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Evaluation of the Implementation of the
Sector-Wide Approach in Bilateral Aid

Country Report Uganda

André Leliveld



**Buitenlandse
Zaken**

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PREFACE

In 1999, the Sector Wide Approach (SWAp) was introduced in Dutch bilateral development co-operation policy with the objective to create better conditions for sustainable poverty reduction in recipient countries. In 2003 IOB decided to carry out an evaluation to assess whether and to what extent this objective has been achieved. For this evaluation case studies were carried out in Bangladesh, Bolivia, Burkina Faso, Uganda and Zambia. The reports of these case studies can be found on the CD-ROM attached to the IOB evaluation report.

IOB decided to publish the country report on Uganda also in its Working Documents Series, which contains reports that can be of interest to a wider audience. In Uganda, more than in the other four countries, SWAp has been applied in Dutch bilateral aid to almost its full potential with far reaching consequences for the nature and composition of Dutch bilateral aid and conditions for sustainable poverty reduction. Therefore the case study on Uganda allows for an in-depth analysis of the potential and limitations of SWAp. The case study also clearly shows the problems and dilemmas that confront medium-sized donors like the Netherlands when implementing SWAp in their bilateral development programmes. In this sense the findings and conclusions of this study can be of interest to other donors as well.

The case study on Uganda was done by Andre Leliveld of the African Studies Centre in collaboration with Jan Sterkenburg (independent consultant). On behalf of IOB the study was supervised by Nico van Niekerk, who as evaluator of IOB takes responsibility for the overall evaluation. Final responsibility for the Uganda report remains with its author, and final responsibility for the overall evaluation lies with IOB.

Henri Jorritsma
Acting Director Policy and Operations Evaluation Department

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For the issues raised in this report, I have benefited much from discussions with and comments from former and current staff members of the Royal Netherlands Embassy in Kampala, with representatives of the Ministry of Education and Sports and the Ministry of Justice in Uganda, with representatives of other members of the donor community in Uganda (DANIDA, DfID, Irish Aid, and USAID), and with independent Ugandan consultants and researchers. I am very thankful for their inputs and comments.

I have also benefited much from discussions with Dr. Nico van Niekerk, IOB inspector, and with Dr. Willem Cornelissen, consultant and co-ordinator of the country studies. I also thank Mr. Alexander Morren, IOB research assistant, for his endless efforts to provide me with statistical data and documentation needed for this report. Finally, I am thankful to Dr. Jan Sterkenburg, independent consultant, who participated in the field visit to Uganda, and whose comments and suggestions on earlier drafts of this report were very useful. Undersigned bears sole responsibility for any errors of interpretation in this report.

André Leliveld,
Leiden, December 2005

ABBREVIATIONS AND ACRONYMS

AG	=	Auditor General
BFP	=	Budget Framework Paper
CAP	=	Community Action Programme
CDF	=	Comprehensive Development Framework
CG	=	Consultative Group
COPE	=	Complimentary Opportunity for Primary Education
EFAG	=	Education Funding Agencies Group
ERP	=	Economic Recovery Programme
ESCC	=	Education Senior Consultative Committee
ESIP	=	Education Strategic Investment Plan
ESR	=	Education Sector Reviews
ESSP	=	Education Sector Strategic Plan
ETC	=	Educational Training Consultants
FDI	=	Foreign Direct Investment
FDS	=	Fiscal Decentralization Strategy
GDP	=	Gross Domestic Product
GoU	=	Government of Uganda
HIPC	=	Heavily Indebted Poor Countries
IMF	=	International Monetary Fund
IOB	=	Policy and Operations Evaluation Department
J/LOS	=	Justice, Law and Order Sector
LDDP	=	Lira District Development Programme
LGDP	=	Local Government Development Programme
LRA	=	Lord's Resistance Army
MoFPED	=	Ministry of Finance, Planning and Economic Development
MoES	=	Ministry of Education and Sports
MoJCA=	=	Ministry of Justice and Constitutional Affairs
MTCS	=	Medium Term Competitive Strategy (for the Private Sector)
MTEF	=	Medium Term Expenditure Framework
NAADS	=	National Agricultural Advisory Services
NARC	=	Northern Uganda Amnesty and Recovery from Conflict
NEAP	=	National Environmental Action Plan
NRM	=	National Resistance Movement
ODA	=	Official Development Assistance
PAF	=	Poverty Action Fund
PE	=	Public Expenditure
PEAP	=	Poverty Eradication Action Plan
PMA	=	Plan for the Modernisation of Agriculture
PRSP	=	Poverty Reduction Strategy Paper
RNE	=	Royal Netherlands Embassy
SDDP	=	Soroti District Development Programme
SEP	=	Strategic Exports Program
SNV	=	Netherlands Development Organization
SWAp	=	Sector Wide Approach
TA	=	Technical Assistance
TDMS	=	Teacher Development and Management System
UGMP	=	Uganda Governance Monitoring Project
ULGA	=	Ugandan Local Governments Association
UPE	=	Universal Primary Education
WEP	=	Women Empowerment Programme

EXECUTIVE SUMMARY

Background

In 1999 the Sector Wide Approach (SWAp) has been introduced in Dutch development co-operation policy. The reason for this introduction was to create better conditions for sustainable poverty reduction in recipient countries. Intended changes in Dutch development policy include concentration of aid into sectors, demand driven sector choice, less earmarked aid modalities, increasing donor coordination, increasing alignment and harmonization, long-term commitments, and strengthening national planning and implementation capacities. The intended changes in the recipient country include the promotion of ownership, the strengthening of the recipient government's implementation capacity, and an increase in aid efficiency. The ultimate aim of these changes is the improvement of conditions for poverty reduction in the recipient countries.

Objectives of the evaluation

The main objective of the evaluation is to assess whether and to what extent the introduction of SWAp in Dutch development co-operation policy has improved conditions for sustainable poverty reduction in five selected countries (Bangladesh, Bolivia, Burkina Faso, Uganda and Zambia). This document presents the results of the evaluation for Uganda.

Three central questions have been formulated:

- 1) To what extent and how has the introduction of SWAp in Dutch development cooperation policy lead to intended changes in the organisation and implementation of Dutch development cooperation, and what explanatory factors can be given for the findings?
- 2) To what extent have the intended changes in aid management been achieved in the recipient countries and what were the most influential factors?
- 3) Has the introduction of SWAp in Dutch development co-operation policy led to improved conditions for poverty reduction in the recipient countries?

The evaluation covers the period 1999-2004.

Main findings

To what extent and how has the introduction of SWAp in Dutch development cooperation policy lead to intended changes in the organisation and implementation of Dutch development cooperation, and what explanatory factors can be given for the findings?

With regard to sector selection available evidence indicates that the main guidelines and criteria for sector selection as issued by the Ministry have not systematically been applied in the selection process for Uganda, not by the RNE, nor by the Ministry itself. This, in turn, may be an indication that the final sector selection is the compromise of a negotiation processes among actors (including the GoU, the RNE, and the Ministry in The Hague) with different agendas and interests. Available evidence suggests that the Ministry's position in this negotiating process was decisive. The Ministry rejected the views of the GoU on what policy areas could be suitable for SWAp and the requests of the GoU (communicated through the RNE) all together, and overruled the RNE in the local governance/rural development discussion.

In this way, in the case of Uganda, sector selection turned out to be a highly top-down exercise. The unilateral decision in 2003 to make the legal sector a cross-cutting theme further enhances this conclusion.

The findings indicate that the intended reduction and concentration of Dutch aid and a shift towards Sector Programme Support has taken place in Uganda. The process of change went smoothly. The RNE in Kampala was relatively recently established, and there had always been a limited staff capacity setting constraints to the number of activities that could be handled. In general, therefore, the Netherlands supported a relatively low number of activities with a substantial budget each. Moreover, these pre-SWAp activities were already concentrated in clusters which could easily be defined and delineated as sectors after the introduction of SWAp. An exit strategy for activities outside the selected sectors was successfully implemented. A substantial shift in the portfolio of activities only took place in the Local Governance Sector, where the decision to support LGDP shifted the focus of the supported activities from production and income promotion towards the build up of social infrastructure (education, health, water/sanitation). Support to the agricultural sector was continued through two programmes outside LGDP, but now fewer amounts were involved than in the pre-SWAp period.

The Netherlands has also been successful in shifting its aid modalities from Non-Sector Programme Support towards sector and general budget support, given that 85 percent of Dutch bilateral aid to Uganda is provided through the latter since the introduction of SWAp. The Netherlands realized this shift within three years. It should be kept in mind that the introduction of SWAp in Dutch development cooperation policy was not the only incentive to shift to general budget support. The Netherlands largely shared the assessment and perception by the other multilateral and bilateral donors of Uganda that the major conditions were present to allow for sector and general budget support. In the perception of the multilateral and bilateral donors Uganda had sound macro economic policies, a proper budgetary process, and, connected to that, a proper planning mechanism. In addition, Uganda was perceived to do well – at least for African standards - on governance issues. A major obstacle for the Netherlands was the high fiduciary risk, but the Netherlands concluded that basic systems and mechanisms were in place to deal with this risk; it was their performance that needed improvement. The high fiduciary risk was therefore accepted by the Netherlands.

The Netherlands can be credited for its decision to provide general budget support as part of the implementation of SWAp. Its objective was to overcome constraints in sector budget support, to achieve more alignment and ownership, to support and to align with the GoU's strive for a more coherent budget and improvement on budget allocations, and to be able to participate in the discussion with the GoU on problematic issues of governance, which all in turn could benefit the overall objective of sustainable poverty reduction. Though the evaluation is not meant to evaluate the efficiency and effectiveness of general budget support, it can be concluded, in retrospect, that in the context of the implementation of SWAp the decision to provide general budget support seems not have generated the intended results. The decision had to be partly reviewed in 2005, because of increasing budgetary indiscipline and a worsening governance situation. Apparently, then, the participation in the dialogue on politically sensitive issues did not translate in increased political leverage on governance issues, and also the assessment that fiduciary risk could be reduced by participating within the system was probably too optimistic.

In the case of Uganda, it can be seriously questioned then, whether the Netherlands – and the international community in Uganda in general – have been too optimistic about the situation and developments in Uganda when they decided on a shift to general budget support. The current governance and macroeconomic management situation in Uganda is not a sudden, unexpected event, but is the result of a long term deterioration in the political economy of the country. In this respect, it will be an interesting topic for further discussion whether the benchmarks in track records used by the World Bank or the Netherlands do allow for an adequate and realistic analysis and assessment of political economy conditions in a given country or whether the international community wanted to uphold Uganda's image as a star performer, or both. This evaluation may learn that, in retrospect, in a situation of deteriorating conditions in the political economy, a relatively quick shift to substantial general budget support may actually offer a recipient government opportunities and degrees of freedom to continue policies that could be harmful for development.

In general, findings show that the Netherlands is an active player in aid coordination in Uganda. Given the various states of progress in the area of aid coordination within donor groups, and since the introduction of SWAp in Dutch development cooperation policy, Dutch aid co-ordination efforts have shown a trend from information sharing towards operational co-ordination in all three sectors. Findings indicate that various stakeholders appreciate the active role of the Netherlands in aid coordination. In particular the Dutch role in the legal sector is appreciated. According to informers, the combination of thorough knowledge of the field and an informal way of operating has benefited and promoted aid coordination in this sector.

Several factors have contributed to the active role of the Netherlands in the field of aid coordination. These factors are partly related to Dutch policy and partly to the Ugandan context. The introduction of SWAp has allowed for support to sectors and delegation of authority for planning and implementation. This facilitated the adjustment of aid programmes to local conditions. In addition, RNE staff members have sector-specific knowledge and expertise, which has enhanced the Dutch role in various aid coordination mechanisms. The role of the Netherlands in aid co-ordination in Uganda has also been strengthened by providing general budget support. In the eyes of the Ugandan authorities this makes the Netherlands a serious counterpart, whose opinions matter. In addition, the lack of historical ties with Uganda makes the Netherlands in the eyes of Ugandan authorities a relatively objective partner with no hidden agendas, and therefore a trustworthy 'broker' among donors and between the donor community and Ugandan authorities.

In addition, the Ugandan context does allow donors, including the Netherlands, relatively easy to become an active participant in aid coordination. The Government of Uganda has built up its institutional framework for development policy and aid coordination in long-term dialogue with donors, and the moment the GoU seems to see more advantages in coordinating donor contributions than seeking advantages in the diversity of donor contributions. Moreover, donors can hardly ignore the institutional framework for aid coordination that they helped to set up themselves. Participation in the existing institutional framework for aid coordination is therefore the minimal effort expected from donors, and a condition *sine qua non* to be taken seriously as a donor in Uganda. And thirdly, the majority of bilateral donors could be considered 'like-minded', by and large the main bilateral donors are North European countries from the EU, with broadly speaking similar development objectives.

Nevertheless, also some major constraints have been identified that reduce the effectiveness of Dutch efforts in aid co-ordination. Part of these constraints is shaped by other donors within donor co-ordination groups, by either acting 'outside the loop' where co-ordination would be more beneficial or by insisting on group discipline where room for alternative opinions and views might have led to better decisions on aid allocations and releases. Although the Netherlands is an active and relatively critical player in the international donor community in Uganda, the World Bank and DfID are still the major steering forces in the Ugandan development debate to which other donors have to relate.

Another part of the constraints is formed by Ugandan actors involved in aid co-ordination. Weak communication between line ministries and donor co-ordination groups, insufficient institutional capacity to deal with the demands that are asked from increased co-ordination, lack of alignment, harmonization and delegation of powers among central government institutions and between central and local governments, and other Ugandan stakeholders besides the government being not or underrepresented in aid co-ordination hamper further progress in aid co-ordination in Uganda, including aid co-ordination promoting efforts by the Netherlands. And last but not least, and more generally, there are preliminary indications that the bureaucracy that is involved with aid co-ordination is experienced as a burden by the Ugandan actors, which may in the long run threaten the benefits of improved aid coordination.

To what extent have the intended changes in aid management been achieved in the recipient countries and what were the most influential factors?

Findings on capacity building do allow for some general observations. First, the findings seem to indicate that Dutch support has directly (through providing TA) or indirectly (through providing sector plans with capacity building components) contributed to institutional development with an emphasis on the human resources development. However, the findings also indicate that support to capacity building seemed to have far less focused on the other dimensions of capacity building, namely organisational strengthening and system development. Also, the support was not based on a thorough analysis of the institutional strengths and weaknesses in the respective sectors, nor has this been accompanied by a stakeholder analysis of all players in the sectors.

Moreover, much of the support to capacity building has been provided in a un-co-ordinated way; co-ordination lacking among donors themselves and between donors and the Ugandan government. Dutch support did contribute to capacity building, but with a thorough institutional analysis, a balanced address of all three dimensions of institutional development, and more co-ordination this support could have been more effective.

On ownership the findings indicate that the GoU has developed leadership of development policy, resource allocation, and external assistance, but that this leadership is mainly vested in the Ministry of Finance, Planning and Economic Development. Other ministries, local governments and non-state actors appear to have far less influence on Ugandan policy formulation and implementation than the MoFPED powerhouse.

Moreover, the influence of donors continues to be substantial in several areas. The volume of donor funding as proportion of total development expenditure and the rigid framework of PRSPs imposed by World Bank and IMF assume substantial

influence of donors over the shaping of Uganda's national development strategy. Donors also tend to have more ownership in defining performance indicators (and related conditionalities) and how to monitor them, than was expected under the new aid contracts. And effective aid coordination may very well strengthen the negotiating power of donors towards the GoU. And at sector level has become clear that weak institutional capacity combined with high donor dependency can be major obstacles to attain full ownership.

As a donor the Netherlands has to a large extent done what 'good practices' tell donors to do to promote ownership. The Netherlands gives general budget support, has aligned its programmes to the PEAP and sector investment plans, makes use of Ugandan systems and procedures, and supports technical assistance for capacity building. In this way, much of the aid management of Dutch support should be taken over by Ugandan counterparts. Preliminary results show, however, that the latter turns out to be troublesome. For example, apart from a strong MoFPED, implementation and monitoring capacities are still weak in the sectors in which the Netherlands operate; results from reviews and evaluations show some progress on capacity building but supported activities are mainly restricted to human resource development. In addition, weak monitoring systems leave much room for donors to manoeuvre and use own performance indicators to decide on releases and commitments. In the context of donor coordination, the Netherlands is also in the midst of these practises.

The conclusion on ownership is that the dialogue is led by Ugandans but within a very well prescribed and implicitly agreed framework which is ultimately determined by the donor community. Although the Netherlands itself largely adhere to practices that are supposed to promote ownership, serious questions can be asked whether Dutch efforts have had substantial effects on ownership. It looks like the strong symbiotic relation between the GoU and donors has created an ownership balance on which both parties agree, because they each seem to have sufficient room to manoeuvre to be able to satisfy their constituencies. In such situation and climate it may prove very difficult for individual donors with less political motivations, like probably the Netherlands, to promote Ugandan ownership.

Available data did not allow for an adequate assessment of aid efficiency.

Has the introduction of SWAp in Dutch development co-operation policy led to improved conditions for poverty reduction in the recipient countries?

Prior to the introduction of the SWAp in Dutch development cooperation policy, the RNE's interventions focused primarily on poor regions (Northern Uganda) and poor people (women, children, rural population). Now, the strategy is to support central government policies: the SWAps for Education and the legal sector, and a nationwide sector plan for Local Governance. This shift had several consequences for the involvement with poverty reduction. First, the focus on the poor regions of Uganda has diminished. By supporting national programmes, Northern Uganda – being the poorest region in Uganda - is no longer a priority area in Dutch development co-operation. Secondly, the focus on specific poor and vulnerable groups in the regional setting, like has been the case in the pre-SWAp education and rural development programmes, has become less clear. Thirdly, support to programmes directed at the creation of productive employment and investment, generally still considered the main motor behind successful poverty reduction, was reduced and shifted to social development programmes. And fourthly, the involvement with poverty

reduction has become more dependent on the willingness and capability of central and local governments to implement pro-poor policies and spending.

The question is whether these shifts because of the introduction of SWAp created better conditions for poverty reduction, then? Some preliminary answers can be presented on base of this evaluation. In general, national figures suggest that the steady decline in the number of poor in Uganda during the late 1990s and early 2000s has been reversed in recent years. A slow rise in the number of the poor can be observed again in recent years.

At sector level, for the sectors in which the Netherlands is active, some results of the education and local governance sector in terms of poverty reduction can be made visible, though many of these results are in the area of quantities and not qualities. For the legal sector positive effects on poverty reduction have not been made visible, although the relatively recent start of the programmes should be taken into account. Whether or not results will sustain and a long term impact on poverty reduction can be realized remains to be seen. In Uganda, it appears that several obstacles stand in the way of the government being the effective driving force behind poverty reduction.

First, although there is adequate institutional capacity at the Ministry of Finance and Economic Development, other line ministries and local governments are institutionally still rather weak to design and implement pro-poor policies. Secondly, corruption at all levels of government hinders the efficiency and effectiveness of poverty reduction interventions, also creating high fiduciary risk for donors. Thirdly, although administrative and fiscal decentralization has taken place in Uganda, priority setting and spending decisions are still largely a central government issue. By providing aid to the central government, donors actually help to continue this situation. Fourthly, the incapability (and by some people proclaimed unwillingness) of the GoU to solve the conflict in the North of Uganda frustrates efforts to reduce poverty in the poorest region in the country. And last but not least, in the last four years, the governance situation in Uganda has deteriorated rather than improved. All these factors could reduce the (expected) effectiveness in terms of poverty reduction that was intended with the introduction and implementation of SWAp in Dutch development cooperation policy in Uganda.

The above conclusions should be placed in the context of the high aid dependency of Uganda. Despite huge volumes of external assistance, results in poverty reduction have been disappointing since the introduction of PRSP and SWAp in Uganda. Some observers argue that the large amounts of aid flowing into the country through SWAp hinder development in Uganda. Donors show high preference for SWAps in social service delivery sectors (health, education, local governance, and so on). However, without proper attention for private sector development and related revenue generating and collecting systems, the government is unable to maintain services delivery programmes after donors withdraw their support. Continued and substantial donor dependency does not stimulate the GoU to seek for alternative revenue sources, and in this way the large amounts flowing in the country through SWAp may hinder further development in Uganda.

In view of the dominant role of donors, both in terms of financing the Ugandan budget and in terms of influencing the design and implementation of national and sector development policies (see also Chapter 6), questions about the long-term

impact of aid and the aid management system on development in Uganda can also be levelled to Uganda's donors. In some policy documents of the RNE serious questions are raised on the volume of Dutch aid to Uganda given its absorptive capacity, and the detrimental effects too much aid might have (see Idema 2002, RNE 2004). In the context of how to attain sustainable poverty reduction in Uganda in the context of SWAp, these questions are highly relevant.

1 INTRODUCTION

This document presents the main findings and conclusions of a desk study on Uganda in the context of the IOB Evaluation on the Sector Wide Approach (SWAp). Three central questions have been formulated in the IOB evaluation on SWAp:

- 1) To what extent and how has the introduction of SWAp in Dutch development cooperation policy lead to intended changes in the organisation and implementation of Dutch development cooperation, and what explanatory factors can be given for the findings?
- 2) To what extent have the intended changes in aid management been achieved in the recipient countries and what were the most influential factors?
- 3) Has the introduction of SWAp in Dutch development co-operation policy led to improved conditions for poverty reduction in the recipient countries?

Intended changes (outputs) in Dutch development policy include concentration of aid into sectors, demand driven sector choice, less earmarked aid modalities, increasing donor coordination, increasing alignment and harmonization, long-term commitments, and strengthening national planning and implementation capacities. The intended changes (outcomes) in the recipient country include the promotion of ownership, the strengthening of the recipient government's implementation capacity, and an increase in aid efficiency. The ultimate aim of these changes is the improvement of conditions for poverty reduction in the recipient countries.

This country document for Uganda summarizes the main findings and conclusions after study of available documentation, and discussion and verification with parties involved.

2. DEVELOPMENT, AID AND SWAP IN UGANDA

For a proper understanding and assessment of the introduction and implementation of SWAp in Dutch development cooperation policy in Uganda, an analysis of the context in which such introduction and implementation takes place is needed. Since the beginning of the 1990s multilateral and bilateral donors – including the Netherlands – consider Uganda as one of the success stories of the African continent, both in economic and good governance terms. Uganda is also seen as one of the examples showing that bilateral and multilateral aid actually works and can lead to considerable progress in economic and social sectors. Moreover, Uganda is, the country where SWAp has been introduced almost *avant la lettre* (in any case earlier than the Netherlands adopted SWAp in its development cooperation policy), and globally Uganda has the longest experiences with the implementation of SWAp in development policies and efforts. This section presents the main dynamics in Ugandan political and economic conditions and relates these to the discussion on development, aid and SWAp in Uganda.

2.1 The rise of a donor darling

Uganda has had a turbulent history since it gained independence in October 1962. While expectations were high in the 1960s, in 1971, a military coup and a subsequent economic war against the Asian community (which dominated the commercial and the industrial sector) marked the beginning of economic collapse and increasing social and political disorder. This culminated in many years of civil war that ended in 1986, when the government of the current President Museveni came to power. His government inherited a politically divided country with high levels of insecurity. Much of the physical infrastructure was destroyed and GDP per capita was about 40% lower than it was in 1971. Corruption was high, the exchange rate was seriously overvalued, inflation was rampant and there had been little budgetary discipline for many years. Also the first widespread effects of HIV/Aids became manifest in Ugandan society.

The new government embarked on an ambitious programme to restore peace and order and economic and political stability. Peace was promoted by restoring the rule of law, including political opponents in the government, and initiating a process of orderly demobilisation of vast numbers of soldiers. This process was rather successful, except in the Northern districts where the Lord's Resistance Army (LRA) continues to fight the government up to today. This conflict has led to massive displacement of people, and the instability and insecurity in the region continues to hinder a return to normal life. Under strict control of Museveni's National Resistance Movement (NRM) Parliament was re-instated during the 1990s, with individual members being elected again, but without formal party affiliations. In 1997 the NRM was replaced by the Movement, which was presented as a fully inclusive political system, all citizens being automatic members of the Movement. This political system was referred as a "no-party democracy". The legitimacy of this political system was defended by referring to the history of Uganda, in which political parties have caused Uganda's history of conflict and were seen as organisations based on class interests. The 'no-party democracy' did allow, however, for press freedom, freedom of expression, and for an independent judicial system.

In the economic realm, in 1987 the GoU launched an Economic Recovery Programme (ERP) to stabilise the economy and bring about structural adjustment. Initial success was limited, but the situation improved considerably after 1992 when the Ministry of Finance was merged with that of Planning and Economic Development into a single Ministry of Finance, Planning and Economic Development (MFPED). A cash budget system was introduced, which reduced the fiscal deficit; all markets, including the foreign exchange market, were liberalised, and the parastatals, which had a monopoly in the domestic procurement of main export crops (coffee, cotton and tea) were dismantled. From then on, the economy took off remarkably, with an average GDP growth of 7% during the 1990s (see Table 2.1 below), one of highest growth figures in the developing world during that time. GDP per capita rose with almost 50 percent between 1986 and 1999, still however being below the figures at independence in 1962. This process of economic growth was accompanied by certain improvements in living conditions. Between 1992 and 1998, the percentage of people living below the poverty line fell from 56 percent to 44 percent (Appleton 2001). There were, however, substantial regional disparities in economic growth and poverty reduction, with the central and western regions growing the most strongly, and the northern and eastern region lagging behind (Appleton 2001, Mijumbi and Okidi 2001, Okurut 2002). Illiteracy and school enrolment improved, and a substantially higher proportion of the rural population got access to clean water. However, infant mortality stagnated and life expectancy declined, mainly as result of the HIV/AIDS epidemic (Collier and Reinikka 2001).

In the 1990s, the results of Uganda's macro-economic reform programme, and Uganda's relatively good performance in the field of governance, increasingly attracted the attention of multilateral and bilateral donors. Bilateral grants and multilateral loans started to flow into the country (see Table 2.1), and it is widely assumed that this inflow of foreign aid contributed largely to sustained economic growth of the country (Collier and Reinikka 2001). In most years in the 1990s donor flows exceeded or equalized foreign currency inflows by exports and foreign currency inflows by FDI. And donor inflows constituted on average 50 percent of public expenditure (PE). This means that Uganda is heavily dependent on foreign aid for the implementation of its development policy.

Table 2.1 Donor Inflows to Uganda, 1992/93–2003/04
(in millions of US Dollars, unless otherwise indicated)

Category	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
GDP growth (%)	8.6	6.4	11.9	8.6	5.1	4.7	7.9	5.4	5.3	5.7	5.4	5.7
Donor inflows	473	432	625	527	567	752	666	636	707	745	787	917
As % of GDP	--	12.2	12.2	10.2	10.2	12.6	12.3	11.8	13.7	14.1	13.9	14.7
As % of PE ¹	57	66	62	52	45	44	48	47	47	52.	49	50

¹ Current public expenditures

Sources: Collier and Reinikka (2001), IMF 2004, World Bank 2003

2.2 PRSP and SWAp: evolving policy framework for poverty reduction

Once macro-economic stability had been achieved in the mid-1990s, the process of economic reform and rehabilitation entered a next phase. Poverty reduction became an important political consideration for the government, and there was a major drive to shift the aid delivery from a project based approach towards a programmatic approach. These intentions culminated in a Poverty Eradication Action Plan (PEAP) in 1997, after two years of dialogue with representatives from the government, civil society and Ugandan citizens. PEAP aimed to reduce poverty to 10% of the population by 2017. The production and revision of the PEAP coincided with the Enhanced Heavily Indebted Poor Countries Initiative (HIPC II) which required the preparation of a Poverty Reduction Strategy Plan (PRSP) by eligible governments. At the request of the Government of Uganda, it was agreed that its PEAP could serve as PRSP (and as Comprehensive Development Framework – CDF as well). MFPED started a process to revise the PEAP, and the revised version was presented at the Consultative Group Meeting in March 2000 and endorsed by the World Bank and the International Monetary Fund (IMF) in May 2000. With the revised version of PEAP qualified Uganda for HIPC, worth 1.3 billion US Dollars, and for the Paris Club Debt Relief, worth 145 million US Dollars.

In 1998, the Poverty Action Fund (PAF) was set up to protect poverty spending from in-year budgetary cuts. It channels additional resources from debt relief to priority areas for poverty reduction, as determined by the PEAP and the more detailed sectors plans and budget consultations. It also receives additional bilateral budget support. Resources are disbursed to ministries and districts to fund pro-poor priorities. These cannot be reallocated to other areas of activities. The main beneficiaries are: primary education, primary health care, agriculture, safe drinking water, and roads. Although the PAF undermines flexibility in the budget process, as it ring-fences some areas of expenditure, some technocrats within the GoU feel that it is a useful tool to protect pro-poor funding from State House or defence expenditure squeeze (Piron and Norton 2004, Williamson and Canagarajah 2003).

In order to reach the goals of poverty reduction as set by the PEAP and in the implementation of the PEAP Uganda had also chosen to implement a far-reaching programme of decentralisation within the framework of the unitary state. This decentralisation policy (which started to emerge in the early 1990s) culminated in the 1997 Local Government Act, and placed decentralisation at the core of the country's framework of governance. The main purpose of decentralisation is to improve service delivery by shifting responsibility for policy implementation to the local level; to promote good governance through emphasis on transparency and accountability in the management of public affairs; to develop and deepen political and administrative competence at local level; to facilitate democratisation, and to alleviate poverty (Kasumba and Land 2003).

From 2000 on, the PEAP is the overall and framework for development planning, from which major sector action plans are derived, and it is serving as basis for subsequent sector-wide approaches (SWAp) in priority sectors. The PEAP is based on four pillars:

1. creating a framework for economic growth and structural transformation
2. strengthening good governance and security
3. increasing the ability of the poor to raise their incomes
4. improving the quality of life of the poor.

The first pillar aims at sustained economic growth through prudent macroeconomic policies, economic openness and export diversification as pre-conditions for poverty reduction. Action plans falling within this pillar are the Medium Term Competitive Strategy for the Private Sector (MTCS), the Plan for the Modernisation of Agriculture (PMA), and the Strategic Exports Program (SEP). The second pillar must ensure that the institutional frameworks and mechanisms through which the interventions are undertaken are appropriate. Plans within this pillar include the Local Government Development Programme (LGDP) and the strategic investment plan for the Justice, Law and Order Sector (J/LOS). The third pillar is directed at creating an enabling environment for the poor to raise their incomes. This includes plans directed at the improvement of rural roads, improving land tenure and land use, and improving the environment (NEAP, National Environmental Action Plan). The fourth pillar focuses on the provision of basic services particularly health care, education, safe water and sanitation. Strategic plans have been developed for the health (Health Sector Strategic Plan), education (Education Strategic Investment Plan) and water sector.

The PEAP is tied into the national budget through powerful implementation mechanisms. The main technical tool is the medium-term expenditure framework (MTEF), which set out the sector allocations of the GoU budget, guarantees an increase in pro-poor allocations of public expenditure over three years periods, and creates a mechanism to assess whether monies are being used for pro-poor purposes. The consultative budget process follows an annual timetable. The process starts around October/November each year with the communication by MFPED of indicative budget ceilings for each sector over the medium term. These ceilings guide the preparation of Budget Framework Papers (BFPs) by the Sector Working Groups, which bring together representatives from the government, civil society and donors. The sector BFPs are discussed at ministerial level with MFPED, to arrive at a National Budget Framework Paper. This is discussed and approved at Cabinet level. And it forms the basis of the Macroeconomic Plan and Indicative Budget Framework submitted to Parliament by April 1 of each year. This document is also discussed with Development Partners at the annual Public Expenditure Review, which is typically in May. After consultations with Parliament and Development Partners, the final budget allocations are prepared and read out in the Budget Speech by June 15 of each year.

The introduction and implementation of PRSP and SWAp by the Ugandan government further enhanced the enthusiasm of donors for Uganda and therewith sustained and increased budget and project support to the country, as shown in Table 2.2. In line with the main principles underlying SWAp, the GoU has expressed at several occasions since the late 1990s that (general) budget support was and is the preferred aid modality to be received. Donors have responded positively to this appeal: from the end of the 1990s on a shift can be observed to budget support (see Table 2.2). With domestic revenues and foreign currency inflows from other sources (FDI and exports) – though growing - still at a relatively modest level, bilateral and multilateral loans and grants still finance the largest share of public expenditures in Uganda (see Table 2.1). In 2002 and 2003 the top ten donors (millions of US Dollars) to Uganda were: the World Bank (201 million), United States (142), United Kingdom (94), European Community (72), Netherlands (51), Denmark (49), Ireland (41), Norway (35), Germany (32) and Sweden (28) (OECD 2004). As the sequence shows, the Netherlands has become the third bilateral donor to Uganda.

Table 2.2 Budget support to Uganda, 1992/93–2003/04
(in millions of US Dollars, unless otherwise indicated)

Category	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04
Donor inflows	473	432	625	527	567	752	666	636	707	745	787	917
% Budget support	34.9	35.8	28.6	16.3	19.5	23.2	19.2	32.1	43.9	57.2	58.2	52.1

Source: World Bank / SPA (2004)

2.3 Recent developments: donor darling and donors questioned

A sustained record of good macro-economic performance and political stability has made Uganda an attractive donor darling in Sub-Saharan Africa in the last ten years. But since the beginning of the 2000s economic and political clouds are gathering to spoil this positive image. In the economic realm some main deficiencies of the Ugandan economy have come forward in the last few years. Uganda's economic growth is still well above the Sub-Saharan African average and exports are growing fast, but poverty indices are rising again and the growth is insufficient to reach the PEAP objectives. Budget performance has been erratic in the last few years and there is a consistent pattern of frontloading of the Public Administration and Security (including Defence) sectors, at the expense of other sectors. In May 2004 the Consultative Donor Group refused to accept the general budget proposal for 2004/2005 because of increases in Defence expenditures and Public Administration costs that went far beyond what reasonably could be expected compared to the previous year.

Increasingly, also questions are asked about the capacity of relevant institutions to implement PEAP and its related SWAp's effectively and efficiently. Many recent evaluations and academic studies refer to the weak institutional capacity of line ministries and local government units (Districts, Counties and sub-Counties) to implement SWAp related programmed and organize adequate service delivery (see, for instance, World Bank 2003, Ellis and Bahiigwa 2003, Golola 2001, Amis 2002, several mid-term sector reviews). In the context of PEAP and SWAp, the only strong Ministry in terms of institutional capacity appears to be MFPED, highly populated with technocrats (both expatriate and Ugandan) with a World Bank background. The lack of institutional capacity at line ministries and local government units seems to set severe constraints to sustained economic and social development to be fuelled by PEAP and the introduction of SWAp.¹

In the political realm a widespread and growing dissatisfaction among Ugandans can be observed with the 'no-party democracy'. It is seen as dominated by President Museveni, his family and kin, and the 'old guard' – military comrades that took part in

¹ See Chapters 4 and 6 for a more detailed discussion on the institutional capacity in sectors supported by the Netherlands.

the struggle (Prion and Norton 2004, Mwenda and Tangri 2005), and the consensual politics adopted by the Movement are being perceived by some as the imposition of views in a top-down fashion, and as stifling debate and innovation (Piron and Norton 2004). Northerners condemn Museveni's failure to defeat (or negotiate peace with) the LRA, and there is also a perception that the Western districts (Museveni's home area) have benefited from the government policies more than other regions in terms of investments and appointments. Moreover, the invasion of Congo in 1998, condemned by the United Nations (United Nations 2002), raised mixed reactions among the Ugandan population (Tangri and Mwenda 2003). Besides political freedom also other governance aspects have become increasingly scrutinized in society. These include harassment of the press, widespread corruption at national and local government levels, particularly in procurement procedures and involving also higher military ranks, and emerging human rights violations (see ACCU 2004, Tangri and Mwenda 2003, Refugee Law Project 2004, Human Rights Watch 2004).

The current government did not remain passive towards the critics. Uganda has withdrawn from Congo, although allegations continue that higher army officials are still involved in illicit trade of resources (Tangri and Mwenda 2003). The elections in 2006 have been opened for all political parties and a new act enables them to organize and meet in public. Also other presidential candidates are allowed to stand up and join the elections. And the military option is no longer considered the main solution for the problem in the north. Donor pressure and the forthcoming peace in Southern Sudan contributed to a cease-fire and a beginning of peace negotiations.

Donors, and especially bilateral donors, have nevertheless become increasingly critical towards the developments in Uganda's political and governance arena. In Uganda, the bilateral donors used the benchmarks and ratings from the PRSC (Poverty Reduction Strategy Credit) matrix developed by the World Bank as guidelines to assess the economic and governance situation in Uganda, and to decide on the continuation of their development aid and assistance. In recent years, bilateral donors have developed their own 'governance matrix' with stricter benchmarks on governance issues than the matrix developed by the World Bank. The Ugandan scores on the bilateral governance matrix have been increasingly negative for the last couple of years. For some major bilateral donors (United Kingdom, the Netherlands, Norway, Sweden and Ireland) the scores were signs to start a serious discussion on a possible review of their development aid efforts in Uganda, which in 2005 culminated in a cut in their budget support to Uganda. The Netherlands took this decision in November 2005, and cut its budget support by 27 percent (six million Euros) over concerns over political transition and the area of macroeconomic management (budgetary indiscipline) (see Kamerbrief 21 November 2005, ref. DEK/HI-061/05). The six million saved will be diverted to humanitarian assistance in northern Uganda. Also the World Bank, the biggest donor, announced a 10 percent cut in budgetary support for the fiscal year 2005/2006 on concerns about budgetary indiscipline.

The concerns of (some of) the bilateral donors with the political and governance trends in Uganda are shared by critical Ugandan civil society organisations (for instance organised in the Uganda Governance Monitoring Project – see UGMP 2004) and by independent observers in the country. There is, however, one major difference with the donors' positions. While the donors usually tend to look at themselves as 'outsiders' to domestic political and governance questions, the fore-mentioned parties consider the donors and their reform policies to be part of the problem. Their argument is that the strong donor-government relationship (donors financing

over 50% of public expenditures) and donor sponsored reforms in Uganda have helped to build and consolidate a corrupt and patrimonial system, but has done very little to build viable political institutions that can sustain the minimum bureaucratic achievements and economic successes (though skewed) over the last 15 years, and ensure democracy and political stability (Mwenda and Tangri 2005). In addition, it is argued that changes in the 'architecture of aid', in which bilateral donors increasingly channel their funds through government channels, might create a new dependence of civil society organisations on government which will restrict their ability to carry out the very role that donors are trying to enhance – that of 'holding government to account' (Lister and Nyamugasira 2003).²

2.4 Conducive context for SWAp?

In retrospect, at the end of the 1990s when SWAp was introduced in Dutch development co-operation policy, the Ugandan context could be assessed as favourable to the introduction and implementation of SWAp. Uganda's economic performance was strong and a certain degree of political stability and good governance had been achieved. The 'no-party' Movement system pursued poverty reduction as a political project to promote national unity. President Museveni gave PEAP/PRSP his political backing, and his control of the political system meant that the PEAP had become an effective statement of government priorities. The political goal of poverty reduction had also become a national technocratic project of 'state-building' within the MFPED (Piron and Norton 2003). The Ministry had been instrumental in translating the political vision of the Movement into mechanisms (MTEF, sector strategies and working groups, PAF) that have been effective and credible in the eyes of multilateral and bilateral donors. And sector plans had already been developed (education and health) or were in the pipeline. A far reaching system of decentralized governance was created to ensure, at least on paper, an effective translation of national strategies and sector policies into service delivery at local level.

² It should be noted here that the Netherlands leaves some room within its bilateral programme to support civil society organizations. Besides this, the Netherlands has its co-financing programmes (MFP and TMF) through which the Dutch government indirectly, through Dutch development agencies, channels aid to civil society and other development organisations in the developing world, including Uganda.

3 INTRODUCTION OF SWAP IN DUTCH DEVELOPMENT COOPERATION POLICY IN UGANDA

3.1 Dutch bilateral aid before SWAp

In the 1980s Dutch bilateral aid to Uganda was relatively low, on average 5 million US Dollars. But it took off from 1991 onwards, when Uganda regained its 'concentration status' in Dutch aid, restoring the special status that had been revoked after the military coup in 1971 and during the turbulent periods of civil war and disorder. The aid volume increased substantially in the years thereafter. In the period 1991-1999 the net ODA averaged 26.3 million US Dollars, about 5 percent of all aid to the country. Therewith the Netherlands belonged to a core group of seven donors (of 21 active ones) providing more than 10 million US Dollars annually during the 1990s. The United Kingdom was the largest among them, followed by the United States, Japan, Denmark, Germany, The Netherlands and Sweden. Whereas multilateral loans dominated aid first, these were gradually replaced by bilateral grants during the 1990s. Among the bilateral donors, education was the most popular sector during the late 1990s, receiving 17% of all aid, followed by health (15%), transport (15%), water and sanitation (12%) and agriculture (11%). The aid provided by the Netherlands had a rather different pattern (see Table 3.1).

At the end of the nineties Dutch assistance to Uganda was largely general budget support, which consisted of debt relief for multilateral debt service obligations, to be classified under ODA. Since the introduction of the Poverty Action Fund, in 1998, this support shifted from debt relief to budget support to PAF. With this shift the Netherlands intended to emphasize its priority for poverty reduction and for making efforts to improve accountability and transparency at district level for better service delivery (RNE 1999). Uganda's efforts to create an efficient, capable and affordable civil service for an adequate implementation of government policy was also acknowledged, and translated in budget support to the Public Service Reform Programme.

Most of the other activities supported by the Netherlands were classified under four headings: economic and rural development, environment, social development and education. The economic and rural development sector received most aid (25.0%), followed by education (13.0%), environment (8.9 %) and social development (3.6). In the 1990s, Northern Uganda (in particular West Nile, Soroti and Lira) was a 'concentration area' for Dutch support and together with the World Bank, the Netherlands was a pioneer in its support this region. The general goal of Dutch support for Northern Uganda was to enhance political stability in that part of the country through providing support to rehabilitation and development programmes.

The main support in the economic and rural development programme focussed on three large integrated rural development programmes in Northern Uganda. The integrated programmes included activities on local institution building, rehabilitation of social infrastructure, training, income generation and employment creation. A process approach and direct participation of target groups characterized the programmes. The Netherlands provided both programme support and technical assistance (through ETC).

The support in the education sector was also directed to programmes in Northern Uganda. The war and civil strife in the region had severely damaged the education infrastructure, leaving many classrooms razed to the ground, teaching materials looted or destroyed, and many teachers displaced or demoralized. Dutch interventions in the education sector included project support to a wide spectrum of activities: women empowerment, classroom construction and furniture provision, the provision of teaching and training materials, primary education reform, and procurement of instructional materials. Some of activities formed an integral part of the fore mentioned integrated rural development programmes. The support was mainly provided through programme and project support, but since the launch of the sector plan for education (Education Strategic Investment Plan – ESIP) in 1998, Netherlands' support was already shifting towards sector budget support (see also below).

The support to activities in the environmental sector was not regionally focussed. It was mainly given to activities on the conservation and management of biodiversity in forest reserves (located in Western Uganda) and wetlands (nationwide). Also initiatives in the area of sustainable agriculture and sustainable energy use were supported. It included programme support and technical assistance (through IUCN). In the social development category one activity in the legal sector (capacity building of the Directorate of Public Prosecutions) and two programmes directed at street children and children of war were funded.

Table 3.1 Dutch Bilateral Aid to Uganda by Category 1996-1999, US million Dollars*

Category	1996	1997	1998	1999	Total	%
Economic and rural development	4.6	8.2	6.2	6.8	25.8	25.3
Environment	1.8	2.5	2.1	2.7	9.1	8.9
Social Development	0.6	0.5	1.4	1.2	3.7	3.6
Education	0.8	3.1	3.9	5.5	13.3	13.0
Human rights, conflict prevention, etc.	1.0	1.5	0.2	0.1	2.8	2.7
Humanitarian Aid	0.1	0.4	0.6	1.1	2.2	2.2
Budget Support / Debt Relief	14.8	7.7	12.3	9.9	44.7	43.8
Other Programmes	0.2	0.1	0.1	0.1	0.5	0.5
Total	23.9	24.0	26.8	27.4	102.1	100.0

* Detailed figures on bilateral aid to Uganda for the period 1996-1999 are presented in Annex 1, using the SWAp sector classification of activities. For analytical reasons (see Chapter 4) the table above presents activities and figures according to the pre-SWAp classification; figures may therefore not correspond with those presented in Annex 1.

Source: FEZ/BuZa ODA Bilaterale hulpverdragen 1996 t/m 1999

3.2 Introduction of SWAp

Available documentation on the introduction of SWAp in Uganda is scarce, or at least could not be traced at the Ministry in The Hague or in the RNE's archives. In general, the introduction of SWAp in Dutch development cooperation policy was welcomed by the Royal Netherlands Embassy (RNE) in Kampala. In its Annual Plan 1999 the RNE stated that a shift from project-based support to a programmatic and sector wide approach would be pursued in the forthcoming years (RNE 1999). Thereby, the introduction of SWAp in Dutch development cooperation policy did not only fit 'Ugandan realities' - as described in the previous section - but also the realities at the RNE. The RNE was already involved in budget support to the PAF and heading for sector budget support for ESIP. In addition, the projects supported by the Netherlands were concentrated in a few sectors, though for pragmatic reasons. RNE Kampala was a relatively small embassy, but with increasing financial means; the set-up and implementation of an extensive project-based programme would at that time not have been a feasible option in relation to available staff.

After SWAp had been introduced by the Ministry in The Hague, the RNE participated in two regional meetings in Africa on the introduction of SWAp. Besides this, the RNE did further not actively participate in discussions with the Ministry in The Hague on the principles and policy intentions underlying SWAp and its implementation. The main argument by the RNE for its lack of active participation was limited staff capacity (see Landenteam Uganda 2000). Moreover, the RNE felt less need to participate. Although the introduction of SWAp in Dutch development co-operation policy was welcomed, the relative familiarity of the RNE in Kampala with the ideas and principles underlying SWAp resulted in a strong feeling at the RNE that it was in front of the troops; in its view SWAp was something it was already heading for and partly implementing and did not need further discussion with the Ministry in The Hague.

3.3 Sector selection

On 15 March 1999 the Ministry of Foreign Affairs in The Hague instructed the RNE in Kampala to arrange a policy meeting with the GoU on the introduction of the sector wide approach by the Dutch government (Memo DGRB-68/99, 15 maart 1999). In an e-mail response (16 Juni 1999, KAM/CDP/99/197) the RNE in Kampala announces the date of the meeting and explains the opportunities to move towards SWAp in Dutch development cooperation policy in Uganda. It is indicated that the GoU has developed sector plans for education (ESIP) and agriculture (Plan for Modernisation of Agriculture – PMA), and proposes to change Dutch programme support to these sectors into sector budget support. For the rural development programmes in Northern Uganda a new financing modality (earmarked budget support to seven districts) is announced that will take effect at 1 January 2000. According to the RNE this new modality is a translation of the sector wide approach. For the Dutch supported programmes on justice and law and on environment no sector approach has been developed yet by the GoU. It is suggested to discuss with the GoU whether this will be the case in the near future and what the priorities are of the GoU in this respect.

The results of the meeting with the GoU are documented and reported to the Ministry in The Hague (Immediate, Vertrouwelijk, De Lang 39, 2 Juli 1999). On behalf of the GoU, the meeting was chaired by the Permanent Secretary of MFPED, and the Ministries of Education, Agriculture, Environment, and Local Governance were represented. The Ministry of Justice was invited but not represented. The Government of Uganda (GoU) reacted positively to the introduction of SWAp in Dutch development co-operation policy. There were two differences of opinion, however, between Uganda and the Netherlands regarding the specifics of implementation. Firstly, the ambition of the GoU is to receive non earmarked general budget support from its donors, including the Netherlands. The position of the Netherlands is reluctant to this request. In available documentation is referred to a need for positive experiences with the checks and balances of the Ugandan financial system before earmarking can be loosened by the Netherlands. Secondly, contrary to Dutch development co-operation policy to concentrate support on three sectors, the GoU did not want any changes in Dutch development efforts, neither in the number of the sectors nor in the distribution of the funds. The RNE reports this position of the GoU to the Ministry and proposes five sectors for support: rural development, education, poverty reduction (Poverty Action Fund), institutional development (Public Service Reform, Directorate Public Prosecution) and environment. These sectors covered almost all activities supported by the RNE in the late nineties.

The Ministry in The Hague reacted soon after the meeting of the RNE with the GoU (DAF, Memorandum 13 Juli 1999, Kenmerk 954/99). In this reaction the Ministry suggests to replace the sector Rural Development by Local Government, to be developed in collaboration with the Ministry of Local Government, which has already a policy, and an institutional and budgetary framework that fits the definition of SWAp (Local Governance Development Plan – LGDP). This focus would also be in line with the recommendation from earlier programme evaluations in Lira and Soroti to pay more attention to local capacity building. Education is accepted as a sector, also given the availability of an advanced sector plan (ESIP) prepared by the GoU. Poverty reduction (support to PAF) is not considered as a sector, but as a funding channel. Therefore, channel funding through PAF for priority sectors (education, health) is accepted by the Ministry. Also Institutional Development is not considered as a sector, but referred to as a cross-cutting theme. Support to Public Service Reform does, however, qualify for sector support, although temporarily (till the end of the programme); structural support to the Justice sector can only be given when a more detailed sector plan is available. Support to environmental issues as part of support to PMA or the National Environmental Action Plan (NEAP) is rejected. The Ministry suggests to wait for a clear and detailed sector plan for the environmental sector, which can form the base for a plan for Dutch involvement.

In its reaction (memorandum undated) the RNE keeps preference for the selected sectors, although it accepts the comments by the Ministry on the support to PAF and institutional development as being non-eligible in the context of SWAp. The RNE is reluctant, however, to accept the Ministry's arguments to support the Local Governance Sector, because in its opinion the main focus of the rural development programmes should stay on the promotion of agricultural production. For the Justice and Law sector the RNE proposes to be involved in the planning process that will lead to a SWAp for the sector and the implementation of this SWAp. In the reaction of the Ministry to the Embassy these comments are accepted and integrated in a revised reaction to the Embassy, with the request to take account of the remarks in the presentation of the Annual Plan 2000.

The final outcome of the sector selection process can therefore be found in the Annual Plan 2000. It states that the following (sub) sectors/themes will be in principle eligible for (sector) support: education, rural development / local government, and the legal sector (RNE 2000). The financial involvement in the environmental sector will be geared towards the integration of environmental aspects in the Plan for the Modernisation of Agriculture, as the environmental sector itself is not considered by the GoU as a Programme Priority Area. Furthermore, it is announced that all financial resources which become gradually available from projects will be redirected to and used for support in the above sectors.

In 2003, resulting from the new policy framework outlined in 'Aan Elkaar Verplicht', the number of sectors is initially reduced from three to two. The RNE proposes Local Governance to become a cross-cutting theme, which is accepted by the Ministry. However, the new policy framework also prescribes that Good Governance should be considered as a cross-cutting theme, and this covers activities in the legal sector. In a letter to Parliament on sector reduction, the Minister announces unilaterally a further reduction of sectors in Uganda from two to one, making the legal sector a cross-cutting theme too. This much to the surprise of the RNE, that never had been consulted on this further reduction of sectors.

3.4 Analysis and assessment

The introduction of SWAp in Dutch development co-operation policy fitted Ugandan realities and the RNE's intentions and practises to move towards a programmatic approach in its aid programme. However, neither at the RNE nor at the Ministry any correspondence could be traced that contained further discussion and dialogue on the principles and policy intentions underlying SWAp and its implementation. This suggests that the RNE's welcome took the form of 'taking notice of', induced by a lack of staff capacity and the feeling to be ahead of the troops. The lack of correspondence also indicates that the Ministry did not take much initiative to stimulate exchange and discussion. This is rather surprising, considering the fact that much could have already been learnt from the experiences in Uganda where the GoU had moved towards PRSP and SWAp *avant la lettre*.

For the process of sector selection the Ministry in The Hague had developed several criteria of which the most important were: relevance for national development strategy, existence of a policy, institutional and budgetary framework that would allow for a sector approach, coordination with other donors, and possible added value of Dutch support for sustainable poverty reduction. However, whether and to what extent these criteria have been applied to the sector selection in Uganda remains highly unclear from the (meagre) available documents.

In the first place, the relevance for the national development strategy was not clear for all sectors. Although the three selected sectors are part of the Ugandan national development plan PEAP, only education is indicated in the PEAP as a sector and an area with high priority. Up to now, the GoU does not perceive Local Governance as a sector, for the legal sector this changed after a SWAp had been developed (2001). Moreover, in discussions with the RNE, the GoU insisted on continuation of the Dutch aid programme as it was, because it reflected to a large extent the priorities of the GoU, including attention for agriculture/rural development and the environment. This request was not honoured by the Ministry in The Hague, which insisted on a

reduction of activities to three sectors (in line with the Dutch SWAp policy framework), and a shift in focus from rural development towards local governance.

Secondly, there is no evidence that there has been an adequate analysis of the policy, institutional and budgetary frameworks in the process of decision making. With regard to the policy framework the choice for the education sector is the most obvious, given the existence of a SWAp (ESIP). The choice for Local Governance and J/LOS is much more problematic in this respect. Although for Local Governance a policy framework was in place, this was also the case for the rural development sector (Plan for the Modernization of Agriculture - PMA) and the environmental sector (National Environmental Action Plan – NEAP). It remains unclear why the policy framework for Local Governance was considered more adequate than the PMA and NEAP. The choice for the Justice, Law and Order Sector (JLOS) does not meet this criterion at all, because no policy, institutional and budgetary framework was in place at that time that would allow for a sector approach.

A further indication that the 'adequate framework criterion' was not systematically applied is the absence of Institutional and Organisational Analyses (ISOAs) at the time of sector selection (and also not afterwards). For the education sector, the RNE refers to the joint ESIP semi-annual reviews by donors and the GoU, in which ISOA elements are included. To ask for a Dutch inspired, separated ISOA would, according to the RNE, be understood by the GoU as a sign of mistrust (referte DSI/AI-178/02, 22/09/2002). For the sector Local Governance an ISOA would have been impossible given the multitude of Ugandan actors involved. And JLOS did not exist as a sector at the time of the introduction. It remains unclear, however, from available documentation whether available ISOA information from other sources (for example, ESIP reviews) has been used as input for sector selection. Appraisal memoranda (Bemos), however, do exist for the sectors and these contain sections on ISOA elements, but these Bemos were written *after* the choice for the sectors had been made.

Thirdly, in available documentation on the sector selection process is not referred to any co-ordination with other donors in order to arrive at an informed decision. The purpose of this co-ordination would have been to avoid involvement in sectors with a high donor population or high donor dependency. Almost all donors in Uganda were, however, involved in the education sector and also in the local governance sector many donors were active. J/LOS formed the exception, at the time of sector selection only DANIDA was involved in support to the sector and in this sense the choice of the Netherlands for J/LOS was an added value.

And fourthly, it also remains unclear how the selection has been related to the criterion of poverty reduction. The link between education and poverty reduction is widely acknowledged in development literature. The direct relevance of local governance and J/LOS for poverty reduction is much less clear, and in the case of local governance also much disputed in literature. As described in the previous section, the RNE did first not agree with a shift from rural development to local governance, because this shift would mean that the objective of the promotion of the productive sector – and therewith an obvious link with poverty reduction - would be largely lost then in Dutch development efforts in Uganda. RNE suggested therefore to select the Rural Development sector (for which the PMA formed the base), but this was rejected by the Ministry. The decision for J/LOS was, in part, informed by the findings from three key studies and a Commission of Enquiry, indicating the dissatisfaction of the population with the criminal and commercial justice agencies in

Uganda. But the link between support to the sector and poverty reduction remains up to now highly hypothetical (see also Chapter 7).

In sum, available evidence indicates that the main guidelines and criterions for sector selection as issued by the Ministry have not systematically been applied in the selection process for Uganda, not by the RNE, nor by the Ministry itself. This, in turn, may be an indication that the final sector selection is the compromise of a negotiation processes among actors (including the GoU, the RNE, and the Ministry in The Hague) with different agendas and interests. Available evidence suggests that the Ministry's position in this negotiating process was decisive. The Ministry rejected the views of the GoU on what policy areas could be suitable for SWAp and the requests of the GoU (communicated through the RNE) all together, and overruled the RNE in the local governance/rural development discussion. In this way, in the case of Uganda, sector selection turned out to be a highly top-down exercise. The unilateral decision in 2003 to make the legal sector a cross-cutting theme further enhances this conclusion.

4. CHANGES IN THE IMPLEMENTATION OF THE DUTCH BILATERAL AID PROGRAMME

With the three sectors selected, the Netherlands continued with the implementation of the SWAp in its bilateral aid policies in Uganda. By introducing SWAp in its development cooperation policy, the Netherlands intended to realize a concentration of activities in three sectors, a reduction of the number of activities in each selected sector, a shift towards less earmarked aid modalities, and an increase in coordination, harmonisation and alignment with other donors' and GoU procedures. This section analyzes the extent to which intended changes have been realized, except for the coordination issues that will be analyzed in Section 5. Tables and findings in this section are largely based on the statistical tables presented in Annex 1 of this document.

4.1 Changes in activities

Concentration and reduction of activities

The extent to which the Netherlands concentrated its activities in the three selected sectors after the introduction of SWAp can be read from Table 4.1 below. The figures in the first three rows suggest that concentration hardly took place after the introduction of SWAp. However, the main reason for this absence of concentration is not a lack of efforts, but the finding that most pre-1999 supported activities were already within the realm of one of the three selected sectors and could therefore be easily clustered under the heading of a sector. Throughout the period 1996-2003, roughly 60 percent of the total number of activities supported by the Netherlands was concentrated in the three selected sectors. This 60% absorbed each year about 80% of programme and project aid and about two-thirds of total bilateral aid; a clear indication that most aid was channelled to activities in the three selected sectors.

Table 4.1 Number of activities (excl. macro support) and % of programme and total bilateral aid, 1996-2003

		1996	1997	1998	1999	2000	2001	2002	2003
Selected sectors	Number of activities	5	10	14	9	10	7	7	13
	% of total activities	41.6	62.5	60.9	69.2	62.5	41.2	53.8	59.1
	% of programme aid	84.2	76.2	82.7	82.7	83.9	78.9	86.0	83.2
	% total bilateral aid	84.2	76.2	82.7	50.6	52.1	53.7	65.9	62.0
Environment	Number of activities (> 100.000 committed)	2	4	9	7	6	7	4	1
	% total bilateral aid	14.8	16.1	16.3	10.6	9.8	7.6	4.9	0.5
Other themes	Number of activities (> 100.000 committed)	5	2	0	0	0	3	2	8
	% total bilateral aid	0.1	7.6	1.0	0.0	0.0	6.7	5.9	7.7
Total	Number of activities	12	16	23	13	16	17	13	22

Source: calculations from Table 'Hoofdstuk III', Annex 1

Table 4.1 also shows that the number of activities (with commitment > 100.000) did not decrease in the period 1996-2003. In 2003, for instance, the number of activities within selected sectors and the total number of activities was almost the same as in 1998, before the introduction of SWAp. An increase of activities (with commitment > 100.000 Euros) can be observed for other themes. This is largely due to the increasing number of cross-cutting themes that have been introduced in Dutch development cooperation policy throughout the period. Activities in the category 'other themes' in Table 4.1 mainly covered the areas of good governance (human rights and anti-corruption), and gender. Another major shift took place in the non-selected sector Environment, where a sharp reduction in the number of activities can be observed. This finding indicates that at least from the side of the Netherlands the exit strategy for the environmental sector has been successful.

While a reduction of the total number of activities hardly took place, shifts took place in the distribution of activities among sectors and themes. The total number of activities within the selected sectors increased from 9 in 1999 to 13 in 2003. This rise can be fully attributed to an increase in the number of activities in the Local Governance Sector, as Table 4.2 below shows. In Education and J/LOS, the number of activities was very limited (see also Table 4.2). Table 4.2 shows that the rise of number of activities in Local Governance took place outside Sector Programme Support (SPS). The RNE ascribes this increase to two factors. First, that the local government sector is a more complicated sector than the other two. Secondly, the Netherlands stayed (through SNV and ETC) in the districts with Technical Assistance (because of a fear of completely losing this regional focus and useful relations/networks), which led to a bigger project portfolio than in the other sectors.

Table 4.2 Reduction of number of activities within selected sectors (1996-2003)

Sector	1996	1997	1998	1999	2000	2001	2002	2003
Education	1	4	8	4	3	3	3	2
SPS ¹	0	1	1	2	1	2	1	1
Non SPS ²	1	3	7	2	2	1	2	1
Local Government	4	5	5	4	6	6	9	11
SP	0	0	0	0	2	2	3	2
Non SP	4	5	5	4	6	4	6	9
JLOS	0	1	1	1	5	2	1	2
SP	0	0	0	0	0	0	0	0
Non SP	0	1	1	1	5	2	1	2

¹ SPS = Number of activities of which the aid modality can be defined as Sector Programme Support

² Non SPS = Number of activities of which the aid modality cannot be defined as Sector Programme Support

Source: calculated from Annex 1, Tables 'Hoofdstuk 1'

Changes in the portfolio of activities

As presented in Section 3.1, the Dutch supported activities before the introduction of SWAp were mainly classified under four headings: economic/rural development, environment, education and social development, with a regional focus on the North of Uganda. With the selected sectors in place, not all activities could continue and shifts in the portfolio of activities were required.

For the education sector pre-SWAp activities could easily continue under the SWAp, because these activities were already geared to the start and implementation of the Education Strategic Investment Plan.

The pre-SWAP activities on economic and rural development were transmitted and became the main constituent of the local governance sector. In the short run, there were little consequences for the existing activities, but the choice for the Local Governance Sector instead of the Rural Development Sector had, however, long-term consequences for the type of activities supported. Though the Netherlands continued to support activities directed at agricultural production and related physical infrastructure through support to NAADS (a programme outside LGDP) and microfinance, the Dutch support gradually shifted towards capacity building in the field of social infrastructure and administration. Most of the previous Dutch funded programmes in the districts have therefore ceased to exist. No major changes in the portfolio of activities have taken place since local governance became a cross-cutting theme in 2003 in Dutch development cooperation policies.

The social development heading had two major components: support to the Directorate of Public Prosecution and planned support in the area of child and development. The support to the Directorate became part of the J/LOS SWAp and its Strategic Investment Plan (SIP). Up to now the change of status of the J/LOS sector in 2004 did not cause shifts in the supported activities. In the new Multi-Annual Plan 2005-2008 support to JLOS activities is classified under support to Good Governance in priority countries, one of the operational goals in the Explanatory Memorandum 2005 of the Ministry in The Hague (see RNE 2005). The other part of the former Social Development programme – planned support to child-oriented development activities - was discontinued.

Most aid for environmental activities has been stopped in the period 2000-2003. Pre-SWAp commitments to projects and programmes were fulfilled but no new commitments were made. Two substantial programmes were transferred to and therefore continued with Belgian support.

4.2 Changes in aid modalities

Aid modalities

The introduction of SWAp in Dutch development cooperation policy also intended a major shift in aid modalities from project and programme based support towards Sector Programme Support. The latter include sector budget support, basket funding, and sector oriented co-financing with the World Bank. In Table 4.3 the figures on the

Table 4.3 Aid modalities Uganda as % of total bilateral aid (1997-2003)

	1996	1997	1998	1999	2000	2001	2002	2003
Structural macro support	0.0	0.0	0.0	38.8	38.0	32.0	23.3	29.8
<i>Poverty Action Fund (PAF)</i>	0.0	0.0	0.0	38.8	38.0	32.0	0.0	0.0
<i>General Budget Support</i>	0.0	0.0	0.0	0.0	0.0	0.0	23.3	29.8
Sector Programme Support	0.0	5.3	13.0	18.2	41.3	46.3	56.0	56.9
<i>Basket</i>	0.0	5.3	13.0	6.6	2.3	1.5	4.9	2.2
<i>Sector Budget Support</i>	0.0	0.0	0.0	11.6	39.0	44.8	51.1	54.7
Non-Sector Programme Support	100.0	94.7	87.0	43.0	20.7	23.7	20.7	13.3
Total bilateral support	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Annex 1, Tables 'Hoofdstuk II' en 'Hoofdstuk III'

various aid modalities applied by the Netherlands in its bilateral aid to Uganda are presented. The figures in the table show that since 1996 Non-Sector Programme Support as aid modality has been replaced by aid provided through Sector Programme Support and Structural Macro Support. In 2003, 86.7 % of Dutch bilateral aid to Uganda was provided through the latter two modalities.

Shortly after the introduction of SWAp in Dutch development cooperation policy, the RNE decided to provide sector budget support to the sectors Education and Local Governance, and basket funding to J/LOS. The sector budget support to the education sector contributed to the SWAp in this sector (ESIP). Sector budget support to the Local Governance sector contributed to two (subsequent) development plans for the sector (LGDP 1 and 2); these plans have, however, never been defined and presented by the GoU as SWAp's. Since 2003, Local Governance has become a cross-cutting theme in Dutch development cooperation policy in Uganda and therefore 'officially' does not count as 'sector' within SWAp. In the figures of the Ministry in The Hague, support to LDGP 2 is therefore not classified as Sector Programme Support. In Table 4.3 support to LDGP 2 is, however, classified as such, because the aid modality continued to be sector budget support and did not change with the status of the sector in Dutch development cooperation policy.³ For J/LOS, the Netherlands supported with some other donors the Fund for the development of a SWAp in JLOS, which was financed through basket funding. From 2002 on, when the SWAp (SIP) for the sector was launched, budget support to JLOS is provided through notionally earmarked support to the general budget (see below), and therefore forms part of structural macro-support.

³ It is noted here that the RNE's opinion differs from the Ministry in The Hague: at the RNE in Kampala Local Governance is still classified as a sector.

Soon after sector budget support had been introduced, the RNE met the constraints of adopting this aid modality (see Idema 2002). First, in the Ugandan context, high fungibility made the distinction between sector budget support and general budget support almost redundant. Secondly, after initial steps had been made in the implementation of a SWAp, like in Education, further progress in the sector was severely hampered by general problems in the wider setting in which the SWAp has to be implemented. These problems included the size, quality and salary levels of the civil service, inefficiencies and mismanagement in public procurement, corruption, and weaknesses in human resources hampering decentralisation. Only by providing general budget support, donors in Uganda have access to the dialogue between the GoU and donors on these issues (see below).

Thirdly, at the time a new SWAp was in place, like for the Legal Sector, donor funds for the sector started to flow in the sector budget allocated by the GoU. Because the size and the annual increase of the total general budget had been fixed in collaboration with the multilateral donors, negotiations between donors and the GoU on an increase of one sector budget led to a decrease of other sector budgets. Political priorities and considerations started to play a role, then, as has been shown in the case of the Legal Sector for which the GoU did until recently not show much inclination to raise the sector budget.

Fourthly, with sector budget ceilings and non-additionality in place, increasing sector budget support by donors in one sector led to a reallocation of government funds to sectors where donors did not contribute. In Uganda this included sectors like Defence and Public Administration, not exactly in line with donors' rationales for aid to Uganda.

Besides direct sector budget support the Education sector was also supported through Dutch support to the multi-sector Poverty Action Fund (PAF). As explained in Chapter 2, PAF is part of the general budget (around 30 %) of the GoU, and was originally established by the GoU to channel HIPC funds to basic social service sectors, including education, health, infrastructure, and water and sanitation. As aid modality PAF is in between sector budget support and general budget support. Sectors within PAF are protected from budget cuts, ensuring that also in times of budgetary setbacks a substantial part of the general budget is spent on direct poverty reduction. Because of its 'poverty reduction' orientation and protected status, PAF has become increasingly popular with bilateral donors, including the Netherlands. In recent years, however, a disadvantage of the PAF showed up (see Idema 2002). The GoU makes agreements with the World Bank and IMF on the size and annual increase of the total government budget. As PAF takes around 30 % of the total budget, its protection against budget cuts means that budgetary setbacks (read: less revenues from non-donor sources) lead to substantial cuts in other parts of the budget, highly affecting 'non-PAF' sectors. One of the affected sectors has been, for instance, the legal sector in which the Netherlands is also active. It is only since the fiscal year 2004/2005 that parts of the legal sector programme are included in the PAF.

In 2002, the RNE decided to change its support to PAF into general budget support, and include part of the sector budget support to Education and J/LOS in this general budget support. The decision to change to general budget support was however only partly informed by the constraints met in financing SWAps through sector budget support and PAF. The international community in Uganda was overwhelmingly convinced at that time that general budget support was the right model, as Uganda consistently scored positively in their track records on the three main policy criteria for

structural macro support: sound good macro-economic policies, budget allocations which show commitment to poverty reduction, and good governance. (RNE 2002). The decision making process in the RNE cannot be seen independently from this general optimism prevailing within in the international community at that time. Moreover, the Ugandan government had always expressed its preference for general budget support, because it would enhance ownership of the budget, enable a more internally coherent budget to be formulated, and lead to less transaction costs. A shift towards general budget support would enhance the much preferred alignment and harmonisation. Also the argument of political leverage played a role in the decision. The unwritten rule in Uganda is that general budget support donors are 'legitimised' (i.e., are listened to by the authorities) to be involved in discussions on politically sensitive issues, like corruption, defence expenditures, the conflict in the North, and violation of human rights, whereas donors only providing project aid have a more limited scope of influence (RNE 2004). Although the Netherlands took a critical stand to the high fiduciary risk (see also below) and acknowledged the higher fungibility that comes with general budget support, it expressed its confidence in the macro-economic and budgetary policies of the GoU, and valued the possibility to participate in the dialogue on sensitive political issues (RNE 2002, Idema 2002).

Part of the general budget support was 'notionally earmarked'. The modality of 'notionally earmarked' general budget support was introduced in Uganda by DfID and copied by the Netherlands. With 'notional earmarking' the Netherlands expressed that part of the release of general budget support will depend on satisfactory progress in specified benchmarks in the notionally earmarked sectors, *in casu* Education and JLOS. If the outcomes of the sector reviews are negative on these benchmarks, part of the releases will be postponed or stopped. In the long run this practise is foreseen to replace the other modalities classified as Sector Programme Support, as it already does for JLOS and partly for Education. In 2002, the RNE had modestly embarked on the road to arrive at one structural, multi-year (notionally earmarked) general budget support of which part of the release is made dependent on outcomes (performance indicators) from sector reviews and another part on the outcomes of various general benchmark matrices, like the PRSC policy matrix (Idema 2002). According to the RNE, notionally earmarked general budget support makes sector budget support redundant then, because the differences between the two have become minimal (Idema 2002). In this respect the RNE raised questions on the headquarters in The Hague's mandate to decide on general budget support. Notionally earmarked general budget support would imply that the Ministry decides on an appraisal document (BEMO) that partly deals with the Legal and Education Sector; the RNE questions the desirability of this way of working (Idema 2002).

Conditionalities

The Dutch sector and general budget support is not provided without conditions. Stop-go decisions on the releases of general and sector budget support depend on the outcomes of various benchmark matrices and sector reviews. Firstly, for releases of general budget support, there should be satisfactory progress on the benchmarks in the PRSC policy matrix, as developed by the World Bank. This matrix includes benchmarks on poverty reduction, anti-corruption, the improvement of financial management systems, and the quality of the civil service apparatus. Also some sector-specific benchmarks are included and these are, among others, used for decisions on releases of sector budget support.

According to several bilateral donors (among which the Netherlands), the PRSC matrix does not contain sufficient benchmarks on good governance issues. Reportedly, the World Bank is not willing to adapt the PRSC matrix on this issue with the argument that the discussion on good governance issues is largely beyond the mandate of the World Bank. Political motives are also said to play a role. The World Bank does not want to come to conclusions on governance issues that would necessitate them to put their programmes on Uganda fully on hold. Several bilateral donors, among which the Netherlands, did not accept the World Bank's position and formed the Donor Democracy and Good Governance Group (DDGG). The DDGG has developed more concrete and precise benchmarks in the fields of democratization, human rights, anti-corruption and peace in Northern Uganda. Outcomes of reports on these issues are used for decisions on releases for general budget support, and have lately induced the Netherlands to change its previous positive attitude towards the provision of general budget support (see further below). Besides the general matrices, the Netherlands uses outcomes of annual and mid-term reviews of sectors to decide on releases for sector budget support. The reviews on J/LOS and Education are also used to decide on the releases of 'notionally earmarked' part of the general budget support.

Based on the outcomes of above matrices and reviews, the RNE increasingly assessed the conditions for the aid modality of general budget support less favourable than it did in 2002 (RNE 2003, 2004, 2005). For example, the GoU violates agreements with donors on the rise of its defence budget and of costs for Public Administration. In 2003, the GOU increased its defence budget during the budgetary year outside the agreements. The Netherlands, United Kingdom and Ireland decided to withhold releases of general budget support in response. In May 2004, the Public Expenditure Review rejected the budget proposal for 2004/2005, because of frontloading of Defence and Public Administration costs. Only after major changes the budget was finally approved. Also Uganda's track records on policy criteria for general budget support did not show much progress. Benchmarks on poverty reduction showed a downward trend, and in particular there were serious concerns about current trends in governance, like in the field of corruption, the implementation of the political roadmap towards multi-party democracy, human rights, and the lack of serious attempts to end the conflict in the North (RNE 2004). During a visit to Uganda in 2005, the Dutch Minister for Development Co-operation expressed her concern to President Museveni on some of these issues (BBC 2005).

The track records for 2004 and 2005 were signs for the Netherlands to start a serious discussion on a possible review of their development aid efforts in Uganda. In November 2005 it was decided to cut in the budget support by 27 percent (six million Euros) over concerns over political transition and the area of macroeconomic management (budgetary indiscipline) (see Kamerbrief 21 November 2005, ref. DEK/HI-061/05). The six million saved will be diverted to humanitarian assistance in northern Uganda. Yet, it is not clear to what extent this cut will also affect the support to the three sectors.

Fiduciary risk

The decisions to provide sector and general budget support in Uganda were made in a context of high fiduciary risk. The RNE was aware that Uganda was third on the list of corrupt countries of Transparency International and the degree of financial mismanagement was substantial. The RNE in Kampala accepted, however, the high fiduciary risk (see Annual Plans, Idema 2002, RNE 2005). The main argument was

that in Uganda the basic conditions for sound financial management were in place and therefore it was preferred to improve local systems by using them instead of starting to use them only after these systems have been improved (Idema 2002). The RNE acknowledged that this practise implies that part of Dutch development aid to Uganda was not well accounted for or might disappear through corruption (Idema 2002).

The Netherlands is involved in initiatives to improve the system 'from within'. One initiative is to address the GoU and line ministries continuously on accountability aspects on base of reviews and accountability reports, and urge Ugandan parties to pursue structural changes in the financial management system. A second initiative is to support programmes directed at the improvement of financial management and the reduction of corruption. This includes support to the Auditor-General, to reforms in the area of public procurement (Public Procurement Reform Programme), to the improvement of the Civil Service (Retrenchment in the Uganda Civil Service, particularly at district level), and to the improvement of financial management systems (EFMP – Economic and Financial Management Programme).

In 2004, a Country Integrated Fiduciary Assessment (CIFA) was carried out for the first time, which combines the findings and conclusions from reviews and assessments on public expenditure, procurement, financial accountability, and Local Governance financial management systems. This assessment observes that in the period 2000-2004, the GoU has made significant progress in strengthening and updating the legal framework and regulatory environment for Public Finance Management, thus reducing the risk associated with lack of clear rules and regulations. In addition, it acknowledged that the process of implementation of new rules and ways of working takes time and requires a combination of attitudinal changes, improved capacity, political willingness and widespread demand for greater accountability. However, progress in these areas was slow or absent. In figures this means that money being diverted either through corruption or financial mismanagement is still almost eight percent of the annual government budget. The amount of funds lost annually is roughly 100 million US Dollars, and a substantial part of this still disappears through public procurement. Consequently, the CIFA concludes that fiduciary risk remains high in Uganda (World Bank 2004). The RNE shares the CIFA conclusions and attributes a great deal of the lack of progress to the political will to pursue changes seriously (RNE 2004).

4.3 Conclusions

The findings in this chapter indicate that the intended reduction and concentration of Dutch aid and a shift towards Sector Programme Support has taken place in Uganda. The process of change went smoothly. The RNE in Kampala was relatively recently established, and there had always been a limited staff capacity setting constraints to the number of activities that could be handled. In general, therefore, the Netherlands supported a relatively low number of activities with a substantial budget each. Moreover, these pre-SWAp activities were already concentrated in clusters which could easily be defined and delineated as sectors after the introduction of SWAp. An exit strategy for activities outside the selected sectors was successfully implemented. A substantial shift in the portfolio of activities only took place in the Local Governance Sector, where the decision to support LGDP shifted the focus of the supported activities from production and income promotion towards the build up

of social infrastructure (education, health, water/sanitation). Support to the agricultural sector was continued through two programmes outside LGDP, but now less amounts were involved than in the pre-SWAP period.

The Netherlands has also been successful in shifting its aid modalities from Non-Sector Programme Support towards sector and general budget support, given that 85 percent of Dutch bilateral aid to Uganda is provided through the latter since the introduction of SWAp. The Netherlands realized this shift within three years. It should be kept in mind that the introduction of SWAp in Dutch development cooperation policy was not the only incentive to shift to general budget support. The Netherlands largely shared the assessment and perception by the other multilateral and bilateral donors of Uganda that the major conditions were present to allow for sector and general budget support. In the perception of the multilateral and bilateral donors Uganda had sound macro economic policies, a proper budgetary process, and, connected to that, a proper planning mechanism. In addition, Uganda was perceived to do well – at least for African standards - on governance issues. A major obstacle for the Netherlands was the high fiduciary risk, but the Netherlands concluded that basic systems and mechanisms were in place to deal with this risk; it was their performance that needed improvement. The high fiduciary risk was therefore accepted by the Netherlands.

The Netherlands can be credited for its decision to provide general budget support as part of the implementation of SWAp. Its objective was to overcome constraints in sector budget support, to achieve more alignment and ownership, to support and to align with the GoU's strive for a more coherent budget and improvement on budget allocations, and to be able to participate in the discussion with the GoU on problematic issues of governance, which all in turn could benefit the overall objective of sustainable poverty reduction. Though this evaluation is not meant to evaluate the efficiency and effectiveness of general budget support⁴, it can be concluded, in retrospect, that in the context of the implementation of SWAp the decision to provide general budget support seems not have generated the intended results. On the contrary, the decision had to be partly reviewed in 2005, because of increasing budgetary indiscipline and a worsening governance situation. Apparently, then, the participation in the dialogue on politically sensitive issues did not translate in increased political leverage on governance issues, and also the assessment that fiduciary risk could be reduced by participating within the system was probably too optimistic, as also the results of the latest CIFA study showed.

In the case of Uganda, it can be seriously questioned then, whether the Netherlands – and the international community in Uganda in general – have been too optimistic about the situation and developments in Uganda when they decided on a shift to general budget support? The current governance and macroeconomic management situation in Uganda is not a sudden, unexpected event, but is the result of a long term deterioration in the political economy of the country, as recently has also been shown in a number of reports and articles, including reports for the World Bank and DfID (see, for instance, Moncrieffe 2004, Barkan *et. al* 2004, Mwenda and Tangri 2005).

⁴ The efficiency and effectiveness of general budget support for achieving sustainable impacts on poverty reduction and growth are currently evaluated in the Joint Evaluation of General Budget Support 1994-2004, conducted in seven countries, including Uganda (see Lister *et al.* 2005 for a draft report on Uganda).

In this respect, it will be an interesting topic for further discussion whether the benchmarks in track records used by the World Bank or the Netherlands do allow for an adequate and realistic analysis and assessment of political economy conditions in a given country or whether the international community wanted to uphold Uganda's image as a star performer, or both. This evaluation may learn that, in retrospect, in a situation of deteriorating conditions in the political economy, a relatively quick shift to substantial general budget support may actually offer a recipient government opportunities and degrees of freedom to continue policies that could be harmful for development.

5 AID CO-ORDINATION

5.1 The landscape of aid co-ordination in Uganda

The framework for donor coordination and harmonization in Uganda has been designed around the Poverty Eradication Action Plan (PEAP) of 1997. Since then the GoU and the donors have increasingly co-ordinated to improve aid effectiveness. The document on Building Partnerships to Implement the PEAP of 2001 also outlines preferred aid modalities. The PEAP also formed the base for the 'Partnership Principles between Government of Uganda and Development Partners', a set of operationalized principles for common procedures for all donors, endorsed and signed by the GoU and the donor community in October 2003 (MoFPED 2003). The document sets out for Uganda the principles that have been endorsed by the 'Rome Declaration Harmonization at OECD/DAC'. Although the Development Partners endorsed and signed the Partnership Principles, they made the provision that "the degree and pace of implementation by individual development partners will vary depending on their legislative and operational constraints". In 2003 the GoU proposed a code of conduct, which goes further in outlining common disbursement modalities for all general budget support donors (Government of Uganda 2003), but this code of conduct was never signed.

In addition, donor coordination is facilitated by a Poverty Reduction Supply Credit (PRSC), which addresses public sector cross-cutting issues, identified in joint Government-NGO-donor sector reviews, conducted within sector working groups (see below). The PRSC-framework includes a matrix of actions, with benchmarks and outputs, developed through a consultative process. Several donors, and all those providing budget support, use the PRSC policy matrix as the framework for disbursements. PEAP implementation is largely monitored through sector reviews, the PEAP-review itself, LGDP-reviews, field visits, household surveys, etc., and to a minor extent through the Medium Term Expenditure Framework (MTEF) and the budgetary process. Donors therefore have shared compatible benchmarks around which donor support to the budget is mobilized.

Institutionally, Consultative Group (CG) meetings have been the most important formal mechanism for aid co-ordination between donors and the GoU. These meetings have taken place about every two years since 1986. Initially, CG meetings focused on the reform program and finance needs of Uganda, including pledges by donors. During the 1990s, the meetings showed increasing attention for other issues, including those on which donors and the GoU had different opinions. From donor side this included the size and increase of the defense budget, the insecurity in Northern Uganda, corruption, low rates of tax collection and capacity weaknesses at district level that threatened the success of the decentralization policy. Uganda expressed its preference for budget support, requested donors to undertake all analytical work, appraisal and review together and to set jointly performance indicators. In addition, it asked donors to develop uniform disbursement rules and integrate all support into SWAp's. Donors did not always honour these requests, and so did Uganda with those of donors.

The shift of the venue of CG meetings from Paris to Kampala, since 1998, did not only facilitate a broader participation of the GoU, but also allowed for the presence of representatives from civil society, academic institutions, and the private sector.

The most relevant issues concerning aid co-ordination discussed at CG meetings were those on partnership and the shift to non-project aid. The idea of partnership included delegation of authority by donors to their country offices, concentration on a few sectors, more non-project aid with simpler procedures, and more attention for country-ownership and the role of NGOs. Moreover, several individual donors expressed a willingness to provide programme aid and budget support. Progress has been made on both issues: for example about 50% of all grants and loans to Uganda in 2003/2004 were for budget support, compared with 20% in 1998/1999.

Apart from the CG meetings, donors also meet among themselves in the Coordination Group, in Kampala, under the chairmanship of the World Bank, and through this forum various (informal) sub-groups have been created, for example, on social services, agriculture, and decentralization. Government representatives are sometimes also invited to these meetings.

Furthermore, donors and the GoU meet quarterly in local co-ordination meetings, on general issues and on poverty alleviation (PAF), under the chairmanship of the Ministry of Finance, Planning and Economic Development (MoFPED), which has established a special unit for aid co-ordination, under the name of Aid Liaison Department. This department and an Inter-Ministerial Development Committee must clear all donor-funded projects and programmes.

Last but not least, donors and the GoU meet regularly in what used to be called sector and thematic working groups. Sector Working Groups bring together donors and government representatives along lines of SWAp's, sectors and crosscutting issues. To make sure that donors agree to abide by sector-wide programmes, the GoU insists on formalizing donors' support to sectors in Memoranda of Understandings, but these have only been developed and signed in a few sectors. Besides bringing together donors that support the same SWAp, sector working groups are meant, among others, to jointly develop performance indicators, jointly perform bi-annual and mid-term reviews, to make sure that supported activities are consistent with government objectives, and jointly formulate future activities. In 2001, there were sector working groups on education, health, water, roads and agriculture. Thematic groups are alike sector working groups, though not organized around SWAps. In 2001, there were thematic groups on law and order, gender, labour, public service reform, disaster management, corruption and poverty; and more general platforms for dialogue on policy and budgetary issues.

In total, in 2001, there were 18 sector and thematic working groups, with quite some overlap and duplication, and as yet little effort to integrate all these co-ordination groups (MoFPED 2001). Also, since the introduction of the PRSC-instrument and the tendency among bilateral donors to shift from the project aid modality towards budget support, the needs emerged to develop a less fragmented and more comprehensive framework of donor coordination to cover on the one hand cross sector programmes in the field of public service reform, procurement, etc., and on the other hand good governance issues in the field of human rights, democratization, and corruption. In 2003, the institutional framework for aid co-ordination was therefore revised.

Below the level of the CG there are now three pillars, with at the top high level Head of Mission/Agency groups with a clear mandate. The first pillar refers to macro-economic and social-economic issues. At the top of this pillar is the Head of Agency Group, chaired by the World Bank. The group convenes monthly, and coordinates

donor development policy and strategies. Members of the group are the Heads of Mission and Heads of Development Agencies. The group oversees more than 10 Macro and Sector Groups, which include the former Sector Working Groups and groups organized around cross-cutting themes (procurement, decentralization, public sector reform, and so on). The second pillar is headed by the Donor Democracy and Governance Group (D2G2), and brings together Heads of Mission and representatives of Development Agencies of bilateral donors. As explained earlier, D2G2 was formed by bilateral donors to develop a 'Governance Matrix' that includes benchmarks on governance issues which are not included or less strictly formulated in the (mainly World Bank driven) PRSC matrix. The third pillar covers specific problems for Northern Uganda and is headed by the Northern Uganda Donor Group, which discusses conflict-related issues in Northern Uganda and facilitates dialogue with the GoU. Annex 2 gives a detailed overview of all donor groups currently existent in Uganda.

5.2 Aid coordination at sector level

The Netherlands supports the Education, Local Governance and Justice, Law and Order Sector. For the purpose of the evaluation we single out these three sectors from the general overview and briefly describe (developments in) aid coordination.

Education

The key document and instrument for aid coordination in education is the strategy and investment plan for the sector (ESIP, and its successor, ESSP). The main engine room for the ESIP is the Education Sector Consultative Committee (ESCC) of the Ministry of Education and Sports (MoES), formed in 1999 and headed by the Permanent Secretary of the ministry. The ESCC provides the technical and strategic management of the education sector, and is the primary vehicle for coordinating government officials, civil society stakeholders, and donors. The Consultative Committee meets every two months. Under the Committee operate a series of Working Groups, both at sector and sub-sector level, that meet 12 times a year.

The donor agencies that support the education sector are organized in the Education Funding Agencies Group (EFAG). EFAG has meetings on a monthly basis, in which progress in education is reviewed, activities are coordinated, and a common position on critical issues (with the ministry making the final decisions) are discussed and agreed upon. The main outputs of the EFAG meetings are a list of key issues for inclusion in the agenda of the next meeting of the Consultative Committee, and their positions on these issues. Alignment and harmonization has been on the agenda of the donor group from the beginning and have been defined in the ministry. As a minimum is accepted that all donor support to the education sector should be incorporated in the budget.

The common aim of ESCC and EFAG is to manage a coordinated approach to budget support, project support and Technical Assistance. The 2002 draft Memorandum of Understanding (MoU) defines the management and institutional processes to guide the partnership. At the heart of this Memorandum is that the GoU requests EFAG to provide support and technical assistance through the Government Budget System, and that these funds are exclusively for agreed sector priorities. Together, the partners (ESCC, EFAG and other educational stakeholders invited by the ministry) conduct bi-annual Education Sector Reviews (ESR), in which all aspects

of ESIP and external support targets are monitored. These sector reviews offer an opportunity for multi-stakeholder discussion about policy, priorities, and the planning of future activities. To meet with accountability requirements of those external support agencies that provide budget support, a set of future activities is negotiated during each review, to be examined and updated in a next one. The progress on these activities provides the trigger for the releases of external funding.

Justice, Law and Order

In the Justice, Law and Order (J/LOS) or legal sector, the main guide is the Strategic Investment Plan (SIP), which covers ten rather diverse institutions in the field of administration of justice. The Ministry of Justice and Constitutional Affairs (MoJCA) is the lead institution in the sector. Several mechanisms have been established to manage and co-ordinate the institutions at work in the sector: a Steering Committee, a Technical Committee, the Ministry's Policy and Planning Unit, and a Sector Secretariat in the Ministry of Justice. While the envisaged and actual role of these management and co-ordination mechanisms differ considerably (NCG 2004), it is the Secretariat that is responsible for taking the lead in ensuring donor co-ordination and liaising closely with the donors.

Main donors in the sector are Austria, Denmark, EU, Germany, Ireland, the Netherlands, Norway, Sweden, UNDP/UNCDF, USA and the World Bank. They are organized under a Donor Sub-Group, with a yearly rotating chair. The sector donor group has linkages with the Donor Democracy and Governance Group (D2G2). The relationship between donors and the sector is based on the Partnership Principles initially developed within the sector (2001) and later subsumed within the general GoU-Donor Partnership Principles (2003). The Donor Sub-Group serves as a co-ordination mechanism through which donors keep pace with developments.

Regular meetings in several mechanisms involving various players provide the framework for coordination. In monthly meetings of the Donor Sub-Group developments in the sector as a whole and in specific institutions are discussed. A representative from the Secretariat usually attends. At Donor Liaison Group meetings, donors together with the Steering Committee identify and prepare issues to be raised at the six-monthly Joint GoU-donor reviews. The Secretariat and the donor group prepare the agenda and the *Aide Memoire* on the joint reviews. Donor agencies with relevant technical advisors are represented at the Technical Committee meetings. In a recent development, to strengthen coordination and monitoring, each of the supported institutions has been allocated a donor representative who should visit and track progress and challenges of implementation.

Types of support vary per donor; some stick to project support to selected institutions in the sector (Danida, USAID, World Bank, and EU), others move towards or are involved in (sector) budget support (Ireland, Netherlands, Norway, Sweden, Germany). A rough estimate of commitments for the period 2003-2006 is that around 75% of the support is currently provided as budget support (NCG 2004). Beyond financial support, donors make joint monitoring visits and joint GoU-donor inspection teams have at times visited police stations and prisons. Apart from the functional dialogue, the donor group engages in discussion with the GoU, particularly MoFPED, to raise concerns on financial matters. These include the negative impact of slow disbursements and budget cuts on for the sector. These discussions have yielded some results: from the fiscal year 2004/05 on the majority of the development funds will receive PAF protection.

Local Governance

In contrast with the Education and Legal sectors, there has been no SWAp in Uganda on Local Governance that could provide a framework for aid coordination in the sector. From the very beginning in the mid-1980s donors were willing to support the decentralisation process. Danida was a pioneer by supporting Rakai District as a pilot project. In the early 1990s, several other donors started to channel aid to particular districts to support development. While these individual projects were at one level broadly similar, namely physical infrastructure elements, social infrastructure and institutional capacity building for the districts combined with technical assistance, there remained no central learning and/or coordination. This was to result in a process where each donor had own modalities, procedures and conditions, and each district was using different reporting systems.

This situation changed when the GoU passed the Local Government Act of 1997, and the UncDF approach – which was an attempt to implement the new law – became the model for a subsequent World Bank project LGDP (Local Government Development Plan). LGDP started in 1999 and was to cover 31 districts (of Uganda's then 43 districts). LGDP offered the opportunity for a more harmonised donor approach. Meanwhile and simultaneously a (informal) Donor sub-group on Decentralisation became a forum for discussing decentralisation, in particular financial management and public service reform, and lessons learnt from different forms of donor support. It was, however, not meant to coordinate sector matters.

The policy context changed once again in 1999 with the emergence of large financial transfers from central government to the districts for poverty alleviation funding from the Poverty Alleviation Fund (PAF). However, PAF with its complex rules and regulations created excessive workloads at district level and, in this way undermined the decentralisation process to a considerable extent (Amis 2002). In 2002 Districts in Uganda received 27 earmarked grants and had an overload of reporting to their respective line ministries to get access to the relevant funds. As of July 2002, the GoU launched a new Fiscal Decentralisation strategy, in order to reduce and rationalise the number of grants to the districts. Meanwhile LGDP 2 was in the pipeline, which provided for multi-donor budget support to the Local Government Sector and had a provision to wind up all separate district projects. Both the Fiscal Decentralisation plan and LGDP 2 enhance the opportunities for better aid coordination in the sector.

The first meeting of the (informal) sub-group on decentralisation in November 1998 was followed by more or less monthly meetings since then. Although all donors were welcome to attend, only those with a keen interest in programmes and projects with LGs participated: World Bank, DfID, Ireland Aid, Danida, the Netherlands, Austria, Belgium, EU, USAID, and several UN agencies. Later also a few NGOs, like Concern, SNV and Save the Children started to attend meetings. Initially, one of the donors chaired the meetings, but as from June 2000 joint meetings started with the Ministry of Local Government in the chair, and UNDP as the secretariat. However, donors maintained their internal meetings as preparations for the country-led ones in the so-called Donor Decentralisation Sub Group (DDSG). The DDSG has three main types of activity: sharing information and creating coherence among donors on their assistance to LGs, discussing general matters on decentralisation and local governance, and preparing joint statements for CG meetings.

5.3 The role of the Netherlands

The Netherlands is active at different levels within the aid coordination framework presented in the previous sections. At the highest, national level Netherlands has signed the Partnership Principles and agreed with the Guidelines for General Budget Support as outlined by the GoU. By signing these agreements, the Netherlands confirms that the principles outlined in these two agreements form the reference points for the Netherlands regarding coordination and harmonization efforts in Uganda. With regard to the role of donors the principles broadly cover four areas: alignment with development objectives of the GoU, alignment with preferred aid modalities, participation in sector groups and joint review missions, and harmonization with Government mechanisms and procedures.

Alignment with development objectives GoU

A first set of principles refers to the development objectives of aid: these should be in accordance with the priorities set out in the Poverty Eradication Action Plan (PEAP). The Netherlands provides aid for the Education, Legal and Local Governance sectors. The Education sector is a priority in PEAP (and PAF). Developing the Legal and Local Governance sectors is closely related to objectives in the PEAP, but has not been indicated as priority sectors in the PEAP (see also discussion in Chapter 3 of this document). Dialogue on the (priorities of) development objectives and aid between the Netherlands and the GoU takes place in the CG meetings, in which the Netherlands has been active in formulating and presenting (joint) statements. Dialogue between the Netherlands and the GoU on sector related development objectives in relation to PEAP take place in the sector groups in which the Netherlands participates. In these sector groups the strategic investment plans and the reviews to establish the degree of progress form the basis for the dialogue between all relevant stakeholders: GoU officials, bilateral donors, multilateral donors and NGOs (see below on sector coordination for further details).

Alignment with preferred aid modalities

A second set of principles deals with the preferred aid modalities by the GoU. These are in descending order of preference: general budget support, budget support earmarked to the PAF, sector budget support, and project aid. As has been shown in the previous chapter about 85 percent of Dutch aid is provided through general budget support. Because of this provision of general budget support the Netherlands is actively involved in the joint PRSC reviews. It participates in the reviews, (pre)appraisal missions, the steering committee, and related donor meetings. Together with DfID, the Netherlands also takes part in the discussions on good governance and under its chairmanship the 'Good Governance Matrix' has been developed. Currently, as made explicit in the recent agreement on budget support to Uganda, the Netherlands, releases its funds on the basis of satisfactory progress in both the PRSC and the governance matrix. Other bilateral donors providing general budget support act accordingly. However, whereas the matrix and the measurement of progress against the benchmarks in the matrix are a multi-donor exercise, the final judgement and, consequently, the decision whether or not to release budget support, is made by the individual donors. But only in exceptional cases donors have different responses as for example, when the UK, Ireland and the Netherlands decided to withhold a second release of general budget support in 2002/2003 after disapproval by donors of a unilateral increase by the GoU of its Defence budget, other bilateral donors did not follow this initiative despite the general disapproval of this increase. Also in 2005, not all donors providing budget support decided to cut in their support.

Participation in (sector) donor groups and joint review missions

The Netherlands participates in the institutional framework for aid coordination in Uganda. In the pillar on macro issues, the Netherlands is member of the donor coordination groups EFAG (Education) and the J/LOS (Justice Law and Order) Donor Group. Besides these two sector groups, organized around a SWAp, the Netherlands is also a member of four (out of seven) cross-cutting groups that resort under this macro pillar: Public Expenditure Review, Gender, Procurement, and Decentralisation. Under the governance pillar, the Netherlands participates in four technical sub-groups: Human Rights, Anti-Corruption, Democratic Processes, and NEPAD. And finally, it is also part of the Northern Uganda pillar

In the *education sector* RNE in Kampala has an Advisor Education who represents the Netherlands in EFAG. EFAG has a rotating chair. The Netherlands chaired the group in 2003 and facilitated the donor coordination function including two joint semi-annual sector reviews. Through the programme support fund for the sector, the Netherlands provided technical assistance to guide the review proceedings. In principle, there is no (bilateral) communication between the Netherlands and the Ugandan authorities; all communication goes through the EFAG. However, a Memorandum of Understanding between donors and the GoU for Education Sector Support has never been signed and all contracts are still signed on a bilateral base. In general, technical assistance provided by the Netherlands is pooled within EFAG and funded and managed through a consolidated fund. The Netherlands has signed a Memorandum of Understanding with DfID on a silent partnership, in which the Netherlands is the active partner. Finally, the Netherlands participates in the joint review missions organised under EFAG .

In the *legal sector* the Netherlands participates through its Advisor Justice. The Netherlands chaired the donor group throughout the period 2000-2003. Under its chairmanship the SWAp has been developed, monthly donor meetings have been organized, a Memorandum of Understanding among donors in the sector has been initiated and signed, reviews have been jointly prepared, findings of reviews and studies have been discussed, joint lobby efforts for increases in the budget have been carried out, and working relations have been established with the (ten) Ugandan institutions involved in the implementation of the SWAp. Donors in the sector take joint decisions on aid releases, based on the outcomes of the annual reviews in the sector, but a joint financing arrangement has not been signed. The latter has, however, never formed part of the intentions of the donor group (Ministerie van Buitenlandse Zaken 2004). In this sector the Netherlands has signed MoUs on silent partnerships with DfID and SIDA, in which the Netherlands represents DfID during meetings and negotiations. DfID also leave monitoring of the SWAp process to the Netherlands and endorse the assessment of the RNE about upcoming issues. Financial matters and decisions are excluded from the arrangement.

Also in *Local Governance*, the Netherlands has been an active donor. In the area of decentralisation, LGDP is the leading programme, and receives the lion share of Dutch support to Local Governance. The Netherlands was one of the first donors to mainstream its funding through LGDP, and it has coordinated its activities with the other bilateral donors of the programme (Ireland, Denmark and Austria). A common policy framework is accepted, there is one joint financing arrangement with the Ugandan authorities, joint reviews are being held, and there is a common decision on the release of funds based on the outcomes of the reviews. Within LGDP context, the Netherlands has actively participated in the formulation of LGDP 2, which started in

October 2003. Through this, the Netherlands has contributed to further development of sector mechanisms and strategies necessary for budget support. The Netherlands was also one of the first donors to de-link financial support from technical assistance (see Beus and Kwagala 2003). Increasingly, the Netherlands has outsourced its technical assistance to nine districts in the North. As yet, there is little coordination of TA among donors funding LGDP. Coordination between the Netherlands and donors funding district programmes outside LGDP include information sharing, discussion about general matters on decentralisation and local governance, and the preparation of joint statements for CG meetings.

The Netherlands also plays an active role in donor groups on *good governance*. Since much of the corruption in Uganda is rooted in procurement procedures, the RNE strongly advocated the installation of a Procurement Working Group, consisting of donor and government representatives, to periodically monitor progress in procurement reform. The Working Group was set up in 2001, and the RNE actively participates in it. As a donor the Netherlands is also supplying the largest amount of financial support for procurement reform.

In 2002 a donor group on anti-corruption was established on the initiative of the Netherlands. The group participated in a World Bank mission to define anti-corruption benchmarks and prior actions with regard to procurement. Until recently, donors took a common position towards corruption, but the Netherlands is more keen on fighting corruption than most other donors, and increasingly differs of opinion with the 'moderate' position of the other donors (Ministerie van Buitenlandse Zaken 2004).

Furthermore, the RNE participates as a member in the donor group on Human Rights, which coordinates support by donors to local human rights organizations and presents joint semi-annual reports on the human rights situation in Uganda. In its capacity as chair of the J/LOS donor group, the Netherlands could operate within the Human Rights donor group as a liaison between local human rights organizations and legal institutions. Finally, the RNE's gender advisor currently chairs the Working Group on Gender.

Alignment and harmonization with Government systems and procedures

A fourth set of principles deals with harmonization of procedures among donors themselves and with the alignment and harmonization of donors' procedures with Government systems. In Uganda there is no distinct forum for discussions on these subjects, nor is there a harmonization plan in which procedures and systems are agreed upon. The discussion on harmonization takes place within sector working groups and donor groups. In the education and legal sectors the respective SWAps form the benchmarks for increased alignment and harmonization. In the Local Governance sector the donors that fund LGDP have a common position on procedures and conditions.

Point of departure in all these plans is that programme development and planning, budgeting, conditions, tendering, reporting and auditing takes place within the administrative frameworks of the Ugandan authorities. In Uganda, the Netherlands has explicitly chosen to follow and respect these guidelines and use Ugandan systems and procedures (see Idema 2002). This has shown to be relatively easy because the Dutch guidelines generally fit well in the guidelines provided by the GoU. They also correspond with those of other donors, except for three issues. Firstly, the Netherlands insists more than other donors on the inclusion of anti-corruption clauses

in contracts and agreements. Secondly, in case of dispute or disagreement, the Netherlands prefers a legal settlement above more informal ways of reconciliation, although since recently, it does not exclude reconciliation beforehand. And thirdly, the Netherlands is generally keen on preventing that agreements with other donors or the GoU can be interpreted as treaties

5.4 Assessment and conclusions

In general, findings in this chapter show that the Netherlands is an active player in aid coordination in Uganda. The Netherlands has accepted the Partnership Principles as guidelines for its aid coordination efforts, and has shown to be a forerunner in the various donor groups with regard to aid coordination. Given the various states of progress in the area of aid coordination within donor groups, and since the introduction of SWAp in Dutch development cooperation policy, Dutch aid co-ordination efforts have shown a trend from information sharing towards operational co-ordination in all three sectors. Interviews with Ugandan authorities and other donors suggest that the various stakeholders appreciate the active role of the Netherlands in aid coordination. In particular the Dutch role in the legal sector is appreciated, which has much to do with the capabilities of the RNE' advisor justice. According to informers, the combination of thorough knowledge of the field and an informal way of operating has benefited and promoted aid coordination in this sector.

Several factors have contributed to the active role of the Netherlands in the field of aid coordination in Uganda. These factors are partly related to changes in Dutch policy and management regulations and the position of the Netherlands as a donor in Uganda, and partly to the Ugandan context.

With regard to changes in Dutch policy and management regulations the conclusions of the IOB evaluation on co-ordination in the local governance sector can be generalized (IOB 2003: 60-61). The shift in Dutch development co-operation policy from a project approach to the sector-wide approach allowed for the selection of Education, Judiciary and Local Governance as sectors, which corresponds with Ugandan priorities. The delegation of authority for planning and implementation of programmes to the embassy facilitated the adjustment of aid programmes to local conditions. The changes in national policy in Uganda, in which SWAps and related aid co-ordination have a high priority could now be more easily and more rapidly translated in transformation of Dutch programmes and funding modalities. In addition, the Dutch role in various aid co-ordination arrangements is enhanced through being represented by RNE staff members that have sector-specific knowledge and expertise. The role of the Netherlands in aid co-ordination in Uganda has also been strengthened by providing general budget support. In the eyes of the Ugandan authorities this makes the Netherlands a serious counterpart, whose opinions matter. In addition, the lack of historical ties with Uganda makes the Netherlands in the eyes of Ugandan authorities a relatively objective partner with no hidden agendas, and therefore a trustworthy 'broker' among donors and between the donor community and Ugandan authorities.

On the other hand the Ugandan context does allow donors, including the Netherlands, relatively easy to become an active participant in aid coordination. The first, and most important contextual factor is the more pronounced role of the GoU as a partner in development since the 1990s. The GoU, in particular the Ministry of Finance,

Planning and Economic Development, has established a robust institutional framework for development policy and managing donor interventions and has developed this framework in consultation with donors in a long-term dialogue which started already in 1986 when the current government came to power. In this context a related but important issue is the impression that at the moment the GoU and its officials see that there are more advantages in 'coordinating' the donor contributions than seeking advantage in the diversity of donor contributions (or "playing them off against each other") (Amis 2002).

Secondly, multilateral and bilateral donors of Uganda can hardly ignore the institutional framework for aid coordination that they helped to set up themselves. This evoked a 'self-enforcing arrangement' through which donors feel obliged to participate in aid coordination, at national, sector or cross-cutting levels. Participation in the existing institutional framework for aid coordination is therefore the minimal effort expected from donors, and a condition *sine qua non* to be taken seriously as a donor in Uganda.

Thirdly, there seems to be a high degree of consensus among the donors about their approach to and support from the GoU. The majority of bilateral donors could be considered 'like-minded', by and large the main bilateral donors are North European countries from the EU, with broadly speaking similar development objectives.

While all these factors certainly promote aid coordination in Uganda and the role of the Netherlands in this, all that glitters is not gold. Several constraints in the aid coordination framework exist at the donors' and the Ugandan side, which influence the Dutch role in this area. Firstly, aid co-ordination practices in Uganda are still far from rhetoric. While the Netherlands' role may be described as being one of the forerunners and exploring the opportunities at hand for aid co-ordination, several other donors are much more reluctant to fully participate. The different positions donors take have much to do with different political agendas and priorities on the one hand and different perceptions on and trust in the quality of the Ugandan institutional framework and capacities on the other. This may lead, as for example in the Sub-Group on Decentralization, to group formation of donors with different intensities of co-ordination (see IOB 2003). It may also lead to donors setting up parallel structures and financing projects off-budget, notwithstanding signed commitments to do otherwise. This applies, for example to the education sector (EFAG 2002). Also in the legal sector donors just commencing support introduce projects 'outside the loop' (J/LOS Mid-term review). And parallel structures also still exist within the Local Governance Sector. As concluded in the IOB evaluation on Local Governance: "the prevalence of bilateral programmes outside LGDP and the separate modality for technical assistance maintained by all donors makes clear that there is still an urgent need for further streamlining and harmonising assistance to the local governance sector" (IOB 2003:65).

Secondly, recent experiences suggest that discipline among donors can also be too strict, not allowing for alternative views or positions. Donor group discipline in Education, for example, prevents sometimes the discussion of sensitive topics. At several occasions the Netherlands has "rocked the boat" within the donor group, in particular on issues of corruption in the sector. The World Bank in particular is reluctant to discuss these issues. This experience may be generalized for other sectors. Although the Netherlands is an active and relatively critical player in the international donor community in Uganda, the World Bank and DfID are still the major

steering forces in the Ugandan development debate to which other donors have to relate.

A third major constraint is weaknesses in communication and aid coordination between line ministries and some donor groups; leverage from increased donor coordination is therewith partly reduced. In other cases line ministries are still too weak in terms of institutional capacity and cannot live up against the demands that are asked from them due to increased aid co-ordination. In mid-term reviews and evaluations on all three sectors supported by the Netherlands this point is frequently mentioned. In practise this means that except for the national level, at which donors deal with the strong MoFPED, aid co-ordination at sector and cross-cutting level is still largely donor-initiated and driven.

A fourth issue of concern is that alignment and harmonization among donors themselves and between donors and central government institutions, may work relatively well, but is apparently lacking among ministries and between ministries and lower echelons of administration (district, counties, sub-counties). A successful decentralisation depends, among others, on whether line ministries include local governance issues in their SWApS and channel funds through local government. But there seems to be a fundamental distrust in line ministries towards local government. Its implementation and financial capabilities are considered relatively weak, and line ministries prefer to set up own Technical Support Units to facilitate quick results. Moreover, decentralisation would imply delegation of control of funds from line ministries to local governments. In Uganda, control of funds still means access to 'fringe benefits', as for instance the high level of corruption and the lack of transparency in procurement indicate. In such context, delegation of control would mean self-denial of access to benefits related to the control of funds.

A fifth issue of concern is the participation of stakeholders in aid co-ordination. Aid co-ordination is very much a matter of multilateral and bilateral donors on the one hand and governmental institutions on the other hand. The Joint Evaluation on Basic Education concludes, for instance, that non-governmental agencies – which are important players in the education sector - feel marginalized in the aid co-ordination process. Efforts are made to reduce this problem, for example, by NGOs being invited to participate in the sector reviews. Similar sounds can be heard in the Legal and Local Governance circuits, although in the Decentralisation Group the Netherlands insisted successfully that NGOs should be member of the group and meetings were organised in the districts where regional and local NGOs met and discussed with district governors. Also the participation of civil society organisations other than NGOs and private enterprises is still at a low level in Uganda. The RNE in Kampala does to some extent deal with this shortcoming by consulting these stakeholders bilaterally, but still their lack of participation largely excludes them from SWAp processes, which were and still are meant to be society wide.

And sixthly, the immense bureaucratic apparatus (as for instance described in section 5.2) that has been created through efforts to improve aid- co-ordination may at the end prove to work against the objective for which it was designed: more effective aid provision in order to improve conditions for poverty reduction. The seemingly endless groups, subgroups, cross-cutting groups and meetings put heavy burdens on (scarcely) available staff and time. Amis (2000:12) concludes, based on a survey among selected GoU officials, that donor procedures create additional work and "burdens" for host recipient officials. This burdens include excessive use of host

officials time, duplication of systems (both donor and partner and between donors), new reporting arrangements, disbursement delays and unpredictable flows, lack of flexibility among donors, and lack of information. The study only includes a small sample and the complaints about extra burdens should be related to Uganda's low capacity in terms of skills, resources (human and other) and technology. Further evidence will be needed, but anecdotal evidence indicates that the bureaucracy that is the result of improved aid co-ordination may off-set the advantages of improved aid co-ordination.

In sum, the major conclusion of this chapter is that while the role of the Netherlands in aid co-ordination in Uganda is in a well-advanced stage, and the Netherlands actively promotes aid co-ordination within donor groups, some important constraints reduce the effectiveness of Dutch efforts in aid co-ordination. Part of these constraints is shaped by other donors within donor co-ordination groups, by either acting 'outside the loop' where co-ordination would be more beneficial or by insisting on group discipline where room for alternative opinions and views might have led to better decisions on aid allocations and releases. Another part of the constraints is formed by Ugandan actors involved in aid co-ordination. Weak communication between line ministries and donor co-ordination groups, insufficient institutional capacity to deal with the demands that are asked from increased co-ordination, lack of alignment, harmonization and delegation of powers among central government institutions and between central and local governments, and other Ugandan stakeholders besides the government being not or underrepresented in aid co-ordination hamper further progress in aid co-ordination in Uganda, including aid co-ordination promoting efforts by the Netherlands.

6 REALIZATION OF INTENDED CHANGES IN UGANDA'S AID MANAGEMENT

The introduction of SWAp in Dutch development cooperation policy in Uganda was intended to lead to improvement of aid management by the recipient government. This should be achieved through the promotion of ownership, the strengthening of the government's implementation capability, and an increase in aid efficiency. In this section will be assessed whether and to what extent the intended outcomes have been realized in Uganda. Available data did not allow for an adequate assessment of aid efficiency; the assessment in this chapter therefore concentrates on the promotion of ownership and the strengthening of implementation capacity. Therewith the latter is generally considered one of the conditions to realize the former.

Ownership is defined here as the effective exercise of partners' authority over their development programmes including when they rely, entirely or partially, on external resources to implement them (OECD 2005). For partners this means establishing a clear development policy and strategy, an operational budget and a medium-term expenditure programme, an adequate monitoring system, and a government led process for co-ordinating aid and harmonised and aligned systems at the country and sector levels. For donors this means aligning their programmes on partners' policies and management systems rather than create parallel systems. It also means that donors should provide an appropriate level of support to help partners build their own capacity to implement their development policies.

6.1 Ownership in the Ugandan context

In Uganda there are several contextual factors that should be taken into account when assessing the achievement of the ownership objectives of the sector-wide approach.

Firstly, the GoU has left its initially critical position towards donors and have become increasingly active in establishing and maintaining good contacts with multilateral and bilateral donors. When the current government came to power in 1986 it was hostile to the donors' agenda of economic liberalization and, for example, quickly re-imposed price and foreign exchange controls. According to Adams and Gunning (2002) it was the evident failure of this control regime in the following years, which first led to a change of policy toward reform and seeking approach to multilateral and bilateral donors. According to Mwenda (2003) this was not only induced by the failure of economic policies, but also by political motives. With domestic political support for his government in decline, President Museveni sought to revitalize and consolidate his political power by establishing good relations with multilateral and bilateral donors, which could help him to finance government policies and become less dependent on domestic political forces.

Secondly, donors have been dealing with the same government for almost twenty years, which has been favourable for the stability and continuity in aid relations and made it easier to enter into long-standing relationships. At a technical level, this long-standing relationship has made the collaboration between donors and government institutions very close. Uganda has been open to experimentation, with international encouragement and assistance, for example, by various policy reduction plans and becoming the first beneficiary of debt relief, and progressing towards budget support,

SWAPs and donor coordination around sector groups. The long-standing relationship has also brought in personal aspects. Some individual donor staff has been particularly involved at key moments, persuading counterparts of the benefits of certain options (Piron and Norton 2004). They have been able to develop sophisticated relationships with President Museveni, ministries and other government institutions, and civil society organisations.

Thirdly, Uganda's reliance on external aid (more than 50 percent of the budget is financed through external aid) raises serious discussions on whether true ownership can really be achieved in Uganda. Donors are able to influence decision in key areas such as socio-economic policies and governance issues. With the recent decision, for instance, to cut in general budget support because the lack of progress with the process of political transition and budgetary indiscipline it is difficult to assess whether this measure is the result of true ownership – the achievement of jointly agreed benchmarks- or the result of the donors' own political agendas.

In sum, the almost twenty years of interaction and discussion between the donor community and the Ugandan government has led to a very complex – almost symbiotic relationship (Amis 2002), which highly complicates the assessment of whether ownership has been promoted or not by the sector wide approach.

6.2 Ugandan efforts to promote ownership

Ownership as reflected in long-term national development strategy (PEAP)

A crucial condition for ownership is the existence of a long-term national development plan to guide the activities of both donors and governments. In Uganda, the PEAP sets out the long-term development strategy. Work on the Poverty Eradication Action Plan (PEAP) started in 1995. In March 2000, the revised strategy was presented to and endorsed by the international financial institutions (IMF and World Bank) as a Poverty Reduction Strategy Paper, which made Uganda qualify for debt relief.

In 2002, a new revision cycle started for three key reasons: new global and domestic developments (Millennium Development Goals, Decentralisation), need for the the GoU and other stakeholders to review progress in the attainment of the strategy's objectives and targets, and a need to give the GoU an opportunity to address emerging issues and challenges in the pursuit of poverty eradication (Ssewakiryanga 2005). To ensure that the Ministry of Finance, Planning and Economic Development was on top of the revision process a special Secretariat was established within the ministry. Central government consultations were held through Budget Sector Working Groups, in which also donors participated, with local government, the private sector, and civil society. Moreover, a Participatory Poverty Assessment was held in 21 out of 56 districts to provide the qualitative analysis of poverty in Uganda (Ssewakiryanga 2005). The result of the revision process was an updated Poverty Eradication Action Plan (PEAP 2004), which was presented by the GoU at the end of 2003.

Through this development strategy the government has been able to further develop its leadership of development policy, resource allocation and external assistance. The strategy has shaped public resource allocation decisions through the Medium Term Expenditure Framework (MTEF), an annual budget allocation exercise with a three-year horizon, for which the responsibility lies with the Ministry of Finance. Donors are expected to support activities identified in the strategy, and designed and

implemented by the GoU, and to harmonize their decisions and procedures on financial commitments and releases with the Ugandan budget cycle. In principle, the GoU decides then on the allocation of its budget to the different sectors. The medium-term planning has provided the foundation for strategic investment plans per sector, based in SWAPs.

Question remains whether the PEAP is a truly Uganda-owned strategy? The influence of bilateral and multilateral donors is evident both in inputs into the strategy and the process of creating it. The IMF and World Bank have designed the PRSP guidelines, and bilateral donors have lobbied to include themes such as gender, corruption and good governance in the development strategy. And because of the sheer volume of its funding the international donor community retain immense influence over the shaping of national policy (Kasumba and Land 2003).

On the other hand, the PEAP has been subject of wide consultation, involving a broad range of different Ugandan stakeholders, and may therefore in many aspects reflect government intentions. It is generally acknowledged, however, also by donors (see RNE 2004), that at the Ugandan side it is in fact the Ministry of Finance that dominates and controls the PEAP process. Donors have highly invested in Technical Assistance to this ministry. DfID is a major source of individuals including a substantial number of ODI fellows (Amis 2002).

The central role of the Ministry of Finance also raises questions on the role of local governments and non-state actors in the process. PEAP can be considered as a strongly decentralization-oriented national policy framework with inherent tensions. On the one hand it supports a national poverty eradication programme that is implemented through donor-financed sector programmes and budget support. On the other hand there are various arrangements that in principle allow for bottom-up participation in planning. For example, the national Harmonised Participatory Planning Guide includes all levels of government. Also within LDGP bottom-up planning was part of the programme; within LDGP the districts had various degrees of freedom to bring forward their own priorities. Also the Fiscal Decentralization Strategy (FDS) gives districts (limited) freedom to make their policy choices. These arrangements facilitate a process of decentralisation, which progressively devolves power to the local government level (Kasumba and Land 2003). However, despite the many opportunities local governments in theory have in priority setting and policy making, evidence suggest that in practise the bottom-up approach did hardly work. This is mainly because the PAF, through which local governments receive the largest part of their funding (ten times the amounts received from LGDP) does not allow for bottom-up planning and choices of freedom. Therewith the development planning process in Uganda is in practise strongly top-down; local governments plans and budgets are a response to national sector frameworks – including the PEAP – instead of being the result of a proactive priority-making process driven by local governments.

The sector-wide approach, which has helped to translate broad PEAP objectives into co-ordinated and funded sector-specific implementation plans and in this way contributed to asserting the legitimate role of national institutions in setting policies and determining sector strategies. They also have strengthened the management capacities of central government departments. There is a danger that sector programmes simply present districts with *fait accompli*, precluding the need for local government plans to be firmly, grounded on local needs and realities (JARD 2004). Local governments and their bureaucracies sometimes lack technical capacity,

flexibility and suitable political mechanisms to resist political pressure from the centre (Golola 2001, Piron and Norton 2004). Again, through an organization like ULGA (Ugandan Local Governments Association) local governments have in principle access to the national political realm, but sectoral programmes make not part of the agenda, and when important political issues were on the agenda, the districts had little room to manoeuvre.

In sum, in Uganda there is a long-term development strategy, which was developed before PRSP was introduced in Uganda. The GoU has continued to show commitment to the PEAP, which has been revised twice. Ugandan institutions, in particular the Ministry of Finance, have steered the process of formulation, revision and implementation. This seems to suggest that there is strong Ugandan ownership of development policy. However, the sheer volume of donor funding as proportion of total development expenditure and the rigid framework for Poverty Reduction Strategy Plans (PRSP) imposed by the World Bank and IMF assume substantial influence of donors over the shaping of Uganda's national development strategy. Moreover, Ugandan ownership seems to reside predominantly with the Ministry of Finance. The ownership of line ministries, and local governments and non-state actors in particular has been much less in national development formulation and planning. Combining these reasons lead to the conclusion that Ugandan ownership is only partly reflected in its national development strategy.

Ownership as reflected in domestic expenditures

Another indicator to assess ownership is the financial commitment of the recipient government to poverty reduction. The political commitment of the GoU to poverty reduction has been translated in financial commitments. The Ministry of Finance has played an active and central role, most innovatively through the Poverty Action Fund (PAF). The PAF attempts to identify those expenditure programmes within the budget that are particularly relevant for achieving poverty reduction. PAF expenditures are fully integrated in the government budget, and are ring-fenced and protected from budget cuts. The innovative aspect is that the GoU has committed itself to increase the level and share of total public expenditure for poverty reduction, and that allocated funds are released in full. Moreover, GoU has guaranteed to utilise debt relief savings, plus designated donor budget support commitments, plus some additional commitments of Government own funding, for additional spending on PAF budget lines beyond a baseline level established in 1997/1998 budget year.

Since 1997/1998 Uganda has achieved over a short period of time a substantial re-orientation of expenditure patterns in favour of programmes to increase incomes or improve the quality of life of poor people. The introduction of the Poverty Action Fund has seen a doubling of the share of total Ugandan government expenditures on programmes now defined as relevant for poverty reduction, from 17% in 1997/1998 to 37% in 2003/2004. Throughout these years all relevant expenditure categories have received increases in the resources allocated to them (World Bank 2003). These figures are unmatched (as far as known) in the world: no other country has achieved such a dramatic pro-poor change in spending patterns in so short a period (Foster and Mijumbi 2002).

However, differences exist among sectors. The education sector receives the lion's share, on average 23 % of the total budget, while sectors like agriculture (2 %), and the health sector (9 percent) have much lesser shares. This makes the World Bank (2003) argue that some of the priority sectors for achieving Millennium Development

Goals (MDGs) are not receiving their due importance. Sectors such as agriculture, health and education do still not have adequate resources to implement their undertakings to meet the poverty reduction targets and Millennium Development Goals. In the 2003/2004 and thereafter no significant increases in budgets on priority areas can be observed.

Yet, the actual allocation pattern among sectors is strongly influenced by donor project commitments to specified sectors. Notably expenditures in the health, agriculture, water and sanitation, and roads and works sector receive major donor support (over 50 percent) through the project modality. In education, however, donor support only constitutes 10 percent of the budget allocated to the sector (2003/2004). While donors focus on economic and social development, others sectors are solely covered by government expenditure. Both multilateral and bilateral donors (including the Netherlands) are particularly concerned about supplementaries to defence and public administration, because this leads to cuts in the discretionary budget for other activities that are critical to the realization of poverty reduction (World Bank 2003, 2004).

Still, the figures show that the GoU has translated its political commitment to poverty reduction into financial commitments. In the eyes of the donors, however, the GoU could have done more, notably in recent years. Donors have challenged GoU to address several constraints including the shares of public administration and defence in the total budget, the low domestic revenues as a proportion of GDP (stagnated at 12 %), the unpredictability and irregularities in flows of funds to sectors (among other, because of frontloading) and local governments, and weak budget monitoring and reporting across sectors (World Bank 2003). According to the World Bank many of these constraints are rooted in political interference in budgeting and planning and execution. Ironically, this may be seen as a sign that the GoU has achieved substantial ownership in its budget formulation, allocation and execution.

Ownership as reflected in monitoring systems

Ownership is also said to be promoted by having adequate monitoring systems that measures progress towards the achievement of policy objectives and results frameworks. Most reports and (mid-term sector) reviews on this issue refer to the weakness of monitoring systems both at national (PEAP) and sector level. Although the PEAP includes a Policy Matrix, it appears to be an insufficient instrument that can be used for properly monitoring government's actions and achievements. Also at sector levels monitoring systems are weakly developed and performance indicators insufficiently defined.

Adam and Gunning (2002) observe that few of the performance indicators used, either at national or sector level, actually measure outcomes in the strict sense: most (notably in the health and education sectors) are still concerned with input and process measures. As a result the link between these operational performance indicators and the outcome targets articulated in the PEAP remains vague. Furthermore, the failure to meet specific performance indicators does not currently trigger a decline in funding, nor does performance in excess of a target trigger an increase. There is no transparent mechanism, which allows donors to signal under what conditions the country may expect increased or reduced support.

The vague definition of performance indicators and weakly developed monitoring systems has relevance for ownership. It is assumed that ownership is promoted if

donors move away from ex ante conditionality towards the use of a limited number of performance indicators, preferably defined by the recipient government. As long as recipient governments do not precisely define these indicators and do not develop detailed verification protocols, donors do not receive adequate signals on whether to increase or decrease their support. Contrary to their intentions and rhetoric, donors start to base their decisions on less precise factors, that they in most cases have defined themselves, including a general assessment of overall macroeconomic performance and political factors ('good governance'). In the process, an ever greater weight is placed, then, on the system of short-run critical process undertakings rather than genuine outcome indicators. This is a drift back towards exactly what the new system of performance based conditionality was designed to avoid, and runs counter to the principle of local programme ownership (Adam and Gunning 2002).

In sum, donors including the Netherlands still tend to have more ownership in defining performance indicators and how to monitor them, than was to be expected under the new aid contracts. Donors take the opportunity (and need to) to fill the vacuum that is left by the GoU.

Ownership as reflected in aid coordination and harmonisation

A fourth condition that promotes ownership is whether the recipient country has developed an aid coordination and harmonization plan. On this has been extensively reported in the previous chapter. Uganda has no action plan as such on harmonization, but the Partnership Principles reflect the principles of the Rome Declaration on harmonization and alignment. These Partnership Principles are based on those outlined in the Poverty Eradication Action Plan. In principle, then, Uganda has full ownership of aid coordination and harmonization. However, and ironically, the other side of successful aid coordination and harmonisation may be that the GoU has less possibilities to implement 'divide and rule' policies among donors. By speaking with one voice, donors may have more influence on policies and their implementation than before.

Ownership at sector level

Education is the oldest sector with a strategic investment plan, in which the GoU and the Ministry of Education had a large role to play. The GoU shows its financial commitment by spending almost 30 percent of its budget to the sector. The Joint Evaluation concludes, however, that beneath the surface of good partnership there is some degree of tension about the relative division of power in setting priorities and determining strategic directions. While the external support agencies tend to believe that they have put the GoU "in the driver's seat", their Ugandan partners do not share this perception. The Joint Evaluation states that "the power of the cheque-book is still very real". This observation seems to contrast with the perception of the RNE that the GoU, more in particular the Ministry of Education, insufficiently takes its responsibilities in the field of coordination and raising and dealing with the relevant issues at hand. According to the RNE this can be partly attributed to lack of capacity on the side of the Ministry, but also lack of goodwill plays a role. Under its chairmanship of the donor group in 2003 the Netherlands has tried several times to convince the Ministry of Education to take over responsibilities from donors, but these efforts have been in vain with continuing references to lack of capacity. The ministry of Education is thinking about establishing a liaison office, which should facilitate the transfer of responsibilities.

The issue of ownership is an interesting one in the legal sector (JLOS). After GoU acknowledged the importance of the sector for development, a process was started to involve relevant institutions and donors in the design of a sector strategy. In practise, however, some tensions arose between the JLOS institutions, donors, and other parties representing the GoU, in particular the Ministry of Finance. The latter seemed reluctant in creating the necessary conditions for a successful implementation of the sector programme. Budget ceilings and lack of sufficient protection from budget cuts, because of its relevance for poverty reduction heavily affected planning and implementation of activities unfavourably. At the same time there have been examples of increased leverage of legal institutions involved and working together with donors. Recently, two major funds have received protection from budget cuts for 2004/05, and budget ceilings will be increased for next years. It becomes clear from the Mid-Term Review however that the sector institutions and donors spend substantial efforts and remove opposition outside the sector. Ironically, then, sector support to the legal sector looks like a good example of ownership because the GoU seemed to have been able to determine the 'pace of development' and its relevance for poverty reduction. There are, however, different perspectives between donors, legal institutions involved and the GoU exist on what this pace and relevance is or should be. The degree of ownership and the agenda seems to be largely determined by the high donor dependency in the sector ('the power of the cheque book') on the one hand and the lack of protection against budget cuts on the other.

In the Local Governance Sector, ownership of Uganda in terms of programme preparation and supervision was largely absent prior to the introduction of the SWAP in Dutch aid. The Local Government Development Programme (LGDP) was and still is a programme developed by the Ugandan authorities and largely supported by the World Bank. Although designed by the Ugandan authorities, "... lip service was often paid to ownership as an important principle of Dutch development cooperation" (IOB 2003). The process of decentralization of authority to lower echelons of government, and the process of increasing co-ordination was strongly stimulated by donors active in the sector. But the IOB evaluation also observes that country ownership has increased due to the fact that Uganda's institutions have been managing the LGDP's and by Uganda's co-financing of the programme.

In sum, at sector level, experiences up to now indicate that ownership at sector level is difficult to attain. In all sectors the line ministry strongly participates, and Uganda is co-financing sector investment plans. In principle, this should contribute to increased ownership. However, three major constraints can be observed in all sectors that hamper a further increase in ownership. The first one is the weak institutional capacity of the line ministries, which prevent them from taking the lead (Education, Decentralization) and doing what they are supposed to do. This, in turn means, that donors may be involved in parts of policy formulation and implementation to compensate for institutional weaknesses at Ugandan side. The second one is the difference in perception and expectations between donors and Ugandan stakeholders on the division of labour. And the third one relates to the power of the cheque book, in the sense that high donor dependency in a sector may create power imbalances which may harm the ownership of the Ugandan stakeholders. The role of the MoFPED should, however, not be underestimated in this respect as well.

6.3 Efforts of the Netherlands to promote ownership

For donors the promotion of ownership means aligning their programmes on partners' policies and building on their policy tools, systems and processes to manage and co-ordinate aid rather than create parallel systems. It also means that donors should provide support to help partners build their own capacity to implement their development policies. This section concentrates on the Dutch efforts in this respect. As the alignment question has been analyzed in the previous chapter, only the main finds will be repeated in this section. The focus of this section will therefore be on support to institutional development. .

Alignment to partners policies and systems

The alignment of Dutch policies to partner policies and systems has been subject of discussion in previous chapters. The conclusion was that the Netherlands has explicitly chosen to follow and respect Ugandan policies and guidelines and use Ugandan systems and procedures (see Idema 2002). For this, the Netherlands signed the Partnership Principles and the Guidelines for budget support. The intentions have materialized in practise. Dutch support is directed to sectors that form part of the PEAP, support is provided mainly through general budget support, and procedures are largely harmonized with Ugandan guidelines. By putting confidence in Ugandan policies and systems, the Netherlands has contributed to the promotion of ownership of the GoU.

Support to capacity building

Capacity building – or institutional development – has three dimensions: human resources development, organisational strengthening, and system development (IOB 2000). Human resources development can take place through various types of training and provision of material support. Organisational strengthening includes the improvement of human resources planning and management, enhancement of technical and management processes, the improvement of financial management, and the strengthening of external relations. Contributions to system development may include the strengthening of legislation and regulations, contributions to changes in policies and planning, and conceptual innovations (IOB 2000). The relationship between capacity building and ownership is that capacity building increases the abilities and performance of individuals, organisations and institutions in relation to their goals, resources and environment. In the context of SWAp this would mean that Ugandan stakeholders are capable of successful planning and implementation of sector programmes.

Although a comprehensive analysis of government capacities in Uganda does not exist, it becomes clear from sector reviews and case studies that all three dimensions of institutional development are in an early stage. The Ministry of Finance, Planning and Economic Development is the famous exception to the rule. Weaknesses are identified – though varying among sectors – in the area of policy planning, policy implementation, financial management and auditing, human resource management, and monitoring and evaluation. In addition, at country-level institutional weaknesses are identified for instance in procurement systems and procedures, the auditor-general, and other monitoring systems. Furthermore, institutional capacity seems to be relatively strong (or least weak) at central government level compared to lower levels of government. In particular Institutional capacities at county and sub-county level are weakly developed.

The Netherlands has been involved in institutional development through supporting and providing Technical Assistance (TA), both at national and at sector level. At national level Dutch support to institutional development has focussed on the improvement of financial management and the reduction of corruption. This includes support to the Auditor-General, to reforms in the area of public procurement (Public Procurement Reform Programme), to the improvement of the Civil Service (Retrenchment in the Uganda Civil Service, particularly at district level), and to the improvement of financial management systems (EFMP – Economic and Financial Management Programme). Unfortunately no documentation or data could be traced on the effects of this support in terms of institutional development.

Also findings on TA at sector level are difficult to trace and mostly expressed in very general terms; there is little insight into the precise strengths and weaknesses of the institutional capacities at sector level and how the Netherlands dealt with this. The absence of systematic institutional analyses (either through ISOAs or joint analyses with other donors) contributes to this lack of insight. In track records some comments on ‘capacity of government’ can be found, but again, these comments are made in very general terms, in some cases only presented in some key words. Nevertheless some findings can be presented below.

In the *education sector* the GoU indicated in the SWAp for the sector that capacity to manage ESIP is a priority. Needs for technical assistance are formulated in the areas of strategic planning and policy formulation, training of teachers and provision of materials, training of cadre specialists in areas of project design, appraisal and implementation monitoring, project and programme evaluation and efficient system for monitoring programme implementation. The Netherlands has been involved in capacity building in the past through providing support to the TDMS project in the West Nile. Currently, however, the Netherlands does not provide TA in the education sector per se, TA is provided on as-need-arise-basis. The strengthening of the MoES’ implementation capacity is, however, on the agenda of the donor group. A list of provided TA up to 2002 shows that it is mostly directed at developing the human resources dimension of institutional development through the funding of materials and trainings of staff (EFAG 2002).

The 2002 Strategy Review Retreat of the EFAG concludes, however, that TA, in particular long and medium term TA, has been in most cases poorly structured and prepared, and frequently has failed to transfer knowledge and capacity to local counterparts (EFAG 2002). The TA has in most cases been of a long-term nature (one to two years), often performing line functions or work without a counterpart. The Review states that the modality of provision of long term TA has proven very ineffective in terms of building capacity in the education sector and counterpart arrangements have simply not worked. The Review observes that the most effective TA in education has been short in nature and focused on facilitating improvements, advising on problem solving and moving the reform agenda forward. According to the Review, “TA remains a key instrument for institutional capacity building or augmenting Government capacity. But the track record of TA in Uganda and MoES in particular has been dismal.”

The findings for the *legal sector* are as follows. In track records the capacity of the government is rated as satisfactory. Nevertheless, more specific studies indicate weaknesses, for example, in the area of financial management (Deloitte & Touche 2002) and refer to a far heavier burden of work for the JLOS Secretariat which has

been under-resourced, over-due development of Project Planning Units (PPUs) at institutional level, heavy burden of planning and financial reporting, and a limited capacity in applying a sector level monitoring and evaluation system (NGC 2004). The Netherlands does not provide separate TA to the sector. In principle, one of the major rationales underlying the development of a Strategic Investment Plan (SIP) for the legal sector is institutional development to strengthen the efficiency and effectiveness of the sector in the areas of criminal and commercial justice. Therewith the SIP aims at institutional strengthening of all three dimensions of institutional development. By providing support the SIP, the Netherlands in fact contributes to institutional development in the sector.

Given the recent start of the sector, the Mid-Term Review is positive about the developments in government's implementation capacity in JLOS. The Mid-Term Review observes that processes of co-ordination, communication and co-operation among the participating JLOS institutions have been set in motion. The establishment of a Sector Secretariat at the Ministry of Justice has, among others, contributed to these processes. The Mid-Term Review concludes that "the processes developed in the first half of the implementation phase of SIP have been extremely positive". (NGC 2004:13), but also notes that "beyond encouraging co-ordination – J/LOS institutions needs to highlight evidence of the value of a sectoral approach as a process of generating change, and not merely as funding mechanism". (ibid. p.15)). In this respect lessons could be learnt according to the Review from – the Masaka Chain Linked Initiative - in which successful co-operation and co-ordination among various JLOS institutions has led to better implementation and performance. This initiative was co-funded by the Netherlands.

In the *Local Governance* sector the capacity of government has been rated as unsatisfactory in track records. The Ministry of Local Government is rated as weak, as well as capacities at district and lower levels. But also here any specification of the institutional weaknesses is absent and available evidence to some extent contradictory. For example, the results of Annual Assessments suggest that the capacities of districts and subcounties are satisfactory related to what have been asked from them. And findings by the World Bank (2003) suggest that under LGDP 1 thousands of projects were completed and rated satisfactory of higher, which might be a further indication for the presence of adequate capacities at district and lower levels. In other reports, however, indications can be found that there are weaknesses in capacity primarily relate to the planning process (seen as a whole planning cycle and as a continuous process), the financial-administrative procedures, and human resource development (De Beus and Kwagala 2002, MoLG 2004). The Dutch support concentrated on the first two procedures. This was done through providing Technical Assistance alongside LGDP. TA took the form of advisory services, and became de-linked from financial support to LGDP. TA has been provided to districts in Northern Uganda only.

The IOB Evaluation concludes that technical assistance in the Dutch aid programme for local governance contributed to the improvement of human capabilities through various types of training.(IOB 2003). But the study also identifies a need for a more structured approach to capacity building and organisational strengthening. In addition, at the time of the evaluation, TA provided by donors to local governance was as yet not included in the co-ordination efforts and consequently in the strategic plans (LGDP) for local governance, but was separately funded. According to the IOB Evaluation this lack of co-ordination has hampered capacity building and has reduced its effectiveness.

In addition, from the Joint Annual Review of Decentralisation 2004 (MoLG 2004) becomes clear that capacity enhancement for the sector has mainly taken place in the field of human resources development through interventions such as re-tooling of local governments and development of guides, manuals and procedures on various aspects of local government operations, and training of officials. However, JARD concludes, until recently various stakeholders have delivered this in a haphazard and uncoordinated manner. In response to this the Government has developed a Government Capacity Building Policy that defines and sets the institutional structures for coordination and harmonisation of capacity building initiatives. This policy should also lead to a more coherent Human Resource Development approach in local governments. But up to now, as JARD concludes, most of the local governments have not customised the National Training Policy into the form of a Human Resource Policy. This means that a relatively high percentage of the staff is out of the duty station for prolonged periods, pursuing career development courses in an incoherent manner, and without appropriate arrangements to perform their functions (MoLG 2004).

In sum, the findings above lack detail to allow for a fine tuned assessment of the contribution of the Netherlands to capacity building. However, the findings do allow for some general observations. First, the findings seem to indicate that Dutch support has directly (through providing TA) or indirectly (through providing sector plans with capacity building components) contributed to institutional development. However, the findings also indicate that support to capacity building seemed to have far less focused on the dimensions of organisational strengthening and system development. Also, the support was not based on a thorough analysis of the institutional strengths and weaknesses in the respective sectors, nor has this been accompanied by a stakeholder analysis of all players in the sectors. Moreover, much of the support to capacity building has been provided in a un-co-ordinated way; co-ordination lacking among donors themselves and between donors and the Ugandan government. Dutch support did contribute to capacity building, but with a thorough institutional analysis, an balanced address of all three dimensions of institutional development, and more co-ordination this support could probably have been more effective.

6.4 Conclusions

The pivotal question in this chapter has been whether or not the introduction of the SWAp in Dutch development cooperation policy has promoted Ugandan ownership in policy formulation and implementation? The findings in this chapter indicate that a straightforward answer cannot be given. The GoU has developed its leadership of development policy, resource allocation, and external assistance, but major qualifications have to be made. Firstly, findings in this chapter indicate that this leadership is mainly vested in the Ministry of Finance, Planning and Economic Development. Other ministries, local governments and non-state actors appear to have far less influence on Ugandan policy formulation and implementation than the MoFPED powerhouse.

Secondly, the influence of donors continues to be substantial in several areas. The volume of donor funding as proportion of total development expenditure and the rigid framework of PRSPs imposed by World Bank and IMF assume substantial influence of donors over the shaping of Uganda's national development strategy.

Donors also tend to have more ownership in defining performance indicators (and related conditionalities) and how to monitor them, than was expected under the new aid contracts. And effective aid coordination may very well strengthen the negotiating power of donors towards the GoU. And at sector level has become clear that weak institutional capacity combined with high donor dependency can be major obstacles to attain full ownership.

What role did the Netherlands play in this respect? As a donor the Netherlands has in principle to a large extent done what 'good practices' tell donors to do to promote ownership. The Netherlands gives general budget support, has aligned its programmes to the PEAP and sector investment plans, makes use of Ugandan systems and procedures, and supports technical assistance for capacity building. In this way, much of the aid management of Dutch support should be taken over by Ugandan counterparts. Preliminary results show, however, that the latter turns out to be troublesome. For example, apart from a strong MoFPED, implementation and monitoring capacities are still weak in the sectors in which the Netherlands operate; results from reviews and evaluations show some progress on capacity building but supported activities are mainly restricted to human resource development. In addition, weak monitoring systems leave much room for donors to manoeuvre and use own performance indicators to decide on releases and commitments. In the context of donor coordination, the Netherlands is also in the midst of these practises.

How to assess ownership then in the Ugandan context? In Uganda a popular answer to the question 'who is in the driver's seat?' is 'Uganda, but the car it drives is a private hire (*taxi, AL*), and the donors are in the backseat'. Once is referred to the context description at the beginning of this chapter, which outlined that the long-standing relationship between donors and the one and same government has led to an almost symbiotic relationship. In this context it becomes very difficult to assess who owns what. In his survey, Amis (2002) found three positions in Uganda on the question of ownership. One says that the GoU is setting the agenda and donors are following. A second, alternative minority view is to suggest that the dialogue is led by Ugandans but within a very well prescribed and implicitly agreed framework which is ultimately determined by the donor community. A third view is that Uganda has no independence and even in the 1960s Uganda had more control over policy issues.

Evidence in this chapter seems to indicate that the second position might be most appropriate to describe the Ugandan situation. The dialogue is led by the Ugandan authorities. Ugandan authorities take initiatives and have a strong player and representative in the form of the MoFPED. But implicitly Uganda seems to have agreed to play the game within the PRSP framework and its related institutions, rules and regulations. With continuous challenges to the international donor community though (see, for example, the unilateral increases in defence and public administration budgets, and the uneven progress towards further democratization and a multi-party system). For Mwenda and Tangri (2005) this position would still be a sign of strong ownership, because the GoU deliberately decided to play the game according to the donors' rules. By accepting donors' conditions Uganda could attract donors, and their financial contributions could help the GoU to survive politically. Donors were more than eager to provide support, because they sought success stories that could be sold at home. In the perception of Mwenda the current GoU has used its strong ownership to enable political survival. And this political survival is a valuable asset in a poor country like Uganda because being in power means privileged access of politicians and civil servants to scarce resources.

In sum, although the Netherlands itself largely adhere to practices that are supposed to promote ownership, serious questions can be asked whether Dutch efforts have had substantial effects on ownership. It looks like the strong symbiotic relation between the GoU and donors has created an ownership balance on which both parties agree, because they each seem to have sufficient room to manoeuvre to be able to satisfy their constituencies. In such situation and climate it may prove very difficult for individual donors with less political motivations, like probably the Netherlands, to promote Ugandan ownership.

7 SWAP, DUTCH AID, AND POVERTY REDUCTION IN UGANDA

Sustainable poverty reduction is the key objective of Dutch development policy. SWAp has been introduced in Dutch development cooperation policy to create the conditions to achieve this objective. In this chapter available evidence at national and sector level will be presented to gain insight into consequences of SWAp for the poverty focus of Dutch assistance.

7.1 Uganda's development policies and poverty reduction

Uganda has about 23 million inhabitants (2000), and belongs to the poorest countries in the world, both in economic and human development terms; this despite (internationally much acclaimed) efforts to reduce poverty in the last two decades. 82.2% of the population still lives below one US Dollar a day, 96.4% below two US Dollars a day (Human Development Indicators 2003). The share of the poorest 20% in national income and consumption is 7.1% (Human Development Indicators 2003). In 2001, Uganda's Human Development Index (HDI) value was 0.489, which ranked Uganda as 147th in the list. But in 1986, when the new government came to power, the situation was even worse: much of the physical infrastructure was destroyed, social services were in complete disarray, and GDP per capita was about 40% lower than it was in 1971. High corruption and unfavourable macro-economic conditions contributed to a serious increase in poverty. The poverty situation was aggravated by the HIV/Aids epidemic, which slowly started to take its toll among the population.

In 1997 Uganda embarked on the road of structural adjustment policies. The economy took off remarkably, with an average growth rate of 7% in the 1990s, assisted by a large inflow of foreign aid (see Chapter 2 in this report). While macro-economic conditions gradually improved during the 1990s, the effect on poverty has been limited, and, moreover, is highly contested in literature on the subject (see for overview Shinyekwa and Taylor 2003). Notably several social welfare indicators deteriorated, such as life expectancy, infant mortality and malnutrition. Some improvements in social development have been achieved: illiteracy and school enrolment improved and a substantially higher proportion of the rural population got access to clean drinking water (Opio, 1997; Reinnika and Collier, 2001).

Some other recent studies show that although in the period 1992-2000 the percentage of the population living below the poverty line declined from 56% to 35%, the figures differ sharply for social groups and geographical areas. Poverty rates halved among cash crop farmers (coffee growers thanks to booming coffee prices; commercial farmers combining cash crop with livestock), among government employees (notably in civil service, defence, health and education sectors), and among traders (Appleton 2001; Ellis (2001). Poverty reduction has been much less (approximately a quarter) among the poorest rural households which include households engaged in food agriculture in areas with poor infrastructure, in seasonal wage labour, and households depending on remittances. Poverty reduction did also much less reach vulnerable groups like children, disabled, elderly and widows (Mijumbi and Okidi 2001). In sum, while poverty was reduced in the 1990s, this was mainly among urban groups and among those households in rural areas that do not belong to the poorest strata. This, in turn, has increased inequality in Uganda.

There are also substantial differences in poverty reduction among districts. In the Northern Districts and some of the Eastern Districts hardly any poverty reduction has been achieved in the 1990s, mainly due to civil strife and terror. Poverty reduction has been highest in the Central and Western Districts, partly due to better natural resources and physical infrastructure, but allegedly also because of a more favourable allocation of public investment, in order to gain and preserve political support. These allegations have not been supported by closer analysis of government allocations and monetary flows.

In 1997, poverty reduction became the central objective of national and sector development policies. As outlined in previous sections, Uganda's Poverty Eradication Action Plan (PEAP) was endorsed as PRSP in 2000 and therewith Uganda qualified for the HIPC Initiative. The ring-fenced Poverty Action Fund was set up to channel donor and government resources towards programmes defined as relevant for poverty reduction. Since its introduction the Poverty Action Fund has seen a doubling of the share of total Ugandan government expenditures on programmes now defined as relevant for poverty reduction, from 17% in 1997/1998 to 37% in 2003/2004. Throughout these years all relevant expenditure categories have received increases in the resources allocated to them (World Bank 2003). The target of PEAP is to reduce the proportion of population living in poverty to 10% in 2017.

First figures suggest, however, that a slightly opposite trend is emerging. Economic growth is still robust (4.5%), but less than in the successful 1990s, and insufficient to reach the PEAP goals. The Household Survey 2002/2003 revealed that poverty has increased again from 34% to 38%. And in the PRSP Annual Progress Report it is concluded that poverty programmes have up to now not lead to welfare improvements for the poor and a more equal distribution of income (IMF 2003). The report also indicates that the significant disparities in income and socio-economic welfare still exist, particularly between the rural and urban areas (90% of the poverty contributed by rural households), and the Northern region and the rest of the country. Moreover, the Plan for the Modernisation of Agriculture (PMA) presented in 1998 and meant to address rural poverty and inequalities, has been ineffective due to lack of clarity about institutional relationships and the resources needed for carrying out identified priorities (IMF 2003). In the area of human development access to education, health, and water and sanitation has continued to improve, although the quality of services remains unsatisfactory, and problems with stagnant infant, child and maternal mortality rates continue under conditions of high fertility. An additional area of concern is the recent evidence of stagnation of HIV/AIDS prevalence rates after a decade-long downward trend.

In sum, the 1990s picture of effective poverty alleviation has become less rosy after the introduction of the PRSP at the start of the new millennium. Several country-specific constraints to effective pro-poor policies and poverty reduction include low and declining revenue collection, high dependence on foreign aid, less prudent management of national resources (corruption, rising fiscal deficits, weak monitoring and auditing capacities), and a stagnation in pro-poor expenditures because shifting priorities towards defence and public administration sectors. Moreover, there is a strong emphasis on social development in pro-poor public expenditures and far less on productive sectors (also because of earmarking by donors). Private sector investment remains low (currently around 16% of GDP), due to inadequate systems of commercial dispute settlement, corruption, a weak financial system, deficiencies in physical infrastructure, and the lack of the negotiating skills of the government,

in particular when dealing with international market access. And last but not least, the unresolved conflict in the North continues to impede effective poverty reduction in this region and increases the dichotomy between the North and the rest of the country.

7.2 SWAp's and conditions for poverty reduction

In Uganda the sector-wide approach has been an intrinsic part of the poverty eradication action plan (PEAP). The plan has been an incentive to formulate sector policies, strategies and financing plans (see Chapter 2). During the last eight years, Uganda has developed several SWAps and sector plans. In this section the focus is on those SWAps and sector plans that have been supported by the Netherlands: ESIP (education), LGDP I and II (local governance), and a Sector Investment Plan (SIP) for the Justice, Law and Order sector (J/LOS). The focus is on the effects of these plans and their consequences for poverty reduction.

Education

The priorities of the GoU in the educational sector before and in ESIP have always been on basic education. In order to boost basic education for all, the government announced in 1996 the Universal Primary Education (UPE) initiative: free education for up to four children per family plus all orphans. It was stipulated that at least two of the four should be girls, if a family has girls of that age. The policy was implemented from January 1997 and free access was extended later to all children. In the first year, enrolments doubled to reach 5.3 million pupils, a net enrolment rate of 91% with 47% of the pupils being girls (Seel and Gabbard 2000). The 1999 Headcount shows a further increase of enrolments to over 6 million, with 48 % of the pupils being girls (id.) This increase in enrolment caused major problems for the sector: over-crowded classrooms, insufficient learning materials, limited teacher supply and inadequate qualifications, poor teacher motivation, inability to meet the increased demand for secondary education and overall funding gaps ((IHSD 2003). The UPE policy also necessitated rapid action on strengthening sector management, financing and accountability to maintain the higher enrolments and protect and enhance educational quality.

The sector programme ESIP was developed as a direct response to the dramatic effects of the UPE policy. The main emphasis of ESIP has been on achieving UPE. 30 % of the government's budget was reserved for ESIP during five years, of which 66 % was reserved for primary education and ring-fenced through the Poverty Action Fund (PAF). In ESIP 1 the following priorities over the planning period were identified: (1) to make significant and permanent gains in achieving universal access to education through facilities expansion, efficiency measures, improving access to post-primary vocational skills programmes and to higher education, (2) to enhance quality and relevance of instruction by improving the supply and quality of primary textbooks, teacher training, and raising the quality and professional standards for higher education, (3) to build the capacity of schools, communities, districts and central government to plan, deliver, and assure quality of education service delivery at primary and secondary levels, by activities directed at organisational and human capacities strengthening, and (4) improve strategic planning and programming by capacity building and training.

A mid-term review of ESIP and a Joint Evaluation of External Support to Basic Education were published in 2003 (Government of Uganda 2003, Joint Evaluation

2003). Both studies conclude that joint efforts by donors and the Government of Uganda (GoU) have led to a significant increase in access to primary schooling: enrolment increased from 2.9 million children in 1996 to 7.3 million in 2002. Currently, the net enrolment in primary education is 86% (RNE 2005). Pupil/classroom ratio for Government primary schools improved from 106:1 in 2000 to 94:1 in 2003. The pupil/teacher ratio improved from 65:1 in 2000 to 54:1 in 2002 (IMF 2003). Results from tracking studies in 2003 suggest that 90% of budgeted expenditure is now reaching schools, compared to 25% three years earlier (IHDS 2003).

However, as preliminary data from the Uganda National Examinations Board suggest, the quality of education is poor. This is confirmed by anecdotal reports. Many children leave school without mastering key competencies of literacy and numeracy. The retention rate to P7 (completion rate) is still very low, especially among girls, and there are high repetition rates. Key causes mentioned by the Board are money problems, lack of interest, labour of children in rural households needed during peaks in agriculture, failed exams, and early marriage and pregnancy of girls. In addition, there seems to be a substantial underutilisation of scarce resources and critical inputs; pupil textbooks procured over the years remain in pristine condition in school cupboards. And while thousands of primary teachers have been recruited, teacher absenteeism is rampant because of a dysfunctional school inspectorate department. Very high teacher attrition rates and the ravages of HIV/AIDS aggravate the teacher shortage. These phenomena of teacher shortage and inadequate physical facilities are most serious in remote rural areas with a high incidence of poor households (IMF 2003).

In terms of poverty reduction ESIP has contributed by improving the access to primary education. More boys and girls than ever enrolled in primary education, and this as such can be looked upon as an improvement in human development. Free primary education contributed to lower the financial burden for parents. Other costs are still weighing heavily on parents, for instance, expenditures on school uniforms, school repairs, transport, and so on. According to the PRSP Progress report 2003, many parents fail to send and maintain their children in school due to the large number of children in the household and weak community mobilisation in the ESIP programmes, while those parents who try only select boys at the expense of girls (IMF 2003). The conclusions from the Joint Evaluation and the Mid-Term Review seem to suggest that ESIP could have been more effective in terms of poverty reduction if parties involved in its implementation would have focused less on access to and more on quality improvement in basic education.

Local Governance

The Local Government Development Programme (LGDP) is a nation-wide sector investment plan developed by the Ugandan authorities in consultation with the World Bank. It has been designed to devolve the development budget and decentralise basic public services to Local Governments, while at the same time improving the performance of the lower government level and financial procedures between Central and Local Governments. The development objective was to improve institutional performance for sustainable, decentralized service delivery. Basically donor support to the LG sector was and still is meant for capacity building purposes in order to facilitate the decentralization process and therewith improve services delivery at district and local levels.

The government made an assessment of the results of the programme's first phase (LGDP 1) during which a total of 4745 projects were completed and 86-88% of these projects were rated as satisfactory or higher by the respective local governments (World Bank 2003). The projects created much employment in the districts, also for women. The participation of female workers on average varied between 17-24% of the total person days (World Bank 2003). The sectors supported corresponded with the National Programme Priority Areas, namely education (30%), roads (25%), health (10%), sanitation/drainage (10%), and water (14%). In addition, technical back-up support has been extended from the centre to Local Governments in the area of planning, financial management procurement, auditing, and contract management. This led to marked improvements in timely submission of plans and accounts, and consequently, to a reduction of delays in budget releases to districts.

With regard to the effects of LGDP 1 on poverty reduction the conclusion was that: through the above projects in LGDP there has been an increase to physical services that contribute to poverty reduction, but the quality of services needs a lot of improvement. The PRSP Progress Report (GoU/IMF 2003) sees the marked improvements in management as a favourable development for the poor in local communities. Earlier participatory poverty assessments revealed that the poor had been denied the opportunity to participate in the choice of investment projects on the grounds that the late arrival of funds made broad consultation on their use impossible. Also the provision of employment to female workers can be assessed positive in the context of poverty reduction.

The direct relation between PRSP, decentralisation and poverty reduction in Uganda is, however, contested (see Government of Uganda 2004). In this respect, Graig and Porter (2003) conclude for Uganda that under PAF local governments have increasingly become local implementers of national sector programmes, which undermines the cope, role and justification of decentralized locally-accountable service provision. In this process local governments increasingly tend to focus on upward accountability to the central government instead of downward accountability to the beneficiaries. This focus tends to distract local governments from engagement in and commitment to local manifestations of poverty and loose sight on the effects of SWApS on local manifestations of poverty. If local governments are unable to send strong signals to the central government about the effects and impacts of sectoral frameworks, these frameworks are likely to impact disruptively. Equally, if no special arrangements are made, more marginalised groups are not automatically catered for in democratic processes. Through the Fiscal Decentralisation Strategy and in programmes like LDGP 1 some of the above shortcomings that exist within PAF have been countered but there is little evidence available how and to what extent.

Justice, Law and Order

The Strategic Investment Plan for the legal sector was launched in 2001 and covers the period 2001-2006. It aims at a co-ordinated sector-wide reform policy of the administration of justice in Uganda. The purpose of the programme is to promote rule of the rule of law, increase public confidence in the justice system and enhance the ability of the private sector to enforce commercial contracts. The SIP contains two main programmes: the Criminal Justice Reform Programme and the Commercial Justice Reform Programme. Areas of intervention in The Criminal Justice reform included legal services, administration of justice, law reform, and civic and legal education. Areas of intervention in the Commercial sector included the commercial courts, commercial registries, commercial laws and commercial lawyers. Within this

context it focuses on improving the access to justice, the efficiency and effectiveness of the sector, and the quality of justice.

The Mid-Term Review (NCG 2004), conducted by a team of independent consultants, is very general about the results of the Plan. It considers as its central success the establishment of what is called the three C's: the habit of increased co-ordination, communication and co-operation through specific mechanisms. An assessment of progress in terms of impact is considered premature given the short period since the start of implementation for key parts of the SIP, and the lack of an adequate monitoring and evaluation system for the sector. Still, some movement from output to impact is observed, especially from the Masaka Chain Linked project, a pilot project to improve the efficiency and effectiveness of the Criminal Justice System in Masaka district. For example, a reduction of stay on remand from 24 months to 15 months, and from 5-7 for capital offences to 2-3 years, increasing trend of arrest based on evidence, reduction of numbers of lost files between DPP and Police, and faster disposal of petty crimes at local level and commercial disputes in the Commercial Court. The Directorate for Public Prosecutions recorded a quantitative and qualitative increase in the prosecution of cases.

Although there are good reasons to assume that strengthening of the legal sector will benefit poverty reduction in the long run, there are still major constraints to realize this potential. The Mid-Term Review concludes that the implementation of the reform programme has been largely led by institutional rather than sector implementation of the reform programme and there is limited sector-wide monitoring of impact, including the contribution to poverty reduction. Besides that the sector remains plagued by financial and human resources constraints and untimely releases that hamper improved access to justice, effective planning and maintenance of law and order. Although the budget outturn has been well over 100%, this is due to the fact that militias and local defence units are paid out of the budget of the Ministry of Internal Affairs (and not Defence) and overspending on court awards and compensations. Corruption, also within the legal sector has an impact on access to justice and private sector development in Uganda. The Mid-Term Review observes that that there is a thin line between the legal and the security sector, which could lead to bigger budget distortions in the run-up to the elections in 2006. In addition, recent Semi-annual Reviews have concluded that little progress has been made in the capacity building of financial management, organisational development and strategic planning to ensure the sustainability of the reform progress.

Up to now, there is little information on effects and impact of the investment plan in relation to poverty reduction, which is related to the recent start of the sector plan and its hypothetical link with poverty reduction. The Review concludes that some of the results have been beneficial for the poor in Uganda, but fails to indicate how and which strata among the poor. The PRSP Progress Report 2003 refers to the lowering of costs of the administration of justice' (IMF 2003). Currently, as shown by the Criminal Justice Baseline Survey, these costs are a financial barrier to the poor, women in particular.

7.3 Dutch aid and SWAp

In the late 1990s (1996-1999) the Dutch aid programme for Uganda consisted on the one hand (on average 43.8%) of budget support meant for debt relief and later on the Poverty Action Fund (PAF), and on the other hand projects and programmes support, mainly in the areas of economic and rural development (25.3%) and education (13.0%) (see also Chapter 3). When SWAp was introduced, Dutch support increasingly concentrated on education, local governance and the legal sector (see Chapter 4).

Education

In accordance with Dutch development cooperation priorities, the Netherlands focused on basic education, which coincided with those of the GoU. Generally, adequate access to basic education is seen as a main contributing factor to reduce poverty. The Netherlands gave support to several projects and programmes in selected regions in the North: West Nile, Soroti and Lira, which belong to the poorest regions of Uganda. Some of the Dutch supported projects exclusively targeted vulnerable and poorer groups like illiterate women and children in rehabilitation zones. The evaluation of 1998 (Kaliballa et al.) mentioned output in the areas of classroom construction, provision of furniture, provision of scholastic materials and support to District Education Offices. Community mobilisation and participation were part of the programmes, to create a sense of ownership, and several of the Dutch supported programmes succeeded in this mission. The evaluation, however, also presents evidence on the high emphasis within expenditures on management and capacity building at the expense of expenditures on direct education needs. Furthermore, accountability and sustainability showed to be a problem in most of the programmes.

Support to the nationwide Teacher Development and Management Systems (TDMS) Programme, which started in 1993, was another part of Dutch support to education. An evaluation of TDMS in 2000 (MoES 2000) observed important gains particularly in the area of teacher training and book supply. The evaluation concludes that the rate of attainment of several quantitative targets was commendable: a majority of teachers and head-teachers were trained, 73 percent of Refresher Courses were held, and over 13.000 volunteers were trained. In addition, new buildings have been set up, enhanced transport facilities were created, and office and other equipment, course books, reading materials and other instructional materials were delivered. According to the evaluation, TDMS radically transformed the function of Primary Teachers Colleges. And although the evaluation refers to problematic capacity building in financial management and record keeping at college level and in schools, cost effectiveness is assessed positively. However, later mid-term reviews of the for the education sector programme ESIP, in which TDMS has been integrated, revealed that TDMS was expensively designed but up to now remains largely unutilised.

When ESIP was launched, the Netherlands decided to shift gradually to budget support as funding modality. This caused two major changes in poverty focus in the Dutch support to education compared to the previous period of the project modality. Firstly, there has been a change in target groups, which is highly related to the way in which the sector programme was implemented. Whilst the main objective was to improve access to and quality of basic education in Uganda, in practise the sector programme turned out to be a framework to implement the policy of universal primary education, that is, to increase access to primary schooling. Other areas of basic education that may be important for especially the poor like alternative basic education, early childhood education, education for children in rehabilitation zones,

and Functional Adult Literacy (FAL) were largely ignored. Instead, these areas have usually been supported through project modalities (Joint Evaluation for Basic Education). All Dutch support for education, however, went to the sector programme, which means shift away from support to poorer women and children in difficult circumstances (like those living in rehabilitation zones). Secondly, the sector programme ESIP is a nation-wide programme, and through supporting it the focus in Dutch support on the relative poor Northern districts has been lost.

Local governance

The general objective of the involvement of the Netherlands in the sector in the 1990s was to improve living conditions of the (poor) population through sustainable economic growth and accessible social services. Activities included sustainable improvements in agriculture (including marketing), education, health, rural road rehabilitation, gender and environment, capacity building of Local Government, and training and involvement of NGOs, churches and farmers' groups. This support was exclusively directed to programmes and projects in the Northern Districts of Uganda, in particular the West Nile, Lira and Soroti regions. In the latter two regions support was in the form of District Rural Development Programmes.

In 1998 the DRDPs in Lira and Soroti were evaluated (Mutsaers et al. 1998, cited in IOB 2003). The evaluation was positive about achievements with respects to the DRDPs' goal of improving living conditions of poor people. In short time the necessary rehabilitation had show significant progress and with much participation by local communities. Schools, clinics, water supplies and rural roads had been reconstructed (if not all technically perfect for lack of supervision). Farmers had been assisted to restock their herds with the help of a credit scheme, some co-operatives were revived, and these and other useful micro-projects contributed to more rural activities and agricultural improvements. This also resulted in an increase in food security of the population. However, the activities in the field of local governance had been much less successful. The district administration had not been strengthened, and planning and budgeting of Dutch support was still more or less parallel to regular government procedures.

In 1999, three major components (Community Action Plan CAP, Women and Empowerment Programme WEP, and Arua Capacity Building Programme ACBP) in West Nile were subject of an external evaluation, which was quite positive in its conclusions (Helmsing et al. 1999, cited in IOB 2003). CAP, then covering four districts, had reached one-fifth of the area population and it cooperated with 200 communities. There were indications that living conditions and self-reliance of the one-fifth of the population had improved. The evaluation concluded, however, that CAP had been more successful in rehabilitating basic social services than promoting income-generating activities in the agricultural sector through input provision, processing and marketing. The WEP had also been quite successful, training and educating 2000 women and setting up centres for women's activities. However, it was too early then to speak of any sustainable effects. The ACBP had trained many councillors and Local Government staff at district and sub-county level, in all about 4000 persons.

The new phase of support of (by then nine) district development programmes in West Nile and the Lira/Soroti area for the period 2000-2003 coincided with the introduction of SWAp in Dutch development co-operation policy. Some major shifts took place. Firstly and in line with the recommendations of the DRDP evaluations, the focus of

Dutch support shifted from rural development to the strengthening of local governance. Secondly, the modalities through which support was provided changed. Local Governments were made full responsible for the DRDPs, and initially support to the nine districts was channelled through the Poverty Action Fund. From mid-2001 onwards, however, the Netherlands decided to give support through sector budget support to the national LGDP.

Both shifts had consequences for the poverty dimensions addressed by Dutch aid. The decision to support LGDP shifted the focus of the supported activities from production and income promotion towards the build up of social infrastructure (education, health, water/sanitation). Through this shift there was less focus on the economic dimension of rural development, though support to the agricultural sector was continued through two programmes (NAADS and TESO).

The shift to support to local governance has also made local governments the main target group of the programme; this raises questions on whether and to what extent the end-users, including poor people in rural areas, who used to participate in previous Dutch supported programmes, stay in sight? IOB (2003) concludes that Dutch supported programmes have promoted participation of local groups and has improved downward accountability, but this conclusion refers to Dutch aid to the earlier nine district programmes. The IOB report states that LGDP has the potential but this still have to be realised in practise. LDGP objectives include enhancing participatory development, through a reward and penalty system including local contributions to development through local taxation (10 percent co-funding). The LDGP 1 evaluation has shown that 65 percent of the budget of districts is transferred to sub-counties, which is near 'grass roots' level.

Also the shift to sector budget support to the national LGDP has had consequences for the poverty focus of the Dutch aid. In Uganda the allocation of funds for service delivery is not related to poverty or other qualitative indicators but on a combination of population and surface area. By choosing for LGDP, the Netherlands Embassy abandoned its specific interest for the underprivileged Northern Uganda (Koelstra 2003). The embassy took this decision in expectation of changes in LGDP 2, in which a more poverty specific distribution should be applied. It is, however, not clear whether this has already materialized.

The legal sector (Justice, law and order)

In the pre-SWAp period Dutch aid to the legal sector was directed towards the Directorate of Public Prosecutions (DPP), and the Chain Linked Masaka Criminal Justice System. The latter entails a multi-donor project at district level having as its main objective to test the possibilities for improving the effectiveness and efficiency of the criminal justice system. If successful, it could become a model for other areas. Since 2001 both projects form an integral part of the Strategic Investment Plan (SIP) for the legal sector. Since then, the RNE supports the Plan, first through basket funding and since 2003 through general budget support with a notional earmarking for the sector

Poverty is addressed at best only indirectly. There are good reasons to assume that improvements in the criminal and commercial justice system will have beneficial effects for the poor in the long run. In base line surveys among the poor in Uganda, security and justice related problems are ranked highly. But the poverty focus of the investment plan itself is low. Its focus is on capacity building and improving

effectiveness and efficiency of the participating institutions. In recent years, the Netherlands took the lead in advocating the importance of strengthening the legal sector for attaining poverty reduction. Recently, the GoU has rewarded these efforts: the major programmes on criminal and commercial justice have been included in the Poverty Action Fund, which means that the GoU accepts the importance for poverty reduction and that these programmes are protected against budget cuts.

7.4 Assessment and conclusions

Prior to the introduction of the SWAp in Dutch development cooperation policy, the RNE's interventions focused primarily on poor regions (Northern Uganda) and poor people (women, children, rural population). Now, the strategy is to support central government policies: the SWAps for Education and the legal sector, and a nationwide sector plan for Local Governance. This shift had several consequences for the involvement with poverty reduction. First, the focus on the poor regions of Uganda has diminished. By supporting national programmes, Northern Uganda – being the poorest region in Uganda - is no longer a priority area in Dutch development co-operation. Secondly, the focus on specific poor and vulnerable groups in the regional setting, like has been the case in the pre-SWAp education and rural development programmes, has become less clear. Thirdly, support to programmes directed at the creation of productive employment and investment, generally still considered the main motor behind successful poverty reduction, was reduced and shifted to social development programmes. And fourthly, the involvement with poverty reduction has become more dependent on the willingness and capability of central and local governments to implement pro-poor policies and spending.

The question is whether these shifts because of the introduction of SWAp created better conditions for poverty reduction, then? Some preliminary answers can be presented on base of this evaluation. In general, national figures suggest that the steady decline in the number of poor in Uganda during the late 1990s and early 2000s has been reversed in recent years. A slow rise in the number of the poor can be observed again in recent years.

At sector level, as shown in this chapter, and for the sectors in which the Netherlands is active, some results of the education and local governance sector in terms of poverty reduction can be made visible, though many of these results are in the area of quantities and not qualities. For the legal sector positive effects on poverty reduction have not been made visible, although the relatively recent start of the programmes should be taken into account. Whether or not results will sustain and a long term impact on poverty reduction can be realized remains to be seen. In Uganda, it appears that several obstacles stand in the way of the government being the effective driving force behind poverty reduction.

First, although there is adequate institutional capacity at the Ministry of Finance and Economic Development, other line ministries and local governments are institutionally still rather weak to design and implement pro-poor policies. Secondly, corruption at all levels of government hinders the efficiency and effectiveness of poverty reduction interventions, also creating high fiduciary risk for donors. Thirdly, although administrative and fiscal decentralization has taken place in Uganda, priority setting and spending decisions are still largely a central government issue. By providing aid to the central government, donors actually help to continue this situation. Fourthly, the

incapability (and by some people proclaimed unwillingness) of the GoU to solve the conflict in the North of Uganda frustrates efforts to reduce poverty in the poorest region in the country. And last but not least, in the last four years, the governance situation in Uganda has deteriorated rather than improved. All these factors could reduce the (expected) effectiveness in terms of poverty reduction that was intended with the introduction and implementation of SWAp in Dutch development cooperation policy in Uganda.

The above conclusions should be placed in the context of the high aid dependency of Uganda. Despite huge volumes of external assistance, results in poverty reduction have been disappointing since the introduction of PRSP and SWAp in Uganda. Some observers (see, for instance, Mwenda and Tangri (2005), Norton and Piron 2003) argue that the large amounts of aid flowing into the country through SWAp hinder development in Uganda. Donors show high preference for SWAps in social service delivery sectors (health, education, local governance, and so on). However, without proper attention for private sector development and related revenue generating and collecting systems, the government is unable to maintain services delivery programmes after donors withdraw their support. Continued and substantial donor dependency does not stimulate the GoU to seek for alternative revenue sources, and in this way the large amounts flowing in the country through SWAp may hinder further development in Uganda.

In view of the dominant role of donors, both in terms of financing the Ugandan budget and in terms of influencing the design and implementation of national and sector development policies (see also Chapter 6), questions about the long-term impact of aid and the aid management system on development in Uganda can also be levelled to Uganda's donors. In some policy documents of the RNE serious questions are raised on the volume of Dutch aid to Uganda given its absorptive capacity, and the detrimental effects too much aid might have (see Idema 2002, RNE 2004). In the context of how to attain sustainable poverty reduction in Uganda in the context of SWAp, these questions are highly relevant.

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**ANNEX 1 TABELLEN ACTIVITEITENOVERZICHT UGANDA
(STATUS DECEMBER 2004)**

Hoofdstuk 1: Sector/thema Uganda op basis van MIDAS

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SECTOR LOKAAL BESTUUR/PLATTELAND									
Activiteitsnaam	Inico	Committering	1996	1997	1998	1999	Totaal		
NIET-'SECTORALE PROGRAMMAHULP'									
Community Action Program (CAP)	01/07/1992	5.439.536	2.190.162	402.575	0	0	2.592.737		
Districten programma Soroti	01/01/1996	5.099.341	648.954	1.952.533	2.072.938	424.915	5.099.340		
districten programma LIRA	01/01/1996	4.567.389	739.929	2.138.236	1.689.224	0	4.567.389		
Capacity Building for Decentralisation in Arua District, Uganda ⁵	01/01/1997	1.690.518	147.479	326.345	344.292	587.892	1.406.008		
Community Action Program Phase II (CAP II)	01/01/1997	6.246.748	0	2.746.848	1.747.331	1.361.500	5.855.679		
KAM districtprogramma Soroti	01/04/1999	2.149.561	0	0	0	2.009.708	2.009.708		
KAM districten programma LIRA	01/01/1999	2.179.603	0	0	0	2.161.809	2.161.809		
<i>Totaal</i>		<i>27.372.696</i>	<i>3.726.524</i>	<i>7.566.537</i>	<i>5.853.785</i>	<i>6.545.824</i>	<i>23.692.670</i>		
Overig <100.000 euro gecommitteerd		186.939	0	0	104.915	82.024	186.939		
TOTAAL		27.559.635	3.726.524	7.566.537	5.958.700	6.627.848	23.879.609		

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SECTOR LOKAAL BESTUUR/PLATTELAND									
Activiteitsnaam	Begin	2000	2001	2002	2003	Totaal	2004	Totaal	Totaal
SECTORALE PROGRAMMAHULP									
LGDP 1	01/07/2000	13.023.895	2.445.875	3.374.310	5.260.710	1.474.534	12.555.429	0	12.555.429
KAM districts development 2000	01/01/2000	1.866.841	1.862.937	0	3.904	0	1.866.841	0	1.866.841
KAM NAADS	15/11/2001	2.670.885	0	455.595	500.000	500.000	1.455.595	0	1.455.595
LGDP2	01/07/2003	15.000.000	0	0	0	5.000.000	5.000.000	4.500.000	9.500.000
Totaal		32.561.621	4.308.812	3.829.905	5.764.614	6.974.534	20.877.865	4.500.000	25.377.865
NIET-' PROGRAMMAHULP'									
Capacity Building for Decentralisation in Arua District, Uganda ⁶	01/01/1997	1.690.518	284.510	0	0	0	284.510	0	284.510
Community Action Program Phase II (CAP II)	01/01/1997	6.246.748	380.713	10.355	0	0	391.068	0	391.068
KAM districten programma LIRA	01/01/1999	2.179.603	17.794	0	0	0	17.794	0	17.794
KAM districtprogramma Soroti	01/04/1999	2.149.561	139.361	492	0	0	139.853	0	139.853
KAM TA for districts 2000-2003	01/01/2000	2.111.197	343.565	691.827	624.896	318.921	1.979.209	250.000	2.229.209
KAM support to CEFORD WestNile	01/07/2000	757.956	115.147	338.618	304.191	0	757.956	0	757.956
KAM district programme support fund	01/01/2002	345.921	0	0	317.579	17.221	334.800	5.065	339.865
KAM TA Fiscal Decentralisation	01/07/2002	392.669	0	0	97.969	162.209	260.178	132.491	392.669
KAM-KASO	01/07/2002	144.330	0	0	115.464	28.611	144.075	0	144.075
KAM-CEFORD	01/07/2002	245.752	0	0	120.666	123.981	244.647	0	244.647
LG Sector Support	01/01/2003	430.098	0	0	0	375.605	375.605	45.777	421.382
TA Districts	01/07/2003	3.456.600	0	0	0	378.911	378.911	1.251.089	1.630.000
KAM Retrenchment in districts	01-07-2003	508.033	0	0	0	501.460	501.460	5.899	507.359
NAADS Agric. Extension ⁷	01/07/2003	4.500.000	0	0	0	250.000	250.000	1.125.000	1.375.000
Totaal		57.720.607	5.589.902	4.871.197	7.345.379	9.131.453	26.937.931	7.065.321	34.003.252
Overig <100.000 euro gecommiteerd		234.328	110.769	95.098	28.462	234.329	468.658	0	468.658
Totaal		57.954.935	5.700.671	4.966.295	7.373.841	9.365.782	27.406.589	7.315.321	34.721.910

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

⁶ Volgens HGIS geen programmahulp, volgens controller en consultant sectorale begrotingssteun.

⁷ In jaarverslag exit maar volgens controller niet.

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SECTOR ONDERWIJS							
Activiteitnaam	Begin	Committering	1996	1997	1998	1999	Totaal
SECTORALE PROGRAMMAHULP							
KAM expansion of TDMS W.Nile.	01/09/1997	4.769.743	0	699.191	894.978	1.544.812	3.138.981
KAM Education sector support	01/10/1999	12.025.176	0	0	0	2.722.681	2.722.681
<i>Totaal</i>		16.794.919	0	699.191	894.978	4.267.493	5.861.662
NIET- PROGRAMMAHULP'							
Women's Empowerment Programme in West-Nile	01/05/1996	1.849.082	237.336	471.931	472.041	389.264	1.570.572
Complementary Opportunity for Primary Education	01/11/1996	648.830	0	503.711	145.120	0	648.831
Procurement of urgent instructional materials	01/11/1997	1.096.696	0	871.258	225.438	0	1.096.696
basisonderwijs / education support Lira district	01/06/1998	420.718	0	0	420.718	0	420.718
basisonderwijs / educational support Soroti & Katakwi districts	01/06/1998	360.136	0	0	360.136	0	360.136
Printing of Pre-service course books	01/07/1998	241.809	0	0	114.716	127.092	241.808
KAM expansion of TDMS programm	01/07/1998	706.692	0	0	706.692	0	706.692
<i>Totaal</i>		22.118.882	237.336	2.546.091	3.339.839	4.783.849	10.907.115
Overig <100.000 euro gecommiteerd		89.710	0	0	29.918	59.792	89.710
Totaal		22.208.592	237.336	2.546.091	3.369.757	4.843.641	10.996.825

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SECTOR ONDERWIJS									
Activiteitsnaam	Begin	Committering	2000	2001	2002	2003	Totaal	2004	Totaal
SECTORALE PROGRAMMAHULP									
KAM Education sector support	01/10/1999	12.025.176	4.991.582	4.310.912	0	0	9.302.494	0	9.302.494
KAM Additional support to ESIP.	01/11/2001	27.226.813	0	5.445.363	10.890.724	10.890.725	27.226.812	0	27.226.812
Totaal		39.251.989	4.991.582	9.756.275	10.890.724	10.890.725	36.529.306	0	36.529.306
NIET-'PROGRAMMAHULP'									
Women's Empowerment Programme in West-Nile	01/05/1996	1.849.082	274.773	3.737	0	0	278.510	118.256	396.766
KAM expansion of TDMS W.Nile.	01/09/1997	4.769.743	552.647	0	1.078.114	0	1.630.761	0	1.630.761
KAM FURNITURE	01/12/2002	6.060.600	0	0	1.515.150	0	1.515.150	4.545.450	6.060.600
Education program. Support	01/01/2003	395.607	0	0	0	163.156	163.156	204.562	367.718
Totaal		52.327.021	5.819.002	9.760.012	13.483.988	11.053.881	40.116.883	4.868.268	44.985.151
Overig <100.000 euro gecommiteerd		200.422	11.999	89.472	54.120	39.343	194.934	0	194.934
Totaal		52.527.443	5.831.001	9.849.484	13.538.108	11.093.224	40.311.817	4.868.268	45.180.085

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP JURIDISCEH SECTOR							
Activiteitsnaam	Begin	Committering	1996	1997	1998	1999	Totaal
NIET-' PROGRAMMAHULP'							
KAM Public Prosecution	01/01/1998	2.190.263	0	276	323.014	371.076	694.366
Bron: MIDAS+Progr. Hulpbrieven							

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP JURIDISCEH SECTOR								
Activiteitsnaam	Begin	Committering	2000	2001	2002	2003	2004	Totaal
NIET-' PROGRAMMAHULP'								
KAM Public Prosecution ⁸	01/01/1998	2.190.263	501.661	484.817	256.860	236.000	16.559	1.495.897
Referendum 2000 / Civic Education Basket Funding	01/01/2000	211.008	211.008	0	0	0	0	211.008
KAM SWAP Development Fund JLOS	01/07/2000	178.336	178.336	0	0	0	0	178.336
KAM SWAP Development Fund JLOS	01/07/2001	740.342	0	740.342	0	0	0	740.342
Programme Support Fund JLO	01/01/2003	184.961	0	0	0	120.442	48.331	168.773
Totaal		3.504.910	891.005	1.225.159	256.860	356.442	64.890	2.794.356

Bron: MIDAS (Pyramide voor 2003 en 2004) + Progr. Hulpbrieven

⁸ vanaf 2004 via HQ

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD MILIEU									
Activiteitsnaam	Begin	Committering	1996	1997	1998	1999	Totaal		
NIET- PROGRAMMAHULP'									
IUCN/verlenging 2e fase "Kibale and Semliki Cons. and Developm.Project (18 mnd.)	01/07/1996	1.049.813	431.999	584.826	32.988	0	1.049.813		
IUCN/Uganda National Wetlands Conservation and Management Programme, fase III	01/09/1996	1.652.692	266.564	899.666	469.216	0	1.635.446		
KAM support to MBIFCTrust	01/07/1997	2.914.655	0	355.945	257.540	635.584	1.249.069		
Poverty Eradication through Environmentally Sustainable Agriculture (PEESA)	01/07/1997	440.394	0	218.495	154.739	67.159	440.393		
IUCN/Kibale and Semliki forest reserves bridging periode between fase II and III	15/02/1998	119.869	0	0	119.869	0	119.869		
KAM Duurzaam energiegebruik	01/04/1998	321.589	0	0	180.069	93.442	273.511		
IUCN/Kibale and Semliki Conservation and Develop- ment Project / phase III	01/07/1998	2.545.652	0	0	363.024	708.714	1.071.738		
KAM Verdelging waterhycenten	01/07/1998	192.975	0	0	73.059	67.273	140.332		
KAM Versterking NEMA	10/12/1998	288.022	0	0	228.417	59.605	288.022		
wetlands conversation and Management Programme Phase III-part/2	01/04/1999	2.019.315	0	0	0	777.099	777.099		
Totaal		11.544.976	698.563	2.058.932	1.878.921	2.408.876	7.045.292		
Overig <100.000 euro gecommiteerd		205.664	0	78.880	27.181	66.075	172.136		
Totaal		11.750.640	698.563	2.137.812	1.906.102	2.474.951	7.217.428		

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD MILIEU									
Activiteitnaam	Begin	Committering	2000	2001	2002	2003	Totaal	2004	Totaal
NIET- PROGRAMMAHULP'									
IUCN/Uganda National Wetlands Conservation and Management Programme, fase III	01/09/1996	1.652.692	17.246	0	0	0	17.246	0	17.246
KAM support to MBIFCTrust	01/07/1997	2.914.655	528.222	701.614	435.749	0	1.665.585	0	1.665.585
Poverty Eradication through Environmentally Sustainable Agriculture (PEESA)	01/07/1997	440.394	0	0	0	0	0	0	0
KAM Duurzaam energiegebruik	01/04/1998	321.589	25.593	20.692	1.792	0	48.077	0	48.077
KAM Verdelging waterhyccinten	01/07/1998	192.975	23.034	29.609	0	0	52.643	0	52.643
IUCN/Kibale and Semliki Conservation and Development Project / phase III	01/07/1998	2.545.652	806.322	667.591	0	0	1.473.913	0	1.473.913
wetlands conservation and Management Programme Phase III-part/2	01/04/1999	2.019.315	910.533	331.684	0	0	1.242.217	0	1.242.217
KAM Wetlands Conservation&MINT	01/07/2001	908.432	0	307.527	600.905	0	908.432	0	908.432
KAM Kibale/Semliki ICDP	01/07/2001	609.747	0	170.848	438.848	0	609.696	0	609.696
Env. Prog. Support Fund9	18/02/2003	214.038	0	0	0	175.353	175.353	26.726	202.079
Totaal		11.819.489	2.310.950	2.229.565	1.477.294	175.353	6.193.162	26.726	6.219.888
Overig <100.000 euro gecommiteerd		246.546	44.878	44.466	90.349	0	179.693	0	179.693
Totaal		12.066.035	2.355.828	2.274.031	1.567.643	175.353	6.372.855	26.726	6.399.581

Bron: MIDAS (Pyramide voor 2003 en 2004) +Prog: Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD THEMA HUMAN RIGHTS							
Activiteitnaam	Begin	Committering	1996	1997	1998	1999	Totaal
NIET-' PROGRAMMAHULP'							
Overig <100.000 euro gecommiteerd		155.592	0	106.682	46.023	2.885	311.182

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD THEMA HUMAN RIGHTS								
Activiteitnaam	Begin	Committering	2000	2001	2002	2003	2004	Totaal
NIET-' PROGRAMMAHULP'								
Programme Support Fund HR (human rights)	01/01/2003	237.392	0	0	0	0	164.526	62.103
Overig <100.000 euro gecommiteerd		57.653	0	0	32.760	5.990	38.750	0
Totaal		295.045	0	0	32.760	170.516	203.276	62.103
								226.629
								38.750
								265.379

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD THEMA GENDER							
Activiteitnaam	Begin	Committering	1996	1997	1998	1999	Totaal
NIET-' PROGRAMMAHULP'							
Overig <100.000 euro gecommiteerd		159.648	0	94.505	62.546	2.598	319.297

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD THEMA GENDER								
Activiteitnaam	Begin	Committering	2000	2001	2002	2003	2004	Totaal
NIET-' PROGRAMMAHULP'								
KAM Gender Budget Workshop	01/03/2003	162.179	0	0	0	115.005	35.990	150.995
KAM Gender Programme	01/03/2003	191.547	0	0	0	166.438	0	166.438
Totaal		353.726	0	0	0	281.443	35.990	317.433
Overig <100.000 euro gecommiteerd		39.400	0	0	39.400	0	0	39.400
Totaal		393.126	0	0	39.400	281.443	35.990	356.833

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD ANTI-CORRUPTION							
Activiteitnaam	Begin	Committering	1996	1997	1998	1999	Totaal
NIET-' PROGRAMMAHULP'							
Overig <100.000 euro gecommiteerd		92.359	45.378	40.776	6.206	0	92.360

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP SD ANTI-CORRUPTION								
Activiteitnaam	Begin	Committering	2000	2001	2002	2003	2004	Totaal
SECTORALE PROGRAMMAHULP								
KAM Public Procurement Reform ¹⁰	01/07/2001	6.126.033	0	1.588.231	1.100.000	921.000	5.516.802	3.609.231
NIET-' PROGRAMMAHULP'								
KAM Election monitoring	01/01/2001	153.891	0	153.891	0	0	0	153.891
KAM Local Election Monitoring	01/10/2001	259.689	0	259.689	0	0	0	259.689
KAM Fin.Man EFMP II	01/12/2002	2.870.600	0	0	683.480	683.475	1.230.255	2.597.210
<i>Totaal</i>		9.410.213	0	2.001.811	1.783.480	1.604.475	6.747.057	12.136.823
Overig <100.000 euro gecommiteerd		61.158	0	0	10.946	55.332	0	66.278
Totaal		9.471.371	0	2.001.811	1.794.426	1.659.807	6.747.057	12.203.101

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

¹⁰ Volgens HGIS programmahulp. Echter deze hulp loopt geoormerkt via het ministerie van financiën en is niet sectoraal; binnen deze evaluatie geen programmahulp.

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP OVERIG							
Activiteitnaam	Begin	Committering	1996	1997	1998	1999	Totaal
NIET-'PROGRAMMAHULP'							
Civil Service Reform Uganda Retrenchment in the Uganda Civil service	01/12/1997	771.426	0	771.426	0	0	771.426
Overig		4.598	0	0	4.598	0	4.598
Totaal		776.024	0	771.426	4.598	0	776.024

Bron: MIDAS+Progr. Hulpbrieven

UGANDA GEDELEGEERDE STRUCTURELE BILATERALE HULP OVERIG									
Activiteitnaam	Begin	Committering	2000	2001	2002	2003	2004	Totaal	Totaal
NIET-'PROGRAMMAHULP'									
KAM TA voor Bloemensector	01/03/2002	350.000	0	0	35.273	0	0	35.273	35.273
Amnesty Comission	01/12/2002	214.500	0	0	0	214.500	0	214.500	214.500
TA voor UFEA	21-01-2003	296.400	0	0	0	150.000	131.760	150.000	281.760
Study Social Sectors	14/04/2003	162.215	0	0	0	157.200	0	157.200	157.200
KAM Programme Support Fund 2004	01/01/2004	712.420	0	0	0	0	673.942	0	673.942
Overig		40.953	0	0	0	0	24.955	0	24.955
Totaal		1.776.488	0	0	35.273	521.700	830.657	556.973	1.387.630

Bron: MIDAS (Pyramide voor 2003 en 2004) +Progr. Hulpbrieven

Hoofdstuk 2: Modaliteiten

Hulpmodaliteiten Uganda (muv NIET-SECTORALE PROGR.HULP) als geassocieerd in de programmahulpbrieven											
	Activiteitnaam	Begin	Committering	1999	2000	2001	2002	2003	2004	Totaal 1999-2003	
Structurele macrohulp											
Sociaal fonds	Uganda Poverty Action Fund	19980701	5.899	2.950	0	0	0	0		2.950	
Sociaal fonds	Uganda Poverty Action Fund	19990701	3.857	3.857	0	0	0	0		3.857	
Sociaal fonds	DAF Public Servic Reform	19990701	2.269	2.269	0	0	0	0		2.269	
Sociaal fonds	DAF Poverty Action Fund	20000701	9.076	0	9.076	0	0	0		9.076	
Sociaal fonds	DVF Uganda Poverty Action	20010701	9.529	0	9.529	0	0	0		9.529	
Begrotingssteun	DVF Budgetsupport 2002 Uganda	20020701	15.500	0	0	7.500	10.000	21.800		17.500	
Totaal			46.130	9.076	9.076	9.529	7.500	10.000	21.800		
Sectorale programmahulp											
Sect. Begrotingsteun	NAADS Agric. Extension	01/07/2003	0	0	250	250	250	250	1.125	500	
Basket	KAM NAADS	15/11/2001	2.671	0	456	500	500	500	0	956	
Sectorale Begrotingssteun	KAM Districts Dvelopm 2000/03 (LGDP 1)	01/07/2000	13.024	0	3.374	5.261	1.475	0	0	11.081	
Sectorale Begrotingssteun	LGDP2	01/07/2003	15.000	0	0	0	0	5.000	4.500	0	
Sectorale begrotingssteun	KAM districts development 2000	01/01/2000	1.867	0	1.863	4	0	0	0	1867	
Basket	KAM expansion of TDMS W.Nile.	01/09/1997	4.770	1.545	553	0	1.078	250	0	3.176	
Sectorale Begrotingssteun	KAM Additional support to ESIP.	01/11/2001	27.227	0	5.445	10.891	0	0	0	16.336	
Sectorale begrotingssteun	KAM Education sector support	01/10/1999	12.025	0	4.311	0	0	0	0	9303	
Totaal			76.584	1.545	9.854	13.836	17.984	18.366	5.625	43.219	
Totaal			122.714	10.621	18.930	23.365	25.484	28.366	5.625	78.400	

Hoofdstuk 3: Vergelijking sectoren en thema's 1996-1999 met 2000-2003 op basis van MIDAS en Programmahulpbrieven

Uitgaven thema/sector gedelegeerde bilaterale OS 1996-2003 ¹ en structurele macrohulp (x1000€)											
Sector/thema (x1000€)	1996	1997	1998	1999	Total 96-99	2000	2001	2002	2003	Total 2000-2003	
Sector Lokaal Bestuur/Platteland NIET-SECTORALE PROGR.HULP	3.727	7.567	5.959	6.628	23.881	1.392	1.136	1.609	2.391	6.528	
Sector Lokaal Bestuur/Platteland Sectorale Programmahulp	0	0	0	0	0	4.309	3.830	5.765	6.975	20.879	
Sector Onderwijs NIET-SECTORALE PROGR.HULP	237	1.847	2.475	576	5135	839	93	2.647	202	3781	
Sector Onderwijs Sectorale Programmahulp	0	699	895	4.267	5861	4.992	9.756	10.891	10.891	36.530	
Juridische Sector NIET-SECTORALE PROGR.HULP	0	0	323	371	694	891	1.225	257	356	2729	
SD Human rights	0	107	46	3	156	0	0	33	171	204	
SD Gender	0	95	63	3	161	0	0	39	281	320	
SD Milieu	699	2.138	1.906	2.475	7218	2.356	2.274	1.568	175	6.373	
SD Anti-corruption NIET-SECTORALE PROGR.HULP	45	41	6	0	92	0	414	683	683	1780	
SD Anti-corruption Sectorale Programmahulp	0	0	0	0	0	0	1.588	1.100	921	3609	
Otros	0	771	5	0	776	0	0	35	521	556	
Macrosteun	0	0	0	9.076	9076	9.076	9.529	7.500	10.000	36.105	
Totaal	4.708	13.265	11.678	23.399	53.050	23.855	29.845	32.127	33.567	119.394	

Bron: MIDAS en Programmahulpbrieven

Macro-georiënteerde programmahulp heeft betrekking op programmahulp welke niet ten behoeve van individuele sectoren of projecten wordt gealloceerd en omvat betalingsbalanssteun, algemene begrotingssteun, cofinanciering van structurele aanpassingsprogramma's, multi-sectorale begrotingsfondsen en schuldverlichting. Document Beheersmatige Aspecten van de SB. April 2000.

Sectorale programmahulp is programmahulp die in één sector wordt gealloceerd en omvat in de praktijk sectorale begrotingssteun, sectorale basketfinanciering en sectoraal georiënteerde cofinanciering met de Wereldbank. **Document Beheersmatige Aspecten van de SB. April 2000**

NIET-SECTORALE PROGR.HULP Een ontwikkelingsinvestering die qua doelstelling en middelen beperkt is tot een bepaalde interventie in een bepaalde tijdsperiode en die wordt uitgevoerd door een projectteam (N.B. een projectteam kan bestaan uit speciaal ingehuurd (expatriate) staf maar ook uit reguliere staf van een overheidsinstantie in het betreffende ontwikkelingsland). PYRAMIDE

Hoofdstuk 4: Fiches Uganda uitgaven structureel gedelegeerde hulp per jaar

2000

Sector/thema	2000 MIDAS	2000 HGIS
Sector Lokaal/Platteland	5.701	5.986
Sector Onderwijs	6.042	5.564
Juridische sector	891	682
Sectordoorsnijdend	2.356	0
Exit/overig	0	2.577
Macrosteun	9.076	9.091
Totaal	23.854	23.900

Bron: MIDAS + HGIS + Programmahulpbrieven

2001

Sector/thema	2001 MIDAS	2001 HGIS
Sector Lokaal/Platteland	4.966	5.380
Sector Onderwijs	9.849	9.850
Juridische sector	1.225	1.225
Sectordoorsnijdend	4.274	3.862
Exit/overig	0	0
Macrosteun	9.529	9.529
Totaal	29.845	29.846

Bron: MIDAS + HGIS + Programmahulpbrieven

2002

Sector/thema	2002 MIDAS	2002 HGIS
Sector Lokaal/Platteland	7.474	7.335
Sector Onderwijs	13.538	13.598
Juridische sector	257	256
Sectordoorsnijdend	3.423	1.823
Exit/overig	35	1.626
Macrosteun	7.500	7.500
Totaal	32.127	32.138

Bron: MIDAS + HGIS + Programmahulpbrieven

2003

Sector/thema	2003 Pyramide	2003 HGIS
Sector Lokaal/Platteland	9.366	9.131
Sector Onderwijs	11.093	11.093
Juridische sector	356	521
Sectordoorsnijdend	2.231	2.274
Exit/overig	522	371
Macrosteun	10.000	10.000
Totaal	33.567	33.390

Bron: MIDAS + HGIS + Programmahulpbrieven

HGIS Bilaterale hulp via postennetwerk en structurele macrosteun					
	HGIS 2000	HGIS 2001	HGIS 2002	HGIS 2003	Totaal
Lokaal Bestuur/ plattelandontwikkeling	5.986	5.380	7.335	9.131	27.832
Onderwijs	5.564	9.850	13.598	11.093	40.105
Juridische Sector	682	1.225	256	521	2684
Sectordoorsnijdend	0	3.862	1.823	2.274	7959
Exit	2.577	0	1.626	371	4.574
Macrosteun	9.091	9.529	7.500	10.000	36.120
Totaal	23.900	29.846	32.138	33.390	119.274

MIDAS/PYRAMIDE Bilaterale hulp via postennetwerk en structurele macrosteun					
	MIDAS 2000	MIDAS 2001	MIDAS 2002	PYRAMIDE 2003	Totaal
Lokaal Bestuur/ plattelandontwikkeling	5.701	4.966	7.474	9.366	27.507
Onderwijs	6.042	9.849	13.538	11.093	40.522
Juridische Sector	891	1.225	257	356	2729
Sectordoorsnijdend	2.356	4.274	3.423	2.231	12.284
Exit	0	0	35	522	557
Macrosteun	9.076	9.529	7.500	10.000	36.105
Totaal	23.854	29.845	32.127	33.567	119.393

ANNEX 2 DONOR GROUPS IN UGANDA (AS OF NOVEMBER 2003)

Pillar / Group	Purpose of Group
<p>Pillar Macro- and Social- Economic Issues</p> <p>Head of Agency</p> <p>Sector groups – SWAPs</p> <p>Health Development Partners</p> <p>Education Funding Agencies Group (EFAG)</p> <p>Road Sector</p> <p>Water & Sanitation Sector Development Partners Co-ordination Group</p> <p>JLOS SWAp donor group</p> <p>Social Development Sector Group</p> <p>Private Sector Donor Group</p> <p>PMA Group</p>	<p>Coordination of donor development policies and strategies</p> <p>Coordinates donor input into support of the SWAp for the Health Sector</p> <p>Coordinates funding agency activity in Education, and provides advice and support to the MoES</p> <p>To coordinate activities in the roads sector and support SWAp.</p> <p>Technical group co-ordinating donor support to GoU</p> <p>Coordinates donor input into the SWAp process – liases with the the GoU SWAp Secretariat</p> <p>To provide information and discussion around social development and social protection, bringing together donors and NGOs</p> <p>Strategic group overseeing coordination of donors' PSD work, and responses to GoU</p> <p>Coordinate donor support to Plan for Modernisation of Agriculture (PMA)</p>

Cross Cutting Groups	
Donor Group on Gender	Share and co-ordinate donor activities / experiences on the promotion of gender equity
Donor Group on Environment	Coordinate donor support to environmental mainstreaming issues
Decentralisation Donor Sub-Group	Technical group co-ordinating donor support to the decentralisation process
PER Working Group	Preparation of Public Expenditure Review workshop, budget monitoring, PER Report
Procurement Donor Support Group	To support and monitor procurement reforms
Civil Society Coordination group	Coordinate assistance provided to CSOs by various donors
UN / Bilateral HIV/AIDS Self Coordinating Committee	Proposed component of new HIV/AIDS coordination structure
Pillar Governance Issues	
Donor Democracy and Governance Group (D2G2)	Heads of Mission information sharing and coordination around issues of political development
Donor Democracy and Governance Technical Group	Provides technical advice to D2G2, and has sub groups on human rights, corruption, civic education, democratic processes, and PEAP Pillar 2 / NEPAD
Pillar Northern Uganda	
Northern Uganda Amnesty and recovery from Conflict (NARC)	To share information and coordinate programming/influencing agenda on conflict related issues in the North
Northern Uganda Donor Group	To discuss issues emanating from NARC and dialogue with the GoU

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