

Action Plan

FY 1990-1991

UGANDA

THIS ACTION PLAN IS TO SERVE AS AN EXAMPLE OF AN ACTION PLAN WITH A RELATIVELY CLEAR, WELL-ARTICULATED PROGRAM LOGFRAME. SECTION II HAS BEEN REVISED FROM THE ORIGINAL. THE MISSION PARTICIPATED AND CONCURS IN THE REVISION.

THE REVISION SHARPENS THE FOCUS OF THE ORIGINAL LOGFRAME AND ARTICULATES STRATEGIC OBJECTIVES AND TARGETS AT THE PROGRAM LEVEL RATHER THAN THE PROJECT LEVEL. THIS LOGFRAME CAPTURES THE UGANDA PROGRAM AS IT STANDS IN MID-1989. THE MISSION PLANS A CDSS IN THE COMING YEAR AND EXPECTS THE PROGRAM TO CHANGE TO CONCENTRATE RESOURCES AND INCREASE LINKAGES IN CERTAIN AREAS.

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USAID UGANDA

ACTION PLAN FY'S 1989/90

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USAID UGANDA FY 1989/90 ACTION PLAN

I. BACKGROUND AND STRATEGY

Blessed with fertile soils, abundant rainfall, and an energetic people, and up until Idi Amin came to power in the early 1970's, Uganda was one of the richest, most socially and economically advanced countries in Africa. When the NRM Government took power in January 1986 after years of chaos and brutal government, the economy was shattered, the physical plant destroyed and what was a talented manpower base scattered and decimated. With the overall goal of helping Uganda regain the prosperity it once had, we have made agricultural production the top priority for our limited resources with the focus on the private sector. We also have key programs in the health and bio diversity. Our PL 480 activities are designed to support these sectors and expand the effectiveness and reach of the project portfolio.

Our strategy has evolved over the past year as the economic situation has changed. In line with the Government's reform program, our program is moving from a focus on rehabilitation and resettlement to expansion of agricultural production, improved input distribution and food crop processing and marketing. In this respect we have in place a package of complementary projects each reinforcing the others so as to achieve maximum impact. The program works with the private sector, including the cooperative movement, and is designed to promote sustainable agricultural growth. For example, by helping commercial agriculture and agro-industry become profitable, the Rehabilitation of Productive Enterprises Project (RPE) ensures its sustainability. The Agricultural Nontraditional Export Promotion Program increases availability of foreign exchange for the private sector which in turn allows larger imports of agricultural inputs and other production and marketing requisites which stimulate private enterprise sustainability by increasing both profits and exports. It should be noted that these activities are not covered by other donors. This is where we have been on the cutting edge, exercising leadership in policy dialogue, imaginative project design and implementation including institutional development and technology transfer.

Earlier resettlement and rehabilitation activities are winding down and will be completed by the end of FY 1990. However, government's recent military successes in the north, an area of insecurity since the NRM came to power in 1986, have brought on additional rehabilitation and resettlement needs. Following an initial input of relief supplies from OFDA, we will continue to help meet these needs, with one possible exception, through the on-going program rather than add special resettlement projects.

The Health Program is also significant and concentrates upon Oral Rehydration Therapy, Family Planning and AIDS Prevention. The Government of Uganda has adopted AID's concept of child survival as basic to its health sector strategy. Also, we and the Government see the AIDS prevention and control program as critical to child survival. Since our health/family planning programs are small compared to those actual and planned by other donors, we have adopted a two-prong strategy. USAID has combined efforts with UNICEF and WHO in a comprehensive program that covers all aspects of child survival (except family planning) and AIDS prevention. We work closely with these two major donors, usually channeling our dollars and local currency through them. The other prong of our strategy is to cover areas that these two donors cannot do, or are outside the scope of their programs. Thus, one of our roles is to link family planning, child survival and AIDS activities, especially at the work place and clinic level, by working with private employers and PVOs. In this respect we would note that UNICEF does not work in family planning and WHO's AIDS efforts do not include the private sector. Oral rehydration has as its key element the production of salts by a local private firm to be followed by commercial sales. Our health programs then, while of modest size, fills critical gaps and tackles issues not yet faced by other donors but important to the GOU.

In bio diversity, we have focused on three well-known but threatened areas that harbor a vast variety of flora and fauna. These are the Impenetrable Forest which is home for 40 percent of worlds' population of mountain gorillas, the Rwenzori Mountains with its unworldly vegetation and six glaciers astride the equator, and the Kibale Forest which houses 12 different primates in a relatively small area.

PL 480 is used both to dampen inflationary pressures by providing selected essential commodities in short supply and to provide local currency which, when added to dollar projects, greatly expands the impact of the total program. In fact given the GOU budgetary squeeze our local currency input is crucial to the successful implementation of our dollar program. PL 480 generated local currency also provides necessary support to activities of UNICEF, WHO and PVOs.

Underlying our overall program are sectoral reforms which are essential to the success of both the A.I.D. program and the Government's own strategy. This has proven to be one of our most successful endeavors and we plan to continue vigorous dialogue.

The approved Uganda Concepts Paper, March 1987, stated that USAID would follow a two-track strategy to assist with the restoration of the country's institutional capacity, manpower

base and physical infrastructure to 1970 levels. The two tracks then stated are completion of our humanitarian, but development related-efforts in the resettlement of refugees and displaced persons, and an expansion of activities in food crops, agro-industry and family planning.

The action plan will adhere to these two approved tracks. The resettlement section will focus on three geographic areas and summarize and quantify outputs achieved as of December 31, 1988, and actions required, usually in the output mode, over the next two years, FY's 1989/90. Outputs, which are stated as the project purposes of the resettlement activities, are the primary criteria being considered in relief and resettlement.

The development section addresses subsector, not geographic areas, in agricultural research and manpower development, agricultural inputs, production, processing and exports. In the health sector, child survival including family planning, and AIDS prevention are looked at. Here again, outputs reached through December, 1988 are quantified and output targets are established for the following two years. Achievement of the various project purposes in each subsector becomes the most important criteria in the development sectors. With the exception of Food Production Support, other project activities and related outputs came after the one-year evacuation of all USAID staff and the resumption of the program in May 1986.

Under policy dialogue, PL 480, bio diversity, WID, the Gray Amendment and participant training, comments will be made on past successes with upcoming actions outlined for each. The Mission management section addresses needs/plans in two areas--office space and personnel.

One word of caution, the political and economic situation in Uganda is constantly evolving. As one problem is solved, another comes to front. As one opportunity is seized, another appears, so an AID program must balance stability with a need to be responsive to these changes. Two years ago when we prepared our concept paper, there was no national AIDS control program, the GOU had not yet started to think seriously about nontraditional exports, or give priority to privatization and divestiture of the former asian properties. These three subjects are now key parts of the GOU's and our program as is the growing concern with biological diversity and the environment. Fortunately AID/W has given us the encouragement and flexibility to respond to these new priorities while keeping within the overall framework of our concepts paper. We can anticipate further such new initiatives coming in the 1990's such as "market towns", which are a growing bottleneck to increased agricultural growth.

II. REVISED STRUCTURE OF MISSION PROGRAM

This revised Section II replaces the sections in the original on Resettlement and Development Activities (II and III). To some extent, it revises Sections IV., V., and VI.A. as well but they had additional useful information and were left in.

GOAL

Increase Broadbased
Rural Income

SUBGOAL

Increase & Diversify
Exports

Increase
Foodcrop
Production

Increase
Production for
External Mkts

STRATEGIC
OBJECTIVE

Increase
Accessibility of
Current Inputs
for Food
Production

Increase
Investment in
Enterprise for
Cash Cropping,
Export
Production and
Processing

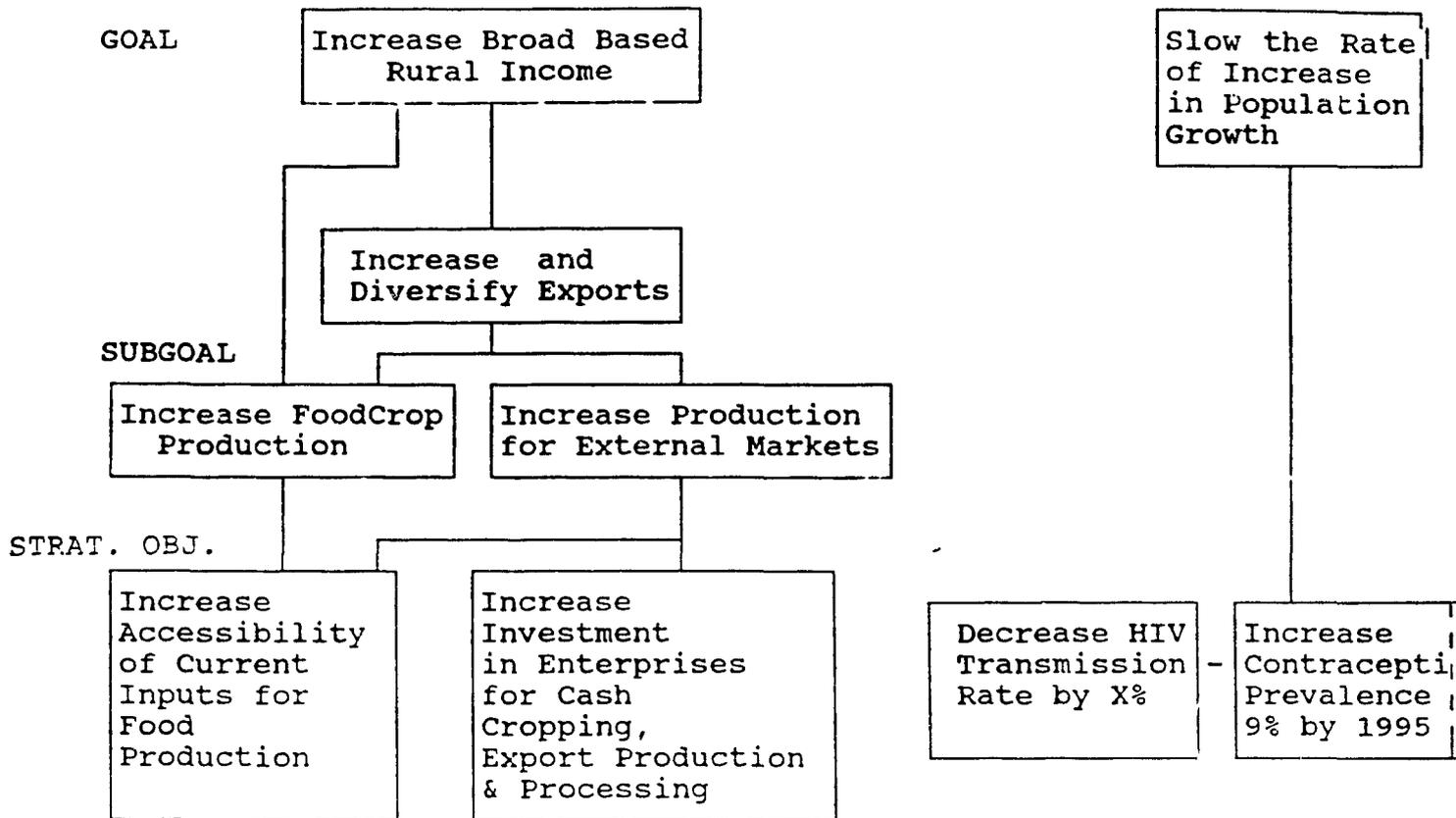
Increase Avail.
of Inputs for
Food Prod.

Increase Avail.
of Short and
Medium Term
Credit for
Ag & Ag Ent.

Increase Avail
of Inputs for
Agroprocessing
and Export
Crop Prod.

Facilitate
Capital
Invest.
for Med.
to Lg-
Scale Farms
& Ent.

Estab
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TARGETS OF OPPORTUNITY:

- Maintain Biodiversity
- Provide Relief & Rehabilitation
- Contribute to Use of ORT to Control Diarrheal Diseases

GOAL: INCREASE BROADBASED RURAL INCOME

INTERMEDIATE
GOAL: INCREASE AND DIVERSIFY EXPORTS

SUBGOALS: INCREASE FOODCROP PRODUCTION
INCREASE PRODUCTION FOR EXTERNAL MARKETS

STRATEGIC
OBJECTIVE: INCREASE THE ACCESSIBILITY OF CURRENT INPUTS
FOR FOOD PRODUCTION
-- ??

TARGET Increase the Availability of Inputs for Food
Production

SUBTARGETS: 1. Strengthen cooperatives to be viable
commercially (X% of cooperative members are
women) [CAAS, RER]
2. Generate improved seed varieties for
soybeans, maize and sunflowers [MFAD]
3. Develop private sector seed production and
marketing company [CAAS]

TARGET: Increase the Availability of Short and Medium
Term Credit for Agriculture and Ag Enterprises

SUBTARGETS: 1. Increase availability of credit for small
farmers
-- X% of cooperatives provide credit to
their members (70% of small farmers
belong to cooperatives) (X% of small
farmers are women) [CAAS & RER]
2. Increase availability of credit for
medium-sized farmers
-- Intermediate term credit available to
medium-sized farmers from x number of
commercial banks in Uganda; x banks
outside of Kampala; X% of the commercial
banks by 199_ [RPE]
3. Increase availability of credit for
agroindustry (processing, marketing, and
exporting) [RPE, NTE]
-- x number of commercial banks providing x
number of intermediate loans annually to
agroindustrial enterprises (X% loan
recipients are women-owned/managed
enterprises)

STRATEGIC
OBJECTIVE:

INCREASE INVESTMENT IN CASH CROPPING AND EXPORT
PRODUCTION ENTERPRISES

- amount invested in small enterprises
- amount invested in medium enterprises
- amount invested in large enterprises

TARGET: Increase availability of inputs for ag
processing and export crop production [NTE]

TARGET: Facilitate capital investment for medium to
large farms/enterprises [RPE]

TARGET: Increase the Availability of Short and Medium
Term Credit for Agriculture and Ag Enterprises

- SUBTARGETS:
1. Increase availability of credit for small farmers
 - X% of cooperatives provide credit to their members (70% of small farmers belong to cooperatives) (X% of small farmers are women) [CAAS &RER]
 2. Increase availability of credit for medium-sized farmers
 - Intermediate term credit available to medium-sized farmers from x number of commercial banks in Uganda; x banks outside of Kampala; X% of the commercial banks by 199_ [RPE]
 3. Increase availability of credit for agroindustry (processing, marketing, and exporting) [RPE, NTE]
 - x number of commercial banks providing x number of intermediate loans annually to agroindustrial enterprises (X% of loan recipients are women-owned/managed)

TARGET: Establish an exchange rate to create incentives
for export of nontraditional exports

GOAL

Slow the Rate
of Increase
in Population
Growth

STRATEGIC
OBJECTIVE

Decrease HIV
Transmission
Rate by X%

Increase
Contraceptive
Prevalence to
9% by 1995

Increase # of
People who
Voluntarily
Modify High-
Risk Sexual
Behavior

Increase
Availability
Contraceptive
Supplies &
Services

Increase
Knowledge
of Family
Planning
Methods

Supportive
Government
Policies

Develop
Peer
Educ
Capacity
in Urban
Areas in
Uganda

Develop
Military
Peer
Educ.
Capacity

Create
Confid
Testing
Facility
in
Kampala

Increase Distrib
of Contraceptives
through the
Private Sector

Strengthen
MOH Service
Delivery

GOAL: SLOW THE INCREASE IN THE POPULATION GROWTH RATE

STRATEGIC
OBJECTIVE: INCREASE CONTRACEPTIVE PREVALENCE TO 9% BY 1995

TARGET 1. Increase availability of contraceptive supplies
and services

- Supplies and services are available at X%
of MOH medical facilities
- Contraceptives available through xx
private outlets

TARGET 2. Increase knowledge of family planning methods

- [All clients of MOH medical facilities
can name at least one family planning
method]

TARGET 3. Supportive government policies

- ??

STRATEGIC
OBJECTIVE:

DECREASE THE HIV TRANSMISSION RATE BY x%

TARGET 1: Increase availability of condoms, information,
and risk reduction counselling

-- MOH medical facilities provide
information and referrals on AIDs

SUBTARGET: A. Increase number of condoms distributed
through the private sector by xthousand

TARGET 2: Increase number of people who voluntarily
modify high risk sexual behavior

-- Number of instances of self-reported
modifications in high risk sexual behavior

SUBTARGETS: A. Develop private peer education capacity
in urban areas in Uganda
B. Develop military peer education capacity
C. Create a confidential testing facility
for AIDs in Kampala

TARGETS OF OPPORTUNITY

1. Maintain Biodiversity -- assist forest management in the Impenetrable Forcst, Kibale Forest, and Rwenzori Mountains.
2. Relief and Rehabilitation
 - Orthopaedic and Physical Rehabilitation for the Disabled
 - Support for Ugandan Orphans
 - Relief in the North, Northeast, and West Nile
3. Oral Rehydration Therapy -- contribute to the use of ORT to control diarrheal diseases by providing for procurement of salts, providing training in their use, and developing local private sector production

IV. PL 480

Title I and Title II PL 480 resources have been used in Uganda for a variety of purposes, the primary one to generate local currency. These shillings are required to support bilateral projects, and 55 percent of all generations support dollar funded activities. With the GOU following an austerity budget as dictated by the IMF/IBRD its ability to fund development projects is much restricted. And with a high parallel exchange rate, currently at three to one, it is ridiculously expensive to change dollars for shillings to purchase items on the local market. This coupled with a high annual rate of inflation (albert declining) directly affects dollars budgeted for local purchase and makes local currency availability a prerequisite to doing business in Uganda. It not only allows projects to meet their goals within budgeted amounts but in some cases permits an expansion of project activities.

It also allows the USAID to respond promptly to areas of Congressional interest. We have been able to make shillings available to projects in child survival, AIDS prevention, PVO's, biological diversity and natural resource management in a prompt and effecient manner.

In addition, PL 480 has provided priority and politically senstitive consumer items that were in very short supply. Prior to our tallow program for example, soap was not readily available and very expensive. Today it is available throughout the country at one-third the previous price. (Soap is one of the GOU's four declared essential consumer goods). This turnabout was directly related to tallow availability and to policy talks we have conducted with the Ministry of Planning, and changes put in place becuae of our discussions, or Title I self-help measures. In addition, PL 480 continues to supplement scarce hard currency by financing imports that otherwise the Bank of Uganda would have had to release dollars for, i.e. cooking oil, wheat and tallow. Also, making available these items continues to play an important role in dampening inflation. In addition to tallow our 1987-88 vegetable oil imports stabilized the price of the key commodity in a time of rampant inflation.

A new program proposed for FY 1989 is Title II monetization to recaptalize the cooperative movement whose capital base has been eroded during the years of political chaos. This program will involve the importation of 10,050 tons of vegetable oil over two years which will be sold to the public by private dealers on strictly commercial basis for \$30 million in Uganda shilling equivalent. About 28 percent of the sales proceeds will be used for the rehabilitation and purchase of capital assets for the cooperative societies and unions, 61 percent will be used as production loans to farmer cooperators and as

loans to cooperative societies to finance the inventory of farm inputs and purchase of farm products, and 11 percent will be used for human resources development via cooperative staff and membership training, educational and informational campaigns, conferences, seminars and workshops. This Title II program also directly supports our CAAS project and will dramatically increase its chances for long-term, sustainable success.

It is for these reasons (making food or tallow available that is in short supply, generating local currency, holding down inflation, supporting other USAID projects and inducing policy change) that we plan to continue both Title I and Title II. Following is our schedule of previous and planned PL 480 programs for this action plan period.

1987	-	Title II	Section 202-Vegoil and Wheat
1988	-	Title I	Tallow
1989	-	Title I	Tallow
	-	Title II	Coop Monetization-Vegoil
1990	-	Title I	Tallow
		Title II	Coop Monetization-Vegoil (con't)

V. POLICY DIALOGUE

USAID has been actively involved in policy dialogue over the past two years. We have held discussions with senior GOU officials at the permanent secretary and ministerial levels to encourage active discussions with the IBRD and IMF on both structural adjustment and stabilization issues. These exchanges included topics such as exchange rate management, reasons for inflationary pressures in the economy, producer incentives, size of the public sector and the need to support the growth and development of private enterprise. Discussions have also taken place with the President of the country and have concentrated on policies affecting our program--trade, privatization, agriculture research and Cooperatives--as well as strategies for divesting the former Asian properties.

Nearly two years ago we formulated a computerized export competitiveness model for basic crops, including Uganda's dominate export crop, coffee, that clearly showed senior decision makers the need for an adjustment in the exchange rate, plus the adoption of yield increasing technology in order to give incentives to increase exports. The model was transferred to the Agricultural Secretariat thereby institutionalizing the analytical framework.

The above analysis led us in part to design the Agricultural Nontraditional Export Promotion Program to support the GOU goal to promote nontraditional exports. The conditionality associated with the AEPRP grant is far reaching. It permits the private sector to export all nontraditional exports

(everything except coffee, tea, and cotton) while at the same retaining 100 percent of their foreign exchange earnings. Retention of foreign exchange is accomplished by receiving an import license of equivalent value. The essence of the new GOU Export/Import Scheme is that private exports occur at a substantially depreciated foreign exchange rate as imports are sold at prevailing market prices.

In the field of health, we regard three subsectors--child survival, population, and AIDS--as one subsector. The underlying principle of our strategy is to exert a key leadership role in critical areas of policy and project development regardless of the size of our funding contribution. To repeat, we have found the private and public sectors most receptive to USAID policy involvement because of the combination of early issue recognition, technical input, and funding to work towards attainable solutions.

USAID and GOU entered a major policy dialogue that resulted in the GOU decision to allow privatization of production and distribution of oral rehydration salts (ORS). ORS is used to combat infant mortality and morbidity and is strikingly effective in restoring dying infants to life in a matter of hours. The GOU realizes that private production is less expensive and that the private sector can distribute ORS more widely than can the GOU. This allows for a GOU program with more impact on infant morbidity and mortality.

Through PVO child survival grants, we have ongoing dialogue with the GOU about cost recovery in health programs. The principle of cost recovery was recommended to the GOU by the recent high-level Health Policy Review Commission. It has been adopted in one GOU/PVO project and in one NGO/PVO project that the GOU is tracking informally. Adoption of an income generation program will help the Ministry to defray recurrent costs. We plan to expand this dialogue into the issue of privatization of some of the Ministry of Health facilities over the next 12-18 months.

The GOU and USAID are discussing a contraceptive retail sales program as part of an expanded family planning program. The Ministry of Health is reviewing the additional coverage offered and potential impact on the population growth rate by the distribution of contraceptives country wide through existing retail outlets. Retail distribution will greatly expand the current contraceptive distribution system operating through MOH and Family Planning Association fixed site, clinics. This is an ongoing dialogue complementary to the ORS dialogue noted previously.

Commercial distribution of contraceptive with include sales of condoms to reduce AID virus infection risk. The dialogue so ar has established that the GOU will not itself support the distribution of condoms for AIDS risk reduction but may permit commercial distribution for family planning and prevention of sexually transmitted diseases. We and the Ministry are working together to work out an acceptable solution and to effect a change in this unwritten policy.

In AIDS education and prevention, policy dialogue has resulted in the extension of AIDS programs funded by USAID to the commercial, PVO, and NGO segment of the private sector. The GOU previously had been developing activities only through the MOH infrustructure limiting availability of services. With the private sector, prevention services will be extended to 400,000 workers in high-risk urban areas and selected high-risk populations such as the police, military, long distance truck drivers and university students.

GOU policy has been to allow only a person's medical doctor to inform them after HIV testing about their results. Most doctors were loath to provide such potentially tragic results. USAID in a continuing dialogue with the GOU, has been able to fund a Ugandan NGO to train counselors to provide results and counselling to people. The GOU now uses these trained lay counselors in MOH clinics to give results. Currently, we are having discussions about the establishment of a non-hospital based testing center with trained coueslors. These programs have introduced the use of peer educators and counselors for risk reduction, a concept previously unknown to the MOH.

Lastly, the GOU and USAID are discussing how to combine or separate family planning and AIDS prevention programs. The achievement so far has been to define the questions to be asked. This is an ongoing issue in terms of impact on MOH organization, and staffing, budget, training, and higher education programs.

Within our agricultural portfolio, USAID has been instrumental with policy change in several areas:

1. We provided assistance to the cooperative movement and the Uganda Cooperative Alliance, which is the apex organization of the cooperatives in Uganda, to prepare revised legislation which will give the cooperatives much more autonomy and insure less government and political interference. The legislation has been reviewed by the Ministry and the Attorney General, and is now before the Cabinet.
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2. We helped convince the Ministry of Cooperatives and Marketing not to price USAID commodity imports at the overvalued official exchange rate but rather to allow the importers to sell at the prevailing market price. This has had the effect of dampening excess demand at the overvalued official exchange rate and substantially increasing local currency generations that are in turn used to recapitalize the cooperative movement and provide production credit.
3. USAID also funded a study to establish a private sector based seed industry in Uganda and work continues to establish a private seed company. The legislation for this is also under review and is expected to go before the Cabinet in a few months. Extensive policy dialogue and discussion continues as to the appropriate role of the Government and the Ministry of Agriculture in establishing and promoting a modern seed industry based in the private sector.
4. We have also provided two consultants from the International Service for National Agricultural Research (ISNAR) to prepare a major document titled, "Establishment of a National Agricultural Research Organization (NARO)". This document has also entailed extensive policy dialogue within both the Government and the donor community with USAID taking the lead in the setting up of a semi-atomous organization to accelerate agriculture research in Uganda. This matter is now before the President's Economic Council and NARO is expected to be established during 1989.

Also related to our agricultural portfolio, the new Cooperative Agriculture and Agribusiness Support (CAAS) project has just now begun with the arrival of consultants. It is actively involved in the following major policy dialogue related activities:

1. USAID is helping set up a National Input Coordination Unit in the Agriculture Secretariat which will conduct studies and monitor and provide data and analysis on agricultural inputs. One aim is to make known to the GOU and donors the gaps in and/or potential over supply of key inputs.
2. The commodity input program (CIP) of CAAS along with the AEPRP are a recognition by USAID of the critical need in Uganda of agriculture inputs which are directly related to increasing agriculture production and productivity. Other donors, especially the IBRD, in policy dialogue with USAID are now tying major aspects of their own programs to increase the availability of funding for the agriculture sector.

3. A study, currently underway of oil-seed mills, will specifically address the current policy and wisdom of the parastatal "Lint Marketing Board" having the controlling interest in key oil seed mills.
4. USAID is joining hands with the IBRD and other donors (EEC and ODA) to study and "restructure" the various marketing boards under the Ministry of Cooperatives and Marketing and the Ministry of Agriculture. USAID will be providing up to 21 person months of short-term consultants, and shillings to specifically work with six of the nine working groups being established to focus on the Produce Marketing Board and a financial restructuring of district cooperative unions. Significant policy dialogue is expected to be carried out throughout this exercise lasting from July of 1989 through March of 90.

Our PL 480 Title I tallow import program has been an important vehicle for policy dialogue. Through the discussion and formulation of self-help measures, USAID has been instrumental in breaking the parastatal and local government marketing monopoly which has led to a significantly improved national distribution system and a marked decline in the price of soap. Also, Title I self-help measures include the divestiture of two soap factories with further divestiture plans to be implemented over the next 12-18 months.

A more recent important area of policy dialogue has been our discussions with the GOU on divestiture plans for the 6,100 former Asian properties currently managed by the GOU Custodian Property Board. An initial USAID consultant's report with a wide range of recommendations has been prepared. The GOU's reaction to the report has been positive and we are now moving forward with the planned second phase, which involves short-term consultants to redesign the management of the Board itself in addition to the formulation of actual property divestiture procedures.

Over the next one-two years, our policy dialogue will be based upon continued support of the GOU stabilization and structural adjustment program at the macroeconomic and sectoral levels, and continued implementation and, as required, policy adjustments in support of our nontraditional export trade initiative, PL 480 tallow import program, divestiture of former Asian properties, the cooperative movement, family planning/AIDS, and the overall growth and development of the private sector. On the immediate horizon, in April USAID is funding a National Privatization conference at which the President will be the key note speaker; in May a Land Tenure conference will be sponsored by USAID and the World Bank which will recommence the once postponed debate within the GOU on land holding systems; and around mid-year, we will sponsor a

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three-day Agricultural Policy Workshop which will be attended by key ministers, members of the Presidential Economic Council and professional agriculturalists. We also expect the RAPID presentation to focus attention on the impact of high population growth on the environment, land tenure, and resource availability for health, housing and education.

Over the medium to longer term and certainly within the next two years, we expect continued dialogue and assistance to result in the following legislation:

1. The Cooperative Act amended;
2. NARO established;
3. A new seed law enacted with the private sector playing the key role;
4. Repeal of the 1975 Land Reform decree and new progressive legislation enacted.

VI. SPECIAL CONCERNS

A. Bio Diversity:

Our biodiversity activities are all in West Uganda. They are located in the Impenetrable Forest with its 200 mountain gorillas, the Rwezoris also known as the Mountains of the Moon, and in the Kibale forest with its diverse biology. All are mountain forests, all harbor unique, in the full sense of the word, unique flora and fauna, and all are being encroached upon. The importance of this area, in conjunction with adjacent areas in Rwanda, Zaire and Burundi, is recognized as one of the few places in the world where immense diversity still exists and where immediate steps are required to preserve it.

Some 18 months ago we established an unwritten action plan for bio diversity activities in Uganda which currently is on schedule. The plan was to gain AID/W dollar funding for two years for The World Wildlife Fund/CARE Development Thru Conservation (DTC) project in the Impenetrable Forest during FY 1988; to gain at least one-year AID/W FY 1989 dollar funding for development of a Rwenzoris National Park; and in FY 1990 to fund DTC type activities in Kibale. In conjunction with the dollar funding, local currency is provided to each as needed.

The WWF/CARE DTC project did receive dollar funding in FY 1988 (\$248,000) and US\$ 55 million (\$350,000) in local currency has been provided thru December 31, 1988. The primary purpose of the project is to preserve the natural habitat of some 200 mountain gorillas, about 40 percent of the world's total. Also, it is an important water catchment area and harbors elephant and other animal species. At the start of 1989, out-of-forest activities in farming areas adjacent to the

forest are just getting off the ground. In-forest activities have been conducted by WWF for some time including ecological surveys and research, management planning, multiple use zoning and environmental education. CARE's out-of-forest effort concentrates on collecting baseline data and beginning activities in agroforestry, soil and water conservation, livestock production and conservation education. Family planning, the critical aspect required to save this and all forests in Africa, will be provided by the Ugandan national program. Forest boundaries can be erected, farm output increased, but only when population pressure is reduced will the forests stand a chance of survival.

The next area of concentration is the Rwenzori Mountains where we are encouraging conservation PVOs to submit proposals. The objective we have in mind is to create an economically viable national park that can control the tourist influx, and maintain one of Africa's most important water catchment systems. We have provided US\$ 7.5 million shillings (\$50,000) and plan to provide US\$ 30 million (\$200,000) over the next nine months to lay plank on the bog, rehabilitate the huts, build latrines, dig refuse dumps and construct a large bridge. This work should be completed in a year. On the dollar side, we are expecting FY 1989 AID/W funding for the PVO selected to implement the project.

The third area of concentration is Kibale Forest, a relatively small mountain forest that houses 12 different primates. The forest is being badly encroached upon and urgently needs a program to counter human settlement. It is also an important water catchment area that is rapidly losing its tree cover. The New York Zoological Society (NYZS) has been working there for the past 20 years and has recently been talking with CARE about operating a DTC type project similar to the one CARE is starting up in the Impenetrable Forest. We have already provided a modest amount of shillings for Kibale activities and would consider a dollar proposal. NYZS has recently informed us that it feels the need is so urgent that a proposal could be submitted to AID/W in FY 1989 for central funding.

These three forest areas are a long day's drive from Kampala, and are visited by Mission staff not more than two-three times a year. Therefore our role is one of monitoring and not deep involvement in project activities, and to provide funding, both dollars and local currency.

In the conservation sector USAID has also provided, directly or thru a PVO, local currency to a significant number of other organizations involved with natural resources and maintaining biological diversity in Uganda. These include the National Ecological Institute, the Center for Conservation Biology (Stanford) for work in the Mabira Forest, a WWF mobile

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education unit and Makerere University to help it document the plants and animals of Uganda. For the most part, funding for these activities will continue thru summer of 1989.

B. Women in Development:

The Mission has only recently submitted its WID action plan to Washington (January 15, 1988) and has nothing to add at this point. To reiterate, the plan is as follows:

<u>Document</u>	<u>Item</u>	<u>Submission Date</u>
Action Plan	Accumulating Sex-disaggregated data	February 1989
PIR's	Begin reporting sex disaggregated data	April 1989
CDSS	Sex-disaggregated data	March 1990
PID's PP's, Evaluations	Sex-disaggregated data	During preparation
Policy Dialogue	Encourage the GOU to continue its progressive policy	Continuing
WID Training	WID officer will attend next such course	
Participant Training	More female participants	Continuing

The first step in the plan is to start accumulating sex-disaggregated data. This will be accomplished by starting to include such data in the next Project Implementation Reports. As each project is reviewed with the Mission Director, the data gathered will be discussed and the need and availability of additional information assessed. It is expected that in the future each six-month report on each project will contain additional and/or refined sex disaggregated data.

C. Gray Amendment

Over the past three years, the Mission has had six Gray Amendment activities. Two are continuing, long-term relationships--AAPC as a purchasing agent and Ohio State as the prime contractor for MFAD, sends participants to and brings consultants from an 1890's school. However, because our program is at a point where no new contracts are required, we do not at present foresee any significant opportunity to use Gray Amendment firms, or any new U.S. contractors, over the next year. Should unforeseen requirements arise, Gray Amendment firms would receive priority consideration.

D. Participant Training

In the past few years the Mission has sponsored 353 participants practically all to the U.S. under a variety of projects. AMDP, which sent 98 individuals to the U.S. was especially valuable. It gave the Mission flexibility, and if the Government wanted some people quickly trained in revenue collection, as happened here a couple of years ago, we were able to promptly respond. We have questions as to the relevance of the follow-on training program, HRDA, with its five-year-plans, quotas and selection committees. Also our OYB in FY 1989 was insufficient to finance any buy-ins. However, in FY 1990 with an increased OYB, we will reconsider the merits vis-a-vis the obstacles to recommence a general training program.

VII. MISSION MANAGEMENT

Two areas are of primary concern to the Mission over the next couple of years. The first requires immediate attention--the extension of the USAID office building. At on-board staff levels, the building is completely filled and is bursting at the seams. A few months ago, we even had to move our small GSO to another location. We also find ourselves without any office space for the approved controller operation. There is no conference room, the library and C&R are located together in a small room (15' X 10'), and there is no place to seat TDYers, a number of whom are usually in country.

AID/Washington has recently approved the expansion of our premises, but it looks like another year will pass before the work will be completed. The cost, based upon preliminary estimates provided by the architect and engineering firm is \$200,000 and USH 40,000,000.

The final design and construction supervision proposals are scheduled to be reviewed and the contract awarded by late February. After the A and E firm has completed its design and material specifications, a separate contract will be awarded for the actual construction by late April or early May. Hence, the most optimistic estimate for completion of construction once it actually begins is eight to nine months later, or January/February of 1990.

The second area of concern relates to the first, expansion of staff. We currently have on board eight USDH, one PASA, one US PSC, two TCN's, four FNDH's and 21 professional, administrative and secretarial Ugandan PSC's, all located in a former residential building. Because of the size, complexity and planned expansion of our program, the previous Assistant Administrator stated that he felt the USDH level should increase from 6 to 12. We agree, and following are our personnel needs over the next 12-18 months.

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The key new USDH, not yet nominated but originally scheduled to arrive June 1989, is the Controller, an obvious requirement for a Mission this size and with a planned FY 1990 OYB of \$18 million. Along with the Controller comes the books and at least three additional local staff. Obviously, this office cannot be housed here until the building has been expanded and therefore we would not expect him/her before late 1989 to set up the program so that work is transferred from RFMC as soon as the building extension is completed. The second new USDH requirement is a Program Economist. The Assistant Director, who also serves as the Program Economist, no longer has the time to monitor the Ugandan economy and manage the AEPRP, and also effectively serve as No. 2 in the Mission. In addition, because of lack of staff depth, he also has to fill in for division chiefs when they are on leave. The Controller and staff cannot realistically arrive until the building is expanded. However, desk space could be made available in the Assistant Director's office for a Program Economist and hence AID/W should advertise immediately for this person. (This position was to have been filled by an IDI, scheduled to arrive in July 1989, but who has dropped out of the program.)

Later on in 1990, as we possibly begin serious design of a market town project and a follow-on AEPRP, help is going to be required in the Project Development Office. We propose an IDI to arrive sometime in the Spring of 1990. The fourth new slot will be reserved for a Agronomist/Assistant Agriculture Development Officer, preferably with background in natural resource management.

Given the present constraint of available space USAID will be severely stressed in its ability to meet program and financial management oversight requirements by its inability to provide working space for permanent personnel, not to mention TDYers. This of course means that necessary recruitment and employment of the above personnel, with the exception of the Program Economist, will have to be deferred until the working space problem is alleviated.

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