

# **USAID**

## **COUNTRY STRATEGIC PLAN**

### **FOR UGANDA**

### **FY 1997-2001**

**(APPROVED DECEMBER 1996)**

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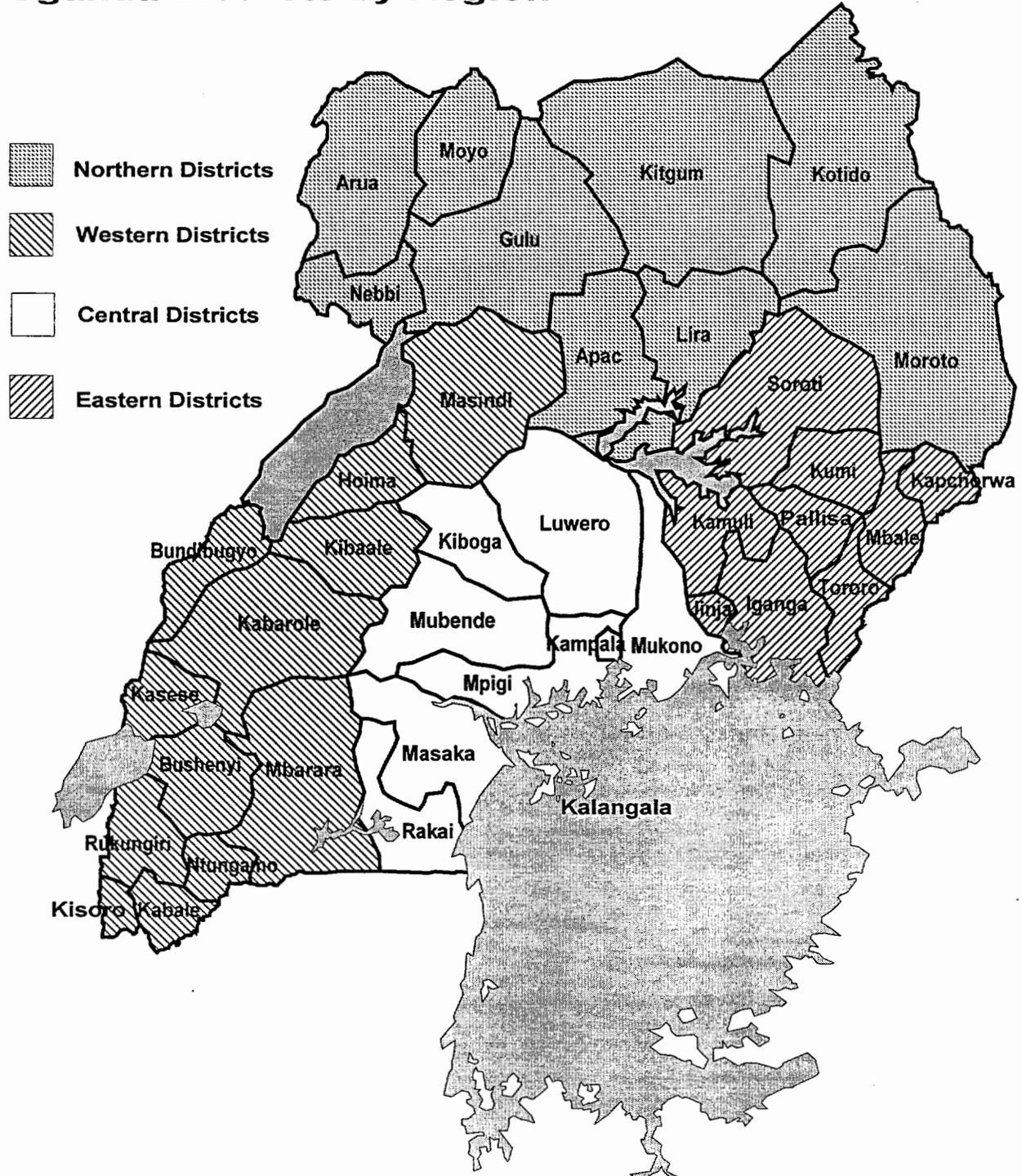
## ACRONYMS

ADF	Africa Development Foundation
AIC	AIDS Information Center
AIDS	Acquired Immune Deficiency Syndrome
AMREF	African Medical and Research Foundation
ANC	Ante-Natal Care
APE	Action Program for the Environment
ARI	Acute Respiratory Infection
CA	Constituent Assembly
CARE	Cooperative for American Relief Everywhere
CIDA	Canada International Development Agency
DANIDA	Danish International Development Agency
DHS	Demographic and Health Survey
DP	Democratic Party
EAC	East African Cooperation
EIP	Environment Investment Program
EPAU	Export Policy Analysis Unit
EPI	Expanded Program of Immunization
EU	European Union
FAO	Food and Agricultural Organization
FEWS	Famine Early Warning System
FHRI	Foundation for Human Rights Initiative
FIDA(U)	Uganda Association of Women Lawyers
FOWODE	Forum for Women in Democracy
FP	Family Planning
FY	Fiscal Year
GDP	Gross Domestic Product
GHA	Greater Horn of Africa
GHAI	Greater Horn of Africa Initiative
GMU	Grants Management Unit
GOU	Government of Uganda
GTZ	German Technical Cooperation
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
ICDP	Integrated Conservation and Development Project
IDA	International Development Agency
IEC	Interim Elections Commission
IE&C	Information, Education and Communication
IGAD	Inter-Governmental Authority on Development
IMF	International Monetary Fund
IPFC	Inter-Political Forces Cooperation
IR	Intermediate Result

IUD	Intra-Uterine Device
JICA	Japanese International Cooperation Agency
KfW	German Bank for Reconstruction
LRA	Lord's Resistance Army
MCH	Maternal and Child Health
MH	Maternal Health
MOH	Ministry of Health
MUIENR	Makerere University Institute of Environment and Natural Resources
NEAP	National Environmental Action Plan
NEMA	National Environment Management Authority
NGO	Non-Governmental Organization
NIH	National Institute of Health
NOCEM	National Organization for Civic Education and Election Monitoring
NPA	Non-Project Assistance
NPERPMC	National Primary Education Reform Program Management
NRA	National Resistance Army (previous name for Ugandan army)
NRC	National Resistance Council (previous name for parliament)
NRM	National Resistance Movement
NTAE	Non-Traditional Agricultural Export
ODA	Overseas Development Administration (U.K.)
ORS	Oral Rehydration Salt
ORT	Oral Rehydration Therapy
OYB	Operational Year Budget
PCV	Peace Corps Volunteer
PETDP	Primary Education and Teacher Development Program
PHN	Population, Health and Nutrition
PLE	Primary Leaving Examinations
PTA	Parent Teachers' Association
SIDA	Swedish International Development Agency
SNV	Netherlands Development Organization
SO	Strategic Objective
STD	Sexually Transmitted Disease
STI	Sexually Transmitted Infection
SUPER	Support to Uganda Primary Education Reform
TASO	The AIDS Support Organization
TB	Tuberculosis
TBA	Traditional Birth Attendant
TDMS	Teacher Development and Management System
UIA	Uganda Investment Authority
UJCC	Uganda Joint Christian Council
ULS	Uganda Law Society
UNDP	United Nations Development Program
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
UNP	Uganda National Parks

UPAF	Uganda Prisoners Aid Foundation
UPC	Uganda People's Congress
UPDF	Uganda People's Defence Force (the army)
UPE	Universal Primary Education
UPMA	Uganda Private Midwives Association
USAID	United States Agency for International Development
USG	United States Government
UWA	Uganda Wildlife Authority
VAT	Value Added Tax
WFP	World Food Program
WHO	World Health Organization

# Uganda Districts by Region



**PART I**

**SUMMARY ANALYSIS OF ASSISTANCE ENVIRONMENT**

**AND**

**OVERVIEW OF COUNTRY STRATEGY**

## **PART I: SUMMARY ANALYSIS OF ASSISTANCE ENVIRONMENT AND OVERVIEW OF COUNTRY STRATEGY**

### **A. U.S. FOREIGN POLICY INTERESTS IN UGANDA**

U.S. foreign policy interests are served by supporting regional conflict resolution and promoting U.S. values such as democratic governance, respect for human rights and equitable economic growth. The principle U.S. foreign policy goals in Uganda are to: i) encourage the transition to democratic governance and strengthen institutions committed to democracy, human rights, and the rule of law; ii) promote a constructive role for Uganda in regional conflict resolution; iii) monitor refugee populations and the effectiveness of related humanitarian efforts; iv) promote increased U.S. trade and investment; and v) improve Uganda's standard of living through sustainable economic development. Protecting Uganda's unique biodiversity and reducing rapid population growth are also in the U.S. interest.

Uganda has made substantial progress in a transition to more pluralistic government, as evidenced by its recent presidential and parliamentary elections. Adherence to market-oriented policies has resulted in rapid economic growth, setting the stage for expanded U.S. trade and investment and an improved standard of living. U.S. exports to Uganda, valued at \$28 million in 1994, are growing and the country is visited by a small but steady stream of U.S. investors.

Uganda's agreement to serve as a staging point for relief efforts aimed at Rwandan refugees in Zaire during the past two years and its support for creation of an African Crisis Response Force illustrate its emerging importance in maintaining regional stability. Meanwhile, Uganda faces a significant internal threat from two Sudanese-supported insurgencies in the northern part of the country.

Uganda's demonstrated commitment to reform, its strategic location in a troubled region and its untapped potential as a major regional food producer are compelling reasons for U.S. Government involvement in Uganda's development drive. USAID's Strategic Plan, encompassing economic growth, environment, human resource development, health and democratization, directly supports U.S. foreign policy interests. In combination with other U.S. Government initiatives, the strategy is a viable means of attaining U.S. foreign policy goals in Uganda and the Greater Horn of Africa region. These broad goals are addressed in a comprehensive U.S. Mission Program Plan in which all U.S. agencies, State, USIS, USAID, and the Peace Corps, under the leadership of the Ambassador, work closely together to maximize results through the integrated deployment of U.S. resources.

## **B. COUNTRY OVERVIEW**

Uganda is in the midst of a remarkable transformation from a country best known for economic mismanagement and gross human rights abuses to one of the world's best performing economies and a potential model for African development. Located in the Greater Horn of Africa and sharing borders with Kenya, Tanzania, Rwanda, Zaire and Sudan, the country boasts a rich and diverse natural resource base, a variety of agro-ecological climates and ample rain in about three quarters of the country. Uganda's population of nearly 20 million is growing at 2.5% per year and is comprised of seven major ethnic and language groups. 87% of the people live in rural areas and depend primarily on agriculture for their livelihood. Despite economic growth ranging from 5% to 10% annually over the last nine years, Uganda is still among the poorest countries in the world with per capita income of \$220. Life expectancy may be as low as 37 years<sup>1</sup> due to high levels of disease, including a high rate of HIV infection, inadequate nutrition and civil strife. In 1995, Uganda adopted a new constitution, paving the way for election of a civilian government in mid-1996. Yoweri Museveni, leader of the National Resistance Movement (NRM) that fought its way to power in 1986, was elected President with approximately 75% of the vote.

### **1. Macroeconomic Environment**

Uganda has instituted liberal economic policies and strict monetary management in conformity with an IMF-supervised structural adjustment program to achieve high levels of economic growth. In the Government of Uganda (GOU) fiscal year 1995/1996, the economy recorded growth of 8.5%, putting it in the first rank of economic performers in Africa and among the top ten in the world. Despite this impressive progress, GOU and World Bank/IMF projections show that Uganda will continue to depend on substantial external assistance for at least the next decade. The combination of the low starting point of Uganda's development drive and its adherence to a sound development program argue persuasively for continuing to support the country.

The liberalization of the foreign exchange, payments, and trade systems and removal of domestic price distortions improved incentives to producers and paved the way for a more competitive and diversified export sector. The GOU's fiscal discipline has resulted in a decline in the balance of payments deficit, lower interest rates and reduced borrowing from the central bank to finance its budget. Inflation has been less than 10% for the past three years, and private investment has increased from 7% of GDP in 1991 to 11% in 1995.

Sustained high levels of broad-based growth are needed to make a significant dent in the poverty experienced by the majority of Ugandans. In order to increase its rate of economic growth, and ensure that the benefits are broadly distributed, continued progress will be

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<sup>1</sup>U.S. Census Bureau estimate.

required on the following key issues.

**Low Revenue/GDP Ratio** Increased revenue mobilization is essential for long-term macroeconomic stability. Uganda's revenue-to-GDP ratio, 11.7% in 1995/96, while an improvement over 8% in 1992, is still much lower than the average of 20% for Sub-Saharan African countries. A value-added tax (VAT), introduced in July 1996, is expected to expand the tax base, encourage exports and investment, provide for more equity in the system, and yield a buoyant source of revenue in the future. Administration of the new tax is off to a rocky start. Other tax reforms are also planned.

**High Debt Burden** By any standard, Uganda remains severely indebted. At the end of GOU FY 1995/96, the debt stock was \$3.2 billion, equivalent to 59% of GDP. Debt service payments amounted to 24% of exports and 23% of government expenditure. Multilateral debt accounts for three-fourths of the debt stock and two-thirds of projected debt service, severely limiting the potential for relief under current arrangements. Uganda was the first country to receive the "Naples terms" from Paris Club creditors, but the agreement reduced debt stock by only 1% and debt service payments by less than 5%. Without additional relief or restructuring, debt service over the next three years will be 50% higher than the country has managed to pay in the last three years, placing a staggering burden on public finance. Although Uganda may be one of the first beneficiaries of the IMF/World Bank's new Heavily Indebted Poor Countries Debt Initiative, the program as currently structured will have no impact on Uganda's multilateral debt until 2001.

**Weak Financial Sector** The financial sector is characterized by high intermediation costs, low levels of monetization, negative real interest rates and a low savings rate. Indigenous banks are undercapitalized, have large nonperforming loan portfolios and have been poorly managed. Consequently, access to credit is extremely limited. Progress under the financial sector reform program will need to be accelerated if the banking system is to meet the need to mobilize and channel domestic resources for productive purposes. The largest indigenous bank is slated for privatization, and central bank supervision of the financial sector is improving.

**Slow Pace of Privatization** Only about 40% of Uganda's inefficient parastatals have been privatized or liquidated to date, although the program was launched over five years ago. Despite institutional changes in early 1995, stiff political resistance to privatization, due in part to public concern about sales to foreigners at "give away" prices, has slowed progress. The imminent opening of a stock exchange should provide an opportunity for increased Ugandan participation in privatization.

**Poor Infrastructure** Power, telecommunications, transportation and other infrastructure require substantial expansion in order to attract private investment. Rural areas require huge investments in infrastructure, particularly roads. Better infrastructure is a prerequisite for a strong and broad-based supply response. Expansion of the road network is the GOU's top priority, it is encouraging private sector participation in utilities.

**High Incidence of Poverty** According to the World Bank, about 60% of Ugandans have income that is insufficient to provide adequate nutrition, shelter and other basic needs. About 20% are 'core poor' with incomes of less than half the basic level. There is evidence that the gap between poorer and better-off households is increasing. Interestingly, there appears to be no significant difference between male and female-headed households. Reducing poverty through economic growth and improving the effectiveness and efficiency of publically provided services is the goal of the GOU's medium-term policy framework.

## **2. Socio-Political Environment**

Uganda's progress toward a pluralistic political system has been less impressive than its economic achievements. A new constitution, drawn up by an elected constituent assembly, was promulgated in 1995. Direct elections under universal adult suffrage for president and members of parliament, held in mid-1996, were conducted in a transparent and orderly manner. Election laws and restrictions on political parties, however, heavily favored supporters of the ruling National Resistance Movement (NRM). As a result, the NRM has a comfortable majority in the new parliament and restrictions on opposition political parties remain in place.

The 1995 constitution puts Uganda in the forefront of African nations in two areas that are crucial to long-term development and the success of USAID's strategy: promotion of gender equality and the decentralization of resources and authority to local governments.

### **a. Status of Women**

As in the rest of Africa, women in Uganda work harder than men, have lower levels of education and more limited access to and control of resources. For example, women supply 70-80% of the labor for food production, yet they frequently do not control the income that accrues from what they produce. Their access to land varies by region, but in all cases, local customs make it difficult for women to retain control of their land in the case of a dispute. Women are also the caretakers of the sick, the young and the elderly. In a country where people in the prime of their life are dying from AIDS, malaria and other illnesses, this is a considerable burden. Women's participation in the private sector is greatest at the small end of the scale where 38% of all microenterprises are owned by women. One of Ugandan women's biggest complaints is that they lack knowledge of their legal rights and, even when they know their rights, traditional customs frequently supercede the law. Inheritance is the most egregious example of this. Wife-beating, rape and sexual abuse of girls are common. Female genital mutilation is practiced by one ethnic group.

There is, however, hope for change. Uganda has done more than any other African country to promote participation of women in the political process and has the first gender-sensitive constitution on the continent. The Vice-President is a woman and, partly due to affirmative action, 20% of the new parliamentarians are women, including the Deputy Speaker. 39 out of a total of 276 seats in the new parliament are reserved for women. The constitution

prohibits discrimination on the basis of gender and prohibits laws, customs and traditions that undermine the welfare and status of women. This provides the legal basis for addressing oppressive and discriminatory laws and practices. The constitution also requires that one third of elected local government positions be reserved for women. It remains to be seen how women will use this power.

#### **b. Decentralization**

Uganda has decentralized significant resources and substantial decision-making authority regarding personnel, planning and finances to the country's 39 administrative districts and lower levels of government. Central government functions are correspondingly proscribed to policy formulation, planning, inspection and management of national programs. Elected district and urban councils exercise authority in basic education, health services, water maintenance, road rehabilitation, police, and prisons. Districts have final authority over all personnel matters, district plans, budgets and tendering. If this ambitious program succeeds, it will greatly improve the efficiency and relevance of publically-financed services.

A critical issue in determining the sincerity of a decentralization effort is the resource base available to the decentralized units. Unusually, Uganda decentralized the **recurrent** budget first, a sign of real commitment. For FY 1996/97, districts will receive 29.5% of total recurrent expenditure as "pass-through" money of several different types, some of it "delegated and tied" (e.g. teachers' salaries) and some in block grants that councils can allocate at their discretion. Local councils also collect graduated taxes and fees that form the remainder of their revenue base.

Three years into the process, progress is mixed. On the positive side, the scope of decentralization is impressive. Some local level infrastructure has been rehabilitated and people are starting to ask about the allocation and expenditure of these funds more generally, a step towards citizen oversight. Less encouragingly, resources are insufficient to have a major developmental impact; staff morale has suffered as politicians control the fate of hitherto centrally-appointed civil servants, and accountability has become a major issue as local government officials divert and embezzle resources and award themselves tenders for supplying goods and services. The lack of political will to control financial abuses and the limited number of qualified auditors suggest that this trend will continue.

Whether this ambitious effort will result in democratic decentralization depends on a combination of sustained political will; effective legal and administrative enforcement; political and financial accountability, both of district/sub-district councils and of the central government vis-a-vis districts; and the evolution of several cross-cutting factors, such as active civil society organizations, an educated public, a well-defined and substantive role for women council members and constructive relationships with Parliament.

### 3. Actual and Potential Sources of Conflict

The potential for instability persists due to long-standing ethnic, religious and regional enmities and the country's location in a volatile region. Conflicts in neighboring countries affect Uganda and exacerbate internal divisions. Over its decade in power, the NRM has sought to persuade its opponents to give up rebellion and exiles to return to the country, often by using patronage to bring rebel leaders into the government. Its greatest success in this regard has been the conclusion of civil war in the East in 1991. However, it has also suffered some costly failures, notably the recent escalation of two insurgencies in the North.

#### a. Internal Sources of Conflict

Disparities in wealth and economic development, ethnic and religious divisions, disputes over land and government restrictions on organized political opposition are key sources of actual and potential conflict in Uganda. Together these internal social factors produce a relatively constant reservoir of distrust and discontent that can turn a seemingly minor dispute into a major incident involving violence and loss of property. The ready availability of guns and ammunition makes resorting to violence cheap and easy.

***Ethnic Rivalries*** Ethnic and religious animosities are prevalent throughout Uganda's history. The biggest ethnic issue is the resentment by all other ethnic groups of domination by the Baganda, the largest and wealthiest group. The dominant position of the Baganda predates the colonial period and was bolstered by the British, who singled out the Buganda Kingdom as an ally and rewarded it with economic opportunities. The strong, aristocratic social structure of the Baganda, combined with the area's greater wealth, strengthens the stimulus of all groups towards ethnic identity and organization along ethnic lines. Museveni's restoration of traditional leaders (kings) reinforced this tendency and was one of the main factors in his winning the electoral support of the Baganda. The degree to which the "Buganda Question" persists is illustrated by the passionate debate over Buganda's unsuccessful proposal for a federalist structure in the new constitution.

***Religious Rivalries*** Religious conflict dates back to the 1880s and has been both a defining and a determining factor in the country's politics. With the exception of Idi Amin, all of Uganda's presidents have been Protestants. According to the 1991 Census, there are a million more Catholics than Protestants. Muslims, a little over 10% of the population, perceive themselves to be economically disadvantaged. While the threat of Islamic fundamentalism is remote in Uganda, fundamentalists may try to capitalize on Muslim discontent with their socio-economic status.

Religious affiliation tends to define support for the two main political parties, and in some areas religion continues to be the main criterion for deciding whom to vote for. Surprisingly, religion was not an issue in the recent presidential election, although it emerged as a central issue in some of the parliamentary contests.

***Disparities in Economic Status*** Disparities in wealth and economic development are an important source of current and potential conflict. Increasing income inequalities spark discontent. The most striking economic disparity is between the northern region (comprising nine of Uganda's 39 districts) and the rest of the country. The North is by far the least populated and poorest region, and has been wracked with varying degrees of civil war since Museveni came to power. Due in large part to continuing insecurity, the North has benefited little from the economic growth of the last six years, and lack of economic growth in turn fuels insecurity. Most of Uganda's presidents prior to Museveni were from the North. Now lacking political power, they feel victimized and see lack of economic progress as evidence of oppression. This partially explains the ability of the Sudanese-backed Kony rebels to garner support amongst the Acholi population, despite the rebels' attacks on civilians. The "Northern problem" will not go away, even if the civil war is somehow ended, until development in the North begins to approach levels in the rest of the country.

The significant and growing presence of Asian Ugandans and foreigners in the private sector is another source of resentment. There are few indigenous Ugandans at the helm of large companies, and even traders are disproportionately Asian. While the Asians' financial and managerial resources are essential for the country's development, the indigenous population resents their economic dominance. Given Uganda's history, any clashes stemming from such resentment would have a disastrous effect on the investment climate. A recent one-week strike by indigenous traders over the newly introduced value-added tax (VAT), while largely non-violent, demonstrates the potential for disgruntled entrepreneurs to disrupt economic activity.

***Land Rights and Access to Land*** Disputes over land are the most common type of conflict at the community level and can be expected to become more numerous as population pressure increases. Customary land tenure systems prevail but approximately 15% of the country is under various forms of freehold or leasehold. In the hilly and densely populated southwestern region, competition for land is intense. A 1975-decree nationalizing all land and the subsequent years of internal strife created considerable confusion in land administration. Although the land decree was never implemented, there are numerous issues that need to be resolved, particularly the rights of tenants on so-called "mailo" land in the Buganda region. The new constitution mandates a new land law that will clarify many outstanding issues; this legislation will shortly be submitted to Parliament. Given the complicated nature of these issues, however, implementation of the land law will take time and disputes between landholders and tenants will be unavoidable.

***Discontent with Political Leadership*** Many observers believe that the NRM has become ideologically depleted and morally bankrupt and that civilian discontent with the NRM is rising. The NRM appears dependent on Museveni for direction, does not have a clearly defined political program, other than to remain in power, and has been unsuccessful in reducing corruption. A recent increase in ministerial posts actually expands rent-seeking opportunities. Failure to deliver on some of its promises has damaged the NRM's credibility. Observers point to a recent spate of strikes and a riot at Makerere University as

evidence of citizen dissatisfaction with the political leadership.

#### **b. External Sources of Conflict**

Over the decade, Uganda has been involved in external conflicts with four of its five neighbors that erupted into violence sufficiently serious to produce streams of refugees. The Kenyan government has been distrustful of President Museveni and, particularly in the late 1980s, feared the impact on Kenya's citizens of the precedent of a guerrilla band that ultimately overthrew the government. Kenya is believed to have supported rebel groups in eastern Uganda. That threat subsided with the end of the civil war in Kumi and Soroti. Uganda is also blamed for the 1990 invasion of Rwanda launched from Uganda. The 1994 genocide and subsequent Hutu exodus to Zaire further destabilized the region. Currently, violent conflict in eastern Zaire has brought the international community to a decision point on what actions can be taken to promote a return to stability in the Great Lakes region.

Uganda's most serious external conflict is with Sudan. Both countries accuse one another of supporting rebel groups in the other's territory. Uganda allegedly supports the Sudanese People's Liberation Army (SPLA) in its fight against the militant Islamic government in Khartoum. In the early 1990s, the Sudanese government dislodged the SPLA from Sudan's border with Uganda, giving it access to rebels in Uganda. It then trained and equipped rebel groups, principally the Lord's Resistance Army (LRA) led by Joseph Kony. There appears to be support among the Acholi for continuation of the conflict, due either to discontent with the NRM government or intimidation by the LRA. A permanent political solution to the conflict will require that the government find Acholi leaders who still exercise moral authority and persuade them to negotiate a peaceful solution.

Sudan has also trained another force, the West Nile Bank Front, led by Juma Oris, a high-ranking Nubi army officer under Idi Amin who fled to Juba in 1979. This group has attacked targets in Arua District from Zaire as well as Sudan, creating an entirely separate guerrilla theater. There is some concern that this group will recruit supporters by drawing on unrelated resentments over the low status of Muslims and other internal divisions, thereby making the conflict more serious and more difficult to resolve.

### C. UGANDA'S ROLE IN PROMOTING REGIONAL COOPERATION

Uganda has an important role to play in achieving food security and preventing and managing conflicts within East Africa. USAID's strategy for participation in the Greater Horn of Africa Initiative (GHAI) is based upon Uganda's comparative advantage as the region's most consistent food surplus country, its interest in strengthening regional economic cooperation, and its success in implementing a market-driven development strategy. Uganda's active involvement in numerous regional initiatives -- from its high profile support for economic integration under the auspices of the East African Cooperation (EAC), to African-led grassroots peace initiatives, such as that between the Karamojong and Turkana pastoralists living along the Uganda\Kenya border -- are helping to create an environment in which regional cooperation can become a reality. US diplomacy will encourage Uganda to play a constructive role in resolving regional conflicts while US development assistance will help Uganda build its capacity as a regional food supplier and encourage its participation in initiatives that promote greater regional cooperation and economic integration.

Uganda anchors the Western border of the Greater Horn region. It has served as a safe haven to thousands of people fleeing from conflict in Rwanda, Zaire and Sudan and continues to shelter over 200,000 Sudanese refugees cared for by the United Nations High Commission for Refugees (UNHCR). Uganda's policy of settling refugees in semi-permanent communities and providing land so that they can become food self-sufficient is consonant with the USG's policy of discouraging long-term dependency by refugee groups on foreign relief and an example of how relief work can be linked to development. Consistent with this policy, USAID has initiated a small, experimental food security activity designed to reduce relief requirements by boosting food productivity and access to markets among both national farmers and refugees in Northern Uganda. The Regional Refugee Coordinator from the State Department's Bureau of Population, Refugees and Migration is a member of the management team for this activity.

In addition to having a progressive refugee policy, Uganda serves as a transit point for relief goods flowing into Sudan to the North, Zaire to the West, and Rwanda to the South. Following the Rwandan genocide in 1994, Uganda was the staging point for relief efforts and has increasingly become a headquarters for relief and development agencies working in the region. For example, World Food Program (WFP) recently established its regional office in Kampala, and UNICEF is using Uganda as the principal staging ground for its response to the unfolding crisis in Eastern Zaire. The existence of a relatively secure, open environment through which relief goods and personnel are allowed to move freely is a tremendous asset to the organizations involved in linking relief and development throughout the region.

Economically, we believe Uganda's fertile agricultural lands and multiple growing seasons position it to contribute to increased regional food security and we expect to see Uganda's food exports increase -- both to food deficit countries and to displaced populations. USAID will work with other donors and relevant stakeholders to increase Uganda's participation in a number of regional initiatives, such as the Cross-Border Initiative to Facilitate Trade,

Investment and Payments (CBI), aimed at increased economic integration among IGAD member countries. Following recommendations in the GHAI Regional Trade Study, USAID will support efforts to expand access to market information, to reduce the region's punitive transport costs (it is estimated that transport costs can be reduced by up to 40% through "non-infrastructure related" reforms), and to reduce the official and unofficial costs of border trade in both time and money. These efforts will contribute to increased food security in the Greater Horn of Africa (GHA) by increasing market access and efficiency, and by increasing trade opportunities within the region and between the GHA and Southern Africa. A freer flow of products among the countries of the GHA will expand commercial trade of key agricultural commodities, as well as facilitate emergency food relief efforts.

USAID's involvement in the GHAI targets the substance of regional cooperation -- increased regional economic integration, collaboration on environmental threats such as the explosion of water hyacinth that threatens livelihoods in three countries, management of refugee populations, combating the spread of AIDS, and increasing agricultural productivity through collaborative research. For example, the provision of U.S. technical assistance under the GHAI to the GOU-led emergency action plan for the control of water hyacinth is spearheading the introduction of technologies new to the region for controlling an environmental threat of profound regional economic and social impact. In October, the Ambassadors from Uganda, Kenya, and Tanzania met in Washington D.C., agreed on the use of biological agents and called for a comprehensive environmental impact assessment (EIA) of herbicides in regional hyacinth control. While designed to assist regional governments evaluate the use of herbicides as a control measure, the EIA will foster regional cooperation at a technical level. USAID's contribution of one million dollars leveraged an additional five million dollars from other donors. Another pertinent example is the Mission's work to increase production and exports of maize and beans. This responds to regional demand and increases opportunities for local procurement of relief supplies. Last year Uganda exported 100,000 metric tons of maize to its neighbors, contributing directly to increased regional food security. This work will be augmented by the recently opened Famine Early Warning System (FEWS) office in Kampala covering both Uganda and Rwanda.

USAID will monitor progress towards greater regional cooperation by tracking (i) changes in border controls on the movement of people, goods and services; (ii) the level of Uganda's exports to the region; and (iii) the number of cooperative activities neighboring countries actively participate in, for example the Karamojong-Turkana peace initiative, the water hyacinth control program, and joint efforts to reduce the spread of HIV/AIDS.

Expanding regional economic integration and cooperation on cross-border issues should contribute to greater stability, a more unified, effective approach to resolving the region's conflicts, and, ultimately, improve the chances of sustainable development in the GHA. These objectives, as well as the specific activities through which they are being realized, support the USG's broader interests in the region by creating new commercial opportunities

for U.S. companies, reducing the need for humanitarian assistance, and strengthening relations with regional political allies.

#### **D. OVERALL MISSION STRATEGY**

USAID/Uganda's strategy for FY 1997-2001 capitalizes on Uganda's unique development environment and on USAID's investments and experience in the different sectors over the last five to eight years. The goal of USAID's 1992-1996 strategy was to *establish the basis for sustainable improvements in the standard of living*. We believe that, over the past five years, USAID together with the GOU and our other development partners has succeeded in establishing the basis for significant improvements in the welfare of Ugandans over the next five years. We expect to see continued economic growth and relatively rapid change in all sectors. The most singular feature of the Ugandan environment for the foreseeable future is its dynamism. This strategy provides a framework for taking advantage of that dynamism and responding to new opportunities as they arise. USAID is also mindful of the fragility of Uganda's recovery and the potential for events in neighboring countries to undermine progress.

##### **1. Program Goal and Summary of Strategic Objectives**

The overall goal of this strategy is *sustainable and equitable improvement in the standard of living*. Progress towards this goal will be measured by the following indicators:

- constant or increasing growth rate of per capita GDP<sup>2</sup>;
- reduction in % of children under 5 with chronic undernutrition (stunting);
- reduction in mortality rate of children under 5;
  
- decrease in the fertility rate; and
- reduction in armed conflicts.

Growth of real GDP per capita indicates that individual economic welfare is improving, assuming some degree of equity. Between 1991 and 1995, annual per capita GDP growth averaged 3.38%. We hope to see average per capita GDP growth of 3% or more over the next five years. An 18% decline in the rate of chronic undernutrition<sup>3</sup> and a 20% drop in the child mortality rate between 1989 and 1995 indicate modest improvements in the standard of living. While the fertility rate fell from 7.3 to 6.9 during the same period, it is still quite high. The level of armed conflict within Uganda's borders has increased during 1996. Sustainable improvements in living standards nationwide are contingent on ending the war in the North and minimizing the risk of new conflicts.

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<sup>2</sup>As measured by a five-year rolling average.

<sup>3</sup>Chronic undernutrition declined from 45% in 1989 to 38% in 1995.

# Program Goal - USAID/Uganda

**Sustainable and Equitable  
Improvement in the  
Standard of Living**

2

SO 1

Increased Rural  
Household  
Income

SO 2

Critical Ecosystems  
Conserved to Sustain  
Biological Diversity  
and to Enhance  
Benefits to Society

SO 3

Quality Basic Education  
for an Increased  
Percentage of  
Ugandan Children

SO 4

Increased Service Utilization  
and Changed Behaviours  
Related to Reproductive/  
Maternal and Child Health  
in selected districts

SO 5

Civic Pluralism  
Expanded and  
Constitutional  
Checks and Balances  
Implemented

The program goal will be accomplished through interventions to foster broad-based economic growth, conserve Uganda's biodiversity and natural resource base, increase people's potential to be productive members of society through improved basic skills and better health, and develop more participatory and accountable government. USAID/Uganda proposes five strategic objectives, as follows:

**SO 1: Rural Household Income Increased:** This SO will directly increase the income of approximately 10% of rural Ugandan households and improve their food security by increasing non-traditional agricultural exports (NTAEs), improving the productivity of key food crops and providing financial services that enable them to engage in productive off-farm enterprises.

**SO 2: Critical Ecosystems Conserved to Sustain Biological Diversity and to Enhance Benefits to Society:** This SO will conserve some of Uganda's globally, regionally and locally important ecosystems by strengthening institutional and community capacity and practices to better manage specific ecosystems, primarily national parks, working to reduce pressure on these ecosystems and strengthening Uganda's sound but young environmental policy.

**SO 3: Quality Basic Education for an Increased Percentage of Ugandan Children:** This SO will improve the quality of primary education and increase access to primary school nationwide in order to develop basic skills of literacy and numeracy that will enable Ugandan children to become productive members of society.

**SO 4: Increased Service Utilization and Changed Behaviors Related to Reproductive, Maternal and Child Health in Selected Districts:** This SO will contribute to improved women's, men's and children's health in 13 out of 39 districts by improving the quality of reproductive and child health services, expanding the number of service providers and fostering appropriate sexual behavior with HIV testing and counseling and vigorous information, education and communication campaigns.

**SO 5: Civic Pluralism Expanded and Constitutional Checks and Balances Implemented:** This SO will contribute to better government accountability by strengthening legislative and judicial capacities to perform constitutionally mandated functions and helping citizens to be better informed and to participate in decision-making at the local level.

The five proposed strategic objectives are highly complementary, as described below, and together constitute a sound, integrated development strategy.

## **2. Linkages and Synergy Between Strategic Objectives**

Broad-based, agriculture-led market-oriented economic growth (SO 1) is the lynchpin of the strategy. Without economic growth, people will not have the income, nor will there be sufficient tax revenues, to sustain improvements in health (SO 4), education (SO 3) and other

social services. Rising incomes also give people an incentive to maintain peace and stability. Without economic growth, there is little hope for a better future.

Conservation of critical ecosystems (SO 2) ensures that the natural resources upon which the country depends for economic growth will continue to be productive. These resources include parks that attract tourists, lakes that support the fishing industry and provide water for drinking, irrigation and industry, and soils whose fertility is essential for agriculture. While achieving SO 2 is a prerequisite for Uganda's continued economic growth (SO 1) over the long term, SO1's emphasis on increasing agricultural productivity will reduce the rate of destruction of forests and wetlands for agricultural purposes and offer people living near protected areas with alternative sources of income. Population pressure also contributes to agricultural extensification and other environmentally degrading activities in critical ecosystems. USAID's health program (SO 4) will increase use of family planning which will in turn lead to smaller families and thereby ease population pressure. As shown in Table I.1, *USAID/Uganda Activities by Region/District*, in the western part of the country, where population density is highest, USAID is supporting health and economic growth activities in 5 out of the 8 districts in which natural resource conservation is a priority.

A functionally literate and numerate population is essential for broad-based economic growth. People with more education are also more likely to adopt appropriate health practices and behaviors and to participate constructively in a democratic society. USAID's basic education program (SO 3) will therefore contribute over the long term to economic growth (SO 1), increased utilization of health services (SO 4) and citizens' participation in public decision-making (SO 5). The GOU's plan to increase environmental awareness through primary school environmental education suggests synergies between SO 2 and SO 3.

Finally, USAID's democracy and governance program (SO 5) has important impacts on all other SOs. Stronger civil society organizations will be able to lobby for policies that benefit the sectors in which they work (e.g., health, agriculture, environmental education, etc.). Effective legislative processes will ensure that sectoral budget allocations reflect national and local priorities. SO 5 will be the locus of USAID's effort to ensure that the tremendous opportunity provided by the decentralization process to improve resource allocation and service delivery at the grassroots, across all sectors in which USAID is involved, is fully exploited.

## USAID/Uganda Activities by Region/District

Region/ District	SO1			SO2			SO3		SO4		Conflict Prevention
	NTAEs	Financial Services	Basic Food Products	Conservation and Development	Environmental Education	Water Hyacinth	Current TDMS	Planned TDMS	DISH	G/Funded (Pathfinder, CARE, AVSC)	Veterans Reintegration
<b>NORTHERN</b>											
Arua		•	•					•		•	•
Moyo			•					•			•
Nebbi		•	•					•			•
Gulu		•	•				•				
Kitgum		•	•					•			
Apac			•				•				•
Lira		•	•	•	•		•			•	•
Kotido					•		•				
Moroto			•				•				
<b>EASTERN</b>											
Soroti	•	•	•		•		•				•
Kumi			•		•		•			•	•
Kapchorwa	•							•			
Kamuli		•						•	•	•	
Pallisa			•				•			•	•
Mbale	•	•	•		•			•		•	•
Jinja	•	•			•	•		•	•	•	
Iganga	•	•	•					•		•	•
Tororo		•	•		•		•			•	

BEST AVAILABLE DOCUMENT

BEST AVAILABLE DOCUMENT

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Region/ District	S01			S02			S03		S04		Conflict Prevention
	NTAEs	Financial Services	Basic Food Products	Conservation and Development	Environmental Education	Water Hyacinth	Current TDMS	Planned TDMS	DISH	G/Funded (Pathfinder, CARE, AVSC)	Veterans Reintegration
<b>CENTRAL</b>											
Kiboga		•	•				•				
Luwero	•	•	•				•		•		•
Mukono	•	•	•					•			•
Mubende		•	•				•				•
Mpigi	•	•	•		•		•			•	•
Kampala		•	•		•	•		•	•	•	
Masaka	•	•	•				•		•	•	•
Rakai		•	•			•	•		•	•	
Kalangala						•	•				
<b>WESTERN</b>											
Masindi	•	•	•	•	•		•		•	•	•
Hoima		•	•				•				
Kibaale	•		•				•				
Bundibugyo				•	•			•			•
Kabarole		•		•	•			•			•
Kasese	•	•		•	•			•	•	•	•
Bushenyi		•	•				•			•	
Mbarara	•	•	•	•	•			•	•	•	•
Rukungiri	•	•	•	•	•			•		•	•
Ntungamo		•	•					•	•		
Kisoro				•				•		•	
Kabale	•	•	•	•				•		•	

	SO1	SO2	SO3	SO4	SO5
<b>NATIONWIDE ACTIVITIES</b>					
	<ul style="list-style-type: none"> <li>Policy and Regulatory Reform</li> </ul>	<ul style="list-style-type: none"> <li>Decentralization Support to NEMA</li> <li>UWA Planning &amp; Financial Management Support</li> </ul>	<ul style="list-style-type: none"> <li>Instructional Material Provision</li> <li>Support to UPE</li> <li>Teacher Terms &amp; Conditions of Service</li> <li>Girls' Persistence &amp; Achievement</li> </ul>	<ul style="list-style-type: none"> <li>Contraceptive Social Marketing;</li> <li>Pre-Service Reproductive Health Training</li> </ul>	<ul style="list-style-type: none"> <li>Civic Education;</li> <li>Election Monitoring;</li> <li>Parliamentary Capacity;</li> <li>Civil Society Strengthening</li> </ul>

### KEY

#### SO1 Activities

NTAEs  
Financial Services  
Basic Food Products

High value crops such as ginger, chillies, and mushrooms; Low value crops such as maize and beans.  
Services provided by Cooperative Bank branches and/or microenterprise NGO activities.  
Dairy; Edible oil; Cassava, maize, beans; Northern Uganda Food Security activities.

#### SO2 Activities

Conservation and Development  
Environmental Education  
Water Hyacinth

Integrated Conservation and Development Projects in protected areas and protected area buffer zones.

Support to environmental education institutions such as Uganda Wildlife Education Centre.  
Technical assistance for water hyacinth control.

#### SO3 Activities

Current TDMS  
Planned TDMS

Districts covered by the Teacher Development and Management System (in-service education; instructional materials; and improved school management).  
Districts where the TDMS will be instituted (1998-2001).

#### SO4 Activities

DISH  
G/Funded Activities

Fourteen integrated reproductive and maternal health services.  
Pathfinder and CARE - Integrated reproductive and maternal health services.  
AVSC - Surgical contraception.

#### Conflict Prevention Activities

Veterans Reintegration

Rural enterprise training and agriculture projects for demobilized soldiers.

### 3. Impact of the Strategy on Sources of Conflict

Every one of the five strategic objectives acts in some way to mitigate or reduce the potential for conflict as summarized in Table I.2.

**Table I.2 Impact of SOs on Internal and External Sources of Conflict**

SO 1 EG	Broad-based increases in economic opportunities reduce economic disparities and remove causes for resentment.	Internal conflict
	Reduction in policy and regulatory obstacles makes it easier for indigenous businesses to grow.	Internal
	Increasing food exports within the region will create greater interdependence amongst countries and promote regional cooperation.	External
SO 2 Env	Protection of important regional natural resources such as Lake Victoria, Mount Elgon and the Rwenzori and the Virunga Mountains reduces the potential for conflict over deterioration of these assets.	External
	Cooperation to tackle environmental threats such as water hyacinth strengthens ties and enhances understanding between countries.	External
	Participation of local communities in resource management decisions reduces potential for conflict over access to natural resources.	Internal
	Judicious implementation of new land legislation will minimize conflicts over land rights.	Internal
SO 3 Educ	Increased access to good quality education reduces socio-economic disparities.	Internal
	People with more education are less susceptible to sectarian appeals.	Internal
SO 4 Hlth	Increased use of family planning will contribute to slower population growth, thereby reducing competition for resources	Internal
	Regional cooperation on HIV/AIDS strengthens ties and enhances understanding.	External
SO 5 D/G	Strengthening civil society organizations builds constituencies that cut across traditional ethnic, religious and regional divisions.	Internal
	Reintegration of demobilized soldiers into their communities reduces the likelihood that they will join rebel groups or resort to crime.	Internal

The strategy will have less impact on the imbalance between development in the North and the rest of the country than the Mission would like. As Table I.1 shows, we are not currently working as intensively in the North as in other regions because the ongoing insurgency affecting all but two northern districts makes development work nearly impossible. Many schools and clinics have been destroyed and teachers have abandoned their posts because the rebels have threatened to kill them. Travel to the North is severely restricted and the safety of project personnel and equipment cannot be assured<sup>4</sup>. That said, USAID recognizes the importance of providing economic opportunities and social services to the North in order to break the downward spiral of conflict and economic and social deterioration. Therefore, under SO 1, we will identify and support opportunities for limited interventions to improve food security through increased production of staple food crops.<sup>5</sup> Our support to the Cooperative Bank allows the continuation of financial services to the North. The teacher and headmaster training components of the primary education reform program will be fully implemented in the North, conditions permitting. Finally, USAID is supporting two activities to help reintegrate demobilized soldiers and link relief and development in northern districts. If peace is negotiated, USAID will shift some of our resources from other areas to the North to support rehabilitation and re-dress the development imbalance.

#### **E. CUSTOMER AND PARTNER INVOLVEMENT IN THE STRATEGIC PLANNING PROCESS**

USAID's customers and partners actively participated in the development of this strategy. A number of the SOs began their planning process by soliciting opinions from ministry and local government officials, other donor and USG agencies, implementing partners such as Ugandan and international NGOs/PVOs, advocacy groups, and end beneficiaries about the sectors' current status and greatest needs. Evaluations of past performance and potential future direction of USAID activities were considered. SO 3's Improving Education Quality research project, for example, gathered teachers' and students' opinions about future directions in teacher training and girls' participation in primary education. The SO 5 team interviewed participants in six subsectors to prioritize Uganda's needs in the democracy and governance sector. Multiple representatives from Parliament, legal organizations, the media, election monitoring groups, and civil society organizations were canvassed for their views and recommendations.

Workshops were also used to identify customer and partner perceptions and priorities. During grassroots workshops held by SO 1 in each of the four regions of Uganda, smallholders, traders, and local authorities discussed the constraints they face in starting and expanding businesses and in increasing agricultural production. Following an assessment of the environment and natural resource sector, a series of workshops were held to involve customers and partners in the SO 2 strategy process. In this case, GOU and Mission

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<sup>4</sup> CARE, which has grant to reintegrate demobilized soldiers in Arua, Nebbi and Moyo, recently had radios and other equipment stolen by rebels.

representatives examined the sector assessment in light of Ugandan and USAID priorities, then the draft strategy was presented, discussed, and refined at two additional workshops attended by a variety of sector stakeholders.

SO expanded team meetings were another forum for widespread participation in strategy design. For example, team members representing the GOU, the private sector, local and U.S. NGOs, and other donors provided extensive input through team reviews of SO 1 and SO 4.

Throughout the strategy period, customer and partner input will continue to shape and direct Mission activities. Implementing agencies, other donors, NGOs/PVOs, government partners, and beneficiaries will provide on-going feedback using a variety of mechanisms outlined in each SO's customer service plan.

**PART II**  
**PROPOSED STRATEGIC PLAN**

## **PART 11: PROPOSED STRATEGIC PLAN**

### **STRATEGIC OBJECTIVE 1: RURAL HOUSEHOLD INCOME INCREASED**

#### **A. INTRODUCTION**

This Strategic Objective addresses the daily concerns of rural Ugandans by enhancing food security and alleviating poverty. Activities under this SO expand access and opportunity for the poor -- both key objectives of the Agency's economic growth goal -- by empowering people to increase their productivity and earn a better life for themselves and their families. USAID will support activities in three areas that have high potential for broad participation by the rural poor: (1) increasing agricultural productivity with a continued emphasis on nontraditional agricultural exports; (2) increasing access to rural financial services; and (3) helping Uganda create a business-friendly environment that supports regional economic cooperation. This focus will contribute to regional food security by increasing food exports within the Greater Horn of Africa. The strategy is based on Uganda's natural resource endowment, responds to the GOU's priorities, and builds on USAID's previous successes and the work of other USG agencies and donors in the sector. Achievement of the objective will provide the United States with new opportunities to expand commercial and social ties in East Africa, while at the same time affording one of the world's poorest populations the chance to participate in and benefit from Uganda's market-driven renaissance.

#### *A Vision for the Future*

We believe Uganda is a land of enormous potential. We see our challenge as tapping this potential to increase rural household income and reduce poverty. If we succeed, we will have improved the lives of millions of Ugandans while promoting conditions that increase regional integration, tolerance, and stability. In five years we expect over 250,000 households -- approximately 10% of all households -- to participate in USAID activities through outgrower schemes, adoption of improved agricultural technologies, and by using new rural financial service arrangements. Increases in agricultural productivity -- especially of NTAEs which include important food crops such as maize and beans -- and improved access to rural financial services will increase food security and stimulate thousands of small rural businesses to meet growing demand for consumer products in widespread parts of rural Uganda. We expect these changes to be clearly visible in bustling rural marketplaces, in a growing variety of goods and services in rural areas, and in improved food storage in communities and on homesteads. An improving rural economy will also be evident in better health services and schools, creating synergies with the Mission's other strategic objectives.

While this vision is admittedly optimistic, we believe it is realistic given Uganda's economic performance over the last four years. Uganda has liberalized monetary policy, returned properties expropriated in 1972 from Ugandans of Asian origin, and reduced the State's role in the economy. These accomplishments have been, in many cases, better than anticipated in our last strategy and create a fundamentally different environment for economic growth than existed five years ago.

## **B. STATUS OF THE PRODUCTIVE SECTOR**

The private sector is responding to Uganda's liberalized business environment. Over 100,000 new small and micro businesses have been established in the last 5 years. The Uganda Investment Authority, which licenses foreign investment, has licensed over 2,500 new ventures since 1993. Private investment has increased from 7% in 1991 to 11% of GDP in 1995. This entrepreneurial response has produced rapid economic growth, as seen in a 22% increase in per capita GDP since 1992, from \$180 to \$220 in 1995.

The agricultural sector, which is particularly important since that is where 80% of Ugandans earn their living, has rebounded since 1991 showing an annual growth rate of over 5%, with the cash crop sector growing 16% in 1995. High-value non-traditional agricultural and horticultural exports have grown even faster at 26% per year. From 1990 to 1995, the annual value of non-traditional exports and basic food crop exports increased from \$39 million to \$150 million, while traditional export crops (coffee, tea, and cotton) increased from \$152 million to \$405 million.

Considered differently, however, this performance is less than desirable. Most people in rural areas live well below the poverty line, however defined, and even at a high 5% annual rate of growth, it will take 18 years to double GDP per capita which, at \$220, is one of the lowest in the world. Food security is a problem for many, especially in the more arid North and East as seen by stunting rates of 38% among children under 5. In large part, this is because Uganda's productive, educational and health infrastructure were ruined by years of mismanagement and the country is rebuilding from a very low base. It also reflects continuing ethnic tensions, the debilitating effect of the AIDS pandemic, a shaky consensus on the country's political future, and destabilizing influences within the region, especially from Sudan. These forces make Uganda's revival more fragile than suggested by the country's robust economic performance.

Uganda sits in the midst of a region roiled by conflict, a land of high risk and tremendous potential. We believe economic growth and democratization will weave mutually beneficial civic and economic linkages. As Uganda consolidates its own revival, it will more effectively contribute to regional cooperation and increased economic integration.

### **GOU Priorities**

The GOU summarized its priorities for economic growth in the 1996 budget speech:

"Our economy is dominated by agriculture, and remains dependent on growth in the agricultural sector. Such growth has to meet the rising food requirements of a growing population. Through exports it also has to generate foreign exchange earnings to enable us to import agricultural inputs which we are not able to produce on our own, modernize our economy, and improve the living standards of our people.

These broad goals are translated into two development objectives: to increase agricultural productivity, especially in food crop production, raising incomes and preventing expansion into marginal agricultural lands; and to diversify the production base and reduce the heavy dependence on coffee for exports and government revenue."

The strategy presented here for promoting economic growth fully supports these priorities.

### **Progress to Date**

This strategy was not designed from whole cloth. USAID has been one of the principal donors working in the agricultural and private sectors over the last five years. The emphasis of our existing program -- to expand production and marketing of NTAEs, rural finance, and to improve the business enabling environment -- will, with modification, remain our focus over the next five years.

USAID has made crucial contributions during the last five years. Our successful use of Title II funds to recapitalize the Cooperative Bank has helped to stabilize the financial sector and has revitalized the only formal financial institution active in agricultural credit, expanding capital for crop production and export finance. USAID helped to create the Uganda Investment Authority (UIA) which has attracted millions of dollars of private investment and helped hundreds of investors through the regulatory maze. Financing for a National Forum of business and government leaders fostered a dialogue that has built trust and rapport between the two sectors and given the private sector a voice in policy formulation.

USAID's efforts to promote NTAEs have led to a blossoming of new export crops by providing the technical know-how to get these crops grown, packed, shipped and sold in new export markets. The phenomenal growth in the production and export values of NTAEs is a striking development success. Since 1990, production and export values of NTAEs have grown by 260%. This increase, fostered by USAID's investments in agricultural research and agribusiness, translates directly into increased rural incomes. In addition to increases in production, the value of nontraditional crop exports have become increasingly important foreign exchange earners. USAID is helping Uganda to expand its low value exports such as maize and pulses to take advantage of Uganda's position as the only food surplus country in the Greater Horn of Africa. This also decreases the cost of relief supplies for other countries in the region. Title III resources have helped to improve rural infrastructure by financing the rehabilitation of over 6,500 kilometers of rural feeder roads and building capacity in district administrations to maintain these improvements.

These efforts are improving the quality of life for thousands of hard-working Ugandans. We are learning from our experience what works, where we are most likely to reap returns, and which constraints must be bridged to sustain Uganda's economic growth.

## **Challenges Ahead: Constraints and Opportunities**

USAID has been a partner in the GOU's successful efforts to achieve fundamental macroeconomic reforms. The country is more open, better managed, and offers new and different opportunities than at the beginning of the last strategy period. However, with the easing of policy constraints, other barriers to private initiative have become more evident. The constraints discussed below are not unique to Uganda. What is different here is that over the last ten years Uganda has demonstrated the ability and political will to identify and overcome critical barriers to private sector-led development. In this dynamic environment, investments directed at easing the constraints to agriculture productivity and rural business offer realistic prospects for achieving long term gains in rural living standards.

### *Policies and Regulations that Impede Business*

Uganda has been highly successful in removing first tier policy constraints to private sector development through actions such as liberalizing the foreign exchange regime, lowering taxes and tariffs, and controlling inflation. There has also been progress at the sectoral level, for example, conditions for increasing NTAEs have improved considerably over the last few years. However, the success of these reforms has overshadowed the large number of "second tier" regulations that continue to impede business development. These comprise issues which are less obvious and/or more difficult to address -- such as commercial law and land tenure -- and include policies which have been established on paper but never implemented. The legal system itself provides an impediment to the business community, with long delays in hearing cases and poor enforcement of contracts, adding uncertainty to the investment environment and increasing the risk and cost of doing business.

In parallel with remaining regulatory and legal constraints are the problems created by government control/bureaucracy. These stem from a combination of institutional inefficiencies, poor governance and corruption. Bureaucratic constraints affect all levels of business in Uganda, but they impose a particular hardship on smaller enterprises which lack high-powered connections or resources to demand their rights. One example is the lengthy customs clearance process which forces businesses to hold larger inventories than would otherwise be needed. Another is the confusion that exists over preshipment inspection and the lack of a well functioning quality standards authority. When considered individually, many of the regulatory and bureaucratic constraints seem merely inconvenient and time consuming; when grouped together, they constitute a substantial drag on the growth of all sizes of enterprises. For example, a study completed in September 1996 identified 21 major steps to register a business, a number of which may take several months to complete.

### *Low Agricultural Productivity*

Productivity of both land and labor is low, reducing Uganda's ability to attract investment and compete in agricultural and non-agricultural markets. For example, agronomists estimate that maize and beans yields can be increased by 100% with improved varieties and

agronomic practices, even without pesticides and fertilizers. Although Uganda is a food surplus country, low productivity makes it a higher cost producer of basic food crops than Kenya. Low productivity also characterizes Uganda's traditional export crops -- coffee, tea, tobacco and cotton. Conflict in the North and high morbidity and mortality rates -- exacerbated by the AIDS pandemic -- amplify labor shortages; in part because women, who tend crops and livestock and engage in off-farm economic activities, are responsible for taking care of the sick and dying.

Labor productivity gains are feasible and essential if rural poverty is to be reduced. A major part of USAID's ongoing program has been directed at increasing low value food crop exports (primarily maize and beans) for regional markets and high value exports targeted for

markets outside the region. Our experience has proven that technically simple, small-scale interventions are available and can have a dramatic impact on long-term growth and food security.

Farming practices have not changed significantly in several decades. Crop production technology relies largely on family labor using mostly hand tools (animal traction for land preparation was common in certain regions of the country, especially the north before herds were decimated by civil war). Seed densities are low and broadcast seeding is the most common planting technique. Insecticide and pesticide use is almost non-existent, as is the use of fertilizers. For basic food crops, agricultural extension services are rare, limiting opportunities for introducing new technologies.

Basic agricultural inputs are not readily available because seed and fertilizer distributors are unable to finance inventories of improved seed, fertilizer and pesticides. The current seed stock is a particular problem for grain crops. Most farmers have been planting the same seed varieties for the past fifteen years. Newer, more productive varieties have been introduced but only 1.5% of current maize seed stock is from new varieties. Use of fertilizer and pesticides has received little attention, in part, because of the misconception that "Uganda is so fertile that anything put into the ground will grow." While agriculture conditions in Uganda are good, the effects of nutrient mining of soils, particularly in high rainfall areas, reduces output surprisingly rapidly in the absence of soil fertility maintenance. Increasing availability and use of inputs is an example of the backward linkages between agriculture and rural business activity that we envision during the next five years.

Reducing high post harvest losses is another area where relatively modest investments can yield high returns. Between 20 and 30% of the maize and beans crops are lost, compared to achievable losses of 7 to 15%. These high losses result, in part, from the practice of leaving crops in the field to dry naturally where they are exposed to attack by insects, fungi and rodents. In addition, crops are often dried on the ground, exposing them to rain, which increases microbial growth and sprouting. Regional storage facilities are available only for coffee and are in poor shape. Private sector storage is found only in local markets and is little better than that found on farm.

### *Land Under Cultivation*

Uganda enjoys an excellent land resource base by Africa standards. While there are areas of intense population pressure (densities in the extreme southwest of the country are comparable with those in Rwanda, just across the border), only about 30 to 40% of the cultivable land (excluding forests, game reserves and permanent pasture) is being used. Factors which contribute to low land utilization are the predominant use of the hand hoe as the primary means of opening and tilling land, insecurity in the North which has made it impossible to cultivate large areas, and land tenure arrangements which make it difficult to obtain tracts large enough for commercial operations.

### *Inefficient Commodity Markets*

Entrepreneurs consistently identify the lack of cost-effective, accurate and reliable price and production information as one of the key factors inhibiting private investment and export growth in Uganda. This also affects domestic food supply, where food surplus regions of the country often do not know the needs of food deficit regions. This finding is supported by numerous studies of smaller scale enterprises in Uganda and the Mission's dialogue with traders and others involved in rural agricultural markets. A first-time exporter or importer, for example, may not have the know-how to select the most promising market and develop a business plan on the basis of available information. Resolving or mitigating information supply and analysis problems can make Ugandan businesses more competitive.

### *Limited Rural Financial Services*

Despite some recent improvements, the financial system in Uganda is weak, inefficient and does not effectively serve the needs of businesses and consumers, especially those in rural areas engaged in farming and enterprises at the smaller end of the spectrum. With few exceptions, commercial banks are highly urban-oriented and their direct entry into rural financial markets is unlikely without further innovation. Most non-bank financial institutions have a poor track record and no significant role in financial intermediation at the small end of the economic scale. Attempts to address the financial services needs of the agriculture sector and micro and small enterprises have been generally unsuccessful at both savings mobilization and loan recovery.

Perhaps not surprisingly, the demand for financial services --savings as well as credit -- is mentioned by farmers and rural business people as their most pressing need. A legacy of poorly conceived and mismanaged rural credit schemes, combined with poor rural infrastructure make rural finance risky and expensive. Although agricultural production accounts for 60% of GDP, this sector received less than 5% of total credit extended in 1995. Even for export oriented firms and products, little finance exists. Most export firms operate on their own limited working capital, which reduces their ability to grow.

A few microfinance projects run by NGOs give small loans for microbusinesses, but these do not provide broad geographic coverage and are limited to off-farm enterprises. Women, in particular, lack collateral for bank loans since they often cannot hold title to property or must rely on male co-signers for loans. Expanding the coverage of NGOs that use sustainable financing methods, and experimenting with ways of involving banks in rural business offers an opportunity for stimulating rural economic activity, and for integrating tens of thousands of households into the commercial economy.

*Poor Physical Infrastructure*

Rural roads, electrical systems and telecommunications systems are in poor condition or simply do not exist, limiting the types of crops that profitably can be grown and making business start-up and operation difficult. Rural areas generally lack phone service and mail delivery is unreliable. Transport is expensive since Uganda has no sea port, air cargo capacity is limited, and the rail and road systems connecting Uganda with Kenya's port are slow and poorly maintained. While the main highways to the west, south and east have been rehabilitated and have decreased transport costs in those areas, the feeder roads throughout the country are still inadequate to support the expansion of rural markets and increased agricultural production. Only about one third of the 22,000 kilometer feeder road system has been rehabilitated. Non-rehabilitated roads suffer from poor drainage, unrepaired bridges and are filled with deep gullies that get worse with each rainy season. In recent regional workshops to get beneficiary input into the strategy, farmers and traders complained bitterly about the need for better and continuous road maintenance of feeder roads.

**Other Donor Activities**

Donors have been very active in the sectors that comprise the scope of economic growth activities. According to the GOU's Public Investment Plan, donor assistance in this area will total \$710 million over the years 1995 to 1997. The largest percentage of the money will go towards the transport and road sector (35%). The second largest investment is in the energy sector, primarily the upgrade of the Owens Falls Generating Station to increase its output and extend the electrical grid.

	US\$ Millions	%
Agriculture	147.18	20.7
Industry	53.68	7.6
Mining	3.19	0.4
Energy	203.21	28.6
Transport/Roads	248.33	35.0
Public Admin.	54.46	7.7
Total	710.04	100.0

The lion's share of funds for the agriculture sector is planned for rehabilitation of agricultural extension services. Other funds are allocated in approximately equal proportions for the development of traditional export crops, NTAEs, and basic food crops. Livestock breeding, dairy production, disease and pest control are also treated. Donor funds are also used to promote fishing and the fish processing industry on Uganda's lakes.

Table II.1: Donor Funding of Economic Growth Activities by Sector (1995-1997)

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The largest donors in order of planned investments are the World Bank, the African Development Fund, the European Union, DANIDA, USAID, ODA, and Germany. Table II.2 provides an overview of donor involvement in the sectors that contribute to economic growth.

**Table II.2: Sectors and Sub-Sectors of Major Donor Involvement (1995-1997)**

	IDA	ADF	European Union	Denmark	USAID	ODA (UK)	Germany
<b>Agriculture</b>							
Traditional Exports	✓		✓				
NTAEs					✓/		
Basic Food	✓	✓			✓	✓	
<b>Livestock</b>							
Livestock		✓		✓	✓		
Pest Control			✓	✓			
Other	✓	✓					
<b>Fisheries</b>		✓					
<b>Industry</b>							
SMEs					✓		
Other	✓						
<b>Transportation</b>	✓	✓	✓	✓	✓	✓	✓
<b>Public Admin.</b>	✓		✓		✓	✓	

### C. PLAN OF ACTION

#### *Agriculture-Led, Market-Oriented Economic Growth*

USAID has identified increasing rural household incomes through broad-based, sustainable economic growth as essential to Uganda's development for the following reasons:

- 80% of the population is in rural areas and 60% of national production is generated by small holders
- increased household income in rural areas contributes to poverty alleviation, increases food security, and decreases rural exodus since urban areas lack the

capacity to absorb rural populations either in terms of provision of social services or jobs

- increased incomes in rural areas create demand for goods and services produced in market towns and cities, creating socio-economic linkages and increasing urban incomes
- increased rural incomes will contribute to the prospects for long-term stability and provide financing needed in the health, education and environmental sectors, thereby contributing to the achievement of the Mission's other SOs
- increased agricultural productivity will strengthen Uganda's ability to act as a regional supplier of low value food crops, contributing to food security in the Greater Horn of Africa and reducing the cost of relief supplies

Following a 15 year retreat into subsistence production, rural households are now responding to incentives for increasing production. According to the WFP, rural small holders supplied 100,000 tons of maize and 30,000 tons of beans to the export market in 1994. However, productivity of both land and labor remain low, depressing incomes and limiting the response to favorable economic conditions.

Conceptually, the Missions's strategy for increasing rural household incomes links the agriculture and non-agriculture components of the rural economy. The strategy addresses a number of market failures (financial, insurance, input and output) that currently constrain rural household's participation in the market economy. We believe that a strong agricultural sector combined with an appropriate policy environment to increase private investment will act as a powerful catalyst for generating broad-based growth. More specifically, rural household incomes can be increased through:

- increased supply of agricultural produce for sale within the domestic market, as well as increased exports to regional and international markets with higher value-added achieved through packing, processing, packaging, and manufacturing;
- greater demand for wage labor created by increased domestic and export markets and by Uganda's mineral exploitation, tourism and other rural-based and rural-linked industries; and
- expansion of microenterprise activities through increased availability of financial services which will allow households to diversify and expand their sources of income.

As indicated in the Results Framework, program activities will target both forward linkages (marketing and trading services, agro-processing) and backward linkages (extension services,

research, supply of agricultural inputs) to assure that rural household production is operating from a viable basis. The rural economy will also benefit from increased domestic demand for local goods and services which will occur as household incomes increase. This type of development will be increasingly important in areas characterized by poor infrastructure, geographic isolation and high transport costs.

### *The Results Framework*

The SO 1 strategy consists of three main components: 1) increased use of financial services by rural households, 2) increased in non-traditional agricultural exports, and 3) increased productivity of selected food products. Increases in production of traditional cash crops are also essential to, and will have a large impact upon, rural incomes. Therefore, they are included in the framework in a dotted box to acknowledge their importance but to recognize that others (the private sector in the case of coffee, tea, and tobacco and the World Bank in the case of cotton) are taking the lead in their development. These efforts will work in a complementary manner to address a critical need for technological know-how, marketing efficiency, and access to financial services which have thus far constrained rural households in obtaining increased incomes and achieving food security.

Our emphasis on non-traditional agricultural exports includes food crops, such as maize and beans, specifically targeted for regional markets which will increase Uganda's ability to meet the needs of food deficit countries in the Greater Horn of Africa. The Mission also intends to take advantage of REDSO/ESA, and AFR/SD/PSGE analytical activities involving regional trade. Areas of focus include reducing costs of cross-border trade, reducing transportation costs in East Africa and the "Northern Tier" of the Greater Horn of Africa, and increasing the exchange of market information within the Horn of Africa and between the Horn and Southern Africa.

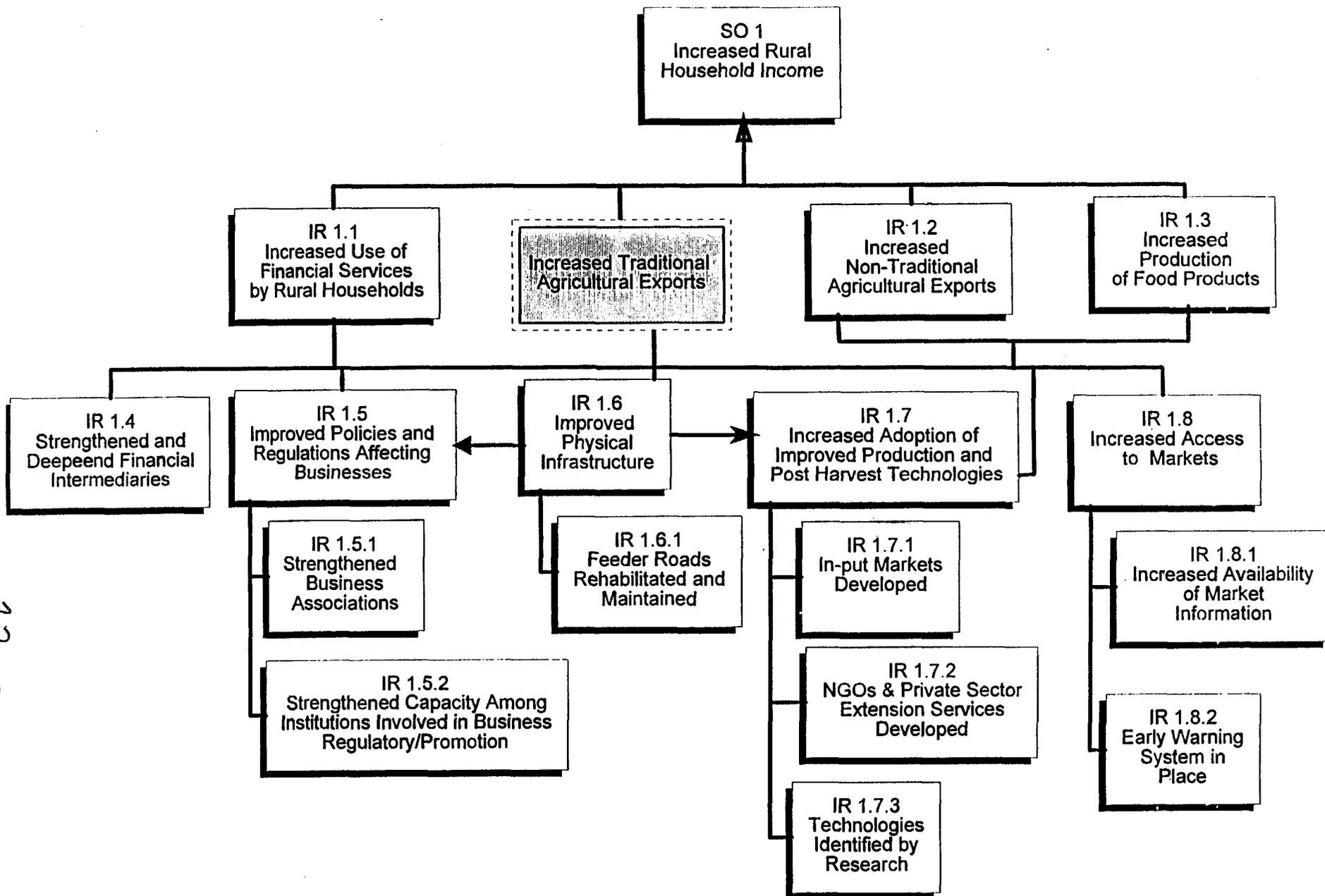
Activities to improve the business environment (at the sub-IR level) will contribute to achievement of higher level results across the framework. The Mission already has an established role in helping the GOU identify constraints and formulate policy responses through our ongoing dialogue and support to institutions such as the Uganda Investment Authority, the Export Policy Analysis Unit (EPAU), and the National Forum. In this new strategy period, our focus will shift from policy formulation to the implementation of 'second tier' regulations to facilitate business start-up and expansion. Program activities will provide technical assistance and budgetary support to key institutions which will include business associations.

### **Intermediate Result 1.1 Increased Use of Financial Services by Rural Households**

Only three banks with very limited coverage are operating in rural areas, placing access to financial services out of reach of the majority of the population. The Mission's program will (i) expand the resources, capacity and geographic reach of microenterprise finance intermediaries (mainly NGOs), and (ii) using Title II resources restructure and continue to

# RESULTS FRAMEWORK: ECONOMIC GROWTH

## Strategic Objective 1



recapitalize the Cooperative Bank. To ensure sustainability, USAID will require that institutions we assist achieve full financial sustainability (i.e.: operate on the principle of being able to fully cover their operating costs). Currently, none of the financial institutions working in the country meet this criterion, however we anticipate a growing number of institutions will be operating on this basis by the end of the strategy period. Success will be measured by the increase in the number of sustainable financial intermediaries that meet the banking needs of the rural population and the number of new borrowers and savers.

### **Intermediate Result 1.2: Increased Non-Traditional Agricultural Exports**

USAID will continue to promote increased production of non-traditional agricultural exports (NTAEs) because of their scope for broad participation, including smallholder and female-headed households, the proven benefits to farmers, and the value of diversifying Uganda's export base. The principal set of planned activities will provide direct assistance to producers, traders, and exporters of both high and low value NTAEs using a vertically integrated commodity systems approach. Activities will concentrate on (i) yield improvements through improved technologies and seed varieties, (ii) diversification through identification of new crop types, and (iii) strengthened processing and marketing systems to allow greater access to regional and international export markets. One element of improved marketing systems will be the use of Title II funds to finance rehabilitation of rural feeder roads. Modest investments will be made in agricultural research to support the development of appropriate technology packages. Given the central role of women in agricultural production, implementation of activities will address gender specific constraints and incentives affecting overall productivity. Over the next five years we expect productivity gains and improved marketing will substantially increase exports of low-value Ntes -- including food exports to food deficit countries within the region -- and high-value exports to international markets that will enhance foreign exchange earnings.

### **Intermediate Result 1.3: Increased Productivity of Targeted Food Products**

A set of complementary activities intended to increase production of basic food and livestock products and address specific problems such as linking relief and development in parts of northern Uganda will complement the export program. These activities, financed in part through the Mission's Title II program, will target staple foods that make up a significant part of household food consumption. Although limited in scope, these activities will help to maintain competitive prices for these products, so that increases in household income from export activities will not be eroded by higher food prices. Also, these activities address the food security concerns of Ugandans and the GOU for "at risk" population groups. Support for increased production and distribution of new mosaic tolerant strains of cassava (the major food crop in much of eastern Uganda), edible oilseeds, and maize and beans (which overlap with the NTES program), and limited technical assistance to dairy producers and processors are examples of the type of activities envisioned. Technical assistance from a new regional FEWS office in Kampala will help to ensure sensitivity to domestic food security and build local capacity for famine early warning, monitoring and analysis of internal food security

conditions. Analyses of food access will be integrated into assessments of food availability. Information and reporting will focus on national and regional food availability -- especially areas of deficit -- and areas of food surplus for commercial and donor procurement.

#### **D. PERFORMANCE MONITORING PLAN**

The SO1 target of Increased Rural Household Incomes will be measured by changes in average household consumption expenditures. In the absence of reliable income data, household expenditures are a reasonable proxy for determining changes in household welfare. This assumption is borne out by the experience in Uganda. For example, rural household expenditures in the central region are almost 40% higher than in the much poorer northern region of the country.

This indicator will be tracked at the regional level using data from the National Integrated Household Survey conducted annually by the Ministry of Finance and Economic Planning.<sup>1</sup> Program activities under SO1 are dispersed throughout the country, and we estimate that program activities will impact at least 10% of the households in the country by the end of the strategy period. This, combined with the emphasis of several activities on improved policy implementation, will have broad spillover effects sufficient to generate impacts at that level. (Note, however that this excludes the Northern region where program activities are small-scale and somewhat experimental in nature; interventions there will most likely stabilize incomes rather than achieve any significant improvement in welfare.)

In addition, changes in mean household expenditures will be tracked for those households specifically involved in project activities through the monitoring and evaluation components of each project. Improvements in these households relative to the regional averages will provide a good indication of the direct impact of SO1 interventions on household level welfare.

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<sup>1</sup>Unfortunately, all data on household expenditures is reported in current prices. The Mission will report changes in the inflation rate along with expenditures, and work with the GOU to convert the data into constant prices.



Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Office Responsible for reporting data	
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source		
1-2 Increased incomes for households in targeted districts  -total -by gender (MH=male-headed) (FH=female-headed)	Definition: Average monthly expenditures for households involved in project activities:  a) NTAE's  Low-Value: Maize&Beans  High-Value: Spices:  Fruits&Vegetables:  Chillies:	Unit: (Ush, current prices)  MH: 74,250 FH: 47,000  MH: 83,344 FH: 67,028  TH: 70,221  TH: 50,000	1995 Baseline Survey	Same as Baseline Survey	+10% +12%  8% 10%  15%  10%	+10% +10%  7% 8%  15%  12%	TBD TBD  TBD TBD  TBD TBD  TBD TBD	TBD TBD  TBD TBD  TBD TBD  TBD TBD	TBD TBD  TBD TBD  TBD TBD  TBD TBD	Bi-annual	Individual Project M&E data	Mission/Ag Office or Agribusiness Development Centre (ADC)	
	b) increased use of financial services	NA	NA	NA	TBD	TBD	TBD	TBD	TBD				
	c) targeted food products	NA	NA	NA	NA	TBD	TBD	TBD	TBD	TBD			
	*Note that target growth rates are based on changes in real incomes												

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Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Office Responsible for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
<b>IR 1.1: Increased Use of Financial Services by Rural Households</b>												
1.1-1 Number of new businesses established -total	Definition: Number of new businesses registered  Target: National	12,300	1994	800	1,000	500	500	500	TBD	Annual	Uganda Investment Authority	Mission/ Private Sector Unit
1.1-2 Increased number of rural borrowers/savers in targeted areas -Total -gender	Definition: Number of new individuals/enterprises who obtain loans or open savings accounts  Target: National	Borrowers 5,000  Savers 48,000	1995  1995	5,000  48,000	2,500	3,700	6,200	11,200	TBD  TBD	Annual	Co-op Bank, relevant NGO's, other financial intermediaries	Mission/ Private Sector Unit
1.1-3 Increased number of sustainable financial institutions active in rural areas	Definition: Number of financial institutions covering total operating costs through self-financing  Target: National	None	1996	1	2	4	TBD	TBD	TBD	Annual	Uganda Investment Authority	Mission/ Private Sector Unit

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Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Office Responsible for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
<b>1.2 Increased Non-traditional Agricultural Exports</b>												
1.2-1 Growth of targeted NTAE's	Definition: Annual increase in value and volume of NTAE's exported	Value: (mill of US\$, current prices)	1990 25.0	130.0	+15%	+10%	+6%	TBD	TBD	Annual	Uganda Revenue Authority, Background to the Budget document	Mission/Ag Office or Agribusiness Development Centre (ADC)
		Volume ( MT):	1990									
		-Maize	26,000	98,000	+8%	+8%	+5%	TBD	TBD			
		-Beans	9,000	26,000	+5%	+5%	+5%	TBD	TBD			
		-Oils / Spices	17	100	+25%	+20%	+20%	TBD	TBD			
		-Flowers	2	670	+33%	+20%	+18%	TBD	TBD			
		-Fruits	46	311	+15%	+15%	+8%	TBD	TBD			
1.2-2 Increased number of targeted NTAE's exported	Definition: Number of different NTAE commodities exported  Target: National	11	1990	11	12	16	18	18	18	Annual	Uganda Revenue Authority, Background to the Budget document	Mission/ Ag Office or ADC
1.2-3 NTAE's as percent of total exports	Definition: Ratio of value of NTAE's to total exports	12.3%	1990	36%	38%	40%	42%	TBD	TBD	Annual	Uganda Revenue Authority, Background to the Budget document	Mission/ Ag Office or ADC

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Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Office Responsible for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
<b>IR 1.3 Increased Productivity of Selected Products</b>												
1.3-1 Increased production of targeted food products	Definition: Production of targeted food products i) dairy (milk, millions of liters) ii) edible oil iii) cassava (mosaic resistant, MT) iv) maize & beans  Target: National	240 M Liter <3,000MT TBD TBD	1993 1995	350 <3,000 TBD TBD	400 9,500 TBD TBD	405 16,000 TBD TBD	410 22,500 TBD TBD	415 29,000 TBD TBD	420 TBD TBD TBD	Annual	Uganda Revenue Authority, Background to the Budget	Mission/ Ag Office or ADC

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**STRATEGIC OBJECTIVE 2:  
CRITICAL ECOSYSTEMS CONSERVED TO SUSTAIN BIOLOGICAL  
DIVERSITY AND TO ENHANCE BENEFITS TO SOCIETY**

**A. INTRODUCTION**

Uganda's natural resource base is among the most rich and diverse in Africa. In its unique position between the East African savanna and the tropical forests of the Congo Basin, Uganda unites 7 of the 18 biogeographic regions found in Africa. This highly diverse landscape features rift valleys, highlands, mountain ranges, papyrus swamps, acacia savannas, and an extensive network of rivers and lakes. These varied habitats are home to abundant flora and fauna. Uganda ranks fourth in Africa in number of bird species (over 1000) and third in mammal species (321). Fifteen mammal species and subspecies are unique to Uganda. Nineteen species of primates are found in the country, including over half the world's remaining population of mountain gorillas. Significant elephant populations remain, and two butterfly species of particular conservation importance have been identified.

Uganda's ecosystems are of global and regional importance. Accordingly, the *USAID Policy and Strategy for Biodiversity Conservation* which calls for the conservation of a representative cross section of globally important ecosystems, identifies Uganda as a Key Biodiversity Country for the Afrotropical biogeographic realm. Uganda shares a number of its ecosystems - and associated issues - with other countries in the region. For example, the current water hyacinth infestation of the Lake Victoria ecosystem affects all countries bordering that water body, and Mount Elgon is a crucial watershed to western Kenya.

Managed wisely, Uganda's natural resources will provide a foundation for sustainable economic growth. The economic vitality of each component of the country's agricultural sector - livestock, fisheries, food and cash crops - hinges on ecosystem health. Ecotourism is one of Uganda's fastest growing industries. In 1995, National Park revenues alone exceeded \$1.8 million. Unless progress continues to be made in combatting the various threats to the environment and natural resource sector, the contribution of Uganda's most promising growth industries will be lost.

*Vision for the Environment and Natural Resource Sector*

During the strategy period, USAID will continue to promote rational management and conservation of Uganda's natural resources, thereby establishing a sound basis for sustainable development. As a result of USAID's program, we envision that in five years:

- Conservation status of critical ecosystems will be enhanced;
- Domestic and regional ecological services, such as watersheds, will be maintained;
- Wildlife populations will be maintained or increased;
- Ecotourism will be an important contributor to Uganda's economy;
- Communities will take responsibility for natural resource management;

- Local governments will be accountable to communities for natural resource management decisions;
- Sustainable agricultural systems will be implemented;
- Communities will benefit directly from natural resource management in their area;
- Environment management agencies will be effective and financially viable; and
- Public awareness of the importance of the environment will be widespread.

The Mission's 1992 environment and natural resource strategic objective, "Stabilize Biodiversity in Target Areas," was an urgent response to the rapid rate of biodiversity depletion occurring in Uganda at that time. The SO addressed institutional and policy development and biodiversity conservation. USAID can justifiably claim to have achieved this objective. Biodiversity in target areas has been stabilized and indicators suggest recovery of many key species. Furthermore, with Mission support, Uganda has made considerable progress towards establishing a framework for sustainable environmental management. In the next strategy period USAID will build upon these conservation successes. The Mission will focus on promoting sustainable use of ecologically critical areas and on supporting the GOU's emerging institutional and policy framework for environmental management. Working in collaboration with the GOU, NGOs, and a variety of other development partners to achieve these goals, the Mission is confident its vision for the future of this sector will be realized.

USAID's SO2 supports three Agency strategic objectives under Agency Goal 4, "Environment managed for long-term sustainability." Agency Strategic Objectives 4.1, "Biological diversity conserved," and 4.5, "Sustainable natural resource management," are directly addressed by program activities. Furthermore, since the heavy reliance of both rural and urban Ugandans on woodfuels degrades critical ecosystems, SO2 will entail the identification, development, and dissemination of efficient use practices and environmentally sustainable energy sources. These efforts will contribute to the achievement of Agency SO 4.4, "Increased provision of environmentally sound energy services."

Moreover, fundamental to SO2 is the assumption that conservation of critical ecosystems in Uganda requires an elevation of the socio-economic conditions of associated populations. Accordingly, the Mission's approach to conservation seeks to "enhance benefits to society." In this sense, USAID's SO2 contributes to Agency Goal 1, "Broad-based economic growth achieved."

## **B. STATUS OF THE ENVIRONMENT SECTOR**

### **Sectoral Challenges and Opportunities**

To begin the strategic planning process, USAID commissioned a comprehensive "Threats Assessment" to identify and prioritize primary issues in the sector as required by the Assistance Foreign Act.. The Makerere University Institute of Environment and Natural

Resources (MUIENR) conducted a series of participatory studies to assess and prioritize threats to six environment subsectors.

While the direct threats varied by subsector, their root causes are closely related. Root causes underlying environmental problems in Uganda can be aggregated into three major clusters:

- A weak legal, institutional and technical base for environmental management and sustainable resource use;
- Excessive pressure on natural ecosystems related to subsistence needs, population growth, and lack of alternative forms of livelihood; and
- Low public awareness of environmental problems combined with minimal stakeholder participation in resource use decisions.

Viewed from this perspective, addressing specific environmental problems in Uganda clearly must take into account a complex set of underlying factors. Efforts to resolve a particular threat will likely fail if the underlying dynamics remain unchanged.

The Threats Assessment also identified priority zones for environmental action, including the highland ecosystems of southwestern Uganda, the Rwenzori mountains, the Mount Elgon area, and the Lake Victoria basin. A number of other ecosystems in Uganda face less immediate environmental problems but, if present trends continue, their situation will soon become critical.

Given this wide array of challenges, USAID selected specific targets of opportunity based on Agency and GOU priorities, other donor activities, and the Mission's comparative advantage.

### **USAID Priorities in the Sector**

USAID recognizes that environmental protection and wise natural resource management are prerequisites for a successful development program. USAID's *Strategies for Sustainable Development* explicitly identifies the environment as one of five principal areas of agency concern, specifying two strategic goals: (1) Reducing threats to the global environment, particularly loss of biodiversity and climate change; and (2) Promoting sustainable economic growth locally, nationally, and regionally by addressing environmental, economic, and developmental practices that impede development and are unsustainable. Previously discussed Agency goals and objectives further define USAID's environmental priorities.

### **GOU Environment and Natural Resource Sector Priorities**

The GOU has been among Sub-Saharan Africa's leaders in acknowledging the crucial role of environmental management in the sustainable development process. Over the past two years, the GOU has undertaken far-reaching policy reform and has established and empowered national and local natural resource management institutions. The National Environmental

Action Plan (NEAP) was developed through a genuinely participatory and comprehensive process and finalized in late 1994. Subsequent passage of the "Environment Statute" in mid-1995 set the stage for the creation of the National Environment Management Authority (NEMA), an independent body charged with overseeing, coordinating, and monitoring all environment management in the country. The Statute also reinforced the GOU's decentralization efforts by empowering district and local governments to manage their own environments.

Conservation of key resource areas is also a demonstrated priority of the GOU. Roughly 30% of Uganda's territory is protected under a comprehensive system of National Parks, Wildlife Reserves, Communal Wildlife Areas, and Wildlife Sanctuaries. These areas are managed by the Uganda Wildlife Authority (UWA), a parastatal established by the May 1996 Wildlife Act. The Forest Department, together with local governments, manages and protects approximately 14,900 km<sup>2</sup> of Forest Reserves.

While the environmental sector as a whole has been defined as being of national importance, the GOU has acknowledged its limitations by identifying priority natural resource and environmental issues. The Environmental Investment Program (EIP), presented in the NEAP, discusses five key program areas and illustrative investment goals, listed below in order of priority:

1. *Capacity Building in Environmental Management.* a) Development of coherent and consistent policy and legal guidelines; b) empowerment of local communities to manage their own resources; and c) strengthening of sectoral institutions involved in the implementation of the NEAP.
2. *Enhancing Resource Productivity.* Improved technologies and systems to increase agricultural and fishery productivity, prevent degradation, and promote sustainable use.
3. *Management and Use of Biodiversity.* Wildlife, forest, aquatic, and wetland biodiversity conservation and management.
4. *Environmental Education and Public Awareness.* Primary school environmental education.
5. *Environmental Health and Pollution Management.* Medical waste, industrial pollution, and chemical safety projects.

#### **Other Donor Activities**

As part of the strategic planning process, a review was conducted of donor natural resource activities planned for the period 1997-2001. Thirteen major interventions were identified with a combined annual budget level of approximately \$35 million. Major donors include: World Bank, UNDP, FAO, EU, ODA, GTZ, KFW, JICA, DANIDA, Netherlands/SNV, NORAD, and SIDA. Most notably, the World Bank has recently launched major initiatives in environmental management capacity building; protected area management and tourism development; and management of the Lake Victoria basin.

## USAID Accomplishments and Lessons Learned

Since 1992, USAID's principal vehicle of assistance to the sector has been the Action Program for the Environment (APE). The APE Program has focused in part on improving the management of protected areas with unique or high levels of biodiversity. Six biodiverse afro-montane forests at risk of irreversible degradation were identified as the Mission's target areas for intervention. USAID's efforts focused on protected area policy, technical capacity, infrastructure, financing, benefit sharing, and collaborative management. In large part due to USAID efforts, the GOU upgraded all six areas to full national park status, three each in 1992 and 1994. Among the new parks are Bwindi Impenetrable and Mgahinga Gorilla, home to half the world's population of the highly endangered mountain gorilla. Two parks, Bwindi Impenetrable and Rwenzori Mountains, received designation as World Heritage Sites in 1995.

To complement "in park" efforts, the Mission acts in partnership with international and Ugandan NGOs to develop and implement Integrated Conservation and Development Projects (ICDPs). By increasing the conservation awareness and incentives of local resource-poor communities, these activities have decreased dependence on unsustainable uses of park resources.

The second focus of the APE Program has been to establish an effective institutional, policy, and legal basis for sustainable natural resource management. USAID has been the principal donor behind GOU environmental initiatives, including the NEAP process, the passage of the Environment Statute, the creation of NEMA, the development of environmental standards, the reform of land tenure systems, and the consolidation of Uganda National Parks (UNP) and the Game Department into the new UWA. USAID has also played a central role in the implementation of Uganda's decentralization policy by assisting with the first district-level Development and Environmental Action Plans. The GOU has demonstrated commitment to these new institutions through on-going budgetary support.

Over the past five years, the Mission has been able to evaluate the effectiveness of different approaches in achieving environmental and natural resource goals in Uganda. ICDPs have proven to be effective in promoting both conservation and development in important resource areas. Benefit sharing activities with local communities, such as park revenue sharing and multiple use programs, have proven particularly successful. Local and international PVOs/NGOs have provided effective and efficient implementation of field projects. Experience has also shown that conservation activities have been more successful when linked with Uganda's evolving decentralized environmental management institutions. Projects that work with the District Environment Committees have involved local decisionmakers and have avoided duplicating government-supported structures.

The bulk of resources under APE are programmed and supported through a Grants Management Unit (GMU), relieving the Mission of much of the burden of project management and administration. Due to delays in establishing the GMU, however, the

Mission was directly involved in awarding grants at the beginning of the APE Program. Activities under these grants have been constrained by slow funding, contracting, and administration. During the coming strategy period, the GMU will take charge of a broader range of SO2 tasks.

The GMU has also proven to be a flexible tool for responding quickly to conservation issues. Through the GMU, USAID was able to respond to the GOU's Emergency Action Plan for the control of water hyacinth within one month - six to nine months faster than all other donors.

### C. PLAN OF ACTION

USAID's strategic objective in the environment and natural resource sector is: **Critical ecosystems conserved to sustain biological diversity and to enhance benefits to society.** For the purposes of this strategy, critical ecosystems are those that serve as repositories of significant biodiversity or provide important benefits to the people of Uganda.

During the planning period, USAID will continue its focus on conserving national biodiversity. Biodiversity conservation in Uganda is an expressed priority of both USAID and the GOU, and a review of other donor activities and the Mission's skills highlights the valuable role USAID can play. While significant gains have been made in biodiversity conservation in Uganda's protected areas, it must be noted that these areas encompass only a limited portion of national biodiversity. Critical ecosystems may also be communally and privately held lands, marginally protected forest reserves, and free access bodies of water. Accomplishments in protected area conservation in the previous strategy period permit the Mission to consider promising activities in biodiverse and economically important non-protected areas as well.

#### *Development Hypothesis*

The conservation of critical terrestrial and aquatic ecosystems is necessary to protect biological diversity and for Uganda's socio-economic development. USAID recognizes that ecosystem conservation can be sustained only if the actions associated with conservation do not constrain the economic development and well-being of local and other affected

### Women and Natural Resource Management

A number of USAID resource conservation efforts in Uganda have focused on empowering women in their role as resource use decision-makers. One example of this is the Shea Project. In the savanna woodlands of the north, the Shea tree has two competing uses; men traditionally use the tree to make charcoal, while women process its nuts for edible oil production. With USAID funding, the U.S. PVO COVOL is promoting technologies to make Shea nut processing more productive. As Shea oil production becomes more profitable, this non-destructive use of the Shea tree by women becomes more attractive than the resource degrading activities of men.

populations. Local communities must perceive value from conserving the ecosystem. For this reason, SO2 encompasses both conservation and development.

### *The Results Framework*

In Uganda, three interrelated factors affect the integrity of critical ecosystems: 1) the unsustainable management and utilization of ecosystem components themselves; 2) increasing pressure on ecosystems due to unsustainable use of extraneous but ecologically linked resources; and 3) a sound but immature framework for conservation and sustainable natural resources management. The three highest-level intermediate results (IR) that must be realized in support of SO2 address these factors.

#### **IR 2.1 Critical Ecosystems Managed to Ensure Biological Integrity**

This IR addresses the need to improve the direct management of critical ecosystems both within and outside of formally protected areas. For protected areas, the achievement of this result will involve the continuation of some activities supported under the 1992 CPSP, notably the development and implementation of protected area management plans (IR 2.1.1). Such plans must be developed in collaboration with local communities and implemented by protected area managers with adequate levels of personnel, financial, and infrastructural support. Plans must also be supported by appropriate national policies as well as technical input to inform management decisions.

To improve management of non-protected ecosystems, USAID will support the development and application of community resource use agreements (IR 2.1.2). In communities where conservation incentives have been recognized, community resource use agreements clearly delineate roles and responsibilities for resource conservation.

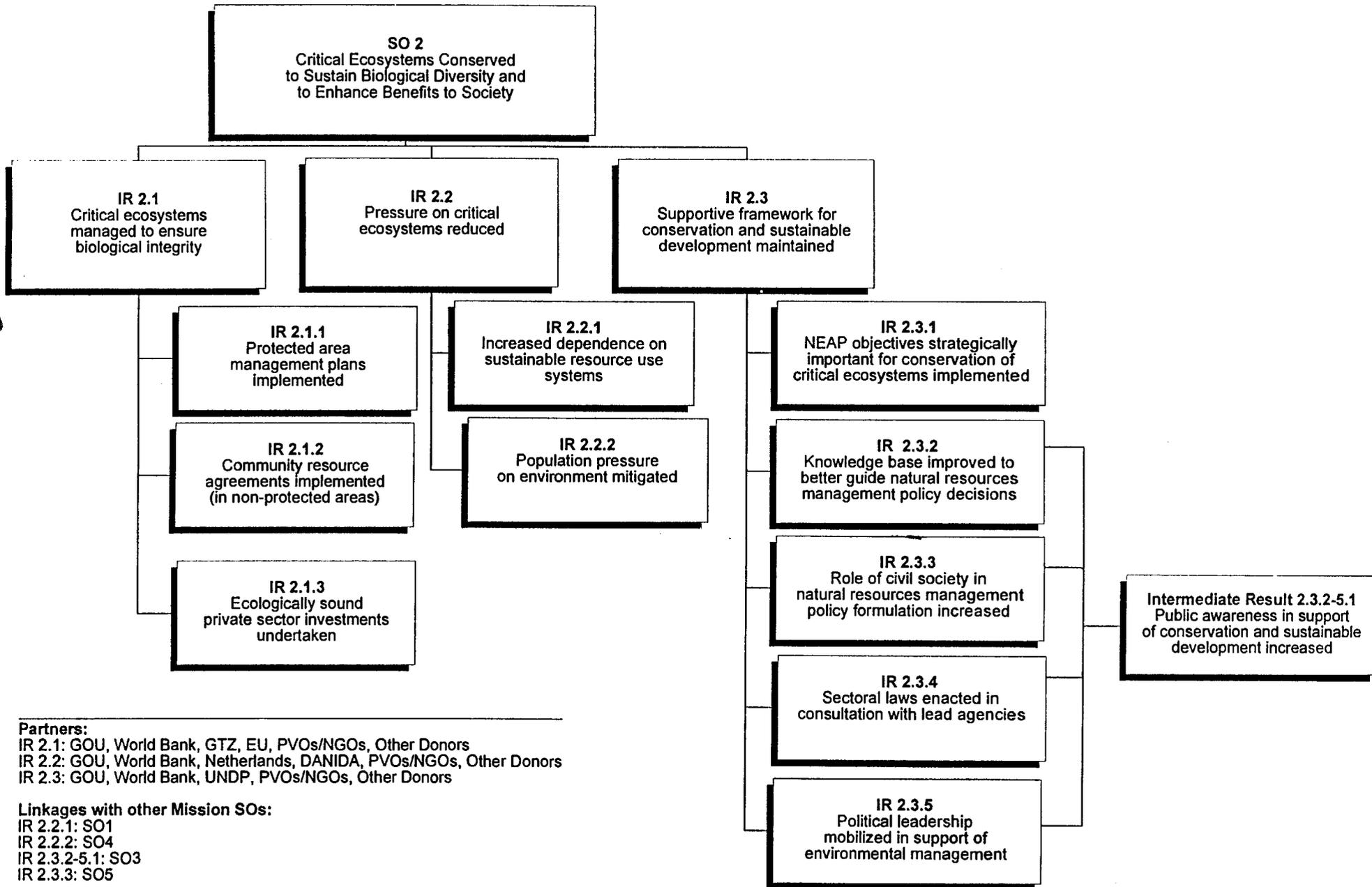
The private sector can also play an important role in managing natural resources in Uganda. Through ecologically sound investments (IR 2.1.3), such as ecotourism concessions or adding value to agricultural products, the private sector can serve both as a management partner with the public sector and as a development partner with local communities. SO2 activities will seek to create incentives and opportunities for private sector investment while also monitoring to ensure that investments are indeed ecologically sound.

#### **IR 2.2 Pressure on critical ecosystems reduced**

This result highlights the need to replace unsustainable resource use practices within and around critical ecosystems with sustainable systems (IR 2.2.1). Adoption of environmentally sustainable practices requires understanding of the dynamics underlying unsustainable resource use, identification of environmentally sustainable alternatives, enforcement of community resource use agreements, and increased awareness on the part of community members of the impact of their resource use decisions. For example, the extraction of woodfuels from communal forests can be traced to a lack of other fuel sources. The

# Results Framework: Environment

## Strategic Objective 2



establishment of local woodlots, when combined with community support, enforcement, and awareness, can offer a sustainable alternative.

While SO2 promotes conservation by encouraging sustainable resource use, SO4 addresses IR 2.2.2: Mitigation of population pressure on critical ecosystems. In the southwest districts of Kabale, Kisoro, and Rukungiri, USAID-funded CARE activities are addressing both strategic objectives. The APE-funded Development through Conservation and centrally-funded Community Reproductive Health programs work together to reduce pressures on Bwindi Impenetrable and Mgahinga Gorilla National Parks, thus helping to conserve these national resources.

### **IR 2.3 Supportive framework for conservation and sustainable development maintained**

USAID emphasizes the importance of an enabling environment through which national and local governments and policies support individual and community-level conservation initiatives. This IR builds on previous successful Mission activities, such as the NEAP and decentralization of environmental management.

SO2 will promote Ugandan policies and institutions that support conservation through the following efforts: implementing NEAP policy objectives strategically important for the conservation of critical ecosystems (IR 2.3.1); enhancing the knowledge base upon which environmental management decisions are made (IR 2.3.2); involving civil society in policy formulation at the local and national levels (IR 2.3.3); ensuring that laws are cross-sectorally compatible (IR 2.3.4); and sensitizing political leaders to the importance of sustainable environmental management (IR 2.3.5). IRs 2.3.2-5 will be supported by activities to increase public awareness of the importance of conservation and environmentally sustainable development.

#### ***Critical Assumptions***

Two primary critical assumptions underlie the achievement of SO2. USAID's first assumption is that Uganda's political leadership will continue to support implementation of the NEAP and maintain its proactive stance on matters concerning the environment. Practically, this implies that key agencies such as UWA and NEMA will be provided with adequate means to perform their mandates, and that other GOU ministries and agencies will act in accordance with the Environment Statute and other environment and natural resource policy and legal guidelines.

The second assumption is that current and planned levels of donor support and coordination in the environment and natural resource sector will be maintained to allow for continued implementation of critical activities. Reduced investment by or cooperation among donors would undermine a number of targeted results.

## *Activities and Partners*

The APE program is scheduled to continue through June 30, 1999 - midway through the planning period. Ongoing APE activities will remain fully consistent with the new Results Framework, and will be complemented by new activities designed both to build on progress to date and to achieve new strategic results. Activities will continue to be managed in two separate but closely integrated components: Conservation and Development (IRs 2.1 and 2.2) and Institutions and Policy (IR 2.3).

### *Conservation and Development*

Conservation and development activities will reinforce the unfolding national environmental policy framework through field activities aimed at conserving critical areas. National Parks will continue to be a primary focus, but other areas of biodiversity importance will be included. Conservation will entail direct ecosystem management, complemented by efforts to alleviate pressure on critical areas. Activities will be managed by the GMU and will include several categories of activities selected to achieve the Mission's desired results:

- Integrated conservation and development;
- Ecotourism development; and
- Institutional development of environmental management and local NGOs and community-based organizations.

Activities will continue to be implemented by various groups, including: U.S. PVOs; university consortia; GOU parastatal bodies; and local NGOs. Peace Corps/Uganda, and various G/Bureau activities (e.g. the Conservation of Biological Diversity of Natural Resources Project) will continue to contribute to the achievement of specific activities. SO2 activities will increasingly be coordinated through district and local governments and protected area managers (e.g. UWA, Forest Department, local communities). Donor partnerships and coordination will be encouraged through formal donor coordination meetings and cross-membership of donors on related activity steering committees.

### *Institutions and Policy*

This component will continue to build capacity at UWA, particularly in protected area management and planning and in financial management, and NEMA's capacity to implement the NEAP. Assistance to decentralization activities will also be continued, with two related goals: (1) increased capacities of district and subcounty level environmental managers to a level sufficient to fulfill their mandate; and (2) capacity within NEMA to respond to the needs of these managers. In addition, activities aimed at increasing environmental awareness of both the general public and political leadership and increasing the role of civil society in policy formulation will be considered. Grant activities under this component, such as environmental education and decentralization support, will also be managed by the GMU.

## Peace Corps Partnership

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Over 30 Peace Corps Volunteers (PCVs) are an integral part of ongoing USAID conservation efforts in Uganda. For example, the International Gorilla Conservation Program's Ecotourism Development Project in Bwindi Impenetrable and Mgahinga Gorilla National Parks relies on four volunteers to assist in the conservation of critical afro-montane gorilla habitat:

- Ecotourism Development PCVs support in-park tourism and education activities including: trail development; UWA staff training; gorilla habituation; and gorilla census.
- Community Conservation PCVs link park management and local communities. One PCV, for example, has helped women's groups near Bwindi organize to offer traditional dance presentations for tourists.

The G/Bureau's *Partnership for Biodiversity* bolsters Peace Corps efforts by uniting the technical expertise of U.S. Department of the Interior with the on-the-ground presence of PCVs. Initial efforts focus on training of PCVs and their counterparts in visitor services and ecological monitoring.

Partners under the Institutions and Policy component will include several GOU ministries and agencies as well as local government councils in selected districts. Coordination will be maintained with other donors, particularly the World Bank. G/Bureau activities such as the Environmental Planning and Management II Project will provide a valuable resource to the Mission in achieving results.

The full range of SO2 activities count on continued support from staff at Washington and regional USAID offices, in particular: G/ENV/ENR, AFR/SD/PSGE, and REDSO/ESA/ANR. Envisioned support includes virtual membership on SO2 teams, as well as TDYs to assist in key activities. The SO2 program will also continue to benefit from the skills of AAAS Fellows in implementation of selected activities.

## D. PERFORMANCE MONITORING PLAN

SO2 performance indicators are presented for the SO and each of the first level IRs. Indicators were developed as part of the strategic planning process in close collaboration with relevant partners, stakeholders, and customers, and were selected based on several criteria, including: (1) relevance to measurement of desired result; (2) data availability; (3) cost of data collection; and (4) compatibility with monitoring and evaluation systems currently in place. The selection of the Mountain Gorilla as a key indicator species is based on the Mission's current and future focus in the southwest highlands of Uganda. However, future reporting information will include indicator species population trends for other species/ecosystems as appropriate or available. The IR 2.1 indicator on water hyacinth has been included due to the importance of the Lake Victoria ecosystem, and the high profile nature of USAID assistance to the weed control effort. Indicators under IR 2.2 present cumulative figures on tree planting and technology adoption directly resulting from USAID-funded activities to date. During the strategy period, these indicators will continue to focus on the direct results of USAID interventions. All data collection and reporting will be coordinated by the GMU.

**Performance Data Matrix for SO 2: Environment and Natural Resources**

Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Reporting Office
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
<b>SO 2: Critical ecosystems conserved to sustain biological diversity and to enhance benefits to society</b>												
2.1 Ecosystem health and biodiversity maintained	Population of key indicator species maintained: population of mountain gorillas maintained  Unit: numbers	280-300 (estimate)	1990	280-300	300	300	300	300	300	Every two years	UWA/IGCP	GMU
2.2 Critical ecosystems generate benefits and revenues	Annual revenue generated from ecotourism by UWA  Unit: '000 U.S. Dollars	\$66	1990	\$1,078	\$1,700	\$2,000	\$2,250	\$2,500	\$3,000	Annually	UWA	GMU
2.3 Critical ecosystems managed rationally	Number of critical areas operating under integrated management plans or community resource agreements  Unit: number	3	1991	5	7	9	12	16	22	Annually	UWA MLG	GMU
<b>2.1: Critical ecosystems managed to ensure biological integrity</b>												
2.1.1 Protective status of critical areas maintained	Area under highest level of protective status (National Parks)  Unit: km <sup>2</sup>	7,540	1991	11,023	11,023	11,023	11,023	11,023	11,023	Annually	UWA/ MTWA	GMU
2.1.2 Private sector invests in NRM	Number of environmentally friendly private sector concessions within critical ecosystems  Unit: numbers (cumulative)	1	1990	20	28	36	45	60	75	Annually	UWA/ MTWA MLG	GMU

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Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Reporting Office
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
2.1.3 Integrity of critical areas maintained	Area of the Lake Victoria covered by water hyacinth Unit: hectares	6,000	1995	6,000	2,500	1,750	1750	1750	1750	Annually	Aquatics Unlimited /APC	GMU
<b>IR2.2: Pressure on critical ecosystems reduced</b>												
2.2.1 Biophysical changes in landscape - trees	Trees planted in critical areas Unit: number (cumulative)	1.5m	1995	1.5m	1.7m	1.8m	1.9m	2.0m	2.2m	Annually	GMU grantees	GMU
2.2.2 Enhanced NR conservation: soils	Adopters of improved soil conservation practices Unit: numbers (cumulative)	726	1995	726	1,320	1,600	1,918	2,200	2,500	Annually	GMU grantees	GMU
2.2.3 Increased NR productivity: energy	Adopters of improved energy saving practices Unit: numbers (cumulative)	188	1995	188	590	734	871	990	1,130	Annually	GMU grantees	GMU
<b>IR2.3 Supportive framework for conservation and sustainable development strengthened</b>												
2.3.1 Decentralization of NRM to sub-national levels	District Environment Officers posted in the country Unit: number (cumulative)	0	1993	10	20	30	30	30	30	Annually	NEMA	GMU
2.3.2 Environmental concerns brought into development process	Environmental Impact Assessments reviewed by NEMA Unit: number (annual)	0	1995	180	200	250	300	300	300	Annually	NEMA	GMU

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Performance Indicator	Description and units	Baseline		1995	1997	1998	1999	2000	2001	DATA		Reporting Office
		Value	Year	Actual	Target	Target	Target	Target	Target	Frequency	Source	
2.3.3 Increased awareness by Ugandans of the environment	Annual Ugandan visitors to the Uganda Wildlife Education Center Unit: number (annual)	15,322	1988	33,840 (est)	45,000	51,000	59,000	68,000	78,000	Annually	UWEC	GMU

**STRATEGIC OBJECTIVE 3:  
IMPROVED QUALITY OF BASIC EDUCATION FOR  
INCREASED PERCENTAGE OF UGANDAN CHILDREN**

**A. INTRODUCTION**

Uganda's ability to build a free democratic society relies on the knowledge, attitudes and skills of her citizens. This ability is severely constrained by the poor quality and limited availability of basic education. Sustaining Uganda's remarkable economic recovery, and spreading its benefits, requires a more accessible, effective education system. Evidence from other developing countries has convincingly demonstrated the link between investments in basic education, agricultural and manufacturing productivity, reduced fertility and poverty, improved income distribution, and the establishment and functioning of non-governmental institutions in civil society. USAID's decision to support primary education reform in Uganda is based on recognition of the role education will play in the country's continued revival and the links between human resource development and the achievement of the mission's other strategic objectives.

*A Vision for the Future*

We think it useful to begin with a plain statement of what we hope to accomplish in this sector during the next five years. Simply put, we see an increased number of girls and boys attending schools with sufficient classrooms, instructional materials and trained teachers to enable them to learn to read, write, do mathematics, understand something of the natural world around them, and to communicate clearly in their mother tongue, as well as beginning English. Ideally, all children of school-going age should be enrolled in school in the next five years, but we do not believe this is realistic. We do believe that Universal Primary Education (UPE) will occur within the next ten years. During the next five years we expect to see enrollment increase from about 55% of school-age children to approximately 80%, and we expect to see the number of children who complete 7 years of school increase from 35% of those who start to over 60%. These gains are possible through a combination of improved school quality, which will reduce drop-out and repetition, and through a supportive policy environment which will encourage more children to enroll and remain in school. This assumes that the demand for education will grow in response to economic growth, leading to increased support from both Government and the private sector.

Much has yet to happen for this vision to become reality: the GOU must remain committed to the sector, educational financing (both public and private) must continue to increase, management must continue to improve, and community responsibility (first, for sending children to school and then for setting high expectations of their schools) must grow. We believe the progress during the last five years makes this attainable, except in parts of Northern Uganda where schooling is disrupted by conflict.

USAID has an important role to play in this sector . In the last five years, USAID has emerged as an influential voice trusted by the GOU, the Ugandan educational community, and other donors. This leadership position has resulted from our significant investments, our successful partnership with the GOU and the World Bank in achieving visible improvements in school quality, and our ability to leverage policy change through dialogue backed by sound technical analysis. Given the GOU's commitment to primary education, we believe Uganda would continue to make progress towards its goal of quality education for all even without USAID's participation, but it would have to sharply scale back its expectations. In human terms, 3 to 6 million children would grow up without learning basic skills, destined to have only limited access to Uganda's new and growing economic opportunities. If USAID's planned investment of \$8 to 12 million a year achieves the targets set out above, as we believe it will, then we will have made a big difference in the lives of millions of children and young adults. This broad outreach will contribute to the sustainability of activities across USAID's portfolio. The strategy that is presented in the following pages describes how USAID, working with its many partners in the sector, will turn this vision into reality.

## **B. STATUS OF THE EDUCATION SECTOR**

Ugandan education in 1990 was in serious trouble. An earlier tradition of excellence in education, albeit for a small proportion of the population, declined due to the political and civil turmoil of the 1970s and 1980s. By 1992 enrollment in primary school no longer kept pace with population growth. The *gross* enrollment rate for primary education was 70percent in 1980, dropping to 50% during the turmoil of 1985, and returning to 70% by 1990. Education financing plummeted so that per-capita government expenditures for primary school pupils declined in constant dollars from \$49 in 1970 to \$16 in 1980, to \$10 by 1992 when USAID entered the sector. The low level of per-pupil expenditure is an indicator of a serious and prolonged decline in educational quality and learning achievement.

### *Government Reform*

The GOU's commitment to primary education reform was firmly established by a Report of the Education Policy Review Commission (1989) and a resulting Government White Paper, "Education for National Integration and Development" (1992). These two documents provided a solid basis for discussing the education needs of the country and for planning interventions. The policy formulation process that culminated in Parliament's 1994 adoption of the White Paper was successful in mobilizing both government and donor resources, and has led to far-reaching reforms and progress in the education sector.

### *USAID's Program Strategy*

USAID's support for primary education was established in 1992 to eliminate binding policy and operational constraints on the improvement of the quality and equity of basic education and eventually, to strengthen the GOU's capacity to restructure and consolidate this sector to meet the needs of a modern, democratic society. Three constraints were identified at the

inception of the program: insufficient public finance, poor learning conditions, and deficient management and accountability structures.

USAID's Support to Uganda Primary Education Reform (SUPER) Program supports four specific education policy reforms identified in the GOU's Education White Paper. These aimed to:

- (a) re-establish teaching as a respected profession, by improving teachers' terms and conditions of service;
- (b) enhance community participation in and responsibility for primary school education;
- (c) establish a sustainable system of allocating resources for instructional materials; and
- (d) re-structure and rationalize the primary teacher training system to integrate in-service, pre-service and school management training and support.

The first three reforms are addressed through Non-Project Assistance to create policy incentives for long term improvements in the quality of primary education. The last reform is undertaken through project assistance. Combined inputs total \$108 million over a ten year period (1992 - 2002).

#### *Progress to Date*

Visible improvements have been achieved in Uganda's primary schools since the GOU launched its primary education reform program three years ago. A reasonable policy framework, based on the Government White Paper, is in place supported by USAID NPA and World Bank financing. Significant achievements include:

- Government annual recurrent spending on primary education has almost tripled during 1992 to 1996 (from Ushs. 30.4 to 90.1 billion.), and over \$50 million in donor funds disbursed to primary education during this period. Per/pupil expenditures for primary education have grown from \$10 in 1992 to \$29 (constant dollars) in 1995. PTAs and communities in 1990 provided an estimated 80% of school and teacher income, whereas by 1995, even though the absolute contributions from PTAs had increased, their proportional contribution dropped to an estimated 40%.
- Teacher salaries from government have increased nine-fold, from \$8 per month to \$72 per month.
- Millions of dollars have been saved through elimination of thousands of unqualified and "ghost" teachers from the payroll, and the establishment of school staffing standards.
- The establishment of standards for staffing, communicated to schools and communities, has led communities to build more than 1,000 classrooms to qualify for teachers.

- The instructional materials and textbook market has been converted from a government monopoly to a competitive market, in the process eliminating an area of corruption. The policy has led to the growth of vibrant local publishing and printing industries and the growth of the local retail book market. Choice over selection of materials has been decentralized to the school level. Over 1.5 million textbooks, teachers guides and other materials have been distributed to schools.
- The entire system of teacher training has been restructured through the development of a comprehensive and successful program, Teacher Development and Management System. TDMS provides training and supervisory support to serving teachers and school heads, and is now expanding throughout the country, at a faster and wider pace than originally anticipated. This system provides the technical basis for the improvement of school quality.

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### **SUPER Collaboration**

The National Primary Education Reform Program Management Committee(NPERPMC)is a unique example of collaborative management. Since 1993, in fortnightly meetings of senior managers from GOU ministries of Education, Finance, Public Service, Local Government, and donors to the primary education sector, NPERPMC has been the scene of spirited, often controversial policy debate, collaborative strategic planning and results monitoring. SO3's outstanding achievements have been a direct result of this collaboration.

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- Between 12 to 18 Peace Corps Volunteers have, to date, been closely integrated into TDMS, providing guidance and support for the expansion of education reform through teacher training.
- A program of research on quality issues at the school level has been initiated, providing insights into the impact of the reform, and a basis for the ongoing monitoring and evaluation of school quality and program impacts.

## Other Donor Activities

Donor participation in the education sector has increased significantly since 1992, partly because the education reform program provides an effective framework for coordinating external finance to the sector. USAID's SUPER Program and the World Bank's Primary Education and Teacher Development Program (PETDP) were designed simultaneously to integrate their activities to support priority education reforms identified with the GOU. The World Bank finances the construction and equipping of 10 teacher's colleges, the rehabilitation of primary school facilities, and curriculum and examination reform. Based on the positive results being achieved, other donors are now considering entering the sector. The Dutch Government and the British Overseas Development Agency (ODA) have expressed an interest in complementing existing donor support by financing expansion of reform activities to currently unserved areas of the country. DANIDA, the German Government, ActionAid, two Dutch church NGOs (BILANCE and ICCO), and various other NGOs have been active in the area of education for teachers, adults, the handicapped, and disadvantaged groups such as AIDS orphans. Recently UNICEF joined the primary education reform with a program focussed on increasing out-of-school girls' access to schooling through nonformal approaches. Similarly, Canadian CIDA is currently considering involvement in the sector to improve girls' persistence in primary schools. During September 1996 under the auspices of the World Bank's mid-term education review USAID, the Dutch Government, ODA, the Belgian Government and UNICEF collectively assessed the status of the reform and collaboratively planned for involvement in the sector.

## GOU Priorities in Education

Primary education reform is one of the three priorities of the GOU's newly elected government for the next five years as described in the FY 1996/97 Background to the Budget:

*"An area which is given the highest priority is primary education. Research in Uganda has confirmed that primary education (especially the first four years) increases agriculture income and reduces poverty, and that all levels of education (for both sexes) contribute to reducing child mortality. Research also shows that, even though female education improves productivity and health just as much as male education, girls receive less education than boys.*

*It is imperative that government intervenes to encourage education, especially for girls and the children of the poorest. Therefore, in line with the President's commitment to enable more children to have access to school, a substantial increase in resources for primary education has been provided."*

The progress achieved during the last four years shapes an education sector that is very different from that of 1987 when management controls had broken down, or even 1992 when the new policy framework was conceived but not yet operating. Now as program

interventions are beginning to have an impact on primary education quality, new challenges are generated by a rapidly expanding population, a growing liberalized economy and thriving private sector, a more stable socio-political climate (except in the North), and a decentralized and democratized administrative infrastructure.

### **Challenges Ahead: Constraints and Opportunities**

The main challenges for education lie in the growing unmet demand for education at all levels, the need to look beyond the bare rudimentary standards achieved in the recent rehabilitation period to more qualitative instructional gains, and the urgency to institutionalize and integrate the reformed features into existing structures. Furthermore, Uganda must now confront the dual challenges of increasing quality and expanding access (i.e. achieving Universal Primary Education, UPE) within the context of a decentralized system of service provision. These should become the focus of USAID's future education sector policy dialogue with the Government of Uganda.

#### *Unmet Demand for Education*

Improving access to primary education is the most prominent issue in the education sector. With only 55% net enrollment<sup>1</sup> in primary school, Uganda is educating fewer of its children than other East African countries. Key actors in the country - elected officials, parents, the media and government itself - are unanimous in according top priority to universal primary education. The President has announced free primary tuition for up to four children from every family beginning in 1997.

The major emphasis of current initiatives, including USAID's future support, is to improve quality and access in primary education. Improved enrollments and persistence at primary level will increase the pressure on the post-primary levels of education to absorb the growing numbers of primary school leavers. This is consistent with a growing economy's need for an increasingly skilled workforce. Therefore all partners within the sector should be aware of the need to meet future demand in order to maximize the gains from improving primary education. Toward the end of the strategy period USAID should examine needs and opportunities for higher level skills development.

#### *Consolidating improvements in quality and efficiency*

The quality of education can be judged by, among other factors, the quality and status of teachers, the utility of the curriculum and assessment procedures, the availability and use of instructional materials, the adequacy of the physical infrastructure, and the efficient passage of pupils through the primary school cycle.

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<sup>1</sup> High drop-out rates, late entry into primary school, poverty, conflict in the North and lack of demand among pastoralists help explain low enrollment rates.

*Teachers:* Up to 1994, the GOU employed some 10,000 teachers more than it actually needed. Salaries were so low that teachers taught at two or three schools to (barely) survive. Since the payroll was reduced from 91,905 in 1993, to 84,043 in 1994, to 74,401 in 1995, and staff ceilings established, salaries have been rising steadily. The quality of teachers has also improved with training provided by TDMS and other donor-supported training projects. The percentage of untrained teachers has fallen from 47% in 1992 to 28% in 1995. However, these important gains still have to be translated into visible improvements in pupil learning at the classroom level. The major challenges are to continue to improve teachers' terms and conditions of service, to integrate pre-service and in-service modes of training, to recruit, train and retain tutors (teacher trainers), and to train a sufficient number of teachers to cope with rapid enrollment increases as the country moves to universal primary education.

*Instructional Materials:* Up to 1994, the dearth of appropriate instructional materials was a predominant barrier to quality instruction. Policy changes have created a competitive local publishing and printing industry. As materials become more common in classrooms, there is a growing need to train and re-train teachers how to use them since most teachers have little experience of using instructional materials.

*Curriculum and Assessment:* There is a disjunction between assessment methods, which are now aimed towards more sophisticated, higher cognitive, problem-solving techniques than are included in the curriculum or instructional practices. The poor performance on the Primary Leaving Examinations (PLE) may, in part, be explained by this disjunction. Teacher-training methodology must prepare teachers to better prepare pupils in higher level thinking skills.

*Physical Infrastructure:* Schools lack office space, storage facilities for instructional materials, and permanent classrooms. A majority of schools lack adequate latrines.<sup>2</sup> The national average of temporary classrooms (constructed with mud walls and grass roofs) stood at 58% in 1989. During the rainy season many schools are closed, and when open, are interrupted when it rains. A large proportion of schools, particularly in rural areas, have no chairs, so children sit on mats or logs. A 1995 survey showed that only 63% of primary schools were complete to P7.

*Pupil Retention:* In 1995 10% of Uganda's primary school pupils dropped out of school and 21% repeated classes, prolonging the duration of their stay in primary school and consuming resources that could have been spent on enrollment of additional pupils. There is a disproportionately high drop-out rate at P1-P2 (grades 1 and 2) which averaged 19% over the 1983-91 period and rose to 28% in 1994\95. The P4-P5 drop-out rate, conventionally considered the most critical, averaged 15% for the same period. Cohort survival rates have

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<sup>2</sup> One study suggests this may be a major cause of drop out among adolescent girls.

plummeted as a result from 41% in the 1983/89 cohort to 28% in the 1989/95 cohort. P1-P4 cohort survival rates are now levelling off at 57%, but they are still far below the 1983/89 mark of 73%.

These negative indicators amount to wasted resources which the GOU could have better spent on higher pupil enrollments and improved school facilities. The challenge lies in improving the quality of instruction so that children learn the skills they need to be systematically promoted through the entire cycle.

### *Increasing Equity*

Although the national female enrollment rate in primary schools was 45% in 1995, a more critical concern now is for female persistence and performance throughout the primary school cycle and into secondary school.<sup>3</sup> The districts in the North, Northwest and Northeast, areas of chronic conflict, recorded the lowest female enrollment rates and the highest repetition and drop-out rates for both boys and girls. The education-related needs of the rapidly expanding orphan population and of disabled children present particular challenges which are currently being tackled by numerous smaller NGOs and donor agencies.

### *Bridging Gaps in Education Financing*

One of the consequences of the successful initiation of Uganda's educational reform has been to stimulate the demand for primary education by initiating activities that are improving educational quality. This increase in demand is reflected by a continuing rise in the absolute level of parental and community contribution to educational costs, even as the GOU has assumed greater responsibility for financing of primary education. To sustain and consolidate the positive shift in resource allocation to the education sector the following budgetary issues need to be addressed:

- Significant progress towards universal primary education, while simultaneously moving towards minimum quality standards for schools, will require significant increases in community and government financing. The upward trend of education financing in Uganda will need to be accelerated.
- Up to 82% of the primary education recurrent budget still goes to personnel or salaries and wages. Financing for non-wage expenditure, particularly for instructional materials needs to be maintained within the new decentralized financing structure.
- The impact of donor financing is vitiated by the 70% average rate of disbursement over the period 1993/94 - 1995/96. This rate of disbursement will have to be substantially improved to realize the full benefit of external financing.

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<sup>3</sup> Females comprise only 39% of the passes at PLE, severely limiting their access to secondary and tertiary education.

## C. PLAN OF ACTION

Uganda's revived economy, progress in rehabilitating the education sector, and changes in governance, particularly the move to the decentralized provision of social services, have created the need for a new education policy framework that:

- ensures that all future Ugandan children attain basic skills;
- takes account of basic education as a service delegated to the districts;
- establishes an equitable education financing mechanism that is achievable within the national budget and responsive to regional disparities;
- ensures minimum quality standards for the quality of teaching, physical facilities, and instructional materials.

A policy framework that achieves these educational objectives must define the responsibilities and relationships among the central government, the districts, and communities within the existing framework of the newly enacted constitution's decentralization provisions.

USAID's strategy to achieve the improved quality of basic education for an increased percentage of Ugandan children is to support policy reform and system capacity to:

- increase school places
- continue the development of delivery systems to improve school quality, and
- address issues of equity, specifically measures to increase opportunity for girls.

System capacity refers not simply to central government and the Ministry of Education, but refers to district, community, parental and the private sector support for and participation in the governance of primary education.

The Results Framework describes results for access and quality that relate directly to the SO 3 level indicators. Gender equity is addressed strategically through the development of policies and programs that lead to higher levels of girls' participation and achievement in primary school. SO results indicators are disaggregated to monitor this.

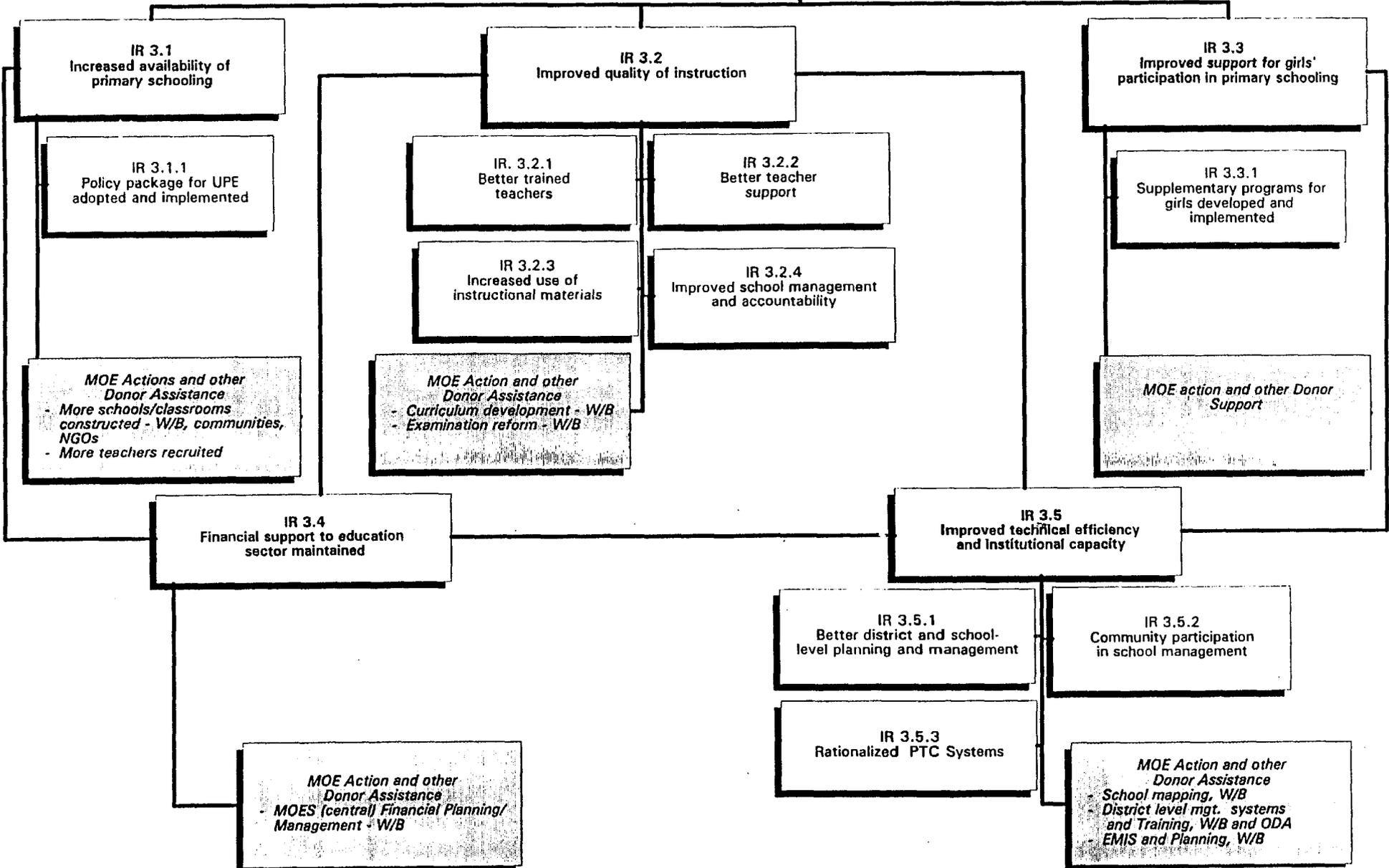
### *The Results Framework*

The Results Framework describes the outcomes of a set of coordinated activities carried out by USAID, the GOU and other partners. USAID will use two mechanisms to achieve the specified results. First, non-project assistance (NPA) will provide non-targeted budgetary support, conditioned on the formulation and adoption of policies that ensure an environment which maximizes the impact of scarce resources through improved management, sustainable financing mechanisms, and broad participation. Policies will generally be reflected in the GOU's education sectoral budgetary and governance priorities. USAID will increase its emphasis on policies relating to educational access (as opposed to focussing only on quality). Project assistance will provide collateral technical and training support to develop the

# RESULTS FRAMEWORK: BASIC EDUCATION

## Strategic Objective 3

**SO 3**  
Quality Basic Education for an Increased Percentage of Ugandan Children



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capacity of the educational system, principally the Teacher Development and Management System (TDMS).

### **IR 3.1 Increased Availability of Primary Schooling**

This result is intended to increase the opportunity for children to attend school. Now that the primary school system is on its way to rehabilitation, USAID will promote a policy framework that enables universal participation. Key aspects of this framework include the establishment of minimum educational standards for schools, clear definition of roles and responsibilities for complying with the standards among the central and local governments and communities, and setting the parameters for public financing of primary education. USAID activities will include technical assistance to support the analysis of policy options and the process of policy formation. The result of this activity is that a policy package for UPE will be adopted and implemented.

### **IR 3.2 Improved Quality of Instruction**

USAID's principal project activity is the support to the TDMS system, which has as its primary objective the improvement of teaching and learning, focussing on the role of the teacher within the school. The Project has been effective in developing technical capacity for defining, organizing and managing teacher, and headteacher in-service training and professional development through a network of Primary Teachers Colleges and school clusters. Project effectiveness has also benefited from the instrumental role played by Peace Corps Volunteers in teacher training activities. This system is expanding now at a faster pace than originally planned and is expected to reach full national coverage over the next three years. This is primarily the result of expected financing from the Dutch Government and the ODA.

In addition to supporting improvements in instructional quality, USAID will continue to press for sustainable policies on teachers' wages and conditions of service and the procurement and distribution of instructional materials. USAID will also seek linkages for teachers to savings mobilization and income generating activities in order to maximize the benefit of salary increases.

During the five years covered by this strategy we expect to achieve increases: in the proportion of schools meeting minimum quality standards; of schools within the TDMS network; of teachers and headteachers receiving in-service training and supervision; of classes where teachers and pupils are utilizing instructional materials; and of schools with an improved level of school management and accountability. Parallel with USAID activities, the World Bank is supporting technical activities on curriculum and examination reforms. These are key activities for improving the quality of instruction.

### **IR 3.3 Improved Support for Girls' Participation in Primary Schooling**

USAID will actively promote analysis, dialogue and programs that improve girls' participation and achievement. On one hand, this will require explicit consideration of constraints and opportunities that should be integrated within existing programs and services. This includes ensuring gender sensitivity in the design of instructional and training materials, and ensuring "girl friendly" schools, for example, by incorporating standards that include separate latrines for girls. In addition to the integration of gender issues within existing programs and services, USAID will support supplementary and targeted activities designed specifically for increasing girls' participation. These might include such activities as community awareness programs, or incentive grants.

#### **IR 3.4 Financial Support to Education Sector Maintained**

The GOU's policy of decentralization places management responsibility for primary schools outside the Ministry of Education. While there are major problems of financial and information management at the center, within District government offices there is little strategic or management capacity to support reform. For example, recent public expenditure tracking has found that less than 30% of government non-salary financing for primary education that passed through the districts actually reached the schools during 1992-1994. Strengthening capacity at district levels will be critical to the sustainability of education reforms.

Since district management functions are integrated for all sectors, they can not be "fixed" one sector at a time, but depend on improving overall District efficiency and capacity. One approach, coordinated under our democracy and governance SO, will be to promote civic organizations to lobby for services and increased accountability. USAID will also use both NPA and project assistance to better define policies which define district functioning, and will provide limited technical assistance and training in the Districts where TDMS is operating.

#### **IR 3.5 Improved Technical Efficiency and Institutional Capacity**

Although government has more than tripled its allocations to primary education over the past four years and parents also have increased their support, achieving UPE and significant quality improvement simultaneously will require large numbers of additional teachers, facilities (over 60% of present facilities are in various stages of disrepair), instructional materials, supervision and management. These requirements exceed current levels of financing. However, with the continued growth of the economy and private incomes, the consequent growth in demand for basic education (which increasingly will become a prerequisite for participation in the growing economy), a financing strategy to support continued improvement and expansion is necessary and feasible.

USAID's policy dialogue will encourage formulation of policies to govern critical financing decisions. These include: i) the proportion of Government recurrent expenditures allocated to education (within a macro-economic framework ensuring continued growth of government

revenue related to overall economic growth); ii) the proportion of education financing allocated to primary education; and iii) within primary education, the amounts allocated for wage and non-wage expenditures. The non-wage expenditure level is critical to maintain support for adequate instructional materials. The outcome of the analysis and consequent policies is a framework of sustainable government support that can engage communities and the private sector in financing quality education for all.

#### **D. PERFORMANCE MONITORING PLAN**

The Performance Data Matrix outlines the critical performance indicators necessary to assess progress and program achievement at the SO and IR levels. In addition to these indicators, the Mission's education office will also monitor progress at the sub-IR level, although this does not constitute a formal reporting requirement. We will use the overall matrix as a general guide for monitoring activities as it effectively offers us various options and alternatives. National education statistics reports prepared by the Education Planning Department of the Ministry of Education will be the primary source of data measuring impact at the student level. GOU budget and expenditure reports will be utilized to measure impact at a systems level. Additionally, we will begin monitoring behavioral change at the classroom level through surveys and ongoing research efforts

**Performance Data Matrix for SO 3: Basic Education**

Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
<b>SO 3: Quality basic education for an increased percentage of Ugandan children</b>													
3-1 4th Grade and 7th Completion Rates -total -by gender -disparity (girls:boys, parity=1)  (improved quality)	Definition: Number of P4/P7 students (girls, boys) of any age completing P4/P7 as a percentage of total cohort (girls, boys) entering 1st grade 4 and 7 years earlier  Unit: student, % P.7 Target: national	63% (P4)	1995	-	67%	73%	75%	78%	83%	83% children completing 4th grade	annual	national education statistics reports	MOE EPD
		35% (P7)	1995	-	42%	47%	53%	58%	60%	60% children completing 7th grade			
3-tbt* Cycle Time -total -by gender -disparity index (girls:boys, parity=1)  (improved quality) *to be tracked	Definition: Total number of academic years education system provides (new entrants, repeaters, dropouts) divided by total number of graduates from terminal year of cycle  Unit: student, years Target: national	32 yrs	1990	-	26 yrs			20 yrs		16 years to produce graduate from P7	periodic, every three years	national education statistics reports, Mission calculation	MOE EPD Mission

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Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
3-2 Gross Enrollment Ratio -total -by gender -disparity index (girls:boys, parity = 1)  (increased access)	Definition: Number of students (boys, girls) of any age enrolled in primary school (P1-P7) as a percentage of total population (boys, girls) aged 6-13 years old.  Unit: student, % Target: national	68%	1995	-	73%	76%	80%	83%	85%	85% children enrolled in primary school	annual	national education statistics	MOE EPD

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Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
<b>IR 3.1: Increase availability and accessibility of school places</b>													
3.1-1 Percent increase in total number of primary school classrooms (system expansion)	Definition: Total number of primary school classrooms constructed by government, communities and others in year as a proportion of total number of classrooms existing in 1994  Unit: classrooms, % Target: national	65,000 classrooms	1994	15%	23%	30%	38%	44%	54%	54% increase in number of primary school classrooms	annual		PIU, EPD

Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
<b>IR 3.2 Improved quality of instruction</b>													
3.2-1 Percent of "effective" schools (quality expansion)	Definition: Total number of schools meeting "effectiveness" criteria as a proportion of total number of schools. Criteria include: <ul style="list-style-type: none"> <li>•schools with 60% or more of trained (ie. preservice or inservice certification);</li> <li>•schools with full set of teacher guides.</li> </ul> Unit: school, % Target: national	20%	1993	50%	60%	70%	80%	90%	95%	95% effective schools	annual		MOE EPD
3.2-2 Percent schools participating in TDMS (quality expansion)	Definition: Number of schools participating in TDMS as a proportion of total number of schools  Unit: school, % Target: national	0%	1993	30%	50%	65%	75%	85%	100%	100% schools participating	annual		MOE EPD

Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
IR 3.3 Improved support for girls' educational participation													
3.3-1 Development of national strategy /plan to promote girls' educational participation (equity enhancement)	Definition: Development of a national plan to promote girls' education by MOES and partners. Criteria (illustrative) include: <ul style="list-style-type: none"> <li>•national advisory council</li> <li>•diagnostic study</li> <li>•policy/program review</li> <li>•needs identification</li> <li>•priorities</li> <li>•action plan</li> </ul> Unit: plan, y/n Target: national			-	y	y	y	y	y	y/n plan developed	annual (revision/clarification as required)		MOE
3.3-2 Integration of girls' support activities/issues into MOES services (equity enhancement)	Definition: Girls' support activities or concerns are incorporated into routine MOES educational services and systems, such as: <ul style="list-style-type: none"> <li>•teacher training modules on girls' needs;</li> <li>•girl-friendly pedagogy;</li> <li>•girl-sensitive materials and facilities</li> <li>•anti-harassment policies;</li> </ul> Unit: services, y/n Target: national			-	y	y	y	y	y	y/n services incorporated	annual (revisions/clarification as required)		MOE

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Performance Indicator	Description and units	Baseline		1996	1997	1998	1999	2000	2001	EOPS 2002	DATA		Responsible Office for reporting data
		Value	Year	Actual	Target	Target	Target	Target	Target	Target	Frequency	Source	
<b>IR 3.4 Education sector finance maintained</b>													
3.4-1 Resource reallocation  (quality and expansion support)	Definition: Financial resources, within GOU and MOES budget, are reallocated to support UPE and quality policy priorities. Allocation index (illustrative) includes: <ul style="list-style-type: none"> <li>•% GOU national budget (or GDP) to education sector;</li> <li>•% MOES budget to primary;</li> <li>•per pupil public expenditure</li> </ul> Unit: budget, % and \$ Target: national	19%	1995	22%	23	23	24%	24%	25%	(22-25%) of national budget	Annual	Annual Budget Statistics	MOF
		52%	1995	55%	55%	55%	55%	55%	55%	55% of budget to primary			
		\$24	1995	\$29	\$35	\$40	\$45	\$55	\$60	\$60 per pupil			
<b>IR 3.5 Improved technical efficiency and institutional capacity</b>													
3.5-1 UPE growth strategy and financing plan  (quality and expansion support)	Definition: MOES develops strategy and plan to support UPE and quality policy priorities, which addresses policy priorities, sustainability considerations, minimum standards, public-private financing, and decentralization issues.  Unit: plan, y/n Target: national			-	y	y	y	y	y	y/n plan developed	one-time (with revisions/clarification as required)		MOE

**STRATEGIC OBJECTIVE 4:  
INCREASED SERVICE UTILIZATION AND CHANGED BEHAVIORS, RELATED  
TO REPRODUCTIVE/MATERNAL/CHILD HEALTH IN SELECTED DISTRICTS**

**A. INTRODUCTION**

Despite improvements in a number of health indices in recent years, Uganda continues to suffer from high rates of fertility and mortality. Total fertility is 6.9 children per woman, constituting a fundamental constraint to development across all sectors. Nearly one in seven of these children will not live to see his fifth birthday, and maternal mortality is also high. A substantial portion of the adult population is infected with HIV, and Uganda may have one of the lowest life expectancies in the world as a result of AIDS. Recurrent GOU expenditures on health are extremely low and highly skewed in favor of hospital based, curative care. Although private health expenditures boost per capita spending considerably, much of this expenditure is of dubious utility and total expenditures remain small.

Over the past several years, USAID/Uganda has become a major supporter of successful, mutually reinforcing activities to reduce (i) fertility and (ii) mortality resulting from AIDS and inadequate maternal care, including health education. More recently, we have initiated activities to improve and expand the treatment of sexually transmitted diseases (STDs). As a result of this experience, we have established a significant comparative advantage in programs related to adult, maternal and child mortality associated with pregnancy and sexual behavior.

Over the next five years, in the 13 districts where we plan to provide support, the Mission expects people to increasingly use health services and adopt behaviors to reduce unwanted pregnancies, HIV infection, and maternal and child mortality. We further expect that increased non-government/non-donor funds will be generated to improve the quality of health services, that selected NGO activities will become more financially sustainable, and that the private-sector provision of services will expand.

**B. STATUS OF THE HEALTH SECTOR**

A 1995 Demographic and Health Survey (DHS) estimated total fertility to be 6.9 - a substantial decline from the rate of 7.3 estimated for two thirds of the country in the previous DHS of 1989. Over half of the population of about 20 million is under 15.

Infant and child mortality rates are high at 81 and 147/1,000 live births respectively. Infant mortality has decreased by 20% since 1989, and child mortality is down by 17%. Uganda's infant mortality is in the middle range of sub-Saharan African countries listed by the Population Reference Bureau, and child mortality is among the lowest in 21 sub-Saharan African countries which have had a DHS since 1986. Maternal mortality is 506 deaths due to pregnancy and childbirth per 100,000 live births. Adult mortality is also high, due

to AIDS, and the U.S. Census Bureau has estimated that life expectancy may only be 37 - the lowest in the world<sup>1</sup>.

The use of modern contraception has increased from 2.5% of married women in 1989 to 7.8% in 1995, with urban/rural differences ranging from 35% for modern methods in and around Kampala to a rural average of 5%. While these rates are still quite low, 68% of married women say they either want no more children or want to space their next birth by at least two years. The current unmet need<sup>2</sup> for family planning is 29%; if this need could be met, total fertility would decline to 5.6 and contraceptive prevalence would be 44% (modern and traditional methods).

The DHS indicates substantial infant and child mortality associated with high-risk pregnancies (birth interval less than two years, mother too young or too old, more than three previous births). Two thirds of all births are characterized by one or more of these risk factors. Infants born after a short interval are about twice as likely to die before five as those born after a longer interval. A child born to a mother under 18 is 85% more likely to die before five than a child of a low-risk mother, and 72% of Ugandan women have had sexual intercourse by this age (56% are married by 18). Children born to mothers over 34 and after a short interval are 82% more likely to die; those born after a short interval and three prior births are at 64% higher risk.

*High-risk pregnancy significantly increases the risk of child mortality, and two-thirds of all births in Uganda are characterized by at least one risk factor.*

Maternal mortality accounts for 17% of all deaths among women 15 - 49 and can be substantially reduced by providing adequate pre-natal, delivery and post-partum care; family planning services, and treatment for the sequelae of illegal abortions. About 91% of Ugandan women get some pre-natal care. However, they tend to begin pre-natal visits late in their pregnancies and make only one third of the optimal number of visits (about 12). Although 70% of women live within 10 kilometers of a source of delivery care, only about a third deliver with medical or midwifery assistance, and the quality of antenatal and delivery services is low. Nonetheless, DHS data show that mortality among infants born to mothers who received both ante-natal and delivery care is nearly half

*Ante-natal and delivery care could reduce risk of infant mortality by half.*

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<sup>1</sup> This estimate was made prior to evidence of declining HIV incidence presented below.

<sup>2</sup> A woman is in need if she is fertile and not using family planning but either (i) wants no more children (or is unsure if she wants any more), (ii) wants to postpone her next birth by two or more years (or is unsure of when she wants her next birth to occur), (iii) is pregnant with an unplanned child, and/or (iv) is amenorrhoeic and her last birth was unplanned.

the rate of infants whose mothers received no care at all.

Although good, cause-specific data on child mortality are scarce in Uganda, malaria, diarrheas, pneumonia, measles, and AIDS, against a backdrop of poor nutrition, are probably major factors, in addition to high-risk births and poor maternity care. Full child immunization coverage is 47%, only 53% of diarrheas are treated with ORS, and 20% of births do not benefit from any tetanus toxoid vaccination during pregnancy. Although high by sub-Saharan African standards, exclusive breast-feeding drops from 77% at under two months of age to 36% by six months. Thirty-eight percent of Ugandan children are stunted (low height for age) - a tendency which begins at one month, becomes pronounced by 8 months and continues throughout childhood. The relative contributions of infections and food shortages to stunting are unknown, but the former seem common while 35% of households report chronic food deficits.

Over 1.5 million Ugandans are probably infected with HIV - about 15% of the adult population. Awareness of AIDS is essentially universal, and 85 - 90% of DHS respondents know someone with AIDS or who has died of AIDS. In addition to its obvious effects on adult mortality, HIV also profoundly effects infant and child mortality. Although DHS data indicate that infant mortality has probably decreased by about 20% in recent years, the Census Bureau has estimated that it may increase by a similar amount by 2010 due to AIDS.

About 27% of infants born to HIV+ mothers participating in an NIH-funded pediatric-AIDS research project in Kampala become HIV+ themselves. Nearly all die by age five. The child of an HIV+ mother in this study is 5.6 times more likely to die before three than the child of an HIV -

*Virtually all HIV+ infants die before five, and HIV- children of HIV+ mothers have substantially higher mortality than children of HIV - mothers.*

mother. If these differentials are applied to infant mortality rates reported in the DHS, assuming a conservative 20% HIV infection rate among pregnant women in urban areas and 5% in rural areas, over 40% of urban infant mortality and 10% of rural infant mortality may be attributable to maternal HIV infection. We believe that HIV prevention is a powerful child survival intervention in Uganda.

Although AIDS continues to be a major problem, HIV incidence (new infections) seems to be declining. HIV prevalence among pregnant women attending sentinel ante-natal clinics peaked in 1992, with rates in Kampala and Mbarara (Uganda's third largest city) around 30%. Prevalence among these women began to decline in 1993 and has continued since. Some of this decline may be due to declining fertility among HIV+ women and/or by increasing mortality among women with AIDS. However, a decline among pregnant women 15 to 19 years old, among whom fertility and mortality effects should not be great, suggests that declining prevalence is due to declining incidence. (E.g., at Nsambya hospital in Kampala, HIV rates among young women declined from 26% in 1992 to 12.5% in 1995.) Analyzing these trends along with behavioral surveys, some experts assert that the

contraction in the HIV epidemic in Uganda is "most likely causally linked" to changes in high-risk behavior subsequent to several years of intense public education about AIDS, concomitant changes in behavior regarding multiple sexual partners, and an increase in condom availability and use.

Ninety percent of DHS respondents believe that AIDS can be prevented; some 60% cite limiting partners as a preventive measure. Surprisingly, perception of risk of infection is low: 65% of women and 84% of men state that they have little or no risk. Although many of these people believe this because they are abstaining from sex or limiting partners, 18% of married clients at the AIDS Information Center are discordant (i.e., one HIV+ and the other HIV-) and other studies in Uganda cite discordancy rates of 10% - 14%, indicating significant risk even in stable relationships. Only 7% of men and 3% of women cite condom use as a reason for low risk, and only 21% of women and 32% of men cite condom use as a way to avoid AIDS. The low rate of perceived risk contrasts with high proportions of persons who say they have been tested for HIV and who desire testing. Eleven and six percent of male and female respondents respectively report having been tested, and about two thirds of men and women desire testing. Nearly a third of women who believe their risk of contracting AIDS is moderate or great have not modified their sexual behavior to reduce risk of infection.

It is likely that HIV and other STDs, especially ulcerative STDs like syphilis and chancroid, interact to increase HIV transmission. Recent data from a two-year,

*HIV transmission might be cut by 42% by the effective management of other STDs.*

controlled study of 6,000 adults conducted by the African Medical and Research Foundation (AMREF) in Mwanza, Tanzania (on the opposite side of Lake Victoria from Uganda) indicate that HIV transmission was reduced by 42% by the effective syndromic management of STDs. In addition to concerns related to HIV, gonorrhea and chlamydia are the major causes of pelvic inflammatory disease - a principal cause of gynecological hospitalization in Uganda. Both may be passed on to a child at birth causing potentially blinding ophthalmia neonatorum. Maternal syphilis is probably the major cause of spontaneous abortion, stillbirth and prematurity in Uganda, and children born to syphilitic mothers are at increased risk of perinatal and infant death and long-term severe illness.

STDs are common in Uganda. In sentinel clinics where pregnant women are screened for syphilis, up to 25% show evidence of active infection, and government statistics indicate that about 20% of adult outpatient visits are for STDs. Given the prevalence of asymptomatic infection and the social stigma which deters patients from seeking care, these rates are probably under-estimates. A research project in rural Rakai district screened 13,000 adults and found active syphilis in 11% of males and 12% of females, chancroid in 31% of males and 18% of females, and chlamydia in 2% of males and 2.5% of females. These findings, when viewed against a backdrop of poorly developed STD services and the interaction of HIV and other STDs, suggest that increased attention should be focused on this problem.

## Challenges and Opportunities

Under Uganda's newly decentralized government structure, principal responsibility for primary care rests with district administrations, although the central Ministry of Health (MOH) retains important policy making, quality-control, technical-assistance, and monitoring and evaluation functions, in addition to responsibility for all public hospitals. Not surprisingly, most districts are ill equipped to cope with the problems noted above. The sector is characterized by the low salaries, skills and motivation of public-sector staff and by the insufficiencies in facilities, equipment, supplies, supervision, training and other support systems found in most health systems in sub-Saharan Africa. While many factors contribute to this, lack of resources underlie most of them, and getting more money into the health system and using it effectively is a major challenge facing the sector.

Projected GOU/donor/household expenditures on health for 1996/97 are about \$202 million - about \$10 per capita. Of this, about \$36 million represent recurrent GOU expenses, another \$36 million recurrent donor expenses, with the remaining \$130 million (64% - a considerable resource if effectively utilized) being household expenditures. Recurrent GOU expenditures are thus about \$3.60 per capita, a figure which would increase only slightly if capital expenditures were included. In addition to the small amount of public resources available, the allocation of these funds is not cost effective. In 1994/1995, (the latest year for which figures are available) only 11% of public health expenditures went for primary care while 78% was spent on hospitals and 11% on management.

While a number of NGOs<sup>3</sup> provide good quality services, they are often highly dependent on donor funding. Some of these organizations represent good opportunities for endowments for the long-term financing of at least some of their recurrent costs. Aside from perhaps as many as 600 midwives in private practice, there is very limited private-sector provision of modern health care outside urban areas, and few alternatives to public-sector services.

Although resource constraints will not be dramatically eased over the short term, there are reasons for optimism. The policy environment is quite good. Despite the large amounts spent on hospitals, increased emphasis on primary care is an official priority, and the proportion of the MOH budget spent on hospitals is declining. In addition, cost-recovery (fee for service) is now practiced in most public facilities. Although revenues collected are currently small and financial-management procedures and controls are lacking, the MOH clearly views local revenue generation, alternative financing mechanisms such as insurance, and increased private-sector provision of care as priorities.

Re-orienting the system to primary care and prevention, including family planning, AIDS and maternal and child health, is also an official priority. There are no policy obstacles to the

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<sup>3</sup>NGOs provide about 60% of the health care in Uganda. However, this percentage is substantially comprised of medical care provided by a number of mission hospitals.

provision of FP services, a substantial majority of women (and men) are favorably disposed to family planning, and modern contraceptive prevalence has tripled over the past five years. Awareness of AIDS and how to prevent it is high, the GOU remains open and forthright in acknowledging and dealing with this problem, behaviors seem to be changing for the better, and HIV incidence appears to be declining. Although the skills of service providers are generally quite low, the product of decades of neglect, good training and supervision can be expected to pay significant dividends. (Early USAID-sponsored family-planning training produced significant increases in service provision, noted by comparing facilities with and without trained staff.) A large portion of pregnant women visit a health facility at least once during pregnancy, and improvements in service quality and client satisfaction along with the promotion of services could significantly increase service utilization, including more deliveries in facilities and more post-natal care.

### **GOU Priorities**

GOU priorities in health are: (i) to restore the functional capacity of existing, war-damaged services, including improvements in staff morale and performance and in management, especially at the district level, and, as above, (ii) to increase emphasis on primary care and disease prevention, especially immunization; maternal and child health, including family planning; health education; AIDS; malaria; and water and sanitation. Given resource constraints, user fees and other forms of non-government financing, such as private insurance, and better use of NGOs and the private sector are also priorities.

### **Other Donor Activity**

Numerous bilateral and multilateral donors and NGOs are active in health, and Uganda receives substantial assistance in all areas of priority concern to A.I.D. Many of the districts where USAID is working are better endowed with health-sector assistance relative to the rest of the country, especially for child-survival activities not supported by the Mission. However, USAID is the principal donor active in reproductive and maternal health in these districts. Major other-donor activity is summarized in Table II.3.

**The World Bank** is the largest donor in the sector with two active projects: STI, (Sexually Transmitted Infections) and DHSP (District Health Services Project), for the delivery, management and financing of services focused on the principal "burden of disease" (i.e. causes of morbidity and mortality) in Uganda. A third project for child nutrition is being planned. **UNFPA** concentrates on reproductive health, generally in districts where USAID is not active, and on "Advocacy and Population/Development Strategies". Principal activities include family-planning and maternal-health training conducted through the MOH, TBA training, an adolescent reproductive-health project, a pilot program for referral of obstetric emergencies, pilot post-abortion care activities, IE&C, contraceptive supply, and population policy and planning. **UNICEF** supports numerous activities, including significant support in USAID districts for child survival activities - principally EPI, ORT, ARI and nutrition. The integrated management of childhood illness is an emerging priority. In implementing these

activities, UNICEF emphasizes community problem-solving, with an enhanced role for women; and improved local planning, management and quality-assurance capability. WHO is active primarily at the central level; most money is channeled through the MOH and a sizeable portion goes for technical assistance. Priorities include development of district health-management capability, integration of health services and integrated management of childhood illness, the Bamako Initiative, polio eradication, and neonatal tetanus elimination.

Among the major bilateral donors, ODA supports a range of activities, with an emphasis on reproductive health, implemented through CARE in four districts where USAID is not active. Our social-marketing project works with CARE on ODA-funded social-marketing activities in these districts. ODA is also a major supplier of contraceptives, and the social marketing program is negotiating with ODA for the supply of depo provera for sale nationally. ODA has helped develop and monitor the two World Bank projects noted above and has provided STD drugs as a result of long procurement delays under STI. ODA is active in broader sector reform, with a full-time advisor at the MOH planning unit, with whom USAID has worked closely on financing issues. DANIDA provides substantial funding for "Uganda Essential Drugs Management Program," to improve drug procurement, storage, distribution and use. It has recently approved a \$36 million "Health Sector Support Programme", including support to MOH's training and planning units, pre-service-training support and specific activities in three non-USAID districts. The European Union funds the "South-West Uganda Rural Health Project" in 10 districts, including eight where USAID is active, enabling significant district investment in areas not covered by USAID's activities in reproductive and maternal health. However, the release of funds from Brussels has been delayed, and the project is off to a slow start. The EU also supports the Uganda Blood Transfusion Service which has, so far, performed all HIV tests for The AIDS Information Center.

**Table II.3: Other Donors in the Health Sector**

Activity	World Bank	OD A	UNFPA	UNICE F	WHO	EU	DANID A	GT Z
<b>Child Survival</b>								
Basic Health Svcs	X	X		X	X			X
Child Nutrition	X			X	X			

Sick Child Mgt	X			X	X			X
Malaria	X			X	X			X
Immunizations	X			X	X			X
Polio	X			X	X			
Tetanus	X			X	X			
Diarrheal Diseases	X			X	X			X
Respiratory Infxns	X			X	X			X
Adolescent Health			X	X	X			
<b>Reproductive Health</b>								
Family Planning	X	X	X					X
Contraceptives	X	X	X				X	X
Maternal Health	X	X	X	X	X			X
STD Dx & Rx	X	X	X		X			X
HIV Prevention	X	X	X	X	X			X
Policy Reform	X	X	X		X		X	
<b>Health Planning &amp; Management</b>								

Mgt & Planning	X	X		X	X	X	X	X
Mgt & Info System	X	X		X	X	X	X	X
Logistics Mgt	X	X				X	X	X
Drug Supply Mgt	X	X		X	X		X	X
Health Finance	X	X		X	X	X	X	X
Facility Rehab		X				X		X

### USAID Accomplishments

USAID's PHN strategy significantly expands upon and consolidates successful efforts initiated in the early 1990s with the launch of a major AIDS prevention program and several smaller, separate, initiatives in family planning and maternal health. These programs produced what have become standard in-service curricula for family planning and for safe deliveries and obstetric emergencies ("Life Saving Skills"), now widely used by the MOH and other donors. We also initiated professional, mass-media efforts in information, education and communication (IE&C) for family planning. Our contraceptive social-marketing program has become a major source of condoms and oral contraceptives; condom sales have increased by about 8 fold - to nearly a million a month - since 1992, and the program is increasingly attracting other-donor funding. A community based family planning program in three districts has produced modern contraceptive prevalence of twice the national average and has begun to expand into STD services and HIV counselling. G-Bureau projects have figured prominently in these successes.

In addition, we have been instrumental in establishing HIV testing and counselling as an AIDS-prevention intervention through the AIDS Information Center (AIC). Studies conducted by AIC and the U.S. Centers for Disease Control and Prevention indicate significant increases in condom use and decreases in sexual partners subsequent to testing and counselling. We have also worked successfully with several local NGOs to establish effective AIDS counselling and prevention programs. The AIC, The AIDS Support Organization (TASO) and other NGOs have provided AIDS-related information and counselling directly to approximately 1,300,000 people in various settings over the past six years.

Although cause and effect is difficult to establish, it is likely that these efforts have been effective. As above, modern contraceptive prevalence has tripled and HIV incidence appears to be declining.

More recently, USAID has been a major player in assisting the MOH to design and disseminate new syndromic management algorithms for STDs, in introducing competency-based STD training based on these algorithms and in initiating the laboratory validation of standard STD treatments. Nonetheless, it is obvious that much work remains to be done in STDs to ensure that service providers know how to properly manage these infections, that people seek STD treatment and that effective drugs are available. We have also played a major role in introducing standardized financial management procedures in health facilities and have become a regular participant in on-going, multi-donor planning in health-care financing.

We are currently engaged in an ambitious program to (i) integrate previously separate in-service FP, STD, HIV and maternal/infant health training programs for various cadres of staff in a client-centered approach to service provision and supervision; (ii) improve pre-service curricula in reproductive health and MCH; (iii) expand the availability of these services and information to more people, and (iv) enhance the financial sustainability of these initiatives. No other donor in Uganda has been or is as intensively involved in all these areas as USAID, the expertise of our current contractors and grantees is unmatched, and the Mission is clearly in a position of comparative advantage in these areas.

### **C. PLAN OF ACTION**

While there are probably many inter-related causes for the high rates of fertility and preventable mortality in Uganda, there are limited opportunities for intervention under Agency Goal 3 ("World's Population Stabilized and human health protected in a sustainable fashion"). In the larger development context, economic growth and increased educational attainment, especially among women, will exert significant downward pressure on these rates, but the Mission's approach to these issues is described elsewhere. Within the more traditional health sector, the size of our OYB; personnel ceilings; and the demands of a substantial, ongoing program, which runs through FY99, impose additional, practical limits on the range and size of activities which USAID can finance and responsibly manage.

Therefore, we believe that our greatest practical potential for improving health, while lowering high fertility which adversely affects health and development, is to remain focused on those areas where we have established a comparative advantage, i.e., on those significant components of adult, maternal and child mortality associated with sexual behavior and pregnancy. These components can be grouped under the rubric "reproductive/maternal and child health", by which we mean a concentration on family planning; antenatal, intra-partum and post-partum care of mothers and infants; and HIV and other STDs. This focus will permit Mission involvement in a full range of interventions relating to three of the Agency's objectives in health (unwanted pregnancy, improved maternal health, reduced HIV/STD

transmission) while also addressing the substantial portion of infant and child mortality affected by high-risk births, by STDs and perinatal HIV transmission, and by poorly developed maternal and neonatal health services.

We further believe that the most direct, cost-effective way to intervene in these areas over the short-to medium term is to ensure the availability of good quality health services and encourage the adoption of behaviors, including but not limited to service utilization, which reduce the risk of acquiring HIV, of unwanted pregnancy, and of maternal and child mortality.

Finally, we believe that, though the health sector faces many problems, significant progress in providing services can be made by concentrating on a sub-set of those problems now, while laying a foundation for broader, long-term improvements. Thus we intend to focus on:

- improving skills of clinical-service providers through in-service training;
- establishing community outreach mechanisms to provide basic services and education and for referral to clinics with trained staff;
- increasing the availability of contraceptives and STD drugs;
- instituting supervisory mechanisms, at facility and community levels, based on observed compliance with service standards;
- facilitating implementation of the MOH health information system; and
- disseminating key information and advice related to reproductive health.

We will address longer-term constraints by increasing the amount of non-GOU funding available for primary care, by encouraging private-sector service provision, and by improving pre-service training in reproductive and maternal health.

### *Discussion of Key Results*

Intermediate results (IRs) will be achieved through (i) Mission-funded contracts and grants, seven of which are in progress and scheduled to run through FY99, and (ii) field-support funds to be channeled through G-Bureau projects, nine of which are currently providing support.

#### **IR 4.1 Increased availability of reproductive/maternal/child health services**

We will continue and expand ongoing programs to increase the number of public and private-sector clinical staff capable of providing an integrated package of reproductive/maternal and child health services. These staff include midwives, nurses, physicians, and medical assistants; resources permitting, nursing assistants, often the principal service providers at smaller health facilities, will also be included. In this context, "integration" means the provision of services based on client need and consistent with provider training during any client/provider contact on any day, regardless of the initial reason for the contact. Integrated services will include:

- Family planning;

- Ante-natal care, including screening for pregnancy complications, maternal nutrition counselling, and tetanus vaccination;
- Intra-partum care, including safe deliveries; responses to common obstetric emergencies, including complications of illegal abortions; appropriate referral systems; and care of the neonate;
- Post-natal care, including the promotion of exclusive breastfeeding, optimal complimentary feeding practices, and promotion of full childhood immunization;
- Syndromic STD diagnosis and treatment, based on lab validation of management algorithms;
- HIV testing and counselling, with an emphasis on its integration into a standard package of maternal and child health services; and
- Family planning, STD treatment, and counselling for HIV+ individuals.

We will support in-service training in these areas as well as the improvement of pre-service training capability at nursing, medical and para-medical schools.

Community volunteers, including traditional birth attendants (TBAs) where possible, will be trained to provide education and counselling related to family planning; maternal and infant health and nutrition, including the promotion of breastfeeding and proper weaning practices; and HIV and other STDs and to refer clients to clinics with trained providers for clinical services. They will also sell condoms and oral contraceptives provided through the social marketing program. TBAs will also be trained in safe deliveries and recognition of danger signs related to pregnancy, and will be supervised by trained midwives.

Service provision requires the availability of key commodities such as contraceptives and antibiotics. Thus, social marketing will continue as a major activity, with emphasis on an increased number of outlets selling condoms and, to a lesser extent, oral and injectable contraceptives. In addition, we plan to begin marketing antibiotics of known efficacy, pre-packaged in the proper dosage, for STDs common among men. We will also continue activities to ensure that public facilities are reliably supplied with contraceptives and STD drugs, via the MOH ordering and distribution system.

#### **IR 4.2 Improved quality of reproductive/maternal/child health services**

Improved, routine supervision of clinic and community based service providers, will be a major emphasis. Trained providers will be observed by trained supervisors (consisting of trainers and providers, including private midwives) at least twice a year, as they actually deliver services. These observations will focus on compliance with formal service-delivery standards based on the content of the training noted above and including client education, counselling and satisfaction. Observations will be recorded on standardized observation instruments, immediate feedback will be provided, and records of performance will be maintained for each trainee/provider to chart progress and identify persistent problems over time.

We will continue to work with district authorities and facility staff to assure the accurate maintenance and reporting of service statistics related to maternal and child health. This will permit monitoring of the quantity of services provided, of whether they are provided in an integrated manner, and of whether service-delivery protocols (including those for STD treatment) are being properly followed. We will support training for facility staff in proper data entry and reporting and routine quality control by trained district staff, at the district and facility level.

#### **IR 4.3 Enhanced sustainability of reproductive/maternal/child health services**

To provide resources to sustain and expand the provision of preventive services, we will continue to institutionalize, through training and follow up, standardized financial-management systems at health facilities, with an emphasis on hospitals where the potential for revenue generation is highest. (Adequate controls will result in significantly more revenues actually deposited in institutional bank accounts than is currently the case.) As the use of these systems becomes more common, we will work with district and local authorities to plan revenue allocation to improve the quality of maternal and child health services.

Private sector involvement will be increased by strengthening the capability of the Uganda Private Midwives Association (UPMA) to provide technical and business management support to its members, expand membership, and eventually provide the type of in-service training and support noted above. Resources permitting, we will use endowments to enhance the sustainability of well established NGOs which have benefitted from previous USAID capacity-building efforts. These organizations could include UPMA, the Church of Uganda's Family Life Education Project in Busoga Diocese (supported by Pathfinder for nine years), and/or the AIDS Information Center. We may also endow a foundation to be set up to institutionalize the social marketing program. We are interested in exploring with other donors possibilities for pilot, pre-paid insurance schemes, and if they seem promising, helping to initiating such schemes.

We will also continue ongoing programs with nursing, medical and para-medical schools to upgrade curricula and teaching capability in reproductive/maternal/child health (4.1 above).

#### **IR 4.4 Improved knowledge and perceptions related to reproductive/maternal/child health**

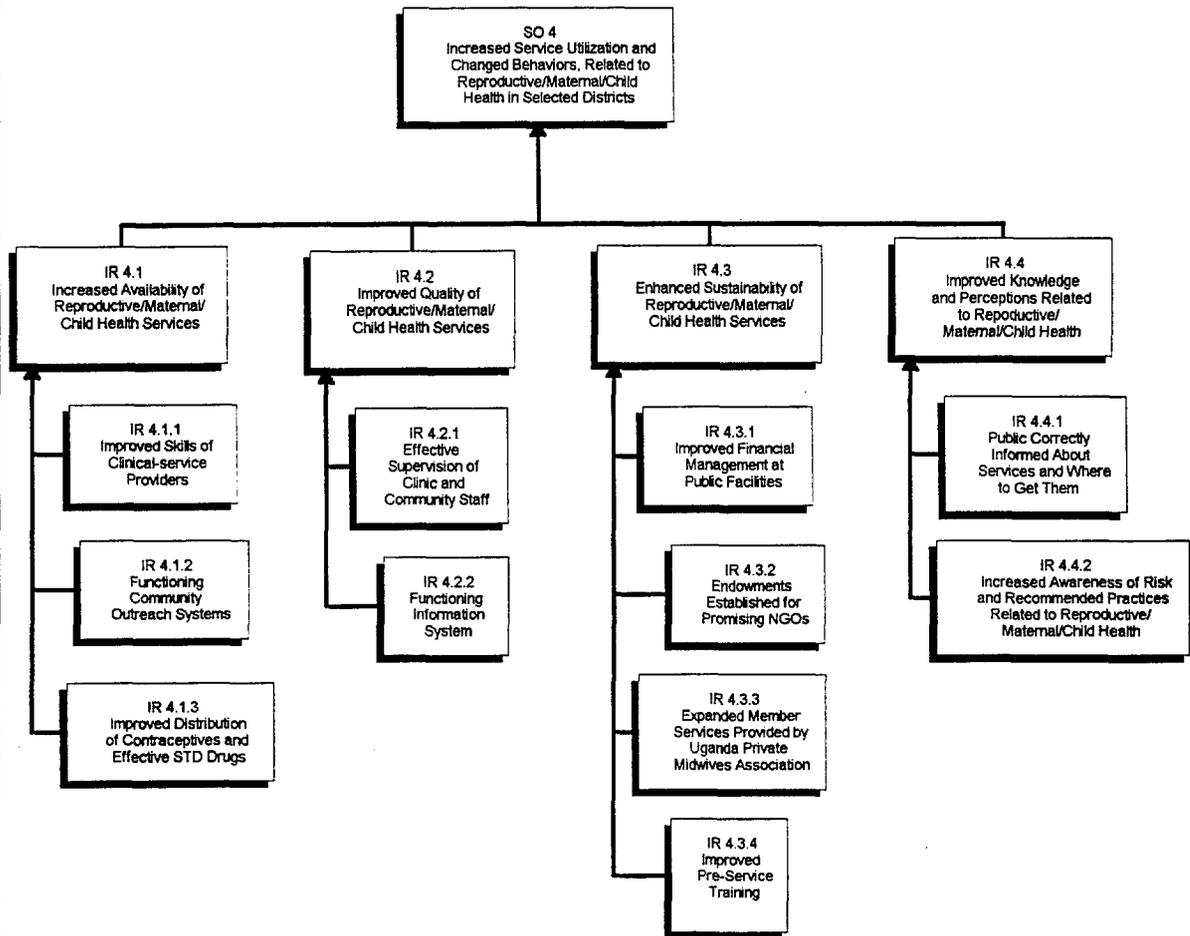
Behavior is defined as (i) the use of services and (ii) actions which do not strictly constitute service utilization but which effect health. Service utilization will be promoted directly by providing accurate information about services and where to get them<sup>4</sup>. Other behavior

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<sup>4</sup>In most cases (especially regarding family planning and HIV), IE&C activity will not focus on basic knowledge or awareness, which is already high. Instead, it will concentrate on perceived barriers to service utilization (e.g. rumors and mis-conceptions about specific services and their effects). However, the availability and utility of HIV testing and counselling will be advertised as this service becomes more widely available, and other STDs will probably require considerable basic awareness building, given that many cases are unrecognized, especially among

**RESULTS FRAMEWORK: HEALTH**

**Strategic Objective 4**



women, and that the link between HIV and other STDs is not widely appreciated.

change (e.g., correct infant feeding, improved maternal nutrition, condom use, reduction in sexual partners, delayed sexual debut, spousal communication re reproductive health) will be promoted by encouraging people to examine their individual situations; assess the degree to which they are at risk of unwanted pregnancy, poor pregnancy outcomes and/or HIV infection; and act accordingly. Behavior change will be promoted through mass-media

IE&C campaigns, including radio variety shows and serial dramas and print; through local activities such as dramas, video shows, and music competitions; and through client education and counselling at health facilities, including HIV testing and counselling.

#### **D. PERFORMANCE MONITORING PLAN**

Performance will be monitored through service statistics to be routinely reported through the MOH's Health Information System (HMIS) and by partner NGOs, periodic reviews of client records at health facilities, supervision of service providers, and community surveys funded by USAID and implemented by contractors/grantees. Contractor staff will include a full time, locally hired Evaluation Officer who, along with a Logistics and Information Systems Advisor, district HMIS staff, and NGO staff, will be responsible for performance monitoring. G-Bureau support will be sought to help design the community surveys and for quality control and data analysis.

Baseline data and targets in the following matrix are subject to revision as more reliable data become available.

Performance Indicator	Description and units	Baseline		1997	1998	1999	2000	2001	DATA		Responsible Office for reporting data
		Value	Year	Target	Target	Target	Target	Target	Frequency	Source	
<b>SO 4: INCREASED SERVICE UTILIZATION AND CHANGED BEHAVIORS, RELATED TO REPRODUCTIVE/MATERNAL/CHILD HEALTH IN SELECTED DISTRICTS</b>											
4.a: Family planning	Couple years protection <sup>5</sup> distributed in target districts <sup>6</sup> (000s)	109 <sup>7</sup>	1996	129	147	164	188	212	Quarterly	HMIS <sup>8</sup>	Contractor/Grantee
	Couple years protection distributed through social marketing <sup>9</sup> in target districts (000s)	44	1996	71	101	114	133	154	Quarterly	Sales records	Contractor
	Modern contraceptive prevalence <sup>10</sup>	12.5%	1995	14%	-- <sup>11</sup>	17%	--	21%	Three times	Two community surveys and DHS	Contractors

<sup>5</sup> 1 CYP = 120 condoms, 15 cycles of orals, .29 IUD, 4 injections, .29 Norplant insertions, .13 VSC procedure.

<sup>6</sup> 13 districts, including 3 CARE districts, where USAID-funded training, supervision are conducted, planned. Not including social marketing sales.

<sup>7</sup> Estimate based on HMIS data for all facilities in 10 DISH-Project districts. To be replaced by data from 92 facilities (80 DISH, 12 CARE) where data availability and reliability can be more readily assured.

<sup>8</sup> MOH Health Management Information System

<sup>9</sup> USAID-funded social marketing activity only

<sup>10</sup> In 10 DISH districts. Baseline is from DHS.

<sup>11</sup> - = no report planned

Performance Indicator	Description and units	Baseline		1997	1998	1999	2000	2001	DATA		Responsible Office for reporting data
		Value	Year	Target	Target	Target	Target	Target	Frequency	Source	
4.b: MCH services	Annual no. ante-natal visits in target facilities <sup>12</sup> (000s)	443 <sup>13</sup>	1996	480	527	580	638	702	Quarterly	HMIS	Contractor/Grantee
4.c: Assisted deliveries	Annual no. of deliveries in target facilities <sup>14</sup> (000s)	59 <sup>15</sup>	1996	64	70	77	85	93	Quarterly	HMIS	Contractor/Grantee
4.d: STD treatment	Annual no. of STD visits at target facilities <sup>16</sup> (000s)	72 <sup>17</sup>	1996	80	87	96	106	116	Quarterly	HMIS	Contractor
4.e: HIV testing and counselling	Annual no. persons tested and counselled in target districts (000s)	39	1996	50	70	80	90	100	Quarterly	Routine Records	Grantee

<sup>12</sup> 92 facilities (80 DISH, 12 CARE) where data availability and reliability can be assured.

<sup>13</sup> HMIS data for all facilities in 10 DISH, 3 CARE districts. To be replaced with data from 92 facilities (80 DISH, 12 CARE) where data availability and reliability can be more readily assured.

<sup>14</sup> 92 facilities (80 DISH, 12 CARE) where data availability and reliability can be assured.

<sup>15</sup> HMIS data for all facilities in 10 DISH, 3 CARE districts. To be replaced with data from 92 facilities (80 DISH, 12 CARE) where data availability and reliability can be more readily assured.

<sup>16</sup> 10 DISH districts

<sup>17</sup> HMIS data for 10 DISH districts. To be replaced with data from 80 DISH facilities where data availability and reliability can be more readily assured.

Performance Indicator	Description and units	Baseline		1997 Target	1998 Target	1999 Target	2000 Target	2001 Target	DATA		Responsible Office for reporting data
		Value	Year						Frequency	Source	
4.f: HIV Counselling	Annual no. new HIV+ individuals counselled in target districts	3,000	1996	3,250	4,000	4,500	5000	5500	Quarterly	Routine records	Grantee
4.g: Infant-nutrition behavior	% of infants to 6 months exclusively breastfed in target facility catchment areas	21% <sup>18</sup>	1995	35%	--	50%	--	60%	Three times	Two community surveys and DHS	Contractors
4.h: Sexual behavior	% of ANC clients 15-19 years old with syphilis (positive RPR) in target facilities	To be established (TBD)	1997	TBD	TBD	TBD	TBD	TBD	Quarterly	Reviews of ANC registers in facilities	Contractor
	Annual national number of social marketing condoms sold to distributors (millions)	1.3	1992	12	15	17	20	23	Quarterly	Routine records	Contractor

<sup>18</sup> DHS estimate for 10 DISH districts

Performance Indicator	Description and units	Baseline		1997	1998	1999	2000	2001	DATA		Responsible Office for reporting data
		Value	Year	Target	Target	Target	Target	Target	Frequency	Source	
	HIV prevalence among 15-19/20-24 year old pregnant ANC clients: Kampala, Jinja, Mbarara <sup>19</sup>	13.2% 19.5%	1994	7.8% 15.6%	7.4% 14.8%	7.1% 14.1%	6.7% 13.3%	6.5% 12.7%	Annually	Sentinel Surveillance	MOH

**IR 4.1: Increased availability of reproductive/maternal/child health services**

4.1.a: Clinical services	% of facilities in DISH districts routinely providing integrated services	66%	1996	71%	76%	81%	86%	90%	Semi-annual	Supervision	Contractor
4.1.b: Community Services	No. of active community volunteers per catchment area <sup>20</sup> in 10 DISH districts	3/33	1996	4/106	5/114	6/114	6/114	6/114	Semi-annual	Supervision	Grantee
4.1.c: HIV testing/ counselling (T/C)	No. of T/C sites in target districts	3	1995	10	20	30	30	30	Quarterly	Routine records	Grantee

**IR 4.2: Improved quality of reproductive/maternal/child health services**

<sup>19</sup> MOH sentinel surveillance sites in districts where USAID activities are implemented.

<sup>20</sup> Area served by an NGO participating in USAID-funded community based program

Performance Indicator	Description and units	Baseline		1997	1998	1999	2000	2001	DATA		Responsible Office for reporting data
		Value	Year						Target	Target	
4.2.a: Staff performance	% of nurses, midwives performing to standard in 10 DISH districts	7%	1995	45%	60%	80%	80%	80%	Annual	Supervision records	Contractor
<b>IR 4.3: Enhanced sustainability of reproductive/maternal/child health services</b>											
4.3.a: Fees collected at district hospitals	Average % increase in money deposited in bank accounts/month	0	1996	15%	20%	25%	30%	35%	Quarterly	Facility records	Contractor
4.3.b: Pre-service training capacity	% of trained faculty training to standard	0	1996	14%	34%	60%	60%	60%	Semi-annual	Routine monitoring	Grantee
<b>IR 4.4: Improved knowledge and perceptions related to reproductive/maternal/child health</b>											
4.4.a: Family planning	% of non-contracepting women not wanting to become pregnant in 10 DISH districts who fear side effects or lack knowledge of methods, sources	20	1995	17	--	14	--	10	Three times	Two community surveys and DHS	Contractors
4.4.b: Infant nutrition	% women in target districts who believe it important to breastfeed exclusively for at least 6 months	TBD	1997	TBD	--	TBD	--	TBD	Three times	Two community surveys and DHS	Contractors

Performance Indicator	Description and units	Baseline		1997	1998	1999	2000	2001	DATA		Responsible Office for reporting data
		Value	Year	Target	Target	Target	Target	Target	Frequency	Source	
4.4.c: Maternal health	% of women in target districts who can name at least 3 signs of a complicated pregnancy	TBD	1997	TBD	--	TBD	--	TBD	Three times	Two community surveys and DHS	Contractors
4.4.d: HIV	% of adults in target districts <sup>21</sup> who know that condom use can prevent HIV infection	22%	1995	32	--	52	--	70%	Three times	Two community surveys and DHS	Contractors
4.4.e: STDs	% of adults in target districts who can name at least 2 consequences of an untreated STD	TBD	1997	TBD	--	TBD	--	TBD	Three times	Two community survey and DHS	Contractors

<sup>21</sup> DISH districts, excluding Kampala

## STRATEGIC OBJECTIVE 5

### CIVIC PLURALISM EXPANDED AND CONSTITUTIONAL CHECKS AND BALANCES IMPLEMENTED

#### A. INTRODUCTION

Uganda is at a crossroads in its journey towards an accountable, stable and participatory democracy. Hailed as one of the continent's best recent economic performers, the country's substantial economic success has overshadowed slower progress in establishing democratic governance. Accountable governance, adherence to the rule of law and democratic participation underpin sustainable economic and social development. Uganda has made significant progress in laying a legal foundation that can support these. The promulgation of a new constitution, the election of a new parliament by universal adult suffrage in secret ballot elections widely held to be reasonably free and fair, and a reduction of state-sponsored human rights abuses are important steps in the right direction.

These achievements are diminished by restrictions on competitive party politics and by serious problems of corruption, which raise the issue of accountability of government to center stage. The new constitution contains important checks and balances to prevent the unproductive concentration and arbitrary use of power. Uganda's political institutions, including the new parliament, the judiciary, a reasonably free and vibrant press, and a burgeoning civil society need now to develop the capability for employing these to curb excessive executive power, as well as to apply judicial review to the interpretation of constitutional provisions and to increase citizen input and commitment into the public arena. The checks and balances built into the constitution remain untested.

Nor is the nature of democratic participation fundamentally agreed yet. Without a national consensus on the role of parties in the political process -- a consensus that clearly was not achieved during the making of the constitution -- Uganda's long term political stability remains uncertain, and its ability to attract essential investment is thereby impaired. Similarly, without progress in controlling corruption, the cost of doing business will remain unnecessarily high, limiting the country's competitiveness in export production and in attracting both foreign and domestic investment. Democratic governance and economic growth are inextricably intertwined -- and neither can be achieved without attention to the other. Uganda will demonstrate this increasingly over the period.

This strategy ushers in a new phase of US assistance in promoting democratic governance. We will move away from the limited support to the constitution-making and electoral processes towards an emphasis on **implementing the constitution** -- on strengthening the checks and balances among the legislative, executive, and judicial branches of government; and on promoting pluralism in all of its manifestations, including civil society organizations, proto-political parties, local governments, independent commissions and watchdog agencies of the executive and fractions of the governing coalition that comprises the NRM.

Our objective in pursuing this strategy is the establishment of institutions and mechanisms that impose effective accountability on government in Uganda. We refer not just to the central government but to district and lower level councils as well, as these are poised to play a significant role in the provision of services important to other USAID objectives. We conceive accountability to encompass not just financial transparency and probity, but openness in the varied arenas of policy-making and administration, and ultimately in the electoral arena.

Our conception of the requirements for establishing accountability, and of USAID's particular comparative advantage in assisting this process, emphasize creation of **demand for accountability** in strategic institutions as much as -- perhaps more than -- the provision of responsive skills. Accountability can be sustained only when governmental authority is dispersed across institutions of roughly equal power, so that excesses or arbitrary actions are combatted by an effective counterweight; when there are **public fora** for reviewing government policies and financial performance; when those fora are accessible to a wide variety of citizens who have the resources and the information to enter them **on an organized basis**; when poor performance can be sanctioned through removal of corrupt or incompetent officials; and when citizens have an effective voice not just in oversight but in policy formulation.

It is especially difficult to create mechanisms for demanding and supplying accountability in a polity which eschews political parties, as Uganda presently does under the Constitution of 1995. Parties are the most efficient method for accomplishing these tasks in western democracies. They aggregate groups with strong interests in particular issues into flexible and temporary coalitions, they moderate extreme positions in the process, and they facilitate the interest of the citizenry in transparent governance by making it a campaign issue.

At the same time, it cannot be said that African parties at present -- which tend to be personalistic, factionalized, and rarely issue-oriented -- have much to offer in providing these building blocks of accountability. It is therefore a major challenge to a regime espousing democratic values and objectives to design other institutional structures, checks and balances that supply the motive force for accountability in the absence of effective parties. It is all the more important for well-intentioned donors to support initiatives that effectively promote pluralism, including the coalition-building skills that will ultimately produce more effective parties.

USAID's strategy is therefore the promotion of civic pluralism, and of institutional checks and balances mandated in the constitution, to enforce accountability on government. The strategy takes account of major initiatives being pursued by other donors, in order to stress complementary efforts. USAID emphasizes issues of democratic participation and the creation of mechanisms for channeling effective demand for reform, while Uganda's other major donors concentrate on the supply side -- that is, on improvements in the functioning of government institutions to meet such demand. We feel both sides of the equation are of equal importance and that demand creation has been insufficiently incorporated into most strategies for democratic governance.

Specific institutions of USAID's program focus -- parliament and civil society

organizations -- are chosen on the basis of existing internal demand for reforms in the direction of increasing governmental accountability. The strategy should be as demand-driven as possible in order to have a significant impact within a realistic projection of resource and management availability. At the same time, other donors may be persuaded by the analytic framework presented for this strategy and may consequently invest their own resources in complementary ways, or even through joint funding of some efforts.

By the end of the period, we envision that parliament will serve as an effective check on the executive through informed scrutiny of legislation tabled by government, including the budget. Further, we anticipate judicial decisions that are more consistent and timely, and the creation of the conditions for judicial review of legislation with constitutional implications. Further, civil society organizations will act effectively as advocates for appropriate policies and resource allocations, enhancing the quality of health, education, environmental protection, agricultural and business promotion services in which USAID's portfolio is invested. Civil society organizations will also play a watchdog role, holding district and subcounty councils accountable for public funds and for policy direction. Ultimately, a political system that is responsive to people's desires and concerns will reduce the potential for internal conflict and protect economic growth.

## **B. STATUS OF DEMOCRACY AND GOVERNANCE SECTOR: GOVERNANCE IN UGANDA: HISTORICAL BACKGROUND**

Uganda's governance history is well known and needs only brief comment. From the mid 1960s government became increasingly autocratic. In the mid-70s the country descended into a state of near anarchy from which it only emerged in the mid-80s. The National Resistance Movement (NRM) came to power through force of arms in 1986, promising a program based on broad participation (a "movement") instead of political parties. Over the last decade, the NRM government has engineered some impressive achievements including:

- creation of a disciplined army subordinate to civilian direction;
- systematic implementation of a strategy for macro-economic stability;
- drafting, consideration, adoption and promulgation of a new constitution, by a popularly elected assembly, followed by constitutionally mandated presidential and parliamentary elections considered reasonably free and fair; and
- initiation of a major decentralization of functions and resources to local governments, which may ultimately have a significant impact in shaping democratic governance in Uganda.

There have been difficulties in carrying out these policies, but the government's sustained commitment to them has enabled it to restore peace and security in the southern two-thirds of the country. Continued insecurity and rebellion in the north is a serious problem with repercussions in terms of the sustainability of many accomplishments, such as the substantial demobilization that has occurred (in part with US assistance) but which has stalled with the need to put significant military force into the north to combat increasing terrorism. The rebellion is thus a top priority for the GOU. The rest of the country has seen new economic growth, but the continuation of that growth is jeopardized by the

drain on resources caused by the military effort.

While the NRM has carried out its pledge to reintroduce electoral democracy, it has restricted political parties and manipulated electoral rules to ensure continued control. In 1994, the NRM mounted an election on the basis of universal adult suffrage and a secret ballot for a Constituent Assembly to debate, revise, adopt and promulgate a new constitution; approximately 20% of the members were elected on an indirect basis involving electoral colleges, and complaints of "rigging" surfaced both in the donor community and the donor-supported domestic monitoring effort. In 1996, Uganda held a presidential election in May and a parliamentary election in June. The electoral law (and the constitution itself) continued to ban partisan political activity in the form of active campaign support and candidate sponsorship, although not the publication of partisan views and platforms. This drew the ire of most of the bilateral donors as well as the multi-party forces. It was exacerbated by favorable treatment of NRM campaigns and a lackluster effort by the multi-party forces.

Local council elections in 1997 will herald the completion of a return to popularly elected civilian government, although the restriction on partisan campaigning will continue to favor the NRM. Further, the constitution mandates a referendum in the year 2000 on whether Uganda is to continue with the movement system or permit parties to participate actively in political life. The constitution preserves the right of political organization, and the provisions relating to the referendum indicate that Ugandans will be free as **individuals** to campaign for their preference on this issue from mid-1999. If the traditional parties -- or nascent political pressure groups -- are prevented from campaigning on an organized basis on this issue, the international community will continue to consider the referendum as less than fully free or fair. The US Government's stated position on this issue is that it is wrong to hold a referendum on what amounts to basic human rights -- the rights of assembly and association, which are guaranteed in Uganda's new constitution. The US believes that Uganda should repeal this constitutional provision.

## **THE TRANSITION TO DEMOCRATIC GOVERNMENT: STRATEGY AND OBJECTIVES**

The strategy draws from both the experience of US assistance over the period of the previous country program and from an assessment done in September/October 1996. The assessment team studied the spectrum of government and civil society domains. The problem for democratic governance that emerged as most immediate and significant is the establishment of mechanisms for enforcing accountability on government.

Recommendations for investment were prioritized by placing these problems in the Ugandan context of a variable degree of institutional commitment to change. These range from an enthusiastic parliamentary administration, eager to provide a credible counter to executive power, to a large and growing but weak civil society toward which government has a cautious but thus far fairly constructive orientation.

Accountability of Government. Accountability is a key governance issue for Uganda for the foreseeable future. Accountability has several dimensions. Its most commonly understood aspect is financial: accountability for the funds collected through various

forms of taxation and allocated to the provision of various forms of public goods and services. The public needs to be able to ascertain whether its taxes are being appropriated and spent as its elected representatives have budgeted them -- and whether the allocations themselves are equitable.

Accountability also requires that the citizenry be able to determine what policies government is pursuing, who formulated them, and how. The policy component of accountability is more complicated than its financial face. It is also more crucial to the establishment of trust, upon which governments are sustained or falter: governments can survive serious episodes of financial misappropriation and inefficiency, but a government that hides its policy process from public scrutiny is not, at the dawn of the twenty-first century and the era of "virtual reality", one which will stand the test of time. Accountability also requires that citizens be able to remove those officials who are not performing according to expectations through contested elections whose outcome rests on free and fair competition. Increasing accountability involves taking the next logical step in the process: implementing the provisions of the constitution, especially those relating to checks and balances among the branches of government and to fundamental human rights and freedoms, including speech, assembly and association.

The Ugandan government pledged itself to a constitution-making process as part of the social contract with its citizenry in 1986. In 1995 it completed and promulgated a constitution with significant citizen input, demonstrating the political will and commitment to fulfill its promises. The Government has taken encouraging first steps in setting up the independent commissions mandated in the constitution which are meant to act as "watchdog" agencies of the executive: an independent electoral commission, a judicial service commission, and a human rights commission.

More important than the executive watchdog functions may be the set of constitutional checks and balances on the executive. An independent and competent parliament which scrutinizes executive action and contests it competently and productively where necessary is most important. A judiciary which undertakes review of parliamentary legislation in response to litigation, determining the validity of parliamentary decisions in the light of the constitution, is another. (An important element of the new constitution is the provision which permits any citizen to initiate such litigation, replacing the previous requirement that the Attorney General initiate all such constitutional questions.) A financially viable and plural independent press is a third. **In the conditions of Uganda's "no party" movement system, without political parties to organize the watchdog functions and the formulation of alternative policy positions, these checks and balances must become the front line in efforts to enforce accountability on government.**

Institutional checks and balances are necessary but not sufficient to accountability. **Pluralism**, which is sometimes taken to refer to multi-party politics but encompasses much more, is equally critical. There must be organized societal groups demanding accountability, demanding that the institutional checks and balances function. An active civil society comprising issue-oriented citizen organizations at both national and local levels is key, both to the functioning of the institutional checks and balances and to accountability more broadly.

Institutional checks and balances and the growth of civic pluralism will both contribute to the definition and enforcement of accountability on Uganda's executive, as well as the imposition of accountability on other organs of government. More importantly, both will play an important role in laying the foundation for political pluralism. It is clear that organized citizens groups which coalesce to effect electoral contests are the very stuff of partisan politics in western democracies, and that they will play the same role in Africa. What is not so obvious is that these coalitions require clear institutional foci of power to develop -- that is, that **multiple centers of institutional power** are an important element in stimulating the coalescence of groups to attempt to capture and use that power.

Efforts to develop institutions of countervailing power are (frequently correctly) seen as masking attempts by potential rivals to begin the process of dislodging the president, after which the institutions they built in the effort will rapidly atrophy, their purpose having been served. While our attention has been focused narrowly on political parties and party systems and their role in coalition-building, it is really the irrelevance of government institutions outside the executive that should concern us. **Until these provide alternative loci of power of rough equivalence, the all-too-familiar zero-sum politics of "finishing the opposition" will dominate the all-or-nothing quest for executive power, and parties and party-systems will continue to perform perversely rather than productively in electoral and broader political competition.**

Fortunately for Uganda, the Constitution of 1995 provides the necessary building blocks for viable institutions that can serve as counterweights to the executive, and can thus provide a pole around which alternative voices -- the organized face of pluralism -- can be built. The ban on active party politics may even assist in the process of building viable coalitions, since the focus on capturing executive power is all-powerful with the parties and tends to blind them to the utility of focusing on the other important institutions of governance.

USAID therefore proposes to assist Uganda in institutional development that will bring the constitutional checks and balances to life, in the process contributing to:

- ◆ accountability of government, with particular focus on the executive and on district councils in addition to central government;
- ◆ pluralism and the creation of demand for accountability in civil society -- that is, channels of access for new voices and new information into the system, sorely needed; and
- ◆ the foundations for a viable multi-party system that can carry Uganda into the twenty-first century.

An overview of the institutions that will be central to this strategy, as well as those we examined and found less critical, follows. An assessment team comprised of academics with strong Uganda background, USAID Democracy Center staff and the REDSO DG adviser for East Africa provided the assessment on which the specific institutional strategy is based.

## UGANDA'S GOVERNANCE INSTITUTIONS

### The Judiciary

Uganda's justice system is inefficient and sometimes corrupt. Its inefficiency adversely affects the costs and risks of doing business, hampers efforts to fight corruption, and permits the continuation of human rights abuses. The promulgation of the constitution has been an encouraging first step in restoring the rule of law. At present constitutional rights are not well understood by citizens, nor is their access to the justice system adequate. Translating constitutional protections and guarantees into reality will be a major challenge over the coming decade, involving constitutional interpretation and judicial review, as well as educating the citizenry about the justice system.

Prospects for reform in the judicial sector are complicated by the wide number of institutions that intersect in the provision of justice and the fact that the failings of any one institution hamper the performance of the others. Police investigations, for example, are constrained by an ill-trained and ill-equipped police force, even though it has performed reasonably well in activities involving maintenance of order, i.e. the elections. There is inordinate delay in processing cases. Persons accused of crimes are frequently held for up to two years before their cases are heard. Inadequate law reporting and record keeping make consistency and timeliness in the application of justice impossible, further diminishing the credibility of the justice system. At the lowest tier of the system, the LC courts, there is also a lack of clarity over jurisdiction, inhibiting rural Ugandans from seeking justice through the court system at all.

USAID clearly has a role to play in assisting the dissemination of information about rights and increasing access to justice. It is currently financing law codification to lay the groundwork for improvements in judicial efficiency. It also may have a larger role to play in assistance to the institutions of justice themselves. The potential for investments in the sector will be determined in detail when the review being done by ODA is circulated and donors are able to reach consensus on their interests and comparative advantage.

### Parliament

The Ugandan population and the donor community see the newly elected parliament as the main countervailing force to the strong executive which has been a central feature of Ugandan politics since independence. Parliament is vested in the constitution with substantial powers to check executive action. Parliament may amend legislation proposed by Government (indeed, has done so even under the former NRC), may overturn presidential vetoes of legislation, and plays a critical role in confirmation of a whole raft of important presidential nominations, including those to the Permanent Elections Commission and the Judicial Service Commission.

Some constraints to increased parliamentary effectiveness remain. These include lack of clarity on the part of MPs about their role, specifically about the propriety of interacting with the executive in an informal setting outside their own control. Since MPs are in theory elected on an "individual merit" basis, no larger organizational discipline or issue

focus exists. Access to information and analytic capacity are largely lacking. The large "freshman" class of MPs has only rudimentary exposure to parliamentary procedures (although the leadership is presently mounting training workshops with funding from DANIDA). Other areas in which MPs have expressed the need for skill development and information include the budgeting and legislative processes and the structure of the Ugandan economy.

There are positive aspects which justify a central USAID focus on parliament. These include the strong committee system, which drew considerably on exposure by a few MPs to the American congressional committee system; strong support of the electorate for an independent role; and a parliamentary leadership which is itself enthusiastic about asserting a constructive, independent role for Parliament. Most importantly, there is also a growing commitment to parliamentary independence on the part not only of the small core of experienced multi-party MPs elected in 1996 but also a larger group of moderate NRM MPs who have begun to make statements indicating a concern with many of the issues USAID feels are central to the promotion of Uganda's democratic transition.

### **Political Parties and the Electoral Process**

Existing parties are constrained both by their ineffective, outdated machinery and leadership squabbles, and by the constitutional prohibitions on normal types of party activity. The NRM, Uganda's governing authority from 1986 to 1995, technically expired with the promulgation of the new constitution and the subsequent election of Parliament. Parliament is now considering legislation which will redefine the NRM. Many observers feel the NRM became a political party, in effect, in the electoral contests over the past two years, and that Uganda is now the functional equivalent of a one-party state (although the 1995 Constitution expressly prohibits a one-party state for Uganda.)

However, the NRM insists it is not a party but a broad-based movement. Its self-imposed constraint on party-like organization and campaigning have produced a situation in which the "movement" has little in the way of an organizational embodiment and is increasingly a hollow shell with little vision of the way forward, harking back with increasing frequency and irrelevance to its ten-point program of 1986. This in turn encourages the type of manipulation of the electoral process that occurred during the 1996 elections -- primarily the use of government machinery to promote "pro-movement" forces and threaten the electorate that opposition would result in resource constriction -- since the NRM lacks strong structures and organization which could put up effective, overt competition to the traditional parties.

Unfortunately, neither the NRM nor the traditional parties appear interested at present in improving organizational capacity, developing concrete policy positions and platforms, identifying constituencies and building realistic coalitions. USAID sees little potential in the arena of party development presently, although potential may increase as pressure groups emerge in preparation for the referendum on parties. These may be dominated by a new generation of Ugandans unimpressed by the parties or the NRM. Assistance to these proto-party groups as "civil society" organizations will be considered as they emerge.

The Electoral Commission, which has performed reasonably well to date, has significant infrastructure and capacity and professes the intention of maintaining its independence. Its administration of the forthcoming local council elections will be a critical test of these intentions, although its scope for maneuver will, as in the recent elections, be strongly influenced by the content of the electoral law passed by parliament. A small set of civil society institutions have begun to develop the capacity for providing voter education and are moving into the broader civic education field, with the local council elections and the referendum firmly in their sights. USAID has been central in the evolution of these and proposes to continue modest support to them as part of its civil society strategy of demand creation.

## **The Media**

The media's position in Uganda is similar to that in many other African countries, although considerably better than in some. Government-owned media are dominant, particularly in the electronic media, although an active independent press exists and is allowed to publish without interference and the government-controlled main newspaper is about to be privatized. The past two years have seen the emergence of several independent radio stations, one of which has been (accurately) accused of promoting the traders' strike of October 1996 in protest of the new VAT tax rate.

While the actual operating environment is not particularly repressive, the government has on occasion taken heavy-handed action, charging newspaper editors with sedition when provoked. Like most ex-British colonies, Uganda has a number of repressive laws on the books, particularly the sedition law. Although not resorted to with any excessive frequency or zeal, repressive laws mean that the continued freedom of the press is a discretionary executive policy decision rather than a legally protected right. This is an area in which the new parliament has already begun to move, with a major review of the existing legislation underway.

US assistance in this sector has been training for journalists, particularly on the treatment of political and human rights issues and primarily through workshops. Similar activities will continue.

## **Local Government**

Local government affects all other strategic objectives and is addressed separately in Part I of the CSP. Uganda is undertaking one of the most ambitious decentralizations attempted on the continent. The success of this plan depends on sustained political will, effective legal and administrative enforcement, and political and financial accountability. It depends also on active civil society organizations, an educated public, and a clear role and adequate training for women, who will constitute one third of all local governments. USAID must identify the critical constraints amenable to intervention and, in concert with Uganda's other major donors, address those with the most immediate potential for impact.

Planning and budgeting are critical skills which local government officials are in the process of learning, mostly in a "self-tutoring" mode. District and lower level councils prepare annual budgets and monitor expenditure to ensure that it accords with the budget.

Allocations are made on the basis of what the LC5 council decides is the appropriate set of priorities, although it is constrained by the categorization of the funds transferred from the center into "conditional" and "unconditional" grants. (Conditional grants are tied to specific items, primarily salaries for staff previously paid by the center, such as teachers.) A great deal of straightforward training on planning and budgeting at district and subcounty levels is necessary.

Capital development is another constraint. At present, insufficient local revenue is generated to produce much in the way of the tangible benefits necessary to persuade citizens that local government can deliver the goods -- although there is already an increased interest in tracking the relatively small amounts that are retained at sub-county level. Strong and effective local government requires incentives that hold officials financially accountable and motivate public oversight and pressure. This means increased amounts of funding for capital development, as well as service provision at sub-district level.

USAID will continue to explore ways of generating capital development funding in innovative ways. The experience thus far of local governments stabilizing their recurrent revenues through privatization of services -- operation of markets, bus and taxi parks -- is encouraging; they have been willing to experiment with elements of economic liberalization generally resisted by bureaucracies, have had substantial success in stabilizing and increasing revenues and have demonstrated the political will to sustain these gains.

### **Civil Society**

Uganda's civil society sector is large and growing but relatively weak. Over 2,000 organizations are registered as NGOs, although this includes many which are private enterprises of one sort or another. About 400 can be classified as development oriented. USAID has worked with a number of these, some of them as partners in the pursuit of sectoral program goals and a few as vehicles for democratic governance objectives. Civil society provides a major potential for increasing the domestic demand for accountability of all levels of government, and USAID's strategy will elaborate this potential. Several aspects of Uganda's civil society sector are important in justifying the strategy.

The Government of Uganda, like most African governments, perceives a need to maintain control over the organizations that comprise civil society, and does so through a registration process. This has not been used in a particularly repressive way, although a few cases of non-registration have occurred and a handful can be considered politically motivated. Nonetheless, the civil society sector has generally been allowed to operate fairly freely and without government interference. Far more of a handicap to civil society are its internal weaknesses, which include an urban bias, donor dependence, proliferation of competing organizations (in part a function of donor funding), and above all a dearth of planning, budgeting and strategic organizational skills. Financial accountability and the institutionalization of accountable personnel practices are issues that civil society must confront now if it is to be a credible partner of government, much less the champion of alternative policies or leaderships. While USAID intends to assist selected civil society organizations develop advocacy skills, it will focus equally on these organization capacity

building needs.

Aside from the few explicitly human rights oriented organizations, such as the Law Society and the Human Rights Activists, most civil society organizations do not perceive themselves as active advocacy groups, although they are in fact developing the strategies and skills of lobbies and advocates. Their perception is one of collaboration with government and the provision of supplementary services, skills and ideas. This orientation will change gradually as and if they find channels for productive input into the policy making process, both centrally and in the districts, and so begin to have their impact at the upstream end of policy making rather than the downstream end of dealing with the problems caused by inadequate policy or its ineffective enforcement.

Ultimately, some organizations will take on an increasingly activist role, including litigation strategies in their arsenal for enforcing accountability on government. One or two organizations have already expressed the intention to explore a litigation strategy. They will no doubt approach the donor community for assistance. It is particularly important that these be assisted to present not only a strong and effective legal approach but develop a competent sense of public relations as well, since litigation strategies are by nature threatening to governments and the public must be clear that both the organizations and the strategy are constitutional and constructive.

Finally, civil society is fragile in Uganda, as elsewhere, because of its strong donor dependence. Until it develops rural recruitment patterns and domestic sources of funding it will be vulnerable to allegations of externally-derived agendas. Accordingly, while civil society organizations are critical to creating domestic demand for accountability, their long-term dependence on donor funding negates their credibility. The donor community must assist the organizations to develop viable long term strategies for domestic resource mobilization.

## **USAID's PROGRAM TO DATE AND LESSONS LEARNED**

USAID has pursued several strategic interventions in the democratic governance area on a "target of opportunity" basis including:

- ◆ support for the demobilization and reintegration of soldiers,
- ◆ technical assistance to the Constituent Assembly Commission, the Constituent Assembly, and the Interim Elections Commission,
- ◆ support to civic education and domestic election monitoring for both the 1994 Constituent Assembly and 1996 general elections,
- ◆ support to several human rights organizations to mount legal aid programs, hold legal rights awareness workshops and train paralegals,
- ◆ training of women members of the Constituent Assembly on constituency relations, issue identification, public speaking, fund raising, and coalition building,

- ◆ support to the Law Reform Commission to codify the laws of Uganda (which has not been done since 1966),
- ◆ training of women lawyers employed by the Ministry of Justice to aggressively prosecute men who defile (rape) young women.

Several lessons have been learned during the implementation of these activities. The Elections Commission is a major success story, having established international credibility and run three national and several local elections judged to be competent by the international community (and by domestic monitors). During the critical initial stage of development, USAID's ability to provide local currency funding for operational costs on an almost-immediate basis was central to its success in laying the groundwork for elections. Other donors' pledges arrived much later because of the lag between pledges and disbursement from home agencies. USAID's timely contributions positioned the US Mission to play a key informal role in decisions on substantive as well as logistical issues. As a consequence, a close collegial relationship with the Commission staff, and a fairly aggressive policy of providing feedback on Commission activities, developed. By contrast, the seminars and workshops for political leaderships and candidates suffered from too little attention to the expected outputs, or an inadequate appreciation of the differences between the Ugandan and American political contexts. In future, both the development of impact measures and a broader evaluation strategy should be addressed in their design.

Grants to human rights organizations revealed that: i) capacity-building in these organizations is as important as the substantive issues they are addressing, ii) several donors are chasing the same organizations, and there are substantial dangers in overstressing them instead of encouraging the competitive emergence of plural voices and foci, iii) there is a great deal of regional interaction, with organizations innovating based on what they've heard or seen in regional conferences, and this is a development which should be encouraged for the multiplier effects, iv) women's organizations and networks are especially creative and provide a hook on which to hang many DG efforts in Uganda. USAID support to the Women's Caucus in the Constituent Assembly assisted it to become the most competent of the five or six caucuses which emerged. It succeeded in its very ambitious goals with respect to incorporating both gender-sensitive language and substantive progress for women in the Constitution, including the mandate that 33% of all local council seats be held by women.

### C. PLAN OF ACTION

USAID's focus for the last three years has been on constitutional formulation and the subsequent national elections, the *sine qua non* for the development of a constitutional culture. The sector assessment conducted in September/October 1996 provided the basis for formulating the broader strategy appropriate to the next stage in a democratic transition. While Uganda faces problems in this sector, many are either beyond USAID's manageable interest or have unsupportable staffing and/or resource implications. Therefore, we have formulated a strategy that: i) is practical both in terms of impact and implementation, ii) fits within Mission and Bureau resource constraints and, iii) utilizes USAID's comparative advantage in concert with other donor activities.

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The development hypothesis is that **strengthening a constitutional culture, and particularly those elements of it supporting competing interests (pluralism) and institutional checks and balances, is the surest path to both democratization and to transparent and accountable governance.** A constitutional culture is not established by the mere promulgation of a constitution. The next step for Uganda is to nurture the constitution, through its active application and through the construction of active demand for its implementation, both within strategic institutions of government and in civil society. Failure to implement the carefully-crafted constitutional checks and balances, or to move towards pluralism, would be a major waste of the opportunity that has been presented by the completion of the constitution and the transition to a fully elected government. **Our Strategic Objective is thus "Civic Pluralism Expanded and Constitutional Checks and Balances Implemented".**

The over-arching goal of the DG strategy is to **make the GOU more accountable to its citizens** through the development of institutional mechanisms of accountability. While these are made possible by the constitution, active citizen involvement is necessary to make them effective. Further, the government is operating without the checks and balances imposed by full and open political competition. The executive branch has supported constitutional checks and balances in principle; in practice, it tends to perceive alternative points of view as irritating at best, rather than the groundspring of democratic governance. Similarly, the justice system has taken a very hesitant role in the vital function of judicial review, which will increasingly be necessary for the constitution to play the central role in political decision. Finally, citizens groups take a low-key, non-public route to attempting to influence government's decisions. While none of this is directly obstructive of the establishment of a constitutional culture, it is necessary to the establishment of accountability to bring these plural voices and institutional checks and balances into the **public arena**, where accountability is demonstrated.

USAID will pursue four interrelated approaches to achieve the Strategic Objective.

1) **Build Parliament's institutional capacity.** Parliament is the premier countervailing force against excessive executive action. USAID will pursue mechanisms by which members of parliament, especially parliamentary committees, can systematically gain access to information in order to make informed decisions. Activities will include informational workshops and seminars for members on such topics as the structure of the economy -- without an understanding of which no effective watchdog activity can really be mounted by parliament -- and the reasons for promoting pluralism. They will include as well as the creation of a research and information capacity. The US has an unparalleled comparative advantage in these areas, although there is considerable interest from other donors, who may be willing to fund activities in this area collaboratively.

2) **Regularize the legal framework.** Complete the codification of the existing body of law. No unified code exists, leading to confusion and lack of consistency from the bench. Codification will compliment regulatory reform efforts under SO 1 and is essential to the next step, which is to bring the existing code into conformity with the constitution. ODA will fund the printing of an adequate print run of the code once the USAID-funded codification exercise is completed, anticipated for mid-1998.

**3) Build local government capacity along with public monitoring of local government performance.** USAID's entire country program depends on some degree of competence in the functioning of local councils. Skills are needed to make the local government system function accountably, particularly at sub-district level. There is evidence of real commitment both centrally and in some district governments to increasing the effectiveness of local councils. There is need for major investment in training in planning, budgeting, accounting, monitoring, personnel management and the other normal functions of governments with significant resources, which the Ugandan local councils now have. USAID has many partners in the donor community who are eager to invest in these "supply side" activities. USAID proposes to make strategic investments in some, focusing particularly on the subcounty level and in a manner which can be generalized and funneled through the Decentralization Secretariat to provide systematic lessons which can then be "sold" to the rest of the districts.

In addition to capacity building, there is a significant need for building demand for transparent, accountable governance through local civil society. USAID will assist civil society organizations with both a national presence and district level outreach who are interested in developing local advocacy strategies. These will be chosen with a view to the inevitable management implications of such assistance, and to the need to assist organizations across a number of sectors in which the US has significant resources invested. Some will no doubt be groups who are already significant development partners, such as The Aids Support Organization (TASO), the Law Society/FIDA, and headmasters' associations involved in our primary education support assistance. Others will be in the agricultural, environmental and small-scale enterprise areas. Support to these will encompass both the development of advocacy skills and capacity building.

**4) Strengthen civil advocacy groups.** Strengthening civil society is a key component in creating the demand for accountable governance. Activities USAID will pursue through increasing the capacity of civil society include: i) promoting access to justice, ii) monitoring the electoral process, both in the near term elections to local councils and the run-up to the referendum on multi-parties, iii) increasing citizen input into the parliamentary monitoring and executive agency watchdog functions, iv) increasing demand for accountable national and local government in the areas of policy with significant impact on USAID's development portfolio; and v) building regional civil society capacity with its multiplier effects.

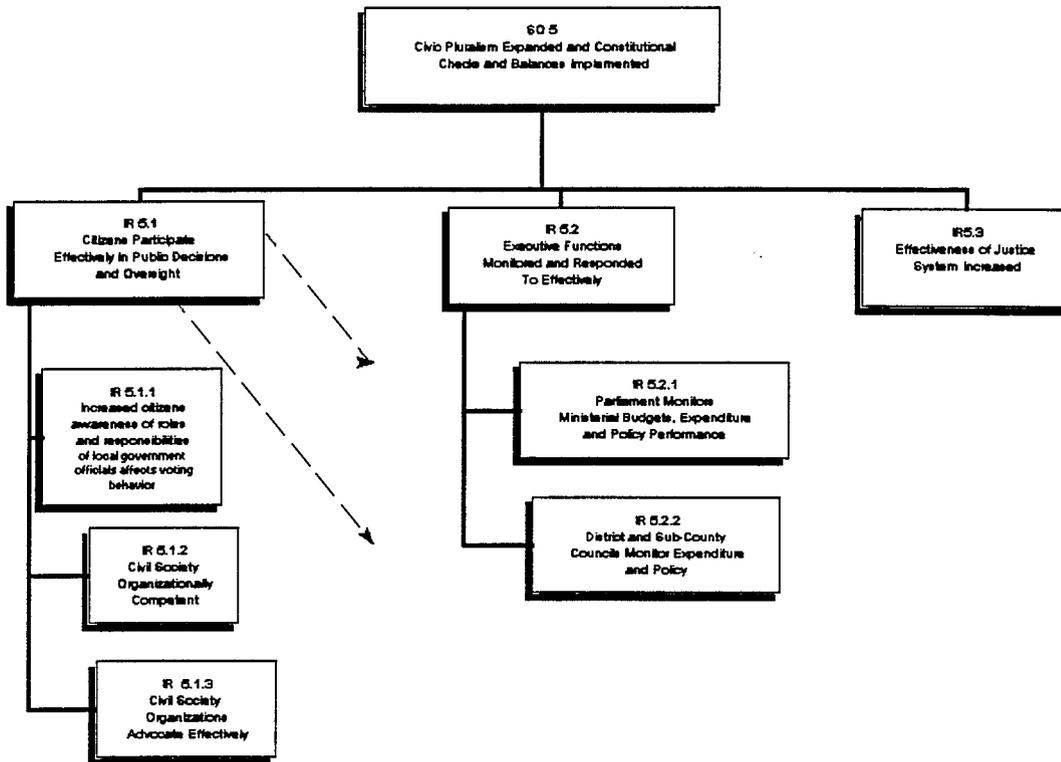
## **THE RESULTS FRAMEWORK**

The approaches mentioned above are incorporated into the Results Framework at the level of intermediate results. The three IRs selected describe how, in practical terms, the strategic objective of increasing pluralism and promoting implementation of checks and balances will be accomplished. The individual IRs are interrelated, as are the four approaches for achieving them.

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RESULTS FRAMEWORK: DEMOCRACY AND GOVERNANCE

Strategic Objective 5



## **IR 5.1 Citizens Participate Effectively in Public Decisions and Oversight**

At the national level, increased citizen oversight entails the existence and effectiveness of lobbying groups, including professional and business sector organizations, human rights, civic education, environmental, and social service interest groups. Increased citizen participation in monitoring the performance of government at all stages, including legislation, budgeting, and implementation by executive ministries or local agencies, exerts a powerful check on corrupt behavior, however corruption is defined culturally. Uganda's vibrant but inexperienced NGO community is poised to initiate many of these forms of advocacy but needs assistance both with advocacy strategy and in building organizational effectiveness.

Citizens' interest groups also play an important role in monitoring elections. The next round of direct elections, to elect council members in Uganda's 39 districts, will take place in late 1997. These elections will set the stage for local councils with power and resources greater than has been attempted before in Uganda. Assuring their integrity is critical to government's short-term legitimacy.

Effective oversight of district functions is especially important, given that the recurring budget and substantial authority to implement it, including hiring civil servants, making budget allocations, and raising revenue, have been devolved to this level. It is important to establish a network of active interest groups operating at the local level to assure transparency and accountability for financial and policy decisions. An example would be teachers and parents' groups, which have played such an important role in resuscitating primary education in Uganda. These could form a network to track how expenditures earmarked for education are spent, as well as how allocations to the education sector compare with allocations to other sectors.

## **IR 5.2 Executive Powers and Functions Effectively Monitored**

Parliament's active input into government decision-making is central to the strategy. For Parliament to function effectively, its members must have knowledge of procedure, of government structures and functions, and of resource availability and the costs of alternative development investments. MPs need to be able to obtain information from a variety of independent sources and to analyze it in support of legislative programs. Our strategy emphasizes an active program in support of both information resources and topical workshops and other training opportunities for MPs.

Local governments need the same types of information and skill to to function effectively in checking local council executives and providing input into local legislation. Because decentralization cuts across all sectors, the Mission will form a **decentralization working group** comprised of members from each SO team that will: i) share information on the district level regarding activities and problems in the affected SO or sector, ii) provide statistical data by district to allow the team to monitor activities, problems, and impact by sector by district and, iii) to the extent they deem to be in their self-interest, contribute resources sufficient to remedy problems which affect implementation of related activities

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by district councils.

In some cases, this will mean that combined resources from SO activities are used to train district local councils and/or improve local administration. In other cases it will mean that cross-cutting civil society groups are formed or strengthened which can advocate at the local and national levels, and in others it will mean that individual SOs carry out activities separately, but that the deployment of resources and their impact is assessed and the lessons learned disseminated so that other sectors may benefit from this knowledge.

**Because the constitution mandates that one-third of all local council seats shall go to women**, USAID will focus particularly on increasing the effectiveness of women in local government. This is a unique opportunity to strengthen women at the grassroots level who are involved, many for the first time, in the political arena and who can provide the foundation for creating a cadre strong, experienced women leaders at the national level who maintain grassroots support -- a general failing of the project activities attempting to facilitate women's empowerment through the political system in Africa.

Activities that may be pursued in support of strengthening local government include: assisting the Decentralization Secretariat to disseminate lessons learned; training at sub-county level on planning, budgeting and financial management; assisting civil society organizations to increase their input into council deliberations; assisting local councils in updating by-laws; and training women councilors in planning, budgeting and other relevant skills. The main objective will be to assist in ways that can be generalized and "sold" from one district to another (though not imposed), and to assist the Ministry of Local Government/the Decentralization Secretariat to sell them.

### **IR 5.3 The Justice System's Efficiency and Accessibility Increased**

Through a combination of technical assistance on law codification and assistance to professional legal organizations and civil advocacy groups, our strategy will contribute to an efficient and more accessible justice system. Several other donors are engaged in efforts in this sector. USAID's assistance to the codification of the laws will facilitate standard interpretations and more timely decisions, and will be complemented by ODA's funding for the printing of the new codification. Meanwhile, advocacy groups and legal aid societies will be assisted to tackle such problems as pre-trial detention, evidentiary findings, and prison conditions, thus substantially improving access to justice. Civil society advocacy can assist also in generating administrative support to repeal repressive laws and procedures.

Our assistance will include regional as well as local societies and associations. Regional advocacy groups are better equipped to focus systematically on regionally relevant issues, such as the legal definition of sedition and its effect on press freedom and association -- a common phenomenon throughout East Africa as a holdover from the British colonial era. Such groups can operate effectively from beyond the borders of individual countries, providing effective information and press coverage, protecting their members within an individual country when harassed, and deflecting or diffusing the tendencies of national governments to define them in terms of a domestic political opposition.

## **D. PERFORMANCE MONITORING**

As a practical matter, indicators will emerge as the DG program takes concrete, programmatic shape over the next year. However, the following are probable indicators at the SO and IR levels.

### **SO Level Indicators**

Parliament makes informed, substantive input into the finance bill and makes substantive improvements to other legislation.

Citizen's groups and professional organizations provide documented input resulting in changes to proposed legislation at national and local levels.

Judicial review of legislation, initiated by citizens' groups, refers to the newly codified statutes and establishes a constitutional interpretation.

### **IR Level Indicators**

**IR 5.1.1** Domestic monitoring groups establish a set of indicators for a free and fair referendum campaign for the multi-party referendum prior to the campaign.

**IR 5.1.2 and IR 5.1.3** These indicators are yet to be developed/refined.

**IR 5.2.1** The Budget Steering Committee receives and acts on presentations from business sector civil society organizations in drafting the 1997/8 annual estimates; additionally, from health and environmental sector civil society organizations in drafting the 1998/9 annual estimates; additionally, from education and legal/human rights sector civil society organizations in drafting the 1999/2000 annual estimates. Action on the presentations is indexed by references by the Minister for Finance, when presenting the budget to parliament, to specific proposals made by the organizations.

[This exemplifies the interrelationship of the components of the strategy. Parliamentary oversight of the executive is facilitated through active civil society lobbying for specific positions; concomitantly, civil society activism is encouraged through a central, public forum in parliament that exercises oversight and actively affects legislation. This is therefore an indicator for IR 5.1 as well.]

**IR 5.2.2** LC 5 Council meeting minutes in five districts in 1997 indicate statements by local advocacy groups and recommend action in response to their presentations. (While this may sound like a "minimalist" indicator, it will in fact be something of a challenge to achieve, given the extreme reticence of civil society groups in the districts to go public.)

**IR 5.3** Judicial decisions refer consistently to the new codification of Uganda's legal code; judicial decisions on criminal cases are tendered 25% faster.

**PART III**

**RESOURCE REQUIREMENTS**

## **PART III: RESOURCE REQUIREMENTS**

USAID/Uganda has a tremendously broad and varied portfolio, reflecting a mature program engaged in almost all traditional USAID sectors. We are midstream in the implementation of four major sectoral programs and particularly well poised to address a fifth sector, democracy and governance, which is of paramount priority to the USG and critical to the long term success of our development assistance program in Uganda. The combination of Uganda's extraordinarily fertile development environment and the fine work of the Mission's strong and highly committed staff has produced very impressive results during the past five years. The potential for continued high impact in the next five years is excellent - but only if adequate staff and other resources are available .

### **A. PROGRAMMING OPTIONS**

In view of Uganda's sustained strong performance as a development partner, both the high and low program funding scenarios provided by USAID/W for the development of this CSP reflect a strong continuing commitment to Uganda. Table III.1 indicates planned cumulative Development Assistance (DA) funding levels (bilateral and field support) under both scenarios across the Mission's five strategic objectives. The allocation amongst SOs will vary somewhat from year to year based on progress and pipelines. Nonetheless, Table III.1 reflects the envelope of funding anticipated in each sector over the five year period of this CSP. The Mission anticipates remaining fully engaged in all five strategic objectives under both scenarios. Under the reduced scenario, some activities would be scaled down and mortgages would be stretched out. For example, the health program might be scaled back from ten to seven districts. The environment program might disengage from several activities in buffer zones surrounding biodiversity conservation areas. Funding for microfinance grants might be cut, reducing the number of rural entrepreneurs who are able to get loans to improve their businesses.

Table III.2 shows all USAID resources flowing to Uganda. Most field support, projected at a constant level of \$7 million annually, will be for G/PHN activities. Title II resources play an important role in achieving SO 1 and in improving national and regional food security. The Mission's projected Title II requirements are based on Agricultural Cooperative Development International's approved five-year program and anticipated extension of Africare's approved one-year pilot. As indicated in the table, BHR/PVC also provides substantial resources to Uganda through its matching grants, child survival grants and cooperative development programs. Most of these activities contribute directly to achieving the Mission's SOs. Finally, the Africa Bureau's Office of Sustainable Development has earmarked funds to build the capacity of Uganda's fledgling Capital Markets Authority.

**Table III.1 Cumulative DA Funding By Strategic Objective  
FY 1997-2001(\$ 000)**

Strategic Objective	High Scenario \$48m/yr		Reduced Scenario \$40m/yr	
	Total	Yearly Ave.	Total	Yearly Ave.
SO 1 (EG)	65,000	13,000	60,000	12,000
SO 2 (ENV)	35,000	7,000	25,000	5,000
SO 3 (Basic Ed)	51,000	10,200	42,000	8,400
SO 4 ( PHN)	79,000	15,800	66,000	13,200
CHS	17,500	3,500	14,000	2,800
POP	31,500	6,300	27,000	5,400
AIDS	30,000	6,000	25,000	5,000
SO 5 (D/G)	10,000	2,000	7,000	1,400
<b>TOTAL</b>	<b>240,000</b>	<b>48,000</b>	<b>200,000</b>	<b>40,000</b>

**Table III.2 Total USAID Resources for Uganda (\$ millions)  
Actual FY 96 and Projected FY 1997-2001**

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Bilateral	31.928	38.000	39.000	41.000	41.000	41.00
Field Support	7.021	7.100	7.100	7.000	7.000	7.000
Title II (Dev. only)	4.375	6.000	5.600	5.600	5.600	5.600
BHR/PVC	1.561	1.200	1.200	1.000	1.000	1.000
AFR/SD	.300	.300	.300	-	-	-
Total	45.185	52.600	53.200	54.600	54.600	54.600

Note: Title II figures are estimated at 80% of expected monetized value of commodities.

Table III.3 shows the total U.S. Government contribution to development and relief programs in Uganda. Some USG funds are channelled through multilateral partners such as UNHCR and WFP. USAID projects slightly declining levels for UNHCR and WFP over the next five years in anticipation of increased food self-sufficiency among refugee populations in northern Uganda and improved conflict resolution mechanisms throughout the GHA region. The total amount of WFP resources *expended in Uganda for other countries in the region*, however, may rise significantly as Uganda's food production increases. Peace Corps is a key USAID partner, providing 59 Peace Corps Volunteers for USAID's agriculture, environment and basic education programs.

**Table III.3 U.S. Government Resources for Uganda (\$ millions):  
Actual FY 96 and Projected FY 1997-2001**

AGENCIES	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
USAID	45.2	52.6	53.2	54.60	54.6	54.6
WFP	5.0	5.0	4.0	4.0	3.0	3.0
UNHCR	6.8	6.5	6.5	6.3	5.0	4.0
OPIC	-	-	-	-	-	-
EXIM	0.2	0.4	0.2	0.2	0.2	0.2
PEACE CORPS	1.1	1.3	1.3	1.3	1.3	1.3
DEMOCRACY AND HUMAN RIGHTS FUNDS	0.1	.1	0.1	0.1	0.1	0.1
<b>TOTAL</b>	<b>58.4</b>	<b>65.9</b>	<b>65.3</b>	<b>66.5</b>	<b>64.2</b>	<b>63.2</b>

NOTES: a) OPIC figures were not available.

b) UNHCR and World Food Program figures are for calendar years and represent US government contribution to program costs (25% for UNHCR and 52% for WFP.)

The Mission was not asked to incorporate in this CSP the possibility of substantially increased funding (perhaps as much as \$15 million per year) if the recently proposed Food Security for Africa Initiative is approved at request levels. However, should additional resources become available, there are many exciting development possibilities which might be considered. As noted earlier, Uganda has tremendous potential to produce food in quantities far exceeding its own requirements. To realize this potential, rural infrastructure (notably feeder roads), agricultural research, agricultural technology and agricultural extension all need more attention and resources. From the Mission's perspective, the major constraint to taking on additional food security interventions will be the associated management burden. Unless staff increases accompany any additional program resources, we will need to limit our activities to the expansion of ongoing efforts. One sector which is of extremely high GOU priority and which would have relatively light implications for staffing is rural infrastructure (feeder roads). The Mission stands ready to examine various options (including staff implications) should this Initiative receive funding.

Because of the abundance of excellent development opportunities in Uganda and the success that various partners have had in attracting central funds to work here, there are a large number of activities over which the Mission exercises some management oversight (see Table III.4 below). The amount of such oversight varies from activity to activity, but several entail as much time and effort as any bilateral activity, and in total, the array of activities contributes significantly to USAID/Uganda's large management responsibility.

**Table III.4 Current Bilateral, Field Support, Title II and BHR/PVC Activities, By Strategic Objective**

Strategic Objective	Bilateral Projects/no. of contracts and grants	Field Support	Title II	BHR/PVC	Total No. of Activities
SO 1	IDEA/ 1 ANEPP/3 CAAS/1 PRESTO/6 Dairy Dev./1 NUFSP/1	FEWS PRIME	ACDI Africare	VOCA ACDI Land O'Lakes Food for Hungry Freedom from Hunger Heifer Project Int. World Vision Winrock Int.	25
SO 2	APE/12	EPAT EPM II			14
SO 3	SUPER PA/1 SUPER NPA	IEQ			3
SO 4	DISH/8	Pathfinder CA PCS PRIME AVSC SOMARC SEATS CCP CARE Mich. Fellows		ADRA AMREF MIHV World Vision Aga Khan	22
SO 5	PACB/3 UDR/6				9

## B. STAFFING REQUIREMENTS

In the context of such a broad and varied portfolio, it would indeed be unrealistic and short-sighted to expect USAID/Uganda to maintain its current high profile program with further staff reductions. Given the imperative from Washington to reduce personnel levels, either relief from such cuts must be obtained or creative (legal!) mechanisms must be identified to get around the personnel cuts. If not, the program will increasingly be subjected to greater risk and vulnerabilities which almost certainly will diminish the results that this Mission can reasonably be expected to accomplish over the strategy period.

As we "manage for results" and are tasked with establishing a contract with Washington

whereby we are to be held accountable for results (vs. inputs), our hands are tied on one of our most important inputs: staff. If we are truly to be judged on results, the issue should be the cost of obtaining the desired result, not how many people we employ in one category or another. Ironically, the simultaneous preoccupation with reducing USG staff will inevitably increase the cost of obtaining the desired results. As we are forced to rely increasingly on those who "don't count" as federal employees, i.e. contractors, we will pay for the administration of those contracts (overhead). Furthermore, the logic that suggests that a local FSN PSC who is funded on an annual basis (from trust funds no less) implies any more financial commitment or responsibility on the part of the USG than that associated with any contractor (typically hired for more than one year) escapes us.

The above discussion suggests "creative mechanism #1" - negotiate a better definition of who is considered an employee of the USG. If this is not possible, a second option should be to create groupings of employees in a way that allows them to be counted as contractors rather than as employees. For example, although not an ideal solution from a management control and team spirit standpoint, USAID/Uganda could conceivably obtain many support services from other entities (contractors) if suitable entities existed. We could obtain driver services from Drivers' Inc. or maintenance services from Maintenance Inc. Former employees of USAID should be allowed (encouraged even) to form such groups.

There are compelling management and economic arguments for exempting local hire spouses from personnel ceilings. At a minimum, such an exemption should apply to spouses of USG employees but would ideally include spouses of contractor personnel as well. From a cost standpoint, limiting any exempt group in this way makes no sense. Perhaps a brief review of costs involved makes this point more compelling. The Mission budgets approximately \$430,000 for a 2-year stint for a USDH or offshore contractor. Local hire spouses (those here because their spouses are employed) come much more cheaply (\$30-50,000/year) because only salary is required. Local hire spouses represent a valuable pool of talent that the Mission could benefit from. Currently, just among spouses of USG employees, there are several with advanced degrees (even a doctorate) in fields relevant to development. If such personnel were exempt from personnel ceilings and hiring freezes, the Mission could significantly strengthen its ability to manage for results. Specifically, some areas where the Mission would benefit from additional expertise include: a GHAI coordinator, a democracy/governance project manager, a monitoring and evaluation specialist and additional computer services.

55% of USAID/Uganda's employees are in our Executive Office. This Office has many employees for a very good reason. Unlike in most USAID missions, our Executive Office provides house maintenance, customs clearance, travel and other support services to all PSCs and institutional contractors, in addition to USDH employees. Of the 50 households currently serviced, only 11 are those of USDH employees. As a result, technical advisors are freed from these time-consuming tasks and are able to focus on doing the job they are being paid for. The equality of treatment contributes directly to the extraordinarily close working relationship enjoyed by contractors, PSCs and USDH alike. Productivity and morale are consequently very high. If we are required to cut Mission personnel, we will no longer be able to provide equal services to our entire team and contractors will be obliged to hire administrative personnel. The Mission's investigation of alternatives to the current arrangement confirmed that having contractors provide their own support services will

increase the cost to the USG.

Under the guidelines associated with joint services (ICASS) amongst various agencies, contractors are recognized as a separate agency. As such, the USAID Mission already provides "ICASS" services to more than one agency (itself and its contractors). In addition, preliminary analysis suggests that it may be appropriate (cost-saving) for USAID/Uganda to offer some services to other USG agencies (notably household maintenance). Following the earlier line of argument for creative mechanisms to protect personnel levels in Uganda, if ICASS-designated employees are exempt from current personnel levels, the Mission could maintain its current FSN workforce. In fact, the number of non-ICASS FSNs would be considerably lower than our currently approved level. An early determination on how ICASS services and related employees enter into post personnel ceilings would be much appreciated.

Unfortunately, ICASS presents the Mission with complications as well. Although we are hopeful that the early numbers being generated by the ICASS software are in error, these figures have drastic implications for our operating expense (OE) requirements for the strategy period. For example, initial estimates of charges for State services being provided to USAID/Uganda when calculated under ICASS result in a fivefold increase over current FAAS charges. If these charges are accurate, either the Mission will require approximately \$2.2 million in additional OE over the strategy period, or we will have to obtain these services some other way, or we will have to do without some or all of these services. Services currently provided by State include health unit, pouch, cables, etc.

Tables III.5 and III.6 show the allocation of staff by category at current Washington control levels and the Mission's request. The Mission's request essentially maintains the workforce at the September 1996 level. If additional services are to be provided under ICASS to other USG agencies, we would likely need to revisit the necessary number of ICASS employees. For example, if we were to take on maintenance for an additional 15 houses, we would require six additional local employees. If forced to adhere to control levels, the Mission will take most if not all cuts in the support categories. Positions involved in portfolio management will be protected to the maximum extent possible.

With regard to both program and support activities, this Mission is already stretched alarmingly thin. Staff at all levels routinely put in effort far in excess of a "normal" 40-hour work week because of the heavy workload, the enormous potential for positive development work and staff commitment. We will not willingly abandon prematurely any ongoing activity. However, if we must continue to reduce staff, we will have to accept a declining ability to monitor our program. In fact, we already visit projects less often than is desirable.

If Washington allows us, we will increasingly say "no" to centrally-funded "freebies" or ask that the contract between Washington and the Mission explicitly exempt us from management/monitoring involvement for centrally-funded activities. Such "arrangements" are often advertised but always, repeat always, fall down in practice - usually at the first sign of difficulty. The Mission just cannot take on additional activities and absorb staff cuts at the same time. Even more problematic would be the imposition of an earmark, such as child survival, significantly above the level the Mission is currently managing. Any increase in this or any other area only makes sense if it can be absorbed by existing activities or if the

Mission is allowed to take on additional staff. Virtual participation in Mission management of activities in Uganda is very welcome - but it does not eliminate the need for regular, on-the-ground presence if optimal development results are to be realized. Unfortunately, the proliferation of project activities combined with staff reductions make even those of us stationed in Uganda more and more observers/reporters and less doers. We will inevitably demand more services and reporting from contractors (at increased cost to the USG).

TABLE III.5

WORKFORCE/Washington Levels

Orgno: 617  
 Org. Title: USAID/Uganda

Funding Source	FY 96							FY 97							FY 98							
	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	
Operating Expenses	11.0	2.0	2.0				15.0	11.0	2.0	1.0		2.0	74.0	90.0	11.0	1.0	1.0		2.0	65.0	80.0	
Trust Funds					2.0	86.0	88.0							0.0								0.0
Subtotal	11.0	2.0	2.0	0.0	2.0	86.0	103.0	11.0	2.0	1.0	0.0	2.0	74.0	90.0	11.0	1.0	1.0	0.0	2.0	65.0	80.0	
Program Funds			7.0			40.0	47.0			6.0			40.0	46.0			6.0			35.0	41.0	
Total	11.0	2.0	9.0	0.0	2.0	126.0	150.0	11.0	2.0	7.0	0.0	2.0	114.0	136.0	11.0	1.0	7.0	0.0	2.0	100.0	121.0	

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Funding Source	FY 99							FY 00							FY 01							
	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	USDH	USDI	Other US	Other*	FNDH	Other FN	Total	
Operating Expenses	11.0		1.0		2.0	65.0	79.0	11.0		1.0		2.0	65.0	79.0	11.0		1.0		2.0	65.0	79.0	
Trust Funds							0.0							0.0								0.0
Subtotal	11.0	0.0	1.0	0.0	2.0	65.0	79.0	11.0	0.0	1.0	0.0	2.0	65.0	79.0	11.0	0.0	1.0	0.0	2.0	65.0	79.0	
Program Funds			6.0			35.0	41.0			6.0			35.0	41.0			6.0			35.0	41.0	
Total	11.0	0.0	7.0	0.0	2.0	100.0	120.0	11.0	0.0	7.0	0.0	2.0	100.0	120.0	11.0	0.0	7.0	0.0	2.0	100.0	120.0	

Other US includes PSCs, PASAs, RSSAs, Fellows, and all other categories reportable in the quarterly mission staffing pattern.  
 FNDH and FN PSC includes both host country and third country nationals.

Other\* is spouses hired locally.

Orgno: 617  
 Org. Title: USAID/Uganda

Assumes USAID as a service provider under ICASS

Funding Source	FY 96							FY 97							FY 98							
	USDH	Other IDI	US	Other* FNDH	Other FN	Total		USDH	Other IDI	US	Other* FNDH	Other FN**	Total		USDH	Other IDI	US	Other* FNDH	Other FN**	Total		
Operating Expenses	11.0	2.0	2.0		2.0	86.0	103.0	11.0	2.0	1.0	0.5	2.0	74.0	90.5	11.0	2.0	1.0	0.5	2.0	74.0	90.5	
Trust Funds							0.0						0.0								0.0	
Subtotal	11.0	2.0	2.0	0.0	2.0	86.0	103.0	11.0	2.0	1.0	0.5	2.0	74.0	90.5	11.0	2.0	1.0	0.5	2.0	74.0	90.5	
ICASS							0.0						29.0	29.0							29.0	29.0
Program Funds			7.0			40.0	47.0			7.0	2.0		22.0	31.0			7.0	2.0			22.0	31.0
Total	11.0	2.0	9.0	0.0	2.0	126.0	150.0	11.0	2.0	8.0	2.5	2.0	125.0	150.5	11.0	2.0	8.0	2.5	2.0	125.0	150.5	

Funding Source	FY 99							FY 00							FY 01							
	USDH	Other IDI	US	Other* FNDH	Other FN	Total		USDH	Other IDI	US	Other* FNDH	Other FN**	Total		USDH	Other IDI	US	Other* FNDH	Other FN**	Total		
Operating Expenses	11.0	1.0	1.0	0.5	2.0	74.0	89.5	11.0	1.0	1.0	0.5	2.0	74.0	89.5	11.0	1.0	1.0	0.5	2.0	74.0	89.5	
Trust Funds							0.0						0.0								0.0	
Subtotal	11.0	1.0	1.0	0.5	2.0	74.0	89.5	11.0	1.0	1.0	0.5	2.0	74.0	89.5	11.0	1.0	1.0	0.5	2.0	74.0	89.5	
ICASS							29.0						29.0	29.0							29.0	29.0
Program Funds			7.0	2.0		22.0	31.0			7.0	2.0		22.0	31.0			7.0	2.0			22.0	31.0
Total	11.0	1.0	8.0	2.5	2.0	125.0	149.5	11.0	1.0	8.0	2.5	2.0	125.0	149.5	11.0	1.0	8.0	2.5	2.0	125.0	149.5	

Other US includes PSCs, PASAs, RSSAs, Fellows, and all other categories reportable in the quarterly mission staffing pattern.  
 FNDH and FN PSC includes both host country and third country nationals.

Other\* is spouses hired locally. The .5 under OE is a part-time position.

Other FN\* will increase by 6 (to 35) IF State is one of the agencies buying service from USAID under ICASS.

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TABLE III.7

WORKFORCE/Functional Allocation

Orgno: 617  
 Org. Title: USAID/Uganda

Assumes USAID as a service provider under ICASS

Function	FY 96							FY 97							FY 98						
	USDH	Other IDI	US	Other*	FNDH	FN	Total	USDH	Other IDI	US	Other*	FNDH	FN**	Total	USDH	Other IDI	US	Other*	FNDH	FN**	Total
Mission Management	2.0					2.0	4.0	2.0		1.0			2.0	5.0	2.0		1.0			2.0	5.0
SO 01	2.0	1.0	2.0			5.0	10.0	2.0	1.0	2.0			5.0	10.0	2.0		2.0			5.0	9.0
SO 02			1.0			1.0	2.0			1.0			1.0	2.0			1.0			1.0	2.0
SO 03	1.0					1.0	2.0	1.0					1.0	2.0	1.0					1.0	2.0
SO 04	1.0		2.0			3.0	6.0	1.0		2.0			3.0	6.0	1.0		2.0			3.0	6.0
SO 05	0.5		1.0				1.5	0.5		1.0	1.0			2.5	0.5		1.0	1.0			2.5
Support	4.5	1.0	3.0		2.0	114.0	124.5	4.5	1.0	1.0	1.5	2.0	113.0	123.0	4.5	2.0	1.0	1.5	2.0	113.0	124.0
<b>Total</b>	<b>11.0</b>	<b>2.0</b>	<b>9.0</b>	<b>0.0</b>	<b>2.0</b>	<b>126.0</b>	<b>150.0</b>	<b>11.0</b>	<b>2.0</b>	<b>8.0</b>	<b>2.5</b>	<b>2.0</b>	<b>125.0</b>	<b>150.5</b>	<b>11.0</b>	<b>2.0</b>	<b>8.0</b>	<b>2.5</b>	<b>2.0</b>	<b>125.0</b>	<b>150.5</b>

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Function	FY 99							FY 00							FY 01						
	USDH	Other IDI	US	Other*	FNDH	FN	Total	USDH	Other IDI	US	Other*	FNDH	FN**	Total	USDH	Other IDI	US	Other*	FNDH	FN**	Total
Mission Management	2.0		1.0			2.0	5.0	2.0		1.0			2.0	5.0	2.0		1.0			2.0	5.0
SO 01	2.0		2.0			5.0	9.0	2.0		2.0			5.0	9.0	2.0		2.0			5.0	9.0
SO 02			1.0			1.0	2.0			1.0			1.0	2.0			1.0			1.0	2.0
SO 03	1.0					1.0	2.0	1.0					1.0	2.0	1.0					1.0	2.0
SO 04	1.0		2.0			3.0	6.0	1.0		2.0			3.0	6.0	1.0		2.0			3.0	6.0
SO 05	0.5		1.0	1.0			2.5	0.5		1.0	1.0			2.5	0.5		1.0	1.0			2.5
Support	4.5	1.0	1.0	1.5	2.0	113.0	123.0	4.5	1.0	1.0	1.5	2.0	113.0	123.0	4.5	1.0	1.0	1.5	2.0	113.0	123.0
<b>Total</b>	<b>11.0</b>	<b>1.0</b>	<b>8.0</b>	<b>2.5</b>	<b>2.0</b>	<b>125.0</b>	<b>149.5</b>	<b>11.0</b>	<b>1.0</b>	<b>8.0</b>	<b>2.5</b>	<b>2.0</b>	<b>125.0</b>	<b>149.5</b>	<b>11.0</b>	<b>1.0</b>	<b>8.0</b>	<b>2.5</b>	<b>2.0</b>	<b>125.0</b>	<b>149.5</b>

Other US includes PSCs, PASAs, RSSAs, Fellows, and all other categories reportable in the quarterly mission staffing pattern.  
 FNDH and FN PSC includes both host country and third country nationals.

Other\* is spouses hired locally.

Other FN\*\* will increase by 6 under the support category IF State is one of the agencies buying service from USAID under ICASS.

If staffing cuts continue, the Mission must ultimately disengage from one of its current major sectors. This is not an option that the Mission endorses. We are a principal if not the principal donor in each of our sectors of involvement. To retreat at this point would waste much of the Mission's tremendous effort and investment to date. Table III.7 shows the allocation of Mission personnel by strategic objective, management and support functions. The reader who wishes to eliminate one of our sectors of involvement may be tempted to offer up the economic growth sector because of the larger number of personnel associated with it. However, it should be recognized that this SO combines both private sector and agricultural activities, has more individual activities than the other SOs and is fundamental to sustaining progress in all other sectors.

In conclusion, the Mission has a very full plate. We can continue to manage effectively our current portfolio with current staff levels, although we recognize the need to reduce the management intensive nature of many of our activities. If pressed at this point, we can more readily absorb program funding cuts than personnel cuts. Program cuts would result in reducing somewhat the scope (and area of impact) of some activities, but development models could still be tested and efforts launched to attract other donor funds. We would likely stretch out projects (lengthen mortgages). Even so, the number of activities and consequent need for current staffing levels would not change. Only about 10% of the Mission's resources (OE budget plus program-funded PSCs) are devoted to managing our portfolio, a very reasonable overhead for a complex, high profile and high-achieving program.

### **C. OPERATING EXPENSES**

Table III.8, Operating Expenses, is based upon our requested staffing levels, including ICASS-classified positions. Inflation and contingency are combined, and computed for FY 98 at 10% above FY 97 costs, and 15% for FYs 99, 2000, and 2001 above the costs of the preceding year. Trust fund flows, per Table III.9, reflect declining NPA sources and the fact that trust fund reserves disappeared about 5 years ago. We are wholly dependent upon new inflows, and accordingly have taken a conservative approach to amounts available for obligation. Any hitch (and there are always hitches) in inflows will seriously affect levels throughout this planning period and necessitate additional appropriated-dollar resources to effectively manage the portfolio as planned in this document.

TABLE III.8

## Operating Expense Requirements

Orgno: 617

Org. Title: USAID/Uganda

## Overseas Mission Budgets

	FY 96			FY 97			FY 98		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Non-ICASS Costs	2,644.6	1,768.9	4,413.5	3,150.0	500.0	3,650.0	3,300.0	700.0	4,000.0
ICASS/State-Provided Services (FAAS in 96	81.7		81.7	467.0		467.0	514.0		514.0
ICASS/USAID-Provided Services			0.0	150.0		150.0	165.0		165.0
<b>TOTAL BUDGET</b>	<b>2,726.3</b>	<b>1,768.9</b>	<b>4,495.2</b>	<b>3,767.0</b>	<b>500.0</b>	<b>4,267.0</b>	<b>3,979.0</b>	<b>700.0</b>	<b>4,679.0</b>

	FY 99			FY 00			FY 01		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
Non-ICASS Costs	3,300.0	1,000.0	4,300.0	3,900.0	1,000.0	4,900.0	4,600.0	1,000.0	5,600.0
ICASS/State-Provided Services (FAAS in 96	518.0		518.0	596.0		596.0	685.0		685.0
ICASS/USAID-Provided Services	182.0		182.0	209.0		209.0	240.0		240.0
<b>TOTAL BUDGET</b>	<b>4,000.0</b>	<b>1,000.0</b>	<b>5,000.0</b>	<b>4,705.0</b>	<b>1,000.0</b>	<b>5,705.0</b>	<b>5,525.0</b>	<b>1,000.0</b>	<b>6,525.0</b>

TABLE III.9

Trust Fund Flow

Orgno: 617  
 Org. Title: USAID/Uganda

**Local Currency Trust Funds - Regular**

	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>
Balance Start of Year	170.0	343.1	1,193.1	1,453.1	1,333.1	1,193.1
Obligations	1,768.9	500.0	700.0	1,000.0	1,000.0	1,000.0
Deobligations/prior years	606.5	100.0	50.0	0.0	0.0	0.0
Deposits	1,335.5	1,250.0	910.0	880.0	880.0	880.0
Balance End of Year	343.1	1,193.1	1,453.1	1,333.1	1,213.1	1,073.1

**Local Currency Trust Funds - Real Property**

	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>	<b>FY 99</b>	<b>FY 00</b>	<b>FY 01</b>
Balance Start of Year	0.0	0.0	0.0	0.0	0.0	0.0
Obligations	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	0.0	0.0	0.0	0.0	0.0	0.0
Balance End of Year	0.0	0.0	0.0	0.0	0.0	0.0

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