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**USAID/UGANDA**

**RESULTS REVIEW**

**MARCH 1996**

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## I. OVERVIEW OF PROGRAM PERFORMANCE

### A. PROGRAM PERFORMANCE

Uganda is on the path to sustainable development. It has the fastest growing economy in Africa, with GDP growth averaging 8% over the past three years. During the last year, non-coffee export revenues registered an impressive 65% gain and over 36,000 tourists visited Uganda's national parks. There was good news on the health front as well; the fertility rate among Ugandan women has dropped from 7.4 in 1989 to 6.8 in 1995, and HIV prevalence among pregnant women declined for the third year in a row - the first sustained drop in HIV prevalence in Africa. The country passed an important political milestone in October 1995 when an elected Constituent Assembly approved a new constitution.

USAID has had a hand in many of these accomplishments. Economic policy reforms supported by USAID and the international financial institutions laid the foundation for export diversification. Non-project assistance conditionality provided an incentive for upgrading the protective status of key biodiverse areas, including the habitat of the endangered mountain gorillas. A highly collaborative effort spearheaded by USAID, the World Bank and the Ministry of Education is revitalizing primary education. USAID has financed an innovative and far-reaching HIV prevention program that capitalizes on the strengths of local NGOs to motivate people to adopt less risky sexual behavior. USAID produced the curriculum used to training family planning service providers nationwide and has been the principal supplier of contraceptives. USAID has fostered the participatory constitution-making process that has culminated in the promulgation of a constitution that represents a step forward for Uganda even though it does not provide for full political rights.

The goal of the USAID program is "*to establish the basis for sustained improvements in the standard of living.*" Achieving this goal requires an integrated development approach that capitalizes on the linkages and synergy between economic growth, education, health and fertility, sustainable use of natural resources and an open and democratic society. Each of our four strategic objectives and our special objective address this goal and also complement one or more of the other objectives. Increased household income, for example, results in higher levels of education and health in rural families. Participatory management of Uganda's national parks by buffer zone residents not only heightens the prospect of sustainable resource use but also strengthens civil society. Over the longer term, efforts to improve the primary education system will give people the requisite skills to be productive members of a democratic society. In addition, higher educational levels among girls and women are strongly associated with lower fertility rates and improved health and nutritional status.

USAID tracks progress towards improvements in the standard of living with the following indicators:

- \* Expenditure on food as a percentage of household budget for the bottom 50% of Ugandan households
- \* Mortality rate of children under 5

Liberalization of the foreign exchange regime opened the door for export diversification, and, as a result, the flower industry is exporting over \$5 million worth of flowers just three years after it started and is poised for exponential growth. USAID's productive relationship with the GOU has also enabled us to make a difference in areas we would not have predicted five years ago. For example, we have supported the politically sensitive demobilization of 37,000 military personnel between 1992 and 1995, reducing the size of the army by approximately 40%.

USAID and its contractors and grantees have the good fortune to work with many intelligent and dedicated Ugandan counterparts in the public, private and non-governmental sectors, but we suffer frequent setbacks due to serious illness and death of colleagues and many work days are lost because of the need to attend funerals. With the high prevalence of HIV and other debilitating diseases, this is inevitable, but it continues to cast a shadow over our work and undermine progress.

While the GOU has proved to be a reliable partner, public sector resources to support development are severely limited. Tax revenues are low, even by African standards, and at the same time, the country is shouldering a very high debt burden. Debt stock as of June 1995 was \$3.4 billion, equivalent to 60% of GDP. Debt service payments, excluding IMF payments, soak up almost a quarter of total government expenditures. Given this situation, there is little hope of substantially increasing the abysmally low civil service salaries in the next few years. Motivating health workers, teachers, extension agents and other poorly remunerated civil servants is a constant challenge for USAID's programs. The combination of low revenues and high debt payments also means that Uganda will continue to need balance of payments support over the medium term. Cash transfers to support sectoral policy reforms will, therefore, continue to be a useful tool for achieving USAID program objectives.

The evolution of the regional political and economic situation has significant implications for Uganda's progress. Improved relations with Kenya raise the prospect of increased regional trade through reinvigoration of the East African Cooperation agreement, and unmet food security needs in the Greater Horn are an opportunity for Ugandan farmers. On the other hand, ethnic tensions in Rwanda and Burundi can exacerbate sectoral differences in Uganda and discourage tourism within the region. Continuing Sudanese-backed incursions into northern Uganda create uncertainty in that region, lessening development prospects. The threat provides the justification for increased military spending which deprives the social sector of desperately-needed new investment.

## II. PROGRESS TOWARD STRATEGIC OBJECTIVES

### STRATEGIC OBJECTIVE 1: INCREASED RURAL HOUSEHOLD INCOME IN TARGETED REGIONS

This strategic objective addresses the daily concerns of rural Ugandans by enhancing food security and alleviating poverty. Activities under this SO strengthen rural markets and expand access and opportunity for the poor -- both key objectives of the Agency's economic growth goal -- by empowering people to increase their productivity and earn a better life for themselves and their families. Our emphasis on non-traditional agricultural exports, including food crops, is increasing Uganda's ability to meet the needs of food deficit countries in the Greater Horn of Africa.

As a result of the mission's re-engineering exercise this SO has been re-tooled to incorporate two new intermediate results to address rural businesses'<sup>4</sup> need for financial services and a more friendly policy and regulatory environment. USAID has already made crucial contributions in both of these areas by restructuring and recapitalizing the Cooperative Bank, by strengthening the Uganda Investment Authority's (UIA) ability to help new domestic and foreign investors through the regulatory maze, and by fostering dialogue between government and business leaders. New activities will expand rural financial services and strengthen business associations. These efforts, together with USAID's continued success with non-traditional agricultural exports (NTAEs), are improving the quality of life for thousands of hard-working Ugandans.

#### A. SUMMARY OF DATA

The Performance Data Table presents 1994 figures as the latest available data. Data for 1995 will be available mid-year.

#### B. ANALYSIS OF DATA

Sustainable development in Uganda hinges upon the 80% of Ugandans living in rural areas benefiting from the country's remarkable economic growth. Our program to expand production and marketing of NTAEs and rural finance, and to improve the business enabling environment is working. The SO's key indicator, *increases in average household monthly expenditure in selected regions* shows significant growth. For 1994 monthly expenditures for rural homesteads, adjusted for inflation, grew by 16% in the central region and by 15% in the western region -- the two regions where USAID's assistance has been concentrated. In comparison, rural household expenditures fell by 13% in the Eastern region due to severe drought and by 12% in the North due to an increase in terrorist activities by the Sudan-backed "Kony rebels". While we expect agriculture in the East to rebound in 1995, terrorist

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<sup>4</sup> Rural business is defined as both farm and non-farm enterprises.

activity

**PERFORMANCE DATA TABLE - STRATEGIC OBJECTIVE 1**

RESULTS	PERFORMANCE INDICATORS	BASELINE	ACTUAL PERFORMANCE LEVEL	EXPECTED PERFORMANCE LEVEL			
		1992/1993	1994	1995	1996	1997	1998
<b>STRATEGIC OBJECTIVE 1</b>							
Increased rural household income in targeted regions.	1. Increased average rural household monthly expenditure in targeted regions. Regions: Central Western Eastern	52,426/= 46,004/= 42,822/=	+ 16% + 15% -13%	31.7% 18.6% -7.4%	38.3% 24.5% -2.7%	45.2% 30.8% 2.1%	52.5% 37.2% 7.2%
<b>Intermediate Result 1</b>							
Increased use of financial services by rural businesses.	1. Increased number of new rural business borrowers in targeted areas.	1994 9,100	9,100	12,150	15,650	21,100	26,800
	2. Increased number new savers mobilized by rural financial intermediaries.	1994 11,200	11,200	19,400	25,590	34,780	44,976
	3. Increased number of sustainable rural financial intermediaries.	1994 2	2	2	2	4	6

RESULTS	PERFORMANCE INDICATORS	BASELINE		ACTUAL PERFORMANCE LEVEL				EXPECTED PERFORMANCE LEVEL			
		YEAR	VALUE	1991	1992	1993	1994	1995	1996	1997	1998
Intermediate Result 2  Increased Production and Marketing of Agricultural Products.	1. Increased production of selected crops (in '000 tons).										
	Maize	1990	602	567	657	804	980	950	1,100	1,150	1,250
	Beans		396	383	402	429	378	367	410	490	500
	Vanilla		2.0	5.0	3.0	6.0	8.1	15	22	45	55
	Flowers		2.0	7.0	-	23	162	950	2,000	3,500	3,500
	Oilseeds		257	264	272	295	287	292	350	450	500
	Cotton		3.9	7.8	7.5	6.80	3.8	4.5	5.5	7	8.5
	Coffee		128	147	110	145	198	230	250	260	270
	Tobacco		3.3	5.1	6.7	5.2	6.6	7.7	8.5	9.2	10
Tea		6.7	8.9	9.5	12.3	13.5	14.7	15.8	17	18.8	
	2. Increased value of non-traditional export crops. (in '000 US \$)	1990	25	-	32.3	70.7	91.3	137	170	215	270
	3. Increased number of NTAE crops.		11	11	12	16	18	20	22	26	28

RESULTS	PERFORMANCE INDICATORS	BASELINE	ACTUAL PERFORMANCE LEVEL					EXPECTED PERFORMANCE LEVEL			
			1992/1993	1991	1992	1993	1994	1995	1996	1997	1998
Intermediate Result 3 Improved Enabling Environment for Business.	1. Number of registered businesses .		10,500	12,300	14,100	15,800	17,600	19,400	21,192	22,958	
	2. Increased investment realized. (in \$000,000)		39	126	149	181	94	120	140	160	

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continues to disrupt the North. USAID intends to increase its commitment to both the East and the North but the figures above demonstrate the influence of external factors such as drought and insecurity on the achievement of this SO.

### **Intermediate Result 1.1: Increased use of Financial Services by Rural Businesses**

Lack of financial services -- both savings and credit -- in rural areas is a binding constraint on rural enterprise and growth of rural income. Uganda's rural credit programs have been mismanaged and corrupt, resulting in abysmal repayment rates and failure. Most borrowers have looked at loans as government grants. USAID is changing the nature of rural credit programs by requiring the financial institutions we assist to meet strict criteria for financial sustainability. This prescription is beginning to cure the "default disease" that has plagued Uganda. In addition to credit, we consider savings mobilization an essential component of a financial services package both because it increases a borrower's ability to repay his/her loan and because sustainable development ultimately relies on Ugandans saving and investing in their country. Encouragingly, rural Ugandans have expressed a greater need for savings services than for credit.

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#### **A Tailor's Tale**

Monica trained as a tailor but because she had no capital, she was unable to use her skills. After joining FINCA she qualified for a \$100 loan which she used to buy material and accessories for making dresses. Through hard work Monica has established a good credit record, bought a second sewing machine, and expanded her business. Monica uses her earnings to pay rent and school fees for her children. USAID is expanding thousands of rural businesses such as Monica's by creating an opportunity for poor people to get access to loans for working capital.

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Indicator #1: Increased number of new rural business borrowers in targeted areas.

Prior to 1994, no rural credit program in Uganda had a record of successful repeat borrowers. As a result of USAID's assistance there are now two institutions successfully providing rural financial services. The figures in the table show the impact of USAID's assistance in restructuring and revitalizing the COOP Bank on rural credit. Over 8,000 rural businesses received credit in 1994 and 10,000 received credit in 1995 through the COOP Bank. Repayment rates exceed 95%. USAID has also assisted FINCA, a U.S. NGO, to initiate village banking in Uganda. Under the FINCA program the number of active women borrowers has grown from less than 1000 in 1994 to 2,400 at the end of 1995. FINCA's repayment rate is over 96%.

Indicator #2: An increased number of new savers mobilized by rural financial intermediaries.

By the end of 1994 the only financial institutions actively mobilizing rural savings were the three assisted by USAID. COOP Bank, one of only two banks with rural branch networks, instituted an aggressive and innovative savings mobilization campaign that brought in 10,000 new depositors in 1994 and 17,000 new depositors in 1995. FINCA mobilized 1,000 savers in its village banks in 1994, its first year of operation in Uganda. Nile Bank's mobile banking program in which bank personnel make weekly visits to remote rural trading centers to offer basic banking services is an example of a USAID-supported innovation that has expanded financial services to an area that includes over 10,000 rural households.

Indicator #3: An increased number of sustainable rural financial intermediaries.

FINCA is currently the only financial intermediary operating in rural Uganda that covers its costs through the interest and fees it charges, has a successful record of repayment and provides broad outreach in the delivery of its financial services. At least 15 new financial intermediaries, most of them U.S. NGOs that apply the methods needed for financial sustainability, are starting operations in Uganda.

### **Intermediate Result 1.2: Increased Production and Marketing of Agricultural Products**

Since Uganda's comparative advantage lies in agriculture and the majority of Ugandans are small farmers, the key to increasing rural incomes is to increase the yields and total output of crops for which there is a ready market. USAID's focus is on increased production of non-traditional agricultural exports (NTAEs) because of their potential for smallholder participation and the associated benefits of reducing reliance on coffee, Uganda's dominant export crop. USAID's efforts have led to a blossoming of new export crops by providing the technical know-how to get these crops grown, packed, shipped and sold in new export markets.

Increased production of traditional cash crops, which also are produced primarily by smallholders, is also important to the achievement of the SO. Title II resources have helped to improve rural infrastructure, expanding opportunities to grow and market the traditional export crops of coffee, tea, cotton and tobacco. A revitalized Cooperative Bank, the only formal financial institution active in agricultural credit, has expanded capital for crop production and export finance. USAID technical assistance and program conditionality have restructured the Bank and helped it achieve a net profit for the first time in over 20 years. Title III resources paid for the rehabilitation of over 8,000 kilometers of rural feeder roads and, significantly, have built capacity in district administrations to maintain these improvements.

Indicator 1: Increased Production of Selected Crops.

The phenomenal growth in the production and export values of NTAEs is a striking development success - one that would not have happened without USAID's involvement. Since 1990, production of NTAEs has grown by 128%. These increases, which have been fostered by USAID's investments in agricultural research and agribusiness, translate directly into increased rural incomes.

Indicator 2: Increased Value of Non-Traditional Export Crops

In addition to increases in production, the value of non-traditional crop exports is showing strong growth, expanding at 58% per year over the last five years. These crops have become increasingly important foreign exchange earners. Figures reported for this indicator have been revised to subtract the value of cotton, coffee and tea exports. By removing these three traditional agricultural exports the indicator shows more clearly the growth and impact of NTAEs. USAID is helping Uganda to expand its low value exports such as maize and pulses to take advantage of Uganda's position as the only food surplus country in the Greater Horn of Africa. This also decreases the cost of relief supplies for other countries in the region.

Indicator 3: Increased number of NTAEs.

A large part of Uganda's success with NTAEs derives from the introduction of new crops, such as silk, vanilla and chilies, creating new opportunities for poor rural farmers. Since 1990 the number of NTAEs has increased from 11 crops worth \$25 million to 16 crops worth \$91 million in 1994.

### **Intermediate Result 1.3: Improved Enabling Environment for Business**

Increased production and financial services have little meaning if government policies and regulations thwart business creation and growth. While Uganda has made real progress towards a more open business environment, businesspeople continue to complain that policy and regulatory constraints increase their costs, discourage new investment, and spawn corruption. These costs are particularly hard on smaller businesses. Progress in creating a more friendly business environment has been fostered by USAID's ability to bring government and business leaders together in a National Forum to improve the business enabling environment. During the three years the Forum has operated, the intense hostility and distrust that characterized relations between the public and private sectors have largely been overcome and consensus has been reached on a number of reforms needed to promote business expansion and new investment. Achieving this pro-business outlook in a country with a legacy of socialistic state control is no mean feat.

Indicator 1: Increased number of registered businesses.

The real measure of whether the business environment is improving is whether more

Ugandans are starting businesses. While this indicator does not capture all, or even most, business activity -- many businesses including most on-farm production are not registered and not all businesses that are registered become going concerns -- the steady growth in the number of registered businesses does show an improvement in the business environment and of the perceived costs of entry into the formal business sector.

#### Indicator 2: Increased investment realized

Private investment, both foreign and local, is the life-blood of Uganda's economic growth. Willingness of businesses to invest provides a good indicator of whether entrepreneurs perceive the business environment as offering opportunities. Since 1993, the first year for which data are available, real private investment has grown 35% per year. While it is difficult to isolate the factors that have contributed to this strong growth, two USAID-supported institutions, the Export Policy Analysis Unit and the Uganda Investment Authority, have played crucial roles in providing timely information and economic analysis on one hand, and wooing and assisting investors on the other. These efforts, along with the Government of Uganda's successful structural adjustment program and assistance from many other donors are making Uganda an increasingly attractive investment destination.

### **C. CONTRIBUTION OF USAID ACTIVITIES**

Improved welfare of rural households from increased agricultural production, especially nontraditional agricultural exports, simply would not have occurred without USAID's investments in agricultural and policy research, rural infrastructure, and people. USAID's ability to identify the key issues and its willingness to take risks, both by pioneering new initiatives such as Uganda's successful entry into the cut-flower market and by tackling problems that no one else will touch-- such as bringing a crippled and insolvent Cooperative Bank back to profitability -- have established USAID's leadership and proven the value of American know-how. The bottom line is that poor rural Ugandans -- as well as many living in urban areas -- are better off because of our program. They are better off not because they received a handout, but because USAID has created new opportunities -- by opening up markets, increasing human capacity, introducing new technologies and ideas and providing access to finance -- for people to translate their hopes and hard work into a better life for themselves and their families.

### **D. EXPECTED PROGRESS IN FY 1997 AND 1998**

Rural income will continue to grow and along with it Ugandans will enjoy greater food security and reduced poverty. As the Performance Data Table shows, we expect this SO to be achieved through continued strong growth in both on and off-farm productivity. The number of rural credit programs will grow exponentially as 5 to 8 new financial intermediaries, primarily U.S. NGOs using viable methods, begin programs in Uganda. This should result in 12,000 businesses gaining access to needed working capital over the two year period and at the same time contribute to establishing a new culture of repaying loans. Rural

savings should expand along with credit, increasing domestic capital available for reinvestment.

Non-traditional agricultural exports are still at the beginning of their growth curve. As new crops are introduced, and established ones take root, export values will continue to grow, putting money into the pockets of the rural smallholders that produce them. We also expect Uganda to increase its role providing food crops such as maize and beans to food deficit countries within the Greater Horn of Africa.

## STRATEGIC OBJECTIVE 2: MAINTAIN INTEGRITY OF TARGETED BIODIVERSE ECOSYSTEMS

This strategic objective aims to reduce long-term threats to the global environment use of "trough" makes it sound like we will reduce threats by losing biodiversity caused by the loss of biodiversity, a fundamental component of the Agency Goal of *Managing the Environment for Long-Term Sustainability*. Uganda is a Biodiversity Priority Country containing critical ecosystem complexes for the conservation of globally important biodiversity. Sitting astride transitions between major ecological zones and uniting seven of the continent's 18 biogeographic regions within its territory, Uganda contains a variety of habitats with associated species unequalled elsewhere in Africa. However, Uganda's unique biodiversity has been placed at risk by intense and increasing population pressures, unsustainable natural resource management practices, and a history of conflict. USAID/Uganda addresses the challenge of biodiversity conservation through an "in situ" approach by assisting Uganda to maintain the integrity of targeted biodiverse ecosystems.

A. SUMMARY OF DATA See Performance Data Table 2

### B. ANALYSIS OF DATA

USAID/Uganda continues to achieve excellent progress under this SO, highlighted by several major achievements during 1995. At the SO level, biological integrity within the target areas is assessed through protection status, level of active management of protected areas and ecosystem health (via species populations counts).

Protection Status. As a direct result of USAID involvement - and NPA conditionalities - six imperiled biodiverse "afromontane" forest reserves were upgraded to full national park status, three each in 1992 and 1994. The addition of these afromontane parks to Uganda's original four savannah-type parks increased the total area under maximum degree of administrative protection, thereby enhancing the potential for maintaining the integrity of these areas in perpetuity. This new indicator, "Area Accorded National Park Status," was added to facilitate Agency monitoring of biodiversity conservation. The ten national parks now constitute USAID/Uganda's "targeted biodiverse ecosystems." Significantly, two of these new parks, Bwindi Impenetrable and Rwenzori Mountains, received designation as World Heritage sites during 1995.

Level of Active Management. Increased protective status has limited effect on biodiversity conservation unless those areas benefit from active management. A new indicator, "Level of Active Management", has been added to capture this element, with

## PERFORMANCE DATA TABLE - STRATEGIC OBJECTIVE 2

OBJECTIVES/RESULTS	PERFORMANCE INDICATORS	BASELINE (1990)	ACTUAL PERFORMANCE LEVELS				EXPECTED PERFORMANCE LEVELS		
			1992	1993	1994	1995	1996	1997	1998
<b>STRATEGIC OBJECTIVE 2</b>									
<b>Maintain Integrity of Targeted Biodiverse Ecosystems</b>	1. Protection Status of Target Areas (a) Area (km <sup>2</sup> ) accorded National Park status (b) # National Parks  2. Level of Active Management: # Park Employees  3. Ecosystem Health: Indicator Species Populations (a) Elephants/Queen Elizabeth National Park (b) Gorillas/Bwindi Impenetrable National Park (c) Zebra/Lake Mburo National Park	7,540 4  477  225 280 (est.) 2,907	8,891 7  612        2,907	8,891 7  711    3,922	11,023 10  933        3,922	11,023 10  1,094  455  TBD TBD TBD	11,023 10  1,300    TBD TBD TBD	11,023 10  1,500        TBD	11,023 10  1,500        TBD
<b>INTERMEDIATE RESULT 1</b>									
<b>Target Conservation Areas Effectively Managed</b>	1. Park Management (a) # Parks operating on current/approved management plans (b) # Parks with community representation in management  2. Park Revenue Generation and Ecotourism (Baseline is 1991) (a) # visitors (non-resident) to Uganda (a) Total Annual Revenues (ecotourism user fees in 000 US\$) (b) # private, in-park ecotourism concessions	0 0  66,750 66.3 1	3 1  92,736 122.2 1	3 2  115,652 337.4 9	4 4  132,000 769.1 15	5 6  149,058 1,078.2 20	8 8  95,000 1,350 24	10 10  105,000 1,700 28	10 10  115,000 2,000 32
<b>INTERMEDIATE RESULT 2</b>									
<b>Buffer Zone Communities Conserve Target Areas</b>	1. Direct Conservation Benefits and Incentives (a) Park revenues shared with local communities (000 US\$) (b) # Parks with multiple use programs  2. Increased Productivity: # Households Adopting (a) Tree planting (at least one woodlot) (b) Soil conservation (new adopters) (c) Improved banana management (new adopters)  3. Conservation Awareness: # Parks with Conservation Wardens	0 0  0 0 0 0	0 0  205 0 0 0	0 1  731 201 316 1	5 3  621 162 1312 2	50 4  5080 770 1241 5	60 5  na na na 8	70 10  na na na 10	85 10  na na na 10
<b>INTERMEDIATE RESULT 3</b>									
<b>Enabling Environment for Sustainable Natural Resource Management</b>	1. Policy/Institutional Framework for Biodiversity Conservation (a) National Environment Action Plan (b) Environment management legislation (c) National Environment Management Authority (d) Decentralization: # District Environment Officers  2. Land Tenure Reform: New Legislation	none none none 0  none	   0     none	   0     none	   0     drafted  approved drafted  2  drafted	   10     enacted created  10  drafted	working 20 created enacted	working 30 working	working 30 working

Note: There have been minor modifications of the SO 2 logframe objectives and outcomes reported on in last year's API - amounting to a "translation" of the current portfolio into a Results Framework structured and worded so as to be consistent with the reengineered USAID. Readers should also note that restructuring also required some regrouping (and some modification) of indicators, although for the most part, indicators themselves remain unchanged.

the assumption that as parks become fully staffed, management becomes increasingly effective and conservation goals are more easily realized. Park staffing levels are expanding, and expected to continue to grow.

Ecosystem Health. Tracking of populations of key species serves as an indicator of overall health of these ecosystems. Data available suggest that renewed stability and improved management is leading to significant recovery of animal populations across all the parks. Comprehensive aerial surveys will be carried out early in 1996 that will provide large mammal counts in all the parks, and a sound basis for comparison with previous years' data. Next year's R2 will present survey data. In addition, the USAID-supported International Gorilla Conservation Program (IGCP) will soon conduct a census of mountain gorillas. Data from this exercise will be presented as they become available. Current estimates suggest that roughly 280-300 gorillas - half the world population - reside within Uganda's Bwindi Impenetrable.

**Intermediate Result 2.1: Target Conservation Areas Effectively Managed**

To achieve this result, USAID/Uganda works in close collaboration with Uganda National Parks (UNP) - the institution responsible for managing all ten national parks - by striving towards: 1) Appropriate management policy and structure; 2) Strengthened management capacity; 3) Improved infrastructure; and 4) Increased revenues. USAID has been the major donor to UNP, providing technical assistance, training, and infrastructural support. Peace Corps Volunteers also assist in park management. In 1996, a major new World Bank assistance program to the new Uganda Wildlife Authority (UWA)(see below) begins.

**Mountain Gorilla Ecotourism in Uganda**

Gorilla tourism features as UNP's greatest revenue source. In Bwindi Impenetrable and Mgahinga Gorilla, UNP and IGCP are developing this promising, but sensitive, component of UNP's ecotourism program.

Gorilla Tourism in Bwindi Impenetrable for Period 1992-95

Year	1992	1993	1994	1995
Tourists	0	1470	2427	3342

At Bwindi Impenetrable, twelve "Gorilla Tracking" permits are issued daily, allowing two groups of six individuals to visit two gorilla groups. This rare experience - a close range encounter with one of mankind's nearest, yet most endangered, relatives - is in tremendous demand. Last year, over 75 percent of available permits were taken up.

Management Policy/Structure. The merger of UNP with the Game Department to form the autonomous UWA proceeds as scheduled, with the formal launching scheduled for July 1, 1996. Proposed policy, institutional structure, and legislation underwent extensive review during the year, and are due for consideration by Parliament in 1996. However, key policies encouraged by USAID, including sound management planning, collaborative management, privatization, and financial accountability will remain prominent features of the proposed

UWA.

Management Capacity. The basis for effective park system management moved ahead during 1995 with the completion of the Bwindi Impenetrable management plan. Management plans provide detailed long-term guidelines for the entire range of management functions, including staffing, tourism and infrastructure development and collaborative management. Planning in other parks proceeded as well, and completion of three additional plans is expected in 1996. In keeping with a policy of local community participation in planning and management, UNP continued to expand and institutionalize local community involvement. Such involvement is expected to improve park management and make communities "stakeholders" in conservation. This year, USAID also sponsored workshops on research priorities, in-park monitoring, and collaborative management.

Park Infrastructure. USAID continued to assist UNP in providing an improved base for management, visitor services, and protection by funding infrastructural improvements. Progress this year was highlighted by completed designs for visitor centers in Bwindi Impenetrable and Rwenzori Mountains. In addition, roads to the Mgahinga Gorilla and Rwenzori Mountains headquarters were upgraded so that both parks are now accessible by two-wheel drive vehicles.

Park Revenues/Ecotourism. The new UWA is expected to become financially self-sustaining. USAID is facilitating the development and expansion of UNP's principal source of revenue - ecotourism. Uganda's prosperity has led to rapid growth in the number of visitors to the country - nearly 150,000 in 1995, and UNP estimates that roughly 36,000 visits to national parks were made during the year. This steep rise in ecotourism has given a tremendous boost to UNP's bottom line - a nearly 900 percent growth in revenues over the past three years. This growth has been facilitated by privatization of in-park concessions, this year including the last major lodge - Mweya Safari Lodge in Queen Elizabeth - with the signing of a long-term lease to a Ugandan concessionaire.

### **Intermediate Result 2.2: Buffer Zone Communities Conserve Target Areas**

To complement "in-park" efforts under IR 2.1, USAID/Uganda's program links biodiversity conservation with grassroots development through integrated conservation and development projects (ICDPs) and related activities. These activities aim at increasing conservation incentives and awareness within buffer zones surrounding the parks as a means to decrease community dependence on unsustainable uses of park resources. Under this IR, USAID remains the major donor, working in partnership with several U.S. PVOs and a host of local NGOs and in coordination with UNP. Peace Corps Volunteers also play an important role. Complementary activities in three parks are currently being implemented by the International Union for the Conservation of Nature. Additional resources toward this IR will become available from the World Bank.

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### Protectionist versus Collaborative Approach

UNP's collaborative management approach, while clearly challenging to realize, appears to hold most promise for effective long-term park management. Past attempts using "protectionist" approaches have failed, and 1995 witnessed a confrontation of the two approaches that provided an interesting anecdote - the tale of "the wall." Through early 1995, donor assistance to management of Mgahinga Gorilla employed a protectionist approach that included building a stone wall around this tiny (35 km<sup>2</sup>) park to exclude local residents, many of whom had been recently evicted. Local communities complained bitterly to UNP and construction was stopped. A USAID-funded CARE project stepped in and turned the wall initiative completely around. Determining that crop raiding was local residents' major concern, CARE suggested that a completed wall would serve to keep buffalo from raiding cultivated fields surrounding the park. Today, using their own funds and labor, local residents are completing the wall. By collaborating on park management issues with the local population, what began as a wall to exclude people has become a community initiative to minimize crop raiding.

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Direct Benefits and Incentives. UNP's revenue sharing policy went into effect in 1995, with park user fees being set aside for distribution to local communities beginning in 1996. Bwindi Impenetrable, however, forged ahead as a test case and UNP recently handed over a check for \$50,000 to the Park Management Advisory Committee for allocation to community initiated projects. The revenue sharing program will expand to the remaining parks during 1996. In 1995, USAID, together with the World Bank Global Environmental Facility, launched a conservation trust - with an initial capital base of \$4 million - designed to provide additional benefits to the greater "mountain gorilla conservation area," to

support local initiatives compatible with conservation.

Multiple use programs allowing local residents to enter the park for sustainable uses of park resources (e.g., medicinal plants) now feature in four parks. Such programs can be invaluable to local communities whose access to key forest resources has been limited. In Bwindi Impenetrable, for example, there are 416 registered "forest resource users." Work on monitoring of multiple use activities continued to help determine what levels of offtake represent "sustainable use."

Increased Productivity of Natural Resources. USAID-sponsored ICDPs continued to introduce new and improved natural resource management practices helping buffer zone communities realize increased productivity without resorting to unsustainable uses of the protected resource. As nearly all of these activities began during 1995, data on technology adoption rates, for example, are not yet available. Subsequent Results Reviews should incorporate time series data from USAID/Uganda's portfolio of ICDPs, working in and around five of Uganda's ten parks. Data presented this year include results of the USAID-funded CARE "Development through Conservation" (DTC) Project.

Conservation Awareness. USAID began sponsoring African Wildlife Federation's (AWF) "Community Conservation Program" for UNP in 1995 to initiate development of a UNP Community Conservation Service (CCS). Recognizing the importance of involving local communities in conservation, the new CCS will be UNP's principal institutional link with its buffer zone resident "neighbors." AWF's initial program focus is Lake Mburo National Park, but community conservation programs have expanded into other areas as well, often with the assistance of Peace Corps Volunteers, and five parks now have filled critical

"Conservation Warden" positions.

### Intermediate Result 2.3: Enabling Environment for Sustainable Natural Resource Management

USAID/Uganda recognizes that an appropriate overarching policy and institutional setting for environmental management - one compatible with biodiversity conservation - must be in place before long-term sustainability of the targeted ecosystems can be ensured. Through 1995, USAID has been the lead donor assisting in developing an appropriate framework for environment management. However, with the National Environment Action Plan (NEAP) completed and enabling legislation in place (see below), USAID will step back from its lead role, providing assistance in key policy areas, while the World Bank and UNDP provide principal donor support.

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#### The Environment Statute, 1995

Uganda was among the first handful of sub-saharan African nations to embark on and complete the NEAP process and enact enabling legislation. Of particular interest to USAID/Uganda, the Statute embraces biodiversity conservation and provides guidelines for *in situ* conservation. Among the Statutes' principles are:

*"to maintain stable function relations between the living and non-living parts of the environment through preserving biological diversity and respecting the principle of optimum sustainable yield in the use of natural resources." and*

*"to encourage the maximum participation by the people of Uganda in the development of policies, plans and processes for management of the environment."*

The Statute has been praised by Uganda's neighbors as the product of a participatory and comprehensive process.

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Policy and Institutional Framework. On May 19, 1995 Parliament passed landmark environmental legislation - the "Environment Statute, 1995" - designed to implement the NEAP approved in 1994. The Statute provides for sustainable management of the environment and creates a National Environment Management Authority (NEMA) responsible for ensuring that established principles for sustainable environmental management are observed. The strength and capability of the new Authority will be a key determinant in the future of environmental management in Uganda. Accordingly, USAID is building the Authority's capacity through technical assistance and training.

Decentralization. USAID continues to build on the GOU's ongoing decentralization program. The Statute fortifies these efforts by providing specific regulations for decentralized environmental management. Efforts at sub-national level capacity building focus on Kasese District in Western Uganda, a district containing two national parks, a number of large industries (and associated issues), plus an active NGO community. As an indicator of overall progress in decentralization of environmental management, ten districts now feature Environment Officers on their staff.

Land Tenure Reform. Inappropriate land tenure laws have long presented an obstacle to conservation in Uganda. While land tenure reform can be a long and contentious process,

during 1995, the legal underpinnings for important reform were provided by the new Constitution. The Constitution returns ownership of land to the "citizen of Uganda" and repeals the Land Reform Decree of 1975 (which nationalized all land), and calls for a new land law within two years. A draft land law currently exists - the product of the policy development process aided by USAID through the Land Tenure Center. Consideration of the new law by Parliament should be possible within the coming year.

### **C. EXPECTED PROGRESS IN FY 1997 AND FY 1998**

USAID/Uganda will continue to achieve important results under SO 2 through FY 1998 and beyond, assuming funding of at least the level of FY 1996. Strategic planning to be conducted during 1996 is expected to validate biodiversity conservation as USAID's principal environmental sector objective in Uganda for the next planning horizon. Accordingly, while there may be some programmatic refocusing under various Results Packages (RPs), USAID/Uganda foresees continued progress under each of the three Intermediate Results.

Under IR 1, USAID/Uganda expects completion of management plans in all ten parks. Further increases in revenue from ecotourism, coupled with donor assistance will result in important improved park management capability (i.e., increased staffing and training levels) and significant infrastructure development in all the parks. In addition, we expect that the Lake Victoria water hyacinth infestation that is currently impacting the economies of the countries sharing its waters will be reduced to a "maintenance level" by early 1997.

Under IR 2, ICDP's and related field based activities should begin to produce significant results in increased productivity through more appropriate means of production and income generation. Park revenue sharing will increase drastically, and several parks foresee expansion of multiple use programs.

Under IR 3, USAID's role will be reduced as large new projects implemented by other donors step in to assist NEMA. However, given USAID/Uganda's comparative advantage in certain areas, continued efforts will further capacity building in focus districts and strengthen environmental assessment capability in both public and private sectors.

## STRATEGIC OBJECTIVE 3: IMPROVE THE QUALITY AND EFFICIENCY OF BASIC EDUCATION

Primary education reform is producing profound changes in Uganda's education landscape. For the first time in two decades there are effective controls on the number of teachers employed by government and teachers' salaries are steadily improving; thousands of untrained teachers are being trained; over 700,000 core textbooks have been distributed to schools nationwide and another 750,000 have been purchased; and communities are building hundreds of new classrooms. Participatory research has finally identified underlying causes for low retention of girls in the upper grades and new incentives are being designed to address these. These achievements positively impact the lives of over two million children and 75,000 teachers and are a direct result of USAID's non-project policy conditionality and project assistance, the government's firm commitment to reform, and strong, effective donor collaboration, especially between USAID and the World Bank.

### A. SUMMARY OF DATA

The Performance Data Table presents 1994 as the latest available actual data. 1995 data should be available in May 1996 when the Planning Unit of the Ministry of Education issues its annual statistical report.

### B. ANALYSIS OF DATA

Primary education is still intolerably inefficient. An average of 16% of pupils repeat each grade, and only 32% of those who start school complete the 7-year primary cycle. Thus, for every primary school graduate, Uganda pays for 26 years of schooling. This terribly low internal efficiency increases the cost of education to both parents and society to unmanageable levels. The result is that many children leave school before mastering basic skills and others never get the opportunity to attend at all. As bad as this is, 26 years of schooling per graduate is a marked improvement over the appalling 32 years per graduate when USAID's program began.

This gain of six years per graduate translates into millions of dollars of savings in public and private educational expenditure. Ironically, needed reform of the primary leaving exam has contributed to the difficulty in reducing repetition and drop out rates by introducing higher-order thinking and

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#### **Doubling Enrollment**

Bukandula Primary School is located in an area where parents saw little benefit to educating their children. Nor did the local school inspire confidence: the headmaster was rarely present and teachers were ill-prepared. Enrollment was low -- less than 200 pupils. In 1994, USAID-supported reform activities reached Bukandula.

First, a community mobilizer helped parents to appreciate the importance of education to their children and community. The Headteacher was trained in school management and teachers enrolled in in-service training. The school began to change: teachers now arrive on time with prepared lesson plans. In 1995 enrollment doubled to over 400 pupils.

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problem-solving skills on the test. While this reform should be good for Uganda in the long-term, most rural schools still use methods that emphasize rote learning and memorization. As a result, pass rates at grade 7 have remained stagnant over the last two years. As the new exam becomes more familiar and teaching improves the internal efficiency should continue to improve.

**PERFORMANCE DATA TABLE - STRATEGIC OBJECTIVE 3**

RESULTS	PERFORMANCE INDICATORS	BASELINE	ACTUAL PERFORMANCE LEVEL			EXPECTED PERFORMANCE LEVELS			
			1992	1993	1994	1995	1996	1997	1998
STRATEGIC OBJECTIVE 3									
Improved quality and efficiency of basic education.	1. Increase in % of pupils who pass grades 1-7.	Pass rates: P1:55% P2:72% P3:65% P4:66% P5:66% P6:63% P7:72% (1990)	NA	56% 78% 68% 66% 64% 63% 68%	57% 78% 67% 65% 64% 64% 68%	58% 78% 68% 66% 65% 65% 70%	60% 80% 70% 70% 67% 68% 74%	65% 80% 74% 74% 70% 70% 78%	70% 85% 77% 79% 75% 72% 82%
	2. Decrease in number of years of school provided per primary school graduate.	32 yrs. per graduate (1990)	N.A.	28 yrs. per graduate	28 yrs. per graduate	26 yrs. per graduate	22 yrs. per graduate	20 yrs. per graduate	16 yrs. per graduate
Intermediate Result 3.1									
Increased number of students using relevant educational materials.	3. The ratio of books to pupils will increase to a minimum of one set of four core books for every three pupils.	P1: 1:6 P2: 1:5 P3: 1:4 P4: 1:3 P5: 1:2 P6: 1:2 P7: 1:1 (1990)	P1: 1:6 P2: 1:5 P3: 1:4 P4: 1:3 P5: 1:2 P6: 1:2 P7: 1:1	P1: 1:6 P2: 1:5 P3: 1:4 P4: 1:3 P5: 1:2 P6: 1:2 P7: 1:1	P1: 1:6 P2: 1:5 P3: 1:4 P4: 1:3 P5: 1:2 P6: 1:2 P7: 1:1	P1: 1:6 P2: 1:5 P3: 1:4 P4: 1:3 P5: 1:1 P6: 1:1 P7: 1:1	P1: 1:5 P2: 1:4 P3: 1:3 P4: 1:3 P5: 1:1 P6: 1:1 P7: 1:1	P1: 1:4 P2: 1:3 P3: 1:2 P4: 1:2 P5: 1:1 P6: 1:1 P7: 1:1	P1: 1:3 P2: 1:2 P3: 1:1 P4: 1:1 P5: 1:1 P6: 1:1 P7: 1:1

RESULTS	PERFORMANCE INDICATORS	BASELINE	ACTUAL PERFORMANCE LEVEL			EXPECTED PERFORMANCE LEVELS			
			1992	1993	1994	1995	1996	1997	1998
Intermediate Result 3.2						ACTUAL			
Increased number of effective teachers and school managers.	1. Increase in the number of teachers receiving non-credit in-service training.	800 (1992)	800	650	900	2500	7500	12500	12500
	2. Increase in the percent of primary school teachers who hold a Grade III or a Grade V qualification.	49% (1990)	49%	51%	53%	60%	60%	65%	70%
	3. Increase in number of head teachers who have received management training.	03 (1993)				2400	2400	2400	2400
Intermediate Result 3.3									
Increased girls' persistence.	3. The percent of girls enrolled in P3, P5, and P7 as a percentage of girls who start school.	P3:66% P5:43% P7:24% (1990)	67% 47% 33%	N.A. N.A. N.A.	72% 48% 25%	73% 48% 30%	73% 50% 30%	78% 55% 35%	83% 60% 40%

### **Intermediate Result 3.1: Increased Number of Students Using Relevant Educational Materials**

The 1995 data for this indicator are actual and show progress towards the result. Books provided in 1995 were for grades 5, 6 and 7 only. These, along with existing stocks, achieved the desired ratio of one set of books per child. However, as we have gained experience with a completely decentralized system where individual schools order the books they need, we have come to realize that this indicator is not very useful in measuring the impact of increased instructional materials on student outcomes. First, unless the data are disaggregated by both grade and subject they are deceptive. For example, at grade 3 there may be a ratio of six pupils for each book but this disguises the fact that there are plenty of science texts but no social studies texts. Second, a school may have a large stock of books which are, in fact, old and obsolete. Third is the fact that textbooks are not the only, nor in some grades the most important, instructional materials. Posters, globes, maps, and math and science kits are essential. In the early grades worksheets, posters, flashcards, and other materials are more important. As a result, USAID expanded its support to include all instructional materials, not just textbooks. Finally, availability of textbooks says nothing about whether materials are actually used by students. We are concerned that our success increasing textbook availability has not gone far enough to reverse the decade-old phenomenon of "book-free classrooms" in which teachers rely solely on teacher talk-and-chalk. To address this, we have increased the emphasis on teaching how to use instructional materials in the USAID-sponsored teacher in-service and refresher courses.

These lessons notwithstanding, we have substantial achievements to report. In compliance with NPA conditionality, the first consignment of 716,000 books were delivered to grades 5 - 7 in 1995 and the GOU has instituted a regular budget and procurement cycle for instructional materials - boosting non-wage expenditures on primary education by over 30%. The liberalized procurement procedures initiated last year are being consolidated. The following bench marks have been achieved:

- Primary schools have gone through the second cycle of independent, decentralized selection and ordering. Seventeen publishers (4 local and 13 international) have competed for and won contracts to supply 750,000 items of instructional materials including globes, maps and wall charts to be delivered to grades 1 - 4 by June 1996. This is up from just two foreign publishers in 1992.
- The GOU has budgeted \$4 million for the 1997 procurement of instructional materials to fill gaps that will be identified by the schools in all grades.
- The GOU decentralization policy has empowered districts to prioritize and finance their needs. Some districts have taken the initiative to purchase instructional materials with their own resources, over and above those purchased with central funds. These books, as well as the World Bank's 1995 procurement of primary school readers, will

reach schools in May 1996. We expect to achieve a 1:4 book-to-pupil ratio during the 1996 school year.

### **Intermediate Result 3.2: Increased Number of Effective Teachers and School Managers**

Two activities are improving the quality and welfare of teaching and management in primary schools.

(a) Perhaps the toughest problem USAID has tackled is improving teachers' abysmal terms and conditions of service. Initially, the response was conceived as straight-forward salary increases. However, it became clear that significant salary increases were dependent upon getting control of the number and growth of the teaching service. USAID's policy dialogue, backed up by NPA conditionality, required the GOU to set numeric staff ceilings at each of the country's 8,450 primary schools. In the process, a new policy aimed at a more cost-efficient use of teachers was adopted and unqualified teachers were given a special competency test. Teachers who passed the test are now enrolled in USAID-sponsored in-service training; those who failed have been laid off. Thousands of ghost teachers were removed from the payroll, and thousands more were transferred from urban schools with surplus teachers to rural schools with shortages. Because allocation of teachers has been linked to community provision of classrooms we are witnessing a surge in classroom construction with over 1,000 new classrooms and teachers houses built since the policy was implemented in January 1995. These policy changes have enabled the GOU to increase teachers' monthly salaries from the equivalent of \$8 in 1992 to \$51 in 1995 for the lowest-paid qualified teacher. The GOU is committed to paying a minimum wage of \$70 by July 1996.

(b) In-service training programs for untrained teachers, college tutors and headteachers are well underway. With USAID assistance the GOU has written and adopted a new teacher training curriculum and a set of instructional modules that will allow the 40% of unqualified teachers to earn a primary teacher's certificate. This is the first standard set of teacher training materials in Uganda and it is being disseminated to all teacher training colleges. Over 2,400 teachers have enrolled in the course on a part-time distance learning basis. Training has started ahead of schedule and in ten districts more than initially planned. Another 2,400 headteachers are midway through a school

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#### **Delivery on a Commitment**

In two cases during residential training, expectant female teachers delivered healthy babies and returned to their courses the same day. In one case, the teacher experienced labor pains first thing in the morning, delivered a healthy, baby at 11:00 a.m., and returned to the course to take a diagnostic test by 2:00 p.m. In another case, the teacher went into labor the evening of her arrival for the course, delivered her baby that night, and was ready for training the next morning.

These teachers literally didn't want to miss a minute of their course.

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management course and 234 primary teacher college tutors are upgrading their ability to train new teachers. The 1996 figures in the table for IR 2 include some teachers trained by World Bank and ODA-sponsored projects. The value of these programs has led the GOU to extend in-service programs beyond the 10 areas originally demarcated (for budget reasons), to the remaining 50% of the country.

### **Intermediate Results 3.3: Increased Girls' Persistence**

There was a slight increase in girls' enrollment at grades 3 and 5 and a decrease in enrollment in grade 7 for the 1988 - 1994 cohort. While there has been substantial progress empowering local officials and communities, as evidenced by increased community participation in classroom construction, decentralizing textbook selection to the school level, and a parallel decentralization effort that has transferred most funding for education to the districts, translating these gains into increased persistence among girls has been problematic. Frankly, we have been frustrated by our inability to find a workable, sustainable approach to increasing girls' persistence in school. New findings from Participatory Action Research conducted through the Improving Educational Quality Project, the research arm of the program, may offer a solution and USAID and its partners are revising this component to focus more pointedly on root causes at the home, community and school levels which affect girls' persistence in the primary school level. For example the research found that most girls in the upper grades were entering puberty and the lack of sanitary facilities for girls was a far greater cause of drop-out than the previously perceived constraint of school fees. Accordingly, we will address things such as construction of latrines and school water systems during the coming year. The need to strengthen training and mobilization programs for teachers and communities around the theme of educating girls has been confirmed and will constitute the leading strategy in tackling this difficult issue.

### **C. CONTRIBUTION OF USAID ACTIVITIES**

USAID's program is supporting GOU and community efforts that are yielding substantial, tangible improvements for the people of Uganda. The impressive results that have been recorded in the areas of improved teachers' salaries and better controlled payroll, the liberalized book procurement policy and increased supply of instructional materials to primary schools derive directly from USAID's program sector support. Project assistance is responsible for the accelerated pace of training of teachers and school managers. These successes have led to a commitment by the GOU and other participating partners in primary education reform to expand training provision activities to the remaining 50% of the country.

Achieving these results has not been easy. As education reform progresses, more intractable problems arise: forty-five percent of school-age children are still out of school and increasing access for this group will strain the GOU's already over-stretched budget, creating a tension between the dual objectives of improving quality and increasing access. One objective indicator of the positive impact of USAID's work in the education sector, however, is the support we have garnered from other donors for basic education. For example, the

Dutch Government has applauded USAID's work and even enquired whether it could pass its funding for primary education through USAID's sector (NPA) grant. UNICEF joined the primary education reform in 1995 and CIDA and ODA have expressed interest. Two Dutch religious organizations consulted USAID closely before setting up teacher in-service training programs in Eastern Uganda.

#### **D. EXPECTED PROGRESS IN FY 1997 AND 1998**

Program sector support will bolster GOU capacity to honor its commitment to pay the lowest paid qualified teacher a minimum living wage of \$70 per month beginning July 1996. The second consignment of instructional materials for grades 1 - 4 will be distributed and the third consignment selected and ordered by schools. A 1:1 book-to-pupil ratio will be achieved before the end of the century. Building on successes to date, the GOU decided to expand the reformed system of teacher training and school support to the remaining 50% of the country. Start-up activities for expanding the training programs to the remaining 17 districts will be initiated and synchronized with on-going training activities in 22 districts in 1997 and 1998. A national plan which will guide all teacher education activities will be prepared. This plan will address such issues as the structure and size of the system and tutor training processes to be undertaken. As progress in achieving discernable key results is dependent upon positive changes at the classroom level, the focus of training activities will be on the district, primary teachers' college and primary school levels. Previous program interventions aimed at improving equity in primary education will be revamped to more effectively promote girls' persistence.

Rebuilding Uganda's education system has created immense demands upon educators, parents and pupils. The momentum that the program enjoys is due to the effective coalition of thousands of educators, district and community officials, parents and donors. Having built this coalition, initiated far-reaching policy reforms and created expectations among thousands of teachers and communities, we are now faced with the challenge of maintaining our commitment.

## STRATEGIC OBJECTIVE 4: STABILIZE HEALTH STATUS OF UGANDANS

This SO relates to Agency Goal 3: "Stabilize the World's Population and Protect Human Health in a Sustainable Fashion." USAID's activities in population, health and nutrition contribute largely to Agency Objectives 3.1 ("Sustainable reductions in unintended pregnancies") and (3.4 "Sustainable reductions in STI/HIV transmission...") However, these objectives are pursued in an integrated fashion, and Mission activities also have substantial maternal health components and child survival effects.

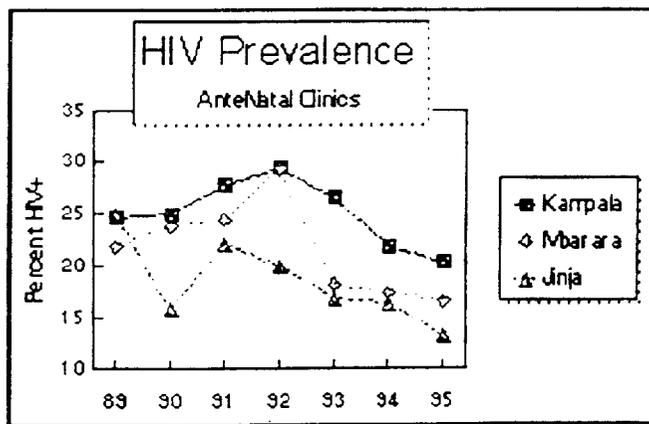
**A. SUMMARY OF DATA** See Performance Data Table 4

### B. ANALYSIS OF DATA

USAID is able to demonstrate significant progress in reducing fertility and the spread of HIV infection.

Fertility. Since 1989, when recent USAID involvement in family planning and AIDS began with modest inputs, Uganda has seen a substantial decline in fertility and a corresponding increase in the use of family planning. A Demographic and Health Survey (DHS) conducted during the summer of 1995 indicates that the total fertility rate has declined from 7.4 in 1989 (the year of the previous DHS) to 6.8 - a decrease of about 'half' a child. The preliminary report of the 1995 DHS concludes that "...Uganda is witnessing a period of rapid fertility decline."

HIV. For the third year in a row, HIV prevalence has declined among pregnant women attending sentinel ante-natal clinics in urban areas. Expert consensus based on extensive WHO analysis of sentinel-surveillance data indicates that this declining prevalence is caused by declining HIV incidence (i.e., fewer new HIV infections). Particularly compelling are substantial declines in prevalence among pregnant women 15 - 19 years old<sup>5</sup>, indicating that declining fertility and/or increased mortality among infected women are not adequate to explain declining prevalence at sentinel sites. (The suitability of HIV prevalence data as an indicator of SO achievement is discussed in Annex A.)



<sup>5</sup>Since this has not been an indicator in previous submissions, these data are not included in the table for S.O. 4. However, these declines have occurred at a sentinel surveillance sites. At one ante-natal clinic in Kampala, the rate in 15 - 19 year old women declined from 26% in 1992 to 13% in 1995.





Prevalence among clients at the USAID-supported AIDS Information Center appears to have peaked in 1992, the same year as the peak among ante-natal clients, with a steady decline since<sup>6</sup>.

These data are consistent with the results of several knowledge, attitude and practices (KAP) studies done before and after USAID-supported community AIDS education projects. Without exception, these studies have found increased knowledge about HIV transmission and prevention and increased condom use. These results are consistent with those from studies conducted by other donors. The 1995 DHS indicates that knowledge among women that AIDS can be prevented is on the order of 90%.

#### **Intermediate Result 4.1: Increase Use of Modern Family Planning in Intervention Communities**

Contraceptive Prevalence. Since 1989 the use of modern contraception nearly tripled, from 2.5 % of married women to 7.4% (7.8% for all women). While this contraceptive prevalence is still quite low, the DHS indicated that 67% of married women either want no more children or want to delay their next pregnancy by at least two years, indicating a continuing, very substantial unmet demand for family planning services.

#### Couple Years of Protection.

Couple years of protection (CYP) sold by SOMARC's contraceptive social marketing program (Protector and Pilplan orals) increased by about 50 % in 1995, continuing a pattern of substantial yearly increases. However, CYP from permanent methods (AVSC) declined by 26% compared to 1994. The cause of this decline is uncertain, but we suspect it is a result of physicians charging a higher-than approved fee for these procedures and not reporting them. Better financial management procedures, to be installed in DISH districts, may make this practice more difficult in the future. Although reliable

**Richard**, AIDS Information Center Post-Test-Club member and SOMARC sales agent:

As a first year student at Makerere University, Richard requested HIV counseling and testing at the AIC satellite clinic at the university. When he learned he was not infected, *"I was so happy and relieved and I jumped up ready to leave."* But his counselor asked him to sit down and think about what he could do to protect himself in the future. Richard became a staunch member of the Post Test Club which encourages members to adopt safer sexual practices and to maintain behavior change over time. He was also trained at the Club to become a salesman for Protector Condoms, and has been so effective that many at the university call him **Mr. Protector**. *"You don't make much extra income from the sales but it's an excellent service and also gives friends a chance to ask questions about sex, AIDS and life."*

<sup>6</sup> This decline has not been as sharp as that observed among ante-natal women. After a sharp decline in 1993, AIC prevalence rates for Kampala rose in 1994 and though they declined in 1995, remained higher than in 1993. As noted in last year's API, this is probably caused by the opening of an AIC branch in a very high-p slum area of Kampala.

CYP data are not yet available<sup>7</sup> from health facilities in districts served by USAID's DISH Project, a computerized management-information system for the project has recently become operational, MIS training for district and facility-level staff is in progress, and CYP data are expected to be forthcoming from all 10 districts by August 1996 - about six months after the initiation of large-scale training of service providers.

#### **Intermediate Result 4.2: Increased Condom Use in Intervention Communities**

Condom Utilization. Although only 21% of women<sup>8</sup> cited condom use as a means of AIDS prevention (other, more common responses related to reduced sexual contact), condom distribution continues to increase substantially. Sales of Protector condoms by the SOMARC contraceptive social marketing program increased by 55% in 1995 and are currently averaging about 1,000,000 per month. While this performance is excellent, SOMARC relies on condom provision through the World Bank's STI Project for a substantial portion of its future growth, and the mission is seriously concerned at continuing procurement bottlenecks associated with this project. Non-governmental groups supported by USAID have also been active in distribution of free condoms, and in 1995 distributed almost seven million condoms.<sup>9</sup>

Quantitative data on consistency of condom use in high-risk situations has proved difficult to collect as many persons are reluctant to acknowledge sexual encounters outside of marriage, but anecdotal evidence suggests that men are more likely to use condoms with non-marital, non-steady partners.

#### **Intermediate Result 4.3: Increased Correct STD Diagnosis and Treatment**

During 1995, steady progress has been made in providing good quality care for STD patients. Under DISH, AMREF has trained 78 medical officers and medical assistants from six districts in the modern diagnosis and management of STDs. The results of the first round of supervision indicated that the trained staff improved their performance in diagnosing and managing STD patients. However, continuing difficulties on the part of the GOU in utilizing World Bank funds to procure anticipated antibiotics and lab equipment are substantially hindering the effectiveness of these efforts. As with CYP data (above), reporting on the number of STD cases diagnosed and treated is constrained by the lack of reliable service statistics from health facilities. STD diagnosis and treatment is included in

<sup>7</sup>Delays in implementing an MIS system in the DISH districts, resulting from the departure of the project's MIS advisor after only one month in country, were addressed when a replacement was hired in March, 1995.

<sup>8</sup>This was observed in the DHS. In studies in intervention communities, those knowing that condom use can prevent HIV infection have included rates as high as 78% (Rakai district), 82% (Muslims in Mpigi and Iganga districts) and 85% (TASO clients).

<sup>9</sup>We had previously predicted that these NGOs would distribute fewer free condoms as Protector sales increased. The opposite has occurred-- both sales and free distribution have increased. We now predict a significant decrease in NGO distribution of free condoms in 1996 as USAID will be funding only two NGOs (TASO and AIC), whereas in 1995, free condoms were distributed by seven USAID funded NGOs. Four of the NGOs we are no longer funding have been able to secure funds (in some cases, with our assistance) from other donors to continue their activities, and we expect them to continue to distribute condoms in the areas they serve. However, since they will not be funded by USAID in 1996, we will not report on their condom distribution figures.

the MIS noted above, which is expected to be fully implemented in August.

In addition, training of trainers and curriculum development for nurses and midwives have been completed under DISH. As part of this lengthy process, all DISH clinical trainers (of nurses and midwives and of physicians and medical assistants) received a one week didactic course followed by one week of practical training on the syndromic STD diagnosis and management.

#### **Impact of Reproductive Health Services Training:**

A client in Jinja expressed satisfaction with the improved services: *"We are allowed to ask questions now."*

A nurse in Luwero says: *"The way we are screening clients now for maternal health, STDs, and risk of HIV infection means that we are identifying and treating these problems ourselves. Many women would not go to see a medical assistant or doctor if we referred them."*

After training in syndromic management of STDs, a nurse in Kasese said: *"It is amazing the number of women who go around with vaginal discharges untreated unless service providers go out of their way to screen them."*

#### **Intermediate Result 4.4: Reduced Number of Casual Sexual Partners**

Quantitative data regarding casual sexual partners are increasingly difficult to obtain in Uganda, as most people have learned that this behavior puts them at high risk for HIV infection, and thus they are reluctant to acknowledge such encounters. Case studies conducted with community members who have been exposed to USAID funded HIV prevention and AIDS education programs suggests that many have reduced casual sexual contacts. One participant said, *"Most husbands and wives have stopped having sex outside of marriage....People avoid discos and bars, fearing temptation."* Speaking of sex outside of marriage, a recently married young man said, *"The teachings helped me settle down."*

#### **C. CONTRIBUTION OF USAID ACTIVITIES**

The results reported in the Performance Data Table have their origin in numerous, inter-related activities and occurrences which have taken place over a period of years - some related to USAID and other-donor activities, others possibly not. While the specific contribution of USAID/Uganda to the achievement of these results is, therefore, quite difficult to assess, the following is nonetheless true. USAID assistance produced the basic family-planning curriculum used for in-service training of family planning providers

throughout the country. Although we are trying to limit our role as suppliers of temporary contraceptives, a significant part of Uganda's increased contraceptive prevalence has resulted from USAID commodities, which in 1995 accounted for approximately 48% (by value) of the national supply. Our social marketing program has become a major source of condoms and oral contraceptives, to the extent that our principal concern with this program is that it may grow faster than we can mobilize financing for it. Without USAID assistance, it is unlikely that permanent contraception would be available in Uganda to any significant degree. Our IE&C efforts related to family planning and AIDS are probably the best in the country.

Although we have a long way to go, we are pioneers in training health workers to diagnose STDs

syndromically and in promulgating new, demonstrably effective treatment regimens. In HIV testing and counseling, the USAID-supported AIDS Information Center (AIC) offers an innovative and effective HIV prevention service which has been provided to over 260,000 people and which may be as good as similar services offered in the US. The AIDS Support Organization (TASO) is internationally recognized as a leader in serving people with AIDS, and USAID assistance has helped them make prevention of further spread of the disease a major focus of their program. USAID-supported community AIDS-education programs have reached 1,330,000 people. USAID's AIDS advisor is routinely consulted by numerous individuals and organizations active in AIDS-related work, and lessons learned from USAID supported projects have been incorporated by other projects.

We have also been effective in leveraging other donor funds to support activities we are unable to fund. Because of long delays in World Bank funded procurement of antibiotics and condoms, we worked with other donors to fill this gap. As a result, the UK's Overseas Development Agency has funded antibiotics and syphilis test kits that will be used in DISH districts, and the German Kreditanstalt fur Wiederaufbau will procure STI drugs and condoms for national use, including the DISH districts. ODA has also committed to funding

**Abdul and Amina**, couple visited by Islamic Medical Association volunteer:

Abdul and Amina, a farming family with 13 children, were first visited by a female Family AIDS Worker who explained basic facts about HIV and AIDS. *"Before she came to talk to us, I used to think you just got AIDS. I didn't know there were things you could do to stop from getting it."* Abdul was also visited by a male FAW, and when he acknowledged that he had other partners, the FAW encouraged him to stop. *"I decided it wasn't worth going outside my marriage if I could get AIDS. Things are better now with my wife because of it. Now I concentrate on working hard, and I am always home at night. She notices and is nicer to me."* Abdul's wife Amina agrees: *"Because of the teachings, my husband has stopped going out. And he is more friendly to me. Before we would fight a lot. Now it takes a long time before we fight."* Amina was also encouraged by the FAWs to become involved with a women's club that assists with income generating projects. *"I have seen that women are learning to work for themselves. They are not depending so much on men, and this means they don't go out with men to pay for things."*

the AIC branch in Mbale which is outside of the DISH districts. The World Bank funded STI Project will eventually procure antibiotics, clinical and laboratory equipment for diagnosis and management of STDs. DANIDA has become a major funder of TASO partly because of the confidence generated by the long-standing relationship between TASO and USAID. Partially as a result of USAID intervention, the Japanese government has agreed to co-fund the construction of a permanent headquarters/counseling center for the AIC.

#### **D. EXPECTED PROGRESS IN 1997 AND 1998**

A year and a half into implementation of the DISH project, USAID is now poised to initiate the most comprehensive, extensive and well prepared in-service reproductive health training program in Uganda. Complemented by frequent, performance-based supervision and a sophisticated information, education and communication program and monitored by a well-designed MIS and activity-monitoring system, we expect to begin reporting significant increases in the use of family planning and STD services in DISH districts this year. We expect total fertility to decline to 6.0 by the end of FY 99. (Note that fertility and contraceptive prevalence are measured in Demographic and Health Surveys, which are done at approximately five-year intervals, and will not be reported in 1997 or 1998.)

Although estimating quantitative progress in reducing HIV transmission and behavior change is highly problematic, we think that prevalence among women at sentinel ANC sites in DISH districts may decrease 1% per year through 1998. We have not predicted a decrease in prevalence among those requesting HIV counseling and testing in DISH districts, as it is unknown what the impact on rates will be with the extension of these services into rural sites. We expect that the expansion of testing and counseling capability by AIC in these districts, increased counseling and FP/STD services provided by TASO to people with AIDS, and increasing emphasis on HIV and STDs by public health facilities and in DISH IE&C campaigns will substantially affect the anticipated reductions.

## **SPECIAL OBJECTIVE: CONSTITUTIONAL DEMOCRACY ESTABLISHED IN UGANDA.**

The objective of the USAID democracy and governance program is to assist Uganda in establishing a full constitutional democracy by the year 2000. Doing so involves a phased transition to full constitutional democracy from the current "movement" based system of government, which is the functional equivalent of a one-party state. A major effort is being made to develop democratic systems in a range of sectors. The process began in 1991 and involves the following key events:

1. Constituent Assembly (CA) elections - completed 3/94
2. Promulgation of a new constitution - completed 10/95
3. General elections for president and parliament - scheduled 5/96
4. Reform of key laws concerning women and commitment to effective enforcement - pending 1997 and 1998
5. Reformed laws concerning press freedom - pending 1997 and 1998
6. Referendum on multi parties - constitutionally scheduled for the year 2000, campaigning to begin in 1999
7. Codification of Ugandan legal code - to be completed by the year 2000
8. Provided the referendum on political pluralism in 1999 is favorable, general elections on a multi-party basis for president and parliament in the year 2000.

The CA elections and the promulgation of a new constitution have successfully taken place. General elections for president and parliament are scheduled for May/June of this year. Constitutional limitations on political rights will result in these elections falling short of international standards, but in other respects it is hoped that they will be free and fair.

**A. SUMMARY OF DATA** See Performance Data Table

### **B. ANALYSIS OF DATA**

The Performance Data Table illustrates both the activities USAID is engaged in and the progress that Uganda is making in building a constitutional democracy.

## PERFORMANCE DATA TABLE - SPECIAL OBJECTIVE

OBJECTIVES/RESULTS	PERFORMANCE INDICATORS	BASELINE (1990)	ACTUAL PERFORMANCE LEVELS				EXPECTED PERFORMANCE LEVELS				
			1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>SPECIAL OBJECTIVE</b>  Constitutional Democracy Established	1. Functioning constitution adhered to by all branches of government at the institutional level, and accorded respect and observed at the popular level -- establishment of a constitutional culture.  2. Respect for fundamental human rights observed, as per the constitution, and with special emphasis on the rights of women, guaranteed through increased women's participation in the political arena.  3. A free and fair electoral process producing a democratic transfer of power.	Existing constitution lacked legitimacy  Human rights report  Had never occurred			Continuous improvement since 1990  First free and fair national elections held	Promulgated Oct 95	Monitor through Human Rights report  Monitor through Human Rights report  General elections scheduled	Domestic and international monitoring			Referendum planned
<b>INTERMEDIATE RESULT 1</b>  Judicial and Legal Basis for Constitutional Democracy Established	1. Constitution: - drafted - debated, revised and adopted by a democratically elected Constituent Assembly - technically competent - promulgated on a reasonably timely basis - implemented through legislation, judicial review, and popular adherence to constitutional provisions  2. Codification: - laws assembled and updated after a 30-year hiatus - relevant laws revised in conformity with newly promulgated constitution  3. Legal reform: - laws relevant to the protection of women's rights reformed, and capacity and commitment to enforcement increased	working	tabled           begun, 6/92	project design           MJustice lawyers trained	CA Elected; begun work           enabling legis. passed	Complete Review           laws assembled	Promulgated Oct. 8           Monitor           Begin codification				

OBJECTIVES/RESULTS	PERFORMANCE INDICATORS	BASELIN E (1990)	ACTUAL PERFORMANCE LEVELS				EXPECTED PERFORMANCE LEVELS					
			1992	1993	1994	1995	1996	1997	1998	1999	2000	
<b>INTERMEDIATE RESULT 2</b>  Democratic Electoral Process Institutionalized	1. Electoral Commission established, technically competent, independent; constitutionally entrenched, institutionalized 2. Constituent Assembly elected democratically, as scheduled 3. Elections for president and parliament completed on a free and fair basis within the constitutional restrictions on open party competition 4. Constitutionally mandated referendum held on the issue of open political party operation and electoral participation			Estab.	March	Entrenched	May/Jun				[1999]	
<b>INTERMEDIATE RESULT 3</b>  Civil Society Strengthened and Empowered to Provide Effective Demand to Sustain Constitutional Democracy	1. Human rights awareness, increased respect for human rights: Paralegals trained: Wills written Individuals who have attended sensitization workshops: Paralegal services to rights violation victims 2. Domestic election monitoring capacity created, strengthened 3. Civic education mounted: - voter education - broader constitutional issues, rights, responsibilities of citizens 4. Advocacy functions effectively undertaken; this involves civil society partners in the rest of USAID's portfolio 5. Media professionalism and human rights awareness increased - seminars held			6,000	300 12,000 4,000	600 N/A 8,000	975 14,000 50 Initiated Initiated	1,325 20,000 125	1,675 27,000 225	2,025 34,000 325	2,375 41,000 425	
					civic educators trained - 19,660	27,000	10 seminars	22	34	46	58	70

## **Intermediate Result SP.1: Judicial and Legal Basis for Constitutional Democracy Established**

Development of the judicial sector with an emphasis on promulgation of a new constitution has been a major focus of USAID activities under this special objective over the past three years. We financed a technical review of the initial draft constitution and penultimate draft, with a view to the technical competence of the document and to pointing out areas where there were contradictions or the potential for unanticipated litigation and interpretation. We also financed a series of constitutional seminars throughout Uganda that engaged CA delegates and their constituents in active discussion of a range of constitutional questions.

The constitution promulgated on October 9, 1995 is endorsed by most Ugandans because it protects most fundamental human rights, limits the powers of the president, decentralizes administrative powers and safeguards the independence of the judiciary. It was a major disappointment that the constitution defers to a referendum in four years' time the resolution of the question of whether full multi-party political competition will be reintroduced.

To make the rule of law a technical possibility, work has begun under USAID funding on codifying the Ugandan legal code (after a hiatus of 30 years during which codification was allowed to lapse) and bringing the statutes into conformity with the new constitution.

## **Intermediate Result SP.2: Democratic Electoral Process Institutionalized**

### Electoral Systems

Building on the success of the CA elections, in which the CA Commission did a generally successful job of conducting a free and fair election, an independent Interim Election Commission has been established and staffed, as per the new constitution. The Election Commission is presently finalizing a computerized, updated register of voters. Bills concerning the presidential and parliamentary elections have been enacted. Display of the voters register, which we expect to be a significant improvement over the CA registration process, will be made shortly. Efforts by the Electoral Commission to promote fair competition will be made in accordance with new electoral laws, which contain some undesirable features but not ones which need critically damage the electoral process.

The electoral process is clearly the short term, pivotal D & G activity and is bound to expose the shortcomings in the democratic transition -- a heightening of tension, the seeking of short term advantage at the expense of democratic practice, and intolerance on both sides of the fence. If, nonetheless, the elections produce satisfactory electoral outcomes, Uganda will have taken another step in its democratic transition.

USAID is particularly encouraged by the significant institution-building evident in the capacity of the Commission, to which USAID contributed both material and technical support

for the CA election. The Commissioner has worked toward in making the Commission truly neutral in enforcing the laws equally. Should he succeed, this will be a major step forward in the political history of Uganda. Further, the Commissioner has been a central and avid participant in the consortium of elections administrators which has been meeting in the region under USAID and AREAF sponsorship, and we are beginning to see the multiplier effects of this type of regional activity.

### Parliamentary Operations

For purposes of this report we have included the working of the Constituent Assembly as well as the National Resistance Council (currently Uganda's equivalent of parliament). Both the CA and NRC are generally doing a creditable job of drafting, debating and passing legislation. Committee systems have been established in both bodies which have improved efficiency, defused conflict and improved the quality of the legislation. In the Ugandan system, as in the UK, it is the executive branch that is responsible for submitting legislation. The potential for parliament becoming a rubber stamp is considerable. However, that has not happened. Parliament has rejected a number of executive branch bills, most significantly the police bill, which was significantly redrafted to limit the arbitrary powers of the police.

USAID has concentrated its actions in this sector on the CA, and in particular on developing the women's caucus. We have been pleased with the development of the women's caucus and its effectiveness in improving the constitution especially protecting the rights of women and children. We anticipate this progress continuing with the creation of a legislative reference service following parliamentary elections in June.

### Political Liberalization

The 1995 constitution took Uganda backwards by locking in place for at least four more years existing limitations on political party activity. Parties can exist but they cannot sponsor candidates, establish branch offices, or hold national conventions. Parties can conduct activities such as the running of a headquarters, the publication of newspapers and manifestos, and fundraising. The pro-party forces have grouped themselves together and are putting together a campaign structure despite -- one might say outside of -- the constitution. Their ability to do so illustrates that competition is taking place even if the field is decidedly tilted. President Museveni's control of the political system has so far prevented efforts to further liberalize the system. It will require several more years of intensive effort, particularly in the area of building civil society, in order to open electoral competition fully to political parties.

### **Intermediate Result SP.3: Civil Society Strengthened and Empowered to Provide Effective Demand to Sustain Constitutional Democracy**

Civil society is growing rapidly, although it has yet to focus clearly on advocacy, as opposed to a service provision agenda. Uganda is in the forefront of several efforts to link regional

civil society groups together. USAID has in the last five years increasingly used civil society organizations as "partners" and customers, in the health sector, the agriculture sector, and now the "human rights" sector. A credible domestic election monitoring capacity involving major segments of civil society is being constructed with USAID support. A major challenge will be to fold this expanding civil society universe into our program, since civil society is the underpinnings of any successful "pluralism," and civil society must be vibrant and capable to ground any successful multi-party system.

### Human Rights

The protection of human rights has shown consistent improvement over the past four years. Incidents affecting the general population are down substantially. Treatment of prisoners has improved, and numerous press reports from prison officials and the courts avow that further improvements are desired and will be pursued. The Ministry of Internal Affairs, the Ministry in charge of the police, has initiated several programs to simultaneously constitutionalize and professionalize the police.

USAID has worked closely with a number of human rights NGOs and has financed training at the grassroots level for both government officials and local citizens to develop a cadre of paralegal personnel trained to monitor and defend human rights.

### Press Freedom

Uganda's press is relatively free, with everything from sober daily journals to weekly scandal sheets circulating freely. The major impediment to press freedom is the government's use of charges of sedition to control some elements of the press. Sedition in the Ugandan context is a carry-over from the colonial days when it was "seditious" to criticize inaccurately the colonial authorities. The independent governments have kept the laws on the books and occasionally use them the way libel laws are used in the US. Frequently, although not always, the sedition charges are dismissed within a week or two. There appears to be some effort at present to pursue a litigation strategy, suing for defamation and libel where these are the more appropriate charges; this is a development we encourage.

USAID has sponsored several seminars and workshops designed to promote freedom of the press and responsible journalism, and to impart skills on specific types of reporting, including election coverage.

### Women's Empowerment

Uganda is a clear leader in the women's struggle in Africa. USAID has financed a variety of programs ranging from the writing of wills to paralegal training and legal reform concerning women's property and reproductive rights. Results are evident, especially in the USAID-funded development of the Women's Constituent Assembly Caucus and its recent strategic victory in protecting affirmative action at the national political level, and extending

it significantly at the local level.

#### Domestic Election Monitoring and Civic Education

USAID is also pursuing the development of a domestic election monitoring and civic education capacity, based in the civil society organizations we have sponsored over the past three years.

### **C. CONTRIBUTION OF USAID ACTIVITIES**

USAID has adopted a long term strategic approach to assisting Uganda in managing its transition to constitutional democracy. A key factor in that transition is a series of phased actions in which careful attention is being paid to developing the full range of democratic institutions in a manner that enhances stability.

USAID has supported critical actions undertaken by the GOU to promote constitutional democracy, including development of an electoral capacity, formulation of the constitution along the lines practiced in mainstream democracies with major emphasis on protection of human rights, improvement of the role of women, improvement in human rights practices, growth of civil society and the enhancement of political effectiveness among parliamentarians, beginning with women. While the dollar value of the USAID support has been relatively modest, about \$1 million per year, we have been successful in leveraging the contributions of other donors. For example in the CA elections the USAID contribution was only about \$2 million but it stimulated additional contributions of approximately \$4.8 million from other donors.

### **D. EXPECTED PROGRESS IN FY 1997 AND 1998**

A major effort will be made to develop civil society through civic education and institutional development. During 1997 and 1998 we anticipate that the statutes will be brought into conformity with the new constitution; that obsolete laws concerning women, the press and general human rights will be revised to bring them into conformity with modern democratic practice; and that political effectiveness of key groups will be upgraded through training and other appropriate forms of skill transfer. These actions are designed to create the conditions in which the majority of Ugandans will see their interests as being best served in a pluralistic democracy in which political parties are fully free to operate.

### III. STATUS OF THE MANAGEMENT CONTRACT

#### A. STRATEGIC OBJECTIVE CHANGES OR REFINEMENTS

Strategic objective teams have begun converting objective trees to results frameworks and, in the process, have made some modifications that are reflected in this report. None of the modifications introduced in the Results Review constitute changes in direction or emphasis. USAID/Uganda is also developing a Strategic Plan for submission to USAID/W in November and any substantive changes in strategic objectives will be presented at that time.

SO1 has been reworded from "*increase rural men's and women's incomes*" to "*increased rural household income*" because the household is the unit engaged in farming and microenterprises and household income, rather than the income of individuals, is in fact what we are measuring. Furthermore, it is virtually impossible to make a clear distinction between men's and women's income. Last year we reported that there was no significant difference between expenditure in male and female-headed households in 1992/93; comparable figures for 1993/94 are not available. USAID will continue to track impact on a gender-disaggregated basis at lower levels of the results framework.

SO2 has been reworded from "*stabilize biodiversity in target areas*" to "*maintain integrity of targeted biodiverse ecosystems.*" The latter is a more precise description of the desired result.

#### B. SPECIAL CONCERNS OR ISSUES

Embracing the principles of re-engineering has the potential to improve program performance but it is too early in our mission-level effort for the changes to have any perceptible impact. What we do notice is increased participation of FSN professionals and staff of the non-technical offices in programmatic discussions and greater efforts to be responsive to customers. Our ability to make the adjustments we deem necessary to manage for results is, however, constrained by a procurement process that is still too rigid and time-consuming and by the lack of flexibility for missions to work within established personnel ceilings.

Re-engineering of procurement has not gone far enough. As SO teams identify adjustments in strategies, we are unable to effect these because procurement regulations make it difficult to change contract scopes of work without re-competing the contracts. Furthermore, while we are exhorted to treat PVOs/NGOs as equal partners, the contracts officer is required to scrutinize the organization and its proposal in minute detail. This does little to foster an atmosphere of trust and collaboration.

While we accept the need to cut operating budgets and reduce staff, we believe that missions are still the best judge of how to use those resources, within the established ceilings. Denying missions the authority to make these decisions is a complete contradiction of re-engineering.

## C. ENVIRONMENTAL ISSUES AND SCHEDULE

Issues Initial Environmental Examinations (IEEs) are currently in force for all relevant USAID/Uganda activities, and no major issues have arisen regarding any of these IEEs.

Activities The mission will ensure that recommendations of several IEEs are implemented during the next two years to address and satisfy U.S. Government environmental regulations and concerns. These activities include: (1) conducting an environmental assessment workshop in June 1996 to sensitize grantees under the USAID's Action Program for the Environment (APE) to Regulation 22 CFR 216 and to prepare environmental reviews of the grants (to be reviewed by Regional Environmental Officer); (2) conducting a programmatic environmental impact assessment (EIA) of the GOU water hyacinth emergency control plan by a USAID grantee participating in the control effort (EIA will require review by the Bureau Environmental Officer); (3) conducting an EIA by a grantee under APE regarding potential development under the grantee's project (to be reviewed by the Regional Environmental Officer); and (4) conducting environmental reviews of productive microenterprise sub-sectors to identify any potential negative environmental impacts so microfinance institutions can advise clients in this sectors how to avoid or mitigate these impacts.

## **ANNEX A: USAID/Uganda Use of HIV Prevalence as an Indicator of Program Impact**

USAID/Uganda acknowledges the comments made in 95 State 135387, recommending that HIV prevalence be considered outside the manageable interest of the mission program, and suggesting that the mission should rely on behavioral change indicators instead. We believe that these suggestions would be quite appropriate for missions working in countries that do not have sentinel surveillance for HIV, and countries without the open and comprehensive approach to HIV prevention which the government and people of Uganda have adopted. However, we would also suggest that, ultimately, behavioral change indicators are a proxy for reductions in HIV incidence and prevalence, and these biological markers are more compelling indicators and should be used if available. Since we have sentinel surveillance data considered by most experts to be highly reliable, and particularly since these biological markers suggest trends consistent with behavioral data collected in Uganda, we believe it is useful to report them.

At the recent International Conference on STDs and AIDS in Africa held in Kampala in December, 1995, experts in surveillance and modeling presented several reports based on the sentinel surveillance data. It has been suggested by some that the declines in prevalence among pre-natal clinic attenders (sentinel surveillance data) we reported last year and again are reporting this year are indicators of reduced fertility and increased mortality in HIV+ women. However, based on back calculations performed by WHO experts, and repeated reviews of blood sample collection methods, test results, and additional statistical calculations, these experts concluded that the declines in HIV prevalence do reflect declines in HIV incidence. Particularly compelling and of interest are the considerable declines in HIV prevalence among young pregnant women aged 15-19. The WHO experts believe that especially in these young women, fertility reduction and increased mortality are clearly not adequate to explain declines in HIV prevalence as great as 13.7% observed at one pre-natal clinic in Kampala.

The consistency of the declines observed among pregnant women, and the fact that these trends are what would be expected based on self-reported behavioral changes, is also reassuring. If we were observing reductions in high risk behaviors but no declines in HIV prevalence and incidence, or if we were observing declines in HIV prevalence but no changes in behavioral indicators, we would agree that such contradictory findings would be difficult to interpret, and we would be reluctant to include such results. However, since both the behavioral indicators and the biological markers are moving in the same consistent direction, and since it is widely recognized here in Uganda that the most active HIV prevention programs in Uganda are also the ones which this mission has supported with both funds and technical assistance, we believe it is appropriate to consider these to be within the manageable interest of the mission. Furthermore, we strongly believe that this powerful combination of positive results based on both behavioral and biological indicators is a strong validation for the aggressive and comprehensive program funded by USAID/Uganda since 1991. These results should give encouragement to USAID missions worldwide, and to other donors, that such an aggressive program, implemented by competent and dedicated national

colleagues, can eventually achieve the results we all hope to achieve: consistent, carefully validated reductions in HIV prevalence.