are concerns that the accountability mechanisms in place (on the management of public resources) have given precedence to *upward* accountability to the detriment of that between LGs and their constituencies. LG reporting is oriented towards vertical compliance with sector guidelines, funds release triggers and performance<sup>87</sup> measures in anticipation of the national assessment exercise at the expense of fiscal efficiency and effectiveness and downward accountability.<sup>88</sup> Unfortunately corruption typically takes place outside the accounting system and has to be controlled by social expectations as much as formal mechanisms.<sup>89</sup>

*Demand for accountability:* While the public information strategies have improved access to information and 'in principle' made it easier for the communities to demand for accountability, the reality shows that with the exception of a few districts<sup>90</sup>, public scrutiny of public expenditure is still very low; and the communities' ability to hold local governments accountable remains weak. Corruption thus remains rife at the local government level (IGG's Annual Report 2007<sup>91</sup>).

Citizens' ability to demand for accountability has been constrained by among others, gaps in the available tools<sup>92</sup>, insufficient awareness of civic rights<sup>93</sup>, absence of effective sanctions as well as contradictions and weaknesses in the decentralisation policy, particularly with regards to the fiscal arrangements<sup>94</sup>. Local governments are almost entirely dependant on central government grants<sup>95</sup>, 85-88% of which are *conditional* and are pre-determined at the centre. District councils have thus very limited discretionary power on resource allocations and less clout and motivation to closely follow expenditures.

Related challenges for '*downward accountability*' include the *re-centralisation* of the appointment of the Chief Administrative Officer (District Accounting Officer), which is contrary to decentralisation objectives. While GoU is persuaded differently<sup>96</sup>, the move has inadvertently undermined the accountability relationship between the technocrats at the LGs and the local leadership and communities.

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<sup>85</sup> Ministry of Local Government: "Annual Assessment of Minimum Conditions and Performance Measures for Local Governments, 2004, Final Synthesis Report", 2005.

<sup>86</sup> Minimum conditions include: a) Development planning capacity (e.g. availability of a council-approved District Development Plan and functional planning committees); b) Financial management (e.g. proper maintenance of accounts, adherence to procurement regulations); c) Technical capability (e.g. capacity to supervise engineering works); d) Programme specific conditions (e.g. 10% co-financing)

<sup>87</sup> Under the LGDP, the size of the grants for investments in service delivery is linked to the performance of LGs as institutions. 20 % bonuses and penalties are applied to LGs that comply well or poorly with reporting requirements, allocation of the development grant in line with National Priority Programme Areas (PPA), timely accountability and in line with actual allocation and expenditure decision (implementation track record).

<sup>88</sup> Country Self Assessment Report (CSAR) p.83 and The Republic of Uganda, Country Integrated Fiduciary Assessment 2004, Volume V: Local Government Integrated Fiduciary Assessment, August 2004, p. 37.

<sup>89</sup> Pg 154, PEAP 2004

<sup>90</sup> The districts of Kasese, Kabarole, Apac, Soroti and Koboko which have strong anti-corruption coalitions have exhibited some propensity to demand for accountability

<sup>91</sup> District authorities topped the list of the 10 most complained about government institutions.

<sup>92</sup> Insufficient information and standardisation for the local Government budget process, information channels utilised, packaging of information, timely dissemination, high levels of illiteracy affect the communities ability to access/ utilise available information PEAP 2004

<sup>93</sup> A survey conducted in 2005 and 2006 as part of medium-term review of LGDP II in a sample of local government jurisdictions revealed that respondents knew very little about the procedures for holding leaders accountable.

<sup>94</sup> PAF earmarking of grants has impacted negatively on the involvement of citizens, particularly on the incentives to contribute actively to the decision-making, co-funding, in the control and follow-up of resources.

<sup>95</sup> Rose from about 65% of the total LG budget in 1997/98 to about more than 90% in 2003/04

<sup>96</sup> The move was taken to insulate CAOs from undue pressure exerted by rent seeking local politicians

### I 7.1.2: Implementation of the Harmonised Participatory Planning Guidelines (HPPG)

District and sub-county councils are required by law to apply a 'bottom-up' planning approach, i.e. to prepare a three-year rolling comprehensive and integrated development plans - incorporating the plans and priorities of lower level councils. The HPPG guidelines developed to enhance planning processes are being rolled out countrywide under LGDP II. And it is envisaged that if properly applied, this approach could strengthen the interface between communities and local governments and facilitate more participatory, responsive and effective service delivery.

*Improvements in LGs planning capabilities:* On-going capacity building efforts have yielded some progress, even though participatory planning processes are yet to be fully effected and effective. Steady improvements have been noted in the quality of District Development plans (DDPs). In 2004 and 2005, all higher local governments met the basic standards. However there is still some level of difficulty in linking DDPs to the LG Budget framework papers brought about by poor scheduling of the planning and budgeting processes; limited analysis and poor costing of plans by available resources<sup>97</sup>. There also remain real challenges in making planning and budgeting sufficiently participatory and all inclusive especially with regards to: i) articulation and inclusion of village/ parish priorities into sub-county divisional plans by lower local governments; and ii) integration of higher local government plans into national plans and priorities. Human resource constraints at parish and S/County technical planning committees (TPCs) have constrained the integration of the interests of vulnerable and marginalised groups and subsequently in s/county and district budgets. An assessment conducted in 2006, indicated that many LLGs, particularly in the North<sup>98</sup> and North East, are failing to attain the minimum development planning standards – a key criteria of the minimum conditions

*Improved responsiveness of LG plans:* LGs' capacity to adequately implement the locally identified priorities has also been greatly hampered by limited discretionary funding and dwindling transfers to lower LGs<sup>99</sup>. The share of unconditional grants against total transfers<sup>100</sup> has decreased from above 15% in 2000/01 to less than 11% in 2006/7, much of which is devoted to wages and is thus not 'unconditional' (APIR).

**Table 53: Share of Unconditional grant against total Central government transfers to Local Governments (billions)**

	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7
Unconditional grants (UCG)	73.3	77.4	82.8	87.5	98.76	93.4
Conditional grants (CG)	537.3	588.2	655.1	714.5	733.79	838.3
Equalisation (EG)	4.4	4.3	3.5	3.5	3.48	3.5
Total transfers	615.0	669.9	741.5	805.5	870.88	979.94
UCG as % of total	11.9%	11.6%	11.2%	10.9%	11.3%	9.5%
CG as % of total	87.4%	87.8%	88.4%	88.7%	84.3%	85.5%
EG as % of total	0.7%	0.6%	0.5%	0.4%	0.4%	0.36%

Source: Status of Decentralisation in Uganda

<sup>97</sup> The Republic of Uganda, Country Integrated Fiduciary Assessment 2004, Volume V: Local Government Integrated Fiduciary Assessment, August 2004, p. 18.

<sup>98</sup> Years of conflict have greatly affected these regions ability to attract and retain well qualified staff. An assessment conducted in December 2006 indicated that that the Acholi region had 63.2% staffing gap; West Nile sub-region 56.1%; Lango – 51.1% , Teso 44.6 % and Karamoja 50% gap

<sup>99</sup> Most of the resources (sector grants) received remain at the district level, while the LDG funds are managed at the s/county level (JARD 2007)

<sup>100</sup> 78% of the grants to local governments are recurrent while 22% are for development funding. About 30% of the development funding is discretionary funding locally called the local development grant (LDG). Also about 72% of the recurrent grants are composed of wages and 28% are non wage.

LGs' capacity to respond to local priorities has also been affected by declining local revenues as a result of the abolition of the graduated tax and under-exploitation of alternative sources of revenue (LGSIP 2006-2016). Available data shows that whereas the districts' local revenues stood at UGX 86 billion in the FY 97/98, this figure declined to UGX 78 billion in FY 99/2000 and even further to approx. UGX 34 billion in 2002/03 (CSAR). The 10% co-funding requirement for discretionary development grants is the worst performed minimum condition at district and lower LGs.<sup>101</sup> In some LGs', the percentage remains less than 3% of the total budget. This trend has greatly undermined LGs' autonomy and has been especially detrimental to LGs in rural areas whose capacity to respond to local needs has badly diminished.<sup>102</sup>

### **Indicator 7.1.3 Quality and quantity of service delivery and facilities as identified by the local communities increased.**

National social spending has increased over the last eight years following the introduction of PAF and GBS and has resulted into growth in the volume of resources channelled through local governments. The *Background to the Budget* reports indicate an increase from approximately 73 Billion Uganda Shillings in 1998 to 740 Billion Uganda Shillings in 2002/03 financial years to 1,15 trillion (US\$ 700.000.000) in 2008/9. LGs have in addition benefited from resources channelled directly through decentralized co-operation in support of community driven planning and Government's poverty eradication efforts.

*Improved access to social services:* The total sum of these resources has contributed to a marked increase in the volume of service delivery in key poverty areas (ten times the levels in 1997) and improvements in accessibility of these services. Figures reflecting the national average indicate that: in the health sector, the proportion of the population within a 5km radius of health facilities has risen from 49% in 1999 to 72% in 2004/5 through construction and upgrading of health facilities at parish and s/county levels. In primary school education, the number of classrooms has risen from 50.370 in 2000 to 83.043 in 2006; while the national average rural water coverage increased from 55 to 60% of the population between 2003 and 2004 alone. However significant disparities continue to exist between rural–urban communities and between regions: Indicators from Karamoja and parts of Northern Uganda are way below the national average. For example access to safe water in the districts of Karamoja stands between 17-32%; and 52% for the northern region in comparison to the national average of 60% (PRDP, 2007).

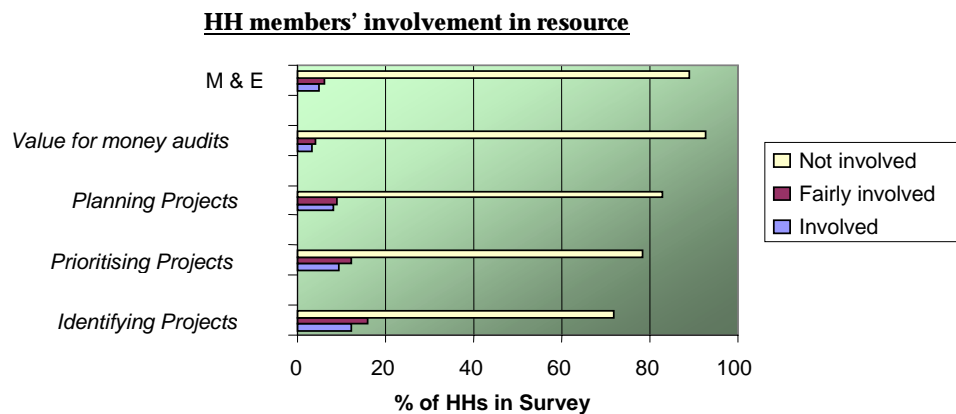
*Involvement of communities in selection of service delivery priorities.* While they have benefited from improved accessibility as indicated above, the extent to which *communities* are involved in determining service delivery expenditure priorities remains fairly limited mainly due to limited fiscal autonomy and the slow operationalisation of participatory planning mechanisms. The recent National Service Delivery survey 2008 indicated the low level of community participation in resource management (see diagram below).

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<sup>101</sup> Annual assessment of minimum conditions and performance measures for local governments 2005, final national synthesis report, February 2006, p. xvi

<sup>102</sup> Overview of the status of decentralisation (1993-2004) presented to the JARD 2004

**Figure 8: HH members' involvement in resource management**



Source: 2008 National Service Delivery survey

*Quality of service delivery:* While access to social services has improved significantly in rural areas, improvements in the quality of the services have lagged behind quantitative indicators. Although there has been some improvement since the last survey in 2004, the *National Service Delivery Survey (2008)*, indicates that about two thirds (63%) of sick people did not make use of government health facilities as a first source of treatment owing to a variety of reasons including the lack of drugs and equipment.

Similar problems have been cited in the education sector. Although enrolment figures of pupils at government aided primary schools have grown tremendously from 5.917.216 in 2001 to 6.491.260 in 2005, the drop-out rates are high and retention levels are low owing to among others, high costs and complaints on the quality of services offered. The table below shows the level of satisfaction with the available facilities.

**Table 54: Level of satisfaction with facilities (education)**

Facility	Adequate	Not Adequate
Classrooms	33.3%	66.7%
Teachers' Houses	10.7%	89.3%
Library	32.5%	67.5%
Laboratory	0.0%	100%
Workshop	53.3%	46.7%
Toilet/ Latrine	34.5%	65.5%
Store	35.8%	64.2%
Staffroom	50.7%	49.3%
Head teacher 's' office	56.9%	43.1%
<b>Total</b>	<b>37.3%</b>	<b>62.7%</b>

Source: 2008 National Service Delivery Survey

*Corruption vs. Service delivery:* There is evidence that the low quality of service delivery is mainly as a result of limited funds for O & M<sup>103</sup> and corruption. Due to poor financial planning and limited resources (7.1.2), LGs are facing increasing difficulty in providing for the operation and maintenance of their investments and there is significant risk that some of these could to waste unless addressed.<sup>104</sup> There have been efforts to improve the management and maintenance of investments through the establishment of user communities at health, education and water facilities. However the level of community contribution still falls short of the required level due to the high poverty levels.

<sup>103</sup> Low local revenues which constitutes about 5% of local government budgets has posed serious challenges for the operation and maintenance of investments

<sup>104</sup> Uganda's Decentralisation Policy Strategy Framework, 2006, Pg 24.

As already noted, corruption levels at local government level are alarming and have contributed greatly to the low quality of services.

A recent value for money audit on UPE showed that:

- ♦ Out of 140 sites inspected, 45% were unsatisfactory and it is estimated that UGX 15 billion has been wasted on poor structures.
- ♦ Tenders were awarded to incompetent contractors who at times failed to interpret the technical guidelines.
- ♦ Many of the classrooms did not meet technical guidelines that require classrooms to last 30 years. In extreme cases, structures collapsed before they were completed. (Poverty Status report, 2005).

Efforts to curb these malpractices include CSO led initiatives to engage communities in performance resource monitoring efforts are currently limited and not widely applied. Anti-corruption CSOs and district CSOs networks in different parts of the country have attempted to mobilise communities and introduce a variety of *social accountability mechanisms*. While there have been some successes, the culture and practice of demanding accountability is still at a nascent level. The 3rd National Integrity survey (2008) indicates that the level of reporting corruption across the country is very low with 50.9% of the community dwellers stating that they lacked knowledge on where report cases and /or feared retribution in the case of public institutions.

Under its *Good Governance and Anti-corruption Strategy for Local Governments*, the MoLG plans to introduce and roll out various measures including service delivery standards, client Charters<sup>105</sup>, Public Private Partnerships (PPP)<sup>106</sup> and to provide support to community-level service delivery structures<sup>107</sup>.

Efforts to reduce corruption have also been undermined by inadequate staffing<sup>108</sup> in key departments at the local government level and there are plans to strengthen the Local Council Public Accounts Committees (LC PACs). Local government tender boards, which were largely controlled by local politicians have been replaced by Contract committees comprising public officers.

## **JC 7.2 Increased transparency and accountability of government service delivery entities is yet to be realised.**

### **I 7.2.1: Progress in implementation of the National Anti-Corruption Strategy**

Uganda's score in Transparency International's Corruption Perception Index has improved slightly from 1.9 in 2001 to 2.8 in 2007. Nevertheless the incidence of corruption remains unacceptably high and a key challenge to poverty reduction efforts. Procurement still constitutes the greater percentage of leakage possibilities for public funds<sup>109</sup>, and especially at the local government level. According to the *National Public Procurement Integrity Baseline Survey 2006*, the "irreducible minimum" loss due to corruption in procurement is UGX 117 – 148,5 billion (US \$ 64m – US \$84m) annually. Efforts to combat corruption have been strengthened and include the establishment of an elaborate institutional and regulatory framework. However, operationalisation of the reforms and enforcement of anti-corruption laws remains weak.

Institutional reforms to fight corruption: Important strides have been made by the Department of Ethics and Integrity (DEI) in the implementation of the *National Anti Corruption Strategy (2004-2007)* which creates a common framework for all stakeholders in the fight against corruption. Its impact on corruption cannot yet be determined. There have however been visible efforts to strengthen the *oversight* function, which has entailed the establishment of: the *Inter agency*

<sup>105</sup> Which will disseminate information on entitlements as well as solicit citizen feedback about public sector performance and thereby support the equitable and quality delivery of services.

<sup>106</sup> Which should increase NSAs / communities involvement in monitoring performance of local governments

<sup>107</sup> The Local Government Sector Investment Plan (2006-2016), pp. 17 - 18

<sup>108</sup> Critical posts of Heads of Finance and Audit are not filled in most LGs

<sup>109</sup> Actions relating to the Commission on Junk Helicopters, Corruption in the Police Force and the Global Fund are still pending. Only recently have there been attempts to try senior officials implicated in the misappropriation of the GAVI funds,

*Forum*<sup>110</sup> (IAF), the *Public Procurement and Disposal of Public Assets Authority* (PPDA); and most recently the *Accountability Sector*. An Anti-Corruption division in the High Court has also recently been established to expedite the prosecution of corruption cases. Key policy developments also include the development of a *Strategy to Mainstream Ethics and Integrity in Local Governments in Uganda*; and the *Local Governments Good Governance and Anti-Corruption strategy*.

Status of legislative reforms: Anti-corruption laws including the *Freedom of Access to Information Bill*, the *Leadership Code Amendment Bill*, *Inspectorate of Government Bill* and the *Prevention of Corruption Act 2007*, and the *Public Procurement and Disposal of Public Assets Authority Act*, the *Local Government Amendment Act (no.2) 2006* and *Local Government (PPDA) Regulation (No.39) 2006* have been passed. Principles of the Qui Tam legislation have been prepared and are under consideration. However the passing of crucial legislation i.e. *the Whistle Blower bill*, *Prevention of Corruption (Amendment) Bill*, *the Audit Bill* and *the Witness Protection bill* is still pending.

Exposure and sanctioning of corrupt cases: Despite improvements in the legal and institutional framework, the effective and conclusive sanction of corrupt activities is still a big challenge<sup>111</sup>. Law enforcement is still very weak as evident by delays in prosecution of high profile cases and the low rates of successful trials. Although there have been a number of Judicial Commissions of Inquiry into high profile corruption incidents<sup>112</sup>, the pursuit of recommendations arising from such commissions remains an area of major concern.

A number of factors have severely affected the ability of the anti-corruption agencies to deliver consistent progress in terms of prosecutions, convictions and recovery of assets. These include: delays in law reform, the ineffectual implementation of key acts including the *Access to Information Act*<sup>113</sup> and the *Leadership Code; Act*, inadequate funding<sup>114</sup>, weak institutional capacity<sup>115</sup> and hence inability of key anti-corruption agencies i.e. IGG, DEI, Auditor General and PPDA to effectively implement their mandates. *The systems for mentoring, supervision and inspection within the key oversight agencies are still in some respects inefficient and enforcement of regulations and disciplinary action in circumstances where such is required remains weak* (JARD 2007).

*Efforts to reduce corruption have also been undermined by inadequate staffing in key departments at the local government level, limited ICT skills and ICT infrastructure in some districts. Quarterly reporting which is a statutory obligation under the PPDA Act is not yet active and only 10% of LGs are compliant (Draft ASIP, 2007). The problems are believed to arise from limited technical capacity and complexity of the regulations as well as the absence of equipment and effective legal sanctions. Few local authorities have been able to set up Procurement and Disposal Units with the requisite professional skills.*

These and other factors have contributed to the growing impression of the lack of political will to genuinely fight the problem. A media<sup>116</sup> opinion poll conducted in 2006 showed that the majority of respondents (59%) have little confidence in government's commitment and ability to curb it.

## **J.C 7.3 Administration of justice has improved slightly**

### **I 7.3.1: Increased capacity of the justice delivery system to process cases efficiently**

The JLOS reform programme has been expanded to focus on Commercial Justice, Criminal Justice, Family Justice and Land Justice, but has under its Strategic Investment Plans I & II maintained its broad policy objectives of: a) *fostering a human rights culture across JLOS institutions*, b) *promoting the rule of law*; iii) *securing access to justice for all*; iv) *reducing crime*,

<sup>110</sup> Composed of government agencies and CSOs with the aim of facilitating co-ordination and collaboration

<sup>111</sup> DFI, 2007

<sup>112</sup> Actions relating to the Commission on Junk Helicopters, Corruption in the Police Force and the Global Fund are still pending. Only recently have there been attempts to try senior officials implicated in the misappropriation of the GAVI funds,

<sup>113</sup> Delays in appointing district information officers

<sup>114</sup> Budget of the Public Procurement and Disposal of Asset Authority (PPDAA) has not been increased for the last three years and only sufficient for HQts costs.

<sup>115</sup> Limited resources, staffing, expertise and other organisational capabilities

<sup>116</sup> Monitor Newspaper through Steadman Associates

*strengthening the efficiency and effectiveness of the justice system and strengthening structures for commercial justice through: infrastructure reform, law reform, improved legal services and civic education.*

Since its inception in 2001, there have been continuous efforts to strengthen and streamline the policy framework, institutional capacities, co-ordination and funding mechanisms of the Justice, Law and Order Sector (JLOS). A number of donors are supporting the sector reforms under a basket arrangement and some successes have been registered, particularly with regards to capacity building programmes and infrastructure developments (courts, prison facilities, staff housing). The Sector is however challenged to show the impact of reforms. The justice system is characterized by delays, low disposal rates and an increasing case backlog at all levels of the justice system<sup>117</sup>. Surveys on both criminal and commercial justice have highlighted limited public confidence in the JLOS institutions including the police, courts, land and company registries (APIR, 2008). According to the 2009 Global Corruption Barometer of Transparency International, the Judiciary was cited as the most corrupt institution, while the 2008 National Service Delivery Survey indicated a decline in the level of satisfaction with all services under JLOS between 2004 and 2008.

**Table 55: Judiciary Statistics (Court Data Base as at June 2007)<sup>118</sup>**

Court	Case Load	Disposal Rate
Supreme Court	104	10%
Court of Appeal	2,422	7.7%
High Court	20,169	25%
Magistrates Courts	51,371	50%
<b>Total</b>	<b>74,066</b>	

Source: Joint Evaluation of the Chain Linked and Case Backlog projects, 2008

*Efficiency of the criminal justice sector:* A key obstacle and concern to access in the justice system remains the accumulation of backlog and the low levels of case throughput. Efforts<sup>119</sup> to increase efficiency of the criminal justice system have included rolling out of the *Chain Linked Initiative* and *Case backlog* projects as well as introduction of the Community Service Programme aimed at decongestion of prisons.

However, the case disposal rate does not match the growth rates of new cases into the system and has resulted into cumulative growth of backlog (see text box). As of April 2006, there were a total of 17,882 prisoners countywide, 60% of who were on remand awaiting trial<sup>120</sup> (CSAR). The situation has been attributed to: Inadequate staffing (judiciary); high turnover (insufficient staff motivation across the JLOS institutions); weak linkages with and inadequate monitoring & supervision from the JLOS secretariat; and delays in the law reform process<sup>121</sup>.

*Although there were some reductions in the length of stay on remand from an average of 24 months to 15 months between 2001 -2003; and a reduction in the number of persons staying on remand beyond the constitutional period from 39% to 1% in 2003, reports indicate that progress has stalled. Inability to expeditiously handle the high number of cases has resulted into an increment in average stay on remand from 2 years in 2004 to 3-4 years in 2006<sup>122</sup>.*

*Implementation of the Community Service Programme:* Following a successful pilot initiative, rolling out of the National Community Service Programme (NCSP) began in March 2004 and

<sup>117</sup> Joint Evaluation of the Chain Linked and Case Backlog projects, 2008

<sup>118</sup> The Judiciary Data Centre cautions on the validity of data presented given the challenges in data collection and entry, however these figures are indicative of trends in the Judiciary.

<sup>119</sup> There has also been some progress in law reform aimed at reducing case backlog and delays in delivery of justice. The JLOS has made available updated legislation including the Police Act 2006, the Prisons Act 2006 and the Local Council Court Amendment 2006; as well as the Penal Code (Amendments) Act 2007 and the Magistrates Court (Amendment) Act; 2007, although they are yet to be fully effected.

<sup>120</sup> Figures obtained from the Commissioner of Prisons in May 2006 by FHRI.

<sup>121</sup> At least 40% of cases waiting trial are on defilement due to the delayed review and reform of the relevant laws and procedures.

<sup>122</sup> JLOS Strategic Investment Plan (SIP 1) (2004), the 2205 Prisons Census and Joint Evaluation of the Chain Linked and Case Backlog projects (2008).

supportive structures i.e. the National Community Service Committee (NCSC) and District Community Service Committees have been established in most of the districts.

As of 2006<sup>123</sup>, 8.526 CS orders<sup>124</sup> were given out to petty offenders (accused of theft, assault, criminal trespass and tax defaulting) and a successful completion rate of 87.5% has been recorded<sup>125</sup>. The most recent statistics (2008) indicate a total of 12.660 community service orders; and efficiency gains to the community and government are valued at 3.076.380.000 Uganda shillings. The NCSP has contributed, albeit modestly) to a reduction in prison congestion. A mini prisoner census in March 2007 showed a percentage reduction in the remand population from 60% in July 2006 to 57% in March 2007 and the monthly growth rate of prisoners reduced from 10% to 4%, which were attributed to the increased use of community service orders and bail. The number of prisoners vis a vis the prisons capacity however remains high. As of Jan 2009, the UPS had a total of 26.273 inmates against its approved capacity of 13.666.

*Implementation of the Commercial justice reform programme (CJRP):* The goal of the CJRP was to improve the environment for private sector development in Uganda with a purpose of improving its ability to make and enforce commercial contracts. A number of measures aimed at improving the institutional capacity of the court have been taken. A key development includes the recent completion of a newly constructed Commercial Court in Kampala, which is expected to improve access to justice and functioning of the court.

Other efforts to improve efficiency in the Court have included the introduction in 2003 of the *Mediation Pilot Project* under the Centre for Arbitration and Dispute Resolution (CADER) to reduce backlog<sup>126</sup> and the Commercial Justice Reform Backlog Reduction Strategy (2004-2006). While the number of cases diverted to mediation has increased, there is a relatively low settlement rate. There is still limited use of arbitration due to the shortage of qualified arbitrators who enjoy the trust of the parties<sup>127</sup> and some resistance from lawyers. Training programmes have been put in place in address these problems, however their impact is not yet known.

However there are still many constraints that are affecting the courts performance. Insufficient staffing continues to delay the delivery and enforcement of judgements. Low levels of professionalism amongst advocates and outdated commercial laws are also cited as hampering business operations. There have also been delays in the enactment of important commercial legislation<sup>128</sup>, and improvements in the Company and Land registries are not yet evident. The Commercial Justice follow-up Survey 2004, highlighted poor public perceptions of these partner institutions, which are perceived to be corrupt and slow in the handling of business.

### **JC 7.3 Respect and protection for human rights has improved in many respects but is still lacking in others.**

#### **I 7.3.1 Demand for HR, rule of law and good governance through civic education and support to civil society is still low.**

The relevance of civic education has been frequently noted in relation to the establishment of democratic structures and enhancement of good governance; particularly with regards to increasing citizens awareness of their civil and political rights & responsibilities; and principles and practices of action. Attempts to provide civic education in Uganda have to date been fairly limited in

<sup>123</sup> National integrated household and baseline study on the demand, use and access to JLOS services in Uganda.

<sup>124</sup> Most common tasks performed by the offenders are; cleaning, slashing, brick making, road maintenance and building and construction. Those with specialized skills have been ordered to carry out professional work for community institutions like teaching, nursing, carpentry and mechanical works.

<sup>125</sup> National Community Service Programme Progress Report for the 3rd Quarter January – March 2005.

<sup>126</sup> The Commercial Justice follow up Survey 2004, put the growth of backlog in the Commercial Court at a rate of 26 cases per month, much higher than the targeted 10 cases per month

<sup>127</sup> JLOS Mid Term Evaluation, 2004

<sup>128</sup> Law Revision Fines in Criminal Matters Bill, the Mortgages Bill, the Trial on Indictment (Amendments) Bill, the Trade Secrets Protection Bill; the Partnership Bill, the Geographical Indications Bill, The Industrial Property Bill, the Insolvency Bill, the Chattel, Securities Bill, the Company Bill, the Trade and Service Marks Bill, the Contracts Bill, the Amendment of Capital Markets Bill and the Counterfeit Bill

terms of content and coverage. For example, the National Civic Education Programme (NCEP) in the period 2003 -2005 concentrated on voter education and election monitoring.

Experiences from the 2001 and 2006 presidential/ parliamentary elections and subsequent local council and by elections, significant as they might be to democratisation, have also demonstrated huge loopholes in the country's democratic processes. Observer<sup>129</sup> and media reports have indicated that citizens' ability to freely exercise their rights continues to be hampered by a combination of electoral malpractices, intimidation, delayed legislative reforms<sup>130</sup> and logistical challenges on the part of the electoral commission<sup>131</sup>. These weaknesses coupled with frequent revisions of the constitution continue to present challenges to the budding political pluralism, competitive politics and political activism in Uganda; and demonstrate the urgent need for the continuous delivery of a countrywide civic education programme that will advance the themes of nationhood, democracy, governance and human rights<sup>132</sup>.

Development Partners comprising the Partners for Democracy and Governance (PDG) in Uganda have established a basket fund in support of a Deepening Democracy Programme (DDP) in Uganda, which is based on the commitments in the PEAP and the Uganda Joint Assistance Strategy. The programme has been designed to include six components including that on civic education. It is proposed that the civic education component – will be implemented by a number of partners: UHRC; CSOs; ULGA; NCDC; MOGLSD; Media and modalities of how this will be done are being worked out.

### **I 7.3.2: Increased reporting by the UHRC**

*Institutional capacity:* Since 2000, UHRC has established 7 regional offices, which are supported by the newly formed district human rights committees. Its strengthened institutional capacity has enabled the commission to increasingly widen its coverage of human rights issues and publish its findings in its annual reports. The UHRC has also built capacity to monitor compliance with human rights treaties as well as investigate and handle cases of human rights violations.

*Adherence to human rights standards:* According to the 8<sup>th</sup> and 9<sup>th</sup> UHRC report, there has been a general improvement in the human rights situation as evident in the overall reduction in the number of reported grave human rights violations between 2003-2006 i.e. from 2.050 to 1.222 in 2006. Notwithstanding progress made, there have however been in recent years, incidences that undermine the rule of law, independence of the judiciary and the free exercise of civil and political rights e.g. freedom of expression and media & press freedoms<sup>133</sup>, the right to peaceful assembly, arbitrary arrests of members of opposition; illegal detentions and the custody of civilians in safe houses/ military facilities.

The UHRC notes that while illegal detentions and use of torture remain a challenge i.e. 21,6% of the cases registered, the number of reported cases has declined from 622 in 2004 to 262 in 2006. The majority of these cases were lodged against government agencies: the Uganda Police, the UPDF and the Violent Crime Crack Unit / Rapid Response Unit. Advocacy efforts for ratification of the Optional Protocol to the Convention against torture (OPCAT) and enactment of a law prohibiting torture have so far not been successful (UHRC 2006). In addition, although a number of torture victims have been given awards, their enforcement by the Government has been problematic. Whereas there have been improvements in GoU State reporting in respect of human rights treaties, implementation of the recommendations by the UHRC and other treaty bodies such as the Commission against torture and the Committee on Civil and Political rights has been slow.

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<sup>129</sup> The report concludes that, in the circumstances, the election of 23 February 2006, though important in the evolution of the democratic process in Uganda, had several shortcomings, which rendered the exercise short of the expectation of a free and fair contest.

<sup>130</sup> In the election cycle of 2006, Parliament again enacted the relevant laws late, namely: the Presidential Election Act, 2005, Parliamentary Election Act, 2005 and the Political Parties and Organisations Act, 2005. This situation again constrained the Electoral Commission, which had to organize the elections within the 50 days in order to abide by the constitutional guidelines

<sup>131</sup> Electoral Commission suffers from insufficient funding that has affected its performance in previous election circles

<sup>132</sup> Deepening Democracy Programme National Civic Education Component Document, 2007

<sup>133</sup> Ranking of Uganda on the International Press Freedom Index has gone down from 80<sup>th</sup> position in 2005 to 116<sup>th</sup> position in 2006

### I 7.3.3 Improved protection of vulnerable groups

*Access to justice:* The high prevalence of sexual and gender-based violence (SGBV) remains an issue of concern across the country, but is much worse in the northern parts of the country. There have been efforts to strengthen institutional and community responses to the problem including the development of relevant legislation<sup>134</sup>. However access to justice and redress for victims of violations is still a challenge due to the insufficient presence of the JLOS institutions in parts of the country; absence of legal aid services and the delayed enactment of the relevant laws. Indeed one of the challenges in accessing the legal system continues to be the painfully slow process of law reform and especially in relation to gender sensitive legislation<sup>135</sup>.

*Communities affected by conflict:* At a geographical level, the north and north eastern parts of the country appear to have suffered most from a cumulative violation of their rights to security of person and property as well as basic social and economic rights after years of the LRA conflict and subsequent displacement. The UHRC has engaged in monitoring and documenting atrocities committed and has engaged in attempts to secure the release of children and women in captivity from the LRA, with no progress. While the threat of abduction has diminished, child protection and other issues e.g. sexual and gender based violence continue to pose serious human rights challenges, although the latter remains grossly under-reported.

Efforts by GoU to protect the rights of the people of this region have included military action; engagement in the Juba Peace Talks and disarmament in Karamoja which have secured relative peace and stability in the area and enabled the return of communities to their original homes. GoU has developed an IDP policy, whose implementation is being done under a number of rehabilitation & reconstruction programmes. GoU most recently launched the Peace, Recovery and Development Plan as a framework for the recovery efforts in these regions. Funding for this programme however remains a challenge.

In the interim, the international community and a host of local NGOs are supporting the resettlement of the formerly displaced communities through a variety of interventions. Over 80% of the IDPs have been resettled and these interventions have improved the communities' access to basic social services and resumption of livelihoods.

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<sup>134</sup> A draft Domestic Violence Bill and Family law (Domestic Relations bill).

<sup>135</sup> CEDAW country status report

## Evaluation Question 8

**To what extent has EC support enhanced NSAs' capacity and thereby contributed to their increased involvement in policy dialogue, demanding for accountability, monitoring and participating in the delivery of services?**

**JC 8. The Negotiation, advocacy and mobilization capacity of NSAs has improved significantly**

**I 8.1.1: CSO participation in policy formulation and review processes**

CSOs' engagement with government and participation in policy formulation and review processes in Uganda has improved significantly. This is evident by their representation in all key sector working groups and active contribution to major policies including the *Poverty Eradication Action Plan (PEAP)/ 2003/4*, the *Plan for Modernisation of Agriculture (PMA)*, the *Uganda Participatory Poverty Assessment Process (UPPAP)*, the *Internally Displaced People's (IDP)* in addition to specific sectoral policies<sup>136</sup>. More recently, CSOs under the auspices of the NGO Forum and with EC support, have been mobilised and have made substantive contributions to the PEAP revision and on-going formulation of the National Development Plan.

As a result of improved social analysis and mobilisation skills, CSOs' participation has been instrumental in raising the salient issues affecting the vulnerable sections of society and have thus made the policies progressively cognisant and responsive to the needs, rights and entitlements of these groups<sup>137</sup>. For example CS participation in the PPAs resulted in a broader and more disaggregated analysis of poverty; inclusion of various dimensions of vulnerability; and the revision of the PEAP (2003/4) to include a pillar on *Security and Conflict resolution*.

The establishment of national and regional monitoring mechanisms<sup>138</sup> including the National Integrated Monitoring Strategy (NIMES) and the African Peer Review Mechanism (APRM) commission have also created opportunities for CSOs' participation in reviewing government's performance viz its policy commitments. Examples of such opportunities include the recent Assessment of PEAP implementation Review (APIR) process; and the Country Self Assessment Review (CSAR). Previous efforts include the CSO-led MDG campaign<sup>139</sup> (2005). The findings of these processes have been published and widely circulated and are expected to inform policy reviews as well as establish benchmarks against which government's performance will be measured.

In addition to policies, Human Rights CSO networks at the national level and the media have also been instrumental in lobbying for a range of reforms in relation to anti-corruption, gender equality; labour relations, NGO policy, electoral reforms, anti-terrorism, conflict resolution etc. CSOs and the media<sup>140</sup> have also been active in civic education<sup>141</sup> and especially with regards to Civil, Political, women's' rights awareness; social justice, accountability and democratic governance. The CSO coalition that undertook a critique of all Presidential Manifestos under the *Minimum Agenda* framework ahead of the 2006 elections is indicative of a maturing civil society that is increasingly

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<sup>136</sup> Education Sector Investment Plan (ESIP); Health Sector Strategic Plan (HSSP),

<sup>137</sup> Pg 25, NGO Forum: Uganda Governance Monitoring Programme, Final Report 2005

<sup>138</sup> CSOs are represented on National M & E working group and the APRM National Commission

<sup>139</sup> 39 CSOs engaged in monitoring the country's compliance and progress with regard to attaining the Millennium Development Goals (MDGs) and in June 2005 produced a comprehensive assessment of the prospects and challenges of attaining the MDG targets in Uganda in a report titled; "A Long Way to go".

<sup>140</sup> Deepening Democracy Programme: National Civic Education Programme Component Document

<sup>141</sup> CSOs engaged in National Civic Education Programme under DENIVA (CSOs were engaged in the delivery of the community-based civic empowerment component in 40 districts of the country). And under the DEM Group - 5 CSOs engaged in election monitoring.

appreciative of its role to represent and articulate the aspirations of ordinary Ugandans in policies that will ultimately impact their well being and livelihoods.

Successes notwithstanding, CSOs including the media in Uganda continue to exhibit a number of weaknesses and experience challenges on various fronts. For example, while significant progress has been made towards institutionalization of participatory processes, the policy spaces remain fairly 'constrained'<sup>142</sup> i.e. policy agenda is determined by government, CSOs are mostly consulted and have little opportunity to substantively influence policy directions or propose alternative frameworks particularly in relation to broader policy issues on the economy, trade, investment, foreign/ donor relations, governance etc.

Furthermore, only a few CSOs and mainly the national CSO networks are able to access these policy processes<sup>143</sup>. The situation at the districts is not as positive where CS-LG relationship is marred with antagonism and where resources, skills and knowledge on policy processes are lacking<sup>144</sup>. A number of capacity building initiatives supported by different development partners (DFID, EU, Ireland Aid, Danida, Netherlands, USAID) have risen up to address this challenge and while their full impact is not yet known, it is plausible that the quality of engagement and the number of CSOs engaged in policy matters will continue to improve. For example some of the beneficiary CSOs under the EC funded CSCBP have conducted successful advocacy campaigns on issues directly affecting their communities, which efforts have resulted into the passing of the necessary bye-laws and/or administrative reforms by the Local Governments<sup>145</sup>.

### **8.1.2 Level of involvement of CSOs and rural communities in PPAs, participatory planning and resource monitoring**

There have been efforts to bring CSOs and local communities perspectives into the policy process through participatory policy research including the PPA 2 in 2002. At a more operational level, efforts to deepen decentralisation processes and increase downward accountability and civic participation in planning have included implementation of the Harmonised Participatory Planning Guidelines and the Community Dialogue (CD) approach mainly supported by the EU and WB respectively. Related capacity building programmes<sup>146</sup> targeting District Networks have increased CSOs ability to mobilise, articulate and represent community priority needs at the district level. Civic participation in planning processes has however been slowed down by the absence of formal participatory planning mechanisms and CSOs are taking the lead in their establishment. This co-operation has in some districts improved relations with local governments and a number of CSOs have signed MOUs with the LGs.<sup>147</sup>

There is incremental CSO engagement and particularly the regional/district anti-corruption groups in promoting social accountability mechanisms<sup>148</sup> and particularly resource monitoring. Different development partners<sup>149</sup> have supported training programmes and the development of tools to support resource monitoring. Some examples include: the Poverty Resource Monitoring Tool (PRMT) developed by CSOs under EU support<sup>150</sup> that has been successfully utilised by communities and anti-corruption coalitions in the districts of Kabarole, Kasese, Bundibugyo and Pallisa to track public expenditure and pursue incidents of corruption in service delivery<sup>151</sup>.

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<sup>142</sup> NGO Forum/ DENIVA – CSO Reports

<sup>143</sup> CSOs put up spirited campaigns against the EPAs and GoU's handling of the conflicts in Northern and Karamoja, but with little success.

<sup>144</sup> CDRN: Evaluation of CDRN support to District CSO Networks

<sup>145</sup> FPE for the EU CSCBP, 2008

<sup>146</sup> DFID, Ireland AID, EU, MS Uganda and Danida have supported programmes aimed at increasing CSOs engagement with local governance processes.

<sup>147</sup> Final Programme Evaluation (FPE), EU CSO Capacity Building Programme, 2008

<sup>148</sup> Community Based Monitoring & Evaluation Systems (CBMES) by UDN; Ecumenical Joint Action Committees (EJACs) & Citizens Forums by UJCC; Voluntary Accountability Committees (VACs) by Transparency International (TI)

<sup>149</sup> HUGGO Danida, EU HRGP,

<sup>150</sup> Kasese District Development Network KADDNET, Bundibugyo District Network, Kagumu Development Organisation

<sup>151</sup> Report of the Organisational Capacity Assessment of Anti Corruption CSOs, HUGGO Danida, 2005

Efforts have mainly focused on monitoring PAF funds and particularly the School Facilitation Grant and construction of rural road. The Uganda Debt Network (UDN) – (a CSO actively engaged in monitoring budgetary expenditure) has thus established poverty action fund monitoring committees in approx 25 % of the districts, whose findings are channelled to the Poverty Monitoring Unit (PMU) of the Ministry of Finance, Planning and Economic Development (MFPED). Whereas these are indicative of the effort in strengthening the *demand side* for accountability, more time and resources are required to consolidate the progress so far realised.

With the exception of a few, the challenge for most CSOs engaged in resource monitoring has been their relatively small initiatives (target only a few sub/counties) and inability to sustain these interventions and particularly the community based monitors. CSO efforts have also been undermined by a weak institutional environment for accountability at the local level. For example, communities are often unable to effect legal sanctions against corrupt public servants on account of limited access to information, weak investigative machinery (Police CID) and absence of legal protection for whistle blowers etc. The issue of a restrictive regulatory framework is also a limiting factor.

Different strategies led by the Anti Corruption Coalition and Inter-Agency Forum as well as MoLG are under way to strengthen the fight against corruption at the district level and include<sup>152</sup>: strengthening CSO anti- corruption competencies; strengthening the referral system and linkages with regional government anti-graft agencies (IGG's regional offices; training CSOs as procurement monitors; and establishment of joint CSO/LG PAF monitoring teams and Public Private Partnerships to broaden the coalition against corruption. These formal mechanisms are however only part of the answer and the challenge for CSOs and LGS is to build a culture of transparency & accountability and a meaningful partnership based on shared values.

## **JC 8.2 CSOs are more accountable and transparent in their operations**

### **I 8.2.1 Apex organisations and networks are more accountable and representative,**

The proliferation of CSOs and CSO networks<sup>153</sup> within a period of 7 years and with divergent objectives has raised questions and concerns on their credibility and legitimacy. Efforts to improve accountability between NGOs and their membership have included the development of mechanisms to regulate CSO operations and conduct.

A self-regulating instrument, the NGO Quality Assurance Mechanism (QuAM) was developed by the national NGO networks and launched in 2006; and is expected to promote adherence by NGOs to generally acceptable ethical standards and operational norms. The QuAM sets principles and 59 standards of behaviour for responsible practice, and aims at protecting the credibility and integrity of certified NGOs and their networks in Uganda. With the support of the EC under the CSCBP, additional standards for network organisations were developed and include the necessary conditions for representation of members, information sharing, co-ordination and capacity building of members.

Adoption of the QuAM is voluntary but it is anticipated that with time, it will represent a mark of distinction that many CSOs will aspire for. The prospective of NGO self regulation is important and can in the future provide a positive contribution to the perception and functioning of the sector. It is also anticipated that the QuAM will counteract the argument for state legislation to protect the public from brief case NGOs<sup>154</sup>.

### **I 8.2.2: Improved Co-ordination and Networking amongst NGOs**

The existence of mechanisms through which CSOs can dialogue with government entities has increased CSOs opportunities' to represent grass-root interests at district and national level.

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<sup>152</sup> Strategy for the establishment of regional anti-corruption coalitions, MS Uganda, 2006

<sup>153</sup> A 20056 study showed that Networks exist in about 80% of the districts

<sup>154</sup> Final Report of the EU Civil Society Capacity Building Programme, 2008

Utilisation of the available spaces has not always been effective due to among others, institutional weaknesses of the CSOs including the lack of proper co-ordination, competition and lack of preparedness for emerging challenges e.g. the changing environment as a result of changes in the donor architecture, the regulatory framework, political framework (multi-party dispensation), media laws etc.

National and district networks (many of whom were less than 3 years old) have benefited from capacity building programmes (mainly supported by Danida and the EU in partnership with DFID) that have contributed to the development of their institutional capacities (according to a baseline survey) and hence improved ability to mobilize, serve and represent their constituencies. The sustenance and effective engagement of some of the District Networks however remains a challenge, particularly in terms of their value-addition, funding and sustainability.

Efforts to address some of these challenges include on-going measures to strengthen the platform for engagement and rationalize the sector. Still under the CSCBP, the EC has supported 'platforms' for CS reflection, introspection, strategizing and co-ordination. These efforts have resulted into the re-organisation of the NGO Forum and a renewed mandate as the overall NGO co-ordinating body. Its visibility and capacity to mobilize other actors along thematic lines is already evident in the on-going formulation of the NDP.

### **JC 8.3 NSAs capacity to ensure involvement in implementation of national service delivery has improved, although many challenges remain.**

#### **I 8.3.1 Development of a National Regulation Framework to facilitate CSO-government relations and CSO involvement in development processes**

There have been considerable strides in promoting the relationship between the GOU and CSOs in line with partnership principles contained in many co-operation agreements and other critical policy framework e.g. the PEAP, UJAS and APIR. At the national level and but also local government levels, spaces have been created for consultation and CSO participation in the monitoring and implementation of government programmes (8.1.1) and are well appreciated by all stakeholders<sup>155</sup>.

Starting in 2007, CSOs have sought for the strengthening of interface between Parliament and Civil Society to increase access to the legislative process. Initial modalities of establishing a Civil Society/Parliamentary Forum were supported by the EC CSCBP. However operationalisation of the Forum is still pending and is being considered for inclusion under the EU Human Rights and Good Governance, Parliamentary Governance component<sup>156</sup>.

Despite collaboration at various levels, government's attitude towards CSOs is fairly ambivalent as evident by the regulatory framework in place. The NGO Amendment Act was passed in 2006. CSOs and donor efforts to engage government in dialogue on the issue and present an alternative NGO bill for a period of five years did not yield much. The Act seeks to exert greater control over the registration of NGOs, including denial where CSO operations are not perceived to be in line with 'public interests'. Furthermore CSOs have been denied representation on the NGO registration board. The new law presents challenges for CSOs' ability to perform their 'watchdog' role and particularly their ability to push government on issues of accountability and democratic governance and its immediate impact has been a certain level of self-censorship by many CSOs and preference for apolitical and non-confrontational areas.

In response, the EC has supported dialogue between the CSOs and the Ministry of Internal Affairs (the responsible government agencies) on the issue of the NGO Act, its Regulations and the NGO policy. A draft NGO policy that takes into consideration some of the CSO inputs (but also includes unilateral positions by GoU) has since been developed. If passed, it is anticipated that parts of the policy might open options for contesting the NGO legislation as well as offer space for amending the policy itself. The CSOs are also pursuing legal options under the Constitutional Court to challenge the Act.

<sup>155</sup> NGO Forum, Uganda Governance Monitoring Programme, Final Report 2005

<sup>156</sup> Pg 125, Final Report EC CSCBP, 2008

### **I 8.3.2 Representation of NSAs on aid co-ordination committees**

A Civil Society Steering Committee (CSSC), a coalition of network representations of CSOs in Uganda was established, following the signing of the Agreement for the Civil Society Capacity Building Programme under the European Union Africa Caribbean & Pacific countries Cotonou agreement in February 2004. The existence of this structure has enabled a more co-ordinated formulation of CS interests when discussing policy matters and development co-operation with government and the EU.

The CSSC provided a structured forum for civil society consultation in the context of the 9th EDF Civil Society Capacity Building Programme; and contributions to other EC programmes (Support to Decentralisation, Human Rights and Northern Uganda Rehabilitation Programmes) (JAR 2006). CSOs through this framework have also contributed inputs to the 10th EDF Country Strategy Paper and the EU Strategy for Africa, some of which have been adopted in the 10th EDF programme.

Through its CSBCP representative on the Civil Society Development Partners Group, the EC advocated for more regular involvement of CSOs in this forum. The Forum has facilitated CSO-donor dialogue on pertinent governance issues<sup>157</sup> and issues affecting the sector. Donor responses to the CS issues have however not always met the latter's expectations. There is a growing perception<sup>158</sup> among CSOs that the changing donor architecture<sup>159</sup> (establishment of donor groups) has inadvertently reduced the level of affinity between CSOs and donors and that dialogue is peripheral.

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<sup>157</sup> Civic education, Human Rights, NGO Legislation

<sup>158</sup> Interview with some members of the CSSC

<sup>159</sup> Attributed to the Paris Principles

## Evaluation Question 9:

### To what extent has EC support contributed to regional integration?

#### Justification and coverage of the EQ

Regional integration constitutes an important mechanism for EC's cooperation with the developing countries in order to enable these to benefit from a wider cooperation within their respective regions. In the case of Uganda, the regions are EAC and ESA-IO. EAC is part of ESA-IO. The success of regional integration is intended to contribute significantly to the region's and its Member States' economic growth and social development – which in turn are anticipated to lead to poverty reduction. Being a landlocked country, Uganda will in particular benefit from regional integration.

The question will cover: GoU's and national NSAs' interventions to promote regional integration; an assessment of the Uganda 9<sup>th</sup> EDF focal sectors' contribution to regional integration; the ESA-IO RIOs capacity to sustain regional integration; and the likely outcome of the EPAs for the region. The question will also address the neighbouring countries' efforts to promote cross-border trade and movement of people as these have important implications for Uganda. The 9<sup>th</sup> EDF's focal sectors have all regional integration included in their overall objective.

#### JC 9.1: EC support has contributed positively to promote GoU's regional integration agenda.

##### I.9.1.1: EC supported the GoU to define the path towards enhanced regional integration

In the case of Uganda, the regions are EAC (East African Community, created in 2000) and ESA-IO (Eastern and Southern Africa – Indian Ocean) through its membership to COMESA. EAC is also part of ESA-IO.

EAC key targets for regional integration are:

- Expansion of the EAC Customs Union (CU) to include a larger number of ESA-IO member states;
- NTB removal policy harmonisation;
- A further reduction of tariff duties by Uganda (and Tanzania) for imports from Kenya;
- Reduction of the transport cost component for Uganda's exports and imports.

Co-operation in Transport and Communications within EAC (Article 89<sup>160</sup>) implies that Partner States shall undertake to:

- evolve coordinated, harmonised and complimentary transport and communications policies;
- improve and expand the existing links; and
- establish new ones as a means of furthering the physical cohesion of the countries, so as to promote the movement of traffic within the Community.

Being a landlocked country, Uganda benefits from regional integration through a cheaper and quicker access to the sea through Kenya. Goods transit times from Mombasa or Dar-es-Salaam to Uganda are in the range of one week at best but can reach several weeks, even without considering the dwell times in the ports, which averages two weeks.

Transport costs are estimated at about 35% of the value of exports for Uganda. *“The excessive transport costs and transit delays are mainly caused by inadequate infrastructure, poor management of railway systems, en route non tariff barriers, bureaucratic procedures especially in Ports and at regional borders, ineffective corridor coordination mechanisms and non harmonized*

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<sup>160</sup> East African Community, Overview of Regional Road Infrastructure Projects, 2008

*regulations*<sup>161</sup>". Major issues for improvement are IT developments, Ports' management, axle load controls, one-stop border crossings, and inter-modal platforms.

The recent creation of a Ministry of East African Community Affairs is a clear move to incorporate regional integration in national development plans and programmes. This happened after the reporting period.

The regional integration agenda is stated in the National Trade Sector Development Plan. The EC support to the regional integration agenda through the consecutive EDF RSPs/RIPs is a substantial contribution to the RECs and their Member States in pursuing regional integration. The 9<sup>th</sup> EDF for Uganda has regional integration included in the overall objective in the CSP/NIP.

### **Regional infrastructure development**

As a transit country, it might gain some indirect and limited benefits through drivers' and passengers' expenditures.

The regional integration agenda does not appear to have a high priority in the national plans and programmes. The transport infrastructure development and maintenance is particular in prioritising the NCR, which have indeed significant regional implications and contribute to regional integration. This priority is strongly driven by DPs' strategies, whether the EC with the NCR or the WB with the opening of a corridor towards South Sudan. However, at EAC level, it can be stated that there is "*no co-ordinated programme between the Partner States and the Secretariat on the development of pipeline road projects for trans-national support*"<sup>162</sup>.

### **Trade policy review**

On the trade issues, in March 2004, the EAC member states signed a Customs Union (CU) Protocol to speed up regional trade integration and closer regional cooperation.

Since January 2005, the EAC common external tariff (CET) has been Uganda's main trade policy instrument. The move from Uganda's national tariff to the EAC CET resulted in an overall increase in average import duties, despite the abolition of the import licence commission of 2%.

To implement the CU, the EAC needs to establish a joint customs administration. To-date, this has not materialised. One-stop crossing borders have increased in number, but are far from being generalized.

*"Co-operation in infrastructure and services is articulated in Chapter fifteen of the Treaty for the establishment of the EAC. Article 89 in particular outlines the areas of co-operation in Transport and Communications. It states that Partner States shall undertake to evolve coordinated, harmonised and complimentary transport and communications policies; improve and expand the existing links; and establish new ones as a means of furthering the physical cohesion of the countries, so as to promote the movement of traffic within the Community.*

*To achieve these goals, the Partner States shall take steps to among others; harmonise their standards, regulations and practices, develop and integrate roads, railways, airports and ports within their territories, provide security and protection to transport systems and exchange information and technological developments in transport and communications. Roads and road transport are covered by Article 90 while Railways, Civil Aviation, Maritime Transport, Inland Waterways Transport and Multimodal Transport are covered by Articles 91 – 95. Co-operation in Postal Services and Telecommunications is presented in Articles 98 and 99".*

### **I 9.1.2: EC contribution to policy dialogue didn't succeed to convince the GoU to allocate adequate financial resources to promote regional integration**

The fact that Uganda is member of EAC, COMESA and IGAD and shoulders the costs associated with these memberships demonstrates its commitment to regional integration.

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<sup>161</sup> Initiatives To Facilitate Regional Trade And Transport, MoWT, October 2005.

<sup>162</sup> EAC, Overview of Regional Road Infrastructure Projects, 2008

Uganda's perspective for regional integration appears mainly related to security and trade issues, the latter relating mainly to reducing tariff barriers, at the cost of reduced customs revenues.

Transport regional infrastructure improvement in Ugandan territory is only funded by DPs. Those improvements are significant but leave considerable room for further efforts on national resources, which have not been allocated to date. On customs issues too, most of the resources allocated for harmonising procedures and facilitating trade are brought by DPs.

### **I 9.1.3: The EC support contributed to develop GoU capacity to promote and sustain regional integration**

Uganda promotes regional integration through its active participation in EAC, COMESA, and IGAD summits and coordination meetings, where high-level policy and strategy discussions take place.

Institutional capacities were mainly concentrated in the MFPED, which takes a significant share in promoting regional integration by negotiating agreements and their implementing modalities. A dedicated ministry, the Ministry of East African Community Affairs, was recently created to support the integration process.

However, sustaining regional integration would eventually be the task of line ministries, particularly the Ministry of Trade and the Ministry of Works, which have not benefited from much support to develop a related capacity. The EC contribution with NIP bilateral resources is rightly focused on capacity development with the Ministry of Trade. On infrastructure management, regional integration is properly encompassed in the transport policy, and UNRA will have the capacity for sustaining regional infrastructure (providing that the road fund is established).

### **JC 9.2: The intermediate impacts of regional significance stemming from the focal sectors of the Uganda 9<sup>th</sup> EDF have materialised or are likely to materialise.**

The GoU is participating to the following regional projects related to trade and transport:

- The East African Trade and Transport Facilitation Project (WB financed)
- The East African Road Network Project
- The Railway and Air Transport Initiatives.

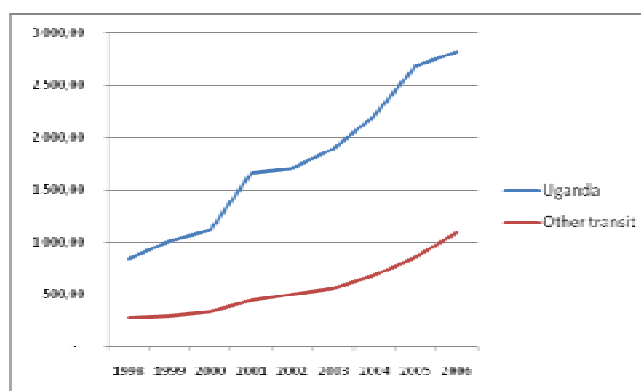
### **I 9.2.1: The Ugandan section of the Northern Corridor Route rehabilitated by the EC constitutes an important regional transport link.**

The main contributions to regional integration from EC's support under the 9<sup>th</sup> EDF are the rehabilitation and maintenance works on the Northern Corridor Route, which is essential for both national and regional transport. Transport costs in the East African region are estimated at about 35% of the value of exports for Uganda, an high ratio linked to its landlockedness (in developed countries, this ratio is around 5%).

Transport volumes have increased substantially over the 2002-2007, amongst other caused by a sharp increase of export to southern Sudan and northeast of DRC.

Ugandan transit traffic at Mombassa port (mainly imports) is increasing steadily from 0.8 in 1998 to 2.8 million tons on 2006. In 2008, 3.7 million tons are reported. Benefits from the NCR for other countries are of less significance.

Figure 9: Development of Ugandan transit traffic at Mombassa Port 1998-2006 (in tonnes)



Source: KPA (Kenyan Port Authorities).

DPs do not have hard evidence on the effective contribution of the NCR improvement on those changes in trade patterns. A study is to be committed (by the WB) at regional level in 2009 to set-up an indicators set.

The effective rate of protection arising from transportation costs reduced slightly from 30% in 1994 to 25% in the early 2000s.

The EAC Council of Ministers has adopted plans of action, which encompass modernisation, extension and development of the railways and road networks, lake transport on Lake Victoria and Lake Tanganyika, ports and harbours, civil aviation, telecommunications, and energy. EAC and COMESA focus on main transport corridors, including the Mombassa-Nairobi-Kampala-Kigali-Bujumbura transport corridor, i.e. the Northern Corridor Route.

There has been little progress during the reference period in integrating inter-modal transport at national and regional levels. Road transport continues to carry the vast majority of land transport of passengers and freight. In the region rail transport would offer a viable alternative due to the long haulage distances. EC contributed (for € 10 million) in tracks rehabilitation, and the WB in operationalising the concession (lay-offs). However, modal splits have not materialised yet.

Huge investments with commensurate improvements in operational management combined with application of revised sector policies will be needed to enhance such modal splits.<sup>163</sup> Uganda's National Transport Master Plan (NTMP) addresses such modal splits, but the Plan has not yet been adopted.

### **1 9.2.2: EC support contributed to coordinated management at the regional level results in sustainable use and protection of natural resources**

The development of common strategies and tools for strengthening regional management of trans-boundary resources such as watersheds, grazing lands, wildlife, tropical forests, and coastal areas are a prerequisite for reverting widely acknowledged overuse and misuses of natural resources and biodiversity.

Uganda is a member of two regional initiatives that clearly have natural resources as a focal concern: the Lake Victoria fisheries organizations and the trans-border Virunga Park. The latter is focused on the conservation of biodiversity and is 'in the making'.

#### **The Lake Victoria Fisheries project**

The objective of the project is to contribute to sustainable economic growth, resource use and development in the Lake Victoria basin by assisting Uganda, Kenya and Tanzania to implement fisheries management measures in line with the fisheries management plan and Lake Victoria Fisheries Organisation (LVFO, associated with EAC) strategic vision 1999-2015. Regional funding

<sup>163</sup> Final Report: Evaluation of the Commission's Support to the Region of Eastern and Southern Africa and the Indian Ocean, November 2008, page 35.

was mobilized between 2003-2008 (8 ACP ROR 029, Implementation Of A Fisheries Management Plan For Lake Victoria) for an allocated amount of €29,9 million.

LVFO is implementing fisheries co-management on Lake Victoria, by legally empowering fisheries communities to become equal and active partners with Government in fisheries management and development. LVFO is guiding, supporting and implementing the building of the capacity of communities to participate in management and is making a real difference to their lives.

The EC regional technical assistance provided:

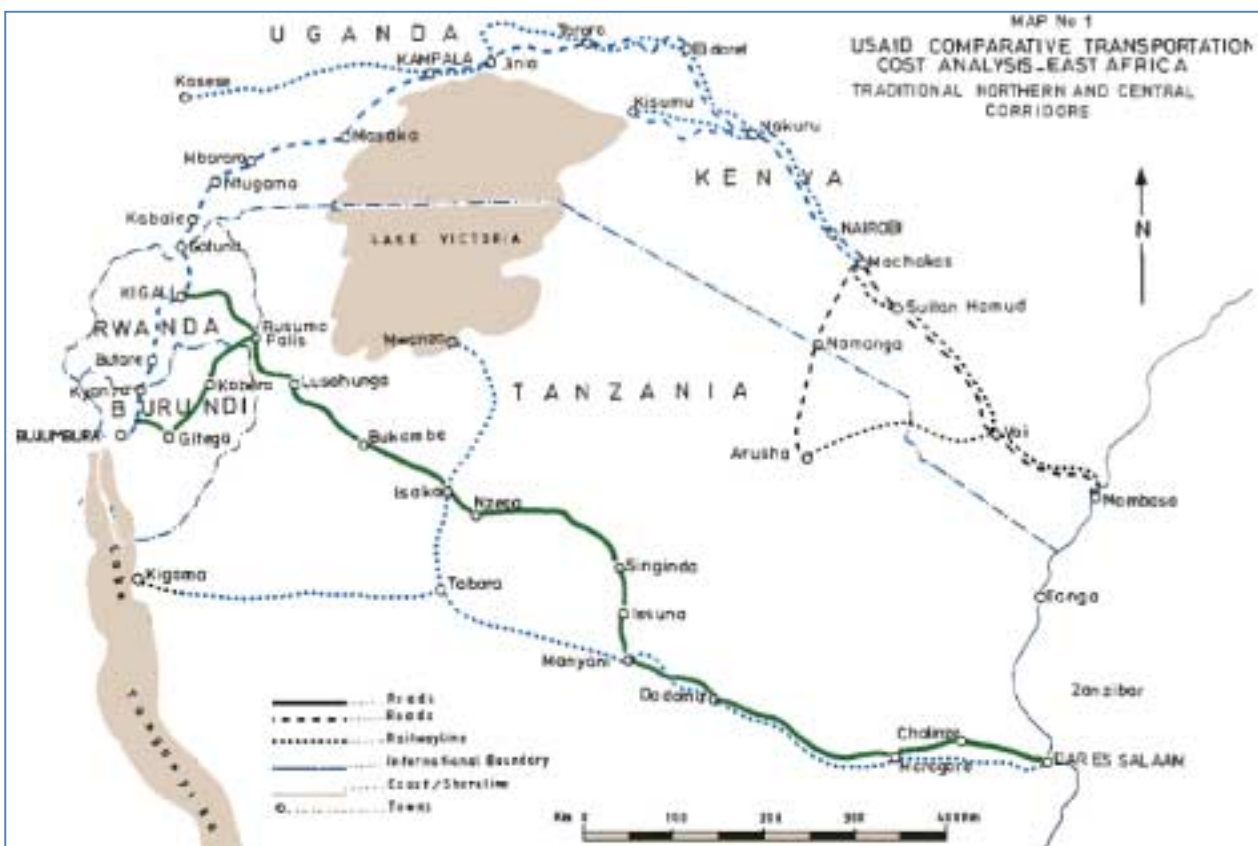
- Support for setting up sustainable monitoring, control and surveillance systems as well as resource and socio-economic monitoring systems;
- Strengthen the ability of communities to co-manage the fisheries;
- Improve the fisheries infrastructure including social infrastructure; and
- Strengthen the LVFO Secretariat as a coordinating centre of Lake Victoria fisheries information and database.

Several procurement and contractual issues delayed the results achievement.

In addition, during the period under review, EC has allocated national and regional resources—from NIP and RIP—to fund projects that have a regional scope: network highland forestry initiatives and conduct agricultural research, which has a natural resources focus too.

For Uganda though, membership of such organisations is a strong signal that, when it comes to the management of natural resources, it takes long-term sustainability seriously; and it does so in joint co-operation with neighbouring countries.

Figure 10: EAC main regional corridors



- Corridor No. 1 - Mombasa – Malaba – Katuna (linking Kenya with Uganda and Rwanda)
- Corridor No. 2 - Dar es Salaam – Mutukula - Masaka (linking Tanzania with Uganda, Rwanda and Burundi)
- Corridor No. 3 - Biharamulo – Lockichogio (linking Tanzania with Kenya, Sudan and Uganda)
- Corridor No. 4 - Tunduma – Nyakanazi (linking Tanzania to Burundi and Rwanda)
- Corridor No. 5 - Tunduma – Namanga – Moyale (linking Tanzania with Kenya and Ethiopia and part of the great North Road)

## Regional aspects of the Agricultural and Rural Development Sector:

Preliminary desk research has indicated that a number of projects and programmes, implemented between 2001 and 2007, had a regional outreach. They address issues related to agricultural research, farming, control of livestock diseases and fisheries.

**Table 56: Uganda based agro sector projects, EC-funded, with regional outreach**

Sub-sector	Period	Title	Budget €
Agricultural research			
8 ACP ROR 14	2000-2007	Support to agricultural research in East Africa	29.335.000,00
Forestry			
7 ACP UG 59	1995-2003	Agro forestry networking in East Africa's highlands	1.010.854,84
Livestock and Farming			
7 ACP UG 63	1996-2004	Farming in tsetse controlled areas of East Africa	1.600.000,00
8 ACP ROC 9	1999-2004	Pan-African programme for epizootics control	2.658.630,00
Fisheries			
8 ACP ROR 29	2003-2008	Fisheries management plan for Lake Victoria	29.900.000,00

Although targeting Ugandan beneficiaries, or funded from resources coming from Uganda's 7th and 8th NIP, the reason the programmes have a regional outreach is because it is felt that, to address the issues that they do, they will achieve better results if implemented at a regional level - by so doing it is their effectiveness that will be enhanced. Thus, they are not implemented to promote regional integration specifically, although they might contribute to the goals of a regional integration. In many cases, these 'regional projects' have long been promoted by the EC and, not infrequently, were kept alive through a variety of complex funding agreements that provided finance from a variety of different EC aid instruments.

### JC 9.3: The ESA-IO RIOs have the capacity to promote regional integration and sustain its benefits.

#### I 9.3.1: The ESA-IO CUs are harmonised and expanded to include a majority of the ESA-IO countries

The Second Extra-Ordinary Meeting of the COMESA Council of Ministers met in Nairobi on 15 May 2008 to discuss the launch of the Customs Union. The Meeting reaffirmed - in line with the declaration on the launch of the Customs Union by Heads of State and Government in Nairobi in May 2007 – the need for the completion of the minimum requirements for launching the Customs Union. The Meeting noted that the Customs Union is a major milestone in deepening the COMESA integration process and reaffirmed the principle of preserving market access in the Customs Union for countries in the Free Trade Area (FTA), which may not participate in the Customs Union. The following requirements were reiterated that Member States shall fulfil:

- Submit their National Tariff Schedules and transitional period for aligning with the agreed CET/CTN;
- Complete the identification of the Sensitive Products List to be accorded differentiated treatment under the CET;
- Adopt the Customs Management Regulations for managing custom systems and procedures;
- Adopt the legislation in preparation of the launch Customs Union.

The EAC Customs Union was established in 2005. The Republic of Rwanda and the Republic of Burundi acceded the EAC Treaty in June 2007 and became full Members of the Community with effect from 1 July 2007. EAC is working towards the establishment of a Common Market in by

2010, subsequently a Monetary Union by 2012, and ultimately a Political Federation of the East African States.

Having formed the CU in 2005, EAC is now working on the prerequisites for a Common Market. Trade tariffs within the EAC have been reduced, yet the level of trade protection outside of the union remains significant.

Having signed the EPA Framework, the EAC is seeking a Contribution Agreement status – and possibly its own RIP in the 10<sup>th</sup> EDF, as EAC believes that the ensuing increased control and flexibility would facilitate a process towards a common market. The EAC EPA inevitably discourages non-EAC COMESA members from the COMESA CU in that it might lead to major trade deflection. The alternative for the LDCs is the EBA. The IOC countries are interested in their RIP – and possibly EPA.<sup>164</sup>

At present all but three of the COMESA states belong to more than one regional trade block. Unless some rationalisation takes place, once the COMESA Free Trade Area (FTA) graduates to a CU, Kenya, Rwanda and Burundi will become members of two customs unions, EAC and COMESA. The same may, by then, also apply to Uganda. Tanzania might be a member of both a SADC and an EAC CU. Being a member of more than one CU is not feasible, unless these customs unions' Common External Tariffs (CETs), customs regulations, management systems and valuation systems and rules of origin, among other provisions, are identical.

All RIOs recognise the need for coordination and harmonisation of trade policies and programmes. The RIOs involved – including SADC – established a Task Force in 2001 and initiated discussions to overcome inconsistent trade arrangements and address the problem of overlapping membership in various regional trading groups and to assist with the coordination of programmes between COMESA and SADC. The aim is to preserve existing inter-group preferences and at the same time meet WTO requirements. If the EAC CU and forthcoming COMESA CU were to agree a common CTN/CET and become one – aided by the fact that EAC rules of origin are largely similar to COMESA rules of origin - a number of problems arising from overlapping regional arrangements would be resolved, but this would not resolve the issue of Tanzania's membership of SADC. The Task Force was restructured in 2004 to enable it to tackle issues at the technical, strategic and policy levels. In 2006, the Task Force was expanded to include EAC.

### **I 9.3.2: Trade barriers were reduced but stay high; EC supported increased awareness on non-tariff barriers was too recent to induce actions**

Uganda is now characterized by a relatively more liberal trade regime after rationalizing the tariff structure and reducing the maximum tariff rate from 60% to 15%. The average nominal rate of protection due to applied tariff rates fell from 22% in 1994 to about 10% in 2001 with corresponding average effective rates of protection of 35% in 1994 and 18% in 2001.

However, with a 2007 Market Access TTRI (including preferential rates) score of 7 percent, Uganda ranks 114th (out of 125 countries), indicating that its exports face higher barriers than the SSA region (5.4 percent) and low-income countries (6.3 percent). Its exports face significant NTBs as reflected by its Market Access Overall Trade Restrictiveness Index (OTRI) of 32.7 percent, compared to 15.7 percent in SSA or 18.03 percent in low-income countries.

Of the TTF issues outside of Uganda, the most important one is congestion at Mombasa Port, which handles 95 percent of Uganda's external trade traffic. Customs bonds add a substantial 4 percent to the costs of export and import commodities transiting through Kenya. The poor performance of rail transport in Kenya necessitates intensive use of higher cost road services.

Non-transport trade facilitation issues – currently being addressed – to enhance regional economic integration are:

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<sup>164</sup> Final Report: Evaluation of the Commission's Support to the Region of Eastern and Southern Africa and the Indian Ocean, November 2008, page 29.

- Harmonised regional trading standards and sanitary and phytosanitary provisions
- African Trade Insurance scheme
- Cross-border payments and settlement system
- e-commerce
- Customs bond guarantees
- Regional competition policy
- Public procurement policy

Progress in implementing the regional trade agenda was made from 2000 onwards. However, there is still a large agenda to complete, including: harmonisation of trade and tax policies; harmonisation of customs procedures; and legislation, design and implementation of investment policies.

TRADE POLICY			Contribution to WTO budget (% 2008)	
WTO accession date	1 January 1995		Import duties collected (% 2004-2006)	0.01%
Trade Policy Review date	20-27 October 2006		in total tax revenue	27.8
Tariffs and duty free imports			to total imports	17.5
anti-dumping coverage (%)	10.8		Number of notifications to WTO and measures in force	
MFN tariffs	Enforced	Applied 2007	Consulting notifications in WTO Central Registry	18
Simple average of import duties			Goods RTAs - services EAs notified to WTO	2/0
All goods	73.4	12.8	Anti-dumping (30 June 2007)	
Agricultural goods (AOA)	77.7	18.8	Countervailing duties (30 June 2007)	
Non-agricultural goods	58.3	1.2	Safeguards (24 October 2007)	0
Non-ad valorem duties (% dollar/line)	8.1	0.2	Number of disputes (complainant - defendant)	
MFN duty free imports (% 2006)			Requests for consultation	0 - 0
in agricultural goods (AOA)	38.8		Original panel / Appellate Body (AB) reports	0 - 0
in non-agricultural goods	57.5		Compliance panel / AB reports (Article 31.5 DSU)	0 - 0
Services sectors with GATS commitments	5		Arbitration awards (Article 23.6 DSU)	0 - 0

Source: WTO, Trade profiles, 2008, p.173

Other NTBs, more closely related to transit patterns on the ground started to be taken in consideration in 2004-2005: trucks convoys, police and administrative controls, weighbridges, congestion linked to restrictive opening hours, etc; COMESA and EAC see the need to address the issue of those NTBs. They are now working on a NTB monitoring mechanism with the intent of eliminating them. No much was done in this regard during the reporting period.

#### JC 9.4: Trade and development cooperation between EU and the ESA-IO RIOs/ member states develop positively

EPA negotiations were launched in 2002 at All-ACP/EC level, which was concluded in 2003 after which there was a shift to regional level negotiations with a view to ensuring that regional peculiarities are addressed.

##### I 9.4.1: A comprehensive EPA was still be concluded, at the end of the evaluation period, encompassing a majority of the ESA-IO member states

In 2004, Uganda launched negotiations with the EC under the Eastern and Southern Africa (ESA) configuration. Negotiations focused on different areas, notably: Market Access, Economic and Development Cooperation, Fisheries, Agriculture, Trade Related Issues such as Competition Policy, Investment and Intellectual Property Rights, and Trade in Services.

As negotiations progressed, especially on Market Access, it became apparent that EAC Partner States could not conclude EPAs in two different configurations without destroying the Customs Union. With the 2007 accession of Rwanda and Burundi to the EAC, four of the EAC Partner States were negotiating under ESA and one under SADC. In August 2007, the Summit of Heads of State decided that EAC concludes an EPA with the EC as a bloc.

The time remaining to the expiry of the Cotonou trade preferences being inadequate to allow proper negotiations, an Interim Framework Agreement covering at least Market Access was established for avoiding the disruption of the flow of exports to the EC after 31st December 2007. The EC offer consists of duty free and quota free access to imports from the EAC Partner States except for rice and sugar for which a transitional arrangement has been put in place.

Negotiations are continuing towards a comprehensive EPA covering trade facilitation, agriculture, trade in services, and technical barriers to trade<sup>165</sup>. In March 2008, EAC-EC met at Permanent Secretary/Senior Officials level. It was agreed that negotiations would take place at technical, Permanent Secretaries/Senior Officials, and Ministerial levels. The EAC and EC further adopted a broad road map to enable them conclude negotiations of the Comprehensive EPA as scheduled.

Initially foreseen for July 2009, the comprehensive EPA is still under negotiation.

As a “least developed country”, Uganda continues to benefit from duty free access under the EU’s “Everything But Arms” initiative. The utilization rate of EU and U.S. preferences is relatively high at 72,9 percent, but their value has accounted for only 3,7 percent of bilateral exports.

The EC initiated an interim trade agreement with the Seychelles and Zimbabwe (28 November 2007), Mauritius (4 December 2007), and Comoros and Madagascar (11 December 2007) of the ESA-IO region. The deal includes a WTO-compatible market access schedule, provisions on development coordination, fisheries, and other issues. Negotiators confirmed that the agreement is open to other parties in the region, who are expected to join in the near future. The agreement is a framework towards the completion of a comprehensive EPA. Zambia also initialled the ESA EPA interim trade agreement, but did not present a WTO compatible ‘Market Access Offer’ and is therefore not benefiting from the new market regulation. Zambia will be part of the Generalised System of Preferences (GSP) and will more concretely be benefiting from the Everything But Arms (EBA) regime<sup>166</sup>.

The Second Extra-Ordinary Meeting of the COMESA Council of Ministers (Nairobi on 15 May 2008) noted the progress being made in the ongoing negotiations between the ESA States and EU and requested that there is no disruption of trade for ESA countries that have initialled the Interim EPA. The ESA countries reaffirmed their commitment to negotiate a full and development friendly EPA as a united and cohesive group. The Head of States and Government met in Harare in May 2008 to consolidate the FTA, push forward the agenda of deepening integration through the Customs Union, and review the EPA negotiations with EU.

#### **I 9.4.2: The EAC EPA will be implemented as planned**

EC and EAC initialled an interim EPA on 23 November 2007. The agreement applies to the EU and to Kenya, Uganda, Tanzania, Rwanda and Burundi. The first phase of negotiations has been completed and negotiations will continue towards a full EPA during 2009.

EAC’s objective is to have the full EPA in place by July 2009. The further progress on the EC-EAC EPA negotiations are not included in the reporting period.

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<sup>165</sup> A new timetable for negotiations was agreed – to end by July 2009. Negotiations will cover: (i) Customs and Trade Facilitation; (ii) Outstanding trade and market access issues including Rules of Origin, Technical Barriers to Trade and Sanitary and Phytosanitary measures; (iii) Trade in Services; (iv) Trade Related Issues namely: Competition Policy; Investment and Private Sector Development; Trade, Environment and Sustainable Development; Intellectual Property Rights; and Transparency in Public Procurement; (v) Agriculture; (vi) Dispute Settlement Mechanism and Institutional Arrangements; (vii) Economic and Development Co-operation; and (viii) Any other areas that the parties find necessary.

<sup>166</sup> On 26 February 2001 the General Affairs Council adopted the Everything But Arms amendment to the EU’s Generalised Scheme of Preferences (Regulation 2820/98 of 21 December 1998).

## **Annex 2: List of People Met in Uganda**

## Evaluation of European Commission Support to Uganda

### List of People met in Kampala.

Name	Organisation/Department	Title
Mr. Uwe Bergmeir	EC Delegation	No Title Available
Mr. Dorian Kivumbi	EC Delegation	Infrastructure section, Head
Mr. John Louis	EC Delegation	No Title Available
Mr. Johnson Kagugube	Uganda Bureau Of Statistics	Director Statistics
Mr. Johnson Mutesigensi	Ministry of Finance, Planning and Economic Development	FINMAP Coordinator
Mr. Jose Soler Carbo	EC Delegation	Head of Cooperation
Matte Engelin	EC Delegation	Infrastructure Section
Alex Nakajo	EC Delegation	Trade and Regional Integration Section, Operations officer
Mr. Oode Obella	Ministry of Finance, Planning and Economic Development	Deputy National Authorising Officer
Mr. Patrick Ocailap	Ministry of Finance, Planning and Economic Development	Director Budget
Augustine O. Mugisa	Ministry of Works and Transport	Commissioner for Roads
Godfrey O. Wandera	MoWT	Commissioner Transport Planning
Stephen Kiwanuka Kitonsa	MoWT	Principal Executive Eng., District and Urban roads Division
Mr. Frits Raijmaker	Support to Decentralisation Project	No Title Available
Mr. Mutabwiire	Ministry of Local Government	Commissioner Local Councils Development
Mr. Stephen Ajalu	Danida	Programme Officer (Transport)
Mr. Mugisa	NAADS	No Title Available
Mr. Don Rukare	EU HRGGP	No Title Available
Mr. Labite Victorio Ocaya	World Bank	Senior Highway Engineer
Mr. Anselm Wandega	The African Network for Prevention and Protection Against Child Abuse and Neglect (ANPPCAN) Uganda Chapter	Deputy Director
Mr. Benedict S. Kanu	Africa Development Bank	Country Operations Officer
??	National Agricultural Research Organisation (NARO)	Director General
Daniel Rutabingwa	Africa Development Bank	Investment Officer (transport)
Daniel Isooba	Africa Development Bank	Infrastructure expert
Ms. Regina Bafaki	Action For Development (ACFODE)	Executive Director
Mr. B. Ssebbugga Kimeze	Uganda National Roads Authority	Director of Operations
David Muyimbazi	Uganda National Roads Authority	Director Planning
Valentine Mugisha	Uganda National Roads Authority	Project Manager
Mr. Tim Kos/Mr. Kalibbala	The Royal Netherlands Embassy	(Chair EFAG)
Mr. Magala	The Royal Danish Embassy	Chair Anti Corruption Working Group
Mr. Arthur Kiwuwa	SAMPAR Ltd.	Consultant (Malaba border crossing)
Mr. Michael Green	Uganda National Roads Authority	Technical Assistant
Dom Smith	WSP	Road Fund revenue advisor
Magona Mweru Ishmael	MFPED	Commissioner, Infrastructure and social service
Laban Mbulamako	MFPED	Assistant Commissioner, Infrastructure and social service
Chris Ntegaririja	MFPED	RSDP-Cord. Unit, Transport Economist (road fund)
Collin Makanga	MFPED	NAO support Unit
Ngobi Siraji	MFPED	RSDP cord. Unit, Data management specialist
Emmanuel Mutahunga	Ministry of Tourism, Trade and industry	External Trade Department, Senior Commercial Officer

### List of People met during Field Visits in Uganda

<b>Name</b>	<b>Organisation</b>	<b>Title</b>	<b>District</b>
Mr. Joseph Baliraine	Iganga District Farmers Association	Programme Coordinator	Iganga
Mr. Sebastian Balikomyeyo	Iganga District Farmers Association	Vice Chairman	Iganga
Mr. Joshua Mutengu	Iganga District Farmers Association	Advocacy Officer	Iganga
Mr. Ngobi Patrick	Bugiri District Administration	Assistant Chief Administrative Officer (CAAO)	Bugiri
Mr. Medadie Makingano	Bugiri District Administration	District Education Officer (D.E.O.)	Bugiri
Mr. Hamdani	District Farmers' Association	Chairman	Bugiri
Mr. Isiko	NAADS	NAADS Coordinator	Bugiri
Mr. Kauta Kenneth	Pallisa District Administration	Assistant Chief Administrative Officer (CAAO)	Pallisa
Mr. Meddie Samuka	Pallisa District Administration	Chairman - NRM	Pallisa
Mr. SajjaHerbert	Pallisa District Administration	Finance Officer	Pallisa
Mr. David Okurut	Pallisa District	NAADS Coordinator	Pallisa
Ms. Grace Hirya	Pallisa District Administration	Community Based Officer (C.B.O)	Pallisa
Mr. Dauson Wamire	Pallisa District Administration	Community Development Assistant (C.D.A)	Pallisa
Mr. Okiror	Pallisa District Administration	Information Officer	Pallisa
Ms. Nachomo Olive	Kaucho Primary School	Deputy Headteacher	Pallisa
Mr. Namyoyo Samuel	Kagumu Development Organisation	Coordinator	Pallisa
Mr. Kisule Patrick	Kagumu Development Organisation	Finance	Pallisa
Mr. Nantulya Kefa	Kagumu Development Organisation	Programme Officer	Pallisa
Mr. Peter Okiror	Jinja District Administration	Chief Administrative Officer (CAO)	Jinja
Mr. Joseph Buyinza	Jinja District Administration	District Engineer	Jinja
Mr. Heinz Reister	Jinja-Bugiri Road Works	Resident Engineer	Bugiri
Mr. G. Musoke	Jinja-Bugiri Road Works	Deputy Resident Engineer	Bugiri

**Sites visited:**

- Kagume Development Organisation - Pallisa
- Apopong – Pallisa
- Dokolo Green - Soroti

## **Annex 3: List of EC Projects**

The following tables were drawn from the CRIS Database in Brussels during the Desk Phase (march 2008)

Projects are listed by sectors, all financing sources mixed.

Data represents the state of end of 2007

Some data was not in the CRIS and are thus missing from the tables

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
<b>Transport/Roads programmes</b>								
26	Air Transport	2002	2003	7 ACP UG 91	Air Navigation Regional East Africa	292,000.00	292,000.00	292,000.00
97	Road Transport	2002	-	CA/SXP93/04	Upgrading of Kagamba-Rukungiri Road	-	-	-
100	Rail Transport	2003	-	CA/SXP92/017	Kampala-Malaba Railway Line	-	-	-
77	Road Transport	1997	2001	7 ACP UG 43	South Western Uganda Road Maintenance Programme	25,458,198.00	25,458,198.00	25,458,198.00
112	Road Transport	1994	2004	7 ACP UG 44	South Western Uganda Road Maintenance Programme	1,634,629.00	1,634,629.00	1,634,629.00
126	Road Transport	1998	2002	7 ACP UG 85	Strengthening of the Northern Corridor Route	59,220.00	59,220.00	59,220.00
130	Road Transport	1999	2007	7 ACP UG 88	Feasibility Study: Northern Corridor Road Project, Kampala-Katuna	1,069,780.00	1,069,780.00	1,069,780.00
161	Road Transport	2000	-	8 ACP UG 31	Strengthening of the Northern Corridor Road	36,600,000.00	33,396,186.00	17,469,828.00
67	Road Transport	2005	-	9 ACP UG 18	Strengthening of the Northern Corridor Road, Jinja-Bugiri	19,000,000.00	19,000,000.00	7,433,905.00
94	Road Transport	2002	-	7 ACP RPR 773 8 ACP ROR 20	Strengthening of the Northern Corridor Road	-	-	-
128	Road Transport	1999	2006	7 ACP UG 86	Feasibility Study: Kampala By-Pass Road	1,110,902.00	1,110,902.00	1,110,902.00
28	Road Transport	2003	-	8 ACP UG 40	Kampala Northern By-Pass	41,000,000.00	40,822,900.00	33,344,099.00
52	Road Transport	2003	-	FED/UG/07023	Kampala Northern By-Pass	50,000,000.00		
73	Road Transport	2007	-	9 ACP UG 25	Kampala Northern By-Pass II	5,000,000.00	4,983,000.00	-
8	Road Transport	2001	2004	DAGT/01267	TA to the Road Agency Formation Unit (RSPD Review)	79,500.00	79,500.00	79,500.00
49	Road Transport	2003	-	9 ACP UG 8	Study on Road Maintenance and Construction	199,000.00	183,228.00	183,228.00
<b>Rural and Agricultural programmes (including livestock, fisheries, forestry &amp; conservation and rural development)</b>								
124	Rural Dvlpmnt	1998	2004	7 ACP UG 83	Updating economic analysis, upgrading Ngungarno-Ishasha road	51,843.12	51,843.12	51,843.12
1	Environment	2001	2003	8 ACP UG 34	Study of the environmental impact of Kilembe mines closure	79,952.00	79,952.00	0.00
109	Environment	1993	2002	7 ACP UG 32; EX 05 P050	Hima cement power supply	233,127.47	233,127.47	233,127.47
	Fisheries	2003	2008	8 ACP ROR 29	Implementation of a fisheries management plan for Lake Victoria	29,900,000.00	29,900,000.00	
	Conservation		2008	SX99/15	Strengthen Uganda Wildlife Authority's ability to engage with the private sector	1,037,700.00	1,037,700.00	
	Forestry			Budget lines	Strengthening and empowering civil society for participatory forest management	3,500,000.00	3,500,000.00	
	Forestry			SX99/16	Sawlog production grant scheme	2,600,000.00	2,600,000.00	
	Livestock			SX99/08	Support to a veterinary association	80,000.00	80,000.00	
	Agriculture			Food security budget lines	Support to Karamoja II	500,000.00	500,000.00	
	Agriculture			Food security budget lines	Support to Karamoja I	499,992.00	499,992.00	499,992.00
	Agriculture			SX99/13	Technical assistance to support the PMA - NAADS	2,500,000.00	2,500,000.00	

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
	Agriculture			SX99/12	Support to the national agricultural research organisation	1,570,000.00	1,570,000.00	
	Agriculture			SX99/09	Support to Uganda's commodity exchange and warehouse receipts systems	2,270,994.00	2,270,994.00	
	Agriculture			SX99/07	Support to Kaweri farmers coffee alliance	1,768,700.00	1,768,700.00	
141	Rural Dvlpmt	1999		PVD/1999/686	The co-operative and rural enterprise programme, phase II	221,066.00	201,236.00	201,236.00
170	Rural Dvlpmt	2000	2004	PVD/2000/664	Promotion of sustainable organic farming and of community-based organisations	383,450.00	383,450.00	121,457.00
17	Rural Dvlpmt	2001	2004	PVD/2001/123	Strategic plan for agricultural and rural enterprises development assistance - a 3 years & 3 months plan	1,104,639.00	1,104,639.00	381,879.00
175	Environment	2000		PVD/2000/671; PVD/1999/535/UK	Rakai District environmental protection	213,948.00	213,948.00	40,705.00
21	Environment	2001	2006	PVD/2001/4	Environment and sustainable agriculture	902,586.00	902,586.00	0.00
115	Forestry	1995	2003	7 ACP UG 59; 7RPR393; KE76; RW58	Agro forestry networking, East African highlands	1,010,854.84	1,010,854.84	1,010,854.84
105	Agriculture	1993	2004	7 ACP UG 18	Smallholders tea development programme	14,521,198.20	14,521,198.20	14,521,198.20
171	Agriculture	2000	2004	PVD/2000/665	Rural farmers capacity building in Masindi District	400,097.00	400,097.00	144,020.00
178	Agriculture	2001	2003	ENV/2000/060-518	Radio drama series on sustainable agriculture	314,283.53	314,283.53	314,283.53
172	Agriculture	2000		PVD/2000/666	Food security through farmer innovations	489,322.00	489,322.00	145,145.00
108	Agriculture	1993	2007	7 ACP UG 31; EX 05 P046	Karamoja development programme	268,658.33	268,658.33	268,658.33
95	Rural Dvlpmt	2001	2005	PVD/2001/119/F/PR	Strengthening community based resources mobilisation to empower vulnerable women and their children in mid-western Uganda	640,148.00	640,148.00	131,729.00
93	Forestry	2001	2006	8 ACP UG 30	Forest resources management and conservation programme	12,000,000.00	11,851,631.69	10,932,098.65
88	Livestock	2001		7 ACP PRP 744, 7 ACP RPR 745, 8 ACP TPS 32, 8 ACP TPS 33, 8 APC ROC 9	Pan-African programme for the control of epizootics	46 345 648.00	46 345 648.00	
89	Agriculture	2001		8 ACP ROR 14	Support to agricultural research in East Africa	29 335 000.00	29 335 000.00	
87	Agriculture	2001	2007	SX99/05	National Agricultural Advisory Services	108 000 000.00	108 000 000.00	
98	Agriculture	2003		ONG-PVD/2003/020- 053	Income smoothing through agricultural marketing interventions	618 726.00	618 726.00	
80	Agriculture	1999		7 ACP UG 63	Farming in Tsetse controlled areas of Eastern Africa	1 600 000.00	1 600 000.00	
102	Agriculture	2006		ONG-PVD/2005/096- 123	Establishing an export market for responsible coffee with smallholder producer groups in Uganda	690 370.00	690 370.00	
19	Agriculture	2007		FOOD/2007/141-003	Agricultural Livelihoods Recovery Project for Northern Uganda	4,000,000.00	3,850,000.00	1,486,582.00
59	Agriculture	2004		9 ACP UG 12	Sector budget support – Plan for the Modernisation of Agriculture	17,500,000.00	17,500,000.00	12,340,000.00

**Macroeconomic Programmes**

160	Macroeconomy	1994		7 ACP UG 51	Second Structural adjustment programme (sasp2) (+ug54)	29,550,000.00	29,546,683.64	29,489,257.30
113	Macroeconomy	1994	2003	7 ACP UG 47	SMALL-SCALE ENTERPRISE DEVELOPMENT PROGRAMME	1,925,924.17	1,925,924.17	1,925,924.17
118	Macroeconomy	1997	2003	7 ACP UG 74	THIRD STRUCTURAL ADJUSTMENT SUPPORT PROGRAMME (SASP3)	5,100,000.00	5,100,000.00	5,100,000.00
119	Macroeconomy	1997	2003	7 ACP UG 75	THIRD STRUCTURAL ADJUSTMENT SUPPORT PROGRAMME (SASP3)	4,900,000.00	4,900,000.00	4,900,000.00

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
122	MacroEconomy	1997	2007	8 ACP UG 3	Third structural adjustment support programme (sasp3)	34,300,000.00	34,300,000.00	34,300,000.00
123	MacroEconomy	1997	2007	8 ACP UG 4	Third structural adjustment support programme (sasp3)	6,600,000.00	6,600,000.00	6,600,000.00
163	MacroEconomy	2000		8 ACP UG 33	Franchise art 195 a - cafe vert	7,454,798.47	7,449,491.54	7,449,491.54
153	MacroEconomy	2000		8 ACP UG 23	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	19,050,000.00	19,014,297.97	18,763,504.50
154	MacroEconomy	2000		8 ACP UG 24	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	27,400,000.00	27,400,000.00	27,400,000.00
155	MacroEconomy	2000		8 ACP UG 25	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	2,900,000.00	2,900,000.00	2,900,000.00
156	MacroEconomy	2000		8 ACP UG 26	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	4,110,000.00	4,110,000.00	4,110,000.00
157	MacroEconomy	2000		8 ACP UG 27	POVERTY ALLEVIATION BUDGETARY SUPPORT (PABS 4)	21,000,000.00	21,000,000.00	21,000,000.00
151	MacroEconomy	2000		8 ACP UG 21	STABEX 99 COFFEE -RAW OR ROASTED	26,602,089.00	26,602,089.00	26,602,089.00
152	MacroEconomy	2000		8 ACP UG 22	STABEX 99 HIDES AND SKINS	1,081,228.00	1,081,228.00	1,081,228.00
63	MacroEconomy	2005		9 ACP UG 14	5TH POVERTY ALLEVIATION BUDGET SUPPORT (PABS V)	88,045,000.00	86,337,480.00	62,606,595.91

#### Projects related to key sectors promoted in PEAP (before GBS)

	HEALTH							
82	Health	1999	2007	8 ACP UG 11	Support to Uganda National Blood Transfusion Service Phase III	2,270,039.04	2,270,039.04	2,270,039.04
85	Health	2000		8 ACP UG 5	Improving Sexual and Reproductive Health in Uganda	5,502,859.05	5,502,859.05	5,307,188.68
101	Health	2005		ONG-PVD/2003/064-913	IMPROVED PREVENTATIVE AND CURATIVE HEALTH SERVICES FOR THE VULNERABLE POPULATION IN ACHOLILAND, UGANDA			
76	Health	1996	2002	7 ACP UG 16	Uganda Health Programme	23,405,000.00	23,401,661.43	23,367,249.23
120	Health	1997	2002	7 ACP UG 76	TA STUDIES OF HUMAN RESOURCES FOR HEALTH	422,053.41	422,053.41	422,053.41
127	Health	1998	2002	SAN/1998/11	SUPPORT FOR HIV/AIDS AND REPRODUCTIVE HEALTH INTERVENTIONS OF LOCAL NGOS AND COMMUNITY-BASED ORGANISATION IN UGANDA	1,800,000.00	1,800,000.00	0.00
125	Health	1998	2005	7 ACP UG 84	TECHNICAL ASSISTANT FOR EDF HEALTH PROGRAMMES	592,462.76	592,462.76	592,462.76
136	Health	1999		PVD/1999/1166	INSTITUTIONAL STRENGTHENING AND EXPANSION OF MATERNAL AND CHILD HEALTH AND FAMILY PLANNING SERVICES, UGANDA	483,037.00	483,037.00	252,747.00
142	Health	1999		PVD/1999/95	KITOVU HEALTH CARE COMPLEX AND INTEGRATED AIDS PROGRAMME - MASAKA-UGANDA	791,007.00	791,007.00	669,863.00
176	Health	2000	2004	SANTE/1999/055-204	ERASMUS - The role of mobility in the spread and control of STD and HIV	990,925.00	990,925.00	851,662.00
158	Health	2000	2002	8 ACP UG 28	THE APPRAISAL AND FORMULATION MISSION ON HUMAN RESOURCES FOR HEALTH IN UGANDA	108,226.54	108,226.54	108,226.54
2	Health	2001	2005	8 ACP UG 35	HUMAN RESOURCES FOR HEALTH	17,000,000.00	15,986,866.04	5,070,321.76
23	Health	2001	2005	PVD/2001/495	SCHOOL HEALTH PROGRAMME - UGANDA	231,583.00	231,583.00	0.00
18	Health	2001	2003	PVD/2001/190	UGANDAN CATHOLIC MEDICAL BUREAU THREE YEARS OPERATIONAL PLAN 2001-2003	524,934.00	524,934.00	149,234.00

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
79	Health	1999	2006	B7 6211/98/011	Support for HIV/AIDS and reproductive Health Interventions of ILO			
25	Health	2001	2003	PVD/2001/637	PSYCHO-SOCIAL AND MENTAL HEALTH INTERVENTIONS FOR THE SOUTHERN SUDANESE REFUGEE AND THE UGANDAN POPULATION, AFFECTED BY WAR AND VIOLENCE IN THREE NORT	625,907.00	625,907.00	198,615.00
183	Health	1998	2002	MAP/1998/054-282	Medical Rehabilitation programme for landmines victims in Northern Uganda	226,592.15	226,592.15	226,592.15
	<b>WATER</b>							
144	Water	2000	2005	7 ACP UG 89	MID WESTERN TOWNS WATER SUPPLY +8 UG 23	8,282,111.00	8,281,763.73	7,890,077.13
143	Water	2000	2006	6 ACP UG 22	MID WESTERN TOWNS WATER SUPPLY	2,960,539.38	2,960,539.38	2,960,539.38
145	Water	2000	2006	7 ACP UG 90	MID WESTERN TOWNS WATER SUPPLY	0.00	0.00	0.00
164	Water	2000		9 ACP UG 21	MID WESTERN TOWNS WATER SUPPLY ( EX 06 P022 )	2,909,972.67	2,909,972.67	2,751,934.98
168	Water	2000	2006	PVD/2000/651	UGANDA: ANGLICAN DIOCESE OF KIGEZI: WATER AND SANITATION PROGRAMME (KDWSP)	499,950.00	499,950.00	93,678.00
146	Water	2000	2002	8 ACP UG 16	URGENT REPAIR WORKS GBA1 WATER TREATMENT&PUMPING FACILITIES	1,853,046.12	1,853,046.12	1,853,046.12
68	Water	2006		9 ACP UG 19	MID WESTERN TOWNS WATER SUPPLY OF 12/04/2006	600,000.00	600,000.00	306,342.79
184	Water	2007		9 ACP RPR 111	1st CIP Water Facility (236A): South Western Towns Water and Sanitation Program Phase III	8,749,400.00	8,749,400.00	0.00
	<b>EDUCATION</b>							
116	Educ	1997	2002	7 ACP UG 72	PRE-FEASIBILITY STUDY TO SUPPORT PRIMARY EDUCATION	193,919.41	193,919.41	193,919.41
132	Educ	1999	2002	8 ACP UG 8	EDUCATION SECTOR REVIEW	13,222.37	13,222.37	13,222.37
137	Educ	1999		PVD/1999/200	ENHANCING UNIVERSAL PRIMARY EDUCATION IN KAMPALA (EUPEK) OUGANDA	498,547.00	498,547.00	249,010.00
147	Educ	2000	2002	8 ACP UG 17	EDUCATION SECTOR REVIEW	8,461.00	8,461.00	8,461.00
20	Educ	2001	2005	PVD/2001/329	LITERACY AND CONTINUING EDUCATION IN UGANDA	767,298.00	767,298.00	0.00
86	Educ	2001		8 ACP UG 9	Support to Universal Primary Education	30,709,220.89	30,709,220.89	30,709,220.89

#### Other Economic Projects including other related Technical Assistance

47	All	2004		9 ACP UG 6	TECHNICAL COOPERATION FACILITY (TCF) 2004-2009	3,425,969.52	3,284,917.57	2,823,644.98
81	Finance	1999		7 ACP UG 009/042/047	Support to feasible financial institutions and capacity building (SUFFICE)	6,270,760.00	0.00	0.00
42	Finance	2003		9 ACP UG 1, STABEX 1999	Support to feasible financial institutions and capacity building efforts	2,514,106.77	2,390,546.77	1,426,786.87
99	Trade	2003		SX93/06	UGANDA PROGRAMME FOR TRADE OPPORTUNITIES AND POLICY (UPTOP)			
117	Admin costs	1997	2003	7 ACP UG 73	SUPERVISION & MGMT OF EDF PROGRAMMES/SUPERVISION OF ACTION	740,909.47	740,909.47	740,909.47
131	Admin costs	1999	2006	8 ACP UG 15	FEASIBILITY STUDY FOR PROGRAMME SUPPORT TO NORTH OF UGANDA	75,271.86	75,271.86	75,271.86
121	Private Sector	1997	2002	8 ACP UG 2	APEX PRIVATE ENT. IIB GL (71141)	15,000,000.00	15,000,000.00	15,000,000.00
150	Development planning	2000	2002	8 ACP UG 20	PREPARATION OF THE PARTICIPATION TO LDC-III	32,020.26	32,020.26	32,020.26
179	Finance	2001	2004	PVD/2001/302	INITIATIVE FOR ECONOMIC EMPOWERMENT, UGANDA	639,816.00	639,816.00	171,244.00

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
41	Private Sector	2003	2007	8 ACP UG 44	APEX PRIVATE ENTERPRISES IV GL (22746)	30,000,000.00	30,000,000.00	30,000,000.00
5	Private Sector	2001	2005	8 ACP UG 38	Apex private enterprise iii gl	40,000,000.00	40,000,000.00	40,000,000.00
57	Private Sector	2004	2007	8 ACP UG 45	EIB MICROFINANCE SCHEME (22253)	732,000.00	732,000.00	732,000.00
105	Industry	1993	2004	7 ACP UG 18	SMALLHOLDER TEA DEVELOPMENT PROGRAMME (STDP)	14,521,198.20	14,521,198.20	14,521,198.20
129	Industry	1999	2001	7 ACP UG 87	KAMPALA INDUSTRIAL PATK STUDY (71140)	223,000.00	223,000.00	223,000.00
103	Others	1992	2006	7 ACP UG 13	HUMAN RESOURCES DEVELOPMENT PROGRAMME	10,838,593.69	10,838,593.69	10,838,593.69
4	Tourism	2001		8 ACP UG 37	UGANDA SUSTAINABLE TOURISM DEVELOPMENT PROGRAMME USTDP	3,483,315.96	3,168,088.21	2,936,487.42
10	Tourism	unsure		FED/UG/07027/000	UGANDA SUSTAINABLE TOURISM DEVELOPMENT PROGRAMME (USTDP)	5,000,000.00	5,000,000.00	Not available
40	Tourism	2002		PMS/2002/0369	UGANDA SUSTAINABLE TOURISM DEVELOPMENT PROGRAMME (USTDP)	1,300,000.00	0.00	0.00
139	VocTraining	1999		PVD/1999/543	SAVINGS AND CREDIT PROGRAMME, UGANDA	449,995.00	449,995.00	374,743.00
174	VocTraining	2000		PVD/2000/668	MIGYERA VOCATIONAL TRAINING CENTRE - UGANDA	476,917.00	476,917.00	124,673.00

### Governance, Human Rights, Capacity building for NGOs

96	Governance	2002		ONG-PVD/2003/020-018	AMURIA DECENTRALISATION SUPPORT PROJECT - UGANDA			
	Governance	2003		PMS/2003/0233	SUPPORT TO STRENGTHENING DEMOCRATISATION, HUMAN RIGHTS AND GOOD GOVERNANCE	0.01	0.00	0.00
148	Governance	2000	2002	8 ACP UG 18	SUPPORT PROGRAMME GOOD GOVERNANCE, RULE OF LAW&HUMAN RIGHTS	69,700.00	69,700.00	69,700.00
45	Civil Society	2003		9 ACP UG 4	CIVIL SOCIETY CAPACITY BUILDING PROGRAMME	8,000,000.00	7,706,998.88	5,282,665.39
149	Elections	2000	2002	8 ACP UG 19	SUPPORT TO CIVIC EDUCATION & MONITORING OF REFERENDUM ON FUTURE POLITICAL SYSTEM	1,000,000.00	1,000,000.00	1,000,000.00
181	Elections	2005			EU EOM to Uganda presidential and legislative elections 2006	2,000,000.00	1,439,368.71	1,439,368.71
107	Governance	1993	2007	7 ACP UG 22	SUPPORT EXTERNAL AID COORDIN. DEPART. (EACD) NAO'S OFFICE	1,570,005.07	1,570,005.07	1,570,005.07
114	Governance	1994	2003	7 ACP UG 49	ASSISTANCE TO THE UGANDA INVESTMENT AUTHORITY.	745,058.31	745,058.31	745,058.31
90	Governance	2001		8 ACP UG 29, 8 ACP TPS 103	SUPPORT TO HUMAN RIGHTS, DEMOCRATIC PRINCIPLES AND RULE OF LAW IN UGANDA	8,000,000.00	3,902,079.70	3,902,079.70
135	Governance	1999		DDH/1999/150	TRAINING FOR LOCAL GOVERNMENT: REPRESENTATIVES OF SPECIAL INTEREST GROUPS IN UGANDA	345,100.00	0.00	0.00
185	Governance	2001		DDH/2001/050-575	A Programme to strengthen the Capacity of the Legal Aid Project (LAP) of the Uganda Law Society	646,389.34	646,389.34	646,389.34
30	Governance	2002	2006	8 ACP UG 42	FORMULATION OF A PROGRAMME IN SUPPORT OF DECENTRALISATION	80,000.00	80,000.00	73,352.12
66	Governance	2005		9 ACP UG 17	HUMAN RIGHTS AND GOOD GOVERNANCE PROGRAMME	7,000,000.00	2,426,494.85	870,118.14
64	Governance	2006		9 ACP UG 15	SUPPORT TO DECENTRALISATION PROGRAMME	10,000,000.00	4,989,384.00	1,943,629.80
169	HR	2000	2002	PVD/2000/663	FOUNDATION FOR HUMAN RIGHTS INITIATIVE (FHRI), THREE-YEAR STRATEGIC PLAN OF ACTION (JANUARY 2000 - DECEMBER 2002) UGANDA	450,000.00	450,000.00	270,000.00
177	HR	2005			MP 2005 Uganda Campaign 4	185,000.00	184,448.15	155,663.95

No	Sector	Year - start	Year - End	Programme number	Programme Title	€ committed	€ contracted	€ paid
180	HR	2007		DDH/2007/133-379	Promotion and Protection of Human Rights in Northern Uganda	800,000.00	800,000.00	320,000.00
46	Governance	2003		9 ACP UG 5	SUPPORT TO THE COMMERCIAL JUSTICE REFORM PROGRAMME	1,950,000.00	1,883,735.25	618,014.74
134	Governance	1999		DDH/1999/148	LINK RADIO - A HUMANITARIAN AND DEVELOPMENT SATELLITE RADIO CHANNEL FOR NORTHERN UGANDA	3,095,160.00	0.00	0.00
182	Governance	2006			Local Information Project 2006 - Uganda	15,750.00	15,165.00	2,000.00

**Note: during the Desk Research Phase, a number of data were not available in CRIS. This is represented by voids in the table above. Especially some payment data seems to be incomplete as projects are closed, but not paid yet.**

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- ONG-PVD/2003/020-053: Smoothing incomes through agricultural marketing interventions
- SX99/05; SXi93/15; SXi90/09: Support to the National agricultural advisory services
- 8 ACP ROC 9; 8 ACP TPS 33; 8 ACP TPS; 327 ACP RPR 744; 7 ACP RPR 745: Pan African programme for the control of epizootics
- PVD/2001/119/FI/PR: Strengthening community based resource mobilisation to empower vulnerable women and their children in mid-Western Uganda
- 8 ACP ROR 14: – Support to agricultural research in East Africa

### Monitoring reports

- UG/Food/2006/18477: Agricultural livelihoods recovery project for Northern Uganda
- ONG-PVD/2005/096-123: Establishing an export market for responsible coffee with smallholder producer groups in Uganda
- 7 ACP UG 63; 7 ACP RPR 578: Farming in tsetse controlled areas of Eastern Africa
- 8 ACP UG 30: Forest resources management and conservation programme
- ONG-PVD/2003/020-053: Smoothing incomes through agricultural marketing interventions
- SX99/05; SXi93/15; SXi90/09: Support to the National agricultural advisory services
- 8 ACP ROC 9; 8 ACP TPS 33; 8 ACP TPS; 327 ACP RPR 744; 7 ACP RPR 745: Pan African programme for the control of epizootics
- PVD/2001/119/FI/PR: Strengthening community based resource mobilisation to empower vulnerable women and their children in mid-Western Uganda
- 8 ACP ROR 14: Support to agricultural research in East Africa

### **EC Project Information on Transport**

- Upgrading of Kagamba-Rukungiri Road (97): CA/SXP93/04 – Project Design Matrix, Monitoring Report January 2004
- South Western Uganda Road Maintenance Programme (77): 7 ACP UG 43 – Financing Agreement December 1994, Project Synopsis and Intervention Logic, Monitoring Report June 2001.
- Strengthening of the Northern Corridor Route (126): 7 ACP UG 85 – Carte Marché
- Strengthening of the Northern Corridor Route (94): 7 ACP RPR 773, 8 ACP ROR 20, 8 ACP UG 31, 9 ACP UG 18- Financing Agreement March 2001, Project Synopsises, Monitoring Report October 2004, Monitoring Report May 2006, Response Sheet May 2006, Monitoring Report April 2007
- Kampala Northern By-Pass (28): 8 ACP UG 40 – Financing Agreement March 2003, Project Synopsis, Monitoring Report May 2006, Response Sheet May 2006, Monitoring Report May 2007,
- TA to the Road Agency Formation Unit (61): 9 ACP UG 9 – Financing Agreement May 2004, Project Synopsis, ToR for Mid-Term Evaluation –june 2006, Monitoring Report May 2007.

### **Web sites consulted:**

- EC Delegation in Kampala
- Food and Agricultural Organisation of the United Nations
- Food Security Programme of the United Nations
- The Heritage Foundation, Index for Economic Freedom, 2008
- UNDP, Human Development Report, 2007
- World Bank, Development Data: Uganda at a Glance
- OCED

## **Annex 5: Terms of Reference for the Country Programme Evaluation of Uganda**



- 1 Mandate and Objectives
- 2 Background
- 3 Scope
- 4 Methodology and Approach
  - 4.1 Preparation Phase
  - 4.2 Desk Phase
  - 4.3 Field Phase
  - 4.4 Final Report Writing Phase
  - 4.5 Dissemination and Follow-up
- 5 Evaluation Questions
- 6 Responsibility for the Management and the Monitoring of the Evaluation
- 7 The Evaluation Team
- 8 Timing
- 9 Cost of the Evaluation
- 10 Payment Modalities

## **1. MANDATE AND OBJECTIVES**

Systematic and timely evaluation of its expenditure programmes is a priority of the European Commission (EC), as a means of accounting for the management of the allocated funds and of promoting a lesson-learning culture throughout the organisation. Of great importance also, particularly in the context of the programmes of the so-called Relex Family of Directorates-General<sup>167</sup>, is the increased focus on impact against a background of greater concentration of external co-operation and increasing emphasis on result-oriented approaches.

The evaluation of the Commission's co-operation with Uganda is part of the 2007 evaluation programme as approved by External Relations and Development Commissioners.

The main objectives of the evaluation are:

- to provide the relevant external co-operation services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation relations with Uganda ;
- to identify key lessons in order to improve the current and future strategies and programmes of the Commission.

## **2. BACKGROUND**

### **EC CO-OPERATION OBJECTIVES**

The European Union's co-operation policy is based on Article 177 of the Treaty establishing the European Community (EC). It determines that the sphere of development co-operation shall have three objectives namely: fostering sustainable development of developing countries; assisting the smooth and gradual integration of the developing countries into the world economy and campaigning against poverty in the developing countries.

These objectives have been confirmed and reinforced in Article 1 of the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, which puts main emphasis on the objective of reducing and eventually eradicating poverty. Co-operation between the Community and the Republic of Uganda shall pursue these objectives, taking into account fundamental principles laid down in Article 2 of the Agreement, especially the principle of encouragement of development strategies by the countries and populations concerned, and essential and fundamental elements as defined in Article 9.

In their Statement on the European Community's Development Policy of 10 November 2000, the Council of the European Union and the European Commission determined a limited number of areas selected on the basis of their contribution towards reducing poverty and for which Community action provides added value: link between trade and development; support for regional integration and co-operation; support for macroeconomic policies; transport; food security and sustainable rural development; institutional capacity-building, particularly in the area of good governance and the rule of law. The Statement also specifies that in line with the macro-economic framework, the Community must also continue its support in the social sectors (health and education), particularly with a view to ensuring equitable access to social services.

The Treaty establishing the European Community foresees that the Community and the Member States shall co-ordinate their policies on development co-operation and shall consult each other on

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<sup>167</sup> Directorates General of External Relations, (RELEX), Development (DEV), Enlargement (ELARG), Trade (TRADE) and the EuropeAid Co-operation Office (AIDCO).

their aid programmes, including in international organisations and during international conferences. Efforts must be made to ensure that Community development policy objectives are taken into account in the formulation and implementation of other policies affecting developing countries. Furthermore, as laid down in Article 20 of the Agreement, a systematic effort shall be made to mainstream into all areas of cooperation the following thematic or cross-cutting themes: gender issues, environmental issues and institutional development and capacity building.

The EC has made Poverty Reduction Strategies (PRSPs) the point of departure for its Country Strategy Papers (CSPs) in all countries that have/produce a PRSP. The PRSP approach, with its six principles: (1) national ownership, (2) results focus, (3) comprehensive, (4) prioritised, (5) long-term, and (6) partnership-oriented, forms the core for donor support, and the common framework within which all stakeholders supporting poverty reduction in a country expect to work<sup>168</sup>. Furthermore CSPs are the culmination of a joint programming process, which started with the launching of the Cotonou Agreement in January 2001 and involved many actors (the European Commission, EU Member States, the Government, civil society and the private sector).

The overall policy objectives towards Africa are stated in the 2005 Communication (COM/2005/489 final). The document gives a comprehensive, integrated and long-term framework for the EU relations with Africa.

In February 2006 "The European Consensus" (2006/C46/01) - a joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on the EU Development Policy – was adopted. "The European Consensus" presents common objectives and principles for development co-operation (poverty eradication, ownership, partnership, delivering more and better aid, promoting policy coherence for development) as well as it sets out the renewed European Community Development Policy.

## **Economic and social situation**

Uganda's revenue/GDP ratio of 12% is one of the lowest in the world, well below the sub-Saharan average of 18%. Domestic revenue will need to significantly improve if Uganda's reliance on foreign assistance is to be reduced. Until now, foreign aid accounts for half of Uganda's public expenditures. While domestic revenues have recently increased, so have government expenditures.

Uganda has gone through a strong period of growth during the 1990s, following the extended economic decline under the Amin régime and the subsequent period of political confusion and civil war. GDP per capita grew by 2.7% per annum since 1990/91 (population grew by 3.4% a year) enabling the country to restore the relatively favourable (in regional terms) economic and social conditions enjoyed in the 1960s. These good performances benefited from a fast expansion of aid and high commodity prices. Growth slowed between 1998/99 and 2002/3 but the economy has been gathering pace again more recently with GDP growth performing at 5.9% in 2003/4 and 5.4% in 2004/5. The medium term outlook remains favourable with GDP projected to grow by about 6% per annum.

Despite a significant reduction in poverty during the 1990's, Uganda remains one of the poorest countries in the world with GDP per capita below US\$ 500. Similarly, despite a general

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<sup>168</sup> PRSP review: key issues

[http://www.cc.cec/home/dgserv/dev/body/theme/docs/B2/PRSP\\_review\\_key\\_issues.pdf#zoom=100](http://www.cc.cec/home/dgserv/dev/body/theme/docs/B2/PRSP_review_key_issues.pdf#zoom=100)

improvement in living conditions, UNDP's 2005 Human Development Index still ranked the country 144th out of 177 countries.

Uganda has been faced with a serious debt problem. It was the first country to reach Completion Point in May 2000 under the Enhanced HIPC Initiative. Of the total debt-service relief under HIPC of some US\$ 2 billion, the World Bank is providing nearly US\$ 1 billion. The estimated net present value of the country's debt relief is US\$ 1 billion and the debt-to-export ratio, which had been reduced to about 150%, down from 243% in 1997 has since risen back up to 237% at the end of the fiscal year 2004/5. The deterioration in the ratio reflects changes in exogenous factors, including lower interest rates and a weaker dollar. Meanwhile, Uganda has qualified for the Multilateral Debt Cancellation Initiative by the G-8 but its effect on Uganda's debt situation is yet to be quantified.

Although there have been significant improvements in health and education sector outputs, reflecting improved access, many indicators particularly related to the very high level of drop-outs in primary schools, the negative trend in maternal mortality and high levels of fertility are a matter of concern. HIV infection rates have stagnated in the 6-7% range after reaching a high of 20% in 1991. Uganda has been an outstanding example of a successful fight against HIV/AIDS.

### **Political situation**

Since the National Revolutionary Movement (NRM) led by Museveni seized power in 1986 after a 5-year bush war, the National Resistance Movement (as it became known) has dominated the political system. The NRM system was defined as a no-party system that welcomes all who wish to contribute to building the future of the country on a new basis. The existing parties are recognised and are now fully accepted since the July 2005 referendum on the introduction of a multi-party system. The turnout for this referendum was very low and the process revealed several weaknesses.

Corruption has become a critical and pervasive issue for the government. Efforts have been made to tackle this problem, e.g. the Ssebutinde report on the police force and the plan of action of the Ministry of Ethics and Integrity. Still, Uganda's ranking and score in the 2005 Transparency International Index has worsened.

### **Regional framework**

As a landlocked country, Uganda highly depends on co-operation with its neighbours for its economic development, in particular with regard to transport routes through Kenya and Tanzania. Much of Uganda's trade must pass through Mombasa and Dar-es-Salaam.

Uganda is an active member of various regional institutions (IGAD, COMESA and EAC). Co-operation with Kenya and Tanzania has recently intensified with the entering into force of the EAC Customs Union in February 2005.

Uganda is also participating in the work of the Nile Basin Initiative and has adopted the WTO custom valuation agreement. Uganda is participating in negotiations for an Economic Partnership Agreement with the EU in the ESA-configuration (Eastern and Southern Africa).

Uganda suffers from rebel activities in the North (The Lord's Resistance Army – LRA) and the West of the country (Allied Democratic Forces – ADF, and sometimes Hutu militia), which are linked to instability and conflict in neighbouring countries (Sudan, Democratic Republic of Congo). In addition, although this has no political motivation, the activities of the Karimojong

warriors in the North East cause a lot of disruption and insecurity inside Karamoja and in the neighbouring districts.

Further information:

<http://ec.europa.eu/development/Geographical/RegionsCountries/Countries/Uganda.htm>

### 3. SCOPE

The scope of the evaluation is the Commission's co-operation strategies and their implementation for the period 2001 – 2007.

The Consultant should assess:

- the relevance, coherence and complementarity of the Commission's co-operation strategies for the period ;
- the consistency between programming and implementation for the same period;
- the implementation of the Commission's co-operation, focusing on effectiveness, efficiency, impact and sustainability for the period 2001 – 2007 and on intended effects for the period 2008 – 2013 ;
- the following focal co-operation areas : (a) Macroeconomic Support and Economic Reform, (b) Transport, (c) Rural Development, and the following non-focal area (d) Improving public service delivery.
- the validity of the main results of the previous 2001 Uganda evaluation with a view to the present evaluation exercise.

In order to avoid overlaps with the already completed Uganda related evaluations the evaluation team should carefully investigate the evaluations and case studies concerned ( see Annex 1).

### 4. METHODOLOGY AND APPROACH

The evaluation basic approach will consist of **five phases** in the course of which several methodological stages will be developed. The Consultant's contribution is essentially the area marked grey in the table below, to which the launch note should be added.

<i>Phases of the evaluation:</i>	<i>Methodological Stages<sup>169</sup>:</i>
1. Preparation Phase	<ul style="list-style-type: none"> <li>▪ Reference group constitution</li> <li>▪ ToR's drafting</li> <li>▪ Launch Note (Consultant)</li> </ul>

<sup>169</sup> These components are not entirely sequential.

<i>Phases of the evaluation:</i>	<i>Methodological Stages<sup>169</sup>:</i>
2. Desk Phase <sup>170</sup> 3. Field Phase 4. Synthesis phase (seminar in the country)	<ul style="list-style-type: none"> <li>▪ Structuring of the evaluation</li> <li>▪ Data Collection<sup>171</sup>, verification of hypotheses</li> <li>▪ Analysis</li> <li>▪ Judgements on findings</li> </ul>
5. Feedback and Dissemination	<ul style="list-style-type: none"> <li>▪ Quality Grid</li> <li>▪ Summary for the Commissioners concerned</li> <li>▪ Evinfo (summary for OECD and Commission databases)</li> <li>▪ <i>Fiche contradictoire</i> (a statement of key recommendations followed by the Commission's response)</li> </ul>

#### 4.1. Preparation Phase

The evaluation manager identifies the Commission services to be invited to be part of the reference group, taking care that the objectives are met: an input of expertise and information, the expression of a range of pertinent opinions from the Commission and the legitimacy of the evaluation process.

The reference group acts as the main professional interface between the Consultant and the Commission services. The group's principal functions will be:

- to provide an opinion on the Terms of Reference prepared by the Evaluation Unit ;
- to provide the Consultant with all available information and documentation about the object of the evaluation;
- to examine the inception note and subsequent reports produced by the Consultant;
- to provide a judgement on the quality of the work of the Consultant;
- to assist in assuring feedback and the update of the findings and recommendations from the evaluation into future programme design and delivery.

The evaluation manager prepares the ToR of the evaluation and sends it to the Consultant.

The Consultant will present a *launch note*<sup>172</sup> which should contain: (i) his understanding of the ToR; (ii) the provisional composition of the evaluation team with CVs; (iii) a budget proposal. The launch note will be referred to the reference group for comments.

#### 4.2. Desk phase

##### 4.2.1. Inception report

Upon approval of the launch note by the Evaluation Unit, the Consultant proceeds to the structuring stage, which leads to the production of an inception report.

The main part of the work consists in the analysis of all key documents which are to the Commission's co-operation (past and present) with Uganda (in particular the strategy and programming documents). The Consultant will also take account of the documentation produced by other donors and international agencies.

<sup>170</sup> It includes interviews in Brussels and could include a short mission to the country

<sup>171</sup> The study will draw on the contents of (i) all relevant documentation supplied by the Commission Services, and (ii) documentation from other sources (to be detailed).

<sup>172</sup> In the case of a tender procedure, the launch note will be replaced by the financial and technical proposal of the tender

On the basis of the information collected and analysed, the Consultant will:

- a) reconstruct the intervention logic of the EC in the framework of its co-operation with Uganda .The reconstructed logic of the intervention will be shaped into one or more logical diagrams of effects which must be based strictly on official texts. Prior to the elaboration of the effects diagram(s), the Consultant will have (i) identified and prioritized the co-operation objectives as observed in official texts;(ii) translated these specific objectives into intended effects. These intended effects will form the “boxes” of the diagram(s). Possible “gaps” in the intervention logic should be indicated and filled on the basis of assumptions to be validated by the reference group. The logical diagram(s) of effects will help to identify the main evaluation questions;
- b) propose evaluation questions and prepare explanatory comments for each. The choice of the questions determines the subsequent phases of information and data collection, elaboration of the methods of analysis, and elaboration of final judgements;

*A first meeting will be held with the reference group to explain and approve the logical diagram(s) and the evaluation questions.*

- c) identify appropriate judgement criteria and preliminary indicators for each evaluation questions selected. For each question, at least one judgement criterion should be identified, and for each such criterion appropriate a limited number of quantitative and qualitative indicators should be identified;
- d) include a description of the development/co-operation context of the Commission with Uganda;
- e) propose suitable working methods to collect data and information in the Commission's headquarters and in the country and present appropriate methods to analyse the collected data and information, indicating any limitations.

The report will also confirm if necessary, (i) the final composition of the evaluation team and (ii) the final calendar. These two latter points will be agreed and confirmed through a formal exchange of letters between the Consultant and the Commission.

This phase may include a short preparatory and exploratory visit in the field by the Consultant and/or a representative of the Evaluation Unit.

#### **4.2.2. Desk phase report**

Upon approval of the inception report, the Consultant proceeds to the final stage of the desk phase during which he will:

- present the finalised quantitative and qualitative indicators;
- present the first elements of responses to the evaluation questions and the first hypotheses to be tested in the field;
- present suitable methods of data and information collection in the country indicating any limitations and describing how the data should be cross-checked ;
- propose appropriate methods of analysis of the information and data collected, again indicating any limitations of those methods in Uganda;
- propose a list of activities, projects and programmes for in-depth analysis in the field.

At the conclusion of this work, the Consultant will present a draft desk phase report setting out the results of this first phase of the evaluation including all the above listed tasks (the major part of the

Inception report will be put as an annex of the desk phase report). **The field mission may not start until the proposed methodology will be approved by the evaluation manager.**

#### **4.3. Field phase**

Following acceptance of the desk phase report, the Consultant undertakes the field mission. The fieldwork shall be undertaken on the basis set out in the desk phase report and approved by the reference group in accordance with the Delegation. If during the course of the fieldwork any significant deviations from the agreed methodology and/or schedule are perceived necessary, the Consultant must have received the approval of the Evaluation Unit before they can be applied. At the conclusion of the field study, the Consultant presents the preliminary findings of evaluation:

- (1) during a de-briefing meeting with the Delegation;
- (2) to the reference group, shortly after his return from the field.

#### **4.4. Final report-writing phase**

The Consultant will submit the draft final report in conformity with the structure set out in annex 2 with account being taken of comments received during de-briefing meetings with the Delegation and the reference group (cf.4.3).

If the evaluation manager considers the report of sufficient quality (cf. annex 3), he will circulate it for comments to the reference group, which will convene to discuss it in the presence of the evaluation team.

On the basis of comments expressed by the reference group and the Evaluation Unit, the Consultant will make the appropriate amendments. The revised draft final report will be presented at a seminar in Uganda. The purpose of the seminar is to present the results, the conclusions and the preliminary recommendations of the evaluation to the National Authorities, to the Delegation as well as to all the main stakeholders concerned by the co-operation (representatives of civil society organisations, other donors, etc.). As indicated in the multi-annual evaluation programme 2007-13 by Commissioner Ferrero-Waldner the respective EC Delegation is in charge of organising the dissemination seminar in the field.

50 reports have to be sent to the Evaluation Unit and 10 reports with full printed annexes. If several languages are needed, the quantity and the distribution between languages have to be agreed upon by the Evaluation Unit.

The Consultant should prepare a presentation (*power point*) for the seminar. This presentation shall be considered as a product of the evaluation in the same way as the reports.

On the basis of the comments expressed at the seminar and on the basis of further comments from the reference group, the Delegation and/or the evaluation manager, the Consultant will prepare the final report. The Consultant may either accept or reject the comments but in case of rejection he must motivate (in writing) his reasons (the comments and the Consultant's responses are annexed to the report).

The presentation (*power point*) will be revised in accordance to the final report.

100 copies of the final report have to be sent to the Evaluation Unit + 10 reports with all printed annexes, a CD-Rom with all documents has to be added to each printed report. In case of reports being printed in various languages, the quantity has to be increased and the distribution between languages has to be agreed upon by the Evaluation Unit.

#### **4.5. Dissemination and follow-up**

After approval of the final report, the Evaluation Unit proceeds with the dissemination of the results (conclusions and recommendations) of the evaluation. The Evaluation Unit (i) makes a formal judgement on the quality of the evaluation (cf. annex 3); (ii) prepares an evaluation summary following the standard DAC format (EvInfo); (iii) prepares and circulates a "Fiche contradictoire".

The final report, the quality assessment grid, the EvInfo and the “Fiche contradictoire” will be published on the Website of the Evaluation Unit.

**Further information :**

[http://ec.europa.eu/comm/europeaid/evaluation/methodology/examples/exp\\_en.htm](http://ec.europa.eu/comm/europeaid/evaluation/methodology/examples/exp_en.htm)

## 5. EVALUATION QUESTIONS

The evaluation will be based on the criteria endorsed by the OECD-DAC: relevance, impact, effectiveness, efficiency and sustainability. The criteria will be given different weightings in based on the priority accorded to the evaluation questions.

In general, questions (to a maximum of 10) will refer to the following main areas:

**Relevance of the strategy/programme:** this includes both relevance to the general objectives of the EC and relevance to the needs and priorities of Uganda (including the choice of target groups).

**Design of the intervention strategy/programme:** this mainly concerns the extent to which the resources foreseen are adequate in relation to the objectives set out in the programming documents. The Consultant will also verify the extent to which the intervention modalities (instruments, aid delivery channels, etc.) are appropriate to the objectives.

**Consistency of the implementation in relation to the strategy:** the Consultant shall verify the extent to which the calendar and implementation of the intervention programming (type of interventions, geographical and sector distribution, instruments, aid delivery channels, etc.) are consistent with the strategy. He shall demonstrate who are the real beneficiaries, direct or indirect, of the intervention and compare them to the target population(s) in the programming documents.

**Achievement of main objectives:** the Consultant shall identify all recorded results and impacts, including any unintended ones, and compare these to the intended. The Consultant will also identify the changes with occurred in the areas on which EC programmes were supposed to produce an impact.

- **Efficiency of the implementation:** for the activities which were effective, it will be necessary to question to what extent funding, human, resources, regulatory, and/or administrative resources contributed to, or hindered, the achievement of the objectives and results.
- **Sustainability of the effects:** an analysis of the extent to which the results and impact are being, or are likely to be, maintained over time.
- **Key cross-cutting issues:** for example gender, environment human rights, HIV/AIDS, institutional capacity building, etc. Verification should be undertaken, on the one hand, of the extent that account has been taken of these priorities in the programming documents and, on the other hand, to what extent these issues have been reflected in the implementation modalities and in the effects of the intervention.
- **The 3Cs (co-ordination, complementarity and coherence):**

Co-ordination and complementarity with EU Members States, and other donors; coherence with EU policies (including the Member State own policies).

**Further information :**

[http://ec.europa.eu/comm/europeaid/evaluation/methodology/methods/mth\\_qes\\_en.htm](http://ec.europa.eu/comm/europeaid/evaluation/methodology/methods/mth_qes_en.htm)

## 6. RESPONSIBILITY FOR THE MANAGEMENT AND THE MONITORING OF THE EVALUATION

The Evaluation Unit (AIDCO 03) is responsible for the management and monitoring of the evaluation with the assistance of the reference group (cf.4.1).

Further information :

[http://ec.europa.eu/europeaid/evaluation/methodology/methods/mth\\_stg\\_en.htm](http://ec.europa.eu/europeaid/evaluation/methodology/methods/mth_stg_en.htm)

## 7. THE EVALUATION TEAM

The evaluation team should possess a sound level of knowledge and experience in:

- evaluation methods and techniques in general and, if possible of evaluation in the field of development and cooperation;
- the country and/or the region;
- the following fields:

**macroeconomic assistance ( budget support ), economy, transport, rural development governance, conflict prevention. Additional expertise could be requested after the drafting of the specific evaluation questions.**

The Evaluation Unit strongly recommends that the evaluation team should include local consultants (notably, but not only, during the field phase) with in-depth knowledge of key areas of the evaluation.

## 8. TIMING

The dates mentioned in the following section are indicative and may be changed with the agreement of all concerned.

<i>Evaluation Phases and Stages</i>	<i>Notes and Reports</i>	<i>Dates</i>	<i>Meetings</i>
RG Composition	Notes	September 2007	
ToR	Draft	October 2007	
Starting Stage	Launch Note	November 2007	
<b>Desk Phase</b>		Starts October 2007	
Structuring Stage	Short presentation (logical diagram and EQ)	November 2007	RG Meeting (kick off meeting)
	Draft Inception Note	December 2007	
	Final Inception Note	December 2007	
	Draft Desk Report	January 2008	RG Meeting
	Final Desk Report	February 2008	
<b>Field Phase</b>		From February to March 2008	
	Presentation	April 2008	RG Meeting
<b>Final Report-Writing Phase</b>	Draft Final Report	May 2008	
	1 <sup>st</sup> draft Final	May 2008	RG Meeting
	2 <sup>nd</sup> draft Final	June 2008	
	Seminar	July 2008	
	Final Report	September 2008	

## 9. COST OF THE EVALUATION

The overall cost of the evaluation cannot, in principle, exceed €200.000.

This amount includes a provision (reimbursable costs) for the organisation of the seminar in the country and 2.5 % of the total budget (€5 000) to be used for quality assurance.

The budget for the seminar (fees, per diems and travel) will be presented separately in the launch note.

## 10. PAYMENTS MODALITIES

The payments modalities shall be as follows: 30% on acceptance of the inception note; 50% on acceptance of draft final report; 20% on acceptance of final report.

Seminar related costs are to be invoiced, and paid, separately.

## APPENDIX 1: KEY DOCUMENTATION FOR THE EVALUATION

*NB: the following list is indicative*

- All legal texts and political commitments for the periods covered
- All Country Strategy Papers/National Indicative Programmes (and equivalent) for the periods covered
- Annual reports 2000 - 2007 from the Commission to the Council and the European Parliament on the EC development policy and the implementation of the External Assistance: [http://europa.eu.int/comm/europeaid/reports/index\\_en.htm](http://europa.eu.int/comm/europeaid/reports/index_en.htm)
- Mid-term reviews for the evaluation period
- Relevant documentation from local authorities and other local partners
- The relevant Commission Regulations
- Other Commission/Government Agreements
- Key Local Organisations and Government Policy and Planning Documents
- PRSPs
- Previous Evaluations and Monitoring Reports relating specifically to Uganda Evaluations: <http://europa.eu.int/comm/europeaid/evaluation/index.htm>
  - EC-Evaluation of EC Country Strategy for Uganda 1996-2000, Febr. 2001
  - EC-Evaluation of EC Support to Micro Projects Programmes ( MPPs) under the EDF in ACP countries 1998-2003, Aug. 2006
  - EC-Thematic evaluation of Population and Development oriented programmes in EC external cooperation, March 2004
  - The Joint Evaluation of General Budget Support 1994-2004, Jul 2006
  - CE-Evaluation de la cooperation de la CE avec les pays ACP/ALA/MED dans la domaine de la sante, mai 2002
  - EC-Evaluation of the Education Sector of EC aid to ACP countries (EDF 7-8), May 2002
  - Joint Evaluation of External Support to Basic Education in Developing countries, IOB Netherland's Ministry of Foreign Affairs
  - CE-Evaluation thematique, Developpement Rural et Agricole, 2007
  - Evaluation of Danish Assistance to Uganda 1987 – 2005, Danida, Mokoro LTD. 2006
  - DG ECHO's projects in the context of LRRD
- Previous Evaluations and Monitoring Reports (ROM database) relating specifically to Uganda ( see Annex 4 : " On access to the information contained by the ROM system for an evaluation "
- Relevant documentation from other donors
- EC Water and Energy Facility actions in Uganda, plus related documents
- Paris Declaration on Aid Effectiveness

## **APPENDIX 2: OVERALL STRUCTURE OF THE FINAL REPORT**

The final report should not be longer than approximately 50/60 pages. Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes.

The detailed report structure will be agreed during the evaluation process, taking into account the lessons learnt from the ongoing Country strategy evaluations and the specificity of the present evaluation.

1. Executive summary (5 pages maximum)
2. Evaluation framework: brief background to the evaluation, the purpose of the evaluation, evaluation questions and evaluation methodology.
3. Context (including Commission objectives, overall political economic social situation in Uganda, Commission strategies and programmes for Uganda, regional programmes if relevant)
4. Findings: they should be presented through answers to the evaluation questions. The analysis leading to findings must be clearly visible in the report.
5. Conclusions: they will be organised by clusters (not necessarily following the order of the evaluation questions). Each conclusion should both include a synthesis of the related findings and express a judgement on the aspect of the EC support considered. This part will also include an overall assessment on the EC support to Uganda.
6. Recommendations: they should be clearly linked to the conclusions and prioritised, options should be presented)

Annexes should include:

- logical diagrams of EC strategies;
- judgement criteria forms;
- list of the projects and programmes specifically considered;
- list of people met;
- list of documentation;
- ToRs;
- any other info which contains factual basis used in the evaluation or tables

## **Annex 6: Detailed Methodology**

## EVALUATION METHODOLOGY

### Methodology Overview

Based on the methodology developed by the EC's Joint Evaluation Unit, the Country Strategy Evaluation for Uganda followed a five-phase methodological approach:

- a Preparation Phase;
- a Desk Phase;
- a Field Phase;
- a Synthesis Phase bringing together the results of the field and desk phases, and finally
- a Feedback and Dissemination Phase.

The preparation phase included the constitution of a Reference Group within the EC and the preparation of the detailed Terms of Reference. A launch note, presenting the composition of the evaluation team, a methodology and a work plan was drafted by the Consultants and approved.

The products of the Desk Phase included the Inception and the Desk Reports. For the Inception Report (IR), the Evaluation Team produced an overall evaluation methodology, an Intervention Logic and a preliminary set of Evaluation Questions and Judgement Criteria which were validated by the Reference Group. For the Desk Phase, a very detailed analysis of the projects implemented during the period under study was undertaken, based on existing documentation and a few key interviews; the main output of this phase was a Desk Report which included the proposed methodology for the field phase (including a sample of relevant projects).

During the Field Phase, the international team members of the Evaluation Team were reinforced by Ugandan-based national experts with particular expertise in governance and non-state actors; they carried out a broad range of interviews and on-site visits in both urban and rural settings. Following the site visit, the Evaluation Team provided a detailed in-person briefing to the Reference group.

During the synthesis Phase, the Evaluation Team brought together and integrated all the elements from the Desk and Field Phases, and drafted the Main Report and its Annexes. Following discussions with the Reference Group on the content of the Main Report and subsequent revisions to the Synthesis Report, the evaluation methodology includes a seminar in Uganda to present the conclusions and results of the evaluation. The comments from this seminar form the basis for the final revision of the Synthesis Report.

The Feedback and Dissemination Phase of each evaluation is carried out entirely by the Commission and covers the Commission's response to the Evaluation through the generation of a Quality Grid; an Evaluation Summary for the attention of relevant Commissioners, the OECD and for the Commission's database, and finally a *"fiche contradictoire"*.

### The Evaluation Questions, Judgement Criteria and Indicators Used

The Synthesis Report at hand provides answers to the nine evaluation questions (EQs) that were selected for this mandate on the basis of the Intervention Logic of the EC's Country Programme in Uganda (see table below). The detailed methodology required to answer the EQs (including the Judgement Criteria and the indicators that would be used) was proposed at the earliest stage of the process (Inception Report) and subsequently agreed to by the Reference Group. As the evaluation progressed and information became more available, the exact wording of the EQs were slightly modified, as were the Judgement Criteria (JCs) and Indicators; each of these adjustments were approved by the EC. For ease of reference, the complete set of EQs, JCs and Indicators are presented in an annex.

## Evaluation Questions for the Uganda Country Programme Evaluation

EQ 1	<p><b>To what extent are EC cooperation objectives consistent with the evolving needs of Uganda, as indicated in GoU development policies and plans?</b></p> <p>JC 1.1: The EC policy dialogue has contributed to the formulation of GoU's development policies, plans and programmes</p> <p>JC 1.2: The EC cooperation strategies and objectives are consistent with Uganda's development needs</p>
EQ 2	<p><b>To what extent are EC cooperation with Uganda and its objectives consistent as regards: 1) the design of the country strategy; 2) the EC development policies; and 3) the EC intervention framework of different financing instruments?</b></p> <p>JC 2.1: Programmes of EDF 8 and 9 designed during the evaluation period are consistent with the CSP objectives</p> <p>JC 2.2: The EDF 9 intervention framework is consistent with EU/EC development policies</p> <p>JC 2.3: RIP, DG ECHO, EIB, budget lines and other interventions are consistent with the CSP and NIP.</p>
EQ 3	<p><b>To what extent is EC support coordinated and complementary with other donors (EU Member States and other bilateral and multilateral donors)?</b></p> <p>JC 3.1: The Ugandan Joint Assistance Strategy (UJAS) constitutes an effective coordination framework for GoU and donor interventions.</p> <p>JC 3.2: The Sector Wide Approach (SWAp) is applied for the main development sectors</p> <p>JC 3.3: The principles of ownership, alignment and harmonisation are generally adhered to (these terms are defined by the Paris Declaration on Aid Effectiveness)</p> <p>JC 3.4: The 9th EDF intervention framework is complementary with EU Member States' and other donors' interventions.</p> <p>JC 3.5 The EDF 9 objectives are not contradictory to other EU policies</p>
EQ 4	<p><b>To what extent has EC macro-economic budget support contributed to improve: 1) macroeconomic stability; 2) overall planning and public finance management; 3) institutional reforms; and 4) public service delivery (especially health and education)?</b></p> <p>JC 4.1: The EC's interventions in the framework of GBS have been provided on time, corresponded to the envisaged inputs and have been appropriate as regards Uganda's political, economic and institutional context.</p> <p>JC 4.2: Improvement of Planning and Public Finance Management and Institutional reforms have been implemented</p> <p>JC 4.3: An improvement of service delivery has been achieved</p> <p>JC.4.4: Crosscutting issues have been considered in EC programming and implementation</p>
EQ 5	<p><b>To what extent has EC support in rural development contributed to: 1) increased agricultural production, productivity, food security through the market, and increased income and employment; and 2) sustainable use and management of natural resources?</b></p> <p>JC.5.1: The EC support has been efficiently delivered</p> <p>JC.5.2: Better extension services, agricultural research, land tenure situation and water management has been delivered</p> <p>JC 5.3: Food security has improved since the delivery of EC aid</p> <p>JC 5.4: Incomes from activities in rural areas have increased</p> <p>JC 5.5: Natural resources are managed to preserve soil fertility and conserve bio diversity</p>
EQ 6	<p><b>To what extent has EC support to transport contributed to increased safe and sustainable national and local transport networks, which promote: 1) improved access to rural areas; 2) national integration; and 3) regional integration?</b></p> <p>JC 6.1: Uganda's transport policies, regulatory framework, and institutional capacity have improved</p> <p>JC 6.2: The condition of the road network and rail services have improved, and funds are available for development and maintenance in the short term</p> <p>JC 6.3: Performance, quality and cost of transport services – in particular road services – has improved</p>

	<p>JC 6.4: The road network development and maintenance contributed to a balanced regional development and to reducing poverty</p> <p>JC 6.5: Transit and custom facilitation for movement of cargo and passengers on regional corridor have improved</p>
<b>EQ 7</b>	<p><b>To what extent has EC support contributed to good governance through the strengthening of institutional capacities for: 1) strong and reliable accountability for decentralised public spending; 2) enhancement of the rule of law; and 3) increased protection and respect for human rights?</b></p> <p>JC 7.1: There is an increased capacity of local governments to plan and deliver services that are responsive to local needs; and to manage public finance in a transparent and efficient manner).</p> <p>JC 7.2: There is an increased transparency and accountability of both NGO and government service delivery entities</p> <p>JC 7.3 Increased capacity in the criminal justice systems to process cases effectively and efficiently has been installed</p> <p>JC 7.4: Increased protection of and demand for human rights has been installed</p>
<b>EQ8</b>	<p><b>To what extent has EC support enhanced NSAs' capacity and thereby contributed to their increased involvement in policy dialogue, demanding for accountability, monitoring and participating in the delivery of services?</b></p> <p>JC 8.1 Increased negotiation, advocacy and mobilization capacity of NSAs has been achieved</p> <p>JC 8.2 Enhanced ability of NSA networks to access and deliver appropriate information to members has been installed</p> <p>JC 8.3 Improved capacity of NSAs to ensure involvement in implementation of national service delivery has been installed</p>
<b>EQ 9</b>	<p><b>To what extent has EC support contributed to regional integration?</b></p> <p>JC 9.1: EC support has contributed positively to promote GoU's regional integration agenda.</p> <p>JC 9.2: The intermediate impacts of regional significance stemming from the focal sectors of the Uganda 9th EDF have materialised or are likely to materialise</p> <p>JC 9.3: The ESA-IO RIOs have the capacity to promote and sustain the benefits of regional integration.</p> <p>JC 9.4: Trade and development cooperation between EU and the ESA-IO RIOs/ member states develop positively</p>

The EC has defined a set of seven Evaluation Criteria through which the analysis of the EQ must be filtered. They are:

1. Relevance;
2. Efficiency;
3. Effectiveness;
4. Impact;
5. Sustainability;
6. Coherence, and
7. Value Added

For example, an evaluation question dealing with transport could be examined from a number of perspectives, including effectiveness, efficiency, sustainability, etc. The choice of criteria to assign to a particular question is based on a number of factors including the importance of the EQ to management; the current priority of the issues involved for the EC; the materiality of the effort devoted to the question and the resources available for the evaluation itself. Clearly, for strategic management purposes it is not essential that each EQ be analysed through the paradigm of each criteria. For this particular evaluation, EQs were analysed from the perspective of one or more of these criteria, the following table illustrates the association used.

**Table 57: Relationship between Evaluation Criteria and the EQs**

Criteria	EQ 1	EQ 2	EQ 3	EQ 4	EQ 5	EQ 6	EQ 7	EQ 8	EQ 9
Relevance	x								
Efficiency				x	x	x	x	x	
Effectiveness				x	x	x	x	x	
Impact				x	x	x	x	x	x
Sustainability				x	x	x	x	x	x
Coherence		x							
Value Added				x	x	x	x	x	

### Data Collection and Analysis Process

The objective of the data collection process used in this mandate was to provide the sound basis for the development of valid and reliable findings from which conclusions could be drawn. Following the EC approach, the majority of data was collected in the Desk Phase (Inception and Desk Reports), based on existing documents and available people to interview. From that first and limited base, preliminary answers to the EQ were proffered and a plan was proposed to supplement the information and analytical elements collected during the desk phase. This was done with the specific objective of being in a position to answer the Evaluation Questions through the systematic analysis of each of their Judgement Criteria and related indicators.

There were three principal channels through which information were secured for this evaluation:

- Indirect observation from EC project and programme files and information management systems such as CRIS;
- Third-party observation from interviews with anyone involved in EC-Uganda cooperation, as actors or stakeholders. This included relevant Brussels-based, Ugandan or regional authorities/ organisations; beneficiaries; the EC Delegation in Kampala, and relevant development partners, and
- Direct observation resulting from a field visit to Uganda, examining projects and programmes on-site; discussions with focal groups (i.e. farmers organized in NAADS groups, extension workers, members and representatives of civil society groups etc.) at grass-root level.

Data collected during the evaluation was drawn from a diversity of report types and sources including electronic databases. Official EC documents were closely scrutinised, as was documentation available on the Common Relex Information System (CRIS); relevant DG ECHO documentation was also analysed in relation to the 'Linking Relief, Rehabilitation and Development' (LRRD) approach applied in Uganda and supported by the EC. In addition, the EC Delegation in Uganda provided documentation (ex. memos and notes related to the disbursements of fixed and variable tranches under GBS and SWAps, JARs, sector reviews, information concerning use of Stabex funds etc.). Data from the Organisation for Economic Cooperation and Development (OECD) and from multilateral sources such as United Nations Economic Commission for Africa (UN-ECA) (especially the Millennium Development Goals (MDG)) and World Bank (WB) World Indicators, plus documents from bilateral donors were used. Furthermore, research on websites has been undertaken (especially websites of Ugandan Ministries, Ugandan Policy Papers, etc).

By the time project visits took place, considerable amounts of relevant project and intervention-sector information had already have been gathered and presented in the Desk Report, ensuring that sources of information were "triangulated" when defining findings, and that conclusions were build on a variety of types of sources of information. Each Evaluation Team member was responsible for the data collection required for the EQs that were assigned to her/him. Further, all team members (including those that are Uganda-based) participated in cross-sector analyses (i.e.

across EQs) in order to ensure that everyone fed information into the analysis of cross-cutting themes.

Project-related field visits provided a real opportunity to exchange views with beneficiaries. However, project visits cannot be considered to be project evaluations, but only a means of gathering evidence from triangulated sources. During the field visits, the Evaluation team used a modified approach of the Most Significant Change (MSC) technique in order to explore the perceptions of respondents and to make an assessment of effects – MSC being a participatory M&E instrument that involves gathering knowledge about change that participants have witnessed and the modifications of perceptions that have occurred over time.

Interviews generally followed the structure of a prepared questionnaire, so that they became structured qualitative interviews as a supplement to the quantitative information accessed through statistics.

The evaluation thus couples qualitative information - from interviews with individuals and groups - with quantitative information - derived from written sources. This includes project-specific quantitative information (for example disbursements and commitments) as well as sector, and country quantitative information (such as poverty indexes; GDP figures; HIV statistics; transport loading, etc.).

In order to move from data collection to the assessment of effects and the assessment of the overall contribution of EC cooperation in Uganda, the following two parallel approaches were undertaken:

#### Step 1: From data collection to answering Evaluation Questions

This Evaluation was based on a framework of Evaluation Questions covering seven evaluation criteria (as discussed above); each EQ has a number of Judgement Criteria associated to it, covering the entire content of the EQ. Each Judgement Criteria has a number of Indicators that (together) cover the basic information necessary for a conclusion to be made of the Judgement Criteria; the overall conclusion of the various Judgement Criteria define the answer to the EQ.

The evaluation methodology thus included:

- For each Judgment Criteria (and all Evaluation Questions) supporting data and information was assembled for the corresponding indicators by means of documentation, interview, analysis of sample interventions and focus group discussions as appropriate;
- Collated information was synthesised for each Indicator;
- This product was reviewed for coverage and completeness and adequacy of base data: in case of inadequacy, action was taken (where possible) to obtain additional information; if not possible, the evaluation report contains comments that explain any limitations;
- Assuming adequacy of information, the combined indicators validated (or otherwise) the Judgement Criteria and a qualified judgement was made for all Judgement Criteria;
- Consideration of all component Judgement Criteria then permitted answers to all Evaluation Questions.
- The integration of the analysis of the Evaluation Questions and the main thrusts of the evaluation (as defined by its objectives), gave rise to the conclusions and recommendations.

#### Step 2: From the analysis of Ugandan cooperation performance to overriding evaluation objectives

Each part of the execution of the evaluation methodology considered the relevance and the contribution of EC responses to Ugandan needs, in particular with respect to poverty reduction. It assessed effectiveness of interventions in focal and non-focal sectors, the extent to which intended results and outcomes have been achieved and how these contributed to overall objectives. The causal link between EC's support and the contribution to development impacts was identified to the extent possible.

Transversal issues were always kept at the top of the evaluation agenda in order to identify any intrinsic EC added-value to donor partnerships with the GoU. This was done in the context of EC global and regional cooperation policies and objectives as well as the efficiency of EC implementation frameworks. Crosscutting issues were also examined in sector contexts.

Based on the results of step 2, intermediate effects and their sustainability (sustainable economic growth, social development and regional integration) as well as the overall effects on poverty reduction made by the EC were identified.

### **Data collection strategy – before the field visit**

Several kinds of documents were collected including the RIPs/RSPs from 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> EDF and the relevant NIPs/CSPs for Uganda. In addition, the ROM<sup>173</sup> system was consulted for available relevant documents and all relevant documents<sup>174</sup> in the ROM database on Uganda were been downloaded, amounting to over 250 documents. At that point it was noted that quite a number of monitoring reports and basic project documents were still missing and plans were made to retrieve them during the field missions and during interviews with EC staff in Brussels. Some of these were finally obtained but it is clear that all projects are not rigorously monitored through ROM.

Use was also made of the virtual library created on the Evaluation Consortium website, a repository for key documents and which allowed for easy up-dating, up-loading and accessing by team members. Project/programme information was continuously updated as additional information became available. Key documents on Consortium Website included:

- EC country docs (country strategy papers, joint annual reports, Mid-Term Reviews, Evaluations etc);
- Projects and ROM docs
- Country Data
- Country policies
- Documents from other donors
- Evaluation reports
- Outputs of the evaluation team

### **Preparatory mission to Uganda**

The TL did not make an exploratory visit to Uganda as it was considered that the presence of the two Ugandan team members in Uganda could stand-in for necessary meetings etc. The two Uganda-based team members made contact with the Delegation, obtained documentation (but not much), prepared logistics for the team field visit collect documents, established contacts and, where necessary, held brief introductory meetings with relevant future interviewees and institutions on the aims, objectives, methodology, activities and timetable of the evaluation. Based on the documentation, team members prepared a list of institutions and projects they wished to contact, and after consultation with the Delegation, arranged for the scheduling of the visits (with some support from the Delegation).

### **Data collection strategy for the field phase**

#### **Structure and research logic**

Interviewing guidelines, questionnaires, and a sampling methodology were developed for use during the field visit. It was planned that interviews would take a qualitative semi-structured form, drawing on focal interviews with individuals and groups from selected projects/programmes and institutions. A sampling methodology was designed that reflected the missing information that

<sup>173</sup> Results Oriented Monitoring System

<sup>174</sup> The documents found in the monitoring database are the following: Financing Agreement (FA), Monitoring Report (MR), Monitoring Notes (MN), Project Synopsis (PS), Logframe (LF), Response Sheet (RS), and Implementation Schedule (IS).

needed to be obtained as well as. And perhaps more importantly, the need for feedback from individuals who could validate the research hypotheses that the team created. This meant that, although there was a broad coverage of development interventions, the selection of interviews were not necessarily “representative” in the statistical sense, because the objective was not to sample the “universe” of data points..

The field phase was based on a two-week visit to Uganda, this length of time being judged sufficient and appropriate given that it was not thought necessary to evaluate all programmes/projects in depth, but rather to evaluate the framework for interventions, the decision-making processes, the institutional framework, the approach to implementation, and development effects. The three international experts travelled to Uganda at the same time and the Ugandan consultants were integrated into this team and worked closely with them, as full colleagues, during the visit.

Field visit survey methods were designed during the Desk Phase, and an assessment was made of the available quantitative data, which could be accessed and used to provide answers on quantitative indicators. For example, in relation to poverty alleviation, UN/World Bank data was drawn on, such as the HDI index which shows regional and national trends; in addition, trade and transport statistics, agricultural production statistics, HIV/AIDS statistics, etc., were all to be accessed in order to provide a sound basis of quantified data. This data was to be supplemented by data generated by the Evaluation team. Unfortunately, the specificity of the data required was not always available and the Synthesis report reflects this as evaluation limit. In retrospect and as a lesson learned, the team should have asked its local counterparts, the Delegation and perhaps certain GoU officials (especially from UBOS) to ascertain whether the data required would be available.

Therefore, apart from the analysis of documents, data was generated through:

#### *Structured interviews*

These included the EC Delegation (which was contacted prior to the field visit and requested to suggest other relevant actors); the NAO; sector ministries, relevant project staff; civil society/non-state actors; and other relevant donors. Many interviews had to be based on unstructured qualitative interviews in order to obtain supplementary information to the quantitative information accessed through statistics. The NAO was to be an important discussion partner and entry point – jointly with the EC Delegation – for identifying individuals and groups for interviews, but the former was not readily available except for a 45 minute interview. Most of the Delegation staff were very open and cooperative but some officials were absent and a key sector was not able to be fully examined in the field (agriculture/rural development) because it became impossible to meet the Delegation official responsible for the sector.

#### *Field observations*

Documentation and interviews were to be supplemented with direct field observation and on-site visits to projects for case studies. Due to the limited time in Uganda, not all project sites in the programme were visited, but interviews with accessible key stakeholders were conducted. These were undertaken with the aid of a questionnaire where possible, but the team members were not asked to write minutes of these meetings, largely because this practice was not required in other evaluations. Their notes were used in the analysis of the EQs but remained with them and are in their files.

### **Conduct of the field visit**

The evaluation team members that were present during the field visit are:

- Robert LeBlanc, TL and International Expert
- Ruth Kaepler, International Expert
- Max Hennion, International Expert
- Anne Nkutu, Local Expert,

- David Nsugbu, Local Expert,

The field visit lasted two weeks, and consisted of meetings with the staff at the EC Delegation, government officials, other donors, and visits to a number of selected projects/programmes, where meetings will be held with beneficiaries. The sequence of meeting was organised as indicated in the table below.

### Visit framework for the Evaluation Team

Activities	Week 1							Week 2							
	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M
Meetings with the EC Delegation	x														
Meetings with GoU ministries, etc.	x	xx	xx												
Field visits in teams				xx	xx	xx	xx								
Team session								xx							
Meetings with development partners								xx	xx		xx				
Meetings civil society organisations									xx	xx					
Follow-up meetings with GoU										xx	xx	xx			
Debriefing with the EC Delegation												xx			
Group work and preparation of briefing for Delegation and reference Group											xx	xx	xx	xx	xx

For the purposes of the field visit, the nine evaluation questions fell into two groups:

1. Questions that required significant clarification at central level (interviews with GoU and EC Delegation staff, and documentary analysis), i.e. EQ1, 2, 3, 4, and 9.
2. Questions that required significant clarification at central level and field observations, i.e. EQ5, 6, 7 and 8.

## Overview of Evaluation Questions and information status

EQ No.	Evaluation Questions	Information Status
EQ 1	To what extent are EC cooperation objectives consistent with the evolving needs of Uganda, as indicated in GoU development policies and plans?	Further clarification at central level
EQ 2	To what extent are EC cooperation with Uganda and its objectives consistent as regards: 1) the design of the country strategy; 2) EC development policies; and 3) the EC intervention framework of different financing instruments?	Further clarification at central level
EQ 3	To what extent is EC support coordinated and complementary with other donors (EU Member States and other bilateral and multilateral donors)?	Further clarification at central level
EQ 4	To what extent has EC macro-economic budget support contributed to improve: 1) macroeconomic stability; 2) overall planning and public finance management; 3) institutional reforms; and 4) public service delivery (especially health and education)?	Further clarification at central level and eventually local government level
EQ 5	To what extent has EC support in rural development contributed to: 1) increased agricultural production, productivity, food security through the market, and increased income and employment, and 2) sustainable use and management of natural resources?	Further clarification at central level and field observations
EQ 6	To what extent has EC support to transport contributed to increased safe and sustainable national and local transport networks, which promote: 1) improved access to rural areas; 2) national integration; and 3) regional integration?	Further clarification at central level and field observations
EQ 7	To what extent has EC support contributed to good governance through the strengthening of institutional capacities for: 1) strong and reliable accountability for decentralised public spending; 2) enhancement of the rule of law; and 3) increased protection and respect for human rights?	Further clarification at central level and field observations
EQ8	To what extent has EC support enhanced NSAs' capacity and thereby contributed to their increased involvement in policy dialogue, demanding for accountability, monitoring and participating in the delivery of services?	Further clarification at central level and field observations
EQ 9	To what extent has EC support contributed to regional integration?	Further clarification at central level

The Country Visit concluded with a PowerPoint Presentation /Debriefing Note, which elaborated further on the answers to the Evaluation Questions and on the extent to which EC interventions have contributed to sustainable economic growth and social development – including the crosscutting issues. This presentation permitted the evaluation team to present and discuss preliminary findings with the Delegation staff.

## **Scope of Interviews**

### **Interviews with EC Delegation**

The primary focus of the interviews was on:

- Obtaining further information and documentation which could not be retrieved during the desk phase;
- Delegation's appreciation of: quality of coordination and dialogue; opportunities and limitations;
- Factors hampering/promoting efficiency and effectiveness of EC interventions in Uganda.

### **Interviews with TA personnel engaged in EC projects/ programmes**

Interviews concentrated on collection of information related to interventions that were selected for more in depth analysis.

### **Interviews with Development Partners**

The primary focus of the interviews was on:

- Development partners' assessment of EC Country Strategy and complementarity with GoU and other donor interventions – in relation to Uganda's development needs; and
- Development partners' general appreciation of the quality and impact of EC's interventions and identification of best practices stemming from EC's support.

### **Interviews with GoU Officials**

In order to confirm and validate the preliminary answers for each question, the Evaluation Team conducted interviews with a number of GoU officials. The primary focus of the interviews was on:

- Obtaining further and updated GoU data where information was still missing;
- GoU's assessment of EC inputs as regards coordination and alignment;
- GoU's assessment of the coherence of the EC' Country Strategy in relation to GoU's policies and development plans;
- GoU's general appreciation of the quality and impact of the EC cooperation.

### **Interviews with Non-State Actors**

The primary focus of the interviews was on:

- NSAs' policy formulation and advocacy roles;
- NSAs' roles in service delivery;
- NSAs' roles in enhancing accountable and transparent government services.

A detailed questionnaire matrix used to organise the data gathering process, as well as a summary of the hypotheses related to the EQs follows:

Projects proposed by Delegation for Field Visits (outside Kampala)

## Rural Development

**Contact:** Veronique Lorenzo, Head of Section  
 Email: veronique.lorenzo@ec.europa.eu

No.	Title	Status
8 ACP UG 30	Forest Resources Management and Conservation Programme	Expected completion 2008
9 ACP UG 12	Sector Budget Support to PMA	Completion

## Infrastructure

**Contact:** Dorian Kiumbi, Head of Section  
 Email: dorian.kivumbi@ec.europa.eu

No.	Title	Status
7 ACP RPR 773 8 ACP ROR 20 8 ACP UG 31 9 ACP UG 18	Strengthening of the Northern Corridor Route – Jinja-Bugiri and the Malaba Border Post: Start date June 2002 and expected completion date April 2009,	Expected completion 2009
7 <sup>th</sup> EDF STABEX 8 <sup>th</sup> EDF STABEX	District roads in Western Province: 1) The “Rural Feeder Roads Masaka Project”; and 2) The “District Roads Re-gravelling/ Improvement Project”.	Completed Expected completion 2009

## Policy and Trade (Also dealing with Good Governance and NSAs)

**Contact:** Mr. Harvey Rouse, Head of Section  
 Email: harvey.rouse@ec.europa.eu

No.	Title	Status
8 ACP UG 13	EU Micro-projects Programme	Completed 2007
9 ACP UG 04	Civil Society Building Programme	Expected completion 2008

## Summary of Hypotheses before the Field phase

Evaluation Questions	Hypothesis and their test during the field phase
<p><b>EQ1: To what extent are EC cooperation objectives consistent with the evolving needs of Uganda, as indicated in GoU development policies and plans?</b></p>	<p>Continued relevance of the EC's aid was only partially assessed during the desk research phase. As far as this criteria is concerned, the purpose of the field visits was to attempt to find an answer to the following question:</p> <ul style="list-style-type: none"> <li>• When [Ugandan] needs or priorities change, are there mechanisms and is there a capacity for the EC's support to adapt, to meet new requirements?</li> <li>• Is the GoU still supporting the policies, which are supported by EC interventions?</li> <li>• Do development partners, civil society and political opposition parties consider the EC support relevant to Ugandan populations' needs?</li> </ul> <p>Furthermore, the field phase had to clarify whether problems/delays in implementation of some sectors (i.e. transport) were attributable to inadequacies of design and formulation or to external problems.</p>
<p><b>EQ2: To what extent is EC cooperation with Uganda coherent as regards: 1) the intervention framework; 2) EC/EU policies; and 3) the EC intervention framework of different financing instruments?</b></p>	<p>The coherence of EC's support has increased over time due to continued focus on selected sectors and improved planning and adjustment mechanisms.</p> <p>Work in the field phase concentrated on the collection of information related to:</p> <ul style="list-style-type: none"> <li>• Coherence between interventions financed with Stabex funds and interventions financed with EDF and budget-line funds</li> <li>• Eventual incoherencies of EC interventions (which interview partners may comment)</li> </ul> <p>Information was collected with the EU Delegation in Kampala and with the NAO.</p>
<p><b>EQ3: To what extent is EC support coordinated and complementary with other donors (EU Member States and other bilateral and multilateral donors) and consistent with EU policies?</b></p>	<p>The harmonisation and alignment processes have the potential to be further consolidated and the ownership dimension further strengthened – which combined will increase aid effectiveness. The following were assessed during the field phase:</p> <ul style="list-style-type: none"> <li>• Up to which point development partners are willing to renounce to own development priorities and procedures in order to achieve donor coordination and complementarity</li> <li>• Existence of similar projects/programmes at field level, which are working as “stand-alone projects” without coordination/alignment with other similar interventions</li> <li>• Existence of projects/programmes which offer same services (i.e. food aid, credit, agricultural inputs) at different conditions</li> <li>• Existence of donor coordination with development partners from the NSA sector (Ugandan and International NSA /regions and Local Governments)</li> <li>• Existence of donor coordination with interventions financed under budget lines, or other facilities (i.e. water-facility)</li> <li>• Opportunity costs of donor coordination (how many hours development staff spend in coordination meetings)</li> </ul> <p>Coherence of EC's development policy with EU's trade and commercial policies, agriculture, environmental policies as well as migration policies.</p>
<p><b>EQ4: To what extent has EC macroeconomic budget support contributed to improve: 1) macroeconomic stability; 2) overall planning and public finance management; 3) institutional reforms; and 4) public service delivery (especially health and education)?</b></p>	<p>Discussion in focal groups with representatives of GoU, Development partners and staff of EU Delegation centred on the following hypothesis:</p> <ul style="list-style-type: none"> <li>• EC's macroeconomic budget support has contributed to Macroeconomic stability and economic growth; without EC's contribution to GBS the budget deficit would be higher and the GoU would have cut-down expenditures under the PAF (what would have happened if EC would not have provided GBS).</li> <li>• EC capacity building support provided under PABs5 has contributed to improved performance of the Budget Department, Procurement</li> </ul>

Evaluation Questions	Hypothesis and their test during the field phase
	<p>Authority, OPS/NIMES and UBOS. EC has given an important support to reorganizing the Prime Minister’s Office and to the establishment of a National Monitoring and Evaluation System.</p> <ul style="list-style-type: none"> <li>• Added value of EC support: Has EC an added value in policy dialogue (coordination/lead-role with EU Member States); weight of EC (and EU Member States) in policy dialogue compared to other donor/financing institutions; possibility to make “European values“(social cohesion, human rights, etc) considered in Ugandan policy formulation.</li> <li>• Outcomes and impact of other interventions financed by EC or EIB in the economic sector (has an enabling environment been achieved).</li> <li>• Possible relationship of outcomes of EC interventions at national (Uganda level) at regional level.</li> </ul>
<p><b>EQ5: To what extent has EC support in rural development contributed to: 1) increased agricultural production, productivity, food security through the market, and increased income and employment; and 2) sustainable use and management of natural resources?</b></p>	<p>The hypotheses are:</p> <ul style="list-style-type: none"> <li>• NAADSs are responding to farmers’ need; they are near to the communities and their needs.</li> <li>• There is a frequent turnover of PSPs, which is negatively affecting the quality of extension services.</li> <li>• Farmers are using more and more improved technologies, which result in increase of yields, increased food-self sufficiency and increased marketable surplus.</li> <li>• PSPs promote sustainable rural development (technological packages and agricultural practices promoted are limiting erosion, decrease of fertility of soil and deforestation/desertification).</li> <li>• Problems related to land-tenure are complex and cannot be reduced by development interventions.</li> <li>• The food security situation is generally good to acceptable; however lack of money (in order to buy food) and traditions (i.e. not to sell animals) make part of the population vulnerable to under-and malnutrition.</li> <li>• Although NAADSs seem to work satisfactorily, the growth rates of the agricultural production growth rates and yields remain limited (no important change at field level).</li> <li>• Although sustainable development is a key issue in the PEAP more efforts have to be made to enforce national policies and to increase local governments’ capacities to tackle these issues.</li> </ul> <p>The country visit focussed on the following issues:</p> <ul style="list-style-type: none"> <li>• Visit to selected project sites to verify the hypothesis and collect information and data to address the proposed indicators.</li> <li>• Updating of information. Specific attention will be given to (1) technological packages, their acceptance by farmers and the application under grass-root conditions; (2) what is the perception of PSPs and farmer groups, which are using new technological packages. And finally (3) the link between national research activities/results and regional research will be assessed.</li> <li>• Discussions in focal groups with beneficiaries of NAADs, PSPs and representatives of local governments (applicability of proposed packages, difficulties faced in work, market access, improvements on production, yields, market access observed, integration of women, elderly persons, persons living with AIDS/HIV in project activities).</li> <li>• Discussion with NARO and with PSPs concerning the integration of messages on sustainable agricultural production in extension messages, their applicability under field conditions, local acceptance.</li> <li>• Discussion with NARO, short review of investigations undertaken and relationship with research at regional level; discussion with PSPs and focal groups of beneficiaries concerning applicability of research results under field conditions.</li> <li>• Elaboration of about 10 family budgets of farm families benefiting from NAADS before/now, what has changed).</li> <li>• Assessment of LRRD intervention with possible site-visit.</li> </ul>

Evaluation Questions	Hypothesis and their test during the field phase
<p><b>EQ6: To what extent has EC support to transport contributed to increased safe and sustainable national and local transport networks, which promote: 1) improved access to rural areas; 2) national integration; and 3) regional integration?</b></p>	<p>The hypotheses are:</p> <ul style="list-style-type: none"> <li>• The national and local road networks cannot be sustainably managed without adequate institutional structures, human resources, and funding resources.</li> <li>• The condition of the road networks will suffer significantly if the institutional and financial situation is not improved in the short-term – and will, if not improved, result in reduced traffic safety and increased transport time and costs.</li> </ul> <p>The country visit focussed on the following issues:</p> <ul style="list-style-type: none"> <li>• The investigation will be concentrated at the national level and in those districts where support to the road sector has been provided as regards national roads and district roads;</li> <li>• The planning, management and implementation arrangements of completed and ongoing transport projects/ programmes will be assessed – including EC’s procurement procedures;</li> <li>• The sustainability aspect of the road infrastructure assets will be covered through assessment of the budgetary allocations and road conditions;</li> <li>• Socio-economic impact including the crosscutting issues (gender, environment, HIV/AIDS, and good governance) will be assessed in connection with the reviews of the various projects;</li> <li>• The national transport policies and regulatory framework will be assessed to see to what extent they have had an influence on national and regional road transport infrastructure and services, e.g. as regards countrywide accessibility and interconnectivity with neighbouring countries, reduced transport time and costs, road safety, and enforcement of regulatory provisions – leading to improved flows of people, goods, and services;</li> <li>• Further information on transport services will be sought as regards national coverage, categories of services, and tariffs;</li> <li>• Progress on Uganda’s adherence to COMESA/EAC transport agreements and regulations will be explored;</li> <li>• Progress on the part of GoU of supporting a Spatial Development Initiative for the NCR and national corridors will be further explored through discussion with Uganda’s Planning Commission.</li> <li>• The efficiency of border crossings and custom services will be assessed.</li> <li>• Indicators will where possible be quantified, or otherwise based on qualitative assessments.</li> </ul> <p>As regards reduced transport cost and time, information will mainly be collected through interviews with national agencies, providers of transport services, transport users, and community groups.</p>
<p><b>EQ7: To what extent has EC support contributed to the strengthening of institutional capacities for: 1) strong and reliable accountability for decentralized public spending; 2) enhancement of the rule of law; and 3) increased protection and respect for human rights?</b></p>	<p>The hypotheses are:</p> <ul style="list-style-type: none"> <li>• Institutional support to governance has resulted into some improvements, but it would appear that its effectiveness relies on the timely implementation of related initiatives, staffing, harmonisation and enforcement of regulations and adequate funding.</li> <li>• Direct interventions –financed under a project approach – have given more concrete and results; however there might be some problems with sustainability.</li> <li>• Local Governments capacities to manage their mandated tasks vary and are particularly weak in the conflict-affected districts.</li> <li>• EC’s support especially under the component 1 of the Human Rights and Good Governance Programme, which aims at strengthening the national framework for political governance, seems essential, as it includes reviews and monitoring of progress of achievements of GoU’s own policies and programmes (JLOS services, community service programme etc) and permits EC/EU to enter in permanent policy dialogue.</li> </ul> <p>The country visit focussed on the following issues:</p> <ul style="list-style-type: none"> <li>• Evaluate progress in implementation and outcomes of the 8<sup>th</sup> EDF</li> </ul>

Evaluation Questions	Hypothesis and their test during the field phase
	<p>Human Rights and Good Governance Programme</p> <ul style="list-style-type: none"> <li>• Local Governments, which have received direct support from EC funded projects, will be visited in order to collect information concerning capacity building activities; funding and funding mechanisms, challenges experienced and actual status of service delivery.</li> <li>• Focus groups with community members on social infrastructures constructed with EC support to establish outcome and impacts with of EC cooperation. If possible, a comparative analysis will be done with districts that have not received external support from DPs.</li> </ul> <p>Focus group discussions on human rights issues (i.e. NSAs, human rights defenders, representative of Ugandan police, women’s groups, sexual minorities, etc) on progress achieved, problems faced and the role played by EC in the process. (Is EC a strong partner in policy dialogue, are there comparative advantages or added value).</p>
<p><b>EQ8: To what extent has EC support enhanced NSAs’ capacity and thereby contributed to their increased involvement in policy dialogue, demanding for accountability, monitoring and participating in the delivery of services?</b></p>	<p>The hypotheses are:</p> <ul style="list-style-type: none"> <li>• Support to CSOs increases their effective engagement and contribution to development processes.</li> <li>• Although GoU’s policies promote the increased involvement of CSOs in service delivery at field level, the regulatory framework may potentially hamper CSOs constructive engagement at field level.</li> <li>• The increased involvement of CSOs in policy dialogue is mainly restricted to national and urban-based CSOs, which may not reflect the interests and opinions of rural based CSOs.</li> </ul> <p>The country visit focussed on the following issues:</p> <ul style="list-style-type: none"> <li>• Collection of updated information concerning the CSCBP</li> <li>• Discussion with Civil Society Steering Committee and selected IOs on the increased involvement of CSOs in policy dialogue, accountability, monitoring and service delivery; quality of partnership with GoU.</li> <li>• Field visits to rural districts – discussion with CSOs which are involved in service delivery (under CSCBP financing, other EC financing, those sub contracted by GoU i.e. Private Service Providers under PMA.</li> <li>• Discussion with selected INGOs to seek their views on local CSO capacities for policy dialogue, accountability/ resource monitoring and service delivery; as well as views on EC support.</li> </ul>
<p><b>EQ 9: To what extent has EC support contributed to regional integration?</b></p>	<p>The hypotheses are:</p> <ul style="list-style-type: none"> <li>• The regional integration agenda could be further enhanced if country level and regional level strategies and investments are increasingly aligned and harmonised;</li> <li>• The regional integration agenda could be further advanced if the EAC governments integrate the regional dimension into their national development strategies and plans.</li> </ul> <p>The country visit focussed on the following issues:</p> <ul style="list-style-type: none"> <li>• The investigation will be conducted at national level with discussions with MFPED, MoWT, Ministry of Trade, Industry, Tourism, Wildlife and Antiquities, and the National Planning Authority.</li> <li>• The conclusions and recommendations of the Regional Level Evaluation of the ESA-IO Region will be reviewed and tested to see what follow-up action has been undertaken.</li> </ul>

## Interview Itinerary

The nine EQs each required their specific set of interviews. However, in a number of cases an interview dealt with a number of EQs. Thus great care was taken when arranging meetings in order not to burden the interviewees unnecessarily with more than one interview. The interviews were also directly related to the judgement criteria and the indicators. A Questionnaire Matrix was prepared for each EQ.

A detailed list of people met in the field and in HQ during the course of the mandate is included in Volume 2 of the Synthesis Report as Annex 2. The following tables illustrate how the evaluation team proceeded with identifying who should be interviewed and for what.

## EC Delegation

Section	Designation	Evaluation Questions								
		1	2	3	4	5	6	7	8	9
EC Delegation	Head of Delegation, Head of development	x	x	x	x	x	x	x	x	x
Economic Development	Delegation official responsible	x	x		x		x			x
Rural Development	Delegation official responsible	x	x			x	x			
Transport	Delegation official responsible			x			x			x

## Government of Uganda

Ministry/ Department	Evaluation Questions								
	1	2	3	4	5	6	7	8	9
MFPED	x	x	x	x	x	x	x	x	x
MoWT	x			x	x	x			
MoLG	x			x	x		x		
MoJCA/ JLOS	x						x	x	
NPA	x	x	x	x	x	x	x	x	x
<b>Local Governments</b>				x		x	x		
Xx District Council				x	x	x	x	x	

## EC Advisers/ Consultants

Programmes/ Projects	Evaluation Questions								
	1	2	3	4	5	6	7	8	9
PPDA (EC institutional support )	x			x					
NIMES(EC institutional support	x			x					
UBOS (EC institutional support )	x			x					
PMA (?)					x				
NAADs (?)				x	x				
NARs (?)				x	x				
RAFU					x	x			
EU Micro Projects							x		
EU Capacity Building Project								x	
EU Support to Decentralisation							x		
Commercial Justice Reform Programme							x		
EU HRGGP							x		

## Development Partners

Section	Evaluation Questions								
	1	2	3	4	5	6	7	8	9
WB			x						
AfDB			x						
UNDP			x						
GTZ			x						
Danida		x	x			x			
IFAD			x		x				
FAO			x		x				
WFP			x		x				

## NSAs

Section	Evaluation Questions								
	1	2	3	4	5	6	7	8	9
NGO Forum							x	x	
Uganda Girl Child Rights								x	
Kabarole Research Centre/ KADDNET				x	x		x	x	

In addition to the structure above, the evaluation team identified certain functions within the Delegation, the GoU, DP or NSA that needed to be interviewed with respect to validating the information already obtained by the evaluation team (or getting information where necessary). The following table is provided as a basis; the actual tables were adjusted on site.

## Questionnaire Matrix

EQ1: Questionnaire Matrix		NAO	Ministry of Agriculture	PPDA	NIMES	EU Member states	MOWT	NSAs/CSOs	Delegation staff			
Indicators												
<b>1.1 The EC policy dialogue has contributed to the formulation of GoU's development policies, plans and programmes</b>												
1.1.1	The EC has actively engaged in policy dialogue with the government and they have jointly monitored the performance of development programmes	x	x	x	x	x	x	x	x			
1.1.2	Mechanisms are used to ensure that aid provided by the EC continues to be relevant to GoU priorities or that it is adapted to reflect changing priorities	x	x	x			x		x			
<b>1.2 The EC's cooperation strategies and objectives are consistent with Uganda's development needs.</b>												
1.2.1	Extent to which the EDF's support to focal and non-focal sectors is relevant to national programmes and plans such as the PEAP	x	x			x	x	x				
1.2.2	Extent to which the EC's interventions are capable of adapting to the changing needs of Uganda's development	x	x			x	x	x	x			

<b>EQ2: Questionnaire Matrix</b>										
<b>Indicators</b>	NAO	Ministry of Agriculture	PPDA	NIMES	EU Member states	MOWT	NSAs/CSOs	Delegation staff		
<b>2.1 Programmes of the 8<sup>th</sup> and 9<sup>th</sup> EDF designed during the evaluation period are consistent with the CSP objectives</b>										
2.1.1	x	x		x		x	x	x		
2.1.2	x			x		x	x	x		
2.1.3	x				x			x		
<b>2.2 The 9<sup>th</sup> EDF intervention framework is coherent with other EU/EC development policies</b>										
2.2.1					x			x		
<b>2.3 RIP, ECHO, budget lines, and other facilities are consistent with CSP and NIP</b>										
2.3.1	x							x		
2.3.2								x		
2.3.3	x							x		
2.2.4	x							x		

<b>EQ3: Questionnaire Matrix</b>												
<b>Indicators</b>		NAO	Ministry of Agriculture	PPDA	NIMES	EU Member states	MOWT	NSAs/CSOs	Delegation staff			
<b>3.1 The Ugandan Joint Assistance Strategy (UJAS) constitutes an effective coordination framework for GoU and donor interventions</b>												
3.1.1	GoU has taken leadership in donor coordination	x				x		x	x			
3.1.2	Joint sector working groups have been established and are effectively operational, measured ...	x				x			x			
3.1.3	Presence and active participation of core donors in the technical working groups					x			x			
<b>3.2 The Sector Wide Approach (SWAp) is applied for the main development sectors</b>												
Y.2.1	Number of sector moving towards SWAp	x							x			
Y.2.2	Percentage of volume of EC development aid implemented through SWAp and GBS	x							x			
<b>3.3 The principles of ownership, alignment and harmonisation are generally adhered to</b>												
3.3.1	GoU has taken ownership of the development process	x				x			x			
3.3.2	Degree of donor alignment and harmonisation	x				x			x			
3.3.3	Adequate coverage of all the Ugandan territory by donors	x				x			x			
3.3.4	Non existence of duplication of donor assistance	x							x			
<b>3.4 The 9<sup>th</sup> EDF intervention framework is complementary with EU Member States' and other donors' interventions</b>												
<b>3.5 The 9<sup>th</sup> EDF objectives are not contradictory to other EU policies</b>												

<b>EQ4: Questionnaire Matrix</b>													
<b>Indicators</b>	MPED	NAO	Delegation	EU Member States	WB	OPS/ NIMES	UBOS	DP working group GBS	Ministry of Health	Ministry of Education	Local Governments		
<b>4.1</b>													
<b>4.1.1 Mix of EC Budget support inputs</b>													
4.1.2 Achievement of Macroeconomic Performance indicators (PABs 5)		x	x		x								
4.1.3 Achievement of performance indicators for the variable tranche of PABs 5		x	x										
4.1.4 Timely delivery of GBS inputs- predictability of disbursements		x											
<b>4.2 Improvement of Planning and Public Finance Management and Institutional reforms implemented</b>													
4.2.1 Degree of advance of improvements in PFM and Institutional reforms	x		x		x	x	x	x					
4.2.2 Maintenance of macroeconomic indicators and achievement of targets of macroeconomic indicators	x												
4.2.3 Payment of counterpart funds [%]		x	x										
4.2.4 Balance between GoU expenditures and revenues – adherence to GoU budget ceilings and MTEF	x	x											
4.2.5 Transparency in management at all levels by all parties					x	x		x					
4.2.6 Budget execution, respect of budget lines	x												
4.2.7 Cases of corruption detected and percentage prosecuted	x												
<b>4.3 Improvement of service delivery</b>													
4.3.1 Per capita expenditure on health and education (per region)	x								x	x			
4.3.2 Coverage of service delivery at the district level									x	x	x		
4.3.3 Health personal (various levels)/population									x	x			
4.3.4 Completion rates at primary level and O-level									x				
4.3.5 Teacher/pupil ratio										x			
4.3.6. Increase enrolment at secondary level										x			
<b>4.4. Added value and cross-cutting issues</b>													
4.4.1. Evidence of consideration of gender aspects in the formulation of the GBS		x							x	x	x		
4.4.2. Evidence of consideration of capacity building in the formulation of the GBS	x	x										x	
4.4.3. Good Governance – Decentralization	x	x										x	
4.4.4. Added value of EC cooperation through GBS	x	x	x	x									

<b>EQ5: Questionnaire Matrix</b>		MAAIF	NAADS	PMA Management	NARO	Other Project Officers	Farming associations	SMEs & NGOs	District Officers	Sector Donors		
<b>Indicators</b>												
<b>5.1 - The EC's interventions have been efficiently delivered</b>												
5.1.1	The EC sector budget support has been efficiently delivered	x		x		x				x		
5.1.2	Crosscutting issues (i.e., gender and HIV/AIDS) are appropriately incorporated	x					x	x				
5.1.3	Intervention appraisal papers underline links and synergies between it and sister interventions—from both the EC and other donors (LRRD approach)	x								x		
<b>5.2 – The EC has supported better extension services, agricultural research, land tenure situation and water management</b>												
5.2.1	Extension services and agricultural research have improved during the reference period	x		x			x	x	x	x		
5.2.2	Less land tenure conflicts due to rural development interventions	x		x		x	x	x	x	x		
5.2.3	Water management has provided opportunities for farming, post harvest processing and access to water	x					x					
<b>5.3 - Food security has improved since the delivery of EC aid</b>												
5.3.1	Changes in daily food intake, food stocks, food prices ...etc.				x				x	x		
5.3.2	Range, volumes, worth of produce processed beyond farm gate	x	x		x		x					
5.3.3	Changes in agricultural production and productivity	x	x		x							
5.3.4	Measurements on household incomes	x			x					x		
5.3.5	Volumes/€-worth of food traded at farm gate or at local collectors markets	x			x			x		x		
<b>5.4 - Incomes from activities in rural areas have increased</b>												
5.4.1	The number of people employed on-farm and beyond farm gate has increased	x			x			x				
5.4.2	Increase of income of rural households						x	x				
5.4.3	Increase of volumes/€-worth of food traded at farm gate or at local collectors markets	x			x		x					
5.4.4	Trends in the number of employees registered by local SMEs	x			x			x				
<b>5.5 - Natural resources are managed to preserve soil fertility and conserve bio diversity</b>												
5.5.1	Existence of an appropriate policy and institutional framework for the sustainable management of NR	x		x	x					x		
5.5.2	Technological packages for sustainable management of natural resources designed by NARS and disseminated by NAADS	x	x	x	x	x	x	x	x	x	x	
5.5.3	Strengthened Environment and Natural Resource Management Regime	x	x	x	x	x		x	x	x		

<b>EQ6: Questionnaire Matrix</b>												
<b>Indicators</b>		MoWT	MFPED	UNRA	Road Fund Board	District councils	Private transport associations	Private construction associations	Private consulting associations	Transport civil society organisation	Donors	MTTWA
<b>6.1 Uganda's national institutions manage transport as a strategic development enabler at the national and regional levels.</b>												
6.1.1	National development policies and transport sector policies are aligned.	X	X	X	X							
6.1.2	A comprehensive set of clear policies and corresponding legislation and regulatory framework are in place and enforced.	X	X	X	X	X					X	
6.1.3	The road sector institutions have adequate capacity to implement reforms and manage the road networks.	X	X	X	X	X		X			X	
6.1.4	NSAs influence policy dialogue.	X		X	X		X	X	X	X		
6.1.5	Transport sector reforms to date are sufficient to obtain the stated goals.	X	X	X	X	X	X			X	X	
<b>6.2 The transport networks are developed and managed on a sustainable basis that reflects the economic and social needs of the country.</b>												
6.2.1	The Road Sector Development Programme constitutes a proper framework for short and long-term prioritisation and budget allocation of investments and recurrent expenditures.	X	X	X		X	X			X	X	
6.2.2	Funding for investments and maintenance is provided consistently with medium and long-term expenditure frameworks.	X	X	X	X	X	X			X	X	
6.2.3	The GoU and DPs are moving towards the sector wide approach with a view to improving aid effectiveness.	X	X	X	X		X				X	
6.2.4	Implementing agencies and the private sector have adequate capacity for planning, design, construction, and maintenance of roads.	X		X	X	X		X	X	X	X	
6.2.5	Road projects are adequately designed (incl. crosscutting issues) and implemented timely and within budget.	X	X	X	X	X	X	X	X	X	X	
6.2.6	The condition profiles of the networks improve according to set targets.	X		X	X	X					X	
<b>6.3 Transport services are affordable and adequate to sustain the economic and social development.</b>												
6.3.1	Transport times and costs along the main national corridors have decreased.	X		X		X	X			X	X	
6.3.2	The volume of transport services has increased and services are provided at affordable levels.	X				X	X			X	X	
6.3.3	Road safety in Uganda has improved.	X		X	X	X	X			X	X	
<b>6.4 Transport infrastructure and services are economic levers for rural access and national integration.</b>												
6.4.1	Uganda's regions are well connected and served with transport services.	X	X	X		X	X			X	X	
6.4.2	Flow of people, goods and services has increased.	X	X	X		X	X			X	X	
6.4.3	Access to markets, social services and employment has increased.	X			X	X	X			X	X	

EQ6: Questionnaire Matrix  Indicators	MoWT	MFPED	UNRA	Road Fund Board	District councils	Private transport associations	Private construction associations	Private consulting associations	Transport civil society organisation	Donors	MTITWA
<b>6.5 Transport institutions and infrastructure leverage regional integration efforts.</b>											
6.5.1 RIOs promote coordinated regional infrastructure development.	X	X	X			X			X	X	X
6.5.2 Regional transport agreements and regulations are harmonised and enforced.	X	X	X			X			X	X	X
6.5.3 National/regional transport corridors promote economic development.	X	X	X		X	X			X	X	X
6.5.4 Cross border transportation administration is efficient.	X	X									X
6.5.5 International and intra-regional trade has increased.		X				X			X	X	X
<b>6.6 EC's management of the transport sector is effective and reflects its comparative advantage</b>											
6.6.1 EC's strategy and result framework provide clear direction for stakeholders.	X	X	X	X		X			X	X	
6.6.2 Institutional development has been strategic, closely coordinated, and monitored for results,	X	X	X	X						X	
6.6.3 EC's management is effective in line with past monitoring, audits and evaluation findings.	X	X	X								
6.6.4 EC has provided value-added interventions to those of other EU Member States.	X	X								X	

<b>EQ7: Questionnaire Matrix</b>		Min of Local Government	Ministry of Justice	EU Micro Projects	Commercial Justice	Support to Decentralisation	Donor Group	EU Capacity Building	Local Governments	PPDA	CSSC	EU HRGGP
<b>Indicators</b>												
<b>7.1</b>	<b>Increased capacity of the Local Governments to plan and deliver services that are responsive to local needs; and to manage public finances in a transparent and efficient manner</b>											
7.1.1	Establishment of reporting systems to ensure that local governments fully comply with LDGP accountability requirements	x		x								
7.1.2	Implementation of the Harmonised Participatory Planning Guidelines (HPPG)	x				x						
7.1.3	Quality and quantity of service delivery and facilities as identified by the local communities increased	x		x								
<b>7.2</b>	<b>Increased transparency, accountability and an improved justice system</b>											
7.2.1	Adoption of the NGO Policy and Code of Conduct and establishment of feedback systems										x	
7.2.2	Operationalisation of the sector wide approach and criminal & commercial justice reform programme		x									
7.2.3	Progress in implementation of the National Anti Corruption Strategy	x								x		
<b>7.3</b>	<b>Increased protection and demand for Human Rights</b>											
7.3.1	Increased demand for HR, rule of law and good governance through civic education and support to civil society											x
7.3.2	Increased reporting by the UHRC											x
7.3.3	Progress of rolling out/ coverage of the Community Service Programme											x

<b>EQ8: Questionnaire Matrix</b>										
<b>Indicators</b>			EU Micro Projects	EU HRRGP	Support to Decentralisation	Donor Group	EU Capacity Building			CSSC
<b>8.1 Increased negotiation, advocacy and mobilisation capacity of Non State Actors</b>										
8.1.1	CSO participation in policy formulation and review processes						x			x
8.1.2	Improved ability of CSOs to represent grass root interests at district and central level		x		x		X			
8.1.3	Level of involvement of CSOs and rural communities in PPAs and resource monitoring		x	x			x			
<b>8.2 Enhanced ability of NSA networks to access and deliver appropriate information to members</b>										
8.2.1	Participating apex organisations and networks are accountable and representative and there is improved co-ordination and networking among them						x			x
<b>8.3 Improved capacity f NSAs to ensure involvement in implementation of national service delivery</b>										
8.3.1	Development of a National Regulation framework to facilitate CSO government relations and CSO involvement in development processes						x			x
8.3.2	Representation of NSAs on aid co-ordination committees						x			x

<b>EQ9: Questionnaire Matrix</b>													
<b>Indicators</b>		OPM	MFA	MFPED	UNRA	MoWT	MTITWA	UPC	NAO	MAIF	NEMA	EAC/COMESA	
<b>9.1 EC support has contributed to positively to promote GoU's regional integration agenda.</b>													
9.1.1	Regional integration is adequately incorporated in national development plans and programmes.		X	X		X	X	X	X		X		
9.1.2	GoU allocates adequate financial resources to promote regional integration.	X	X	X			X	X	X		X		
9.1.3	GoU has capacity to promote and sustain regional integration.	X	X	X		X	X	X			X		
<b>9.2 The intermediate impacts of regional significance stemming from the focal sectors of the 9<sup>th</sup> EDF have materialised or is likely to materialise</b>													
9.2.1	The Ugandan section of the Northern Corridor Route constitutes an important regional transport link.			X	X	X	X	X					
9.2.2	Coordinated management at the regional level results in sustainable use and protection of NR			X			X	X		X	X		
<b>9.3 The ESA-IO RIOs have the capacity to promote and sustain the benefits of regional integration</b>													
9.3.1	The ESA-IO CUs are harmonised and expanded to include a majority of the ESA-IO countries			X			X	X					X
9.3.2	Trade barriers are reduced			X			X	X					X
9.3.3	Peace and stability is maintained in the region	X	X	X									
<b>9.4 Trade and development cooperation between EU and the ESA-IO RIOs/ member states develop positively</b>													
9.4.1	A comprehensive EPA will be concluded encompassing a majority of the ESA-IO Member States	X	X				X						X
9.4.2	The EAC EPA will be implemented as planned	X	X				X	X					X

## Evaluation limits

The evaluation team was re-organised during the mandate, with a new Team Leader and an important change of sector experts. Although a transition management strategy was put into place, it cannot be guaranteed that the knowledge and insights gained by the original members was transferred to the new team. These changes were also linked to the fact that the original timeframe planned for the evaluation had to be extended, with a concomitant loss of efficiency.

The evaluation was subject to the following limitations:

- Overall, a lot of documentation for the individual projects was available, thanks to the great effort of the EC Reference Group Members, the EC Delegation in Kampala and a number of Ugandan officials to locate the important documents. However, for some of the older projects, little relevant documentation could be accessed.
- Much of the documentation obtained was focussed on activities or on the progress achieved on outputs. Most reports were not prepared using a results-based framework, so the ability of the team to analyse effects was limited.
- Since many EC interventions were aligned with the Ugandan strategies and priorities, it was not the only stakeholder or funding agent in most of the sectors and domains in which it intervened (such as rural development or the capacity development of civil society organisations). This has the effect of making it difficult if not impossible to define the EC contribution to an impact or effect. The transport sector is an exception because of the long history of EC support as well as the financial and technical leadership it has taken in that sector. Suggestions that the evaluation should have considered "What if the EC contribution had not been in place" are not methodologically possible to implement due to a lack of control groups and the low level of contribution of the EC in most development sectors (road infrastructure on specific parts of the NCR being the obvious exception, even if the EC was not involved ACROSS the entire road network).
- A small number of key people (donors, Ugandan Officials) were not available for meetings when the Evaluation team was in Uganda. This has had the effect of forcing the Evaluation Team to rely on indirect information sources in order to establish some of the effects of EC contributions.
- It was impossible for the Rural Development Expert on the Evaluation to interview the head of section of the rural development sector of the EC Delegation in Kampala. A considerable amount of insight and knowledge was therefore not made available to the team and preliminary conclusions could not be discussed
- Due to the large number of interventions spread over the country (especially rural development projects) and time constraints of the mission, it was not possible to visit a significant number of interventions.
- The record will show that a significant number of Reference Group members did not attend the RG meetings or briefings. As a result, a significant loss of insight and knowledge was not made available to the team, and a considerable amount of work was involved in catering to the changing specificities established by EC officials who were not at the meetings.
- Information on projects and programmes drawn from the CRIS database in Brussels proved to be incomplete, both in regard to registration of projects/programmes but even more in relation to the basic documents, such as financial agreement, log frames, project synopsis, and monitoring reports. Out of roughly 130 programmes/projects identified in CRIS, documents uploaded existed only for 45. Important documents such as the demands of the NAO for disbursements under GBS and SWAPs are not available in CRIS; furthermore no details concerning Stabex funds were available during the desk phase and could be collected during the field phase only (Stabex funding is not recorded in CRIS). Thus it was difficult to get an overview of how STABEX funds were generated and how they were allocated during the reference period. Based on the information available, overview project

lists for the focal and non-focal sectors have been elaborated showing the activities in Uganda since 2001. It is recognised that CRIS was not yet fully operational during parts of the period under review.

- Information for sector assessments is complete only as far as general EC aid policies; overall co-operation background and specific EC-Uganda co-operation objectives are concerned. Project and programme information is more scantily available and not so readily accessible and data search is therefore a constant exercise carried out by the team. One programme, the Plan for Modernisation of Agriculture, is the one exception - where information is, available, accessible, comprehensive, regularly updated and analytical. It also appears to be `publicly` generated. Similarly, information relating to implementation of a National Agricultural Advisory Service has also been made publicly available.
- The field visit work plan was rather complete in defining what information was missing in order to be able to answer the evaluation questions, but an part of the data was not available due to lack of availability of statistics.

## **Annex 7: Country Context**

## 1.1 Country context

### Note:

The following material was prepared and submitted to the Evaluation Unit as part of the Inception and the Desk Reports required in the Terms of Reference. No attempt was made to update this material after the submission of those reports.

The Republic of Uganda is a landlocked country in East Africa, bordered on the east by Kenya, on the north by Sudan, on the west by the Democratic Republic of the Congo, on the southwest by Rwanda, and on the south by Tanzania. The southern part of the country includes a substantial portion of Lake Victoria, within which it shares borders with Kenya and Tanzania. Uganda has an estimated population of 28.2 million (2007) and one of the highest growth rates of population in the world (3.3%).

## 2.1 Political, Economic and Social context

### *Political context*

The country has since 1986 taken great strides on the path to democracy including holding general elections every five years. The Presidential and Parliamentary elections held in February 2006 were the first multi-party elections in Uganda in 25 years.

Although generally peaceful and stable, parts of the country continue to be affected by internal rebellion as well as by conflicts in neighbouring countries. Most significantly hit are the northern and northern districts of Uganda, which have been affected by two separate long, running conflicts led by the Lord's Resistance Army (LRA) and the Karamojong warriors respectively. A Cessation of Hostilities agreement signed in 2006 and on-going peace talks in Juba have increased prospects for peace in Northern Uganda and an end to the humanitarian crisis that it spurred. Since April 2007, at least 50% of the Internally Displaced Persons (IDPs) have moved away from the camps to resettle closer to their areas of origin. The Government has recently launched a Peace Recovery and Development Plan (PRDP) aimed at mobilising financial support for the rehabilitation of the region.

The decentralisation process in Uganda is well advanced with ample powers and service delivery responsibilities formally delegated to Local Governments. However, the abolition of the 'graduated tax' has reduced revenue to Local Governments and left them more dependent on central government transfers. Resource deficits are even more pronounced at provincial and district level, meaning that local service delivery is improving only slowly and regional imbalances remain and in some areas even increasing.

Corruption, whilst not on the scale of some neighbouring countries continues to be a problem. Government of Uganda (GoU) is implanting reforms in order to strengthen public financial management and procurement as well as to increase accountability and transparency.

The justice system faces considerable problems, including perceptions of corruption; staff shortages, an inadequate legal aid system and heavy case backlog<sup>175</sup> and slow pace of legal reforms. The judiciary system is weak with huge backlogs and a poor record of prosecuting corruption cases. Legal and judicial reform and improvements regarding rule of law and human rights are slow.

Good Governance<sup>176</sup> is one of the main pillars of the Poverty Eradication Action Plan (PEAP) due to its crosscutting nature. Core priorities for the GoU are: i) ensuring respect for human

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<sup>175</sup> Source: Office of the Prime Minister, Government of Uganda: The First Annual PEAP Implementation Review FY 2005/2006 (Hereafter referred to as APIR)

<sup>176</sup> Refers to the rules, processes and behaviour by which interests are articulated, resources are managed and power is exercised in society

rights; ii) pursuing democratisation; iii) making government structures affordable, transparent and efficient; and iv) providing a good judicial system. The Government has developed related policies including the Constitution, Strategic Investment Plan, the Anti Corruption Strategy, the Strategy to Mainstream Ethics and Integrity in Local Governments, Leadership Code, the Decentralisation Policy and the Local Government Strategic Investment Plan (LGSIP), which are being implemented by different institutions at the national and local government level.

### *Economic Situation*

Uganda's revenue / GDP ratio of 13.4% is one of the lowest in the world, well below the sub-Saharan average of 18%. Domestic revenue will need to significantly improve if Uganda's reliance on foreign assistance is to be reduced.

Uganda benefited from a strong period of growth during the 1990s, following the extended economic decline under the Idi Amin regime and the subsequent period of political confusion and civil war. GDP per capita has grown by 2.7% per annum since 1990/91 (population grew by 3.3% a year) enabling the country to restore relatively stable economic and social conditions. However there have been some fluctuations in poverty levels caused by a drop in the annual growth rate from an average of 6.3% in 1998-2003 to 5.8% in 2003-2004. The population living in poverty increased from 34% in 2000 to 38% in 2003, but has since dropped to 31.3% in 2005 – 2006 (poverty count ratio).<sup>177</sup>

The share of government's discretionary budget allocated to the Poverty Action Fund increased from 17% in 97/98 to 33% in 05/06<sup>178</sup>. Uganda, which in the past has already benefited from the "Highly Indebted Poor Country" initiative (HIPC) and the Enhanced HIPC, has also been selected under the Multilateral Debt Relief Initiative (MDRI). The MDRI should translate into a debt reduction of USD109 million from the IMF, USD 3.7 billion from International Development Association (IDA) and USD 545.64 from the AfDB. The economy of Uganda is still highly dependent on the agricultural sector, which accounts for less than 40% of GDP but employs around 80% of the labour force.

### *Social Situation, Human Development*

Uganda is one of the poorest countries in the world and ranks 154<sup>th</sup> of the total of 177 countries on the Human Development Index (HDI) 2007/2008. In 2006, per capita income was about USD 300/year. Life expectancy at birth is around 49 years and population growth at 3.3% remains one of the highest in the world.

The most recent data suggest that the proportion of Ugandans with income below the poverty line decreased from 34% in 1999/00 to 31% in 2005/06. However poverty still is widespread and varies strongly depending on the place of residence and on the sector of economic activity of the household. Poverty is more frequent with families who live primarily on subsistence agriculture and who live in the north (poorest region with 63% of the population living in poverty). The rapid population growth in urban areas contributed to a rise in urban poverty.

Key social indicators improved during the 1990s and universal primary education is obligatory. Gross primary school enrolment increased from 71% of school age children in 1990 to 127% in 2003. The recent abolition of user fees has helped to improve the access of the poor to public health services. These achievements enabled Uganda to improve its ranking in the UNDP's Human Development Report from 154 out of 173 countries in 1994 to 144 out of 177 countries in 2005. As demonstrated below, Uganda has made good progress towards achieving the MDGs.

<sup>177</sup> Source: Uganda Bureau of Statistics 2006, Uganda National Household Survey 2005/06.

<sup>178</sup> The Poverty Action fund was set up in 1997 as a virtual poverty fund within the MTEF to ensure that resources resulting from the HIPC were spent on core poverty programs.

### **Box 1: Uganda's performance towards achieving the MDGs**

*MDG goals that are likely to be attained, with continued good policies*

- MDG 1: Eradicate extreme poverty
- MDG 3: Promote gender equality and empower women
- MDG 6: Combat HIV/AIDS
- MDG 7: Ensure environmental sustainability
- MDG 8: Develop a global partnership for development

*MDG goals that may be achieved with intensified efforts*

- MDG 2: Universal primary education

*MDG goals for which strengthened policies, institutions and funding is necessary*

- MDG 1: Hunger

*MDG goals unlikely to be met, even with improved policies, institutions and funding*

- MDG 4: Reduce child mortality
- MDG 5: Improve maternal health

Source: Uganda JAR 2007

**HIV/AIDS:** Uganda is one of the few African countries where rates of HIV infection have declined, and it is seen as a rare example of success in a continent facing a severe AIDS crisis. Uganda's policies are credited with helping to bring adult HIV prevalence (the proportion of adults living with HIV) down from around 15% in the early 1990s to around 5% in 2001. The country is seen as having implemented a well timed and successful public education campaign. The Sero-Behavioural Survey that was conducted in 2005 reports the national prevalence rate at 6.4%. Structures have been created for the integration of HIV/AIDS issues into sector strategy plans. These programmes have been relatively successful, although challenges remain, e.g. as regards stigma against HIV positive workers. There has been much emphasis on the introduction of HIV/AIDS awareness training in schools. This has significantly succeeded in raising awareness on HIV/AIDS transmission, prevention and mitigation. Equally, efforts are being stepped up to address HIV/AIDS prevention in the context of the transport sector.

**Gender:** The position of women is addressed and protected by the Constitution. Women have wide representation in political office with special seats in Parliament and local governments. GoU has committed to promote gender equality but there are still huge barriers to women's' human rights reflected in the fact that Uganda is ranked 144/174 countries in the UNDP's Gender Development Index (GDI) (data refer to 2005). Although women are identified in PEAP, as a particularly disadvantaged group, and GoU is committed to the implementation of the 'Post-Beijing Action Plan' to reduce gender discrimination, inequalities with accentuated regional/urban/rural differences remain.

**Gender:** Poor families (often women-headed families) are often living on the margins, exploiting poor soils, with poor or no irrigation systems, poor or inadequate agricultural inputs and equipment, low or no access to credit. A majority of rural women do not have legal rights to land despite being the main players in the agriculture sector at the family and subsistence level. Environmental degradation directly affects women as they depend largely on the environment for their main source of inputs at the household level. Imbalances in power sharing between men and women reflected at the domestic level and high incidence of domestic violence; A Domestic Relations and Sexual Offences Bill has been introduced but not yet been passed. Gender based violence continues to be a major challenge especially in the conflict-affected areas. Given the overload of social and domestic roles rural women are not visible and their labour is not valued in economic terms. The level of women's participation in decision-making bodies at national and local levels is low.

***Human Rights and the Rule of Law:*** The Constitution of 1995 provides the legal basis for respect of civil, political, economic, social and cultural rights and establishes the Uganda Human Rights Commission (UHRC) to independently monitor, investigate and adjudicate human rights violations. Cases of torture and illegal detentions are being brought to the attention of UHRC. National and international human rights organisations are working without difficulties with the exception of the ones defending sexual minorities. Access to justice is limited especially in rural areas and legal aid services are often not available or too costly. The Justice, Law and Order Sector (JLOS) institutions (especially the Uganda Police Force) have started to work in the war-affected Northern Uganda; however the army still plays a major role in the security field.

***Environment:*** Uganda has a high natural resource potential, but factors such as poverty, population growth, economic policies, the desire for a steady increase in per capita income and other pressures of the development process are putting severe strain on the environment and natural resources. The resulting problems include: increased soil erosion and deforestation causing loss of agricultural productivity; reduced rangeland carrying capacity and wood fuel shortage; water pollution caused by discharge from industries and domestic waste, draining of wetlands, and a declining resource stock as a result of over-fishing; loss of biodiversity caused by for example encroachment on game reserves and wetlands; increased air, land and water pollution; and increased incidence of environmentally-related diseases.

Uganda is well endowed with water resources - lakes, rivers and wetlands. While 20% of the country's surface is covered by water and wetlands, the water resources are unevenly distributed geographically. Deforestation is widespread in the country. Only about 21% of the country is today covered with forest and woodland, with gazetted forest making up only 14,900 km<sup>2</sup> or 7.7% of the land surface. The National Environment Statue (NES) of 1995 resulted in the creation of the National Environment Management Authority (NEMA) the same year. The NES enables NEMA to delegate any of its functions to Environmental Liaison Units (ELU) in other agencies for the performance of these functions.

## 2.2 GoU Policies and Programmes

### *Poverty Eradication Action Plan (PEAP)*

The PEAP is Uganda's overarching plan for poverty eradication and was the first Poverty Reduction Strategy to be formulated in Africa. The PEAP, from its original formulation in 1997 to its second revision, builds on wide consultations between Government, civil society and external development partners.

The overall objective of the PEAP is to guide public action to eradicate poverty and aims at contributing towards transforming Uganda into a middle-income country by 2015. The PEAP proposes a shift of policy focus from recovery to sustainable growth and structural transformation. It identifies three core challenges:

- Restoring security, dealing with consequences of conflict improving regional equity;
- Restoring sustainable growth in the incomes of the poor; and
- Human development: addressing quality and drop-out in Universal Primary Education (UPE) and planning for post-primary education, cutting mortality and increasing people's control over the size of their families.

These challenges are addressed through policies and measures grouped under five pillars<sup>179</sup>:

- Economic Management;
- Enhancing Production, Competitiveness and Incomes;
- Security, Conflict Resolution and Disaster Management;
- Good Governance; and
- Human Development.

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<sup>179</sup> GoU/ Ministry of Finance, Planning and Economic Development: Poverty Eradication Action Plan (2004/5-2007/8)

The current phase of the PEAP ends in June 2008, but will be extended until it can be replaced by a new plan. The PEAP's successor, the National Development Plan (NDP) is currently under preparation and it is anticipated that it will be ready for implementation from July 2009. The PEAP will remain the guiding national plan until the NDP has been endorsed. No major paradigm shift will take place. The NDP will focus on investment in the productive sectors and improved social service delivery. The main themes of the NDP will be:

- Energy and transport infrastructure
- Agriculture and agribusiness
- Industrialisation
- Commerce and marketing
- Financial sector efficiency
- Public sector efficiency
- Information and Communication Technology
- Labour and employment
- Good governance: economic governance and corporate governance.

*Peace, Recovery and Development Plan for Northern Uganda*

The Government of Uganda has formulated and recently launched a development framework for Northern Uganda - the Peace, Recovery and Development Plan (PRDP 2007-2010), as a strategy to eradicate poverty and improve the welfare of the populace in Northern Uganda. The PRDP builds on lessons obtained from previous interventions in the region and is an attempt to comprehensively address the problems that have hindered development in this conflict-affected region. Thus the PRDP is designed to: i) support ongoing political dialogue; ii) address the immediate and medium term needs of the region; iii) ensure that development planning is approached from a conflict framework; iv) serve as an organizing framework to improve the co-ordination of development efforts; and v) support the mobilization of the required resources for the essential areas of action. The overall goal of the PRDP is to consolidate peace and security and lay the foundation for recovery and development in Northern Uganda. This is to be achieved through four core strategic objectives (SO) that are mutually reinforcing:

**Table 58: Strategic objectives of PRDP**

<b>SO1</b>	Consolidation of state authority, which aims at creating an enabling environment for development through the cessation of armed hostilities, restoration of security and re-establishment of the rule of law and strengthening local governance.
<b>SO2</b>	Rebuilding and empowering communities by improving the living conditions and supporting the return and reintegration of displaced persons; provision of services to vulnerable groups as well as initiating community rehabilitation and recovery activities in all communities.
<b>SO3</b>	Revitalization of the economy through production, infrastructural development and natural resources management.
<b>SO4</b>	Peace building and reconciliation to ensure the continuous prevalence of peace in the region by increasing access to information and media; expanding access to trauma counselling services; and reinforcing mechanisms for local intra/inter communal conflict resolution

*EC's interventions in relation to GoU policies*

Besides the PEAP and the PRDP, other government policies and frameworks are of relevance to this evaluation. As they have been described and dealt with in details in the Inception Report, they will not be repeated here. However, it should be mentioned that the policies described are within the transport sector, rural development, environment, HIV/AIDS, good governance and gender related policies. The evaluation will assess the extent to which EC's interventions in Uganda are coordinated with and complementary to these GoU frameworks and policies.

## EU MEMBER STATES BILATERAL ASSISTANCE TO UGANDA

**Belgium:** Assistance is provided under Indicative Bilateral Cooperation Programmes. Several projects, under implementation at present, date from the previous programme (1995-2004). The current one (2005-2008), provides for a total of €24 million allocated to interventions in the areas of decentralization (€4 million), health (€8 million), environment (€2 million), education (€1 million), private sector development (€1 million), and good governance (€2 million). The implementation of these interventions will run into 2011. In the first half of 2008, a new Indicative Cooperation Programme, probably again for around €24 million for a three year period and focusing on fewer sectors, will be discussed and agreed. Belgium is supporting the division of labour exercise and plans to concentrate in future on sectors in which it is believed to have a comparative advantage, i.e. health, decentralization, and environment. Belgium is pursuing UJAS membership.

**Denmark** has a general bilateral agreement for technical cooperation with Uganda since 1991. Other specific agreements for development cooperation between the two countries are signed at the start of each phase of the sector programme support. These agreements stipulate the programme development objectives and expected outputs, funding, and the obligations of both parties. The present Country Strategy for Development Cooperation covers the period 2004-2008. It focuses on targeted efforts to combat poverty and on enhancing the integration of crosscutting issues in the sector programmes, further enhancing national ownership by aligning Danish support to PEAP, promoting private sector development, and good governance. It is aimed at complementing the EC focal areas of intervention, especially rural development including rural roads.

**Germany:** Bilateral cooperation started in 1964 with the conclusion of the Technical Cooperation Agreement. Uganda is a Priority Partner of the German Government. Since 1964, the German bilateral assistance to Uganda exceeds €500 million. Financial Cooperation involves two organizations: (a) the KfW who signs for every project (covered by the Agreement on Technical Cooperation) a “Financing Agreement” as well as an annexed “Separate Agreement”, and (b) DED under the “Agreement between Germany and Uganda on the dispatch of Volunteers of the German Volunteer Service” signed in 1970. The German-Uganda development cooperation covers three focal areas: (a) water sector development, (b) Financial sector reform, and (c) Vocational training.

**France** provides bilateral assistance to Uganda under appropriate financial envelopes, in the form of project support. The current envelope, amounting to €9.4 million, covers the period 2001-2006. Sectors concerned comprise water and sanitation (€7.6 million), rural development (€1.2 million), and civil society (€0.6 million). These operations are managed by AFD. In addition, France provides budget support as part of the debt relief initiative (€11.3 million). A new envelope, covering the period 2007-2011, is expected to be decided in 2007. Important credit support is also provided to Uganda through PROPARCO, the private sector development group within AFD.

**Ireland** has a main bilateral agreement with Uganda dating back to 1994. This sets out the general terms and conditions for the provision of economic, technical and related assistance. It is based on respect for democratic values. Under each Country Strategy a MOU is signed for Poverty Action Fund (PAF) ring-fenced and sector earmarked budget support. The MOU 2004-2006 sets out the financial obligations of Ireland, the management and accountability systems, the obligations of Uganda, and the triggers for the release of funds. Performance targets are in line with those agreed between Government and Development Partners. In addition to the MOU, individual agreements are signed with various institutions and CSOs. The total value of Ireland's current programme is €99 million. Of this, approx. €76 million is provided through the Poverty Action Fund ring-fenced and sector earmarked budget support, and €23 million through projects and basket funds. The PAF support amounts to €28.3 million. It is budgeted for Education €23.5 million, Health €14.7 million, Governance (JLOS, Local Government and governance institutions and NGOs) €23 million, Agriculture €3 million, and HIV/AIDS €6.5

million. Humanitarian assistance to Northern Uganda is provided directly from Dublin through the UN agencies (WFP, UNICEF) and through NGOs.

**Italy** has signed in 1997 a Memorandum of Understanding on development cooperation with the Government amounting to €19.3 million. The MOU highlights the sectors to be supported, namely health, water, education and training, agriculture, and emergency aid. Support is also provided to the Uganda National Health System through the Public Private Partnership in Health (€0.73 million). It is also envisaged to provide technical assistance to improve education in public health. In 2002, Italy and Uganda signed the “Agreed Minutes” on Development Cooperation Partnership for a three-year period. This partnership is based on the Ugandan development priorities as outlined in the MTEF and within the Pipit stresses the importance of strengthening democracy, and promoting human rights and respect of the rule of law. Furthermore, in April 2003, there was an agreement signed concerning the Italian support to Poverty Action Fund in the form of a conditional grant of €3.09 million to be provided in three instalments. Under the HIPC Initiative, Italy cancelled in 2002 100% of Ugandan debt (US\$130 million).

**Austria:** Cooperation is based on an agreement concluded in early 90’s. Since then, a MoU is signed every 3 years outlining the main areas of cooperation. The last MOU expired at the end of 2005 but continues to guide the Austria/Uganda cooperation. Following its recent entry into the UJAS, Austria is deliberating on the areas of future cooperation with Uganda, to be also consulted with other Development Partners.

**Netherlands** does not have any formal bilateral agreement with Uganda. Instead, there are contracts regulating the different forms of development aid granted by Netherlands. These are of administrative nature, not covering policy issues. Netherlands provides aid of around €42 million per year. Just over half of the portfolio is in form of general budget support with emphasis on the education (€10.9 million) and JLOS (€5 million) comprising tranches of both types, i.e. earmarked (linked to satisfactory reviews of sectors concerned), and un-earmarked. In the last two years there have been cuts (€6 million) in this form of aid, diverted to humanitarian aid for Northern Uganda. Support is also provided to decentralization (€4 million), to the revenue authority (€0.7 million), to the public procurement agency (€1 million), to agriculture services (€1 million), to a bursary scheme for the North (€2 million), and to NGOs (€1.7 million). In addition, humanitarian aid (via UN agencies and NGOs) is also provided (€9.3 million).

**Sweden** has a Development Cooperation Programme in Uganda covering the period 2001-2006 amounting to around €119 million. It is implemented through annual country allocations. In addition, there are allocations for humanitarian assistance, research, and support to Swedish NGOs working in Uganda, amounting to around €85 million. About 70% of aid (€30.7 million) is provided as Sector Programme Support. The concentration of project support is on health (€45.5 million) with significant interventions also in human rights/democracy/peace (€22.2 million), education (€20.1 million), water and sanitation (€21.2 million), energy (€15.9 million), and trade/business (€9.5 million). Sweden is in the process of developing a business plan within the framework of UJAS for the period 2007-2010. The outcome of this exercise is expected to influence the amount of future aid, as well as the priority sections to be supported.

**UK** has provided over £1,200 million in development assistance to Uganda since 1986. The allocation for 2005/2006 is £70 million. An additional £1.67 million has been allocated from the Africa Conflict Prevention Pool. Uganda’s aid framework is projected to remain constant in the medium term. The UK strategy of assistance to Uganda prioritises the use of Poverty Reduction Budget Support (€46 million) in support of the Government’s implementation of the PEAP. A new PRBS arrangement was agreed with Government in December 2004. Project activities are also being implemented (support to civil society and private sector -€2 million, to public service reform and public finance management -€7 million, to anticorruption institutions and improved revenue mobilization -€2 million) as well as projects in health (€5.7 million), education (€19.8 million), water and sanitation (€3.1 million). DFID maintains a substantial humanitarian assistance programme and support for conflict resolution in Northern Uganda. Around €30 million have been allocated.

**Table: Development Partners' Aid**

Million € (current programme)		Funding Agency														Grand Total	
Type	Sector	AfDB	Austria	Belgium	Denmark	DFID	Germany	France	Ireland	Italy	Netherlands	Sweden	Norway	UN Agencies	USAID	World Bank	
Economic Development	Budget Support	34.72	6.30	0.79		340.16	15.75		53.15		25.20	72.44		4.33		472.44	<b>1,020.95</b>
	Economic Policy Enabling		0.79	0.55		0.31								7.09		16.00	<b>21.19</b>
	Environment Public Sector Tax Policy	42.60		0.63		2.48 1.18	8.19		11.81				8.93	25.75	80.42 65.00		<b>131.80</b> <b>121.89</b> <b>1.18</b>
Economic Development Total		77.32	7.09	1.97		344.13	23.94		64.96		25.20	72.44	8.93	11.42	25.75	633.86	<b>1,297.01</b>
Productivity Sector Activity	Agriculture	38.85			8.11	3.78		1.90	5.24		5.24			5.43	13.39	10.47	<b>92.41</b>
	Energy	40.51										14.49	14.80			40.00	<b>109.80</b>
	Infrastructure MTCS Tourisme	46.30		0.79	27.72										61.49		<b>135.51</b> <b>0.79</b>
Productivity Sector Total		125.66	-	0.79	35.83	3.78		1.90	5.24		5.24	14.49	14.80	5.43	13.39	111.96	<b>338.51</b>
Social Development	Education	18.57		3.15		1.89			15.55			19.21	7.56	17.32	14.49	29.70	<b>127.44</b>
	Health	23.15		3.15	31.50	5.04			22.44	19.30	5.04	4.09		48.58	22.99		<b>193.78</b>
	Population Refugees/IDPs Water/Sanitation	28.66	1.57		0.31 11.97			8.50 0.45 15.00						6.10 5.31			<b>-</b> <b>6.86</b> <b>62.51</b>
Social Development Total		70.38	1.57	6.30	43.78	6.93		23.95	37.99	19.30	5.04	23.30	7.56	77.31	37.48	29.70	<b>390.59</b>
Cross-cutting Issues	Civil Society		12.60	5.04		44.09	28.35	2.80			50.39						<b>143.27</b>
	Cultural Co-oper							2.20									<b>2.20</b>
	Environment			5.59		3.46											<b>17.86</b>
	Gender								1.06				4.72	4.09			<b>2.12</b>
	Good Governance HIV/AIDS Human Rights		2.52	0.31	11.34 3.15	2.56		0.35	1.57		0.60		2.52 0.47	16.14 39.37 6.30	1.97 9.45		<b>39.53</b> <b>52.79</b> <b>6.30</b>
Cross-cutting Issues Total			15.12	10.94	14.49	50.11	28.35	5.35	2.63		50.99		7.71	66.96	11.42		<b>264.07</b>
<b>Grand Total</b>		<b>273.36</b>	<b>23.78</b>	<b>20.00</b>	<b>94.10</b>	<b>404.95</b>	<b>52.29</b>	<b>31.20</b>	<b>110.82</b>	<b>19.30</b>	<b>86.47</b>	<b>110.23</b>	<b>39.00</b>	<b>161.12</b>	<b>88.04</b>	<b>775.52</b>	<b>2,290.18</b>