

PD-ABP-496

USAID/UGANDA

FY 1993

ASSESSMENT OF PROGRAM IMPACT

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**TO OUR READERS:**

This API is submitted as we are ending the second year of the CPSP period. Especially noteworthy is the fact that Uganda has achieved two of the three underlying conditions established in the CPSP and is on track toward meeting the third. First, Uganda was to complete its progressive shift to a market-determined exchange rate and, on November 1, 1993 the Government achieved this with initiation of an interbank market for foreign exchange. Second, Uganda was to make substantial progress in resolving the departed Asian property question, and after returning over 2,500 properties to former owners the Government ended the repossession program on October 30, 1993. Third, Uganda was to implement a constitution, which has now been drafted with Constituent Assembly elections set for March 1994, and general elections planned for the ensuing year following ratification of the new constitution. While much remains to be done, the economic and political performance of Uganda over this CPSP planning period has been extraordinary despite occasional pauses or setbacks.

Notable also is the consistency of Uganda's four strategic objectives laid out in our CPSP two years ago with the recent articulation of new Agency directions by USAID/Washington.

**Increasing rural men's and women's incomes from agricultural exports** directly supports economic growth by assisting producers and exporters, and encouraging policy reforms to improve the enabling environment for non-traditional exports.

**Stabilizing biodiversity in target areas** assists with a broad range of economically-based conservation measures both at the community level and in establishing new national environmental policies.

**Stabilizing the health status of Ugandans** employs diverse interventions in reproductive health, primarily in HIV/AIDS and family planning, to curtail HIV transmission and reduce fertility.

**Improving the quality and efficiency of basic education** is addressed by increasing the professionalism and skills of primary school teachers, providing appropriate instructional materials and improving access for disadvantaged groups, which will lead to less inequality and greater quality of education.

Although not a strategic objective in the CPSP, USAID support has been a salient factor in Uganda's major accomplishments on its path to a constitutional democracy. Preparations for the onset of Constituent Assembly elections including civic education, voter registration and strengthening an independent election commission are helping lead toward a popularly ratified constitution and a democratically elected government.

Genuine economic and political progress by Uganda toward national development is increasingly being recognized. The conformity of objectives and partnership with USAID in achieving its country strategy is an important part of this development process. We are striving to better measure the impact of the strategy, as reflected in this assessment. Given the transformation underway in Ugandan society and the consequent need for flexible approaches, our strategy of two years ago still remains keenly relevant. It is consonant with Government objectives, reflects the competence and dedication of a solid mission staff and garners the satisfaction of assisting a country which values the critical importance of economic and political development. Clearly, USAID has been a vital contributor to Uganda's progress and successes.

Keith Sherper  
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## SECTION I

### SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Now in its second year since approval of the CPSP, the USAID/Uganda program continues to respond to evolving constraints and opportunities in the country. The most striking factors in Uganda over the past year are the promising -- yet fragile -- political and economic developments. Some of the key factors influencing the accomplishment of program results over the past year are summarized in this section.

#### GROWTH IS UP, INFLATION IS DOWN, AND EXPORTS ARE BACK

During FY 93 Uganda's economic misfortunes of the previous year were reversed. Led by strong nine percent growth in the agriculture sector, GDP surged forward by seven percent, more than making up for the three percent showing the previous year. The Government's stabilization program is back on sound footing, with the June 1993 inflation rate at approximately zero. (This contrasts markedly with the 66% rate one year earlier, and reflects the successes of the new economic team installed about 18 months ago.) Finally, after last year's lackluster performance in exports (non-coffee exports were down nearly 20%), data for the first half of 1993 indicate that non-coffee exports are up about 40%.

This turnaround has important implications for our program. At the goal and sub-goal level, movement toward meeting indicators would be seriously undermined were the economy to see several consecutive years like 1992. Of our strategic objectives, SO 1's focus on productive sector activity depends on good performance at the macroeconomic level: incomes cannot increase if the economy performs poorly. In addition, success in SO 3 and SO 4 (health and primary education) also require adequate performance in the macroeconomy to boost government revenue (for needed investments in the social sectors) and household income.

#### PUBLIC SECTOR RATIONALIZATION MOVES FORWARD

FY 93 has also seen the Government take strong initial steps in civil service reform, military demobilization, and divestiture of some public enterprises. During FY 93, 14,000 civil servants were retrenched, providing an opportunity for government this year to increase salaries in the teaching service, a key element of our primary education objective. Without better remuneration -- which given the budget can only come with a reduction in ranks -- there is scant chance that public servants will effectively perform their jobs. For the first time the education budget exceeded the budget for defense. In addition, the first key step in reducing military spending occurred with the demobilization of

23,000 soldiers. Concrete government action in shifting expenditures away from defense spending toward social sector spending supports attainment of SO 3 and SO 4. Finally, progress in resolving Custodian Board matters is an indication that the Government is committed to relinquishing its control of productive-sector activities in favor of the private sector.

Improvements on the expenditure side of the government budget have been matched by strong measures to raise revenues and improve revenue administration. The revenue-GDP ratio moved up one percentage point during FY 93 but is still at only 8 percent, and further efforts are required to secure the Government's stabilization objectives.

#### **UGANDA'S EXTERNAL DEBT OVERHANG PERSISTS**

Uganda's external debt is in excess of \$2.5 billion, and exceeds annual GDP. The GOU has initiated a responsible debt strategy and during this year retired about 80% of the country's commercial debt at a sharp discount using donor funds. In addition, the Government has obtained the most favorable restructuring terms at the Paris Club despite an early cut-off date on its OECD bilateral debt. Over half of Uganda's debt is, however, to multilateral institutions and therefore not reschedulable, and current maturities amount to 100% of annual export earnings. With import requirements of several hundred million dollars, Uganda will continue to require balance of payments support at a high level (perhaps the \$500 million range per year) for the medium term. Cash transfers in support of policy reforms will, therefore, continue to be a valuable resource for the GOU and a useful tool for achieving USAID program objectives.

#### **AIDS CONTINUES TO OVERSHADOW IMPROVEMENTS IN THE STANDARD OF LIVING**

Almost everyone in Uganda is affected in some way by AIDS. Beyond the personal impact on Ugandans, the impact on economic productivity is substantial. AIDS strikes most often in the productive age group. For example, one of the more successful industrial enterprises in Kampala loses one employee every two weeks to AIDS. Progress in developing effective AIDS prevention programs continues and there is evidence that behaviors are slowly changing, but we cannot reliably predict that the HIV transmission rate or the death toll from AIDS will be reduced in the short term.

#### **DECENTRALIZATION SHIFTS GOVERNMENT RESOURCES TO REAL NEEDS**

An advancement critical to the future of development in Uganda took place this year in the passage of the Local Governments Statute of 1993. It provides for the decentralization of

function, powers and services to local government to increase local democratic control and participation in decision-making, and to mobilize support for development which is relevant to local needs. Planning and budgeting of resources at the district level greatly increases the potential for the success and sustainability of development projects. Local men and women will have more direct access to available resources. We expect to see a more mobilization of community support for development programs. Donors will no longer be able to sign agreements with the central government and proceed to implement in isolation; we will have to be part of local development planning. We are adjusting our project design and implementation to this positive development. While requiring an adjustment in the way we operate, decentralization will ensure the relevance of our designs and will generate the local involvement and support required for long term sustainability.

#### **MOVEMENT TOWARDS A CONSTITUTIONAL DEMOCRACY ACCELERATES**

A transition to constitutional democracy is necessary to ensure long term stability, improve the quality of governance and encourage investment. Impressive progress has been made on this transition, but much remains to be done.

As Uganda moves forward in the coming year to decide its future political system, it will lay the foundation for political stability and the basis for economic growth. A smooth transition to constitutional democracy over the next two years will create the environment essential for peace and economic prosperity.

The current Government has effectively set the stage for this change. Yet the development of democracy is fragile, occasionally moving backward in the course of its forward journey. The issue of rejuvenating political parties, which are widely viewed to be a prime factor in initiating and perpetuating the strife and instability of the past, is controversial. Obstacles that relate to an effective judiciary, good governance and a proper electoral process exist, but are being addressed. Thus, while Uganda is clearly on the path to becoming a constitutional democracy, it is neither a straight nor smooth road. Uganda is meeting the CPSP condition of implementing a constitution, however, in doing so both the government and non-governmental groups have requested USAID assistance in a range of areas to accelerate and deepen progress. We have provided this assistance and have seen it pay early dividends.

## SECTION II

### PROGRESS TOWARDS OVERALL COUNTRY PROGRAM GOAL

The program goal is to "establish the basis for sustained improvements in the standard of living." Achieving this goal requires an integrated development approach that takes advantage of the linkages and synergy between economic growth, education, health and fertility, conservation of natural resources and a democratic, participatory society. USAID's program is addressing all of these factors both directly and indirectly; each of the strategic objectives impact directly on the program goal and also complement one or more of the other objectives. Higher incomes for rural men and women growing crops for export, for example, can be expected to lead to higher levels of education and health in rural families, particularly where women control the new income. Ongoing efforts to enhance protection of Uganda's national parks coupled with the development of management plans that increase the participation of people in buffer zones in sustainable utilization of the parks' resources are already leading to increases in rural incomes for those involved. Over the longer term, efforts to improve the quality and efficiency of the primary education system will give people the requisite skills to be productive members of a democratic society, and higher educational levels among girls and women in particular are strongly associated with lower fertility rates and improved health status.

The Mission has selected four indicators to measure progress toward achieving the program goal. Progress, data collection problems and the validity of these indicators are summarized below.

#### Indicator 1: Food Budget

This indicator is defined as expenditure on food as a percentage of total household expenditure for the bottom 50% of Ugandan households. The underlying assumption is that an increase in the percentage of household expenditure available for items other than food represents an improvement in a household's standard of living. In 1989-90, the baseline year, the food budget for the bottom 50% of households was 69.2% of expenditures. The Mission expected to report data from the GOU's 1992 integrated household survey (IHS) this year, but these data are still not available from the Statistics Department. The IHS covers several northern districts that were excluded from the 1989/90 survey due to insecurity; as these districts are among Uganda's poorest, food budgets are likely to be a high proportion of expenditures. When the IHS data is released, it will establish a baseline that the GOU plans to update annually with spot surveys.

It is not clear what impact the dramatic decline in inflation in the last year will have on food expenditures. People may actually increase food expenditures in order to buy meat and vegetables that were previously unaffordable or they may maintain

their food budget but diversify food sources; in both cases, nutrition improves even if the indicator declines. On the other hand, per capita GDP has been growing at an average of 2.3% annually. If incomes for the bottom 50% of households are rising, the food budget as a percentage of expenditure should eventually decline. When the IHS data are available, the Mission will re-assess the long-term prospects for this indicator.

#### **Indicators 2 and 3: Child Mortality and Nutritional Status**

The second and third indicators are reduction in the mortality rate for children under five and reduction in the rate of chronic undernutrition in children under five. The USAID/Uganda strategy contributes to this indicator not only through its health activities but also by increasing women's and men's incomes from agriculture and tourism and improving primary education. The data for both these indicators are provided by the Uganda Demographic and Health Survey, which was last published in 1989, and will be next published in 1994. (N.B. based on the 1991 census, the GOU estimates under-five mortality at 205/1,000 live births, vs. 188/1,000 estimated in the 1989 DHS.) There is no surveillance mechanism in place to estimate these rates from year to year. Yearly changes in these indicators are likely to be small to the extent they occur at all. The impact of HIV/AIDS, both mother-to-child transmission and the growing number of AIDS orphans, is likely to undermine gains in immunization and other factors affecting child survival in the near term. USAID's assistance to extended families caring for AIDS orphans will help improve the orphans' nutritional status and access to health care and schooling.

#### **Indicator 4: Adult Literacy**

Adult literacy is one measure of peoples' ability to make productive, sustainable contributions to society. Improvements in adult literacy rate are dependent upon improvements in access to quality primary education. As successive cohorts of children pass through an improved education system the level of literacy in society should gradually improve. USAID's and other donors' support for basic education is necessary but not sufficient to bring about the predicted increase in adult literacy. Communities and parents must increase their commitment to building schools and classrooms and keeping their children in school.

Official data from the Ministry of Education and Sports estimates adult literacy in Uganda at 55% in 1985. Of that 55%, 35% were women. A more recent (1991) population and housing census in eight central and western districts found district adult literacy rates ranging from 20-52%. A somewhat surprising finding of the same survey was that in every district, female literacy exceeded male literacy by at least 3-4 percentage points. In light of the more recent information, our intermediate goal of 65% adult literacy by 2000 is unrealistic. The Mission will revise its literacy targets in next year's API report.

# Assessment of Program Impact

## Goal Level

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL Data to be reported as it becomes available	EXPECTED PERFORMANCE LEVELS			CRITICAL ASSUMPTIONS
				2000		2010	
<p><b>PROGRAM GOAL:</b></p> <p>Establish the basis for sustained improvements in the Standard of Living.</p> <p><b>RESPONSIBILITY:</b></p> <p>ECONOMICS OFFICE</p> <p>GDO</p>	<p>1. Decrease in food budget as a % of household expenditure for the bottom 50% of households</p> <p>2. Reduction in under-5 mortality rates</p> <p>3. Reduction in % of under-5 with chronic under-nutrition</p> <p>4. Increase in adult literacy rate</p> <p><b>DATA SOURCES:</b></p> <p><sup>1</sup> Household Budget Survey  <sup>2</sup> DHS  <sup>3</sup> DHS  <sup>4</sup> Ministry of Education &amp; Sports</p>	<p>69.2% (1989-1990)</p> <p>188/1000 (1988/89)</p> <p>45% (1988/89)</p> <p>55% (1985)</p>		<p>65%</p> <p>140/1000</p> <p>34%</p> <p>65%</p>		<p>60%</p> <p>100/1000</p> <p>23%</p> <p>80%</p>	

**PROGRAM SUB-GOAL: Sustainable Equitable Economic Growth Promoted on a Competitive, Diversified Basis**

USAID's strategy for promoting economic growth is to "address the social and economic factors that enhance the capacity for growth."<sup>1</sup> USAID/Uganda's program is doing just that and thereby contributing directly to economic growth. Perhaps more importantly, the program is contributing significantly to the sustainability and equity of economic growth in Uganda. Sustainability of the human resource base will be enhanced through improvements in primary education, a reduction in HIV transmission and general improvements in health. Sustainability of the natural resource base will be enhanced through better environmental policies and management practices and a reduction in fertility rates and hence, the population growth rate. The program's focus on increasing rural incomes, and especially those of women, from agricultural exports, increasing girls' access to education and working with the generally marginalized people living in protected area buffer zones all improve the distribution of economic benefits to the poorer segment of the population.

Progress towards achieving the program sub-goal is tracked with three indicators that measure the rate and distribution of economic growth and the extent to which the private sector has access to economic resources (with greater private sector access signifying a more competitive, diversified economy.)

**Indicator 1: Percentage with Annual Per Capita Expenditure Below \$55 and \$110**

In last year's API the Mission defined a somewhat arbitrary poverty measure as the percentage of the population with annual per-capita expenditures below \$50. We further stated that our own interpretation of the data in the 1989-90 HBS (household budget survey) was that 50% of the population had annual per-capita expenditures below \$83 (using an August 1990 foreign exchange bureau exchange rate) and that we would attempt to establish the percentage below \$50 by further analysis of the HBS data. Since last year's API, the World Bank has published its most recent CEM (country economic memorandum) on Uganda. This CEM focuses on poverty issues, and is based on far more detailed analysis of the 1989-90 HBS than USAID/Uganda has the resources to carry out. According to the CEM, the HBS data suggest that if a poverty line of \$55 per capita is used, 19% of the 1989 population were below that level. If a \$110 figure is used, fully 55% of the 1989 population were poor.<sup>2</sup> This API adopts

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<sup>1</sup> "Encouraging Broad-Based Economic Growth: USAID's Strategy, XA Revision, 9/20/93, pp.2-3.

<sup>2</sup> The differences between USAID's estimates and those of the World Bank are due primarily to the exchange rates at which the shilling-denominated data in the HBS was converted.

both the World Bank poverty line figures as our baseline poverty indicator.

The Mission planned to use data from the 1992 IHS (integrated household survey)<sup>3</sup> to provide an update on this indicator and to project targets for 2000 and 2010. However, in the absence of the results of the 1992 IHS, we have opted only to respecify the baseline figures. We will provide AID/Washington with 1992 figures and projections that are consistent with the revised baseline when the IHS is made available to us, but we do not anticipate any significant changes in this indicator.

#### **Indicator 2: Growth of Real Per Capita GDP**

Positive real growth of per capita GDP indicates that the economy is growing faster than the population and therefore that individual economic welfare is improving, assuming some degree of equity. The average annual growth rate of per capita GDP between 1987 and 1992 is 2.3%.<sup>4</sup> We expect the 1993 rate to be up somewhat since GDP growth is projected at seven percent and population growth is about 2.7%. Over the long term, a realistic scenario would be average annual per capita GDP growth rate of around 2.5%. This would be realized with average annual GDP growth of 5-plus percent and population growth of 2.7%.

#### **Indicator 3: Private Sector Share of Gross Domestic Expenditure**

This indicator measures the extent to which the private sector is able to use economic resources (Gross Domestic Expenditure) for investment and consumption, and is a proxy for the private sector's contribution to economic growth. A better indicator would be the private sector's share in the production of Uganda's GDP, but this information is not available. The private sector share of Gross Domestic Expenditure (GDE)<sup>5</sup> in 1989 was 89%, which is already a large proportion of Uganda's resources. The GOU was expected to have compiled GDE estimates for subsequent years by this time, but the data to be used for these estimates are still being processed and will not be ready until the end of 1993. The Mission will report more recent figures once the more recent GDE data becomes available.

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<sup>3</sup> See discussion of Indicator 1 under the Goal Statement section, above.

<sup>4</sup> This growth rate is lower than the 3.1 rate reported last year (for the period 1987-91). The reason for the difference is (1) the GOU has revised its population series, and the annual growth rate is higher than before, and (2) the GOU has rebased the GDP series using 1991 (vice 1987) prices, which has dropped the growth rate somewhat.

<sup>5</sup> Gross Domestic Expenditure is defined as the sum of GDP and net imports. When a country is a net importer as Uganda is, GDE exceeds GDP and is financed by external capital inflows.

## Assessment of Program Impact Sub-Goal Level

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL Data to be reported as it becomes available	EXPECTED PERFORMANCE LEVELS			CRITICAL ASSUMPTIONS
				2000		2010	
<b>PROGRAM SUB-GOAL:</b>  Sustainable equitable economic growth promoted on a competitive, diversified basis.	1. Decrease in % of population with per capita expenditure below a) \$55 per year; b) \$110 per year.  2. Growth of Per-Capita GDP Index Number Percent Avg. Growth  3. Increase in private sector share of Gross Domestic Expenditure (percent)	  19% (1989) 55% (1989)  100 (1987)  89% (1989)	1992   112.2 2.3     	   141.5 2.5    91	       181.2 2.5    94	          GOU continues to rein in spending especially on recurrent side.	

## SECTION III

### PROGRESS TOWARDS STRATEGIC OBJECTIVES AND RELATED INDICATORS

#### STRATEGIC OBJECTIVE 1: Increased Rural Men's and Women's Income from Agricultural Exports

The strategic objective of increasing rural men's and women's incomes from agricultural exports can be achieved by two primary means. First, when the value of exports of agricultural commodities increases, it is logical that incomes associated with those exports will increase, in the absence of any reduction in returns per unit of export. Second, when returns per unit of export increase, such a productivity increase will also contribute to meeting the strategic objective. Indeed, it is these two elements contributing to increases in incomes that form the two targets that underpin our strategic objective.

In last year's API, we alerted USAID/Washington to the Mission's intention of modifying SO 1's objective tree substantially (as attached). With the assistance of CDIE-provided (PRISM) consultants, we have modified the targets, sub-targets and indicators for SO 1 to better represent a focused strategy for increasing rural men's and women's incomes from agricultural exports.<sup>1</sup> This year we are reporting performance in indicators that relate to the strategic objective and to the targets only. Indicators related to the six sub-targets in this objective will be used by USAID/Uganda for in-house monitoring and evaluation, although we will refer to those of particular note.

We are working towards a gender-disaggregated income indicator at the SO level. From targeted interviews<sup>2</sup>, the importance of examining intra-household control of resources is clear: vanilla as a crop has empowered women because they can control proceeds from their crop unlike before. It is assumed that before women had 0% control over income they generate and now have about 40% according to the supplemental survey findings.

We were unable to obtain statistically reliable information distinguishing income controlled by males as opposed to females (within the same households) from a pilot survey we conducted earlier this year<sup>3</sup>. An alternative statistic that is available

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<sup>1</sup> See Annex C which contains a detailed discussion of these indicators.

<sup>2</sup> See separate discussion of people-level impact in commodity-specific discussions, below.

<sup>3</sup> The USAID/Uganda-financed survey attempted to better define "control" over household resources by males and females, believing this latter to more accurately assess incomes. Unfortunately, the survey was unable to provide useful information on general control of household resources as opposed to control of proceeds from particular crops.

Figure 1

**STRATEGIC OBJECTIVE 1**  
 Increased rural men's and women's incomes from agricultural exports  
 Average rural household expenditure  
 Returns to rural producers' labor from major NTAEs

**TARGET 1.1**  
 Increased exports of NTAEs  
 Amount value of NTAEs  
 % of NTAEs with exports exceeding \$ 2 million per annum

**TARGET 1.2**  
 Increased rates of return to producers and exporters from NTAEs  
 Returns per person-day of family labor for major NTAEs

**SUBTARGET 1.1.1**  
 Improved enabling environment for NTAE enterprises  
 Spread between lending and deposit rates of the Co-operative bank  
 Annual value of investment approved through the UIA  
 % of investments approved through the UIA per annum

**SUBTARGET 1.2.1**  
 Increased efficiency of NTAE markets  
 Farmgate price as a % of border/FOB price for selected NTAEs

ANEPF  
 Technical and budgetary assistance to EPADU  
 Technical and budgetary assistance to UIA

ANEPF  
 Collection & dissemination of market information  
 TA to strengthen export associations permitting a market role  
 IDEA  
 Collection & dissemination of market information  
 TA to strengthen export associations permitting a market role

**SUBTARGET 1.1.2**  
 Increased use of financial resources by NTAE enterprises  
 Value of loans, grants and credit made by AID-affiliated financial institutions  
 % of loans, grants, credit arrangements made by AID-affiliated financial institutions

**SUBTARGET 1.2.2**  
 Improved on-farm post harvest technologies  
 % of farmers adopting improved post harvest technologies in target areas

CAAS  
 Technical and management assistance to modernize the Co-operative Bank  
 Capitalization of the Co-operative bank (TAIE 2 funds)  
 IDEA  
 Direct provision of grants to NTAE producers and exporters  
 TA through APUP to assist new NTAE enterprises in accessing credit  
 RPE  
 Grant to DPICU to create venture capital fund

ANEPF  
 TA/support to develop & demonstrate a post harvest tech. package

**SUBTARGET 1.1.3**  
 Improved management performance of NTAE enterprises  
 Avg. ann. per firm % increase in revenues for NTAEs assisted through AID activities

**SUBTARGET 1.2.3**  
 Increased adoption of improved agricultural production technologies  
 % of maize production area under HTV maize  
 % of farmers employing improved cultural practices in target areas

ANEPF:  
 Direct management & marketing TA to NTAE firms and associations - EPADU, ADPP, VOCA  
 IPTA:  
 Direct production, management & marketing TA to NTAE firms - ADC  
 TA to Makerere Univ. to increase capacity for business management training  
 CAAS:  
 Direct management and production TA to NTAE firms

IUGA  
 Direct TA to MARO to improve management & planning of eg. research  
 CAAS  
 Distribution of improved seeds for selected crops

RESERVED FOR FIGURE 1

from existing GOU sources distinguishes average expenditures by male- and female-headed households, but this statistic overlooks the position of the majority of women (i.e., those who are in male-headed households), so we do not believe citing this statistic to be useful.

### **Average rural household expenditures**

The reason for including this indicator, covering as it does all rural households and not just those producing for export, is to provide a backdrop against which to discuss incomes accruing to producers for export. The results of the 1992 IHS (Integrated Household Survey) are unavailable, and we are only able to report the results of the 1989-90 HBS (Household Budget Survey) in this API. We anticipate being able to access 1992 information within the next few months, and to be able to discuss a comparison of the two sets of data in real terms. For the purposes of the current API, we have included for future time periods an index of changes in rural expenditures that calls for an increase that exceeds the projected per capita GDP change of 2.5% by a full percentage point.

### **Returns to Rural Producers' Labor from Major NTAEs**

This indicator is used as a proxy for incomes generated by production for export, and provides information on real growth of such incomes, in both index number and growth rate terms. First, the "major NTAEs"<sup>4</sup> we use comprise about three-quarters of total NTAEs. Second, the indicator aggregates margins<sup>5</sup> for the six major NTAEs for each period in question in order to compare total incomes from production of NTAEs between periods. Third, an index derived from the bundles of aggregate income (actually margins) producers earned from producing NTAEs in the periods in question is then deflated by the Uganda-wide CPI (consumer price index) to enable us to compare "real" increases in incomes. The data to carry out these calculations are all produced on an annual basis by GOU entities.

The data show marked improvements between 1990 (our selected base year) and 1992 (the most recent data available). **Total returns to rural producers' labor from major NTAEs increased at an average annual rate of about 30% in real terms, or about ten times the growth rate of per capita GDP in the same period.** This supports the validity of our focus on agricultural exports,

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<sup>4</sup> These include six crops: tea, cotton, tobacco, maize, beans and simsim (sesame).

<sup>5</sup> Gross margins remove variable costs, other than household labor, from farmgate revenues, but include some fixed costs such as land value inputs and inputs of farm structures. These are likely to be minimal in most cases. In those cases where we have additional data to provide net margins, we have done so. In any event, inasmuch as we are comparing results over time and are not relying on absolute returns, the use of gross margins should not bias results significantly.

especially in terms of its making an impact on rural incomes. At the same time, these increases are for all export commodity producers, and is not a proxy for per capita incomes.

While it is possible to demonstrate the impact silk and vanilla have had on rural men's and women's incomes due to the fact that baseline studies and follow-on surveys have been undertaken in production areas, it is harder to document income effects from other NTAEs. By far the most important crops in terms of their income generating potential and distribution are maize, beans and simsim (sesame). In addition to generating income for primary producers, trade of these commodities generates incomes for thousands of rural and urban traders as well as over 100 exporters. While the income gains to date from NTAEs when divided over the total population of producers is not clear from this indicator, case studies of specific NTAEs suggest per capita or per household increases.

#### **The Case Studies:**

##### **1. The People Level Impact of Silk**

From the small sample (15 out of 476) of silk producers covered by a September 1993 survey, there was an apparent increase in household expenditure on education, health, clothing and other household durables. There was some evidence to suggest that control over this additional income remained with the person (man or woman) actually handling the crop rather than with those providing the labor necessary for production. There was no evidence that silk production had supplanted food crop production, consequently one can conclude that the proceeds from silk reflect a net increase in total household income for the 476 farm families (in the two areas) currently producing silk. The survey analysis indicated net annual returns ranging from \$7.50 to \$100 per acre in one of the growing districts. Interviews in another growing district estimated much higher net annual returns at a minimum of \$500 per acre compared to about \$200/acre for maize, which is a vast improvement in the quality of life for participating farm families. This is significant, considering that Uganda's per capita income was estimated by the World Bank at \$170 for 1992.

##### **2. The People Level Impact of Beans**

Beans are an important source of protein for many people in Uganda and they are a source of foreign exchange for the country. Uganda exported 9,278 metric tons of beans for the 1991/92 FY valued at US \$4,140,000. Although beans are produced by many households in Uganda, their returns are low because their unit farmgate prices are also low. Results of the pilot survey indicated that average household income from beans was US\$ 30,240 (US \$25). About 33% of households in one growing area reported financial benefits from growing beans, which they say has contributed to paying for school fees and meeting government graduated taxes.

### 3. The People Level Impact of Vanilla

The vanilla program has been highlighted in previous APIs and we don't want to overemphasize the importance of vanilla in our program, but we have new information on returns to vanilla producers.

Since 1990 the number of households involved in vanilla production in Mukono (which accounts for 80% of the national crop) has increased from 710 to 1812 with 3000 individual growers including 782 women<sup>6</sup>.

At current production levels in 1993, 97 growers will earn incomes averaging \$604 while 2903 growers will earn an average of \$17<sup>7</sup>. Given that there is no evidence that vanilla production has displaced other crops or income generating activities, we can also assume these growers have increased their income by \$17, a 10% increase over the base income of \$150 per capita.

Women report that in addition to their own personal incomes, household incomes have increased and that everyone now regularly eats meat and fish and all children are able to attend school. On the down side, 80% of the women who now grow vanilla also tend their husbands and/or fathers plants. Pollination is done by hand and is considered women's work. While the extension service and vanilla producers association encourage vanilla growers to pay family labor for their time, there are few cases where this is occurring.

**Target 1.1: Increased exports of NTAEs**

#### **Annual value of NTAEs**

Although NTAEs dropped (by 12%) during calendar year 1992, there was a strong rebound during the first half of calendar year 1993. For this indicator, we have elected to provide more timely data by reporting in accordance with the GOU's fiscal years, which run from July through June. Using this reporting approach, there was an 11% increase in NTAEs in both 1991/92 and 1992/93, the latter increase being primarily a result of exemplary performance in exports during the first half of calendar year 1993. Comparing the first six months of calendar years, NTAEs increased by about 50% in the first half of 1993, compared with a 12% reduction in the first half of 1992. This explains a large part of the gap between the actual expected performance level for 1993.

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<sup>6</sup> For the past two years women have been specifically encouraged to plant and tend their own vanilla through a network of 23 paid women coordinators/extension workers, 4 village agents and 4 government workers.

<sup>7</sup> This is because the various growers have different stages of plant maturity (varying production of green vanilla beans) and thus revenue.

### **Number of NTAEs Exceeding \$2 Million per Annum**

The number of NTAEs exceeding \$2 million per year measures the diversity of the production base and the reduction in the heavy dependence on coffee for exports and government revenue.

Numerous studies on the export potential of agricultural commodities from Uganda indicate that they can profitably compete in regional and other international markets (Europe and the Middle East). Hence, an export strategy for agricultural based commodities emphasizing diversification is a reasonable approach to support sustainable economic growth in Uganda. This will lead to increased income or higher living standards for Ugandans and contribute to closing the balance of payments deficit.

There are a number of new exports which are being launched in the European markets, including cut flowers and snow peas. Projections for both flower and vegetable exports show that dollar values exceeding \$2 million will be achieved by 1996. The number of new NTAEs with exports exceeding \$2 million per year has increased from three in 1989, the base year, to nine in 1993, as opposed to an expected level of 11<sup>a</sup>. Other promising NTAEs like vanilla, silk, snow peas, and crocodile skins are expected to reach the \$2 million level soon.

#### **Target 1.2: Increased Rates of Return to Producers and Exporters from NTAEs**

The indicator reported below is exclusive of returns beyond the farmgate. This omission is not desirable, but USAID/Uganda has yet to develop means for assessing returns beyond the farmgate.

#### **Returns per Person-day of Family Labor for Major NTAEs**

The data provide evidence that, between our 1990 base year and 1992, real remuneration per person-day of labor put into production for export increased by just over 15% per year. Although this statistic abstracts from increases in household size (and therefore equity), its rate of growth is clearly in excess of the average growth rate of incomes in the economy by about five times.

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<sup>a</sup> The nine are: cotton, tea, tobacco, sesame seeds, fish and fish products, beans, maize, and animal skins.

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE		ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
		YEAR	VALUE	1991	1992	1993	1993	1994	1995	1996	
<b>STRATEGIC OBJECTIVE # 1</b>  Increase rural men's and women's incomes from agricultural exports.	1. Average rural household expenditure.  <b>DATA SOURCES:</b> - Household Budget Survey (1989 - 90). - Integrated Household Survey 1992. - Pilot Baseline Survey on Rural men's and women's Income and expenditures, 1993.	1990	100							127 <sup>9</sup>	GOU will continue its policy of priority emphasis on exports from the NTAE sector, and continued liberalization of the economy.
	2. Returns to Rural Producers' labor from major NTAEs. (index number)  <b>DATA SOURCES:</b> - Customs Department - Ag.Secretariat crop budgets	1990	100		172					356 <sup>10</sup>	Domestic markets continue to liberalize and become more efficient.

<sup>9</sup> This represents a 3.5% annual growth rate in average rural expenditures.

<sup>10</sup> Represents a 20% annual growth rate in total returns.

Assessment of Program Impact - Strategic Objective 1

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE		ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
		YEAR	VALUE	1991	1992	1993	1993	1994	1995	1996	
<p><b>Target # 1.1</b> Increase exports of non-traditional Agricultural exports.</p>	<p>1. Annual export value of NTAEs. (In million US \$)</p> <p><b>DATA SOURCES:</b> Customs Department, MFEP Key Economic Indicators, MFEP.</p>	1990	33.7	43.7	50.2	60.2	70.6	81.2	93.4	107.4	European countries will continue policy of non-tariff entry of products from Sub-Saharan countries.
	<p>2. Number of NTAEs with a dollar value exceeding \$2 million per annum.</p> <p><b>DATA SOURCES:</b> -IDEA Project Annual Reports -Customs Department</p>	1989	3 <b>SPECIFIC CROPS:</b> - Cotton - Tea - Tobacco	8 <b>SPECIFIC CROPS:(In Descending Order)</b> - Cotton - Tea - Tobacco - Sesame Seeds - Fish & fish products - Beans - Maize - Cattle Hides	8	9	11	12	14	16	PTA stability and increased market, particularly of basic food products such as beans and maize.  Middle East and European new market initiatives are successful.
<p><b>Target 1.2</b> Increase Rate of Return to producers and exporters from NTAEs.</p>	<p>1. Returns per person-day of Family labor for major NTAEs.</p> <p><b>DATA SOURCES:</b> -Survey Data -Ag.Secretariat,BOU -Key Economic Indicators</p>	1990	100		133					195 <sup>11</sup>	Domestic markets continue to liberalize and become more efficient.

<sup>11</sup> Represents a 10% growth rate in unit returns.

## **STRATEGIC OBJECTIVE 2: Stabilize Biodiversity in Target Areas**

Impact measures for SO 2 were developed around the theme of people and the environment. In the Ugandan context the linkages between communities and protected areas are numerous and complex. Most of the parks are catchment forests and the principal reservoirs which assure adequate water supplies on a year-round basis. The parks are also the source for a wide variety of other amenities including fuelwood, construction materials, medicinal plants, and game meat. In addition, many of these areas hold traditional and spiritual importance for the resident population. Finding the balance between sustainable utilization and the conservation of these important areas is the overarching objective in our natural resource management program. This is the third year of our major natural resource management activity, the Action Program for the Environment (APE). Environmental policy reforms and participatory management approaches encouraged by APE have set the groundwork for long-term sustainable progress in Uganda's natural resource management.

### **SO Indicator 1: Current Levels of Tree, Mammal and Bird Species Maintained**

Inventories are the first step towards tracking the status of biodiversity in the target areas. This report notes progress in conducting inventories since the last API and introduces a system for accurately measuring the status of inventories in the parks. As shown in the table below, areas where there have been partial or species specific inventories will receive partial credit. Individual key species work (ex. gorilla, elephant, mahoganies, etc.) will score 0.1 points. Species groups (birds, trees, mammals, etc.) completed will receive a score of 0.3. The maximum rating for any one area is 1. The number in the matrix represents the cumulative work carried out in all 10 target areas. The baseline, which was not available for API 1992, is 3.1 and the total at this time is 4.7 out of a possible 10 points (for complete inventories in all ten parks).

In terms of species levels, there is clear evidence from ongoing inventory work that the populations of large mammals such as elephants and gorillas have been increasing over the last few years. For determining the key species and species groups to be monitored for SO 2, APE will employ the internationally recognized classification system which has been developed by the World Conservation Union (IUCN). For next year's report we will have sufficient information to begin accurately monitoring these species and groups.

Target Areas	Prior	Work completed FY 93	Total
Kibale	0.8		0.8
Lake Mburo	0.5		0.5
Queen Elizabeth	0.5	Elephant inventory (0.1)	0.6
Kidepo	0.0	Large mammals started	0.0
Murchison Falls	0.4		0.4
Mgahinga	0.3	Gorilla inventory (0.1)	0.4
Semliki	0.1	Gen'l biology inventory	1.0
Mt. Elgon	0.0	Vegetation inventory	0.3
Bwindi	0.4	Gorilla inventory (0.1)	0.5
Rwenzori	0.1	Small mammal inventory	0.2
<b>Total</b>	<b>3.1</b>		<b>4.7</b>

**SO Indicator 2: Percent of Target Areas where Current Surface Area Maintained**

This target refers to both the integrity of the surveyed boundary and the interior of the protected area. All ten target areas have surveyed boundaries with known surface areas. In many cases, however, the boundaries have deteriorated or have been relocated over the years. Similarly, during the period of civil strife most of the target areas were disturbed or degraded. The performance level is the percentage of total boundaries for the 10 areas that are being rehabilitated. The baseline is 40 percent (1986, start of rehabilitation period) and the actual for the last reporting period was 60 percent. Target areas with ongoing or completed boundary rehabilitation work include:

Area	% completed (92)	% completed (93)	ranger patrols
Mgahinga	80	100	1
Bwindi	100	100	1
Queen Elizabeth	100	100	1
Lake Mburo	100	100	0
Kibale	100	100	1
Mt. Elgon	50	100	1
Rwenzori	10	10	0
Semliki	30	100	0
Murchison Falls	30	30	0
Kidepo	0	0	0
<b>AVG. %/TOTAL</b>	<b>60</b>	<b>74</b>	<b>5</b>

The indicator is designed to monitor both the boundary as well as the overall status of the protected area. To further define this indicator, beginning with this report another number will be included in the matrix (alongside the percentage) which represents the level of surveillance currently taking place within the target areas. If a target area is currently adequately patrolled (all parts of the protected area visited at

least once per month) by rangers who submit reports regularly then the rating given that area will be a 1. Anything less is 0. As shown in the in the third column of the table above, 5 out of 10 or 50% of the parks are adequately patrolled.

**SO Indicator 3: Increase in Percent of Local Men and Women Deriving Benefits from Activities Related to Protected Area Management**

There are two ways to determine if local communities are deriving benefits from protected area management. The first is by gauging individual perception of the protected area in relation to the household unit and how this changes over time. The second is by monitoring actual economic impact on the household as a result of protected area management. To accurately estimate all of the above, baseline surveys of the target areas are required. Baseline work for six of the parks is now complete and baseline surveys for Murchison Falls, Semliki and Queen Elizabeth are planned. During FY 94, a standard method will be developed for all the target areas which will disaggregate information by gender and permit a more accurate and rapid assessment of the community/grassroots benefits derived from protected area management. Also at that time an overall baseline for this indicator will be established. As a result of baseline work accomplished to date, projects have begun working with beekeepers, traditional herbalists, bamboo collectors, stretcher guilds, gold miners and other groups in an effort to develop strategies for sustainable resource utilization.

**Target 2.1: Improved Policy and Institutional Framework that Promotes Sustainable Natural Resource Use**

There has been significant progress on this target at all levels. The nearly completed National Environmental Action Plan (NEAP) process has produced a number of products as well as a blueprint for the decentralization of environmental management. Products to date include the completion of Uganda's first Environmental Management Policy, an institutional framework for environmental management, draft environmental legislation, an environmental investment program, and the first State of the Environment Report for Uganda. The institutional framework developed by the NEAP establishes an inter-ministerial National Environmental Management Agency (NEMA) that will have significantly broader purview and authority than the Department of Environment, the entity currently responsible for environmental affairs. Progress on establishing NEMA and implementing the decentralized approach will be monitored throughout the life of APE in order to provide additional information regarding impact of this target.

APE conditionality is responsible for upgrading the conservation status of six priority forest reserves to national parks. Last year, the GOU upgraded three of these biologically diverse areas to national parks; this year, the other three (Kibale, Semliki, and Mt. Elgon) were made national parks as well.

Finally, policies for local retention of park/reserve user fees for recurrent costs and community development are still being discussed with local communities and their representatives. Guidelines and criteria for revenue sharing have been developed and discussed at Uganda National Parks. A draft revenue sharing policy has been completed and a final policy will likely be developed during the FY 94 reporting period.

**Target 2.2: Increased Ecotourism through Private Organizations, Especially at the Local Level**

Performance for all indicators related to this target went well beyond expected performance levels this year. Recognizing the importance that tourism once played in relation to the national economy (among the top five sources of foreign exchange), the GOU has devoted much effort to revitalizing this sector. APE is providing considerable support to the GOU in this endeavor.

The ten national parks (target areas) represent most of the key tourist attractions in Uganda. There was a significant increase in the number of tourist attractions opened to the public this past year. The most significant of these is gorilla tourism which began in April 1993 at Bwindi and has received direct support from APE. Preparations for reopening gorilla tourism at Mgahinga are also underway and the first groups will be allowed into the park in early 1994. Work is continuing in Semliki, Kibale, Queen Elizabeth (Kyambura gorge) and Mt. Elgon to improve and expand ecotourism.

40,000 tourists visited Uganda in 1993, an 82% increase over the previous year and well above the API projection of 28,000. Park revenues from user fees have doubled from 1992 to 1993 and are financing improvements in park operations. Finally, three new local, officially organized groups have begun providing tourist services. (There was one last year.) A number of other tourism firms have also opened but only groups based in a particular target area are counted for this indicator. There has also been a dramatic increase in the number of new, private tourism concessions. Nine new concession agreements were signed out of the 20 planned in the seven original national parks, representing a 45% increase in the privatization of national park concessions.

**Target 2.3: Strengthen Incentives for Local Participation in Management of Protected Areas and Associated Buffer Zones**

In addition to the obvious economic benefits for local communities from ecotourism, there are other benefits such as access to effective extension programs and empowerment of local communities in the decision making process for protected area management. The baseline for extension impact will be developed in association with SO 2 Indicator 3.

630 men and women from surrounding communities are employed in the parks and reserves, an increase of 130 over last year. This

figure is only Uganda National Parks employees. The API projection of 1500 includes private sector jobs. New jobs have been created in the private sector but the numbers are not currently available.

The increase in local community participation in the development of park management plans is an important development. Plans for Bwindi and Lake Mburo have been completed while plans for Mgahinga, Kibale and Rwenzori are being developed.

Even more significant is the establishment of four Participatory Management Advisory Committees (PMACs) as a direct result of community involvement in the planning process. The PMACs allow communities to play a continuing role in park management. The Mission will continue to watch this trend closely as it represents a significant departure from protected area management elsewhere on the African continent. Uganda is one of the few countries that is actively incorporating local community views and concerns into protected area management both at the policy and implementation levels, in part due to APE initiatives.

**Target 2.4: Establish Basis for Improved Management of Protected Areas**

This target focuses on the more fundamental aspects of protected area management that includes training, infrastructure development, education and administration. There was a 25% increase in the participation of park personnel in training programs during this reporting period. There were approximately 130 kilometers of road improvement (most of which directly facilitates tourism development). This was particularly noteworthy in Lake Mburo, Q.E., and Bwindi (Buhoma area for gorilla tourism). Progress related to lodging, headquarters and other infrastructure was less than anticipated. Work accomplished includes the procurement of a new headquarters for UNP plus several support structures for the various parks. Lodging and visitor centers lagged behind. Limited construction has been completed at Lake Mburo, Kibale, Mt. Elgon and Bwindi. Since the indicator measures completed construction, no progress is registered this reporting period.

The number of parks and reserves with active community conservation education programs has increased from three to seven, well beyond expected 1993 performance. New programs are located at Mt. Elgon, Mgahinga, Rwenzori and Semliki.

Standardized park financial systems will be developed and installed in all the parks during the next two years. The current baseline for this indicator is zero.

Assessment of Program Impact - Strategic Objective 2

S/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
STATEGIC OBJECTIVE 2										
Maximize biodiversity in target areas	<p>1. Current levels of tree, mammal and bird species inventoried by target area.</p> <p>2. % of target areas where current surface areas maintained.</p> <p>3. Increase in % of local men and women deriving benefits from activities related to protected area management</p> <p>DATA SOURCES:</p> <p>1. Field stations, periodic inventories, National Biodiversity Data Bank, other records</p> <p>2. protected area records</p> <p>3. project surveys with assistance from LTC/MISR study</p>	<p>3.1 (1992)</p> <p>40 (1986)</p> <p>TBD</p>	<p>NA</p> <p>60</p>	<p>3.1</p>	<p>4.8</p> <p>74/ 5</p> <p>TBD</p>	<p>2<sup>12</sup></p> <p>70</p>	<p>6.5</p> <p>80/6</p>	<p>8.5</p> <p>90/8</p>	<p>10</p> <p>100/10</p>	

<sup>12</sup> Expected performance level was established at 2 before the baseline (3.1) was determined. Expected performance levels for 94, 95 and 96 have been increased.

Assessment of Program Impact - Strategic Objective 2

ISSUES/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
<p><b>GET 1</b></p> <p>Developed policy and institutional framework that promotes sustainable natural resource use.</p>	<p>1. NEAP:</p> <p>(1) completed &amp; endorsed by GOU</p> <p>(2) implementation plan approved</p> <p>2. Upgraded legal status of targeted parks &amp; reserves</p> <p>(1) Bwindi, Rwenzori &amp; Mgahinga forest made national parks</p> <p>(2) Kibale, Semiliki &amp; Mt. Elgon raised to forest park status</p> <p>(3) Mgahinga, Bwindi &amp; Rwenzori made world heritage sites</p> <p>3. Policies for local retention of park/reserve user fees for recurrent costs &amp; local people</p> <p>(1) policy developed</p> <p>(2) policy enacted</p> <p>(3) policy institutionalized in 10 target areas</p> <p><b>DATA SOURCES:</b></p> <p>1. Project records, GOU gazette</p> <p>2. GOU gazette, GOU gazette, UNESCO</p> <p>3. GOU gazette, project records</p>			completed	completed		expected	expected	expected	

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Assessment of Program Impact - Strategic Objective 2

LS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
<b>GET 2</b> eased ecotourism through private nizations, especially at the local	1. Number of tourist visits increases in target sites	10,800 (1986)	14,000	22,000	40,000	28,000	45,000	55,000	65,000	
	2. Annual revenue from park/reserve user fees increased (million US\$)	66.3 (1991)	66.3	210	400		450	550	650	
	3. Number of officially organized local groups providing tourist services increases.	0	1	1	4	3	6	7	9	
<b>DATA SOURCES:</b>										
1. MTWA, UNP, Forest Dept. and records for 10 target parks/reserves										
2. MTWA, UNP, Forest Dept. and records from 10 target parks/reserves										
3. MTWA, UNP, Forest Dept. project surveys										

Assessment of Program Impact - Strategic Objective 2

ISSUES/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
<b>OBJECTIVE 3</b> Strengthened incentives for local participation in management of protected areas & their buffer zones	1. Increase in number of male and female farmers adopting agricultural/natural resource practices extended/promoted by project activities	TBD	0	TBD	TBD	TBD	TBD	TBD	TBD	
	2. Increase in number men and women from buffer zones employed by parks & reserves	0 (1989)	400	500	630 <sup>13</sup>	1,500	4,000	6,000	10,000	
	3. Increase in number of target areas where local communities participate in development of management plans	0	0	0	5	2	5	8	10	
<b>SOURCES:</b> 1. Project NGO records 2. Project NGO records 3. Project records										

<sup>13</sup> Includes only Government employment. Private sector employment figures not yet available.

Assessment of Program Impact - Strategic Objective 2

ALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED PERFORMANCE LEVELS				CRITICAL ASSUMPTIONS
			1991	1992	1993	1993	1994	1995	1996	
<b>OBJECT 4</b> Established base for improved management of protected areas.	1. Increase in the % of park/reserve staff and managers participating in project related training and workshops on an annual basis	0 (1989)	10	15	25	25	40	40	50	
	2. Increase number of kms of improved road infrastructure	0 (1989)	50	120	130	150	200	225	250	
	3. Decrease number of target parks/reserves offering community conservation education programs	2 (1988)	2	3	7	4	7	9	10	
	4. Increase headquarters, lodging & other support infrastructure in target parks/reserves	0 (1989)	3	4	4	5	7	9	10	
	5. Park Accounting Systems established	0	0	0	0	0	4	6	10	
<b>SOURCES:</b>										
1. Project records and GOU 2. Project records and GOU 3. Park/reserve records 4. Project records 5. Project records and GOU										

**STRATEGIC OBJECTIVE 3: Improve the Quality and Efficiency of Basic Education**

The primary education reform program has recorded solid progress during the reporting period. Policy decisions and consequent budgetary and program actions have resulted in higher salaries for teachers, a reformed textbook procurement system that promotes free and fair competition, and a new initiative to reward schools for boosting quality and access, especially for disadvantaged groups such as girls. The ground work for a comprehensive in-service training program for the nearly 50 percent of unqualified teachers has been laid and the program will begin, on schedule, during the upcoming reporting period.

The success and pace of policy reform over the last year substantiate the assumptions underpinning USAID's education program. However, the very low level from which the education system is starting should be kept in mind. Uganda's education system is gripped by both limited access and falling quality. In 1992 only 53% of 6-12 year olds were in school. Enrollment may actually have declined during the last two years. Simultaneously, quality has been plummeting. The cohort survival rate in seventh grade, the end of the primary cycle, has fallen from 90% in 1981 to 37% in 1991. The pass rate on the Primary Leaving Exam fell from 72% to 25% of those who started school during the same period. The initial task is to reverse these trends. Major gains in student achievement are still years away. Also, as progress is made towards expanding access to the approximately 50% of out-of-school youth, additional stress will be placed upon an already overloaded system.

The long-term nature of improving educational quality in a system that lacks trained teachers, instructional facilities, textbooks and learning materials was reflected in the API matrix which did not predict measurable changes in expected performance levels for this year. Nevertheless, as a result of USAID's policy dialogue and work now being done by a U.S. institutional contractor with the Ministry of Education and Sports we expect, and indeed are seeing, tangible progress towards overcoming the binding constraints to better education. Specific achievements are described below by target indicator.

It is important to reiterate that USAID's commitment to Ugandan education is long-term. It will take years before better trained teachers, the availability of instructional materials, and more active community involvement are reflected by gains in student achievement and persistence.

**Target 3.1: Increased Number of Students Using Relevant Educational Materials**

This target aims to increase the number of textbooks and supplementary learning materials in the classroom. A constraint to achieving the target, one not fully appreciated during program

design, was the lack of a clear policy governing the supply of materials to schools. Furthermore, prevailing practices, characterized by monopoly arrangements with two foreign publishers, were clouded by allegations of corruption.

**As a direct result of USAID's policy dialogue and program conditionality, the GOU has developed and published a new textbook procurement policy that abolishes monopolies and promotes free and fair competition among publishers. This reform lays the groundwork for a truly sustainable system of providing instructional materials for schools. The policy establishes a vetting body that will review, and approve for use in schools, any book that satisfies pre-set curricula and quality standards. The vetting body will not select or recommend which books should be used. Thus, it will be possible for more than one book to be approved for a grade, opening up the possibility of competition among textbooks. Selection will be done at the district level. It is hoped that as books enter the market, sales will be taken over by booksellers and the selection decision will be decentralized even further, possibly to the school level. This new system will operate for the first time during the coming year. It is expected that three to five years will be needed for the system to become fully competitive. The GOU budgeted \$3,000,000 for the purchase of core textbooks and teachers guides. This is the first year in which the GOU has made provision for instructional materials.**

### **Target 3.2: Increased Number of Effective Teachers**

This target will be achieved through a combination of policy reforms to improve teachers' terms and conditions of service and through in-service courses for unqualified teachers. Before these courses can be mounted, a new teacher training curriculum must be developed and accepted, materials must be designed and produced, and tutors must be trained. Only then can the daunting logistical problems of reaching the teachers and delivering the course be tackled.

**Real improvements in teachers' salaries are provided for in the GOU 93/94 budget which increases the salaries of the lowest paid teachers from Uganda Shillings 13,000 per month (\$11) to Uganda Shillings 35,000 per month (\$29), an increase of 260 percent<sup>14</sup>. While still appallingly low, this constitutes significant progress towards the GOU's goal of paying teachers a minimum "living wage" of 70,000 shillings per month by 1996. Higher salaries will help to increase teachers' accountability and boost the system's ability to attract and retain good teachers.**

Since the arrival of USAID's institutional contractor in mid-July 1993, the Ministry of Education and Sports has taken a number of deliberate steps towards offering in-service training to unqualified teachers. Especially important is the establishment

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<sup>14</sup> World Bank data for 1992 shows Uganda GNP per capita as \$170.

of a task force charged with producing a teacher training curriculum and syllabus. The first four hundred teachers are expected to enroll in the resulting course during the next reporting period. It should be noted, however, that this is a three year course, so the first graduates will be in 1996.

**Target 3.3: Increased Girls' Persistence**

This is the most complex of the targets included in USAID's education program. Girls' persistence is closely associated with cultural norms, marriage patterns, and parental values - all of which are difficult to influence. In addition, female enrollment in grade seven, the end of the primary cycle, is 43% nationally. This average disguises vast discrepancies among districts and even among schools within districts, making it essential to target assistance.

There is a consensus within the educational community in Uganda that the only way to effectively address this issue is through community mobilization efforts. To this end, and as a result of USAID's policy dialogue, the GOU has established procedures for making grants to schools that boost the persistence of disadvantaged groups, especially girls. The GOU has budgeted 375,000,000 Uganda Shillings (\$300,000) for the school grant program this fiscal year. Also, both the Ministry of Education and Sports and USAID's institutional contractor have recruited staff to mount community mobilization campaigns. Strategies will be developed during the upcoming reporting period.

### Assessment of Program Impact - Strategic Objective 3

SUBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	ACTUAL 1993	EXPECTED 1993	1994	1995	1996	
<p><b>STRATEGIC OBJECTIVE 3</b></p> <p>improve the quality and efficiency of education.</p>	<p>1. Increase in the percent of pupils who pass grades 1-7<sup>15</sup></p> <p>2. Decrease in the number of years of school provided per primary school graduate.</p> <p><u>DATA SOURCES:</u></p> <p>1. MOES Planning and Statistical Unit 2. Uganda National Examinations Board</p>	<p>Pass rates:</p> <p>P1:75% P2:91% P3:81% P4:82% P5:82% P6:78% P7:82% (1990)</p> <p>23 yrs. per graduate (1990)</p>	<p>P7:80%</p> <p>N.A.</p>	<p>P7:68%</p> <p>N.A.</p>	<p>N.A.</p> <p>N.A.</p>	<p>75% 91% 81% 82% 82% 78%</p> <p>23 yrs. per graduate</p>	<p>78% 92% 85% 85% 85% 85%</p> <p>23 yrs. per graduate</p>	<p>80% 92% 85% 85% 85%</p> <p>22 yrs. per graduate</p>	<p>85% 92% 87% 87% 87%</p> <p>20 yrs. per graduate</p>	<p>MOES raises teachers salaries to a living wage.</p> <p>World Bank Education Sector Credit is approved.</p>
<p><b>ET 3.1</b></p> <p>Reduced number of students using outdated educational materials.</p>	<p>1. The ratio of books to pupils will increase to one set of four core books for every three pupils.</p> <p><u>DATA SOURCES:</u></p> <p>1. MOES Project Implementation Unit 2. School surveys</p>	<p>1 book: 15 pupils<sup>(1990)</sup></p>	<p>1:6</p>	<p>1:6</p>	<p>1:6</p>	<p>1:15</p>	<p>1:8<sub>2</sub></p>	<p>1:5<sup>2</sup></p>	<p>1:3<sup>2</sup></p>	<p>MFEP budgets funds for the purchase of textbooks.</p>

<sup>15</sup> Revised from last year's grades 1-6 to grades 1-7 because it is a more complete measure of primary school performance.

### Assessment of Program Impact - Strategic Objective 3

LS/PJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCE	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	ACTUAL 1993	EXPEXTED 1993	1994	1995	1996	
<b>NET 3.2</b>  sed number of effective teachers.	1. Increase in the number of teachers receiving non-credit in-service training  2. Increase in the percent of primary school teachers who hold a Grade III or a Grade V qualification.  <u>DATA SOURCES:</u> 1. MOES Planning Unit 2. SUPER Project records	800 (1992)	800	800	650	650	5000	9000	9000	TDMS program is successfully implemented.
		49% (1990)	49%	51%	51%	50%	51% <sup>16</sup>	53%	55%	
<b>RAM TARGET 3.3</b>  sed girls persistence.	1. Increase in percent of girls who enrol in P3, P5 and P7 as a percentage of girls who start school.  <u>DATA SOURCES:</u> MOES Planning Unit, School Censuses  <sup>1</sup> 1990 School Census	P3:66% <sup>1</sup> P5:43% P7:24% (1990)	N.A.	N.A.	N.A.	66%	68%	70%	75%	
			N.A.	N.A.	N.A.	43%	45%	47%	50%	
			N.A.	N.A.	N.A.	24%	26%	28%	30%	

<sup>16</sup> Expected performance level has been increased from 50% to 51% because the 1993 actual is already 51%.

**STRATEGIC OBJECTIVE 4: Stabilize the Health Status of Ugandans**

This API reflects a revision of previous targets and sub-targets under SO 4. This revision consolidates a large number of previous targets, sub-targets and indicators to focus on core concerns; refocuses indicators on impact more directly related to specific USAID activities; and limits quantitative reporting and forecasting according to the availability of meaningful data. It does not affect the substance of our health and population portfolio.

**SO Indicator 1: Total Fertility Rate Reduced to 6.9 in Intervention Areas**

USAID has supported a number of activities over the past four years which have laid important groundwork for fertility reduction. Progressive family planning policy guidelines and service delivery standards have been promulgated; clinical-service curricula have been designed for nursing personnel and a small cadre of FP trainers has been developed; a national social-marketing program has been launched; four NGOs have initiated new, if small, FP programs; a national contraceptive logistics system has been designed; surgical contraception is being provided at 13 sites; a strong three-district community-based family planning program has been improved and expanded; a three-district Community Reproductive Health Project program has been launched; an initial series of information, communication and education (IE&C) materials has been designed; and a modest program to strengthen the Family Planning Association of Uganda has been initiated.

The significance of these advances should not be underestimated. However, contraceptive prevalence in 1989 was only 2.5% for modern methods and the use of longer-acting methods has been low; large numbers of potential FP providers still need to be trained and equipped; systems for supplying and supervising these providers and reporting on their activity are almost totally lacking; and vigorous, extensive and professional promotion of FP is in its infancy. Fertility is not measured annually, nor is it likely that significant fertility reductions have occurred over the past year alone. We currently do not have the means to reliably estimate the effect that our disparate and often small-scale activities have had on national or sub-national fertility rates to date.

USAID expects this situation to change with the implementation of our Delivery of Improved Services for Health (DISH) Project, authorized on August 31, 1993. This project will build on current initiatives and concentrate activities in 10 districts, with before-and-after fertility effects measured in these districts by two Demographic and Health (DHS) Surveys.

**SO Indicator 2: Reduced HIV Prevalence in Intervention Areas**

USAID supports AIDS-education activities of nine indigenous NGOs and the National Resistance Army; the provision of testing and counselling by the AIDS Information Center (AIC) at five branches

and 25 "satellites" in 15 of Uganda's 40 districts; and prevention counselling by The AIDS Support Organization (TASO) in seven districts. We also support the MOH's AIDS Control Program and the Secretariat of the National AIDS Commission. We do not know the extent to which these varied activities some of which began only a year or two ago, have reduced HIV transmission because the populations served are not well defined, there is no baseline, and it is not possible to monitor sero-status in these populations over time.

Given these limitations, USAID has selected six sites from which to report prevalence data. The MOH has been collecting HIV prevalence data at sentinel antenatal sites (females only) in Kampala, Jinja and Mbarara since 1989. The AIC, offering anonymous HIV testing and counseling to both men and women, was opened in Kampala in 1990, in Jinja in 1991, and in Mbarara in 1992<sup>17</sup>.

HIV prevalence at the MOH's main sentinel antenatal clinic site in Kampala is continuing to increase, with rates rising from 24.5% in 1989 to 30.1% in 1993.

AIC data shows a somewhat different trend in HIV prevalence among HIV testing and counseling clients in Kampala:

	1990	1992	1992	1993
Female	34%	34%	35%	26%
Male	23%	21%	21%	14%

Prevalence rates among female and male clients have fallen dramatically. These declines are probably caused by a shift in client population from those who suspect they are infected to persons more representative of the general population. The current similarity in prevalence between women attending the antenatal clinic (30.1%) and women attending AIC centers (26%) suggests that rates in AIC clients in Kampala may be representative of the sexually active population.

Antenatal rates in Jinja have been relatively stable at 20% to 22% since 1991. Rates in AIC female clients in Jinja remain higher, however, at 30% in 1991, 31% in 1992, and 29% in 1993. This trend is similar to that observed in Kampala, where for the first three years of operation, AIC female clients had higher rates than antenatal clinic patients. As in Kampala, rates in male AIC clients are consistently lower than the rates in women.

Rates reported by the antenatal clinic in Mbarara have fluctuated considerably, and the MOH is trying to assess what the real trends in HIV prevalence may be in this district. When the Mbarara AIC branch opened in 1992, prevalence was 25% among male clients and 34% among females. In 1993, these figures declined to 15% in

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<sup>17</sup> Estimated 1991 populations: Kampala 774,241; Jinja 65,169; Mbarara 41,031.

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males, but only to 32% among females. In December 1992, the MOH conducted a survey in Mbarara town. 1,276 persons were randomly selected, and over 25% of both males and females between the ages of 25 and 34 were positive. Perhaps most disturbing, 7% of girls aged 12 - 14 were HIV positive.

Overall, these data are discouraging, although rates may be beginning to stabilize among some populations. However, even where this may be the case, as in Kampala and Jinja, current HIV prevalence in young adults exceeds 15% for males and 25% for females, with prevalence among some sub-populations even higher. Prevalence among female clients at a newly opened AIC branch in a Kampala slum where commercial sex is common (Kisenyi) between July and September, 1993 was 41% - the highest rate ever observed at any AIC location. Evidence from Mbarara shows no stabilization, and suggests very high rates of over 25% for both men and women 25 to 34 years old.

**Data on AIC and TASO clients, however, shows an encouraging trend with respect to behavior change. It appears that people who voluntarily come for HIV testing and counseling are highly receptive to change, and with effective counseling, will reduce casual sexual encounters and use condoms at much higher rates than the general population. This is some of the first documented evidence in Africa of HIV interventions changing sexual behavior. (See Target 4.4 below.)**

**Target 4.1: Increased Use of Modern Family Planning in Intervention Communities**

Contraceptive prevalence will be measured in the 1994 DHS, both nationally and in the 10 districts<sup>18</sup> where the new DISH Project is to be implemented. In years between DHSs, we will report on couple-years of protection.

However, the contraceptive social marketing (CSM) program and NGO projects aside, data sources for CYP are poorly developed. Despite assistance from RD/POP's Family Planning Logistics Management Project, the MOH cannot provide reliable data on CYP distributed to end users, or even to individual facilities. Therefore, we will not report on nationwide contraceptive distribution, which in any case does not measure the impact of our specific FP activities, which are not national in scope.

DISH will install a basic management information system in the 10 project districts to document CYP distributed to end users, and technical assistance will be provided to develop the national logistics system. In addition, SOMARC will implement an intensive social marketing campaign in these 10 districts, and sales data from that program will be incorporated into future reports. SOMARC sales of Protector condoms are noted under Target 4.3 below.

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<sup>18</sup> Prevalence will not be measured in individual districts, but in groups of contiguous districts.

SOMARC launched an oral contraceptive, Pilplan, in July 1993 and is currently training distribution agents nationwide. However, given the large initial stocks distributed to retailers, it is too early to present meaningful sales figures for this product.

**Target 4.2: Increased Condom Use**

Condom use is clearly increasing. Condoms sales through the social marketing program were up 30 percent, to 1.65 million, between FY 92 and FY 93. However, sales did not reach the 1993 target of 3.5 million, which may be due to a combination of the government's continued reluctance to condone condom advertisement on radio and government newspapers, opposition by religious leaders, and uneven performance of the private sector distributor. Fortunately, the positions of the government and religious leaders appear to be softening.

Much attention was given to identifying, training and supplying additional social-marketing sub-distributors to attain wider coverage. As a result, sales increased from 693,000 in the first half of FY 93 to 961,000 in the second half. A price reduction (from 12.8 cents to 8.6 for three) planned for late 1993 is expected to increase condom sales still further.

USAID's HIV/AIDS sub-grantees distributed approximately 2.6 million free condoms in 1993 as opposed to less than 1 million in 1992. MOH distribution data is not available, but the 13.5 million condoms imported in FY 93 for free distribution was more than double the previous year's total. This represents a peak in the number of USAID-funded condoms that will be given away, as social-marketing condoms begin to assume a larger share of the total in USAID programs<sup>19</sup>. Recent efforts to increase the number of Protector salespersons have included peer educators and community outreach workers trained by project sub-grantees, who have expressed a high level of interest in selling Protector. It is expected that the number of such persons selling condoms rather than giving them away will grow rapidly during the coming year.

**Target 4.3: Increased Correct STD Diagnosis and Treatment in Intervention Communities**

Although STDs are undoubtedly ubiquitous in Uganda, there is little reliable baseline information on the number of cases currently diagnosed, health-care providers are largely unskilled in STD diagnosis and treatment, and requisite drugs and laboratory facilities are scarce.

USAID's efforts to address this target were met with several setbacks over the last year. A new STD sub-project began in early

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<sup>19</sup> Also, USAID's restricting future supplies to districts and organizations which have adequate logistics and reporting systems in place and the likelihood of major World Bank funding for contraceptives are expected to substantially decrease the amount of free-distribution contraceptives supplied by USAID. (See Annex A.)

FY 1994. The AIC will provide STD (and family planning) services to AIC clients who receive HIV testing and counselling, and a it should be possible to estimate STD prevalence among this client population.

USAID's new DISH project has a component to train nurses, medical assistants and physicians in 10 districts in STD diagnosis and treatment. The project's information-systems component will report on STD diagnosis and monitor STD treatment. Project implementation is scheduled to begin in August 1994, under the guidance of an STD advisor scheduled to start work in December 1993. This advisor will also work to improve the quality of sentinel surveillance data on syphilis, with a view to eventually obtaining reportable prevalence data from DISH districts.

The 1994 DHS will, for the first time, collect data on STD prevalence and treatment, establishing a baseline nationally and for DISH districts.

**Target 4.4: Reduction in Casual Sexual Partners in Intervention Communities**

During FY 93, follow-up data on casual sexual partners were collected from 3,000 AIC clients three and six months after receiving HIV test results. Overall, 7% of all clients reported having non-steady partners at the time of initial counselling and testing; by six months, this had declined to 2.6%. Among HIV-positive clients, who are strongly urged to reduce casual sexual encounters, 6.4% had casual sexual partners initially, but only 0.4% six months later.

Also, a study among 553 clients at all seven branches of The AIDS Support Organization (TASO) showed promising results. Clients with one or more sexual partners declined from 72% to 32% (males declined from 83.2% to 56.8% and females from 69.8% to 24.7%) before and after counselling. Clients with two or more partners declined from 23% to 3% (males declined from 48.0% to 8.7 % and females from 16.7% to 0). This is further compelling evidence that professional counselling works.

During the coming year USAID will attempt to institute mechanisms for monitoring reduction in casual sex among persons served by our other AIDS interventions.

Assessment of Program Impact - Strategic Objective No.4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
<b>STRATEGIC OBJECTIVE 4</b> Stabilize health status of Ugandans	1. Total fertility rate reduced to 6.9 in intervention areas.  2. Reduced HIV prevalence in intervention areas  DATA SOURCES: 1. Demographic and Health Surveys (DHS)  2. Sentinel surveillance (SS) system (ante-natal clients only) and AIDS Information Center (AIC). (a= Kampala, b=Jinja, c= Mbarara.)	1. 7.4 (1988)  2. 25% (a) 24.9% (b) 21.6% (c) (SS, 1989)  23% males (a) 35% female(a) (AIC, 1990) <sup>2</sup>	NA <sup>2</sup>	NA	NA	NA	7.2 <sup>4</sup>	NA	NA	No major deterioration in other health indicators
			27.8% 22.0% 24.5%	29.5% 19.9% 30.2%	30.1% 21.8% 18.1%	NA <sup>3</sup> NA NA	NA <sup>3</sup> NA NA	NA NA NA	NA NA NA	
<b>TARGET 4.1</b> Increased use of modern family planning in intervention communities.	1. Contraceptive prevalence rate; (modern methods)  2. Couple years of protection distributed  DATA SOURCES: 1. Demographic and Health Surveys  2. DISH MIS  SOMARC data (S)  AVSC data	1. 2.5% (1988)  2. DISH: none  S: see 1991  AVSC: see 1992	NA <sup>20</sup>	NA	NA	8%	NA <sup>22</sup>	NA	NA	Significant portion of CPR is accounted for by longer-acting methods
			NA 1,987 unkn	NA 8,460 17,375	NA 11,027 21,763	NA <sup>21</sup> NA NA	26,667 28,667 26,333	28,667 26,333 28,966	30,900 28,966	

<sup>20</sup> See Annex A.

<sup>21</sup> Not previously specified. (DISH, SOMARC and AVSC were not previously broken out of total CYP.)

<sup>22</sup> A Demographic and Health Survey will be conducted in 1994 and will estimate contraceptive prevalence.

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
<p><u>TARGET 4.2</u></p> <p>Increased condom use in intervention communities</p>	<p>1. Condom distribution data (000s)</p> <p>2. Consistency of use, especially in high-risk situations</p> <p>DATA SOURCES:</p> <p>1. AIDS NGO grantees' records</p> <p>SOMARC sales figures (S)</p> <p>DISH management information system (MIS)<sup>23</sup></p> <p>2. AIC data; case studies in intervention communities.<sup>24</sup></p>	<p>1. NGOs: unkn</p> <p>S: see 1991</p> <p>DISH: NA</p> <p>2. AIC</p>	<p>unkn</p> <p>298<sup>25</sup></p>	<p>&gt;1,000</p> <p>1,269</p>	<p>3,600</p> <p>1,654</p>	<p>NA<sup>26</sup></p> <p>3,600</p>	<p>3,438<sup>27</sup></p> <p>4,000</p>	<p>3,782</p> <p>4,400</p>	<p>4,160</p> <p>4,635</p>	<p>Condoms are used correctly.</p> <p>Condom supply keeps pace with demand</p>

<sup>23</sup> To be developed under DISH project, authorized 8/31/93.

<sup>24</sup> This methodology will be designed and implemented in CY 1994. The nature of this data (which may not be quantitative) and, therefore, how it will be reported is currently uncertain.

<sup>25</sup> CY 1991. All other SOMARC entries are FY.

<sup>26</sup> New indicator.

<sup>27</sup> An unknown portion of the FY 94 to FY 96 increase will derive from the sale of social marketing condoms. USAID anticipates that the sale of SOMARC products by AIDS NGOs will increasingly supplant free distribution. Sales by these NGOs will begin in FY 93.

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
<p><b>TARGET 4.3</b></p> <p>Increased correct STD diagnosis and treatment in intervention communities</p>	<p>1. Number of cases diagnosed and treated by NGOs and DISH districts.<sup>28</sup></p> <p>2. Performance assessment reports from NGO grantees and DISH-district supervisors.<sup>29</sup></p> <p>DATA SOURCES:</p> <p>1. NGO records; DISH MIS system<sup>30</sup></p> <p>2. DISH supervisory system<sup>31</sup>; reports from USAID AIDS and STD advisor<sup>32</sup></p>	<p>1. None</p> <p>2. None</p>	NA	NA	0	2,000	NA	NA	NA	<p>Drug therapy is effective; client compliance is high.</p> <p>STDs are major cofactors in HIV transmission</p>
			NA	NA	NA	NA <sup>33</sup>	NA	NA	NA	

<sup>28</sup> No NGO STD activity to date; DISH Project not yet operational.

<sup>29</sup> AIC will begin treating STDs on a pilot basis at one site in Kampala in November 1993. DISH MIS and supervisory system will not be operational until CY 1995.

<sup>30</sup> Ibid.

<sup>31</sup> Ibid., note 9.

<sup>32</sup> STD advisor to begin work 12/93.

<sup>33</sup> New indicator.

Assessment of Program Impact - Strategic Objective 4

GOALS/OBJECTIVES/OUTCOMES	PERFORMANCE INDICATORS & DATA SOURCES	BASELINE	ACTUAL			EXPECTED				CRITICAL ASSUMPTIONS
			1991	1992	1993	Expected 1993	1994	1995	1996	
<p><b>TARGET 4.4</b></p> <p>Reduction in casual sexual partners in intervention communities</p>	<p>1. Case studies in intervention communities.<sup>34</sup></p> <p>2. Percent of counselled clients reporting 'non-steady' partners</p> <p>DATA SOURCES:</p> <p>1. World Learning, Inc.<sup>35</sup></p> <p>2. AIC follow-up studies (Kampala)</p>	<p>1. None</p> <p>2. See 1992</p>	<p>NA<sup>36</sup></p> <p>NA<sup>37</sup></p>	<p>7%</p>	<p>2%</p>	<p>NA</p> <p>2%</p>	<p>2%</p>	<p>2%</p>	<p>2%</p>	<p>None</p>

<sup>34</sup> Ibid. note 11.

<sup>35</sup> Case studies to be conducted under supervision of new technical advisor scheduled to start work 12/93.

<sup>36</sup> New indicator.

<sup>37</sup> New indicator.

## Assessment of Program Impact - Strategic Objective 4

1. Previous API reported on 15-19 year olds, Kampala only. This and subsequent APIs will report on all clients in Kampala, Jinja and Mbarara.
2. See Annex A.
3. Not previously specified. AIDS impact modeling exercise noted in previous API was not conducted.
4. To be measured by the DHS.
5. Ibid.
6. See Annex A.

## SECTION IV

### OTHER PROGRESS IN PRIORITY AREAS

#### DEMOCRACY AND GOVERNANCE

Uganda has made the commitment to become a constitutional democracy. The beginning phase of this commitment should be fulfilled by early 1995 when the following events should be completed: a draft Constitution will have been published; a Constituent Assembly will have been elected to review, revise and ratify the draft Constitution; general elections will have elected a President and Parliament.

Progress to date has been impressive. The draft Constitution is the product of extensive consultations with all elements and areas of Ugandan society. Currently, it is being vigorously debated in a largely responsible and informed manner. A constant theme of the debate is that in the past 30 years, Uganda has had four different Constitutions, none of which have been respected, and that this time Ugandans need to come up with a document which fits the needs of the nation and which will be followed. This commitment to establish a workable and enduring Constitution that will be respected by all is especially encouraging; at this point it appears that the process will be completed successfully.

Former excesses led Uganda into a destructive downward spiral. The struggle to escape this condition has been painful. It also has been relatively short given the distance covered. For example, Cambodia, with a similarly despotic and violent recent history, is far less advanced in the process of becoming democratic.

Preparations for Constituent Assembly elections are underway. Registration of voters is currently taking place. Candidates are to be nominated in January; elections are scheduled for March 28. Uganda is on the road to its first free and fair election in over 25 years, setting the stage for the subsequent election of the President and Parliament.

USAID/Uganda is heavily involved in the democratization process. Our strategy has been a multi-fold one. First, we used a stated commitment of the GOU to implement a new Constitution, as the basis of our plan. Second, we initiated a range of pilot activities to improve the legal system. Third, we set aside funds through the local currency program to support the elections. Fourth, through the Policy Analysis and Capacity Building project, we developed the mechanism to reinforce the successes we have had in the pilot activities. Fifth, using the credibility we have developed in the initial stages, we have begun the process of actively responding to Ugandan requests to improve the basic systems of their system of government. The approach is to encourage the GOU to take small, well prepared steps that ultimately lead to constitutional democracy. The aim

is not a quick "successful" election followed by a coup or insurrection as in some other African countries, but rather a process that leads inexorably to a sustainable constitutional democracy.

As mentioned earlier in this document, one of the three basic conditions for having a major USAID program in Uganda is that the country meet its commitment to implementing a Constitution. USAID merely reinforced the Government's intention by making it the cornerstone of our strategy. The commitment is being fulfilled.

Through our local currency program, we have funded the initial stages of the Constituent Assembly elections. We have successfully encouraged the other democratic donors (the EEC countries, Canada, Norway, Australia, and UNDP) to also provide funds. Equally importantly, together with other donors and the Commission for the Constituent Assembly, we are working to help ensure that the elections are contested on a level playing field.

First, our assistance concentrated on the judicial sector. Small grants were used to : 1) begin the process of codification of Uganda's laws, which has not been done in 28 years; 2) train public and non-governmental personnel in handling human rights cases, and 3) sponsor specific help in will writing for women. To date, the will writing project has trained 8153 persons, of whom approximately 650 have executed wills; the various human rights training seminars have trained 230 persons; and the civic education initiative is proceeding well.

While the most visible event in the democratization process is the elections, our major emphasis is on building a civil society. Thus, we have helped form a consortium of NGOs to perform civic education. Their initial task has been to prepare the electorate for the elections, that is, to help citizens to register and then to vote. This is proceeding according to plan. To date the 250 district level trainers have been trained, and in the first week of the registration campaign, the consortium sponsored radio programming in several of Uganda's major languages on the need to register and vote. Over the course of the total campaign approximately two million voter contacts will be made. The approach is multi-phased, in which the first phase is voter education for the Constituent Assembly elections, the second phase is informing citizens about the work of the Constituent Assembly, the third stage is preparing voters for the general elections, and the fourth stage is further developing effective democratic government.

USAID/Uganda began its Democracy & Governance program in 1992. Human rights outreach programs have since doubled. Human rights violations have decreased. A start on developing the rule of law and developing a civil society has been made. Specific activities such as will writing have begun to provide increased protection to women and children. An effective system of working with Uganda has already demonstrated tangible results.

**ANNEX A**

**REVISIONS OF TARGETS AND INDICATORS**

Revisions to targets and indicators have been made this year within strategic objectives 1 and 4. The revisions in both cases represent a better articulation of the impact we expect to be able to measure, but do not alter the basic strategy of either strategic objective. In both SO 1 and SO 4, the number of indicators has been reduced. These changes are consistent with the guidance provided in the USAID/Washington comments on the FY 92 Uganda API (State 046744).

**Strategic Objective 1: Increase Rural Men's and Women's Incomes from Agricultural Exports**

Modifications to the strategic framework for SO 1 are reflected in the targets, sub-targets and indicators. The strategic objective remains unchanged. The revision of the framework reflects the Mission's programmatic response to shifting opportunities and constraints in the agricultural export sector. In addition, the Mission felt a refinement of the strategy would permit a more explicit articulation of the content and strategic approach of the Mission's SO 1 program. A new project in support of SO 1, Investment in Developing Export Agriculture (IDEA), has recently been authorized and the upcoming ANEPP amendment add to the justification and appropriateness of revising the strategy at this time. Some of the indicators developed recently cannot be measured or reported on this year because they will be generated through the new projects, IDEA and redesigned ANEPP, yet to come on line.

Our strategy for achieving an increase in the incomes of rural men and women focuses on two targets: increasing non-traditional agricultural exports (NTAEs) and increasing the rates of return to producers and exporters from those exports. Activities contributing to the first target involve NTAE enterprises, producers and exporters, in three principal ways: through an improvement in the enabling environment for NTAEs; by increasing access to and use of financial resources by these enterprises, and; by facilitating the improved management performance of enterprises involved in the NTAE sector. It is anticipated that progress in these areas will result in an increase in the volume of both production and sales of NTAEs, thereby increasing incomes throughout the NTAE production and marketing chain. An important assumption of this strategy is that markets, i.e., demand, will continue to exist for these exports.

The activities under the second target address the income earned by producers and exporters from each unit of production. Mission programs aim to increase the efficiency of NTAE markets and improve the pre and post harvest technologies employed by NTAE farmers. Improvement in farm level technologies will increase the volume of (marketed)

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producers and exporters to earn a larger share of the final market price for various NTAE crops.

Detailed discussion of data and indicators in this revision is attached as ANNEX C.

**Strategic Objective 2: Stabilize Biodiversity in Target Areas**

Expected performance levels for FYs 94 to 96 were increased because we exceeded our expected levels for FY 93. These include: SO Indicator 1 (inventory work completed in target areas), Target 2 Indicator 1 (tourist visits), and Target 2 Indicator 2 (tourist revenues). Also, starting this year we will be assessing the level of ranger surveillance as an additional component of SO Indicator 2 (current surface area maintained in target areas), as well as the change in the population of key species and animal groups (SO Indicator 1). Target 2.4 Indicator 1 (management plan completion) has been dropped as it is covered adequately in Target 3 Indicator 3 (local participation in management plan development). Finally, Target 2.4 Indicator 5 (park accounting systems established) has been added as an additional measurement of improved protected area management.

**Strategic Objective 3: Improve the Quality and Efficiency of Basic Education**

Last year, the SO indicator was "Increase in the percent of pupils who pass grades 1-6." It has been revised slightly to include all primary school levels (grades 1-7). Target 3.2 Indicator 2 (percent of primary school teachers who hold a Grade III or Grade V qualification) expected performance levels for FYs 94 to 96 have been increased because the actual FY 93 percentage exceeded the expected level.

**Strategic Objective 4: Stabilize the Health Status of Ugandans**

In reviewing our health and population portfolio in preparation for this API, it became apparent that the monitoring agenda set forth in the previous API, involving the assessment of eight targets and sub-targets via 23 indicators, was excessive and in some respects unimplementable. Therefore, we have revised the annual SO performance levels, and the targets and their indicators. The strategic objective itself remains unchanged.

**SO Annual Performance Levels**

Fertility. Changes in fertility are not measured from year to year. Rather, they are measured in surveys (DHSs) every five years. Since we won't know how fertility is changing from year to year, it is not feasible to set and report on yearly targets for fertility reduction. In addition, analysis for the design of USAID's new DISH project revealed that the previous plan to reduce total fertility to 5.8 by 1996 was unrealistic. We now estimate it is possible to reduce total

fertility from 7.4 to 6.9 by 1999 in intervention areas<sup>1</sup>. Therefore, we have deleted an expected TFR for 1993; changed the previous 1994 target from 6.4 to 7.2 (a DHS will be conducted in 1994); and, since a subsequent DHS will not be done until 1998 or 1999 and there will be no other means of estimating the TFR between in the years in between, we have no expected performance levels for TFR through 1996.

HIV. We have sharpened Indicator 2, related to reduced HIV transmission. This indicator, previously based solely on data from the AIDS Information Center, is now also based on data from the MOH's sentinel surveillance system. However, both sets of data contain marked variation depending on location, making an average figure almost useless. Also, the populations covered by the AIC and by sentinel surveillance are not the same as the populations covered by our current and planned AIDS interventions, making both sets of data imperfect for API purposes.

Nonetheless, we have attempted to maximize at least the potential "fit" between our program and available data by selecting three AIC sites and three sentinel sites in areas where USAID's program has been or, in the case of the new DISH project, will be in operation: Kampala, Jinja, and Mbarara.

Projecting the magnitude of reductions in HIV transmission is highly problematic at best. Since it is probably not possible to monitor HIV sero-status in the sub-populations served by our current interventions (indeed it is difficult to even define these sub-populations), we have no data on which to base future estimates for our current interventions and little likelihood of getting such data in the future. We do not know how much HIV transmission will decline, if at all. Therefore, although we will be reporting on actual rates, we are not in a position to forecast expectations for HIV reduction.

#### **Targets and Indicators**

We have reduced the previous number of targets and sub-targets from 8 to 4 and made them all targets. Per USAID/Washington's suggestion, we have reduced the number of indicators from 23 to 10. These changes do not alter the substance of our program and do not move the goal posts; rather, they consolidate and simplify the matrix to focus on core concerns. (In making these revisions we have tried not to focus on "what we're doing that we can measure" but on "what we should measure to know how we're doing.")

Regarding AIDS, we have reduced one target and four sub-targets with one and 12 indicators respectively to three targets and five indicators.

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<sup>1</sup> Given low contraceptive prevalence (2.5%), continuing low availability of services, and the limited use of longer-acting

We have deleted former Target 1 (reduced HIV transmission), which was largely redundant given SO Indicator 2 (retained, as above), and replaced it with former Sub-target 1.1 (increased condom use), now Target 4.2. Three of four former indicators have been consolidated into one indicator with three data sources.

We have revised former Sub-target 1.2 and made it Target 4.3. The revision removes reference to reducing STD incidence and speaks instead of increasing STD diagnosis and treatment (former Indicator 1.2.2). The MOH's STD sentinel-surveillance system is based entirely on syndromic diagnosis, and incidence/prevalence data is unreliable and largely unanalyzed and unreported. Thus, there is no reliable baseline from which to measure change in STD incidence. Establishing such a baseline linked to our as yet non-existent STD interventions and accurately tracking STD incidence over time is a significant research effort which is beyond our means. Also, STD services in Uganda will have to be built virtually from scratch. Even if we could track incidence or prevalence, we cannot reasonably forecast the effect of interventions which do not yet exist and with which USAID and other donors have very little previous experience. Therefore, we have chosen a target (diagnosis and correct treatment) which relates to specific USAID interventions (mostly under DISH) and which can be more readily measured.

We have added one new target for AIDS (4.4): reduction in casual sexual partners. The addition of this indicator, which has been a focus of our AIDS education efforts, brings our AIDS targets into line with the three potentially most effective means of preventing HIV transmission: condom use, STD treatment and partner reduction<sup>2</sup>.

In a polygamous culture, analysis and interpretation of data relating to partner reduction is difficult. Further, we have observed great variation, relating to cultural and linguistic differences in various parts of the country, in the way interviewers ask questions about the number of sexual partners. Additionally, most persons understand the difference between steady and non-steady partners, and understand the need to reduce casual sexual encounters. Data on casual sexual partners is probably more reliable and meaningful than data on sexual partners in general.

We have deleted former Sub-target 1.3 (increased knowledge) and its related indicators. General knowledge about AIDS in Uganda is already high, and knowledge is a first step toward behavior change, not an end in itself. Our three AIDS targets now focus on the specific behaviors we wish to promote.

<sup>2</sup>

Partner reduction may prove the least useful of these three interventions. Initial data from an ongoing USAID study at the ATD indicates no correlation between numbers of partners and

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We believe that this reduced number of AIDS targets and indicators succinctly describes what our AIDS efforts are trying to achieve and will help keep us focused on end results rather than intermediate steps along the way.

Regarding family planning, we have deleted former Sub-targets 2.1 and 2.2 concerning increased availability and demand for FP services, along with their related indicators. Although increasing service availability and demand are major elements of the new DISH Project, they are not ends in themselves. Rather they are a means of increasing the use of family planning (Target 4.1). We will know the extent to which services are available and in demand by the extent to which contraceptive prevalence increases.

However, just as we will not know how fertility changes from year to year, we will not know how contraceptive prevalence, also measured by the DHS, changes annually. Therefore, we do not plan to report annually on this indicator. Except for years when a DHS is done, we will report yearly only on couple-years of protection (CYP) distributed.

CYP data will not include national level data on free distribution of contraceptives by the MOH. Section III describes the unreliability of this data, which in any event is only partially (perhaps tenuously) linked to USAID's program, which is not national in scope. Starting in 1996, USAID will supply contraceptives only to those districts or organizations which have adequate contraceptive logistics and reporting systems in place. These are likely to be DISH districts and our AIDS subgrantees. Our data on MOH-free-distribution contraceptives will thus come from the management information systems (MIS) set up under DISH (or similar systems implemented by subgrantees), at least until reliable MOH reporting systems are in operation.

USAID/UGANDA  
PROGRAM OBJECTIVE TREE

PROGRAM GOAL:  
Establish the Basis for Sustainable Improvements in the Standard of Living.

PROGRAM SUB-GOAL:  
Sustainable, equitable economic growth promoted on a competitive diversified basis

STRATEGIC OBJECTIVE No. 1  
Increase rural men's and women's income from agricultural exports.

STRATEGIC OBJECTIVE No. 2  
Stabilize biodiversity in target areas.

STRATEGIC OBJECTIVE No. 3  
Improve the quality and efficiency of basic education.

STRATEGIC OBJECTIVE No. 4  
Stabilize the health status of Ugandans.

TARGET No. 1.1  
Increased exports of NTAEs.

TARGET No. 1.2  
Increased rates of return to producers and exporters from NTAEs.

TARGET No. 2.1  
Improved policy and institutional framework that promotes sustainable natural resource use.

TARGET No. 3.1  
Increased number of students using relevant educational materials.

TARGET No. 4.1  
Increased use of modern family planning in intervention communities.

SUB-TARGET No. 1.1.1  
Improved enabling environment for NTAE enterprises.

SUB-TARGET No. 1.2.1  
Increased efficiency for NTAE markets.

TARGET No. 2.2  
Increased ecotourism through private organizations especially at the local level.

TARGET No. 3.2  
Increased number of effective teachers.

TARGET No. 4.2  
Increased condom use in intervention communities.

SUB-TARGET No. 1.1.2  
Increased use of financial resources by NTAE enterprises.

SUB-TARGET No. 1.2.2  
Improved on-farm post harvest technologies.

TARGET No. 2.3  
Strengthen incentives for local participation in the management of protected areas.

TARGET No. 3.3  
Increased girls' persistence.

TARGET No. 4.3  
Increased correct STD diagnosis and treatment in intervention communities.

SUB-TARGET No. 1.1.3  
Improved management performance of NTAE enterprises.

SUB-TARGET No. 1.2.3  
Increased adoption of improved agricultural production technologies.

TARGET No. 2.4  
Established base for improved management of selected protected areas.

TARGET No. 4.4  
Reduced number of persons with casual sexual partners in intervention communities.

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ANNEX B

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## ANNEX C

### DETAILED DISCUSSION OF DATA AND INDICATORS

**Strategic Objective 1: Increase Rural Men's and Women's Incomes from Agricultural Exports**

Performance Indicators:

Average rural household expenditure  
Returns to rural producers' labor from major NTAEs

Household expenditure is an accepted proxy for household income and it is the approach used by the Bureau of statistics in its national household survey. The earliest survey was in 1989/90. The 1991/92 survey covered 10,000 randomly selected households distributed across all districts. Annual follow-up or monitoring surveys are using a smaller questionnaire and covering 5,000 households (half of which are from the 10,000 of the 91/92 survey and half of which are new). Funding is available for these efforts through 1994.

The household is the smallest economic unit of measurement in the survey. As a result, there is no way to separate household income by gender retroactively. This would require assigning certain categories of expenditure to men or women. The survey does distinguish between rural and urban households and calculates a rural and an urban household income level. It would be useful to check the operational definitions of rural and urban used in the survey to confirm that rural household income is the appropriate indicator.

Returns to rural producers' labor indicator is used as a proxy for incomes generated by production for export. It is also important as a complement to the first indicator which measures household expenditure or income, because it makes the link between agricultural exports and farm level income, or in this case an estimate of gross revenue.

The only limit to the range of crops covered is the gross margins data. The only source of gross margins data is a series of semiannual reports prepared by the BOU/AS. The reports cover the important traditional and non-traditional export crops (even vanilla), but not some crops of interest to the mission such as certain vegetables, floriculture crops, and other more specialized crops. These crops could possibly be added if gross margins could be obtained through AID projects. The crops covered in the producer price reports account for a large proportion of export volume and value.

**Target 1: Increase Exports of Non-traditional Agricultural Exports**

Performance Indicators:

Total annual dollar value of Non-traditional Agricultural Exports

Number of Non-traditional Agricultural Exports with a dollar value of exports exceeding \$2 million per annum

Both of these indicators are based on customs data. Non-traditional agricultural exports are defined as non-coffee agricultural exports. Because AID programs operate on policy, technical, financial levels with producers, institutions, and government, it is appropriate that this measure be broadly defined so as to capture the impetus given to private enterprise to develop or to expand export activity generally. Although the indicators in Strategic Objective 1 look more directly at rural income, the total dollar value of NTAEs provides an indication of the direction and magnitude of change in rural income from agricultural exports. The second indicator uses the benchmark crop export value of \$2 million to highlight the emergence of crops making a substantial contribution to rural incomes and foreign exchange earnings.

**Sub-target 1.1: Improve Enabling Environment for NTAE Enterprises**

Performance Indicators:

Total value of annual investment in manufacturing and agriculture through the UIA

Difference between the lending rate and the deposit rate at the Cooperative Bank

The value and level of participation in major agribusiness and agricultural investment indicates in large part the favorability of the policy and regulatory environment to foreign and national investors.

Data concerning the total value of annual investment in manufacturing and agriculture is available from the Uganda Investment Authority (UIA). Under the Investment Code, the UIA approves investment licenses for enterprises seeking to establish businesses in Uganda. Investment licenses are required for foreign firms establishing a business of \$100,000 or more and for Ugandan firms establishing a business of \$50,000 or more. The UIA monitors the investment of firms and keeps a computer database. However, at present, the firms are grouped according to sectors such as manufacturing that lump together agribusiness processing and industrial manufacturing. It is not known if these two can be disaggregated. In addition, the UIA monitoring effort has been overtaken by the pace of investment approvals and

actual investment. To date, they have monitored (visited and collected data from) a bit less than two thirds of the more than 500 licensed firms that have begun construction or operations.

Overall, this indicator is a compromise between what we would like to measure and what data are available. The limitations of using the UIA data are that it captures the larger investors only and that disaggregation of agribusiness from industrial manufacturing may not be possible. For the time being, it can be assumed that if the enabling environment is good for industrial manufacturing it is probably good for agribusiness and that the level of investment reflects this.

The time of obtaining an investment license and other required licenses has been reduced to a matter of weeks in most cases according to UIA records and personnel. Thus the time between application and investment was rejected as a measure of bureaucratic performance because it mostly reflects other variables such as the actions of the investor.

Based on discussion with the General Manager/Credit at the Cooperative Bank, the Mission should be able to obtain access to the average loan rate and the one-year savings deposit rate by making a written request specifying the data desired. The present difference between the two rates is about 12 to 14 percentage points: the rate for an average sized loan is about 28 percent and the rate of interest on a one year savings account is about 14 percent. The difference measures the transaction costs to the bank, the need to provide for loan defaults, inflation, and the profit margin of the bank. Because business opportunities with higher than 28 percent rates of return may decline as investment increases, because competition among commercial banks in Uganda is expected to increase, and because more efficient management and technology will be employed in banking, this gap between the loan rate and the one year savings rate should decline over the next five to ten years perhaps dropping to half its current size.

**Sub-target 1.2: Increase Use of Financial Resources by NTAE Enterprises**

Performance Indicators:

Value of loans, grants, and credit made by AID-affiliated financial institutions  
Number of loans, grants, and credit arrangements made by AID-affiliated financial institutions

These indicators track the magnitude of financial assistance and financial resource use through financial institutions assisted by AID. The indicators do not measure the universe of agriculture-related borrowing in Uganda, rather they are specific to the AID program. Total commercial loans and advances to the private sector for agriculture can be found in the Quarterly Economic Report prepared by the Bank of Uganda.

Before planned grant and venture capital programs begin, this indicator will include the commercial loans made by the Cooperative Bank and the Nile Bank. Based on discussion with the General Manager/Credit at the Cooperative Bank, the Mission should be able to obtain access to number of loans and total value of loans to non-traditional agriculture by making a written request specifying the data desired. A similar request can be made of the Nile Bank.

**Sub-target 1.3: Improve Management Performance of NTAE Enterprises**

Performance Indicators:

Average annual per firm percentage change in revenues for NTAEs enterprises assisted through AID activities

Data will be collected directly from those firms assisted by USAID through its programs or project implementing units. Assistance is defined as technical, advisory, or marketing assistance, and excludes financial assistance such as credit or grants which is the domain of Sub-target 1.1.2 above. Collection of this data requires that the unit providing the technical assistance (such as the Agribusiness Development Center envisioned for the IDEA project) make arrangements with assisted businesses to obtain year-end financial records. It is assumed that these will be available at the close of the fiscal year at the end of June. The indicator is the average of the percentage change in annual revenue per firm.

**Target 2: Increase Rate of Return to Producers and Exporters from Non-traditional Agricultural Exports**

Performance Indicators:

Returns per person-day of family labor for major NTAEs

We selected this indicator because it will give us a picture of the change in returns to unit labor inputs at the farm level. Returns per person-day are available in semiannual reports from the BOU/AS. The problem with using these, in some form, to create an indicator lies in the fact that the data must first be aggregated and then be deflated to demonstrate changes in real returns. The aggregation question we have resolved by using total labor inputs to export production to weight the individual "returns per person-day" data reported by the BOU/AS. The alternative, using value of individual commodity exports was judged to be less desirable because changes in world market prices would likely lead to changes in returns per person-day, and would therefore unduly bias our results by favoring those commodities whose world prices had increased.

**Sub-target 2.1: Increase Efficiency of NTAE Markets**

**Performance Indicators:**

Farmgate price as a percentage of the F.O.B. or border price for selected NTAEs.

Farmgate price as a percent of the border price measures the proportion of the value of the primary product captured by the farmer or outgrower. Assuming no or little processing of the product, this percentage indicates how costly, read efficient, the market is at moving goods from the farm to the export market. Anecdotal information suggests that, as in financial markets and other sectors, there is a high marketing cost or margin between the farmgate and the border price related to excessive costs of marketing and moving goods in the country due to undeveloped infrastructure. Changes in macroeconomy, rehabilitation of infrastructure, and privatization and increase entry into marketing and vertical integration will drive down these costs. The farm gate price as a percentage of the border price may increase as marketing costs decrease.

The only source of farm gate data discovered to date is BOU/AS as described under Strategic Objective 1 above. Care must be taken in choosing the time periods of the farmgate price and the border prices to compare for each crop since agricultural marketing volume and prices tend to have seasonal peaks and valleys. A marketing expert could be consulted to advise on the best approach for calculating this ratio given data availability.

**Sub-target 2.2: Improve On-farm Post-harvest Technologies**

Performance Indicators:

Cumulative number of farmers adopting post-harvest technologies in targeted areas

This indicator is a direct measure of the impact or goal of developing and demonstrating post-harvest technology. "Targeted areas" refer to areas where extension and demonstration activities will be focused. What constitutes "improved cultural practices" will be determined by the technologies developed and recommended for dissemination under USAID programs.

Tracking the number of farmers adopting post-harvest technologies will be an important part of project-level monitoring and evaluation. It is likely that such tracking will be an exercise carried out by extension workers themselves based on their field records. Alternatively, the proportion of adopting farmers could be estimated from a survey of a random sample of farmers in targeted areas and this percentage tracked from year to year.

**Sub-target 2.3: Increase Adoption of Improved Agricultural  
Production Technologies**

Performance Indicators:

- Percent of total crop acreage planted with improved seed by crop
- Number of farmers in targeted areas employing improved cultural practices

These indicators will need further refinement depending upon USAID programs, such as collaboration/support of the National Agricultural Research Organization (NARO) through the IDEA project. The planted acreage when it is small can be measured directly and divided by the total crop acreage data. Alternatively, acreage planted to improved seed can be estimated by dividing the amount of improved seed sold by the average seeding rate for the crop. Improved seed sales data can be obtained from seed companies or project data or both. The average seeding rate is available from the BOU/AS.

As for the preceding sub-target indicators, "targeted areas" refer to areas where extension and demonstration activities will be focused. What constitutes "improved cultural practices" will be determined by the technologies developed and recommended for dissemination under USAID programs.