

STRATEGY STATEMENT

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Additional information on the attached can be obtained from Krista DesGranges in USAID/AFR/EA.

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A. Uganda Program Rationale

1. Country Context:

Uganda's last twenty-five years have been characterized by tragedy and upheaval followed by a remarkable period of political stability, social progress and economic growth. However, these achievements are slowly being eroded, with the risk of serious backsliding. Although improvements in health, HIV/AIDS, and education have had positive impacts on Uganda's population, other dimensions in the political sphere, including the country's inability to settle the conflict in the North, widespread corruption, and constitutional amendments leading to the removal of Presidential term limits, have the ability to put the nation on a downward spiral. Increasing political instability looms as the country prepares for the first multi-party election in 26 years.

Uganda is located in an area where seven of Africa's distinct biogeographic regions converge, and shares one of the most important regions for global conservation – the Albertine Rift – which harbors more species of vertebrates than any other region on the African continent. This region shelters more than half of continental Africa's bird species and nearly 40% of its mammal species. There are more endemic mammals, birds and amphibians found in the Rift than any other site in continental Africa. Conservation International recently listed the Albertine Rift as one of the world's most endangered spaces, based on levels of species endemism and rates of habitat destruction.

Since 1988, Uganda has sustained a high economic growth rate because of prudently maintained macro economic policies, and the rehabilitation of major infrastructure and overall market liberalization, including the opening up of the economy to external trade. From 1988 to 1995, the growth rate was an impressive 7.3%, which slowed to 6.3% between 1996 and 2000 and currently stands at 5.8%. While this remains a respectable figure, the decline is part of a worrying trend. Furthermore, slowing growth rates have coincided with rising income inequality, with the poorest part of the population in northern Uganda. The GDP per capita rate of \$245 masks a north-south economic divide with income disparity largely benefiting Kampala and its surrounding areas. It is estimated that in FY 2004/05 total export earnings increased by 9.3%, and Uganda's traditional exports (i.e. coffee, cotton, tea and tobacco) increased by 1%. Exports of cut flowers, fish and fish products to international markets increased in volume and value, while export volumes of tea, sesame, maize and beans fell due to drought conditions experienced during the past year.

Current indicators demonstrate that the proportion of the population living in poverty has risen from 34% in 2000 to 38% in 2003. Inequality has also been rising among Uganda's 27 million population, with 38% living below the poverty line, and 26% mired in *chronic* poverty and therefore not benefiting from current development. Other indicators show further deterioration in the welfare of Uganda's citizenry. Life expectancy is 47 years, and the country's ranking on the human development index (HDI) is 144th out of 177 countries. Although Uganda has succeeded in getting 90% of the school-age youth into primary school, quality is low, with the 2005 National Assessment of Primary Education indicating that just 30% of children in grade six reached defined levels of literacy. Furthermore, the secondary gross enrollment rate is just 21%, significantly lower than the African average of 27%. High population growth (3.3) impedes economic growth, and threatens to undo many of Uganda's gains in the social services sector. Political will to address this challenge is lacking at the highest level, however the impact of population growth is actually felt at the community level where schools are overcrowded, and the ratios of pupils to teacher, and population to health personnel are most inadequate.

Among the most severe challenges facing the country is the 19-year old conflict in northern Uganda with the Lord's Resistance Army (LRA). Deadly civil strife has exacted an enormous toll on the country's socio-economic fabric, costing thousands of civilians their lives and forcing more than 1.5 million people into atrocious living conditions in internally displaced people's (IDP) camps. More than 90% of the population, living in the worst conflict-affected districts of Gulu, Kitgum and Pader, are in extreme poverty. The LRA has abducted more than 20,000 children and forced them to become fighters, porters, and sex slaves. Fear of abduction and sexual and gender-based violence in the camps and against the child "night commuters" is of serious concern. Thousands of night commuters travel on a daily basis from their homes to the nearest town to escape abduction by the LRA, often sleeping in the open, on verandas of schools and hospitals, or in temporary shelters, with little

access to water and sanitation. In addition to the health and psychosocial consequences of night commuting, affected children are particularly vulnerable to sexual abuse and exploitation.

The protracted conflict has forced hundreds of thousands of Ugandans to remain uprooted for years, separating IDPs of all ages from their homes, lands, livelihoods, schools, and traditional social structures. Many families have been uprooted multiple times. Deprived of sufficient opportunities to support themselves, many IDPs now depend solely on external assistance for the most basic necessities and struggle to cope with serious psychosocial ills associated with prolonged displacement.

There has been belated - and mixed – progress in the democratization process in Uganda. At the end of July 2005, 92.5% voted yes in a referendum to permit multiple political parties. While the referendum was largely peaceful -- despite opposition boycotts -- serious concerns surround the illegal state funding for political campaigning, and the lack of sufficient and timely civic/voter education. Inadequate voter education contributes to the lack of civic understanding by the majority of the population, and also contributed to the disappointingly low turnout in many districts (overall turnout as reported by the Electoral Commission was 47%, yet other observers say it was less than that). The turnout notwithstanding, the referendum has paved the way for the re-introduction of multi-party democracy. Between June and September 2005, Uganda added 13 new districts to its map (from 56 to 69). Nine new districts should be added on July 1, 2006. The creation of a noticeably large number of new districts is disruptive to the operations of local governments and compromises the effectiveness of donor assistance. In addition, the abolition of the district graduated tax has constrained local government services delivery.

Transparency International's Corruption Perception Index showed improvements between 2001 and 2004, going from 1.9 to 2.6. However, 2005 has shown a slight set-back to 2.5. A temporary suspension of Global Fund monies to Uganda for mismanagement of funds (by the Project Management Unit in the Ministry of Health) is an indication of the level of corruption, especially grand corruption, in Uganda. While the government has taken positive steps to enforce fiscal discipline, and has established a Commission of Inquiry, the previous history of poor follow-up and investigations by similar commissions is not encouraging.

Through USAID's Strategic Objective Teams, the Mission will address continued high rates of population growth, the low quality of education within the context of universal primary education, reversals in effective decentralization, continued effects of the HIV/AIDS pandemic, the harmful effects of malaria and other preventable and infectious diseases, extensive food security concerns, and need for greater economic growth and competitiveness. The Mission also seeks to influence the GOU's tepid commitment to genuine democratic pluralism and a strengthened civil society. Recent actions to remove presidential terms, to undermine decentralization by eroding local authorities' fiscal independence and capacity, and the poor response to corruption will present strains on the Mission's overall development efforts. If there is severe backsliding in democratization after the 2006 Presidential elections, or if the conflict situation in northern Uganda deteriorates, this may require a review and revision to this Strategy Statement.

Links to National & Regional Development Priorities:

USAID's program in Uganda contributes to the Revised Poverty Eradication Action Plan (PEAP), which is Uganda's comprehensive development framework. The PEAP, most recently revised in 2004, has guided the formulation of the GOU's policy since its inception in 1997. USAID's programs in economic growth; support to social sectors; promotion of democracy and governance; and assistance to people affected by conflict directly contribute to the five pillars of the PEAP: 1) Economic Management; 2) Production, Competitiveness and Incomes; 3) Security, Conflict-Resolution and Disaster Management; 4) Governance; and 5) Human Development. Uganda's participation in private sector-led investments to promote exports is evident in its membership in the East Africa Customs Union and the Common Market for Eastern and Southern Africa (COMESA). With the creation of the East African Customs Union on January 1, 2005, Ugandan traders and investors can now engage in cross-border trade and investment, exploiting an enlarged market of over 86 million people where economies of scale can markedly reduce the cost of production. Regional cooperation in biodiversity conservation along Uganda's borders with the Democratic Republic of Congo and Rwanda is also key to preservation of natural resources.

Global Issues, Presidential and USAID Initiatives:

A number of key global concerns are addressed in USAID's program in Uganda. The **President's Emergency Plan for AIDS Relief (PEPFAR)** provides significant HIV/AIDS funding to 15 countries around the world that are experiencing the most serious effects of the HIV/AIDS pandemic. In Uganda, the Emergency Plan is a collaborative effort between the Government of Uganda, civil society and all United States Government (USG) Agencies, under the leadership of the Ambassador, aimed at achieving targets for HIV/AIDS prevention, care and treatment. Key areas of support include Uganda's roll out of anti-retroviral treatment, new and innovative prevention programs, expanded counseling and testing, increased access to palliative care, support for orphans and vulnerable children, and increased services for northern Uganda. The **President's Malaria Initiative** is initially targeting three countries, including Uganda, and will expand malaria prevention, treatment and control programs in countries where the incidence is highest. Malaria is endemic in 95% of Uganda and is the leading cause of morbidity and mortality, accounting for 25-40% of outpatient visits, 20% of hospital admissions, and 9-14% of hospital deaths. As part of this initiative, and in support of the implementation of Uganda's National Malaria Control Program (NMCP), USAID and CDC will be working with the Ministry of Health, World Health Organization, UNICEF, Global Fund and other partners to decrease the incidence of malaria. Interventions include home-based management of fever by community resource persons using new artemisinin combination drug therapy; intermittent preventive treatment of malaria for pregnant women; the promotion, sale and distribution of insecticide-treated mosquito nets through the commercial sector (free for vulnerable populations), and selected indoor residual spraying in epidemic-prone areas; and environmental management. The **Presidential Africa Education Initiative** supports the training of teachers and school managers in child-centered approaches of teaching and learning. Nearly 20,000 teachers in more than 3,200 primary schools will benefit from the Africa Education Initiative. Secondary school scholarships will enable 900 girls to attend school. The **Presidential Initiative to End Hunger in Africa** aims to expand the use of modern technology to increase agricultural productivity and income for small-scale farmers, thereby increasing food availability. Issues relating to **vulnerable children** and **victims of torture**, especially those affected by the conflict in northern Uganda, are of special concern and will be addressed under a new Strategic Objective entitled "Mitigate Causes and Consequences of Conflict."

In the environment sector, the Mission contributes to the **Global Climate Change Initiative** through increased participation in the United Nations Framework Convention on Climate Change; reduced net greenhouse gas emissions from the land use/forest management sector; leverage funding for land use activities; and reduced vulnerability to impacts of climate change. The Mission also has the second highest **biodiversity** earmark in Africa and is focused on the Albertine Rift eco-region, this year declared as one of the most endangered spaces on Earth.

B. Program Structure

Uganda has been termed a **transformational development country with significant elements of fragility**. Given the combination of opportunities to build on substantial progress in Uganda and potential vulnerabilities that could slow or undermine continued success, the Mission's strategy addresses all of the Operational Goals in USAID's Strategic Framework for Africa, both transformational development (TD) and fragile (F), in an integrated manner. These Operational Goals are:

- Goal: 1. Foster a healthier, better educated, and more productive population (TD)
- Goal: 2. Increase the effectiveness of African institutions in promoting a vibrant private sector and democratic governance (TD)
- Goal: 3. Avert and resolve conflict (F)
- Goal: 4. Manage crises and promote stability, recovery and democratic reform (F)

USAID has established four strategic objectives that contribute to Uganda's Poverty Eradication Action Plan (PEAP) objectives, as well as the goals set forth in the Africa Bureau Strategic Framework. The Mission's integrated approach recognizes the critical factors that must be addressed, and seeks to build in flexibility and cross-fertilization among strategic objectives and their programs.

Transformational Development (TD) Strategic Objectives

Programs over the 2006 – 2010 time period will contribute to the “people-oriented side” and “institutional side” of development through support for two transformational development strategic objectives: 1) “Expanding Sustainable Opportunities for Rural Sector Growth”, which contributes to results in agricultural productivity, private sector growth, and the Agency’s special concern for biodiversity conservation; and the 2) “Improved Human Capacity” Strategic Objective (SO) that integrates HIV/AIDS, education and health programs with a focus on strengthening indigenous institutions and improving human capacity within Uganda’s social sectors. Though these strategic objectives are termed transformational development, their contribution to mitigating the impacts of vulnerability is crucial, especially in increasing access to essential services provided by local and national institutions.

1. Improve Human Capacity [FY2002 – FY2010]

This integrated strategic objective directly supports the Africa Bureau’s two transformational development framework goals to 1) Foster a healthier, better educated, and more productive population and 2) Increase the effectiveness of African institutions promoting a vibrant private sector and democratic governance. It also addresses the Framework program areas of reducing the transmission and impact of HIV/AIDS; preventing and controlling infectious diseases of major importance; reducing child mortality; improving reproductive health; and promoting equitable access to quality basic education. This Strategic Objective is associated with five program components: Achieve equitable access to quality basic education; Reduce transmission and impact of HIV/AIDS; Prevent and control infectious diseases of major importance, especially malaria and TB; Improve child survival, health and nutrition; and Support family planning. In addition, this SO addresses the Fragile States objective to “increase access to essential services provided by local and national institutions.”

The integrated approach of the human capacity program seeks to: 1) improve the effective use of basic social sector services; 2) increase the capacity in the public and private sectors to sustain the delivery of quality social services; and 3) strengthen the policy environment and social support for the delivery and use of these social services. Special attention will be given to displaced populations that are particularly vulnerable. Uganda is making progress, with USAID assistance, toward sustainable improvements in the educational attainment and health status of the population. USAID efforts support the GOU commitment to improve education, HIV/AIDS and health indicators, particularly those that have stagnated, such as HIV incidence and reproductive health. The intention behind integration is to reduce one’s vulnerability to poverty by improving their levels of education and health. The integrated approach offers far greater synergies between the sectors, maximizes opportunities to reach target populations, and ensures optimal use of resources.

USAID’s program helps create a better health environment for Ugandans by empowering individuals and communities to adopt positive health practices, while strengthening services and institutional capacity and scaling up key public health interventions. The USAID program will continue to focus resources on vulnerable populations, particularly women of reproductive age, infants and children by supporting national systems for HIV/AIDS care and support, to deliver immunizations, early treatment of childhood diseases, community-based nutrition interventions, support to orphans and vulnerable children, and vitamins to children through food fortification and supplements. To address population growth, an element of fragility, USAID has identified increased access to a range of voluntary contraceptive methods as a priority intervention for girls and women of reproductive age. Programs aim to efficiently address the high unmet need for family planning (35%), and the high rate of maternal deaths (880 per 100,000 live births), morbidity, and disability. While USAID is prioritizing service delivery, given the unmet need and the currently poor family planning skills and level of information among providers, the program will continue to address policy issues at the local level to increase support for family planning. In particular, religious and traditional leaders will be targeted. The Program will also promote work with the media to minimize the spread of myths and misinformation and to create a more favorable environment. At the national level, USAID will continue to collaborate with the donor community on the Inter-Coordination Committee to garner support for family planning and the harmful effects of population growth on all sectors of development. The program addresses infectious diseases by focusing on malaria, TB and HIV/AIDS. The President’s Malaria Initiative will support the Ministry of Health to implement its national malaria program including home-based management of fever by community resource persons; intermittent preventive treatment of malaria for pregnant women; the promotion, sale and distribution of insecticide treated mosquito nets (ITNs); and select indoor residual spraying in epidemic-prone districts. The USAID program provides technical support, training and funding for supervision to support the roll-out of the community based TB program at the district

level, and to strengthen the integration of TB and HIV/AIDS service delivery. USAID will continue the significant expansion of HIV/AIDS prevention, care and treatment activities with resources from the President's Emergency Plan for AIDS Relief (PEPFAR). Programs will expand access to and utilization of HIV/AIDS, TB and malaria services in the Acholi and Lango subregions of northern Uganda through efforts to build the capacity of local, indigenous organizations, in partnership with public and private health facilities, to deliver HIV/AIDS, TB and malaria services at the community level. USAID will capitalize on the systems supporting service delivery and capacity to ensure early detection of Avian Influenza, if and when it appears in the next 12-24 months, working with relevant GOU ministries to consider appropriate methods of prevention, preparedness, and response.

In addition to interventions explicitly focused on health concerns, USAID supports multi-sectoral efforts addressing HIV/AIDS through education, economic growth, and governance. Interventions will address youth as a high-risk population through age-appropriate activities promoting the delay of sexual debut and responsible sexual activity.

USAID's support to the education sector helps to ensure that all learners receive a firm grounding in key subject areas, and life skills guidance and training from qualified teachers. While access to primary education has improved in Uganda, problems of quality, content and retention, especially among girls, continue to disadvantage large segments of the population. Education is essential for Uganda to become more competitive in the global economy, and girls' education is key for lowering population growth. USAID's program will continue to focus on improving the quality of basic education, including support to in-service and pre-service teacher training, providing technical assistance for curriculum and materials development (with a new focus on local languages for early primary), peace education in conflict-affected northern Uganda, and providing supplies and equipment to schools in conflict-affected areas. USAID will also strengthen school management to improve the quality of education through training and funding to school management committees. Support will be provided to special programs in early childhood education through the Ministry of Education and the Madrasa network of schools. In addition, President Museveni recently announced a new initiative for Universal Secondary Education, and the Mission will explore ways to support this effort.

Education and health are two of the most critical sectors for the achievement of the goals of transformational development, for the fight against HIV/AIDS, and for building a healthy and productive society. By supporting this program in social services, USAID is helping to ensure that Uganda is solidly on the path of transformational development. Particular attention will be given to ensuring access to social sector services in conflict areas.

2. Expand Sustainable Economic Opportunities for Rural Sector Growth [FY2002 – FY2010]

This strategic objective directly supports the two transformational development framework goals: 1) Foster a healthier, better educated, and more productive population; and 2) Increase the effectiveness of African institutions promoting a vibrant private sector and democratic governance. The SO also addresses the Framework program areas of increasing the integration of African economies into regional and global markets; improving private sector development; enhancing the productivity of agriculture, including development, dissemination, and use of new technologies; increasing agricultural trade, including the enhancement of agricultural market infrastructure, institutions, and trade capacity; improving natural resource management and conservation across diverse landscapes; expanding equitable natural resource governance and promoting management of competing claims on resources; and increasing sustainable production, marketing and trade of natural resource-based products and services.. This strategic objective is associated with the following USAID Program Components: Improve private sector competitiveness; Increase agricultural sector productivity; and Improve sustainable management of natural resources and biodiversity conservation.

In the context of Uganda's agriculture sector, the USAID Mission prioritizes enhancing agricultural productivity. The inability of small-scale producers to cost-effectively generate marketable surpluses and meet the quality and scale requirements of the market is a much more serious constraint than the policy environment for agriculture (which is a prerequisite for increasing agricultural trade). USAID seeks to address production constraints along the entire commodity chain, focusing on crops (such as coffee, cotton, oilseeds, grains, and fish) that have the potential for significant increases in productivity and export, and provide income for a large percentage of rural Ugandan households.

In terms of private sector development, USAID's programs strengthen producer organizations and build linkages between those organizations and market players, particularly exporters of agricultural products to regional and international markets. At the same time, the program seeks to strengthen key commodity sub-sectors through the promotion of industry-wide competitive clusters, which promote collaboration among competitors and stakeholders all along the value chain within each industry to achieve common objectives. The program also strengthens agricultural input suppliers and, in particular, increases access to rural credit. The promotion of savings mobilization and the expansion of the rural financial services needed by producers and rural households will also be a focus.

Since large segments of Uganda's rural population face food insecurity, USAID works closely with PL-480 Title II Cooperating Sponsors to promote food security and increase household revenue. As part of an integrated approach to addressing food insecurity in northern Uganda and in more drought-prone areas, this SO has complementary links with the SO addressing the causes and consequences of conflict. Both objectives will strive to maintain and restore food security, basic economic activity and livelihoods in these areas. Similarly, food security is threatened by natural pests and disease such as cassava mosaic virus and banana wilt virus. USAID will seek to mitigate the consequential drastic economic toll on rural households by utilizing bilateral and regional funds to mitigate the spread of such diseases, and develop and disseminate disease-resistant varieties. USAID will collaborate with other donors in efforts to improve government transparency and accountability as well as with REDSO in efforts to increase the integration of African economies into regional and global markets.

While USAID/Uganda's environment program addresses biodiversity conservation, it does so through an integrated program that links natural resource management planning and community based natural resource management with ecologically-friendly income-generating opportunities. The focus of USAID's environment program is on the Albertine Rift, one of the most bio-diverse and environmentally threatened areas on Earth. Specifically, USAID seeks to reduce threats to biodiversity and habitat by identifying and supporting environmentally sustainable agricultural and private sector initiatives (such as eco-friendly coffee, cropping systems that reduce the damage to wetlands and forests, and ecotourism). The Mission, through its national and international conservation partners, will work with GOU to strengthen the Uganda Wildlife Authority, National Forest Authority, National Environmental Management Authority and District level environmental offices to manage and conserve protected areas and other areas of important biodiversity through in-service training and through support with front line communities that abut these important biodiversity reservoirs. By focusing on threat reduction to biodiversity resources, the Mission will enhance conservation. Mission resources to local partners will assist the GOU to improve and implement the district level tourism plans that rely on protected areas to finance the conservation of these important landscapes and species, many of which are endemic to the Albertine Rift. The Mission will continue to support the mountain gorilla conservation areas, and will initiate new conservation activities in wetlands, national forests and other protected areas within the Albertine Rift.

Efforts in this area will work closely with the SO addressing conflict, since several of the targeted areas overlap with insecure areas of northern Uganda. In addition, given the implications of conflict and displacement on the environment, natural resource use, and access to land, the program will consider opportunities for increased community management of natural resources and lands in the context of IDP camps and in preparation for the possible return of IDPs to their homes. Expanding economic growth efforts into northern Uganda, as and when opportunities become available, will be a priority for the Mission. Further discussion on this can be found under the Conflict SO.

The USAID economic growth program helps strengthen democratic governance, particularly in terms of the strengthening of producer associations and rural savings groups. The program will support environmental governance through the internal strengthening of community-based organizations and decentralized environmental district offices. These activities lead to clearer rules and responsibilities governing the "rights of exclusion" for "front-line" communities, which translates into better conserved habitats and wildlife populations in and around protected areas.

These activities, taken together, will increase the incomes of hundreds of thousands of rural Ugandan households, lifting many out of poverty and providing them with opportunities for improving their livelihoods. At the same time, these activities will strengthen the private sector as the engine of economic growth, while protecting Uganda's fragile natural resource base.

Fragile States Strategic Objectives:

USAID's definition of "fragile states" refers generally to a broad range of failing, failed, and recovering states. However, the distinction among them is not always clear. The Fragile States Strategy distinguishes between fragile states that are *vulnerable* and those that are already *in crisis*. States vulnerable to crisis are considered unable or unwilling to adequately assure the provision of security and basic services to significant portions of their populations and/or where the legitimacy of the government is in question. Although Uganda is advancing in many areas, four elements of the country context contribute to its vulnerability: 1) continuing conflict in northern Uganda; 2) the high incidence of corruption; 3) a lack of open political space for debate and democratic movement; and 4) a rapidly increasing population growth, which hampers the adequate provision of basic services to significant portions of the population.

Two strategic objectives target the first three areas of vulnerability: 1) "Mitigating Causes and Consequences of Conflict", which focuses on peace-building, reconciliation, protection, reintegration, food security and basic economic activity in Uganda's conflict-affected regions (which constitutes approximately 22% of Uganda's population); and 2) "Increasing Accountability and Broadening Participation", with a focus on increasing the fairness of Uganda's political processes, increasing the effectiveness of civil society, and reducing corruption (which may also be tackled through an MCA Threshold program). The issue of a rapidly growing population has broad development consequences and will be addressed through the Improved Human Capacity SO.

1. Mitigate causes and consequences of conflict [FY2006 – FY2009]

This will be a new strategic objective focused on mitigating the causes and consequences of conflict in Uganda. It will be structured as a cross-cutting SO with a small core team and part-time participation of Mission staff with expertise in food security, natural resource management, economic livelihoods, basic health, HIV/AIDS, education services, and democracy and governance. The conflict mitigation program will support elements of Framework Goals 3 and 4 for Fragile States, supporting objectives to: 1) advance the peace process; 2) enhance protection of individuals from physical violence; 3) increase access to essential services by local and national institutions; and 4) maintain/restore basic economic activity and livelihoods. The core conflict program is associated with two USAID program components: Mitigate Conflict and Support Peace; and Support Populations at Risk. All Mission strategic objectives have or will develop activities in conflict-affected areas of Uganda, which contribute to mitigating the causes and consequences of conflict and will contribute to this SO. This SO will seek to improve coordination and cross-sectoral linkages, and to integrate program design and implementation across all technical areas in the Mission.

The situation in northern Uganda has been described as the world's most neglected humanitarian crisis. Additionally, conflict rages sporadically in Karamoja, and the western part of the country has recently emerged from conflict. In Acholiland, there are currently more than 1.5 million IDPs, which require a plethora of assistance to address critical needs for food security, water and sanitation, employment and livelihoods opportunities, access to land, and basic health, HIV/AIDS and education services. The USAID/Uganda program seeks to address these needs in an integrated and multi-sectoral fashion.

USAID strives to advance peace and reconciliation processes to end conflict in northern Uganda. As part of the Northern Uganda Peace Initiative, USAID is positioned to provide technical assistance to the GOU negotiating team, including conflict resolution and negotiation skills; promote reconciliation between the GOU and the Acholi people as part of a larger national reconciliation process; and support the Office of the Prime Minister to prepare a National Policy and Institutional Framework for Peace Building and Conflict Resolution. In addition, USAID is well positioned to support peace-building and reconciliation processes at the local level.

USAID will expand access to basic social services in conflict affected areas. In particular, USAID will increase access to health services; HIV/AIDS prevention, care and treatment; malaria control interventions; and programs for orphans and vulnerable children. All of these interventions directly address areas of great concern given the high rates of HIV/AIDS infection in the North (HIV prevalence among pregnant women is twice as high in the North). In addition, exposure to malaria has been an added burden in the North where capacity to control and treat its consequences has been severely limited by conflict and weakened social services. As part of the

Malaria Initiative, the mission seeks tangible gains in reaching approximately 85% of dwellings in IDP camps with control programs. The mission will also support improved educational opportunities for northern Uganda, including seeking creative options for increasing access and the numbers of teachers willing to work in the North. Increasing services will also be accompanied with attention to enhanced public expenditure tracking and district level capacity to absorb and effectively manage central funds.

Another critical element to mitigating the causes and consequences of conflict in northern Uganda involves increasing opportunities for self-reliance through food security and livelihood programs. When people move back to their land in a post-conflict era, there will be a period when they will have no food in their fields and they will have to clear the land of two decades of re-growth, cultivate their fields and restart their lives. Support for sustainable management of woodlands for fuel and building materials will be necessary in all of the northern Uganda districts. The return of IDPs will need to be conducted in an organized and highly transparent manner, or there is the possibility of conflict arising from the exploitation of natural resources, namely wood and land. USAID will work with the Government of Uganda and other donors on land ownership and management, which will be central to maintaining peace after the conflict ends.

Whether linked to Title II food assistance or Global Development Alliances, the Mission endeavors to: 1) increase opportunities for income generation, assisting IDPs and returnees to produce cash crops and surplus crops for the markets, and 2) restore and improve subsistence crop production. Restoring subsistence production must proceed in step with reductions in emergency food assistance, and will include assuring the availability of adequate seed supplies and establishing multiplication gardens to propagate cuttings for the basic staples of the northern Uganda diet, such as sweet potato and cassava. Cash crops and other income generating activities could help facilitate the transition to stability and reintegration and regenerate the region's economy.

A critical rationale for this objective and its protection element is the recognition that material assistance alone does not ensure the well-being of internally displaced and war affected persons. USAID seeks to do more to protect internally displaced and other vulnerable populations from violence, abuse, exploitation, and harassment, including (a) enhancing the monitoring, reporting and responding to protection issues such as violent attacks, provision of security, blockage of humanitarian assistance, and gender-based violence; (b) expanding a "protection lens" to ensure adequate attention to protection issues and options in all programs; and (c) addressing the consequences when protection fails such as through psychosocial and rehabilitation programs.

It is anticipated that USAID/Uganda's multi-sectoral program in conflict mitigation will result in improved humanitarian conditions for the conflict-affected populations of Uganda and set the stage for their eventual reintegration and return. In support of the Agency core goal of providing humanitarian relief, USAID, through the Office of Food for Peace, will continue to provide food and other humanitarian assistance to individuals and households in northern and eastern Uganda who have been displaced by conflict. USAID's Office of US Foreign Disaster Assistance (OFDA) will continue to support activities in sectors such as emergency water and sanitation, health, nutrition, income generation, food security, and emergency relief supplies for IDPs living in camps in northern Uganda. (See Annex 1 for Northern Uganda Action Plan)

2. Increasing Accountability and Broadening Participation [FY2006 – FY2009]

This program supports several of the democracy and governance (DG) objectives under Framework Goals 1 and 2 for transformational development countries, including to: 1) increase civil society's effectiveness in advancing reform; 2) reduce corruption and strengthen the anti-corruption environment; 3) strengthen institutions of democratic governance; 4) increase participation of marginalized populations in decision-making; and 5) increase the fairness of the political process. The DG program also addresses elements of fragility in Uganda with respect to corruption and democratic backsliding, and is associated with three Agency program components: Strengthen Civil Society; Strengthen Democratic Political Parties; and Promote and Support Anti-Corruption Reforms.

During the strategy period that is now ending, USAID/Uganda's program contributed to more effective and participatory governance through support to democratic institutions and political processes, including local

governments, Parliament, the Electoral Commission, political parties and civil society. However, these activities were often challenged by an increasing lack of political will for reform at the highest levels of the GoU. A USAID democracy and governance assessment conducted in September 2005 identified the current political environment as having: rampant politically-driven corruption, increasingly weak separation of powers, and challenges to democratic competition and participation. For these reasons, this strategy represents a shift to supporting demand-side institutions, with limited support to government institutions in the DG arena.

USAID/Uganda's program will increase government accountability and broaden democratic participation in an attempt to arrest the current democratic backsliding. With DG and corruption as Mission-wide cross-cutting issues, the DG program will work in coordination with partners from across the Mission's portfolio to build civil society's awareness of political processes and capacity to advocate for reforms. USAID/Uganda will work at the grass roots level to raise public awareness of the societal impacts of corruption and to build local capacity to advocate for its reduction. Programs will support civil society groups, think tanks, the media and political parties in their efforts to improve and increase monitoring and oversight of corruption. USAID/Uganda's integrated anti-corruption programs will complement activities implemented with Millennium Challenge Account (MCA) Threshold funds. The reintroduction of a multi-party political system in 2005 will necessitate concerted support to ensure the success and survival of political parties and organizations. Continued capacity building of major political parties will contribute to this objective. Through its effort to increase civil society participation, improve the anti-corruption environment and strengthen democratic political parties, USAID/Uganda will continue to reach out to marginalized populations, such as IDPs, women, youth and people with disabilities.

It is anticipated that USAID/Uganda's support in this area will result in greater participation in a free, fair and pluralistic system of government with greater accountability to the Ugandan public.

Millennium Challenge Account: In support of the Government of Uganda's draft Threshold Country Plan, USAID will manage MCA resources in an effort to reduce corruption and strengthen the anti-corruption environment. In particular, the program will target decreased incidence of corruption in public procurement; increase the rate of successful prosecution of corrupt public officials; and increase the active participation by civil society in checking and controlling both administrative and grand corruption. The program will seek to improve the effectiveness of the public procurement system; strengthen staff capacities in key organizations responsible for detecting, investigating, prosecuting and adjudicating corruption cases; equip key investigative and prosecutorial agencies with technology and other appropriate tools; and strengthen the capacity of civil society organizations to hold government accountable.

C. Cross-cutting Themes

Gender: Uganda is considered to have one of the most gender-friendly constitutions and has made concrete steps towards promoting more gender equity through a National Gender Policy, the Poverty Eradication Action Plan, and affirmative action policies for girls and women. There is an active women's movement that has developed women's civil society organizations that effectively lobby for economic and political reform. However, gender imbalances continue. The majority of subsistence agriculture is carried out by women, while the vast majority of commercial agriculture and the control over the financial resources of commercial agriculture are in the hands of men. Women lack access to health care, credit, and legal services, and gender gaps persist in secondary education. Women have a greater burden of HIV/AIDS, and their commercial, food security, family care and household work is on average over five hours a day longer than the average for men. Gender-based violence may affect up to half of the female population; and women in northern Uganda, where a violent conflict has persisted for 19 years, are especially vulnerable to gender-based violence and inequity of access to services and resources. A recent Participatory Poverty Assessment found that the key factors keeping women poor are women's lack of decision-making control over financial resources, the excessive burden on women in taking care of the family's needs, and gender-based discrimination. The high population growth rate of 3.3 will undermine positive development in Uganda. There is a 35% unmet need for family planning, yet women often lack control of their fertility because of the same gender-based disparities that hinder women's control over other aspects of their lives. Further, women's access to land will feature in post-conflict planning as displaced persons begin to return to their home communities.

USAID's programs in Uganda respond to some of the most pressing development realities resulting from current gender relations and pursue opportunities for advancing gender-equitable development as they arise. Programs in the education and health sectors address specific gender-differentiated gaps affecting the advancement of girls and women. There are also specific campaigns designed to engage youth and men as partners through interventions aimed at denouncing and decreasing transactional sex, and the development of a new "Be a Man" campaign that challenges male gender norms that sanction multiple sexual partners as well as violence against women. Economic growth programs include attention to gender equity in economic opportunities and access to productive resources, while programs focused on governance, democracy and conflict mitigation strive to include women and address gender concerns in decisions about public resources and services as well as the peace and election processes. A 2005 Gender Integration Assessment identified specific steps for further integration of gender into current and planned programs. These include retaining a strong focus on gender and building USAID staff and partner capabilities in this area.

HIV/AIDS: In 1990, HIV prevalence was around 18% among adults. This percent has declined significantly since then, leveling off at 7% in sero-survey results released in 2005. Despite this success, UNAIDS estimates that there are more than 70,000 new infections every year in Uganda, including nearly 16,000 children. Of those infected, an estimated 85% are adults between the ages of 15 and 49. More than 50% of those infected are women and over 15% are children. Uganda now has a mature, generalized HIV epidemic with more women than men infected. Over the next three to five years, the USG team will enhance Uganda's well-established multi-sectoral response to achieve higher quality of life, equitable access to services, and stronger systems. Programs support the Ministry of Health system, but are also implemented through the Ministries of Education and Gender, private sector and civil society organizations. Uganda developed the now well-known "Abstinence, Be Faithful, and Condom Use Where Appropriate" (ABC) approach to prevention. The USG vision for HIV/AIDS programs in Uganda focuses on three pillars for prevention, care and treatment: 1) supporting a strong family and community response; 2) improving service delivery systems and institutions; and 3) implementing a broad portfolio of both proven interventions and innovative activities. USAID has supported over 33,000 people on ARVs so far and will continue to reach thousands of people who need palliative care, and expand programs for orphans and vulnerable children. Innovative prevention programs targeted to reach youth will continue to be carried out in Ugandan schools and through peer groups. Other key areas include expanding laboratory services, commodity supply and logistics systems, and information systems. Complementary efforts in nutrition, income-generating activities, and support for conflict-affected areas will enhance core HIV/AIDS programs.

Democratic Governance: Corruption dominates the political landscape of Uganda and is a central concern for all USAID/Uganda programming. As the country transitions to a multi-party political system for the first time in two decades, popular hope for increased participation and accountability is rising. Integral to the DG SO strategy, which focuses on anti-corruption, civil society and political processes, is a multi-sectoral, multi-SO approach to addressing these issues. All teams are actively engaged with civil society, including for policy advocacy. Additional efforts will be made to raise awareness about political processes and build capacity to promote increased transparency and accountability at all levels of government, including relating to service delivery and economic growth. Existing efforts by all teams to reduce corruption within their sectors will be brought together and augmented by a new focus on anti-corruption.

Youth: In Uganda, 49.3% of the population is under 15 year olds, with 22% of the population between six and 12 years old. Orphans and vulnerable children, HIV/AIDS affected households, and youth living in IDP camps are some of the most vulnerable to chronic poverty in Uganda. Youth, especially young girls, are at risk for contracting HIV/AIDS and other infectious diseases. USAID/Uganda's programs target youth through various interventions: involving youth in the development and implementation of programs aimed at preventing risky sexual behaviors such as transactional and cross generational sex; targeting young men with healthier images of masculinity; improving the quality of primary-level education (keeping youth, especially girls, in school longer); supporting school assemblies that promote life skills development; supporting non-formal education; preventing mother-to-child transmission of HIV; preventing malaria through prophylaxes and sleeping under insecticide treated nets; and supporting environmental and economic growth programs that increase household income with benefits to youth. USAID's support to northern Uganda targets formerly-abducted children (many of whom are also ex-combatants), through support for reception centers, reintegration with families and communities, and night commuter shelters. Educational provision of livelihood opportunities for youth who have been displaced and/or who have participated in conflict for a decade or more is a particular challenge. Provision of humanitarian

assistance, including food, sanitation and water and other services for IDPs, will continue to benefit the majority youth population living in IDP camps.

Urbanization: Uganda's population is 85% rural. The focus of USAID's program is to assist Uganda to reduce mass poverty through support to the majority of the poor population, which is predominantly rural. Though USAID/Uganda focuses on rural development, pluralism, education, health and competitiveness activities benefit urban populations, HIV/AIDS interventions, in particular, target urban areas where the prevalence is highest.

D. Regional Aspects: The conflict in northern Uganda and the associated violence of the Lord's Resistance Army is a regional concern, especially when the current abuse of populations in southern Sudan and the flight of LRA troops into eastern DRC are taken into account. Recent agreements between Uganda and Sudan to not harbor and support the LRA in southern Sudan are necessary for decreasing and halting LRA terrorism. The success of Sudan's peace accord is also vital to peace in the region, and will spur economic growth between Uganda and Sudan in the future. The Mission will explore strengthening infrastructure links between northern Uganda and southern Sudan in light of signs of and opportunities to expand Ugandan commodities to the regional economy. Support to the Ugandan national peace process will continue, as well as community and inter-ethnic reconciliation efforts, which also affect the trans-boundary nomadic conflicts in eastern Uganda, southeastern Sudan and western Kenya. Significant environmental and natural resource damage occurs along the DRC/Uganda border situated squarely in the Albertine Rift. The on-going conflict in the DRC is fueled, in part, by the marketing of timber, diamonds, gold and wildlife products. The Uganda/DRC portion of the Greater Virunga Landscape has received relatively little support from international donors, compared to the DRC/Rwanda portion. However, Uganda's biodiversity is significant and is under considerable threat. The breakdown in the rule of law, together with lackadaisical border control, has spawned a thriving network of poaching and cross-border trafficking of bush meat, skins, tusks, logs and other products. The Mission will support some of the cross-border collaboration techniques that have been successful in the mountain gorilla areas to the south of this region, and build the capacity of conservation authorities to bring traffickers to justice.

E. Key Issues Counter-terrorism: The Lord's Resistance Army continues to reek havoc in the Uganda/Sudan/DRC region. The Mission is supporting efforts to bring the conflict between the LRA and the GOU to an end through support to reconciliation and peace-building activities, assistance to the GOU to develop the institutional framework for reconciliation, and through non-lethal military assistance to the UPDF from the Embassy (DAO). Continued interaction with religious leaders and reconciliation activities at the community level will continue to address inter-ethnic and inter-tribal conflicts. Extractive Industries (see above section D on extractive industries).

F. Donor Coordination, Public-Private Partnerships and Indigenous Expertise : Donors cover 48% of the Ugandan government's budget and play a significant role in Uganda's development. Donor coordination with the Government of Uganda is strong, especially in the education and health sectors, with well-defined and operational sector plans, and coordination and monitoring structures. Although most countries provide budget support, USAID's project support programs are well coordinated with the Government's efforts, and participation in many donor working groups is valuable. Currently USAID participates in 34 donor working groups and sub-groups, chairing both the Education Funding Agency Group and the AIDS Development Partner Group. In the private sector, USAID/Uganda continues to encourage public-private partnerships and during FY2005 invested funds to leverage \$3.8 million for activities in dairy, health insurance, cotton demonstration, floriculture, aquaculture and biodiversity. USAID will continue to work with local financial institutions to leverage Development Credit Authority (DCA) resources, which will provide \$59.3 million in micro, small and agricultural sector loans by 2010. Indigenous expertise is an integral aspect to USAID's programming and promotes a more sustainable future for Uganda. Support for the Joint Clinical Research Center, the Inter-Religious Council of Uganda, AIDS Information Center, The AIDS Support Organization, and Hospice Uganda, along with support to agricultural producer organizations and competitiveness clusters, are examples of how USAID is supporting, and will continue to support, indigenous groups and organizations.