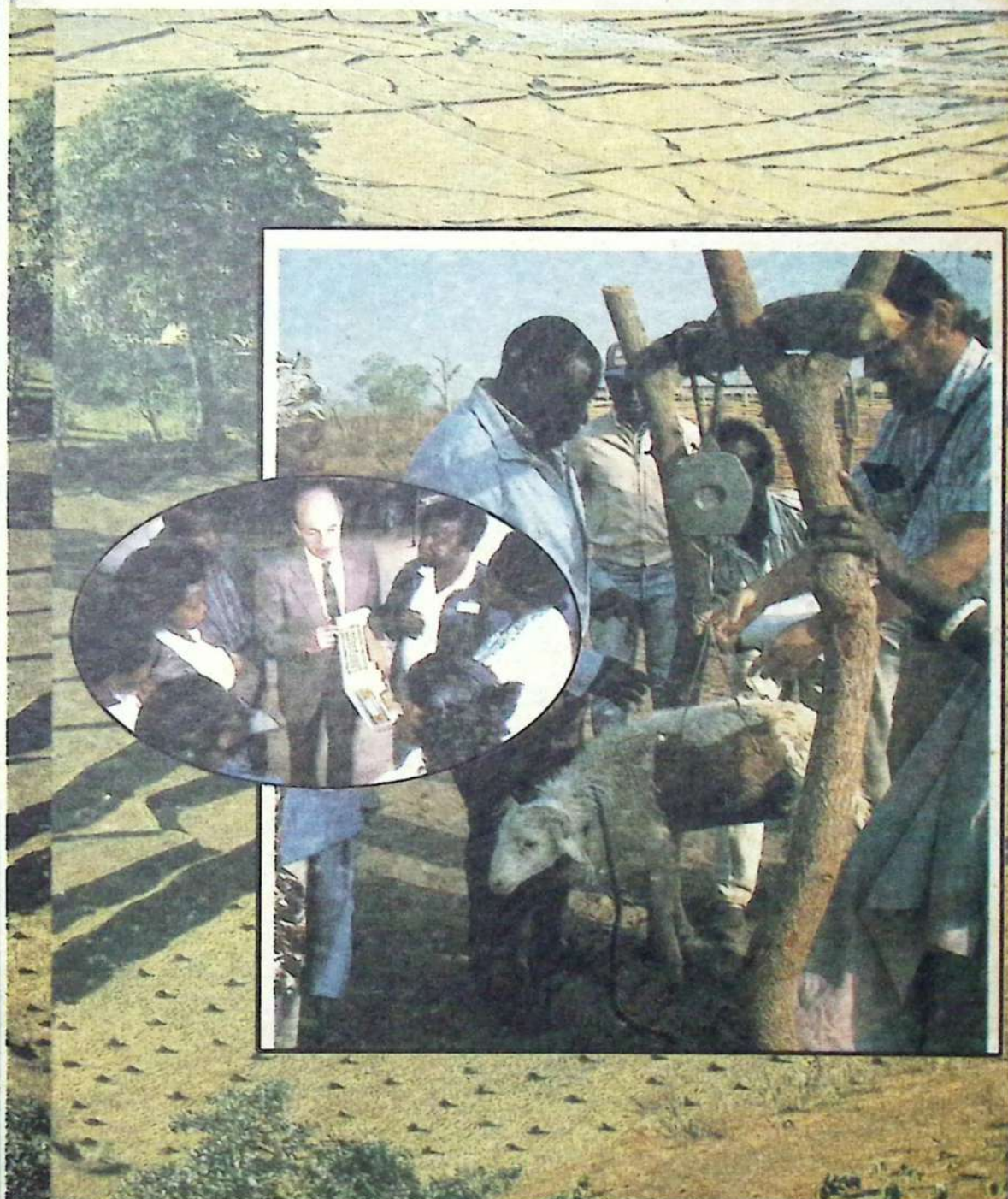


# The Poverty Orientation of Danish - Ugandan Development Cooperation

*Occasional Paper Series No. 2*

Edited by: Prof. Patrick K. Asea



This report was prepared for the Royal Danish Embassy by a team of researchers from, Economic Policy Research Centre and Makerere University (Institute of Social Research and Departments of Sociology and Political Science).





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# Chapter 1

## Executive Summary

by *Prof. Patrick K. Asea*

The Danish—Uganda development cooperation subscribes to the international goal of reducing poverty by one half by 2015. Danish support has recognized that project interventions alone are unlikely to solve the problem of poverty reduction. As such a sector-wide approach that channels budgetary funds and institutional support through key Ministries is a hallmark of Danish development cooperation.

This study found that 60% of sampled Danish interventions had clear direct linkages with poverty reduction. However, interventions do not always have to be poverty focused to benefit the poor. Many Danish projects have helped create an enabling environment for broad-based growth, strengthened governance systems and increased food security. All such interventions are likely to benefit the poor, along with the non-poor. Interventions targeted directly at the poor have had the most impact but appear to benefit fewer people than less targeted projects.

Danish support to basic education and reproductive and preventative health services (usually more accessible to the poor) has been modest or is non-existent. Danish support to agriculture is the most comprehensive but does not directly target the poorest of the poor because it is oriented

towards small holders (who are not necessarily poor). Danish support for roads and water has made important strides in improving availability and access to infrastructure. However, the infrastructure sector support could benefit from mechanisms to ensure that the poor benefit substantially and swiftly.

Danish cooperation acknowledges that sustainable poverty reduction depends not just on investments but on the empowerment of the poor. Danish support has been directed towards support for government agencies involved in ensuring good governance and accountability.

In the future support for democracy and good governance should be directed less towards direct support for the electoral process towards increased support for governmental agencies (IGG, Ministry of Justice, Police, Department of Integrity) and civil society (independent think tanks, NGOS) that can act as agencies of restraint.

The gender orientation of Danish—Uganda development cooperation is uneven. Recent research has clarified the nature of gender disadvantage in Uganda. Contrary to conventional wisdom the evidence indicates that on average, women do not belong to poorer households than men and female headed households are not



much worse-off than male-headed households. However, some categories of women, such as widows are clearly disadvantaged. Further, rural women have to compensate for their lower access to land by working harder. Notwithstanding the above caveat all areas of Danish support would benefit from a more systematic integration of gender equality issues.

All areas of Danish support would benefit greatly from professional external monitoring of actual performance against objectives. Impact is extremely difficult to judge given the lack of baseline data. Indeed, very little is known about the impact of interventions on the poor since evaluations have either neglected distributional issues or focused on output rather than impact.

The policies that will be most effective at alleviating poverty in Uganda relate to the role of human capital and public services in improving peoples access to information and their capacity to use it effectively. The following points have now emerged as the consensus view. First, education is a significant determinant of household welfare. Second, education (primarily in the first four years of primary education) plays an important part in determining agricultural productivity. Third, extension schemes enhance productivity and rural incomes. Fourth, parents education and the information about disease that they possess strongly affect the probability of children surviving illness. The challenge of Danish-Uganda development cooperation is to incorporate the findings of this study in a comprehensive framework for development.

## Chapter 2

# Conceptual Overview and Synthesis

by *Prof. Patrick K. Asea*

This chapter provides a conceptual overview and synthesis of five status papers on the poverty orientation of Danish-Uganda Development cooperation. The five papers covered the following sectors: roads, water, health, agriculture and democracy.

Poverty reduction (or an increase in well-being) is the main goal of the Danish-Uganda (GOU) development cooperation. The goal is defined as halving the incidence of absolute poverty, defined by a poverty line of \$ 1 per person per day in purchasing power parity terms. The goal is defined for a period of 25 years and produces a useful if minimal criterion for Uganda because population doubles each 25 years, so that achieving this target means that the absolute number of absolutely poor does not rise.

For the purpose of this report I have organized the discussion along three closely related dimensions of wellbeing: *capability, opportunity and governance*. These areas closely mirror the main concerns of any well conceived poverty reduction program. The first concern of a poverty reduction program should be with the *capabilities* of Ugandan's—that is their health status, nutrition and education. The second concern should be with increasing incomes and providing infrastructure (water and roads).

These are the factors which determine the economic *opportunities* that are available to the poor. Because the poor are predominantly in the rural areas where agriculture is the predominant source of income my discussion will focus on improving household incomes at the farm level. Finally the paper considers governance as a problem that is particularly serious for the poor and takes one dimension of governance—security—as an important dimension of wellbeing in its own right.

In this chapter I will emphasize how the indicators of capability, opportunity and governance (where available) have changed over time. The role of GOU policies and Danish assistance in effecting that change are explored. Understanding the dynamics behind these realities is the key to the design of appropriate policies and interventions that make a difference in peoples lives.

### 2.1 Capabilities

Capabilities, such as good health, nutrition and education, are important in their own rights. Poor health, malnutrition, illiteracy, powerlessness, and social or physical isolation can be considered as measuring directly the low levels of wellbeing that characterize Uganda, reflecting as they do the



harshness of the day-to-day life of many Ugandans. But these capabilities can also be considered as human capital, which have an enormous potential to raise incomes and economic living standards. While much of the literature emphasizes education as the key to higher incomes (from the points of view of both individuals and countries), in an agriculture-based region, better health and nutrition are likely to have beneficial impact on labor productivity and income growth.

### 2.1.1 Health

The key aspects of health in Uganda are provided in Table 1

- Extremely low-levels of health characterized by greater importance of infectious diseases and malnutrition.
- The age distribution of ill-health is characterized by more ill-health at younger ages.

Evidence of a deterioration in the general health status of Uganda's populations is found in recent indicators of malnutrition. Anthropometric measures of weight, height and age yield critical information in nutrition status. Children who have low weight for their height (relative to a reference population) are considered wasted, since this reflects very recent nutrition levels. Those with low height for their age are stunted, a condition resulting from longer term malnutrition. Children are considered wasted (stunted) if their weight (height) for their height (age) is less than two standard deviations below the norm of the reference population.

Malnutrition is responsible for more than half of all child deaths. For the survivors, chronic malnutrition will impede physical and mental development. Countries with

high levels of malnutrition are those in which percentage of preschoolers that are stunted and underweight exceeds 30 percent and 20 percent respectively. The data refer to children under five years of age.

The poorest 20 percent of the populations appear to be the worst affected by this deterioration. However stunting has improved in Uganda. But the deterioration in short-run nutrition (wasting) has occurred among the poorest quintiles of six countries (Ghana, Madagascar, Mali, Senegal, Uganda and Zimbabwe). In general, the data indicate a major problem of increased wasting during the 1990s, especially among the poor.

Table 2 demonstrates the extent to which the AIDS pandemic is wreaking havoc with the health of Uganda's population. And this is already reflected in mortality trends. In the developing world as a whole, only eight countries have experienced declines of more than three years of life expectancy since 1990 and six of these are in Africa including Uganda.

Whilst improved health status is closely associated with higher average incomes, the relationship between actual expenditures on health, both public and private and specific outcomes is not clear. Accurate data are difficult to obtain. Country coverage of key indicators is uneven and often missing. National aggregates mask disparities among households with different socio-economic profiles and among different regions of Uganda. Such difficulties can be addressed through systematic predominance auditing, commencing with publicly financed programs and progressively extended to agencies public and private contracted to deliver health related services and products.

However, even if we did have good information on expenditures and outcomes we would not be able to derive unambiguous

**Table 2. Declines in life expectancy since 1990  
(years of life)**

Botswana	-9.5	Zimbabwe	-3.8
Zambia	-6	Kazakhstan	-3.4
Kenya	-5.1	Iraq	-3.3
Uganda	-4.3	Cote d'Ivoire	-3.1



relationships with respect to improvement in health status. Many other factors, including female literacy, the absence or presence of conflict, the probity and efficiency of public administration, movement from rural to urban areas and longer term shifts in household structure values and behavior are important determinants of health status.

Nevertheless we can assume that improvements in the provision of health services do comprise a necessary if by no means sufficient condition.

### Proposed Changes

Poverty reduction can only be successful if the work force is healthy. However, the inability to afford health care may be a serious obstacle to achieving this goal.

The priorities for Danish assistance should be interventions that improve personal health (preventative and reproductive health services), together with investments in supporting services for information, communication and education. Such interventions are mass inoculation, contraception and micronutrients which have a considerable payoff in reducing mortality. These interventions will also have a significant effect on women's lives.

The second priority should be raising efficiency within the public system of health care. Waste and inefficiency can be reduced through better deployment and proper motivation of personnel, more efficient purchasing and use of drugs and improved maintenance of equipment and facilities. In Uganda the principle sources of waste are inadequate buying practices, poor projections of requirements, non-competitive procurements, poor storage and management, inappropriate prescriptions.

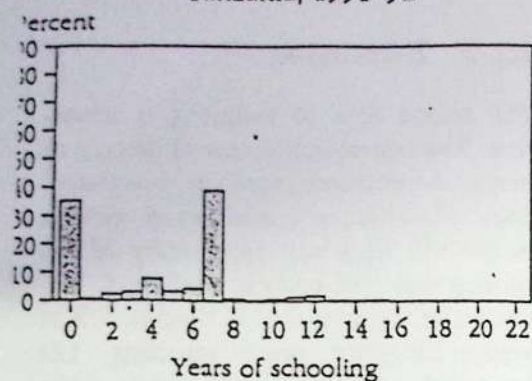
### 2.1.2 Education

The second area of wellbeing is education. The central importance of literacy to human development cannot be overstated. Basic education is a merit good without which few will have any opportunity of improving their well-being in adulthood. Figure 1 demonstrates that in Uganda 35% of women have zero years of schooling. The low number of educated women is a significant constraint to poverty eradication because educated mothers are more likely to adopt safe sexual practices, to plan the number and spacing of their children, to nourish them properly and to send them and girls in particular to school. Figure 2 shows predicted cumulative fertility by female schooling in a sample of countries. The relationship between schooling and fertility is important because reducing poverty will require

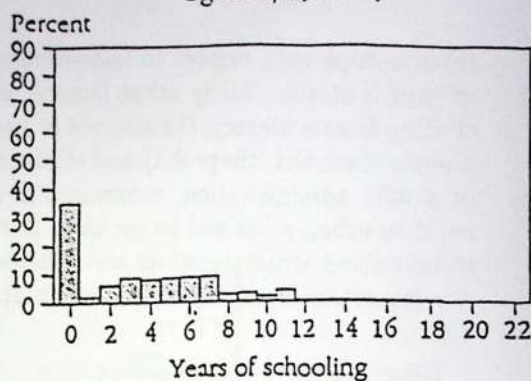
A literate labor force is potentially more productive and has greater capacity to adopt new technologies and working methods.

Outside sub-Saharan Africa, the bulk of the developing world has now achieved close to universal primary education enrollment, though with significant drop-out rates even before completing primary school. Sub-Saharan Africa on average went backwards between 1980, when the gross primary enrollment rate was 80 percent, and 1993, when it had fallen to 72 percent. Most of the developing world has far from universal secondary enrollment, and in Africa, less than a quarter of the secondary school aged children were enrolled in secondary schooling. The available statistics are worse for Uganda. As a consequence of past education, many adults have little or no education. This will have important influences on other social goals, such as child mortality, as well as on economic growth potential.

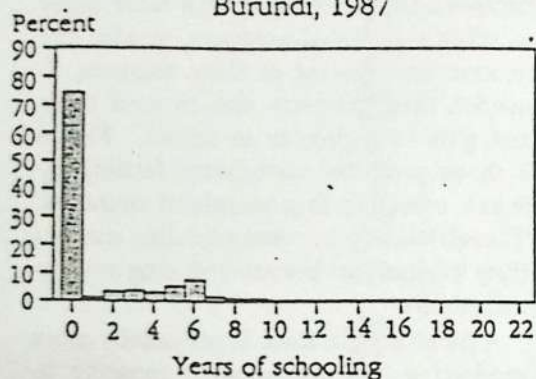
Tanzania, 1991-92



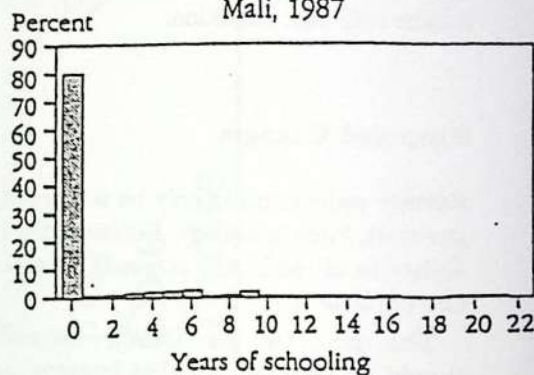
Uganda, 1988-89



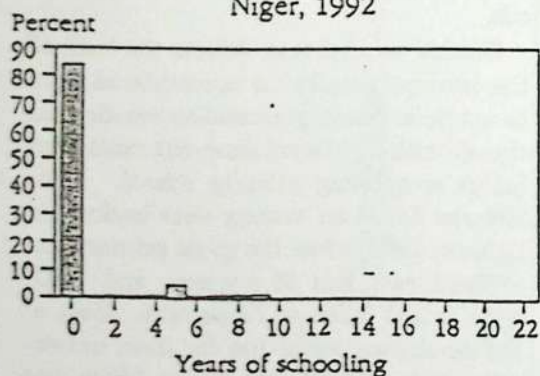
Burundi, 1987



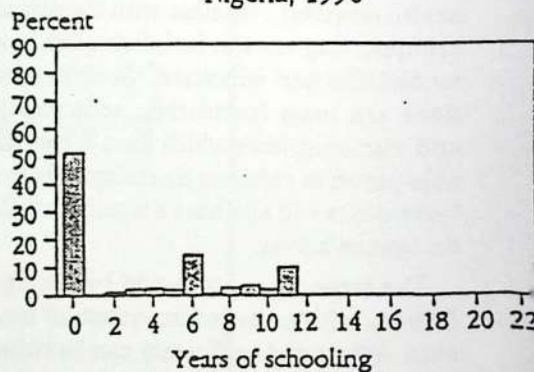
Mali, 1987



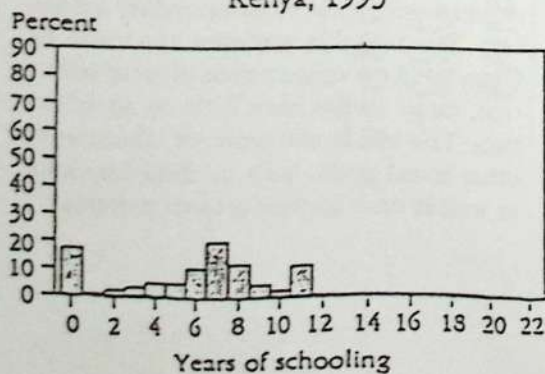
Niger, 1992



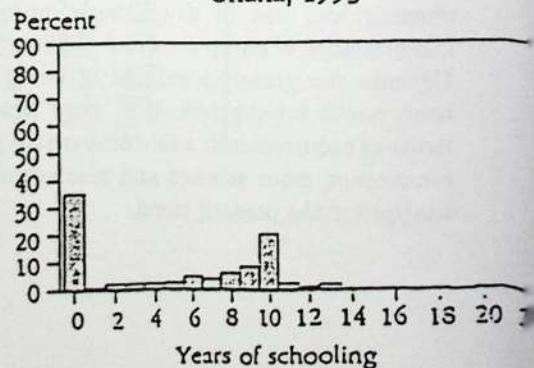
Nigeria, 1990



Kenya, 1993

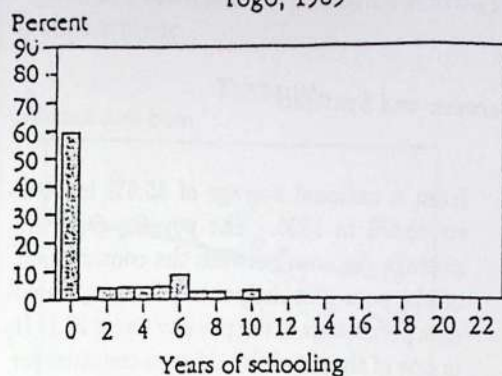


Ghana, 1993

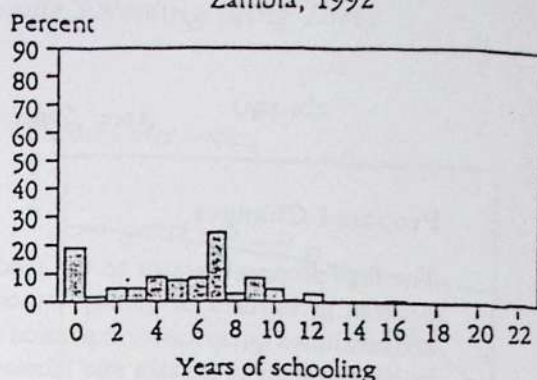




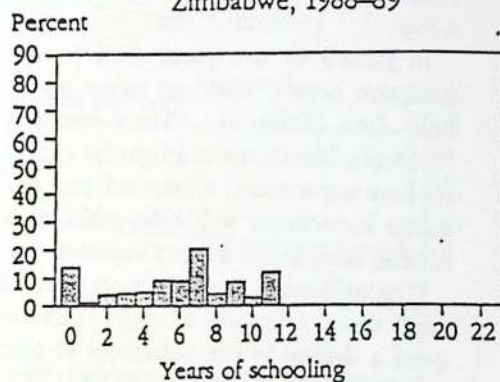
Togo, 1989



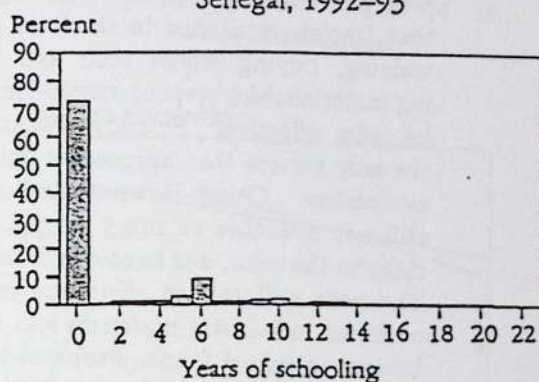
Zambia, 1992



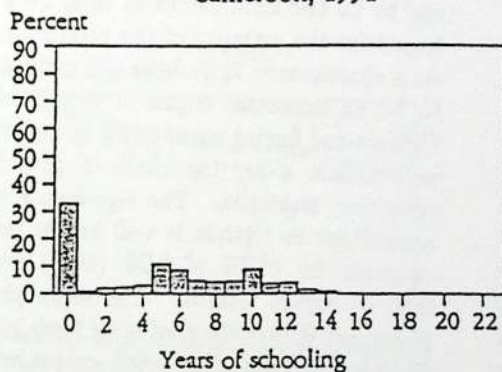
Zimbabwe, 1988-89



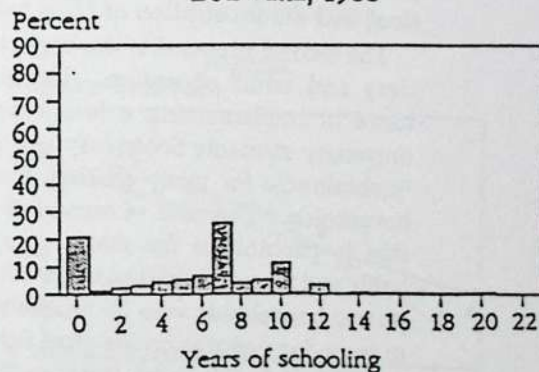
Senegal, 1992-93



Cameroon, 1991



Botswana, 1988



Note: Countries are in order of 1991 GNP per capita, from lowest to highest (see table 2). For sample size for each country, see table 3.

Source: DHS data.

## Proposed Changes

The first proposal relates to the trade-off between investment in quality (outcomes) and continued quantitative expansion of the existing system to sustain and increase enrollment ratios. GOU is hard pressed to even pay teachers salaries. This suggests that Danish assistance in the form of re-training, buying school texts and learning materials and revising curriculum may be quite effective. Primary education is the only service that approaches universal availability. Other However services are still not available to many people, especially to the poor, due to cost and distance. The poor still cannot afford the costs of uniforms, scholastic materials and contributions to school funds. Problems include overcrowding, automatic promotion, pupil performance, teacher quality and supervision, and administration of UPE funds.

The second proposal is the neglect of tertiary and adult education. Danish assistance in implementing a loan scheme for university students Secondary education is unobtainable for many children from poor households. The cost of secondary education is prohibitive for many poor households and for youth without support. Those poorer households who do choose to invest in secondary education are often further impoverished in the short term, as they may have to sell assets to meet the costs or to compromise on other household necessities. The inability of children from poorer households to access secondary education underlines the necessity of improving access for all children.

## 2.2 Agriculture

Uganda experiences widespread and deep poverty despite a marked decline in poverty

from a national average of 55.6% in 1992 to 45.6% in 1996. The poverty gap—the average distance between the consumption of the poor and the poverty line, expressed as a percentage of the poverty line is 29.1. It is one of the six of the thirteen countries for which we have data in which half or more of their populations live on less than a dollar a day.

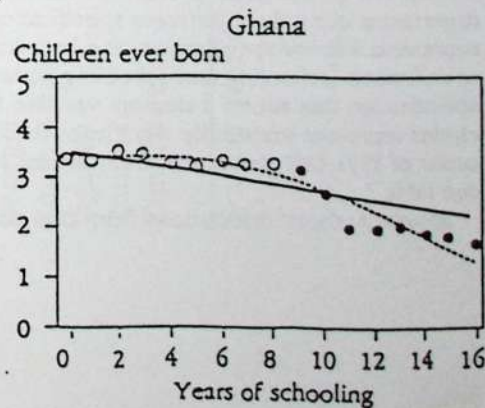
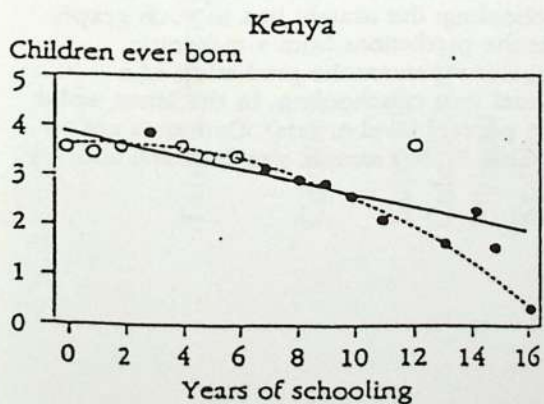
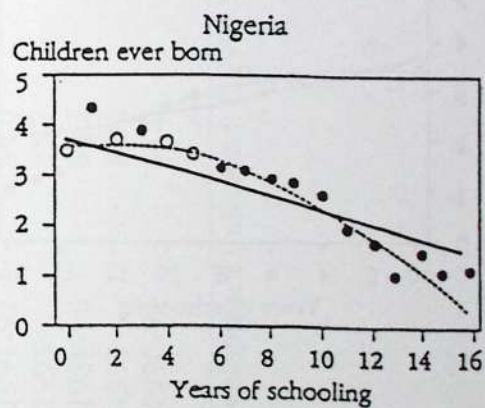
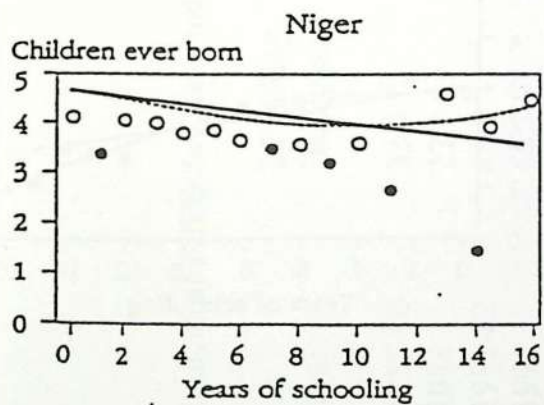
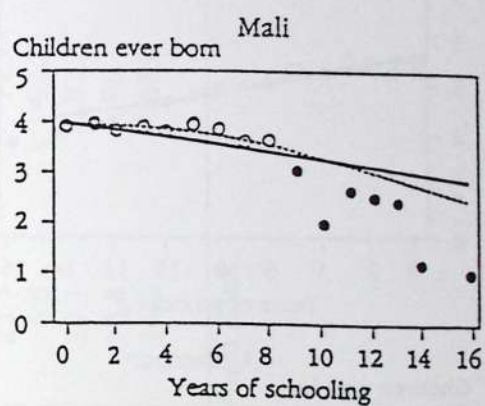
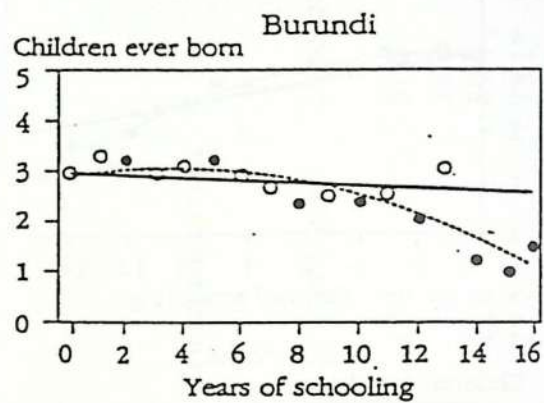
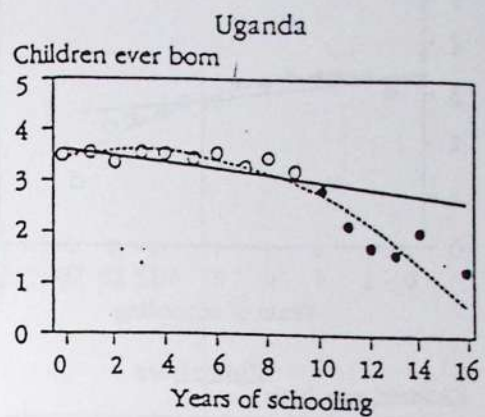
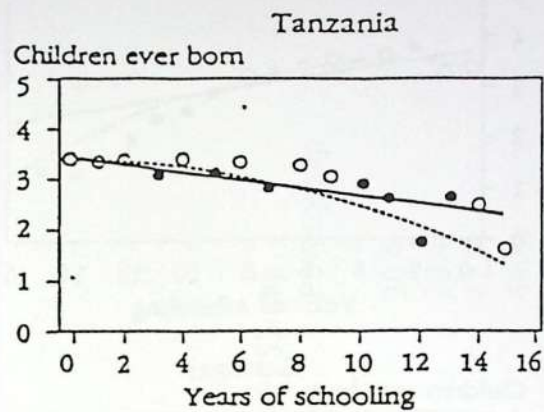
In Table 9 we have traced trends in consumption poverty based on recent household data (Table 9). Three countries (Ethiopia, Mauritania and Uganda) appear to have experienced widespread improvements in economic wellbeing, which have filtered down to the poorest segments.

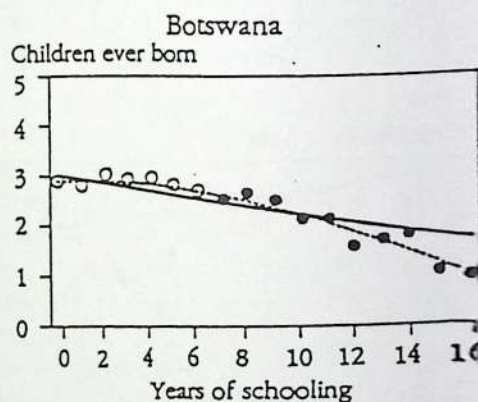
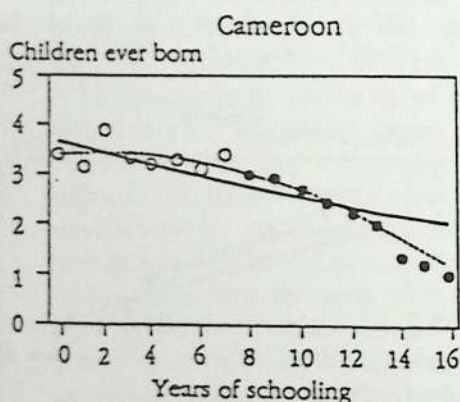
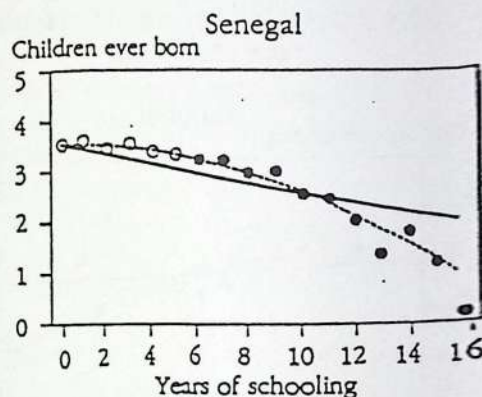
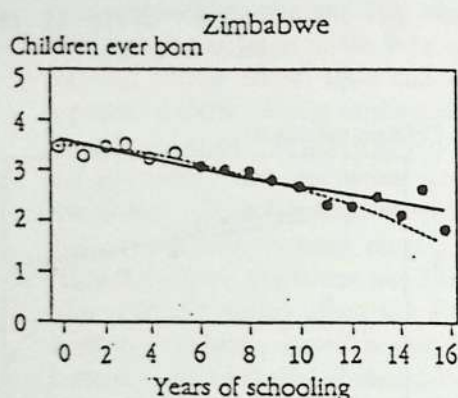
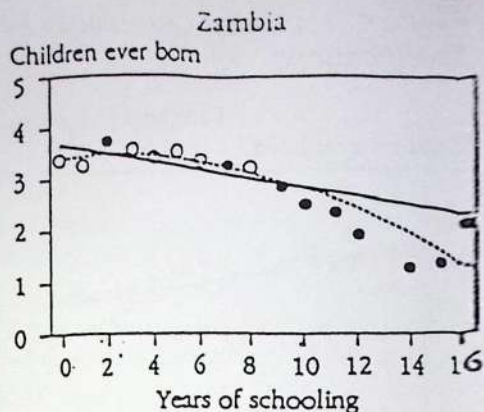
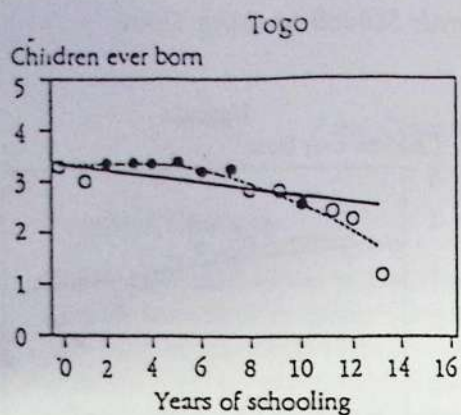
The incidence of poverty is most severe in rural areas of Uganda although there has been a decline in the percentage of poor people from 59.4% in 1992 to 54.8% in 1996.

In these rural areas agriculture continues to be the main source of rural livelihoods for the majority of the population. As a consequence, agriculture will continue to be an important engine of growth for Uganda and finding ways to spur its growth will remain a key ingredient of poverty reduction strategies. The significance of agriculture in Uganda is well known, accounting for 42.7% of GDP (1998) over 90% of export revenue. The sector employs over 80% of the rural labor force, and these are predominately small scale subsistence and semi- subsistence farmers. This is the segment of the population that the government must target in order to transform the agricultural sector. In the last three years (1995/96-1997-98) agriculture has been growing at an annual average of 2.4 percent, yet population has been growing at about 2.9% per year, implying that per capita agricultural production has been declining and this has serious implications for food security and poverty eradication. Just to maintain the balance between pop-



Figure 2. Predicted Cumulative Fertility by Female Schooling Using Three Specifications





*Note:* The graphs show predicted number of children ever born from ordinary least squares regressions using three different specifications of female schooling: the straight line in each graph represents a linear specification; the broken line represents the predictions from a quadratic specification (schooling and schooling squared); and the circles represent the prediction of a specification that allows a dummy variable for each individual year of schooling. In the latter, solid circles represent statistically significant coefficients (at the 5 percent level or less). Countries are in order of 1991 GNP per capita, from lowest to highest (see table 2). For sample size for each country, see table 3.

*Source:* Authors' calculations from DHS data.



Table 8. Poverty indices at PPP\$/day, selected African countries.

Countries	Year	PPP\$/day		PPP\$/gap	
		Headcount	Poverty gap	Headcount	Poverty gap
Botswana	1985-86	33.0	12.4	61.0	30.4
Cote d'Ivoire	1988	17.7	4.3	54.8	20.4
Ethiopia	1981-82	46.0	12.4	89.0	42.7
Kenya	1992	50.2	22.2	78.1	44.4
Madagascar	1993	72.3	33.2	93.2	59.6
Niger	1992	61.5	22.2	92.0	51.8
Nigeria	1992-93	31.1	12.9	59.9	29.8
Rwanda	1983-85	45.7	11.3	88.7	42.9
Senegal	1991-92	54.0	25.5	79.9	47.2
South Africa	1993	23.7	6.6	50.2	22.5
Uganda	1989-90	69.3	29.1	92.2	56.6
Zambia	1993	84.6	53.8	98.1	73.4
Zimbabwe	1990-91	41.0	14.3	68.2	35.5

Source: World Development Indicators. (1999) World Bank.

Table 9. Consumption poverty trends, seven African countries\*

		Headcount*		Squared poverty gap*	
		Year 1	Year 2	Year1	Year2
Ethiopia					
1989-1995	Rural	61.3	45.9	17.4	9.9
1994-1997	Urban	40.9	38.7	8.3	7.8
Ghana					
1989-1992	Rural	37.5	30.2		
	Urban	19.0	20.6		
	Total	1.9	27.4		
Mauritania					
1987-96	Rural	72.1	58.9	27.4	11.9
	Urban	43.5	19.0	9.7	2.1
	Total	59.5	41.3	17.5	7.5
Nigeria					
1992-96	Rural	45.1	67.8	5.9	25.6
	Urban	29.6	57.5	12.4	24.9
	Total	42.8	65.6	14.2	25.1
Uganda					
1992-1997	Rural	59.4	48.2	10.9	23.2
	Urban	29.4	16.3	3.5	5.4
	Total	55.6	44.0	9.9	16.6
Zambia					
1991-1996	Rural	79.6	74.9	39.1	23.2
	Urban	31.0	34.0	9.7	5.4
	Total	57.0	60.0	25.5	16.1
Zimbabwe					
1991-1996	Rural	51.5	62.8	10.2	13.0
	Urban	6.2	14.9	0.5	1.4
	Total	37.5	47.2	7.2	9.3

\*based on national (nutritionally based) poverty lines. Comparisons between countries not valid.

[These data on poverty dynamics will be expanded and revised.]



ulation growth and agricultural production, the sector must grow by at least 2.9% per annum. However, to have surpluses for the market, agriculture should grow in excess of 5% per annum because at current levels, Uganda is just below 100% self-sufficiency. The growth rate of 8.1% for agriculture in 1998/99 is a remarkable achievement for the sector, considering its poor performance in recent years. Maintaining this rate or achieving a higher one will require modernizing the sector.

In Uganda's context, given that the majority within the sector are subsistence or semi-subsistence producers, modernization means transformation from subsistence production to producing surpluses for the market. Transformation will involve farmer's uptake of productivity-enhancing technologies, supported by an effective research and extension system, and linked to sustainable market access, both domestic and foreign. The transformation must be private sector-led, with government providing only those services that cannot be undertaken by the private sector, at least in the short-run.

The Danish governments assistance to agriculture is the most wide-ranging and comprehensive.

### Proposed Changes

The following areas have been identified as areas in which Danish assistance may be targeted.

- Finance establishment of rural markets for smallholders.
- Facilitate establishment of non-governmental institutions to provide finance and risk insurance to smallholders
- Supply planting materials and other agricultural inputs to the poorest of the poor.

## 2.3 Infrastructure

In this section we examine the poverty orientation of the Danish-Uganda development cooperation in infrastructure provision (water and roads). There are several ways by which new or improved infrastructure activity can help reduce poverty. One link between infrastructure activity and poverty reduction arises through the contribution of infrastructure to the process of pro-poor growth. The poor are usually identified as being deprived of clean water, sanitation, and transportation and communication which are considered as "input indicators" as poverty. These limit their access to another set of "input indicators", namely health services, education facilities, food and markets which will have a negative impact on the set of "output indicators" of poverty such as life expectancy, literacy, income and nutrition. Hence, the provision of infrastructure services can directly reduce poverty through its effects on its input and output components.

To achieve this requires the identification and financing of a significant number of projects for which a high proportion of the beneficiaries will be below the poverty line. Not all infrastructure projects will have this characteristic, but it is through this route that infrastructure activity can make its main contribution to the process of poverty reduction. Water supply and sanitation, and rural transportation projects, are the components of infrastructure most likely to promote pro-poor growth.

### 2.3.1 Water and Sanitation

Access to clean water for household consumption is a major priority for rural and urban communities. Overall, access to safe water in Uganda remains low although it is showing a positive trend. Interventions

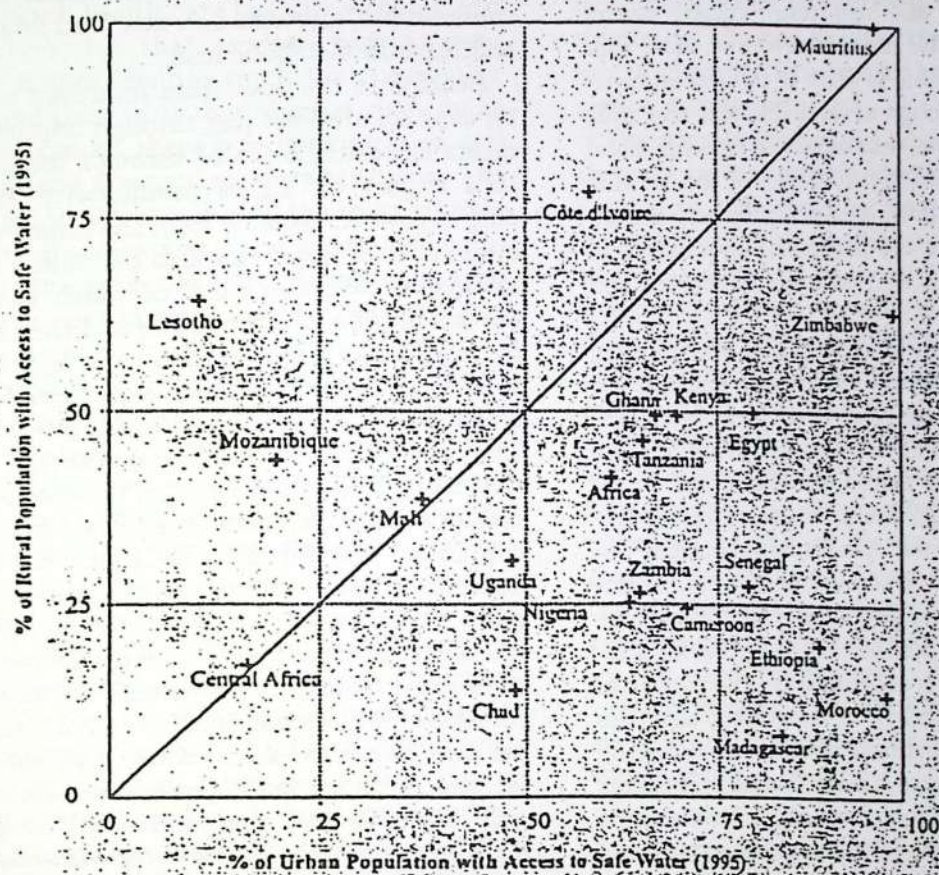
**Female-Male Transport Burden  
(tonne-kms per person per year)**

Survey	Kasama (Zambia)	Lusaka- Rural (Zambia)	Mbale (Uganda)	Kaya (Burkina)	Dedougou (Burkina)
Adult females	35.7	30.3	39.0	10.3	15.5
Adult males	7.1	9.8	8.6	3.6	4.4

*Source: Wesis (1998) and Barwell (1996)*



Figure 4.5: Rural-Urban Distribution of Water In Africa





in the water sector have the potential to greatly improve household welfare because the burden for collecting water falls mainly on women and children. Infact, one of the distinctive characteristics of water supply as a sector is that it influences development through several different channels. Health, social, economic and environmental impacts are derived. Some of the benefits that result from water supply and sanitation enhance the impact of investments in other sectors, e.g., education, industry, and vice versa.

It is widely accepted that the primary causes of disease and ill health amongst the poor are water-related such as the prevalence of diarrhoeal diseases. Some of these water-related health problems can be reduced through the provision of safe drinking water, as well as acceptable washing water and hygienic sanitation services. Investments in water supply and sanitation have been shown to be critical to improving public health. It is estimated that 80 percent of endemic disability in developing countries is due to diarrhoeal disease. A review by the WHO demonstrates that improvements in water supply and sanitation have a direct and significant payoff in reducing diarrhoeal morbidity. It has been estimated that when both water quality and water quantity are improved, diarrhoeal morbidity rates can be reduced by as much as 37 percent. When health education and excreta removal are added, the reduction in diarrhoeal disease is still more dramatic, as much as 50 percent and higher.

Water supply and sanitation are also known to be effective in controlling cholera and typhoid. The use of adequate amounts of water for personal hygiene also reduces the prevalence of scabies, other skin disease, and louse-and fly-borne disease. Improvements in water supply and sanitation have been shown to aid and enhance other mea-

sures tending to ameliorate the nutritional status of communities. The prevention of diarrhoeal disease improves nutrition because enteric infections decrease food intake and increase metabolic loss.

Benefits to the poor from improved water supplies arise not just through improvements in health, but also through the latter's impact on higher productivity and output growth. Benefits from the improved availability of water can also be viewed as savings in collection time, of which some portion may be used for leisure and the rest for production activities such as in agriculture. Women in Africa spend a considerable amount of time and money fetching water. The delivery of water to households means that more time will be devoted to other activities such as childcare or income-earning activities. In rural areas it is well established that water collection is the responsibility of females and from a series of case-studies the average time rural women spend on domestic transport (water and fuel wood collection) is in the range of 0.9 to 2.2 hours per day. Hence an improved siting of water facilities, such as standpipes or hand-pump wells, closer to rural communities will act as a major stimulus to extra water consumption and saves on time spend on handling.

### 2.3.2 Roads

The importance of a good, all-weather, rural road network for poverty reduction cannot be overstated. Although rural feeder roads are a priority of the GOU and Danish assistance, the outcomes must be more clearly focused on the impact on the livelihoods and lives of the poor, rather than on kilometers of road constructed.

Lack of all weather roads hinders poverty reduction. Not only are remote communities isolated due to lack of roads, but also other communities due to impassable roads



during the rainy season. A poor road network not only means that local people cannot reach health care facilities, schools, and markets, but that services, such as security bodies, cannot reach the community. Where there is no road there is virtually no development, there is no immunization outreach and pregnant mothers are dying. The situation is worse during the rainy season.

Improvements in rural roads and paths have the potential to improve the position of the poor in several ways, although they will generally have to be provided as part of a package of measures that include credit, extension services and other investments, for example in irrigation and water. Evidence from surveys suggest that, the average rural adult spends 1.25 hours per day on essential travel and transport. Of this time 75 percent is for domestic purpose (defined as including collection of water and fuelwood, and trips to a grinding mill to produce ground flour for family consumption), 18 percent for agricultural purposes (covering trips to the field for different cultivation activities, movement of farm inputs, collection of harvested crops), no more than 1 percent for health visits to rural clinics or doctors and the remaining 6 percent for marketing of crops. The average adult also expands a carrying effort equivalent to moving a load of 20kg over 2kms a day.

Road improvements can ease the transport burden on the rural poor. For example new or rehabilitated feeder roads can allow motor vehicles to operate down to the village level, allowing the farm outputs from the villages to market centers. The improvement of paths or tracks can also reduce the transport burden where foot, bicycle or cart travel is involved. For example, improvements to bridges or water crossings can shorten journeys by avoiding detours, and improvements to path surfaces can allow passage by bicycle or cart as well as

on foot. Involvement of the communities themselves in planning local transport interventions is likely to increase their effectiveness by allowing an accurate identification of where bottlenecks exist and ensuring regular maintenance.

These improvements can raise incomes of the poor through several mechanisms. Reduction in time spent on water and firewood collection, particularly where bulky low value crops are involved, for example, trucks can be moved to villages and stored close to where they are needed; with improved tracks and footpaths facilitates the movement of hired farm labor to the field; in isolated rural areas where communities will have great difficulty in marketing their produce, crops can also be moved in smaller quantities by cart or bicycle if adequate roads or paths are available; access to social services and non-agricultural income generating activities including health clinics, for which travel time is reduced, and travel from peri-urban locations to work in services and construction in the urban informal sector.

### Proposed changes

Danish support for roads and water has made important strides in improving availability and access to infrastructure. However, support to the infrastructure sector could benefit from mechanisms to ensure that the poor benefit substantially and swiftly.

One way to achieve this goal is to focus more effectively on the gender dimension of infrastructure provision. Given the critical role of women in water collection, time savings through the provision of potable (safe drinking) water will predominantly benefit women. To demonstrate the magnitude of the potential benefit the disparity in the male-female transport burden is il-



illustrated in the table below, with data from World Bank village surveys. The data are in tonne-kms per person, per year and show that the average adult female move loads between three and five times greater than those moved by men.

This, combined with women's contribution to agricultural work, which involves frequent trips to the fields for farming, has led to rough estimates that women contribute at least 65 per cent of the total transport effort.

There is also evidence of the higher input into agricultural activities provided by female labor. From World Bank Poverty Assessments in Uganda it appears that women have a working week averaging 41 hours as compared to one of 26 hours for men. In Uganda, it is estimated that women produce 80 per cent of food and provide 70 per cent of total agricultural labor. Hence the expectation must be that time savings will benefit women disproportionately, although it is not obvious that these will be used for leisure rather than other productive work.

In general, however, it is expected that improvements in rural infrastructure can raise incomes of the poor, particularly women who constitute a large proportion of rural farmers, through several mechanisms:

- Reduction in time spent on water and firewood collection. As has been noted, this will benefit women in particular since across the region they appear to be the main carriers of water and wood. The time freed can be used for leisure or for productive purposes such as various agricultural activities. There is evidence that a significant portion of time saved is used productively.
- Increase in crop production. Agricultural output can benefit, particularly

where bulky low value crops are involved. For example, trucks can be hired to move bulk harvests; fertilizer can be moved to villages and stored in local storage facilities; with improved tracks and footpaths hired farm labor can move readily to the fields.

- Improvement in marketing opportunities. Isolated rural communities will have great difficulty in marketing their crops. Crops can be moved in bulk by trucks, but also in smaller quantities by car or bicycle, provided adequate roads or paths are available.
- Access to social services and non-agricultural income generating activities. These include health clinics, for which travel time can be reduced, and travel from peri-urban location to work in services and construction in the urban informal sector.

## 2.4 Democracy

In this section we examine the poverty orientation of the Danish-Uganda development cooperation in the area of democracy. In recent years, researchers and practitioners have made major strides in understanding some of the key institutional attributes of effective states. While a wide variety of institutional arrangements are workable, well functioning public institutions are generally thought to have certain characteristics in common. decision-making process and the resulting decisions are in general transparent and predictable. Oversight mechanisms (checks and balances) guard against arbitrariness and ensure accountability in the use of public resources but do not eliminate the flexibility and delegation that is needed to respond quickly to changing circumstances. Public officials are com-



mitted to the achievement of social goals and the efficient delivery of public services and private realm in a streamlined, transactional efficient way. The political process is broadly viewed as legitimate and provides an anchor of predictability for business decision-making. Property rights are protected.

Levy (1999) has provided a useful characterization of governance. He examines three dimensions of governance. The first two are political dimensions:

- the extent of formal rule bound governance (FRBG)
- the credibility of political authority

the third characteristic focuses on the administrative dimension, namely

- the quality of the bureaucracy

Two variables measure the perceptions of respondents as to the quality of judicial institutions. The survey posed the following question

- Unpredictability of the judiciary presents a major problem for my business operations. To what extent do you agree with this statement? (1=disagree, 6=agree).

The second measure of FRBG comprises the perceptions of respondents as to the pervasiveness of corruption as a business practice. To proxy corruption, the survey probed

- It is common for firms in my line of business to have to pay some irregular additional payments to get things done [1= never pay, 2= seldom, 3=sometimes, 4=frequently, 5=mostly, 6=always pay]

The Table below reports scores for Uganda. corruption is perceived to be a problem in Uganda. Uganda scores 3.73 which exceeds the global median score of 3.4.

Bureaucracy—the administrative arm of government—comprises the means whereby public decision are translated into actions. Bureaucratic quality comprises the extent to which a bureaucracy delivers high quality services, carries out its regulatory and other control functions (taxation) at low transaction costs. The World Development Report survey included questions that explored both the extent of “red tape” and the quality of services.

Two questions focused directly on the quality of services. The survey posed the following questions to firms:

- Inadequate supply of infrastructure represents a major obstacle to my business. To what extent do you agree with this statement ( 1= disagree; 6=agree)
- How would you generally rate the efficiency of government delivery of services (1=very efficient, 6=very inefficient).

The key choices include:

- Supply side or demand side approaches? A supply-side approach works directly to strengthen the rules, processes and organizations which underpin the public sector. A demand-side approach focuses more on giving voice to citizens so they can better communicate their priorities and encourage the public sector to perform better.
- System-wide or partial approaches? System wide approaches highlight the interdependence among different facets of public management and seek

Table 1: Estimates of FRBG for 22 African countries

	Corruption Score	Corruption Rank	Judicial Score	Judicial Quality Rank	Overall Rank
Zimbabwe	2.46	2	3.67	3	2.5
Mauritius	2.85	5	3	1	3
Malawi	2.67	3	4.17	7	5
Zambia	2.84	4	4.09	6	5
South Africa	1.93	1	4.43	11	6
Ghana	3.65	10	3.55	2	6
Nigeria	3.20	7	4	5	6
Gbissau	3.07	6	4.25	8	7
Kenya	3.63	9	4.26	9	9
Uganda	3.73	14	3.84	4	9
Togo	3.46	8	4.47	12	10
Mali	3.67	11	4.61	14	12.5
Mozambique	3.68	13	4.64	15	14
Tanzania	4.22	18	4.49	13	15.5
Cameroon	4.35	21	4.29	10	15.5
Senegal	3.67	12	5.28	21	16.5
Benin	4.17	17	4.86	16	16.5
Chad	4	15	5.08	19	17
Cote d'Ivoire	4.13	16	5.07	18	17
Madagascar	4.24	19	5.18	20	19.5
Congo	4.36	22	5	17	19.5
Guinea	4.35	20	5.56	22	21

Source: WDR 1997



Table 2: Policy credibility in 22 African countries

	Credibility			Credibility	
	Score	Rank		Score	Rank
Cote d'Ivoire	2.65	1	Togo	3.63	12
Mali	2.97	2	Kenya	3.67	13
Senegal	2.97	3	Mozambique	3.67	14
Mauritius	3.06	4	Cameroon	3.77	15
Guinea	3.08	5	Zambia	3.77	16
Ghana	3.12	6	Congo	3.83	17
Malawi	3.19	7	Gbissau	3.83	18
Benin	3.25	8	Zimbabwe	3.88	19
Uganda	3.34	9	Madagascar	4.14	20
South Africa	3.5	10	Nigeria	4.16	21
Chad	3.58	11	Tanzania	4.34	22

Table 3: Bureaucratic quality 1: the extent of 'red tape'

	Bureaucracy: time		Bureaucracy: barriers		Overall Ranking
	Score	Rank	Score	Rank	
Malawi	1.79	3	2.9	3	3
Zimbabwe	1.72	2	3.01	4	3
Zambia	2.26	8	2.6	1	4.5
Mauritius	1.68	1	3.22	9	5
Uganda	2.5	10	2.84	2	6
Ghana	2.26	7	3.05	6	6.5
Cameroon	1.95	5	3.37	13	9
Kenya	2.61	14	3.07	7	10.5
Togo	2.09	6	3.43	15	10.5
Guinea Bissau	2.27	9	3.37	14	11.5
South Africa	1.94	4	3.81	21	12.5
Chad	3	21	3.04	5	13
Mali	2.82	18	3.1	8	13
Benin	2.79	17	3.31	11	14
Senegal	2.51	11	3.48	17	14
Nigeria	2.55	12	3.64	19	15.5
Tanzania	3.13	22	3.27	10	16
Guinea	2.93	20	3.32	12	16
Cote d'Ivoire	2.68	16	3.43	16	16
Madagascar	2.66	15	3.56	18	16.5
Mozambique	2.56	13	3.71	20	16.5
Congo	2.88	19	3.85	22	20.5



Table 4: Bureaucratic quality 2: service delivery

	Service quality			Service quality	
	Score	Rank		Score	Rank
Cote d'Ivoire	3.51	1	Zambia	4.25	12
Ghana	3.53	2	Guinea	4.26	13
Guinea Bissau	3.53	3	Nigeria	4.37	14
Mali	3.68	4	Mozambique	4.45	15
South Africa	3.71	5	Zimbabwe	4.63	16
Mauritius	3.75	6	Madagascar	4.65	17
Togo	3.92	7	Malawi	4.79	18
Uganda	3.94	8	Cameroon	4.82	19
Senegal	3.95	9	Kenya	4.91	20
Benin	3.97	10	Congo	4.99	21
Chad	4.21	11	Tanzania	5.02	22

*Table 5: Bureaucratic quality and political governance: some rank correlations*

	Judicial quality	Corruption	Policy credibility	Regulatory quality
Service quality	0.12	0.32	0.61	0.21
Regulatory quality	0.72	0.60	0.23	x



Table 6: Governance in sub-Saharan Africa - a Typology

	WEAK GOVERNANCE	MIXED GOVERNANCE	STRONG GOVERNANCE
WEAK BUREAUCRACY	Congo; Madagascar; Mozambique; Tanzania	Informal, but Credible Guinea Chad FRBG but low credibility Nigeria	
MIXED BUREAUCRACY: weak service; OK 'red tape'	Cameroon	Zambia Zimbabwe Kenya	Malawi
Strong service; excess 'red tape'		Benin; Cote d'Ivoire; Senegal Mali	South Africa
STRONG BUREAUCRACY		Togo; Guinea Bissau	Ghana Uganda Mauritius

changes on many fronts at once. Partial reforms focus on a narrower set of changes.

- Direct or roundabout approaches? direct approaches (which can be supply or demand side, systemic or partial) focus from the first on specific public dysfunctions. Roundabout approaches recognize that there may be no immediate opportunity to improve the present dysfunction. Instead they identify some other area where change is possible and where the results of that change can create new opportunities.

Mauritius, Ghana and Uganda emerge in Table below as the only three countries that rank better than the median in all dimensions examined in the survey. Less than 10 years after serious reforms were initiated Uganda has managed a remarkable turnaround. Despite the fact that Uganda scores worse for corruption and judicial quality than the global median available data suggest that Uganda has a relatively strong governance foundation. The institutional task seems to be one of consolidation—for which a variety of supply side technocratic reforms can be helpful.

### Proposed Changes

Danish-Uganda development cooperation acknowledges that sustainable poverty reduction depends not just on investments but on the empowerment of the poor. Danish support has made tremendous efforts at ensuring the democratic process is encouraged by providing support for the electoral process. We suggest that in the next five year period support for democracy and good governance should change from direct support for the electoral process towards support for governmental agencies and civil

society that can act as credible agencies of restraint. For instance:

- Civic programs to fight corruption: efforts to mobilize civic support for clean government,
- Government programs to fight corruption: institutional support to independent and quasi government organs: IGG, Ministry of Integrity, Judiciary.
- Programs to improve service quality and delivery: decentralization.
- Programs to improve service quality: strengthening the systemic public management underpinnings of service delivery and experimenting with new approaches such as contracting out, private provision with regulation.

## 2.5 Conclusion

This study has determined that a large proportion of Danish interventions have clear direct linkages with poverty reduction. However, interventions do not always have to be poverty focused to benefit the poor. Many Danish projects have helped create an enabling environment for broad-based growth, strengthened governance systems and increased food security. All such interventions are likely to benefit the poor along with the non-poor. Interventions targeted directly at the poor have had the most impact but appear to benefit fewer people than less targeted projects.

All areas of Danish support would benefit greatly from professional external monitoring of actual performance against objectives. Impact is extremely difficult to judge given the lack of baseline data. Indeed, very little is known about the impact of interventions on the poor since evaluations have



either neglected distributional issues or focused on output rather than impact.

## 2.6 References

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## Chapter 3

### The Health Sector

by *Dr. Harriet Birungi*

#### 3.1 Introduction

This report presents the main findings of a three weeks consultancy, which had two interrelated objectives. The first was to determine and assess the status of poverty in the health sector. The second was to identify issues and propose recommendation and actions to be taken to enhance the poverty orientation of Danish-Ugandan Development Co-operation during the next five years.

The purpose of this consultancy was to prepare a status paper for the health sector intended to serve as background information for the preparation of the revised country strategy. Data for the paper was largely drawn from existing documentation (list of reference documents is attached in the Annex 2) and discussions with MoH and HSSP staff (list attached in Annex 3).

#### 3.2 The Poverty Situation in the Health Sector and the Policy

For purposes of policy development during the planning period 1997/98 - 2007, Gov-

ernment of Uganda (GOU) has adopted a focused definition of poverty which emphasizes basic needs and provision of services (Government's Poverty Trends Paper 1998:7). Therefore, poverty has been defined as lack of access to basic necessities of life (food, shelter, and clothing) and other needs such as education and health care. However, this definition does not seem to adequately reflect or capture the health dimensions of poverty. It is suggested that poverty in the health sector should be regarded as the inability of individuals and communities to fully realize their social and economic potentials due to poor health status.

On the basis on existing documentation, four dimensions of poverty can be identified in the health sector:

- Health disease burden; that is, the prevalence of illness and associated temporary or permanent disability;
- Lack of determinants of health such as peace and security, education and infrastructure (water supply, roads, communication, health facilities);
- Lack of access to quality health care and



- Large (preventable) disparities/inequities in the above (i.e. disease burden, determinants in health and access to health care) by sex, age, ethnic groups and geographical distribution.

The Poverty Eradication Action Plan for Uganda and the National Health Policy describe poverty in the health sector. Based on the dimensions identified above, the assessment of poverty in health is summarized in Table 1.

Overall, Table 1 reveals that the poverty situation in the health sector is alarming. The depth and breath of health services delivery in Uganda remains low as evidenced by the existing low health indicators: only 49% of the population have access to medical facilities, life expectancy is low, infant mortality is still very high and there is high a prevalence of preventable illness/diseases.

A cross comparison of changes in the poverty situation in the health sector over a period of time has not been possible. The Ministry of Health has laid more emphasis on monitoring strategic level indicators, which show how health status of the overall country is changing in terms of life expectancy, mortality and morbidity. Available monitoring data has been reported unreliable and not comparative; there is no benchmark for comparison (see Introduction of Results Oriented Management Jan 1997) and indicators for monitoring poverty dimensions in the health sector have not been developed. There is need to introduce a system of monitoring of indicators reflecting the poverty dimensions in health in order to demonstrate a positive correlation between policy and the overall status of population.

There are three levels to assess the Government's policy on the reduction/eradication of poverty in the health

sector. The first level is at the conceptual level: the extent to which the proposed policy measures and planned interventions focus on and address different dimensions of poverty in the health sector. The second level is the implementation level: to what extent do allocations and expenditure address poverty dimensions in health? The third level concerns outcomes or impact: to what extent has the desired outcome or impact been achieved. The assessment for this assignment is restricted to the first and second level, since the policy has not yet been approved or implemented.

The new health policy almost wholly addresses poverty. It encourages community empowerment in the health actions. It proposes an overall increase in the financing of the health sector, but in particular, a large proportion of allocation to PHC. The recent budgetary policy shows government commitment to increase resources for primary health care from Sh. 1.7 billion to Sh. 6.4 billion in the financial year 1998/99 (see Background to the Budget 1999 - 2000, Annex 1). The measures on the private sector, social and ethical values, regulation, sector-wide approaches, health sub-districts and gender, directly or indirectly address health dimensions of poverty (see Table 2).

However, the implementation of the health policy suffers two serious drawbacks. First, the good intentions expressed in the policy have not been adequately captured in health care strategies and plans being implemented. It is difficult to see how some of the proposed objectives shall be achieved from the strategies and actions proposed. Secondly, the implementation has been up to date bogged down by the overwhelming tendency in the sector to design elaborate systems/institutions, and by financial constraints.

In the final analysis, it is the development of these systems and institutions, and its



administration that take up most of the sector resources. It is therefore, questionable whether the intended purpose for developing systems/institutions (i.e. to deliver services to the poor) will be achieved. The MOH in its current policy has emphasized the health sub-health sub- district strategy as key to enhancing the delivery of health services.

Table 2 presents an analysis of the relevance of the government policies to poverty eradication in the health sector. The table identifies the key policy measures in the health sector or other sectors relevant to poverty dimensions in health. It also assesses the status of implementation of the policy measures and the expected outcomes or impact.

From these analyses (ref. Table 2 & 3), two questions of critical concern arise:

- If Government's policies are relevant to poverty eradication in the health sector, and have been reasonably implemented, why are desired outcomes of poverty reduction not being achieved?
- A follow-up question is whether the health system is relevant if it does not have the desired impact on poverty dimensions of health?

Discussions on these issues have generated a number of responses that need further examination. To put the discussion into perspective, it is important to point out that Uganda has undergone three main phases of health sector development since 1986. From 1987-1992, an emergency program was implemented to rehabilitate and reactivate a limited number of health facilities and services that had been destroyed during the war. From 1993-1998, the health policy focused on consolidating existing PHC services and on addressing

AIDS. From 1998 onwards, the focus will be poverty eradication in the health sector.

Both district and Ministry of Health staff acknowledge that it is too early to expect a significant impact on poverty in health services and status. Most of the poverty-focused actions were identified recently and have not been implemented for long. District staff also acknowledges the improved financing of the health sector, especially drugs and service delivery activities. But they point out that services can only improve in quality and quantity if qualified health staff and equipment are available.

From discussions and documentation, it is apparent that over 60% of the staff are not formally trained to provide health care. Moreover, because of low and irregular salaries, they have no motivation to work. Increased availability of drugs and other supplies cannot, on their own (without equipment and qualified manpower), be adequate for the improvement of health services.

It is also apparent that lack of basic equipment is a problem experienced at all levels of health care in most districts. Without basic equipment it is not possible to provide quality health care.

Through discussions and documentation, the following recommendations kept coming up:

- Increase salaries and improve conditions of health workers;
- Recruit qualified staff and replace the untrained ones;
- Retain, through different benefit packages, qualified staff in rural and difficult areas;
- Rationalize the deployment of key staff;



- Rapidly implement the sub-district-policy because, if well supervised, it could enable more poor people access to basic services; and
- Get basic equipment to all health units.

Two other issues extensively discussed were poor compliance with technical procedures and the staff's lack of desire to produce results. These issues are related to lack of incentive system (carrot/stick system) that would facilitate the staff to comply with technical procedures and to be result-oriented. The issues are in turn partly related too the overall lack of capacity in the health sector to enforce health care regulations, standards and laws. It was recommended that the government should invest much more in quality assurance, result oriented management and enforcement of health sector regulations as a major strategy to reach the poor.

### 3.3 Government of Uganda - Danida Cooperation in the Health Sector

Danida's support to the health sector in Uganda dates back to the early 1980s. Its main assistance has been in the supplies of essential drugs and equipment of which it was the sole external funding agency. The essential drugs programme is probably best known as being the service that sustained access to basic health care for the poor in Uganda during the difficult times from 1985 to early 1990s. When Danida revised its policy and/or strategy to support the sector more broadly, it covered the following components:

- Essential Drugs Support Programme (National Medical Stores, National Drug Authority, Engineering Department at MOH);
- Support to the Ministry of Health (Environmental health Division, Health Planning Unit, Quality Assurance);
- Human Resource Development; and
- District Level Support.

### 3.4 Discussion and recommendations

#### 3.4.1 National health policy, HSSP design and poverty

The Health Sector Programme (HSSP) was developed within the National Health Policy framework. At the time of designing the programme, the focus on poverty in the health sector had not become the explicit goal of the national health policy. The development objective of HSSP is "to improve the health status of the people of Uganda, especially the most disadvantaged and those living in disadvantaged districts". While broadly poverty oriented, HSSP does not have explicit objectives to reduce or eradicate poverty in the health sector.

This lack of precision on poverty is reflected in the choice of interventions HSSP actually funds. It appears the components were chosen on the basis of gap filling within the health sector. The assessment of the relevance of the national health policy, its implementation and impact therefore also largely applies to the HSSP. Table 4 assesses the relevance of HSSP to poverty eradication.



Table 1: Poverty Dimensions in Health, Key Indicators/issues and Situation

Poverty Dimension	Key indicators/Issues
1. High disease burden	<p>High infant mortality: 97 deaths per 1,000 births (<i>UDHS 1995</i>)</p> <p>Child Mortality rate: 147 per 1000 (<i>UDHS 1995</i>)</p> <p>High maternal mortality: 506/100,000 live births (<i>PEAP 1995</i>)</p> <p>High preventive adult mortality: over 75% of life years lost due to premature death associated with ten preventable diseases (<i>Uganda National health Policy 1999</i>)</p> <p>Short life expectancy: 45.7 years (males), 50.5 (females)</p> <p>High prevalence preventive illness: which account for 60% of the national death burden: 20.4% Prenatal and maternal conditions; 15.4% Malaria, 10.5% Acute lower respiratory tract infections; 9.1% AIDS; 8.4% Diarrhea (<i>source Uganda National Health Policy 1999</i>)</p> <p>Low immunization coverage: 47% coverage of children fully immunized before their first birthday (<i>UDHS 1995</i>). Immunization coverage is reported to have dropped since 1996/97 (<i>see Background to the Budget</i>)</p>
2. Lack of determinants of health	<p>High illiteracy especially of women: 65% of adult women are illiterate, as are 45% of men.</p> <p>Insecurity and social conflict in significantly large areas of the country (Northern and Western Uganda)</p> <p>Poor roads/communication network</p> <p>Low latrine coverage: 47.6% coverage of the popn do not have access to safe fecal disposal (<i>Concept Paper on Sanitation 1997</i>)</p> <p>Low access to safe water: only 38% of the population are within 1.5 radius of safe water source.</p> <p>Poor status of women: 52% of women aged 15-49 are illiterate (<i>Uganda Human Devpt. Report 1998</i>)</p>
3. Lack of access to quality health care	<p>Low access to basic care: geographical access limited to only 49% of the population (<i>UDHS, 1995</i>);</p> <p>Regional and urban/rural disparities in health care infrastructure: there are variations in access to health care between districts ranging from 8.9% to 99.3%</p> <p>Narrow range of basic services</p> <p>Large expenditure on administration and tertiary hospitals</p> <p>Low household incomes to meet (total) economic health care costs: Income per capita in 1997 was US 338, 55% of the population live on less than US 1 per day (<i>Uganda Human Devpt Report 1998</i>)</p> <p>Population per medical officer: 18,700 (<i>Inventory of Health Services in Uganda: 1997</i>)</p> <p>Population per nurse: 4,300</p> <p>Lack of qualified staff: 36% of staff positions are filled by qualified staff (<i>Manpower Audit 1997</i>)</p> <p>Deliveries attended by trained personnel: 53%</p> <p>Low utilization of facilities: 35.5 % deliveries at health facilities</p> <p>Lack of equipment and supplies</p>
4. Inequities in health	<p>Highest disease burden in North and East regions: Human development index for 1995 for the North was 0.301 and East: 0.327 much lower than national index of 0.38 (<i>Uganda Human Development Report: 1998</i>)</p> <p>Poor infrastructure development in the North and access to care lowest in North and East. Quality of care is lower in the rural areas and North and Eastern Uganda where staff and medical equipment are inadequate (<i>see Government's Poverty Trends Paper 1992-1996, 1998: Uganda Poverty Status Report 1999</i>)</p> <p>Economic costs affect access to care of women and children more</p>



Overall, there is lack of focus on poverty reduction and eradication in most programme components. While the components provide an excellent opportunity to focus on poverty actions, in many cases this opportunity has been lost. The elements only broadly target the poor but specific activities are not poverty reducing. This concern has already been noted by the recently concluded Annual Joint Review Ministry of Health and Danida Health Sector (March 1999), which pointed out the need to redesign the programme to ensure, for instance that district components can bear tangible measurable health benefits for the population (Internal Technical Review Working Paper HSSP Phase I (1996 - 2001) March 1999: pp38).

HSSP compliments the government's health sector policy but within the previous policy framework. There have been three stages of policy development since HSSP became effective. The development of the National Action Plan for Poverty Eradication, Health Sector Poverty Action Plan, and the National Health Sector Policy (recently concluded but not yet approved by Government) and the Health Strategic Plan (still in process of formulation) based largely on the two former documents. It is therefore timely for HSSP to update itself and become more poverty focussed.

### 3.4.2 Re-focusing HSSP on poverty

The programme can contribute to the reduction of poverty at the macro (national), meso (district) and micro (community, household and individual) levels.

#### Policy and strategic plan

At the national level, the HSSP has the advantage of being stationed at the Health

Planning Department (HPD). Here, it can facilitate the focus of policy and plan formulation on poverty. The following actions seem critical at the planning department:

- Ensure health policy poverty actions are implemented monitored and evaluated;
- Allocations, through annual budget preparations, are made and tracked to poverty reducing activities;
- Through HMIS, the indicators for monitoring poverty are developed and used to assess progress.

#### Essential drugs

HSSP and the essential drugs programme have a comparative advantage in the supply and management of drugs. But over the years, it has become clear that, through the abuse of the regulating and control system, and through pilferage, less and less drugs are reaching the poor. The programme through NMS and NDA would therefore concentrate on developing "water tight" control system so that more poor can be reached with essential drugs. The Drug Action Plan and the harmonization of drug supplies require much more support from HSSP. A network of well-motivated drug auditors at national, district and health facility level would greatly improve access of the poor to essential drugs. Control measures should also be complimented with a health education programme on drug use in the communities.

#### Human resource development

The support for curriculum development and training can only be useful if these are used to provide quality basic services to the poor. Therefore, in addition to this

Table 2: Assessment of the Relevance of Health Policy Measures to Poverty

Policy Measures	Alleviation & Reduction	Target	Time Frame	Level of Action
PHC Approach	Reduction	The poor & vulnerable	Medium	All levels
Equity measures	Reduction	Broad, including the poor	Medium	All levels
Community Empowerment	Reduction	Broad, including the poor	Long	Meso & micro levels
Address emerging health problems	Reduction	Broad, including the poor	Long	Macro
Public private mix	Neutral/reduction	Broad	Medium	All levels
Gender responsive measures	Reduction	Broad, targets women including the poor	Long	All levels
Sub-district	Reduction	Broad, including the poor	Medium	Micro
Essential Health (basic) Package	Alleviation	Focus on the poor	Medium	Meso & Micro
Financing Mechanisms	Neutral, can increase poverty	Broad	Medium to long term	Micro



support, HSSP could follow-up the extent to which the developed curricula are being taught and applied in the health service delivery. Training of staff is often of no use especially if those trained are not accessible by the poor. In addition to training (which itself must be carefully focused on providing services to the poor), HSSP could find ways of retaining by providing attractive packages to the staff in rural and difficult places.

### Environmental health

Danida has provided commendable assistance in rural water supplies and sanitation in a number of districts. The same extent of support to the worse off districts would be even more effective in poverty reduction. The support to environmental health department could be expanded to support another regional water and sanitation programme. As poor sanitation and unsafe water cause a significant proportion of ill health in Uganda, this programme, if implemented could turn out to be the single most poverty reducing strategy nationally.

### Quality assurance

The support to the Quality Assurance Department is currently for the production of service standards. The standards have not been disseminated and, therefore, are not in use. This support can only become poverty reducing if the extent to which services provided to the poor that conform to the minimum standards increases significantly. HSSP could support dissemination of the standards and a system to enforce them.

### Targeting the poor and determinants of health

The choice of districts to be supported under HSSP is in itself poverty oriented. The districts are some of the worse off districts in the country that had not been well supported in the past. However, poverty reduction in the health sector can occur in these districts if the poor (who are the majority of the population) have sustainable access to basic health services. But more importantly, determinants of health and overall well being (such as peace, infrastructure development) will reduce poverty even more in these districts.

Resources may not be adequate to provide basic health care for all the poor in the short term. During the plan period 1997/98 - 2000/01, per capita recurrent expenditure on health care is expected to be US 10. Access to health care services is predominantly dependent on private spending or out of pocket expenditure which account for 57.9% of the health care expenditure in Uganda; government's share accounts for 24.6% and donors contribution is 17.4% (Hay 1998). By implication, many poor households will be heavily constrained in accessing health care.

But a beginning should be made with the most critical strategies targeting the poorest. The use of contracts with NGOs to provide health services is a good approach. The contracts must however be based on agreed outputs and results. The outputs can be achieved through close supervision and monitoring.



Table 3: Analysis of the relevance of Government Policies to Poverty Eradication

Poverty Dimension	Policy measures	Implementation Status	Expected impact poverty
1. High Disease Burden	Increase overall spending on health	Substantially achieved	No significant impact on health, burden of disease pattern has not changed in the years
	Spend bigger proportion on PHC	Achieved to some extent	
	Focus on diseases with highest burden	Achieved to some extent	
2. Lack of determinants of health	Universal Primary Education	Substantially successful	Too early to assess
	Gender Policy	Implemented to an extent	Empowerment of women began to have positive impact
	Infrastructure development	Implemented and only in some areas	In better districts, health status better
	Water Development	Implemented in some areas	In some districts, health status better
	Household incomes	Implemented to some extent, few beneficiaries and not really the needy	Overall, no significant changes
	Environment	Implemented to some extent	Overall, no significant changes
	Nutrition	Policy not fully developed, studies being carried out	NA
3. Lack of access to quality health care	Increase expenditure on PHC	Substantially achieved, an increase of 350% during 1997/98 - 1998/99 financial years (May 1999)	Overall access to quality health care not increased despite significant implementation of some policy measures. Policy measures designed to address the inter-related aspects of quality which critically influence perceived quality of the users of service
	Create more services in under-served areas	No significant implementation	
	Quality assurance/supervision	Implemented to some extent, standards have been set	
	Sub-districts	Implemented recently	
	Hospital public health departments	Implemented recently	
	Drug supplies	More supplies but poorly coordinated and protected	
	Equipment to health units	Not adequately achieved	
	Increased staffing	Not achieved, staffing has been reduced	
	Increased training of staff	Achieved to some extent	
4. Inequities in access to health care and health staff	Infrastructure development in North (through NURP)	Not successful in the health sector	Regional inequalities in access to services are still pronounced. Some aspects of inequity are widening across the country
	Peace efforts in the North	Not yet successful	
	Limited expansion of health care infrastructure in the North and rural areas	Not achieved	
	Allocation of block grants based on population and IMR (level of poverty)	Formulae not implemented	



	Equalization grants .	Not yet applied, but likely to be too small to make a difference	
	Donor coordination and equitable distribution of projects	Not achieved. Better off districts still have more health projects than poor districts	

### 3.4.3 Systems/Institution Development and Capacity Building versus Poverty Eradication

One of the most important issues that arose out of this analysis is related to system/institution development versus poverty eradication in the health sector. A major critical concern is that implementation has been bogged down by an overwhelming tendency in the sector to design elaborate systems and institutions. Since 1986, GOU's focus in the health sector has been on institutions (rehabilitation, consolidation and expansion). Notwithstanding the fact that utilization levels of both outpatients and in-patients at government facilities are reported to have dropped in recent years (Hutchinson 1998; Underlin 1999).

While expansion of infrastructure is desirable to address regional inequities, it seems that the current policy is oriented towards an inappropriate demand for services. It is time for Government and its development partners to assess whether the current health system and institutions are relevant and/or even providing practical solutions to achieving the desired impact on key poverty dimensions of health: disease burden, access to quality health care and inequities in health. A related concern is the need to define a balance between systems/institution development and service delivery at the local levels.

The link between capacity building and poverty eradication is unquestionable. Considerable support has been extended to address capacity deficiencies at the national level: policy development, legislation and capabilities to coordinate and manage change. Largely, there has been considerable growth in the national capacity for pol-

icy development and analysis - a National Health Policy that focuses on poverty eradication and a Health Investment Plan has been formulated, but still awaits the approval of the Government. However, this does not seem to sufficiently add up to poverty reduction or even eradication in the health sector as evidenced by the poverty situation in the health sector.

A major limitation of the capacity building efforts is that they are mainly focused at the national level and/or government institutions with less emphasis on district local entities, private sector and communities. There is need to embrace a strategic approach to determine where, and which capacities have to developed to effectively support the transition to poverty eradication in the health sector. First, this might mean developing the potentials of lower service delivery levels, the private sector of health care and individual users of the health care system. Secondly, as a long-term strategy, it is critical that effective embedded incentives (this might be beyond the proposed lunch allowances) are put in place to allow the improved use of capacities generated.

### 3.4.4 Decentralization as a key element in the Transition to Poverty Eradication

Both the Government of Uganda and Danida have identified decentralization as a key element in the transition to poverty eradication. However, there is concern that decentralization has sometimes been perceived as an aim, rather than a process in poverty reduction. The focus on decentralization will certainly be desirable if it means improved services to the poor. If decentralization is simply an end in itself, then tan-



Table 4: The relevance of HSSP to poverty eradication

Programme element	Type of poverty action	Target	Preliminary assessment
1. Essential drugs support programme	Reduction, if the poor can access essential drugs	Broad, consists of 60% of project budget	The poor are targeted. But due to weak delivery and control system, many poor people cannot be reached.
2. MOH Engineering	Reduction, if equipment are repaired and functional in all rural units	Broad	Sustaining medical equipment in working order is largely unknown in districts.
3. Support Human Resources Development at MOH	Reduction of poverty-if staff motivation and deployment are addressed	Broad	Only the HRD policy and plan have been produced. The more critical aspects of manpower (deployment and motivation) have not been addressed.
4. Curriculum development, paramedical training/and training	<u>Indirect reduction through better deployment of qualified staff.</u>	<u>Focused on the poor</u>	<u>Good progress made in all activities. What remains is for the outputs to be translated into useful basic services to benefit the poor.</u>
5. Environment Health (mainly training) of MOH staff	Environmental Health can reduce poverty. But the activity taken by HSSP may not bring this outcome.	Broad	No concrete poverty actions in this area. This was a lost opportunity.
6. Health Planning Department, mainly to produce the Health Bulletin HMIS and donor coordination.	HMIS and donor coordination are poverty focused, if well implemented.	Broad, could be more poverty focused.	More poverty focused actions could be have been selected. Lost opportunity.
7. Quality Assurance - Determine standards - Training in QA - Review of performance	Indirect reduction of poverty	Broad, could be more poverty focused	Standards by themselves are not useful. They must be enforced and used.  Both enforcement and use are lacking.
8. District support - Health plan support - Renovation - Involvement of NGOs - Research	Indirect reduction of poverty	Broad, could be more poverty focused	Much of this support has stopped at improving the district health system but has not yet translated into tangible improvement of services for the poor.



gible benefits will not be achieved.

Uganda, through Danida support, has made relative success towards devolution of power, functions and resources. The technical purpose of decentralization in the health sector was to improve allocative efficiency. To some extent the flow and distribution of resources between the center and the districts has improved through conditional grants for PHC and district hospitals (see Annex 1). There has also been increased support to address system capacity deficiencies at the district level: training of local officials in health system management, planning and budgeting. Danida's district support component needs to ensure that district capacity building accrues benefits to service delivery at the district level. Output indicators include improved technical quality of services, increased coverage of population, and improved interpersonal quality of services. Physical infrastructure development should be supported on the basis of appropriate dimensions of quality, which are effective in attracting service users.

A critical concern at the district level is how to ensure that resources are properly used to reflect tangible benefits to the population. Evidence from existing documentation reveals that increase in resource levels has been offset by increase in district overheads (such as sitting allowances), thereby in reality reducing resources for patients and PHC activities (see Health Sector Paper by Roger Hay). It is critical that a tracking system is put in place to ensure that PHC resources are not re-allocated.

Decentralization should be implemented as a means to activate community participation in health care. Currently, this has been only conceived to mean community contributions, but the voice of service users/communities is almost absent in matters related to demanding for quality ser-

vices, control of drug pilferage and accountability in health care. There is need to empower communities to understand their basic role and rights in health care. The envisaged role of a donor will then emphasize support to constructive and effective approaches to advocacy. This would entail capacity building at the community level in the form of developing local communication strategies for lobbying councils and service providers for accountability, quality services, control of drug pilferage and for organizing self-help activities geared towards primary health care.

### 3.4.5 Decentralization and Health Sub-District Strategy

The health sub-district strategy is a further effort to decentralize health services so as to increase access to health care and to improve equity. However this requires substantial investment in terms of staffing, physical infrastructure, and medical equipment. While expansion of health-care infrastructure to achieve equity is not only desirable but also essential, this is currently not feasible due to resource constraints. It could even be counter-productive since the utilization of the existing health facilities has declined over the last several years despite increased expenditure on health infrastructure.

Therefore, it would be prudent to address the causes of the declining utilization of existing services before embarking on expansion. A number of causes of the falling utilization of health services have been suggested in this consultancy, but these require in-depth investigation. Most of the causes are economic: direct and indirect costs of health care. Other suggested causes include perceived poor quality of care (In-



terpersonal and technical aspects), lack of information and awareness, dis-information and rumor associated with AIDS, indifference or outright rudeness of the staff, absence of health staff and long waiting time.

### 3.4.6 Essential Health Care Package and Poverty Eradication

The strategy of packaging services is to identify the most effective health care interventions at the least cost so that as many people as possible can benefit, given the limited level of resources. In theory, this is an ideal solution for poverty reduction but its application in Uganda has already met with many practical snags. First, there has not been agreement on the method of selecting the most cost-effective interventions. As a result, the package that has finally been agreed on appears to represent the interests of the financiers, professionals, politicians and policy-makers than to address the needs of poor.

Second, there are still no clear mechanisms of targeting the poorest people, the disadvantaged and the most needy. Chances are that the better off, including health sector stakeholders mentioned above, will benefit more. Third, most of the expenditure on the "cost-effective interventions" is actually on overheads and administration.

The challenge for Danida is to find genuine, reliable and feasible ways of identifying a really cost-effective package of health services, and of targeting and reaching the poor with the services. These will require cost-benefit as well as community based studies. The use of honest and genuine NGOs, especially religious ones, is effective in reaching the poor with essential health services. Contracting private

providers could also be effective if the contracts are based on clear results, and are well managed.

### 3.4.7 HSSP and Gender

In Uganda, gender is now recognized as an important development aspect. This recognition and appreciation follow several years Government programmes to create awareness about gender. However, while awareness is now high, the concepts of gender in development are often difficult to interpret and apply. For example in the health sector, gender is often equated to women, and interpreted to mean improving maternal and child health.

Gender balanced development is a fair and equitable relationship between men and women, where responsibilities are allocated on the basis of ability, and where every one equally benefits regardless of their sex. Because of cultural beliefs and practices, and tradition however, society has unfairly allocated responsibilities and benefits between females and males. In most cases, women are of low status in society, are less educated, are over-burdened with work and do not benefit as much as men for the same amount of effort. All these and more problems put women at more health risk than men. In short, poverty affects women more.

The national health policy recognizes the current gender disparity in health status and services. It offers some short and medium term solutions. But the solutions to most gender related health problems appear to be outside the health sector. However, a number gender and poverty related actions should be carried out and are recommended for HSSP to undertake. These are:

1. Revise the HSSP plan to ensure it is gender sensitive and balanced in terms



of decision-making, participation and benefits;

2. Make a deliberate effort to promote women to decision-making and planning Positions in the health sector, through training and recruitment;
3. Ensure that all key players in the project undergo gender-analysis-skills training
4. Focus on men in family planning;
5. Commission studies to identify cultural practices that endanger women's health. The Studies should recommend how such practices could be minimized or eliminated. The Study recommendations should be implemented; and
6. Commission an information, education and communication (IEC) campaign or programme to reduce or eliminate gender-related violence, and to counsel and treat the victims of violence.

Government allocations to health reflect substantial increase in primary health care allocation, comprising 15.5% of the budget in 2000/1. While there is substantial increase in the budget, allocations for conditional and equalization grants for Primary health care are not all destined for recurrent expenditure. A large proportion of the budget is meant to cover investment costs of upgrading health center under the sub-district health strategy

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budget is meant to cover investment costs of upgrading health center under the sub-district health strategy.

Support to NGO hospitals, which are mainly located in under-served areas, is also expected to increase from 2.2% in 1997/98 to 6.2% in financial year 2000/1. Allocations to MoH Headquarters and Hospital expenditure are held almost constant in nominal terms except for very modest allocations to performance grants.

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Table: Government Allocation to Health: 1997/98 to 2001/01 Ush bn (1997-8 prices)

Non-wage expenditure	1997/98	1998/99	1999/00	2000/1
MoH Headquarter	13.92 (30.5%)	13.92 (24.2%)	13.92 (22.9%)	13.92 (21.7%)
Central and Referral Hospitals				
Mulago Hospital	10.02 (22.2%)	10.02 (17.4%)	10.02 (16.5%)	10.02 (15.6%)
Butabika	1.39 (3.1%)	1.39 (2.4%)	1.39 (2.3%)	1.39 (2.2%)
Referral Hospitals	4.02 (8.9%)	3.48 (6.1%)	3.48 (5.7%)	3.48 (5.4%)
Lunch Allowances (hospitals & Training sch)	4.39 (10.1%)	4.59 (8.0%)	4.68 (7.7%)	4.77 (7.4%)
Total Central & referral hospitals	20.02 (44.3%)	19.48 (33.9%)	19.47 (33.2%)	19.66 (30.7%)
Training Schools	1.54 (3.4%)	1.69 (2.9%)	1.77 (2.9%)	1.86 (2.9%)
Districts				
District Hospitals	6.45 (14.3%)	6.54 (11.4%)	6.54 (10.8%)	6.54 (10.2%)
Lunch Allowances (District)	0.59 (1.3%)	5.23 (9.1%)	5.33 (8.8%)	5.44 (8.5%)
Support to NGO Sector	1.00 (2.2%)	3.00 (5.2%)	3.50 (5.8%)	4.00 (6.2%)
Performance Grant (Hospitals)	0.00 (0.0%)	0.00 (0.0%)	0.25 (0.4%)	0.25 (0.4%)
Conditional and Equalization grant for PHC Priority PHC Programmes	1.70 (3.8%)	7.66 (13.3%)	8.43 (13.9%)	9.94 (15.5%)
Priority PHC Programmes	0.00 (0.0%)	0.00 (0.0%)	1.00 (1.6%)	2.00 (3.1%)
Performance grants for PHC	0.00 (0.0%)	0.00 (0.0%)	0.50 (0.8%)	0.50 (0.8%)
Total District Budget	9.73 (21.5%)	22.43 (39.0%)	22.55 (42.0%)	28.67 (44.7%)
Total Non-wage Recurrent Expenditure	45.22	57.52	60.82	64.12

Extracted from: Hay 1998 World Bank report on Health Services in Uganda, 1998

## List of Resources Persons

## Ministry of Health, Kampala

Dr. Prosper Tumusime	Assistant Commissioner, Planning Department, Ministry of Health, Kampala.
Dr. Sam Okwonzi	Project Coordinator, District Health Services Pilot and Demonstration Project, Ministry of Health.
Dr. John Mukoyo	Head, HMIS, Ministry of Health, Kampala.
Dr. Robert Basaza	Health Economist, Health Planning Department, Ministry of Health,
Mr. Christopher Mugarura	Health Economist, Health Planning Department, Ministry of Health
Mr. Fred Semujju	Statistician, Health Planning Department, Ministry of Health
Mr. James Muwonge	Statistics Department, Ministry of Finance, Planning and Economic Development

## Uganda Health Sector Support Programme

Mr. Sjord Postma	Uganda Health Sector Support Programme,
Ms. Anita Underlin	Uganda Health Sector Support Programme



Table: Proposed Matrix for Monitoring the Impact of Danida Support on Poverty in the Health Sector Programme

Aspect of poverty in the health sector	Indicators	Method of assessment	Interval
Health status	1. Infant mortality 2. Maternal mortality 3. Life expectancy	Household surveys census	5 years
Access to health care	1. % of population within 5 Kms of a unit. 2. % of population actually using services	Survey	1-2 years
Quality of care	1. % health units with basic equipment. 2. % of health units with basic drugs. 3. % of health units with basic qualified staff. 4. % services/ procedures conforming to technical standards 5. % of users coping with services	Survey reports	Annually
Essential drugs	1. Range of drugs relative prevalent diseases. 2. Continuous availability of basic drugs. 3. Completeness of dispensed drugs.	Reports Surveys	Quarterly Annually

<u>Equipment</u>	<ol style="list-style-type: none"> <li>1. % health units with basic equipment.</li> <li>2. % equipment in disrepair for 1 year.</li> <li>3. % incomplete equipment.</li> </ol>	<p>Reports</p> <p>Surveys</p>	<p>Quarterly</p> <p>Annually</p>
Planning, financing and budgeting	<ol style="list-style-type: none"> <li>1. % expenditure on overheads and administration compared to service delivery.</li> <li>2. % expenditure on poverty eradication actions.</li> <li>3. % planned outputs/results achieved.</li> </ol>	<p>District plans and reports.</p> <p>Accounts</p> <p>Audit reports</p> <p>Progress reports</p>	<p>Quarterly</p> <p>And</p> <p>Annually</p>
Human Resource Development	<ol style="list-style-type: none"> <li>1. % trained staff working.</li> <li>2. Trained staff per 1000 population in               <ol style="list-style-type: none"> <li>a) each district</li> <li>b) by region</li> <li>c) in rural vs urban areas</li> </ol> </li> <li>3. % training constant with new curricula</li> </ol>	<p>Surveys</p> <p>Reports</p>	<p>Quarterly</p> <p>And</p> <p>Annually</p>
Gender and health	<ol style="list-style-type: none"> <li>1. % women in decision-making positions in the health sector.</li> <li>2. % women and men benefitting from health services.</li> <li>3. % population changing to a positive behaviour with regard to gender.</li> <li>4. Prevalence of gender related violence.</li> </ol>	<p>Surveys</p> <p>Police report</p>	<p>Quarterly</p> <p>Or</p> <p>Annually</p>



Environmental Health	<ol style="list-style-type: none"> <li>1. Latrine coverage</li> <li>2. Interdistrict differences in health services and status.</li> <li>3. Differences between rural and urban in health services and status.</li> <li>4. Differences between men and women in health services and status.</li> <li>5. Differences between high and low social classes.</li> <li>6. Whether all differences (above) are decreasing or increasing.</li> </ol>	Surveys	Annual

# Chapter 4

## THE AGRICULTURAL SECTOR

BY *Dr. John Okidi*

### 4.1 Introduction

In the current drive to eradicate poverty in Uganda by the year 2017, the Government of Uganda emphasizes basic needs and provision of services in its definition of poverty, which can be stated as lack of access to basic necessities of life such as food, shelter, clothing and other needs like education and health. According to the poverty line developed from the national household survey data, poverty declined in Uganda from a national average of 55.6% of the people being unable to meet their basic requirements in 1992 to a corresponding figure of 45.6% in 1996. Large regional welfare disparities were observed in between 1992 and 1996 with the Northern region experiencing the highest incidence of poverty and the smallest decline in the percentage of poor people during this period. In the Agricultural sector, cash crop farmers (mainly in the coffee sub-sector) experienced a substantial decline in poverty from 60% in 1992 to 41% in 1996.

Agriculture employs over 80% Uganda's labor force and earns nearly 90 percent of the country's exports but the labor force employed in agriculture earns less than half of the total national income. Given this level of importance, stimulating the sector is crucial if sustained economic growth is to

be achieved and poverty eradicated. The importance of agriculture in the economy implies that the causes of poverty are virtually the same as the factors that constrain agricultural development. Accordingly, focussing on agriculture presents a real opportunity to reduce poverty and achieve substantial growth in other sectors through consumption and employment linkages. Because the Plan for Modernization of Agriculture targets small-scale producers, if well executed, it can significantly contribute to poverty eradication. In the long run the sector is expected to become more commercialized, mechanized and specialized. But it is not clear how long it will take to achieve this, especially given that the share of agriculture in public expenditure has shrunk since 1980 to only 1.4% in the fiscal year 1997/98.

Although household agricultural production has increased in recent years according to the national household survey data, a number of constraints remain. The most influential factors in order of importance are land size, level of fertilizer use, number of literate household members, and size of family labor. This indicates that an intervention program that alleviates constraints to agricultural factor market operation and improves the educational and health status of family labor would have



the most significant impact on household agricultural development. The supply responsiveness of the agricultural sector to support programs largely depends on the financial and technical capacity of the farmers to utilize the support services. Because the Danida's Agricultural Sector Programme Support (ASPS) is market oriented, households with the minimal level of savings and skills for effective participation in the Danida's program are indeed likely to benefit from the ASPS. But because the bulk of the poor are small scale subsistence farmers, expanding the grant aspect of the Household Agricultural Support Programme would facilitate them to benefit from the market-steered side of the ASPS. This would contribute to realizing government's objective of improving the living conditions of the poorest of the poor.

## 4.2 Poverty Trends in Uganda

In the current drive to eradicate poverty in Uganda by the year 2017, the Government of Uganda emphasizes basic needs and provision of services in its definition of poverty which can be stated as lack of access to basic necessities of life such as food, shelter, clothing and other needs like education and health. Using data from the 1992 - 1996 national household surveys, a study by the Government of Uganda and the University of Oxford defines an absolute poverty line that reflects the monetary cost of meeting the basic requirement of life (MFPED, 1998).

According to the poverty line (see table 1). poverty declined from a national average of 55.6% of Ugandans being unable to meet their basic requirements in 1992 to a corresponding figure of 45.6% in 1996. Al-

though at a much lower rate, the rural areas also registered a decline in the percentage of poor people from 59.4% in 1992 to 54.8% in 1996. In urban areas, poverty declined by about the same percentage points as was observed at the national level - from 29.4 to 20 percent between 1992 and 1996.

Although inter-regional variation in poverty trends was observed, each of the four regions of the country experienced a decline in poverty. Central region, in which the lowest incidence of poverty was observed in the period 1992 to 1996, experienced the largest decline in the percentage of people living in poverty from 45% in 1992 to 28% in 1996. In the Eastern region, the percentage of people who were unable to meet their basic needs of life declined from 60% in 1992 to 53% in 1996. A similar pattern was observed in the Western region where poverty declined from 53% in 1992 to 42% in 1996. It was the Northern region which had the highest incidence of poverty and the lowest decline in the percentage of poor people between 1992 and 1996.

A disaggregation of the national poverty trend by economic sector indicates huge disparities in the ability of different socio-economic groups to exploit the economic opportunities created by the stable macroeconomic environment in the country. Of all the major sectors reported by household heads as the main area of economic activity, the food crop sector was found to be the poorest in 1992. Poverty in this sector declined from 64% in 1992 to 58% in 1996. Although cash crop farming was the second poorest sector in 1992, it experienced a substantial decline in poverty from 60% in 1992 to 41% in 1996. In the non-crop agricultural sector there was an observed decline in poverty from 52 to 41 percent over the same period. It was in manufacturing and trade where the greatest proportionate decline in poverty occurred.

Table 1: Poverty Trends in Uganda

	1992	1996
National	55.6	45.6
Rural	59.4	49.7
Urban	29.4	20.0
Central	44.7	28.0
Eastern	59.5	53.3
Western	52.5	42.3
Northern	71.4	65.1
Food Crop	64.1	58.3
Cash Crop	59.6	40.5
Non-crop Agric.	51.7	41.0
Manufacturing	46.3	27.9
Trade	26.4	16.7

Source: MFPED (1998), Poverty trends in Uganda, 1992 - 1996



### 4.3 Agriculture and its Contribution to Poverty Reduction

At present, over 85% of Ugandans live in the rural areas. More than 80% the labor force is employed in agriculture, which accounts for about 43% of the country's GDP (MFPED, 1999) and nearly 90 percent of its exports are agricultural products. The 80% of the labor force that is employed in agriculture earns less than half of the total national income. This is what makes poverty predominantly rural. Furthermore, the 1992/93 household survey shows that in rural areas the average family obtains only about 6% of its income from off-farm employment, substantially less than what it obtains from remittances (15 - 20% for lower income groups), and a little less than its earnings from various business activities (7 - 10% for lower income groups). Therefore, given the importance of agriculture in terms of economic output, exports and employment, stimulating the sector is crucial if sustained economic growth is to be achieved and poverty eradicated.

Growth in agriculture has other multiplier effects within the economy. For instance as rural incomes increase, the demand for manufactured goods is expected to rise, which in turn means that more urban labor will be hired in industries. Wage earners from manufacturing industries depend on agriculture for food supply, and therefore a rise in their incomes will have a direct impact on their welfare and an indirect impact on rural poverty through increased demand for agricultural goods.

Given that the livelihood of the rural poor is closely associated with agriculture, the causes of poverty are virtually the same

as the factors that constrain agricultural development. Literature available on agriculture and its relationship with poverty in Uganda (Plan for Modernization of Agriculture, Uganda Participatory Poverty Assessment Project) have established the following as the major causes of rural poverty:

- Reliance of crop and animal production on rains, the fluctuation of which farmers have no insurance or control against;
- Dependency on low level of technology, mainly hand hoe which limits the size of land that one can cultivate in a season; indigenous seed varieties and animal breeds, which have adapted to local pests and diseases, but are low yielding, hence limiting output and the earning capacity of farmers; item Poor commodity markets and low prices which inhibit technology adoption;
- Dependency on family labor, especially female members of the household who have both productive and reproductive roles, which limit the size of land cultivated in a given cropping season;
- Lack of financial services and acceptable collateral which limit farmers' ability to obtain credit for investment in productivity-enhancing technologies;
- Poor road and market infrastructure, thereby limiting access to markets for both inputs and outputs and market information;
- Prevalence of many crop and livestock diseases which reduce per unit yield;
- Lack of access to social services such as education and health - illiteracy limits



farmers' human capital development and the ability to adopt technologies or take advantage of other non-farm opportunities, and poor health reduces labor productivity and the resulting agricultural output and income; and

- Lack of extension services through which farmers would get advice on new technologies, crop and animal husbandry practices, and water and soil management techniques that are environmentally sustainable;

#### 4.4 National Agricultural Policy and Poverty Reduction

Poverty eradication is one of the main features of the Government of Uganda (GoU) policies. In 1996 the GoU formulated a Poverty Eradication Action Plan (PEAP) and in the fiscal year (1998/99) a Poverty Action Fund was established purposely to fund poverty reduction initiatives. Government statistics indicate that there was overall annual decline of absolute poverty of 2.5 percent between 1992 and 1996. Despite this decline, there is serious concern about the visible massive poverty, especially in rural areas. Some analysts argue that the impressive GDP growth rate, averaging 6.5 percent per annum over the last decade, has not translated to marked improvements in livelihood of the majority of Ugandans - the rural population.

Analysts further argue that the reason for the little impact of economic growth on poverty in Uganda is that growth has occurred in sectors that do not employ the majority of the poor. Agriculture is the main economic sector employing over 85% of the population in which case boosting agricul-

tural income would significantly speed up overall economic growth and poverty reduction. To this end, the government has embarked on designing a Plan for Modernization of Agriculture (PMA) which is expected to be completed before the end of 1999.

While the focus on agricultural modernization is very recent, there had been other pro-poor government efforts in the sector. Most notable is the liberalization of commodity prices and removal of monopoly powers of government enterprises, namely Coffee Marketing Board (CMB), Lint Marketing Board (LMB) and Produce Marketing Board (PMB). The CMB was solely responsible for export of coffee in Uganda. At the time, the farmers' share of the export price was less than 30%, but since liberalization in 1991 their share has risen from 45% in 1991/92 to 82% in 1996/97 (UCDA, 1997). This has implications for poverty because an estimated 2.5 million people (about 13% of total population) depend on coffee for their livelihood through production and marketing (ICO, 1997). Government statistics also indicate that for households involved in cash crop production (predominantly coffee), poverty declined by 19%, compared to the average national figure of 10% between 1992 and 1996 (MF-PED, 1998). The argument, therefore, is that focussing on agriculture presents a real opportunity to reduce poverty and achieve substantial growth in other sectors through consumption and employment linkages.

Because the Plan for Modernization of Agriculture (PMA) targets small-scale producers, if well executed, it can significantly contribute to poverty eradication. In the long run the sector is expected to become more commercialized, mechanized and specialized. But it is not clear how long it will take to achieve this and what will happen to the labor that may become unemployed due



**Table 2: Government Sectoral Expenditure***Percentage Shares*

<i>Sector</i>	1994/95	1995/96	1996/97	1997/98
Roads	4.5	4.4	6.8	6.0
Agriculture	2.5	1.4	1.4	1.4
Education	20.0	19.0	22.0	25.0
Health	6.6	6.4	6.3	6.3
Security	20.1	18.8	18.4	14.4
Law and Order	8.9	9.7	8.7	8.3
Economic functions	8.3	6.0	6.4	4.8
Public Admin.	21.0	22.5	22.9	24.3
Interest Payments	8.2	8.7	7.0	9.4
All Sectors	100	100	100	100

Source: MFPED (1998), Background to the Budget 1998/99.

to agricultural mechanization and specialization. In addition, it is not clear whether small-scale agriculture (the focus of PMA) can provide agro-processing industries with steady supplies of raw materials. If not, and there is some evidence to this effect (processing of pineapples failed in Masaka for the same reason), then this brings into question whether focusing on small-scale agriculture is the right approach to agricultural modernization. Furthermore, despite the well-conceived strategies in the PMA, it is not clear whether the GOU will be able to raise the required resources in a sustainable manner, as much of the funding is mainly from donors. Despite resource constraints, the government has clearly outlined its responsibilities. Over the next three to five years the government will:

- Finance extension services for smallholders, to deliver knowledge for agricultural transformation, product processing and marketing;
- Finance agricultural research for smallholders, to develop and promote productivity-enhancing technologies;
- Finance control of epidemic diseases and pests;
- Finance capacity building for production of foundation seed;
- Provide regulatory services, e.g. fertilizer and chemical use in order to minimize environmental damage;
- Finance collection of agricultural statistical data and production and marketing information which are necessary for analytical and planning purposes;
- Finance the implementation of land reform, so that potential investors are assured of tenure;
- Finance capacity building of agriculture related institutions including private/NGO rural financial institutions;
- Set policies and regulations to foster the expansion of the private sector to encourage commercialization without compromising food security;
- Construct fish landing sites to facilitate handling and quality control and monitoring; and
- Finance development of irrigation information and capacity building of smallholder in water harvesting and soil and water conservation.

Government will consider whether to:

- Finance establishment of rural markets for smallholders; and/or
- Facilitate establishment of non-governmental institutions to provide finance and risk insurance to smallholders.

Government will not:

- Supply or produce planting materials or other agricultural inputs (except for research development);
- Supply artificial insemination or proven bulls;
- Process or market agricultural output;
- Subsidize or provide credit directly to farmers; and
- Construct irrigation infrastructure.



## 4.5 Government Expenditure on Agriculture and its Consistency with Poverty Eradication

Public expenditure in agriculture has been declining since the early 1980s. In 1980/81, the government spent about 10% of its budget on agriculture, but by 1986 when the National Resistance Movement (NRM) came to power, the share was down to about 5%. The sector's share of government expenditure has even shrunk further, reaching only 1.4% for fiscal year 1997/98 (MFPED, 1998). The table below gives government expenditures for various sectors for the period 1994/95 - 1997/98.

While government has continued to profess agriculture as the engine of economic growth, less than adequate attention has been paid to the sector. Politicians, including the president, have in the past decade argued that agricultural growth cannot rival that of industrial and services sector growth. This is an urban-biased argument, and statistics show that urban growth does not automatically trickle down to the rural areas. Deliberate effort is required to stimulate growth in the agricultural sector. The donor community has put more resources in the sector than the GoU, but that too has been declining. In 1992, the agricultural share of donor assistance was down to 13.8%, and in 1995 it dropped to 8% (Nygaard, et al, 1997). The falling Government effort in agriculture has not been offset by a growing donor effort. The donor community in effect has joined the Government in paying lip service to agriculture as the engine of growth for Uganda, while devoting only a small and shrinking share of its total resources to the agricultural sector.

Government's explanation for the low and declining share of agriculture in total expenditure is that privatization of enterprises, which were run and subsidized by government, reduced government's expenditure in the sector. The other argument is that expenditure has increased in sectors that are supportive to agriculture, for example, roads and primary education, which have increased from 4.5 and 6.4 percent in 1994/94 to 6.0 and 12.7 percent in 1997/98, respectively. These arguments are appealing but weak, because discrimination against agriculture in poor countries slows down growth in the rest of the economy (Timmer, 1995). Perhaps a more plausible explanation for the low and falling share of agriculture in government spending is weak political power of the farmers. If the latter were more organized and represented a formidable political force, then politicians would listen to them more effectively. Farmers' organizations such as the Uganda National Farmers Association (UNFA) and Uganda Commercial Farmers Associations (UCFA) need support to grow into powerful bodies that can lobby for farmers' interests.

Another issue of concern with regard to funding agriculture and poverty reduction is connected with decentralization, which is underpinned by the transfer of political, financial and planning authority from the central government to local government councils. Local governments have been increasingly taking responsibility for the delivery of the bulk of services, the promotion of popular participation and empowerment of local people in decision making. Given the re-defined local-central government relationship, the central government is charged with carrying out various core tasks, including: (i) the formulation of a comprehensive agriculture sector policy to be implemented by local governments; (ii) funding selective agricultural sector inter-



ventions; (iii) supporting capacity building in the agricultural sector through technical assistance; and (iv) monitoring the performance of agricultural sector programs in various districts.

Since the government's objective is to reduce poverty, and yet districts are autonomous, it is not clear how local governments will be made to take agricultural modernization more seriously. All districts are not equally endowed with agricultural resources and may not consider agriculture as the most growth-enhancing sector to invest in. In fact, of the 32 districts for which the Ministry of Local Government analyzed the 1997/98 budget, only 4 had planned to spend more than 3% on agriculture (Mbarara, 11%; Sembabule, 9%; Kasese, 6%, and Kalangala, 4%). The majority of the other districts had planned to spend 1-2% on agriculture despite the fact that most of them are agricultural based. These districts need to be encouraged or facilitated to give a higher priority to agriculture.

## 4.6 The Performance of the Agricultural Sector, 1992- 1996

Despite the relatively sluggish reduction in poverty in the agricultural sector and particularly in the food sub-sector, there were some positive outcomes that were realized between 1992 and 1996. To highlight some of the positive trends in agriculture, we sight some results from an analysis of crop farming national household survey data.

The main result of the analysis is that between 1992 and 1995 Ugandan households made progress in moving out of subsistence through increased market participation and cash crop diversification. There has been a

rebound in the role of traditional cash crops in the household economy, indicated by an increase in their total share in national crop output value from 6.7% in 1992 to 13.5% in 1996. This happened against a modest increase in total crop output from 19.1 to 22.3 percent over the same period. The share of output marketed also increased during this period from a national average of 19 to 22 percent. There were significant changes in the composition of marketed crops during the period. The share of maize in output sales increased from 3 to 11 percent while the share of matoke (plantain) and coffee increased from 9 to 16 and 17 to 25 percent respectively. On the other hand, the share of cotton, beans, groundnuts and sesame, and other crops, declined by 4, 3, 5 and 2 percentage points respectively.

From an agricultural production function analysis we find that although limited access to road transport constrains agricultural productivity, the marginal impact is much smaller than that of household characteristics such as the size of family labor, number of literate members, and whether or not the household is female headed. Overall, the most influential factors in order of importance are land size, level of fertilizer use, number of literate household members, and size of family labor. This indicates that an intervention program that alleviates constraints to agricultural factor market operation and improves the educational and health status of family labor would have the most significant impact on agricultural productivity. However, prioritization of agricultural support policies should be based not on a comparison of the supply elasticities with regard to the different policy instruments but on the public and private costs of the different support policies (Schiff and Montenegro, 1997). The supply responsiveness of the agricultural sector to support programs largely depends



on the capacity of the farmers to utilize the support services. For example, farmers need some minimum level of resources (land, capital and skills) to effectively benefit from new innovations in farming techniques. If the public costs of providing a support program are high such that a cost recovery mechanism is necessary but the target population lacks the financial capacity to respond, then the program will not have the desired impact.

The production function analysis shows that availability of extension services in a community does not, however, affect productivity except through its positive and significant influence on fertilizer use. This finding illustrates that using extension services to facilitate the operation of factor markets by, for example, providing input market information and educational programs on modern input use would significantly increase agricultural productivity, especially when the functioning of input markets is facilitated by greater access to financial markets.

In general, Ugandan households face serious capital constraints in starting and running enterprises and evidence from the analysis of the national household survey data indicates that this is linked to limited credit access. Nevertheless, the percentage of households making positive net entrepreneurial investment increased between 1992 and 1996 - the main source of capital being personal savings, indicating that increased access to financial assistance would facilitate movement of households out of poverty.

## 4.7 DANIDA's Support in Relation to Government Policy and Poverty

Being an agricultural country, the greatest growth linkages of a development initiative can be achieved in the agricultural sector. Government strategies to improve the living conditions of the poor can best be supported by DANIDA if the latter's assistance strategies are consistent with the overall objective of poverty reduction, especially in the agricultural sector. To analyze this consistency question, we need to understand what the poverty reduction initiatives of DANIDA are, how well-focussed the initiatives are on the above-identified causes of poverty in Uganda, and in what areas of government resource inadequacies is DANIDA directing its assistance program.

### 4.7.1 Key Features of DANIDA'S Assistance Strategy in the Agricultural Sector

DANIDA's Agricultural Sector Program Support (ASPS) is divided into the following components:

- i) Agricultural Education;
- ii) Livestock Systems Research;
- iii) Farmers' Organisations;
- iv) Household Agricultural Support Programme;
- v) Support to Ministry of Agriculture, Animal Industries and Fisheries (MAAIF);



- vi) Rural Financial Services; and
- vii) District Agricultural Training and Information Centre (DATIC).

In each of the components, the cross cutting issues (gender, environment, and efficient delivery of services via good governance) are well incorporated. The ASPS is characterized by a time-consistent mechanism that recognizes, and adjusts to, changing policy environment. This is evidenced by the fact that although the ASPS was formulated prior to the inception of the Plan for Modernization of Agriculture, serious consideration has been given to the various aspects of the PMA to minimize inconsistencies. Decentralization is also duly acknowledged and built into the ASPS implementation framework.

The agricultural education component aims at enhancing smallholders' skills in agricultural production and resource management through: (i) curriculum development and training of teachers in agricultural education in primary schools; (ii) physical infrastructure rehabilitation, institutional restructuring, and staff retraining at agricultural colleges; and (iii) support to thirteen teachers' colleges, with the upgrading of the college farms to commercial levels as one of the objectives.

Given the restructuring going on in the Ministry of Agriculture Animal Industries and Fisheries (MAAIF), including downsizing the workforce from 1400 to 281, coupled with the Ministry's poise to implement the Plan for Modernization of Agriculture, DANIDA's support to the MAAIF is quite timely and is characterized by the following:

- (i) Facilitating the Ministry's capacity to undertake its reformulated role of policy making and analysis, and its mon-

itoring, regulatory, and quality control functions;

- (ii) Aiding the Ministry to streamline regulatory services such as the various Acts and Regulations governing disease and pest control, the application of user fees and cost recovery, and the equipping of laboratories for the National Bureau of Standards; and
- (iii) Continued support to the on-going Cattle Breeding Project (CBP) that was started in 1994 and the East Cost Fever (ECF) immunization program that was started in 1990.

The DATIC component aims at providing information and training in relevant farm management and improved practices to the rural population including farmers, extension staff and youth. DATICs are to be used as focal points for agricultural training and information dissemination within districts. They will facilitate and support Rural Youth Clubs to reach out to the youth such that they are actively involved in farming, club activities and the overall development of the agricultural sector. A farm school will be established at each DATIC. And in close collaboration with the Agricultural Education Component, the DATICs will supply training facilities for primary school teachers to enable them teach agriculture in primary schools.

The objective of the livestock systems research program is to increase the incomes of smallholders from livestock production by: (i) developing appropriate technologies suitable to farmers' needs; (ii) facilitating the dissemination of the technologies by establishing strong linkages and interactions between researchers, extension agents and farmers; and (iii) improving the scientific capabilities of research staff at all levels



through in-country and overseas training programs.

DANIDA has supported the restructuring of the Uganda National Farmers' Association (UNFA) into an apex organization with its former branches becoming legal independent entities. The Farmers' Organization Component aims at strengthening both the UNFA and non-UNFA farmers organizations to increase farmers' welfare and accessibility to sustainable, demand-driven agricultural services through activities from their own organizations. Furthermore, the component will support farmers' organizations in influencing agricultural policy development to the benefit of smallholders. The component seeks to achieve these through training in technical, managerial, administrative, marketing and bargaining skills.

The overall objective of the Household Agricultural Support Program (HASP) is to promote food security and increase incomes among groups and individuals from primary production, storage, processing and marketing by promoting demand responsive support and improving the effectiveness of local agricultural support organizations. The HASP targets resource-poor households/household members, female- and orphan-headed households engaged in subsistence farming, and some better off farmers who have the capacity to quickly adopt innovations and thus lead the way for others to follow. The HASP will be commercially steered according to market forces in reflection of the demand and preferences of local consumers. It aims at increasing competition in the supply and marketing of agricultural goods and services. The HASP is devoted to assisting poorer households directly through technical and financial support to groups and individuals, and indirectly, through institutional support to agricultural service orga-

nizations whose activities will facilitate the implementation of project proposals submitted by individual households or groups of households.

The Rural Financial Service Component aims to facilitate access to credit by financially active smallholders, that is, those with some minimum level of savings that can enable them to effectively utilize the credit facilities for productive purposes. It is envisaged that the Component shall provide services to persons or groups supported under the HASP and Farmers Organizations Components. The fund will also support credit-facilitating activities such as the development of financial management skills at individual and group levels. The financial service component also includes assistance to The Uganda Institute of Bankers to enhance the effectiveness of its effort to build human capacity in relevant financial institutions. Activities to be undertaken and the method of operation have not yet been planned in detail although the component is scheduled to be operational by the end of 1999.

#### 4.7.2 DANIDA'S agricultural sector support in relation with government policy and poverty

Since the turn of this decade Uganda has successfully implemented a number of donor-supported economic liberalization programs. The impact of the programs on the nation's welfare is best indicated by the reduction in the percentage of the population living in poverty from 56% in 1992 to 46% in 1996. The distribution of the realized reduction in poverty is however skewed. In the agricultural sector, much of the reduction in poverty occurred among cash crop farmers - mainly coffee farmers.



This means that the economic opportunities ushered in by the reform policies and programs have impacted different groups in the society differently. Accordingly, one of the greatest challenges the country faces is how to sustain and improve the distribution of the realized growth-induced poverty reduction. The government has designed two major plans for increasing people's income and hence improving their livelihood. These are the Plan for Modernization of Agriculture and the Poverty Eradication Action Plan. As outlined earlier, these plans focus on:

- 1) Developing a sustainable extension service to reach all agricultural households to promote a move out of subsistence production without undermining food security;
- 2) Promoting adoption of modern technologies; 3) Rehabilitating key infrastructure: rural feeder roads, rural markets, and storage facilities;
- 4) Encouraging provision of credit and market information to farmers; and
- 5) Removing fiscal measures that are harmful to agricultural production and trade.

With assistance from the World Bank, the government is also addressing regional growth disparity through the Northern Uganda Reconstruction Program. On the whole, a development assistance strategy that focuses on these areas is largely consistent with government poverty eradication initiatives.

The ASPS will be largely commercially steered. Although this is consistent with the general government policy of economic liberalization and privatization, it might cause some response problems especially in

areas where the government still provides free services to the farmers. For example, there is concern that free extension services offered by government could undermine the cost recovery aspect of the farmers' organization component. On the whole, the ASPS components are quite consistent with sustainable poverty reduction and are, to some extent, one of the implementation wings of the PEAP and PMA.

The focus of ASPS on gender sensitive and environmentally sustainable growth with redistribution, human resource development via improved social service delivery, and popular participation with good governance, are in principle complementary with the Poverty Eradication Action Plan. Emphasis on national ownership as opposed to donor managed "project islands," long term involvement, institutional support to various levels, time-consistent program flexibility, promotion of coordination at various levels, and strengthening of accountability, are the key aspects of the ASPS that will enhance institutional and individual capacity to increase agricultural incomes and reduce poverty. Furthermore, directing assistance to productive activities as opposed to focusing only on structural investment (such as on community roads) should significantly ease specific production constraints and directly impact poverty.

The high degree of consistency of the ASPS with poverty reduction and government's poverty eradication strategies are attributed largely to the participatory manner in which the sector program support was formulated. In addition, the ASPS identifies a hierarchy of supporting stakeholders such as MAAIF, NARO, district farm departments, non-governmental organizations, farmers' organizations, and well-established women and youth groups to help in technology dissemination, and input and output market facilitation. Because of



the comprehensive nature of the program, there is little to add to the strategy design itself except for a few observations pertaining to implementation and monitoring. These observations are discussed in the next section to motivate some recommendations.

## 4.8 Recommendations

Much of the recovery in the agricultural sector during the 1990s was due to increase in acreage. But because limited land availability constrains acreage expansion, improvements in indigenous technology and introduction of appropriate technologies are the surest ways to exploit the full production capacity of agricultural households. Thus modernization of extension services through training of support staff and provision of initial capital to extension agencies will significantly increase production. However, because the majority of Ugandan farmers are subsistence in nature, an intervention program that increases household agricultural productivity must be accompanied by expanded market opportunities for the program to have a significant impact on poverty. Provision of physical infrastructure to increase access to markets may not be adequate to translate increases in production to increases in farmers' incomes. Local traders (individual and groups) with potentials to link households in their communities with distant markets should be carefully identified and facilitated to acquire practical skills in obtaining market information, bearing marketing responsibilities on behalf of agricultural households, and ensuring appropriate price margins for the producers.

The 1996 socioeconomic survey conducted by DANIDA finds that the main source of off-farm income is labor income. This implies that farmers' capacity to diver-

sify income is largely confined to the labor market. In other words farmers are most likely constrained by the amount of initial capital necessary to diversify into other sectors such as distributive trade and services. To spread income risks facing agricultural households, the ASPS could develop an identification mechanism through which farmers are selected and invited to submit financial proposals for establishing a non-agricultural secondary sector.

Regarding the facilitation of technology dissemination, it would be useful to further integrate the process by including local progressive farmers and produce traders as trainees for extension service provision and managerial capacity building at the household level. In this way, the households who have the capacity to be lead adopters for others to follow will as well be able to explicitly supply the technology. This would have the advantage of a higher degree of acceptability, ownership and sense of responsibility within ones own community. Furthermore, this strategy would be consistent with the popular participation approach emphasized in the DANIDA "Strategy 2000" document.

Drawing lessons from the *Etandikwa* scheme the ASPS recognizes that a well-mobilized population that is closely linked to well-established district and field offices under the scrutiny of a higher committee can improve the effectiveness of an agricultural credit program. But given that all the ASPS components target the poorer population and exclude the poorest of the poor, it might create social tension in communities, besides, no lessons can be learnt about the supply response of the poorest households. It would therefore be worthwhile including the poorest segment of the population at least in the grant scheme and in group-level technology dissemination.

A problem that may undermine the ef-



fectiveness of the HASP component is that even the financially active households targeted by the component may not apply for some of the assistance provided under the program. This situation may arise owing to the fact that the HASP is market oriented and yet the target households are vulnerable to low returns and project failure that could suppress their demand for credit support services. A brainstorming effort in search of an insurance system would be a relevant step for allaying some fears of investment failure. In connection with this, given that households will come into the HASP at different levels of resource endowment, it would be useful to apply a participatory process to identify which households need what level of initial resource augmentation to enhance their capacity for a significant supply response to the HASP. The financial capacity reinforcement could also be in kind to ensure that it is appropriately used. This could be one way of utilizing the one-time grant that is provided for in the HASP component.

Since ASPS will not be implemented as a typical project, implying it will not pay top-up salaries to public servants (except for top-government officials in managerial positions in the program) and will not fund procurement and operation of vehicles, it should invest in intensive sensitization and human capacity building so as to generate enough motivation for effective participation of the public servants concerned.

Similarly, the private sector stakeholders' financial capacity and creditworthiness to meet their side of ASPS requirement could be a constraint. The question is; what are the incentives within or without ASPS for a positive response from such stakeholders? There is need to build into ASPS sufficient time flexibility for addressing any setback resulting from such an incentive problem. In addition, there is need to provide for al-

ternative channels of delivery of the ASPS aspects that may not attract the necessary level of private sector participation.

Under the HASP, support to household groups would be of limited duration after which attention would be shifted to more deserving groups. Support to agricultural service organizations is expected to be terminated at an earlier stage after completion of institutional upgrading of the organizations to a point where they can be supported by local authorities or are able to charge commercial fees. There is a danger that the expected sustainability outcome of this approach may not be realized unless substantial and multi-faceted capacity building for local authorities and the service organizations is supported. Building a monitoring and self-assessment capacity within these organizations would complement the effectiveness of the general ASPS monitoring activities.

The ASPS may run into problems in its strategy to use existing structures to improve farmers' welfare. Where the existing structure is weak, the amount of resources required to build sufficient capacity in the structure so that it can fulfill its ASPS mandate may be too high. For example, in the absence of farmers' organizations or if the existing ones are too weak, it may be more cost-effective to use an alternative organization to perform the functions outlined in the FOC. Alternatively, some of the functions could be delivered directly to individuals under the HASP component. In a nutshell, the ASPS should have inter-component relational flexibility as much as possible.

Limiting FOC assistance to organizations that are at least two years old could leave out some organizations that were recently formed and have picked up tremendous level of activities especially after the decentralization of the UNFA. This rigidity might also turn out to be inconsistent with



some early outcomes of the national agricultural modernization program such as the formation of specialized farmers' organizations. Indeed, more experienced organizations are likely to be more responsive to support programs. But consideration should be given to an approach where a predetermined number of organizations may be targeted but the choice set should not be limited. The choice of an organization should not be based on its age but on its potential effectiveness as a beneficiary of the FOC.

Lack of participation and political influence in agricultural policymaking, a problem identified by ASPS, could be handled in the following way. Farmers' organizations should be sensitized and empowered to present their agricultural growth perspective and initiatives to government through parliament, the organ responsible for approving government annual budgets. Before a budget is passed, parliament would have to ensure that there is adequate funding for the sector that has the potential to lift millions of Ugandans out of poverty.

Regarding the low priority given to agriculture in the local government budgets, one way of approaching it is for the central government in conjunction with donors to sensitize the local governments on the role of agriculture in poverty eradication. Another consideration is to seek parliamentary approval of district specific conditional grants by the central government. These would require districts that are well endowed with agricultural resources to spend a scientifically determined proportion of their revenue on agriculture. The next year's funds should not be released until the central government has analyzed the district budget out-turns to ensure that the districts have actually spent the specified proportion of its budget on agriculture. However, this is unlikely to work some

districts because according to the budget analysis by the MLG, ten districts had donations accounting for more than half of their total budgets, and these are funds over which the central government has little control.

## 4.9 Conclusion

The donor-supported liberalization policies adopted in Uganda has created a stable macroeconomic environment and led to a steady growth in gross domestic product. The challenge of sustainable growth with redistribution has been identified and incorporated in the ASPS. The participatory process used to formulate the ASPS gives it a very poverty-oriented outlook. The involvement of DANIDA in the design of poverty-focussed government strategies such as the Plan for Modernization of Agriculture has ensured that the various components of ASPS are not only poverty focussed but are consistent with government policies. However, implementing the ASPS on a commercially steered framework and in selected districts throughout the country leaves out the poorest of the poor and is inconsistent with government's concern about the poorest of the poor and about regional inequality.

Danida's emphasis on financial, technical and management capacity building at various levels coupled with direct support to farmers is expected to significantly increase households' agricultural productivity. But this could be enhanced by attaching greater importance to, and increasing, the initial grants given to farmers as well as by providing long-term credit services. As shown by the results of the production function analysis of the national household survey data, increased access to an innovative program of financial assistance to farmers is



expected to increase their ability to adopt modern inputs and hence increase productivity. However a productivity-increasing program must ensure that the resulting surplus produce is marketed at reasonable prices. Because of this concern, it would have been appropriate if produce marketing was formulated as a separate ASPS component with well developed marketing strategies.

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## Chapter 5

### The Road Sector

by *Dr. Edward K. Kirumira*

#### 5.1 Introduction

##### 5.1.1 Danish Infrastructure Assistance Framework

The overall objective of the bilateral cooperation between Denmark and Uganda is to improve on the living conditions of the poorest sections of the population.

The major principles and strategies for Danida's involvement in this sector include:

- (i) Danida's support assessment is based on an approach in which road sections are assessed as part of a network. Based on this network approach, Danida can support rehabilitation of different types of roads: main roads, regional/district roads, and feeder roads (including community roads, tracks and paths) if the investment is feasible and there is an ability to maintain the investment.<sup>1</sup>
- (ii) Institutional sustainability expressed in terms of responsive institutional reforms, private and public sector role

<sup>1</sup>Although mention is made of community roads, tracks and paths (albeit in brackets) in the transport sector policy paper, the RSPS specifically excludes these in the defined components for Danida support in Uganda.

definition, human resource development, and coordination

- (iii) Economic sustainability - priority is given to routine and periodic maintenance; priority is given to rehabilitation and reconstruction works only if the financial situation allows. The aim for the preferred priority is to secure as many benefits as possible within the given financial constraints of the individual programme countries
- (iv) Financial sustainability - in the Road maintenance Initiative (RMI) the achievement of financial sustainability in the roads sector has been linked to the availability of a source of funds for roads maintenance and efficient usage of these funds for roads maintenance only
- (v) Social sustainability - ownership or stakeholder/user commitment, gender considerations, occupational health for roads construction workers, and community participation (e.g. through labour intensive approaches) are crucial for sustainability of road investments
- (vi) Environmental sustainability - effects on the environment must be assessed



in each case in order to mitigate negative environmental effects. Danida assesses national frameworks for environmental policies in a participatory process based on national participation.

- (vii) Technical sustainability - this involves road safety planning, and use of local construction materials. Danida follows national standards in technical planning, and only if these are not adequate are these upgraded to the relevant regional or international standards.

Such policy principles and strategies are reflected by the Government of Uganda's policy emphasis on securing an accelerated economic development, and consolidation of national integration, peace and unity in Uganda through promotion of a sound transport infrastructure. An increased emphasis on the reduction of poverty has encouraged more attention to be given to the development of rural areas, where the majority of the country's poor are found.

### 5.1.2 Government Context

The Government of Uganda initiated the Economic Recovery Programme in 1987 with the long term goal of creating a viable and self-sufficient economy. The immediate objectives of the programme were *inter alia* to rehabilitate the production sectors and in particular the critical infrastructure on which those sectors depended. In this regard, concerted efforts for rebuilding and modernising the country's infrastructure have taken place in recent years with considerable sums in development assistance from foreign countries, including Denmark.

Pursuant to the overall objective of their bilateral cooperation, the Government of Uganda requested Danida in 1996 to as-

sist with the implementation of the Ten-Year Road Sector Development Programme (RSDP). The preparation of the Danida Road Sector Programme Support was undertaken during 1997-98 and has resulted in the following components:

- (i) Trunk Road Rehabilitation of the Kampala-Fort Portal Corridor;
- (ii) Institutional Support for Coordination of the RSDP Implementation;
- 1. (iii) District Road Networks in Six Districts.

The principal objective of Uganda's Ten-Year Road Sector Development Programme (1996/7 - 2005/6) is to secure an accelerated economic development and consolidation of national integration, peace and unity in Uganda through promotion of a sound transport infrastructure. The RSDP seeks to reduce transportation costs and improve accessibility to economically productive and/or socially important areas by establishing a road network system with sustainable maintenance functions ultimately being financed by the Government of Uganda.

The ultimate poverty eradication orientation, within the RSPS development objective, thus becomes the enhancement of Uganda government's RSDP contribution to optimal and sustainable social and economic impact. This has been conceived to be implemented within government's policy frameworks; for instance the Poverty Eradication Action Plan, the decentralisation policy, and the gender and environment policy guidelines.

As stated in the Sector Programme Support Document (Nov. 1998), promotion of good governance, within the context of RSPS on the one hand, and RSDP on the other, is emphasised at the national and

Table 1: Road Sector Poverty Impact Indicators

Poverty Dimension	Impact issues & indicators
1. Livelihood	<ul style="list-style-type: none"> <li>- Participation through local labour provision and other forms of employment [<i>micro-level</i>]</li> <li>- Market for household level income generating activities like roadside markets [<i>meso and micro levels</i>]</li> <li>- skills acquisition [<i>macro, meso and micro levels</i>]</li> <li>- mean consumption expenditure esp. of rural households [<i>micro and macro levels</i>]</li> </ul>
2. Resource accessibility	<ul style="list-style-type: none"> <li>- access to essential facilities such as health care and education facilities, and other social services [<i>meso and micro levels</i>]</li> <li>- community mobility &amp; reduction of transport costs; i.e. road user costs reduction [<i>meso and micro levels</i>]</li> <li>- access to productive assets e.g. markets [<i>micro, meso and macro levels</i>]</li> </ul>
3. Growth distribution	<ul style="list-style-type: none"> <li>- stimulation of economic activities and thus stimulation of social and economic development [<i>micro, meso and macro levels</i>]</li> <li>- facilitation and complimenting private investment and marketing network [<i>meso and macro levels</i>]</li> </ul>
4. Regional cooperation	<ul style="list-style-type: none"> <li>- volume of cross-boarder trade related activities the resultant employment and income for the border and hinterland communities [<i>macro, meso and micro levels</i>]</li> </ul>
5 Cross-cutting elements	<ul style="list-style-type: none"> <li>- gender sensitive/responsive participation/benefit [<i>micro and meso levels</i>]</li> <li>- mitigating the negative environment impact that may aggravate the poverty situation e.g. through soil erosion and thus poor productivity [<i>micro, meso and macro levels</i>]</li> <li>- individual and community participation and ownership e.g. in decision making and actual road maintenance (promotion of good governance) [<i>micro and meso levels; the macro level as well</i>]</li> <li>- sustainability especially social sustainability and capacity building [<i>macro, meso and micro levels</i>]</li> </ul>



local levels. Due environmental considerations should also be made during road planning, design, construction and maintenance.

The Government of Uganda and Danida policy frameworks for transport infrastructure aims at operationalising the overriding objective of poverty reduction as well as the cross-cutting themes in Danish development assistance.<sup>2</sup>

The Government of Uganda is currently facing up to the challenge of developing consistent, countrywide policies and strategies for road rehabilitation and maintenance geared towards promotion of the private sector involvement in public works, as well as for employment creation.

### 5.1.3 Scope of the Status Paper

The Status Paper highlights the following:

- (i) commenting on the poverty situation in the roads sector pointing out existing and likely indicators in the sector for poverty eradication;
- (ii) assessment of the scope of support to the road sector including government, donors, and Danida support components;
- (iii) assessment of the relevance of Government's policy in the sector, to poverty reduction;
- (iv) analyse government's financial framework with regard to Danish supported sector activities and how this reflects a poverty orientation;

- (v) assessment of the extent to which the Danida supported activities will and can contribute to a reduction of poverty at the macro, meso, and micro-levels;
- (vi) comment on the monitoring system for effective poverty reduction orientation of Danida support; and,
- (vii) recommendations and action to enhance the poverty orientation of the Danish-Ugandan Development Cooperation in the road sector, and identify issues which the Embassy could raise during policy dialogue with Uganda Government.

The Status Paper therefore presents an analysis of the extent to which Danida RSPS complements and is compatible with the framework of the Government of Uganda's 10-Year Road Sector Development Programme (RSDP). In so doing emphasis is placed the poverty orientation of the interventions/approaches, of the Danish-Ugandan Development Cooperation in the road sector. The Uganda government's RSDP thus provides the basis, in the Status Paper, for the analysis of the RSPS.

## 5.2 The Poverty Indicator Base for the Sector

The improvement of the living standards through accelerated economic development programme is government's fundamental underlying goal. A good transport infrastructure, therefore, is a necessary prerequisite for the economic development of a country. Transport system improvements benefit the poor in the sense that they stimulate economic activity and increase the need for local labour. Benefits are derived

<sup>2</sup> As stated in the draft Danida Transport Sector Policy Paper (Nov. 1993), the policy framework should be understood as a guide rather than a blueprint manual providing all the answers to Danish assistance to the sector globally.

Table 2: Scope of Government and Donor Road Support Activities

Source	Activity Supported
Uganda Government	TR16 Feeder roads rehabilitation programme (16, 000 km subject to some form of rehabilitation) TR24 Rehabilitation of Urban roads (166 km rehabilitated & sealed; 300 km graded and shaped)**
USAID	Support to the Government Development Budget for counterpart funding for Feeder Roads Projects 1990-1998
Danida	Northern Uganda Reconstruction Programme (Feeder Roads Maintenance Component 1995-1998)  Trunk road rehabilitation (Kampala-Fort Portal Corridor 1998-on-going)
BSF	Hoima/Kibaale Districts Integrated Development Project for community roads (1995-1998)
Netherlands AID	Lira and Soroti Districts for community roads (1997- to date)
Netherlands AID	Community Action Programme West Nile Districts Community Roads (1993-1998)
IRISH AID	Kibaale District Development: Trunk and Feeder roads (1996-to date)
ADB	Feeder road maintenance and rehabilitation in 24 districts
ADF	ADF Feeder Roads Maintenance Project (1994-2001)
EU	South Western Uganda Road Maintenance Programme
DFID	Institutional support to Ministry of Works, Housing and Communications for classified roads and feeder roads



by reducing the cost of transport services.  
3

The Working Draft of the Uganda Poverty Report (March, 1999)<sup>4</sup>, under Section 3, deals extensively with the issues of increasing incomes and improving livelihoods of the poor, in Uganda. Of infrastructural relevance are the objectives of increasing incomes and improving livelihoods of the poor and, supporting quality of life and human capital. The Government broader framework encapsulated in the Poverty Eradication Action Plan does underline the high priority of government to make access to infrastructure and services more evenly spread across the country.

Table 1 summarised the poverty indicator base as reported through documents, and from interviews with road sector stakeholders. The Table, also indicates at what level(s) the poverty impact is envisaged; whether at (i) the macro level (i.e. national or/and international); (ii) the meso level (i.e. district or/and regional); or, (iii) the micro level (i.e. household, individual or/and community).

[Place Table 1 here]

The Government's Poverty Trends paper (1992-1996) notes that in all regions of Uganda, the income index is the lowest of all components of the human development index, indicating the extent to which income poverty remains a serious impediment to achieving higher levels of human development. It is further observed that

<sup>3</sup>The Ten-Year Road Sector Development Programme (1996/7 - 2005/6) Vol. 2 of 3: Main Report of October 1996, p. 10

<sup>4</sup>This document is captioned "not to be quoted"; the quotation here, and the subsequent reference to the document, is therefore taken as indicative not committal of Ministry of Finance, Planning & Economic Development position.

the development of human resources at the district level is where the real challenge lies.

## 5.3 Scope of Road Sector Support Activities

### 5.3.1 Overall Current Support to the Roads Sector

Table 2 summarises some of the major government and other donor agencies' support to roads improvement programme since 1987. This table is intended to give a summary of the actors and the nature support to the sector in general.

[Place Table 2 here]

#### Context Issues

Given that the bilateral agreement on the support to the RSDP was approved in September 1998, the Status Paper concentrates on the poverty orientation of the Action Plan envisaged in the major components rather than necessarily a review of what has been done. However, the Paper takes note of the fact that before this agreement, Danida supported a feeder roads rehabilitation and maintenance project, which was started in 1996 in four districts in the Northern Region. Experiences from this project are used to elaborate on the RSPS scope of activities and funding issues for the RSDP vis-à-vis poverty alleviation.

Continued Danida support must of necessity be based on the following:

- (a) a strategic and programmatic review the components in the broad roads sub-sector and the general infrastructure sector;



- (b) review the geographical scope - work plan(s) influenced or determined to a greater extent government recurrent budget commitment;
- (c) review the methodology of operation for human resource and for gender; for instance, labor intensive versus mechanisation, and the involvement of community and by gender;
- (d) review current levels of achievement (work done and remaining to be done) including the support by other donors and by government itself;
- (e) review environmental consideration at start of sector support and currently;
- (f) review the performance or translation of the assumptions worked into the project document (what were they and how realistic)

#### Components Assessment:

An overview of the scope of activities within the three components of Danida's support to the RSDP, plus their intended poverty orientation, are provided in Table 3.

### 5.3.2 Methodology of activities' operation

Approaches to road improvement projects implementation greatly determines the contribution of the sector to poverty alleviation.

Taking the example of the Northern Uganda Reconstruction Programme road sector support Phase 1, Danida's operational strategies tended to emphasise physical results and using mobile, force account gangs mainly. Phase II, on the other hand, underlines moving towards a greater use of contractors and consultants for roadworks

with a commensurate reduction in direct labour (force account) operations and in-house design work. It is envisaged that a shift in approach will reflect a more effective poverty orientation of Danida's RSPS.

### 5.3.3 The Financial Framework

#### Government Expenditure Framework:

The RSPS is based on the assumption that donor assistance in the financing and operation of road maintenance and rehabilitation is an interim measure to assist MOWHC clear the heavy maintenance backlog, and allow GOU to increasingly step up maintenance funding until full funding is secured by the Financial Year 2001/2. The Medium Term Expenditure Framework 1999/2000 - 2001/02 as it relate to government's RSDP, should therefore, in principle, reflect this goal. On the other hand, given that over 80% of the country's population is in the rural areas, rural feeder roads should also in principle have a substantial share of sector allocation. Tables 5 and 6 present the current financial framework levels.

Table 5 is adapted from the Medium Term Expenditure Framework (MTEF) for the period 1998/99 - 2001/2002, highlighting government planned expenditure on roads and works. District roads would theoretically serve 80% of the country's population given the rural/urban estimates, however a look at the second row of Table 5 shows a disproportionate budgetary allocation.

Table 6 elaborates on the proportionate contribution, by government and donors, to the rural feeder road improvement projects in the country.

Figures on all-sector budget allocations indicate that the road sector share of total Government of Uganda resources re-



mains around 8% over the medium term, far short of the aim for total government funding of feeder roads maintenance (Director/Budget, 1999:6).

### Budget Performance for the Road Sector

Overall, the budget performance figures for July 98 - April, for the road sector, show that the total releases were lower (even including arrears and Promisory Notes) than the MTEF indicative figures for the period. For instance, the non-wage recurrent (including arrears and PNs) for district roads maintenance was US\$ 9,560,780,000/= compared to the budgeted figure of US\$ 11,990,000,000 (without arrears and PNs). The actual Sector Expenditure (for July 98 - April 99) for roads and works was 71.6% of the revised estimates for the same period.

However, budget performance on the general District Maintenance Programme is currently at 95.2%. Specific to the RSDP, there were problems in disbursing money for water and road projects and in addition, a total of US\$ 6 billion for district road equipment is yet to be utilised due to the delayed procurement process.

Government commitment or/and ability to releases that are commensurate with approved budgets is therefore a critical factor in the actualisation of the RSDP. Furthermore given that donor funding constitutes approximately 80% of total expenditure for the FRSP, counterpart funding levels by Government must, for sustainability purposes, be substantially increased.

It is encouraging to note that government expenditure policy over the medium term will be guided by the need to ensure that scarce budgetary resources are utilised efficiently and in areas where these expenditures can make the greatest contribution to poverty reduction. The areas mentioned

are primary health, primary education, and roads.

### 5.3.4 Administration of the Road Sector

With effect from July 1998, the feeder and urban roads were shifted from the Ministry of Local Government to the Ministry of Works, Housing and Communications. This created for the administration of the Road sub-sector to be under one single Ministry. The Road Agency Formation Unit (RAFU), established in September 1998 and funded under the RSISTAP, was put in place to manage the implementation of the RSDP in the Ministry of Works, Housing and Communication. Full management and operational capacity of RAFU is estimated to be achieved by the end of 1999. RAFU will pave the way for the establishment of the Road Agency.

Progress in this regard is that since the beginning of this year, RAFU has effectively taken over the management of the RSISTAP and RDP (both RSDP project components co-financed by IDA).

In view of decentralisation, the Ministry of Local Government and the Urban Authorities will continue to play a critical role in the day to day administration of the roads development activities. Hence, capacity building for road sub-sector administration both in terms of human resource acquisition and training as well as capitalisation, will continue to be a critical area both to the government RSDP and to the overall Danida Road Sector Programme Support. Another concern will also be to recognise and deal with the potential contradiction between the promotion of RAFU which is centralist, and district authorities that suggest a decentralised approach to road sector administration.



## 5.4 RSPS Complimentarity with Government Poverty Reduction Policy

This section assesses the complementarity (or lack of complementarity) of the Danida funded road sector programme activities with Government's policy on poverty eradication. The extent to which the funding framework will/may contribute to a reduction of poverty at the macro, meso and micro level is briefly outlined as well.

**Approach to road sector programme implementation:** Documentation available shows that although individual lengthmen have been used for routine maintenance, the Ministries, especially MOLG, are shifting to petty contracts of up to 10 km each. The potential for employment creation is therefore curtailed. The Danida project document as it is now tends to emphasise physical results and use of mobile force account gangs only. Adherence to the current programme support document implies that the national and district stakeholders adapt their activities. For instance for the district road network support, this would be limited to petty contractors for vegetation cutting; mobile, force account gangs for other maintenance activities; and development of planning and management capabilities at district level.

If this is the case, government policy of privatisation and capacity building will not be adequately supported and the project(s) will not be sustainable in the long-term. The socio-economic benefits accruing from using local, small scale, labour-based contractors will also not materialise quickly enough. This in itself will be counter-productive to the poverty orientation of the overall Danish-Uganda development coop-

eration.

**Prioritisation of road improvement projects:** The current Methodology for Prioritisation of Road Improvement Works closely correlates with conventional economic analysis based on road user savings.<sup>5</sup> If poverty eradication is the key objective, then the potential for success implies that the methodology for prioritisation of road works may have to adopt a cost-benefit approach with stronger emphasis on cross-cutting issues rather than pure economic viability. Conventional economic analysis need be expanded to include gender, environment and good governance considerations. Women participation, for instance, is a consideration that may not render itself to immediate economic viability but has far reaching potential for poverty eradication, and social and economic sustainability of road sector programme<sup>6</sup> activities in the medium and long term.

At the road administration, funding and institutional strengthening levels there is a heavy emphasis on administration and management capacity at central levels. For instance the donor statement on the road sector for the Public Expenditure Review Meeting of May 17-18, 1999, highlights strong recommendations for government to improve management, harmonisation of policy and implementation mechanisms, regulations, clear financial planning, and ensure transparent and effective procedures. The current Component Document for Institutional Support for Coordination of the RSDP Implementation is biased in this direction.

Government policy on decentralisation

<sup>5</sup>Refer to Annex C of the Danida Sector Support document.

<sup>6</sup>The World Bank Technical Paper (No. 423) on Gender, Growth and Poverty Reduction outlines critical issues on the interface between gender and growth.



shifts the institutional weaknesses to the local administrations much more than ever before.

While supporting institutional building, the support framework must therefore reflect government decentralisation policy and the devolution of powers to the district and sub-county levels. Training and support for central bodies like the RAFU, Mt. Elgon Training Center, and the Central Materials Laboratory should be in the framework of servicing Local Authorities' institutional capacity building.

**Local private sector performance and involvement:** For effective poverty orientation of the RSDP, the local private sector is expected to grow. However this is too big an assumption without any specific funding arrangement or investment policy like the one for industry through the Uganda Investment Authority. Government Private Sector Investment Plan must specifically target road construction investment for local firms.

Experience from NURP shows that there is need to hold meetings with potential local road rehabilitation contractors, assess their interest, their equipment requirements and their views on the financial strategy.

**Financial framework:** Government policy towards promotion of the private sector involvement in public works, as well as for employment creation. Taking the budgetary implications of recommendations in the final report of the feeder roads component of the Northern Reconstruction project <sup>7</sup>, and a review of both government and Danida funding proposals/commitment for the RSDP, over 70% of the funds outlay is on equipment, adminis-

tration, training and consultancy. Operational costs (works) and works by contract are not significantly budgeted for. The social and economic benefits at the meso and micro levels are thus limited.

## 5.5 Strategic Choices and Recommendations

The Status Paper recognises the fact that the infrastructure sector is not only wide in terms of components and modes, it has also been adversely affected by economic and political turmoil. Hence, even in one mode - i.e. the road sector - strategic choices must be made if only to jump-start the rehabilitation and reconstruction process within the broader sector.

The strategic choices are thus presented in form of recommendation pointers, which in themselves are proposed as criteria for selection and guidance of Danida support for the government Ten-Year Road Sector Support Programme for an effective poverty orientated Danish-Uganda development Cooperation.

The recommendations pointers are as follows:

- (i) creation of a viable local contracting industry - through training and employment of contractors for feeder roads rehabilitation and maintenance work, employment of contractors for routine mechanised maintenance of main roads and introduction of equipment leasing or rental arrangements; use of labour based light equipment supported techniques that would increase the local labour participation - i.e. development of a local road implementation capacity.

<sup>7</sup> See Table 3.1 of Final Review Report of NRP Feeder Roads Component, May 1999 p.29; and for government refer to presentation on the Transport Sector Medium Term Strategy by the Permanent Secretary MOWHC (May 17-18, 1999).



- (ii) Institutional strengthening - more in terms of support for a the Road Agency Formation Unit (RAFU) that coordinates the varied Road administrations; i.e. MWHC, MOLG and the Local Authorities. In this regard, Danida support to RSDP should aim to build a district level capacity for road planning and management. This however should be cognisant of the decentralisation policy and the poverty orientation of Danida support for the infrastructure sector, by improving capacity of local authorities to utilise local human and physical resources that would directly and immediately translate into household livelihood improvement for the poor.

In the long term, government should be encouraged, through targeted MOWHC support, to initiate a Master plan for harmonisation of all transport modes - i.e. roads, rail, water and air. What is pertinent for a comprehensive infrastructure sector development of the country is to develop and avail that transport mode, or a combination of them in a given specific location, that offers a comparative advantage in terms of efficiency and cost-effectiveness to the mobility of people and their goods.<sup>8</sup>

- (iii) The Mt.Elgon Training Center in playing a dual role of promotion of private sector operations & skills for labour based methods on the one hand, and Institutional strengthening (through training and bringing together varied Road Administrations) must be taken advantage of. Together with the Mt. Elgon Training Center, there is need for support of the strengthening of the

Central Materials Laboratory (CML) to meet the demands of the construction industry - as provided for in the Ten Year RSDP document, through:

- (a) provision of needed equipment, technical assistance and training;
- (b) assistance with research in the use of non-traditional road building materials and satellite technology in the survey and location of road construction materials. The assumption here is that increased use of locally procured materials will have a more direct and immediate poverty alleviation impact on the communities through supply of road construction materials and labour.
- (c) [in the long run] establishment of appropriate Regional Materials Laboratories. - the estimated total cost for such support for the CML is US\$1.44 million.<sup>9</sup>
- (iv) Criteria for the prioritisation of road improvement projects - based beneficiaries and stakeholder participation, transparency, and accountability at various levels). This is especially so because of limited funding that will demand alternative approaches such as spot improvements meeting local priorities. Furthermore, taking the five-point criteria as laid down in the Ten-Year RSDP document (p.59-60), especially the criterion on national economic integration and poverty alleviation, issues of gender, environment and good governance must be given particular emphasis. Of paramount importance, for instance, are the criteria for

<sup>8</sup>See Ten-Year RSDP document p. 39

<sup>9</sup>Muganzi C. (1999) Ministry of Works, Housing and Communications Stakeholders Public Expenditure Review Meeting (May 17-18) on Transport Sector Medium Term Strategy.



the prioritisation of road improvement projects - these need be gender sensitive, environment friendly, participatory and poverty eradication oriented. - it is worthwhile to invest in traffic surveys and other socio-economic monitoring work such as impact studies to refine the indicators that make up the Prioritisation Index.

- (v) Investment in internal and external monitoring process that will systematically track the progress being made in reducing poverty through support to the infrastructure sector. Important consideration here would be for beneficiary monitoring at individual/household level.
- (vi) In terms of capital investment, looking at the current financial framework outlay, it is recommended that a lot more of the donor funding commitment should concentrate on the first two years to jumpstart the programme. This is especially so given that at both national and district levels, there is considerable competition for funding among the various sectors and the amounts to be spent on roads improvement and maintenance will have to be a combined administrative and political decision.
- (vii) With the establishment of the Road Agency Formation Unit (RAFU), the implementation of the RSDP will be enhanced. The Feeder Roads Programme however lags behind pending finalisation of the sub-sector strategy and investment plan. - perhaps programme support should be extended this process through technical assistance to the Ministry of Works Housing and Communications.

Overall, there is need to explicitly incorporate the infrastructure sector poverty impact indicators as elaborated in table 1, in the objectives and output Danida's support programme write-up implementation plans of the RSDP. In tailored work plans, it is recommended at the levels (macro, meso or/and micro) which poverty impact is envisaged should be stated to the extent possible.

## 5.6 Issues for Policy Dialogue with Government

The strategic choices and recommendations in themselves are issues for policy dialogue especially in as far as they impact upon operationalisation of Government Poverty Eradication Action Plan vis-à-vis infrastructure sector development.

Other more specific issues include:

- Criteria for the prioritisation of road improvement projects - based in the context of the cross-cutting issues of poverty, gender, environment and good governance (aspects of participation, transparency, accountability at various levels)
- Budgetary commitment and actual disbursement of government counterpart funding for road improvement projects
- Government's efforts to establish a Road Fund
- The extent of the implementation of Government decision to supply enough equipment to each district to give the districts a periodic maintenance and rehabilitation capacity - this will affect

Table 3: Scope and Poverty Assessment Indicators

Component	Major activities	Poverty orientation
1. Trunk road rehabilitation of the Kampala-Fort Portal Corridor	<p>Phase 1</p> <ul style="list-style-type: none"> <li>- Mityana-Mubende resealing (85km)</li> <li>- Mubende-Kyegegwa upgrading to Class II bitumen road (38km)</li> <li>- Kyegegwa-Kyenjojo improvement of gravel road (55km)</li> </ul> <p>Phase 2</p> <ul style="list-style-type: none"> <li>- Busega-Mityana combined strengthening and widening (58km)</li> </ul>	<ul style="list-style-type: none"> <li>- Road user costs reduced</li> <li>- Improved accessibility stimulating social and economic development</li> <li>- Assistance to the local communities through a social fund</li> </ul>
2. Institutional Support for Coordination of the RSDP Implementation	<ul style="list-style-type: none"> <li>- Systems and capacity development</li> <li>- Performance evaluation of the RSDP</li> <li>- Technical and financial audits</li> <li>- Information on RSDP progress and performance (i.e. monitoring &amp; evaluation activities)</li> </ul>	<ul style="list-style-type: none"> <li>- Ugandan capacity to sustain coordination and monitoring functions in road sector development</li> </ul>
3. District Road Networks in Six Districts	<ul style="list-style-type: none"> <li>- developing a system of road maintenance and improvement planning at district level</li> <li>- rehabilitation and maintenance of feeder roads</li> <li>- spot improvements of classified roads</li> <li>- Utilisation of Mt. Elgon Training Centre to develop local capacity of small scale, labour-based contractors</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on feeder roads that directly impact the rural poor</li> <li>- Potential for employment creation at all levels</li> <li>- Use of labour-based methods</li> <li>- Private sector involvement</li> </ul>



Table 4 Operational Strategies Applied by MWHC & MOLG<sup>1</sup>

Category of Roadworks	MOLG	MWHC
Routine Maintenance	Labour-based Petty Contractors/Force Account	Labour-based Petty Contractors/Force Account
Recurrent Maintenance	Equipment-based Force Account	Equipment-based Force Account/Local Contractors
Periodic Maintenance	Equipment-based Local Contractors	Equipment-based Local/International Contractors
Rehabilitation	Equipment-based International Contractors	Equipment-based International Contractors

<sup>1</sup> Adopted from Feasibility Study Report on Potential Danida Support to Feeder and Classified Roads; Feb. 1998 p. 10 – there seems to be no other documentation that shows a major shift in strategies.

Table 5: Government Recurrent & Domestic Development Budget

Year	Wage	Non-wage Recurrent	Domestic Development	Total excl Areas
1998/99 Approved Budget Estimates	2.39	12.27	50.01	64.67
	---	11.99	---	11.99
1999/2000 Revised Ceilings	2.59	15.43	74.56	92.58
	---	12.99	---	12.99
2000/01 Budgeted Projections	2.85	21.77	85.74	110.37
	---	13.00	---	13.00
2001/02 Budget Projections	3.26	28.26	98.61	130.13
	---	15.00	---	15.00

Source: MFP&ED (Director/Budget – May 1999 presentation)

*Key:*

1. All figures are nominal totals in billions of US\$.
2. The first row of each year represents figures for works, housing and communications; and the second row represents figures for District Road Maintenance.



**Table 6: Medium Term Expenditure Projections for Rural Feeder Roads  
(US\$million)**

Funding Source	1997/98	1998/99	1999/2000	2000/01
Government funding	21.04	27.81	28.33	29.63
Donor contributions	13.63	22.20	15.45	19.23
Total funding	34.67	50.01	43.78	48.86
% increase of GOU funds		32.2	1.9	4.6

Source: MFPED

the financial framework of Danida support

- Incorporation of local road construction sector into the national PIP framework
- Efforts to create/enhance project districts' capacity to handle financial matters
- Government efforts in the road sector improvement so that Danida support does not seem to be an isolated drop in the ocean - it would be to Danida's advantage to justify its activities as supportive of a larger national infrastructure development programme.
- Donor coordination in respect of the varied donor support to the road improvement programme sector (reference is made to Table 2).
- The status of efforts to finalise the road sub-sector strategy and investment plan.

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## Chapter 6

### The Water Sector by *Dr. Asingwire*

#### 6.1 Introduction

This status paper focuses on the poverty orientation of the Danish - Uganda development co-operation. The paper is based on a three weeks consultancy which was commissioned by the Danish Royal Embassy.

The main objective of the consultancy was to determine and assess the status of poverty interventions in the water sector, with a view to identifying key issues for enhancing of poverty orientation of the Danish - Uganda Development Cooperation in the next five-year term of support. The paper utilises secondary and primary data. Secondary data were obtained from documents of the Danida, DWD, GoU, and projects supported by Danida. Primary information was through indepth interviews with key informants from DWD of MoLWE and projects supported by DANIDA. The lists of documents reviewed and the list of persons interviewed are attached in appendix 2.

#### 6.2 The Water Sector

Uganda's water sector is currently under the Ministry of Water, Lands and Environment (MoWLE). The sector is broadly distinguished into rural and urban sub-

tors. It has to be noted at the out-set that the water sector is defined broadly to include sanitation.

#### The Rural Water Sub-sector

Rural water supply which consists of a variety of mainly communal water supply schemes such as boreholes, protected springs, gravity fed schemes, and to some extent rain-water harvesting covers the small towns and peri-urban areas as well. The responsibility for water provision in this sub-sector is vested with the Directorate of Water Development (DWD) and covers about 85% of the population. DWD's operational responsibilities includes policy formulation and promotion of standardization, overall planning, human resources development, advisory services, liaison and monitoring. The DWD is currently operating through a number of projects including WES in Western Uganda, RUWASA and ECWSP in Eastern Uganda, and other mainly donor funded projects (see Table 2). A key characteristic of the water sector is its high dependence on external/donor financing of most of the planned water activities.

Planned activities for all rural water projects/programmes during the current sector budgeting framework period include;



- protection of 2500 springs
- construction of 2000 augered wells
- construction of 1000 hand dug wells
- drilling of 3360 new boreholes
- completion of 80 gravity fed systems, and
- construction of 3000 institutional rain water tanks for primary schools

### Urban Water Supply Sub-sector

Urban water supply mainly consists of piped water systems which covers towns and growth centres with a population of 5000 and above. This includes 11 major towns under the responsibility of the National Water and Sewerage Corporation, a parastatal under the MoWLE. The rest of the towns fall under the responsibility of DWD, and they manage their own piped water distribution system, while some have none.

### Sanitation

Sanitation is taken to encompass the isolation of excreta from the environment, maintenance of personal hygiene, safe disposal of solid and liquid waste, the safe drinking water chain and vector control (MoH, 1997). In rural areas, sanitation, mainly in terms of human waste disposal, is a responsibility of individual households and is usually in form of a pit latrine. Similarly, other aspects of sanitation are also a responsibility of individual households. Planned activities for rural sanitation during the current budget framework period include;

- construction of 6000 latrines at primary schools item promoting the construction of 72000 improved household

latrines item social mobilisation and hygiene education for positive behavioural change and community participation

In urban areas, individual household latrines are also the major form of sanitation facility, especially in low income areas. Thirteen of the major urban centers in Uganda have public sewerage systems, many constructed during the 1960s. These serve about only 20% of the town populations. In Kampala, NWSC has a mains sewer, but a big proportion of the population is not connected to this sewer.

### 6.2.1 Overview of Poverty in the Sector

There is apparently no developed definition of who the poor are in the water sector. However, poverty in this sector can be understood in terms of a number of indicators including;

- Number of workdays lost due to water, sanitation and hygiene related diseases (3.5% of all worktime (MoH, 1997)
- Household income lost due to inability to work as a result of water, sanitation and hygiene related diseases (42.36 million Ug. Sh [at 1992/93 prices] lost per annum (MoH, 1997).
- Heavy workload especially to girls and women involved in fetching water from long distances.
- Time lost especially by women due to collecting water from long distances.
- High household expenditure on medical treatment of water, sanitation and hygiene related diseases (26,999.6 million and 4,022.4 million Ug. Shs spent

**Table 1: Targeted Versus Achieved Water and Sanitation Coverage**

	1998 Estimates(%)	2000 Targets (%)	2015 Targets (%)
<b>Water Supply</b>			
Large urban centres (NWSC)	63	100	
Small towns and rural growth centres	55	100	
Rural areas	41	75	100
<b>Hygienic Sanitation</b>			
Large urban centres (NWSC)	60	100	
Small towns and rural growth centres	60	100	
Rural areas	45	75	100

Source: Budget Framework Paper (Background Paper), FY 1999/2000 To FY 2001/02



Table 2: Major Donor Supported Projects in the Water Sector]

External Support Agency	Project	Districts/Towns Covered
Danida	RUWASA	Mukono, Jinja, Kamuli, Iganga, Tororo, Mbale, Pallisa, Busia, Bugiri, Kapchorwa
Danida	ECWSP	Same as above
EU through SNV	Gravity Feed System	Moroto, Nebbi, Kabalore, Bundibugyo, ruu, Moyo, Kotido, Kasese, Rukungiri,
DFID	Rural WARSAN North	Katakwi
JICA	Rural Water Central	Mubende, Mpigi, Kiboga
LWF/ACAV/U NHCR/ CARE/ICD/PL AN Int.	Rural WATSAN Drilling	Moroto, Kotido, Arua, Nebbi, Moyo, Luwero
IFAD/BSF	Masindi Integrated Project	Masindi
SIDA/UNICEF	WES Programme	All except Kampala and RUWASA prog. Area
Irish Aid	Kibaale Drilling Project	Kibale
IDA	Small Towns Water and Sanitation Project	Lugazi, Wobulenzi, Luwero, Lyatonde, Rukungiri, Rakai, Kyotera, Kalisizo, Ntungamo, Malaba, Busia, Jinja/Njeru.
KFW	Western Towns Water and Sanitation Project	Fortportal, Kasese, and Kabale
Austria	South Western Towns Water and Sanitation Project	Kisoro, Muko, Muhanga, Kabirizi, Hamurwa, Kisizi, Rwashamire, Kanungu, Katuna, Ryakarimira, Bunagana, Kyanika, Rubuguri, Ishasha, Kihiki, Kambuga, Bugangari, Kebisooni, Buyanja.
EU	Mid-Western Towns Water and Sanitation Project	Hoima, Masindi, Mubende
AFD-French Grant	Mid Southern Towns Water and Sanitation Project	Lukaya, Kyazanga, Kinoni, Mbirizi, Kalungu, Bukomansimbi, Sembabule, wakiso, Nansana.

each year on treatment of malaria and diarrhoea respectively (MoH 1997)

- High household expenditure on buying water from vendors
- High infant morbidity and mortality due to sanitation and hygiene related diseases
- High mortality rates among adults due to sanitation and hygiene related diseases (49% of all reported sickness and injury in Uganda is related to poor sanitation).
- High drop out rates of girls after puberty from school due to inadequate sanitation facilities at school
- Loss of school days due to illness and lack of privacy (on average 2.7% of all students time lost)

In light of the above indicators, the role of safe water in eradication of poverty becomes pronounced. However, overall access to safe water in Uganda remains low, although it is showing a positive trend. Levels of access increased from 39% in 1997 to 41% in 1998. Differences between rural and urban areas are also evident, with the rural safe water coverage ranging between 32-35%, while it ranges between 47-60% for urban areas. Thus, close to 70% of the rural compared to half or less of the urban population still lack access to safe water. Regionally, the Central rural is most deprived with 68% of the population lacking access to safe water. The population without access to safe water is 59%, 54%, and 51% in the North, West and Eastern parts of the country respectively. At district level, the most deprived districts are Pallisa (12.4%), Kapchorwa (16.5%), Mpigi (20.4%), Iganga (25.3%) and Kiuri (25.6%). The best endowed are

Kasese (83.7%) and Moyo (79.0%) (MOF-PED, 1999). The rest of the districts are shown in appendix 1. In all, this general low access to safe water impacts on women in particular who are at the same time the main producers of wealth especially in rural areas.

The burden for collecting water falls mainly on women and children. In areas where long distances have to be walked to access water therefore, women and children's workload is a major aspect in the poverty complex. This situation is exacerbated by the equally low sanitation coverage which similarly contributes to increased levels of morbidity in the general population. It is estimated that only 45% of the population have reasonable sanitation facilities (National Water Policy, Draft 1996). Differences in sanitation coverage between rural and urban are evident, with the latter often served with better sanitation facilities. However, there are glaring differences within rural areas themselves as water and sanitation development has tended to occur along roads and at times serving the more wealthy.

In summary, lack of access to safe water and proper sanitation contribute to the persisting prevalence of water, sanitation and hygiene related diseases which lead to increased levels of poverty, and also impinge on the efficacy of poverty eradication interventions.

### 6.3 National Sector Policy in relation to Poverty

The basic national level policy framework is set in The National Water Policy (Draft, 1996), reinforced by legislation in form of the Water Statute (1995). In addition,



**Table 3: Domestic and Donor Financing to the Water Sector  
(1995/96 – 1998/99)**

Type of Financing	Financial Year		
	FY 1995/96	FY 1996/97	FY 1997/98
Domestic Financing (Recurrent non- wage allocations to DWD) [Ug.shs]	466.3 mill	449.5 mill	374.5 mill
Domestic Financing (Development budget allocations to DWD) [Ug.shs]	3.042 bn	3.825 bn	5.510 bn
Donor budget allocations to DWD [US \$]	21 mill	28.7 mill	39.4 mill

Source: Budget Framework Paper (Background Paper), FY 1999/2000 To FY 2001/02

Table 4: Summary of Danida SPS Funding by Component

Component	Phase	Funding (in Million DKK)
RUWASA	1-7-96 to Dec 2002	250
ECWSP	March 97 to Feb 2002	102
WRAP	June 97 to Feb 2000	38.6
PMS	3-2-98 to 3-2-2003	17
Unallocated Funds	3-2-98 to 3-2-2003	15
Total SPS		422.6



other policies in the relevant collaborating sectors are of significant importance. These include the National Gender Policy, The Environment Statute, the Poverty Eradication Action Plan and the Uganda National Plan of Action for children (UNPAC). The Local Governments Act (1997) and the Decentralisation Policy it provides for is another policy relevant for the sector, together with the privatization policy.

### 6.3.1 The National Water Policy (Draft, 1999)

This is the primary guiding policy although it has remained in draft form since 1996. The policy document states the Government's policy objective for water supply and sanitation as:

Sustainable provision of safe water within easy reach and hygienic sanitation facilities, based on management responsibility and ownership by the users, to 75% of the population in rural areas and 100% of the urban population by the year 2000 with an 80%-90% effective use and functionality of facilities.

The National Water Policy four major provisions that relate directly to the poor; water allocation, service level, subsidies and involvement of women.

#### Water Allocation:-

The policy gives first priority to meeting the domestic water demand, vis--vis demand for water for other purposes such as industrial or agricultural use.

#### Service Level:-

The policy sets the service level whereby in rural areas, the basic level of water service is

set at 20-25 litres per capita per day, preferably within 1500 metres of all households. In built up and peri-urban areas, a similar service level of 20-25 litres per capita per day is provided for, but in a maximum walking distance not exceeding 200 metres. However, if users choose service levels above the basic level, they would be required to meet the added costs of such services.

#### Subsidies:-

The policy allows for subsidies, both for water supplies as well as for latrine san-plats. These are, however, to be regarded as temporary measures targeted to facilitate behaviour change or to enable disadvantaged sections of the population access to basic services and improvements in their quality of life.

#### Involvement of Women:-

The policy provides for the involvement of women in the design, construction, operation and management of improved water supply and sanitation facilities. For instance, for purposes of operating and managing water sources, a Water Source Committee is provided for, whose half of the members have to be women.

### 6.3.2 The Decentralization Policy

Decentralisation in the Water sector is part of the overall decentralisation process, taking place in all sectors of government. The government of Uganda has since 1986 been pursuing a policy of decentralization which was authenticated through the 1993 Statute and more strongly, through the Local Governments Act (1997). The policy is committed to devolving power to the grassroots



through a system of locally elected councils at different levels (District, Sub-county) and administrative levels (county, parish and village). Local Councils are empowered to exercise political and executive powers and functions, with exception to those retained by the center. Water and sanitation provision fall among the devolved functions. However, the functioning of councils is constrained by a number of problems including financial ones.

At district level, a Water Department headed by a District Water Officer (DWO) exists. The DWO is answerable to the district's Chief Administrative Officer (CAO) who is the chief executive of the district. The district water office is usually understaffed and under-resourced in terms of finances, equipment, transport and other facilities. Sanitation (and hygiene) falls under the district health inspectorate, which is under the district directorate of medical services. This is usually slightly better resourced than the water office due to greater donor funding. It ought be noted that the idea of DWOs was introduced in mid 1990s as compared to the medical services which have had some presence in the districts for a much longer time.

At lower levels, there are county and sub-county extension staff for health and community development posted by the district. Their roles include mobilising for, and monitoring water, sanitation and hygiene activities. Due to insufficient facilitation, these staff have not been able to support communities to effectively play their decentralised roles of operating, managing and maintaining water and sanitation facilities.

The decentralization policy devolves control over financial resources to districts, subcounties and village levels. These are mainly revenues from graduated tax which is collected by the subcounty and shared in proportions of 40% to subcounty, 25% to

villages, and 35 to district. With these resources, districts and sub-counties are expected to meet part of the costs for improvements that are donor supported. Experiences from RUWASA show that district capacities vary widely, but overall, majority districts are not able to meet their financial as well as implemetational obligations.

### 6.3.3 The Privatization Policy

The Ugandan government has been committed to transferring all non-core functions such as construction, works and procurement, to the private sector. In the water sector, there is commitment to privatise such activities as drilling, construction of water sources, manufacturing and distribution of spare parts, repairing of water sources, and manufacturing of sanplats. The government has, as a result been trying to create conditions for the success of the process e.g. through training of private contractors, providing standardization guidelines, and training district tender boards.

### 6.3.4 The Demand-Driven Approach

This is a relatively new approach that is being applied in water provision. Communities that require assistance for water improvement are expected to initiate requests, and demonstrate demand for such assistance by making cash contributions to the capital costs of water facilities. In ECWSP and RUWASA, users are required to contribute 5% to the capital cost of the water system. Water users are thus expected to be the major force behind the improvements, to keep a sense of ownership and ultimately leading to sustainability of the improved services. There, however, remains inadequate clarity as to what level the approach should be applied, in what manner



and how the poor are to be safeguarded. On the other hand, households especially in rural areas meet nearly 100% of the costs of construction of the sanitation facilities.

In all, the government water projects where the demand-driven approach is being used, it is not clear from their strategies and policy guidelines, how for instance, individuals, households or communities that are not able to meet the required contributions to the capital cost, can access the minimum intake of water provided for by the National Water Policy. In some of the projects, such as ECWSP, the decision whether to exempt some community members is left to the Water User Group (WUG). This is on the presumption that the water users know better who has or lacks the ability to contribute. It is not yet clearly known how this is working in practice, since the project is just entering the planning and design phase, and many communities have not yet met the required contributions.

However, discussions with ECWSP project staff indicated that it is feared within the project, that the demand-driven strategy may, particularly the up-front cash contribution requirement result into the poorer people paying more than the relatively well off. This is particularly true for the smaller towns with a small population, whereby the per capita contribution to the capital cost is higher due to a low population. Yet income levels are known to be lower in the small trading centers compared to the relatively big ones.

Another concern is about how demand - responsiveness is to be harmonised with the pressure to meet the targets set in the government's sector objectives. For adherence to demand-driven principles implies that implementation goes according to the pace set by the demand from the beneficiaries. In extreme cases, it would mean that there is no implementation if there is no

effective demand in terms of community requests, community cash contributions and commitment to full participation, operation and maintenance. This conflict is exacerbated by the fact that implementation is already far behind the required pace to meet the 2000 and 2015 targets as illustrated by the achieved coverage as shown in Table 1.

## 6.4 Sector Financing

It has been indicated in the previous sections that the sector is heavily dependent on donor funding. Table 2, below shows the major donor funded programmes in the sector. It however excludes the numerous small-scale water projects such as those supported by individual NGOs.

Specific to Danida support, for the period 1997 - 2002, Danida financial support to the sector totals to DKK 422.6 Mil, of which DKK 390.6 Mil are existing grants calculated for the period, DKK 17 Mil are for PMS, and DKK 15 Mil are unallocated funds meant for new activities that may be approved from time to time as part of SPS approval. Table 4 gives a summary of Danida funding by component

With respect to DWD, analysis of two subsequent years FY 1995-96 and FY 1996-97 indicates that actual expenditures were far below the budgeted amounts. This was attributed to the very low execution rate for the Inspection and Support Services Department, yet the latter had the largest budget allocation, constituting more than 50% of the total. This in turn leads to questions about the capacity of DWD to support districts, Sub-Counties and communities (Pierre de Raet, 1998).



## 6.5 Danida Support in Relation to Government Policy and Poverty

### 6.5.1 Overview of Danida Support to the Sector

Danida's support to Uganda's water and sanitation sector began at the beginning of the 1990s. The development objective of the Danida SPS is to assist the Government of Uganda in sustaining and developing the water resources of Uganda, so as to, on a sustainable basis, secure and provide water of adequate quantity and quality for all social and economic needs. This objective was formulated in line with the national sector objectives. The SPS is geared towards assisting the Government of Uganda to achieve its national targets by providing domestic water and improved hygiene services to at least 3 million people in rural areas, rural growth centres and peri-urban areas prioritised for assistance. This enshrines its domestic water provision and sanitation objective. The SPS also has an institutional objective which seeks to nurture a policy framework that addresses in an integrated manner, issues pertaining to the conservation of water resources and water provision for social and economic purposes by the year 2015.

In March 1994, a new strategy for Danish development assistance was inaugurated which emphasizes poverty alleviation as a fundamental principle.

During the period 1997 to 2002, support is available for four components/projects: (i) Rural Water and Sanitation East Uganda Project (RUWASA), (ii) Eastern Centres Water and Sanitation Project (ECWSP), (iii) WRAP - assistance to wa-

ter resources monitoring and assessment services, and (iv) Policy and Management Support (PMS) to the Directorate of Water Development (DWD).

### RUWASA

RUWASA project began in 1990 and has been implemented in two phases, 1990-1995 (with a half year extension to mid 1996) and 1996-2001. The project covers a total of 10 districts in Central and Eastern Uganda, including Mukono, Jinja, Kamuli, Iganga, Bugiri, Kapchorwa, Mbale, Pallisa, Tororo, and Busia. The project is in its second phase, in which the key principles and strategies for implementation are; (i) decentralisation - the district administrations are the main implementors, (ii) privatization - all construction work is undertaken by the private sector, (iii) community cash contribution to the capital cost - as part of the demand driven approach, (iv) de-linking of sanitation as a pre-condition for water provision, and (v) a special focus on key aspects of transparency, accountability, gender, sanitation and hygiene.

The project is assisting districts and lower level authorities to improve rural water and sanitation facilities in communities, schools and health units on a demand-driven basis. Districts are also expected to continue promoting sanitation and hygiene, monitoring of functionality during the post construction phase, as well as supporting users to sustain a sound O&M system. Districts are further expected to progressively increase their contributions to project costs from 1% in the first year to a level agreed with each district, deemed adequate to sustain the activities. Experiences from phase I, however, point to inadequate capacity at district level to realise these expectations.



## ECWSP

The ECWSP covers 11 small towns in Eastern Uganda. It has as its long-term objective, contributing towards the national goal of providing safe drinking water and promoting sanitation, with the aim of improving the health situation and therefore the productivity of the population living in small urban centres.

The main strategies employed by the project include; i) beneficiaries pay a proportion of the capital costs for the provision of clean water supplies, ii) choice of technology is negotiations driven, i.e. dependent on the wishes of the beneficiaries, and feasible technical options, iii) beneficiaries are committed to organise and pay for operation and maintenance of services in line with an agreed Facilities Management Plan.

The active involvement of women in decision making and management of the systems is also included as a cross-cutting strategy.

## WRAP

The Water Resources Monitoring and Assessment Services Project was initiated in response to the need for adequate information generation and management on water resources. The project commenced in September 1996 and was originally intended to last 5 years but was later redesigned to last 3.5 years. Its immediate objective is to build up the capacity of the DWD to monitor the water resources of Uganda in terms of quantity and quality and undertake water resources assessment studies aimed at enabling DWD to provide coordinated and reliable operational guidance on the management of Ugandan water resources.

## PMS

The PMS supports the institutional objective of the SPS, and aims at strengthening the DWD in terms of overall sector management including policy development and optimisation of resources in the organisation, strengthening of water resources management, and strengthening of domestic water and sanitation provision. The component was launched in February 1998 and is managed by DWD.

### 6.5.2 Poverty Orientation in the Current Support Programme

One of the key components in Danish official development assistance strategy for poverty alleviation focuses on the development of the social sector, including the promotion of education and health services as prerequisites to the development of human resources. Support to safe water and sanitation provision contributes to this poverty alleviation strategy.

Danida documents reiterate that the selection of geographical areas and target groups where assistance is currently channeled was guided by a focus towards poverty reduction. Support is currently going to the poor in rural areas and small towns. The strategies for implementation have also been designed to include mechanisms that contribute to the reduction of poverty.

Another dimension of the poverty-focused nature of Danida support can be seen in its attention and integration of the cross-cutting issues which are key to the alleviation of poverty such as gender, environment, and democratization/popular participation. These different areas of poverty focus are discussed further.



**Geographical Areas:-** Support is extended to populations in the Eastern part of Uganda, a region known to be characterised by a concentration of poverty, together with the north. Even in terms of safe water coverage, most Eastern region districts have levels of safe water coverage lower than the national average of 41.1% (Iganga 25.3%, Tororo 38.3%, Pallisa 12.4%, Mbale 26.9%, Kapchorwa 16.5%). In terms of income poverty, it is estimated by the National Integrated Household Survey (1992/93) that 72% of the rural households in the Eastern region have monthly incomes less than Ug.shs.50,000.

**Target Groups:-** Assistance basically targets the rural and semi-urban poor. The benefits are expected to go to the poor and especially to improve the quality of life for women and children. However, there appears to be no specific provisions to ensure access to safe water and proper sanitation for particularly disadvantaged individuals/households such as the disabled, the aged, orphan alone families (child-headed), and others that may not raise contributions towards capital and operation costs of facilities. This is particularly important in the wake of the demand-driven approach which requires contributions to capital costs as a pre-condition for receiving assistance.

**Implementation Strategies:-** The strategy of the SPS hinges on supporting the GoU to achieve its national goals and targets, both in the short term (five years up to 2002) and long term (2002-2015).

**Gender:-** Sector supports integrates gender issues. Supported projects integrate gender into planning, implementation and management of improvements. For instance, women are part of the water committees that manage water sources. It is, however, still not proven that women's work burden actually reduces due to the improvements in water and sanitation.

**Environment Protection:-** Priorities for support have to be in line with environmentally sound principles. For instance, in ECWSP an environmental assessment was to be undertaken in all project towns.

**Democratization/Participation:-** Popular participation in the planning and management of domestic water provision is a key element. In the supported projects, a demand/negotiations approach is used. However, the extent to which real/genuine participation has been achieved at community level, e.g. in terms of communities actually determining their priorities, or initiating requests for assistance, is not known.

## 6.6 Key Issues and Recommendations

### 6.6.1 Support for Operation and Maintenance

One of the key issues from the above discussion is that the decentralised/ community-based operation and maintenance system for water and sanitation facilities is not functioning as good as envisaged. Many of the problems are related to the capacities at district and sub-county level, and the ability of these levels to offer back-up support to communities. In light of this, it is unlikely that the facilities installed with Danida support will be sustainably maintained without additional external support. It is therefore recommended that support to the sector in the coming years continues to and puts more emphasis to support for operation and maintenance in the existing beneficiary region.

However, the community-based O&M is not functioning as good as envisaged. Many of the problems are related to the capacities at district and sub-county level, and



the ability of these levels to offer back-up support to communities. In light of this, it is unlikely that the facilities installed with Danida support will be sustainably maintained without additional external support. It is therefore recommended that support to the sector in the coming years continues to and puts more emphasis to support for operation and maintenance in the existing beneficiary region.

### 6.6.2 District Specific Support Agreements

In the past and currently, support through projects to districts is on the basis of generalised requirements from districts. Yet, experiences show that the capacity of districts to implement sector activities and to meet their obligations varies widely across districts. It is therefore recommended that in the next term, consideration be made to vary terms and conditions of support to districts, depending on an assessment and understanding of district specific conditions, resources and willingness. This does not negate use of standard or non-negotiable requirements, but supplements their use to ensure that non-realistic demands are not placed on districts.

Is it not even possible to deal directly with Sub-Counties that have special characteristics, e.g those with gravity schemes?

### 6.6.3 Demand-Driven Approach and Poverty Focus

A clear understanding is needed on how adherence to the capital cash contribution requirement from the communities is providing for the most disadvantaged households or individuals. Such an understanding should then inform the formulation of

policy guidelines for implementers which should lead to safe guarding access for the most poor. Similarly, provisions should be in place to ensure that communities which end up with a higher per capita level of contribution are not burdened with the high cost or excluded from service.

### 6.6.4 Demand -Responsiveness Versus Meeting Physical Targets

One of the immediate objectives of Danida support which focuses on domestic water provision and sanitation concerns assisting the GoU to meet the target of providing domestic water and improved hygiene services to at least 3 million people in rural areas, rural growth centres and peri-urban areas prioritised for assistance by the year 2015. This is in line with the GoU's commitment to meet the stated targets.

However, there is an inherent conflict in pursuit of physical targets, while at the same time adhering to the principles of demand responsiveness. DWD and project staff under pressure to meet targets find themselves constrained if they have to move at the pace of the community or the district as is the case if their demand responsiveness is the broad criteria for assistance. The key question is what happens to the targets if there is insufficient demand, or if, for instance, communities take a very long time to raise their cash contribution?

It is therefore necessary, for purposes of clarity to the facilitators/implementors, to review the relationship or co-existence of these two guiding strategies, with a view to iron out any contradictions.



### 6.6.5 Assessment of Impacts on Poverty Reduction

The theoretical basis for providing safe water and improved sanitation and hygiene is that such improvements lead to a better quality of life through a number of social and economic gains. Assessments of water and sanitation improvement projects worldwide have indicated positive impacts resulting from the improvements. These impacts are, however, still largely measured at levels that may not reflect actual poverty reducing outcomes. For instance, positive impact is usually seen in terms of reduced distance to the water source - which is then taken to imply a better situation for women as water collectors. Yet, in the Ugandan experience particularly, protected water sources usually end up so congested with the result that women end up using more time in lining up to fetch water, in which case the presumed impact is lost. There are other examples e.g. sanplat coverage taken to indicate better hygiene, yet they may not be kept clean.

There is therefore need to develop parameters relevant to the context, that can be used to measure the actual poverty reducing impact of water and sanitation improvement. Such parameters should be tested and used to monitor and evaluate the impacts.

### 6.6.6 Support for Institutional Development

Interviews with various stakeholders indicate that the nature of SPS support, being holistic and allowing to take water in its broad sense is one of the strong points in the support programme. This approach to support has enabled addressing of institutional, environmental and other pertinent concerns that are necessary for sustaining

benefits.

It is therefore suggested that the next programme of support continues to include assistance for institutional strengthening, policy development, and other concerns that may arise from time to time.

### 6.6.7 Beyond the Water Source

The mobilisation, training and organisation that has been done in communities for purposes of water and sanitation improvement can no doubt be utilised to achieve other benefits that contribute to poverty reduction. In some RUWASA programme areas, for instance, some WUCs could loan out the O&M collections to water users to solve their financial problems, while at the same time it earns a profit. Similar initiatives could be supported so as to create multiplier effects from the initial interventions.

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Appendix 1: Access to Safe water in Rural Uganda by District (1998)

Apac	37.5	Kotido	56.5
Arua	52.9	Kumi	25.6
Bundibugyo	49.1	Lira	42.4
Bushenyi	46.8	Luwero	46.8
Gulu	53.1	Masaka	26.1
Hoima	67.3	Masindi	59.4
Iganga	25.3	Mbale	26.9
Jinja	45.7	Mbarara	42.9
Kabale	52.7	Moroto	64.1
Kabalore	58.7	Moyo	79.0
Kalangala	44.1	Mpigi	20.4
Kampala	-	Mubende	31.2
Kamuli	42.4	Mukono	52.5
Kapchorwa	16.5	Nebbi	62.4
Kasese	83.7	Ntungamo	41.3
Kibaale	51.5	Pallisa	12.4
Kiboga	26.2	Rakai	31.1
Kisoro	28.9	Rukungiri	57.1
Kitgum	37.2	Soroti	57.9
		Tororo	38.3
Average Coverage for Uganda			41.1

Source: Ministry of Finance, Planning and Economic Development

NB: Districts of Adjumani, Bugiri, Busia, Katakwi, Nakasongora and Sembabule had not been created.



## Appendix 2: List of Persons Met

Name of the Person	Organisation/Agency
1. M/s Enid Kansiiime	ECWSP
2. Mr. Patrick Kahangire,	Director, DWD
3. Mr. Gilbert Kimanzi	DWD
4. Mr. Stephen Emoloit	DWD
5. Mr. D Ssozi,	Project Co-ordinator, RUWASA
6. Mr. M. Ofumbi	RUWASA
7. Mr. J. Okune	RUWASA.

## Chapter 7

### Demoncratic Development

by *Dr. Yasin A.A. Olum*

#### 7.1 Introduction

From the time Uganda attained independence on 9th October 1962, from the British, it has suffered adverse political, economic, socio-cultural and military upheavals all of which have led to the suffering and poverty of the majority of the population who live in the rural areas. When the NRM captured power on 26th January, 1986, from the earlier dictatorships which ruined the country, it attempted to re-vamp the country and the poverty-stricken masses through several measures. One such measure has been the democratisation of the country. This status paper, which is a product of a three weeks consultancy, presents the findings on the relationship between democratisation and poverty eradication based on the analysis of the following dimensions: decentralisation, judiciary, transparency and accountability, human rights, electoral process, and gender. At the end of each of these analysis, recommendations and actions to be taken in the next five years, are suggested as guidelines towards enhancing the poverty orientation of the Danish-Uganda Development Co-operation (Ministry of Foreign Affairs 1996).

##### 7.1.1 Purpose and Methods of the Consultancy

This consultancy, which aimed at preparing a status paper on democratisation and poverty eradication in Uganda, is intended to provide background information for the preparation of the revised country strategy.

The method of the consultancy included review of all existing documents (see Annex 2) as well as holding discussions with Ugandans who occupy positions of authority and are key actors on the sector (see Annex 3).

#### 7.2 Background: The Poverty Situation in the Country and the Case for Democratisation

Poverty is a complex multi-dimensional phenomena which impacts on the lives of many Ugandans, particularly in rural areas. This is why it has been the focus of attention of the Government of Uganda (GOU) in recent years thus resulting into the Poverty Eradication Action Plan (PEAP). Poverty has been found to produce the following results:



- Lack of access to the basic necessities of life;
- Feelings of powerlessness and helplessness;
- Disenfranchisement;
- Gender imbalances;
- Isolation and exclusion; and
- Erosion and loss of traditions - culture, values, social welfare systems.

Due to widespread poverty in the country - in fact, by 1990, 42 per cent of Ugandans could not meet their basic requirements - the GOU's policy has been directed at establishing a framework that will enable active and effective poverty alleviation efforts (World Bank 1993; Ministry of Foreign Affairs, Danida, 1996:12). The GOU defines poverty as the deficiency in basic needs and provision of services (Government of Uganda 1998:7; see also United Nations Development Programme 1999). Generally, poverty is the lack of access to basic tissue needs (food, clothing and shelter) and related social needs such as health and education (Republic of Uganda, 1998: 7). However, in defining the term poverty, it is important that the local people's perceptions of poverty and its causes should be taken into account (McClellan and Ntale 1998, p. 28 and p. 32).

The basic paradox associated with this status paper is to see the clear link between some of the dimensions of democratisation and poverty eradication. Indeed, the poverty orientation of the Danish-Uganda Development Co-operation on democratisation is still groping for a clear synthesis. In fact, in statistical terms, the democratisation sector is one of the least attended to of the sectors of the Danish-Uganda Development Co-operation (see Table 1).

Table 1 shows quite clearly that from 1995 to 1998, the share of development assistance has been smaller in the democratisation sector. It was the second last attended to sector in 1994. This low financial concern could, and does have, adverse effects on poverty eradication.

### 7.3 Government of Uganda-Danida Co-operation in the Democratisation Sector

The GOU and Danida have struck extremely close relationship in the fight against poverty through democratisation. The GOU, through the NRM, has taken democracy as one of its major focus of attention since it captured power. In fact, the whole foundation of the NRM 'bush' war was to restore democracy in the country which was grossly abused by the past dictatorial regimes. To enhance democracy in Uganda, the NRM instituted the following measures: introduced the LCs political structures from LCI to the parliament; made a new constitution - the 1995 Constitution - through the involvement of the people themselves in order to establish constitutional democracy; held periodic elections - i.e., local councils, parliamentary and presidential elections; and has passed, albeit controversial, the Referendum and other Provisions Bill, 1999, which will require Ugandans to determine the political system of their choice. All these measures are meant to empower Ugandans in order to take the destiny of their country in their own hands in order to achieve national development.

In this quest to achieve democracy or

*Table 1*

Sector	YEARS				
	1994	1995	1996	1997	1998
Health	54 (18%)	25	30	55	55 (22%)
Water	75 (26%)	50	50	50	50 (20%)
Agriculture	25 (9%)	25	30	45	50 (20%)
Democracy	37 (13%)	20	20	20	20 (8%)
Others	52 (18%)	25	20	20	20 (8%)
Total	290 (100%)	250	250	250	250 (100%)

*Source:* Ministry of Foreign Affairs (Danida) 1996, p.21



good governance, Danida has become a partner to the GOU in order to accelerate the democratisation process. Danida's support to democratic development in Uganda includes support in the following key aspects:

- Streamlining the public sector at both the national and local levels through, among other measures, decentralisation reform;
- Judiciary;
- Transparency and accountability through strengthening the offices of the Auditor-General and the Inspector General of Government (IGG);
- Press and human rights organisation;
- Electoral Process; and
- Gender

Each of these critical aspects will be discussed and analysed in turn in the next section.

## 7.4 Discussion and Recommendations on Democratisation (Good Governance) and Poverty Eradication

This section discusses the key issues pertaining to the components on the democratisation sector and the recommendation to the inherent problems therein.

### 7.4.1 Decentralisation and Poverty Eradication

When the NRM was fighting the Obote II Regime in the 1980s, what it did in the zones it captured was to initiate local administration units called Resistance Councils (RCs) - this was later changed to Local Councils (LCs) (see 1995 Constitution; Local Government Act 1997). This system of involving the local people in the management of their local affairs was later adopted as participatory democracy under the NRM's Ten-Point Programme. When the NRM overthrew the military junta led by Tito Okello-Lutwa (RIP) on 26th January 1986, this system was adopted as decentralisation and launched by President Yoweri Kaguta Museveni in 1992. The GOU sees decentralisation as a process to be attained on a long-term basis.

The GOU and Danida have both adopted the decentralisation policy as a key strategy to enhance not only development but the eradication of poverty in the country. The key focus of the decentralisation policy has been on devolution, rather than delegation and deconcentration, of the key areas namely, political, financial and personnel.

Although the GOU and Danida have, to a very large extent, dramatically achieved devolution in the three key areas - the legal and institutional processes are almost complete for example the LGTB, LG-PAC and DSC, are in place, except for the approval of the Rules and Regulations of the first two which have already been drafted - as well as considerable measure of empowerment and poverty reduction, institutional, structural and technical problems in the successful implementation of this policy still exists. Hence, the implementation of the strategy is still too technicist and managerialist in orientation. The political dynamics of the implementation of decentralisation is lack-



ing. This is why even the participatory democracy (through LCs) and administration (through the units) which the strategy was meant to achieve, has faced a number of bottlenecks.

Despite the technical focus of the programme by way of undertaking training of trainers (TOTs) programmes, human resources deficiencies are still noticeable in the various sectors e.g. health and administration. The current dialogue between the MOLG and the key line Ministries (agriculture, health, education, works and housing) is a positive development because it will create harmony between ministries that have lost resources and those that will gain. It will also ensure that the key stakeholders play their rightful role in the implementation of the programme.

It was also envisaged that decentralisation would create an enabling climate for transparent and accountable use of resources at the local level. Unfortunately, there are instances where this has not been the case (see Statement to the Donor subgroup on Decentralisation to the Public Expenditure Review 1999). The rate of corruption that has hit several districts, the clash between councillors and professional administrators and/or Resident District Commissioners (RDCs) - as the President's representatives in the districts - in some districts bespeaks of a structural problem.

Certainly, all these inadequacies do not augur well for poverty eradication because if the people do not get involved in the decision-making and planning of the way their resources are used, a few elites are bound to plan without taking into account the interests of the local people and corruptly utilize or embezzle the meagre funds that are meant to eradicate poverty at the local level.

There is, therefore, need to take sev-

eral measures to ensure that decentralisation achieves its objectives. The following measures are recommended for action;

- Participatory management, planning and democracy should be a cardinal ingredient of the decentralisation programme. All civil society actors such as Auditor-General, IGG, ULAA, UAAU and Local Government Finance Commission, should actively participate in the on-going policy formulation and implementation of the decentralisation programme. These partners in the decentralisation need to be supported to enable them do what is expected of them, for example, by becoming democratic system of checks and balances. Monitoring and record keeping of the process is vital to achieve this.
- The local communities should be sensitized on the operations of decentralisation through workshops or clinics if they are to know their rights and roles in the decentralisation process so as to eradicate poverty in their localities.
- The GOU and Danida should strengthen the auditing of financial and human resources periodically; The local people should be integral to the auditing exercise. The decentralisation of the Development Budget (see Danish Ministry of Foreign Affairs, Danida 1999: 10) should be effected after a careful scrutiny of the financial regulation. Otherwise, more funds will continue to be lost without any meaningful results being achieved.
- The grants (equalization, conditional, etc.) should be streamlined if they



are to have any impact in the localities: The variations in the conditional grants affects local development and is a potential source of inter-district hatred (see Republic of Uganda, 1999).

It should be mentioned that the exclusive administration and political decentralisation programme is part of the GOU's wider radical reform of the public sector. The key focus of this reform has been the reduction of large size of the Ministries that were sucking a sizeable proportion of the gross domestic product (GDP). The public administration machinery, which was streamlined through reducing the number of staff who were either incompetent, indisciplined, underemployed or poor performers, has not markedly improved the salaries and working conditions of the stayees.

Indeed, this reform suffers from a number of problems. Salaries are still delayed; the amount of salaries paid have not been substantially improved; 'ghost' employees still feature in the payrolls; and corruption and embezzlement of public funds still interfere with payment of salaries of some categories of public officials. In a nutshell, motivation and results oriented management (ROM) has not yet been substantially achieved in the public sector.

The following key measures should be adopted to address the above problem:

- Support should continue to be directed to the Ministries to ensure that their capacity is built to manage their programmes through sound policy-making and management.
- The idea of seeking additional funding from other donors under the Development Fund (see Ministry of Foreign Affairs, Danida 1998) would go a long way to assist the implementation of the decentralisation programme. Danida

may not be in position to support the programme on its own.

- But the management of the above funding, if obtained, should be properly co-ordinated to avoid conflict between sectors. The Donor Co-ordination Unit so created was, therefore, an appropriate decision to take. Every investment in the Local Governments should relate with the Local Government and national development plans. Otherwise, the on-going implementation of the pilot District Finance Programme to assess the viability of the decentralisation of the Development Budget could end up being compromised. The devolved Development Budget should lead to local areas investing in priority areas of their choice if poverty is to be eradicated.
- Monitoring and evaluation reviews as well as induction (normally done once in a while) where stakeholders are brought together to chart out the way forward should be initiated.

#### 7.4.2 The Judiciary and Poverty Eradication

The legal sector is mandated to promote and facilitate an effective and efficient machinery capable of providing a legal framework for good governance, protecting human rights and delivering legal advice and services to the GOU, its allied institutions and the general public.

Danida, in conjunction with the GOU, has also been central in improving the judiciary. This support by Danida which started in 1991, came about when the GOU sought Danida's assistance (Government of Uganda, 1999). Danida has planned a long-time support to strengthen the judi-



ciary. The areas Danida is focussing on include: rehabilitation of the physical structures, support to better management of court cases, the training of Judiciary personnel, legal reform and computerisation of court management. The project is expected to be completed in 10-15 years and in two phases. Phase I started in 1996.

The facilitation of the judiciary by Danida in the stated areas has greatly improved efficiency because good working environment has had the effect of improving output. For example, several courts, have been supplied with essential tools, new ones have been constructed or rehabilitated in Mbarara, Fort-Portal, Buganda Road, Mengo, Masaka, Tororo, Soroti and Gulu. Danida has also helped in the introduction of new case management system where judicial performance can now be monitored effectively and it has also established a computerised case administration system which has tremendously assisted the judiciary to monitor case flow and delays in case disposals. These measures have a direct bearing on democratisation because the systems allow one of the organs of government to do its job well and to improve on the peoples' human rights because justice can be dispensed with very quickly thus reducing expenditure on sustaining prisoners. Also, this support from Danida has enabled civil matters to be dispensed with quickly especially commercial disputes - an important democratisation tenet because democracy must thrive in a conducive economic-commercial environment. In fact, the Commercial Division of the judiciary has been greatly improved.

Another area of importance Danida has helped in is training: It has hosted several short courses and seminars to the judicial staff and sponsored cadre officers out of the country to pursue relevant courses. The short courses and seminars have helped

markedly in the evaluation of the performance of the judiciary and consequently in the mapping of the way forward through self-criticisms. In the on-going Information Technology eight week course being undertaken by judges in Kyambogo in Kampala, middle senior staff are beginning to appreciate the relevance of Information Technology to judicial efficiency and effectiveness. However, the current impasse between the Judiciary and Danida as to whether or not the project should be broadened to cover a "legal sector approach", needs to be sorted out to speed up the implementation process. This legal reform aspect of the project is crucial given that Ugandans have suffered from the abuse of the rule of law for well over three decades now. Obviously, law reform requires a conducive atmosphere for the judiciary to operate successfully. Since law reform is complex, it has to be handled cautiously and systematically given that Uganda's judicial system has been identified as one of the most corrupt after the police. Training in judicial ethics and appropriate remuneration of judicial staff should be considered as central to a corruption-free judiciary. There should exist a cordial working relationship between the judicial staff and the police in particular and other bodies, generally. Since justice delayed is justice denied, one of the major problems affecting the administration of justice in Uganda is the failure to dispose of the many court cases due to shortage of magistrates and judges. Increased number of trained judicial staff should, therefore, be considered a priority area for funding.

It is also important to do the following:

- Develop an affordable strategy framework to improve efficiency in the administration of justice.
- There is need for effective coordination (e.g. between CID, DPP and



courts) and rationalisation of the use of resources to avoid unnecessary departmentalisation and wastage, respectively.

- The GOU expenditure on the legal sector, which stands at 7-800 meagre to sustain the activities of the judiciary. The GOU should increase its contribution to the judiciary if it is to achieve effective administration of justice.
- The decentralised courts (i.e., LC courts) should be trained in the basic aspects of the law; they should also be renumarated and facilitated with logistics (see Nordic Consulting Group 1999, p. 38).
- The sensitization programmes should continue to enable senior judicial staff to appreciate the current reforms. Otherwise, resistance could hamper the programme.
- The programme should be expanded beyond the city and a few pilot points to the districts where sockets and Chief Magistrates courts are also found.
- To manage the administration of justice, those in-charge should be facilitated to reach out to the districts and local areas. Efficiency and good governance cannot be attained when the responsible officers are stationary in the city or district headquarters.
- In the area of enhancing training and skills development, there is urgent need to establish an institution specifically meant for the training of judicial staff with a curriculum which is relevant for the current needs of the country.

Thus, the legal sector requires sufficient resources to carry out its key func-

tions in order to deliver. Poverty eradication and good governance cannot be achieved unless the poor are aware of their rights. Also, democratic governance cannot be fully achieved unless the machinery for keeping law, order and administration of justice, is strengthened.

#### 7.4.3 Transparency and Accountability and Poverty Eradication

One critical area that needs to be attended to in order to eradicate poverty in the country is the way in which public officials manage public resources. In this sense, transparency and accountability becomes extremely crucial if the meagre resources are to be managed effectively. One severe problem affecting Uganda's socio-economic development is corruption.

Although the GOU has been open with this pandemic, nothing much seems to be done to have the culprits pay back their loot. Of course, it is not very easy to fight corruption. Despite this fact, it does not mean that nothing should be done about it. Danida has an explicit policy to strengthen good governance. Initially, Danida supported initiatives such as the OECD "Project on Good Governance and Participatory Development", and the "Operationalisation of Government's strategy to Fight Corruption". Danida has supported the IGG and the Auditor-General's Department in several ways, for example, re-tooling it with the necessary logistics such as vehicles and motor cycles, equipments such as computers, photocopiers and the construction of physical infrastructure such as office blocks for Auditor General's department in Gulu and Toro.

Danida's support contributes to poverty alleviation indirectly by limiting cor-



ruption's hampering effect on economic growth, the essential prerequisite for poverty alleviation (Ministry of Foreign Affairs, Danida 1999: 9). Danida also contributes directly to poverty alleviation by limiting the amount of public funds diverted from social purposes such as health and education provision and rural development. However, the project has little direct connection to environmental or gender issues. Because of the need to do something, it is commendable that Danida is planning a certain amount of assistance to support the Auditor-General by strengthening financial control capacity at national and district levels. In addition, the Danish development assistance to the Ugandan Ombudsman or Parliamentary Commissioner - in Uganda known as the Inspector General of Government (IGG) - to strengthen local organisations to audit the way resources are managed, is a move in the right direction. In so doing, however, the GOU should improve its capacity to supply local resources for programme implementation.

From available media coverage of what goes on in the country regarding corruption both the IGG's and Auditor-General's office and related authorities have not done much to eliminate corruption and abuse of office by public officials. For instance, the IGG only investigated around 30 per cent of incoming complaints and prosecuted only 10 expected cases. Worst still, none of the 5000 declaration forms on the Leadership Code of Conduct have been verified.

If these offices are to be strengthened, they need more funds injected into them to enable them acquire the necessary support items to expedite their duties. It would also require the training of more skilled, personnel for example, in auditing and in handling the many cases that are now coming before it, especially in Local Government training, for better report writing. Coun-

cillors should be trained as trainers to pass on the message. Also, the IGG's office has got to be legally mandated to investigate, arrest and prosecute those found to have committed any offense. The media (both public and private) should be intensified to fight corruption. Furthermore, there is need to fully decentralise, where funds permit, the IGG's and Auditor General's offices to the districts. Currently, some pilot districts such as Soroti and Masaka are experimenting the efficacy of decentralisation of the Attorney General's department in order to expedite the process of bringing to book those whose behaviours have been found wanting. Also, the public should be sensitized to the dangers of being complacent to the evils of corruption by reporting whoever is believed to have been involved in an act that is criminal in nature; This sensitization should educate the citizens about their rights in demanding for resources to improve their living conditions through the provision of good roads, schools, water, health, etc. Finally, all the agencies that are mandated to fight corruption must work as a unit in order to coordinate their activities; The IGG should be strengthened to monitor other institutions that handle public funds including the Poverty Action Fund.

#### 7.4.4 Human Rights and Poverty Eradication

Under the previous dictatorial governments especially Idi Amin Dada's regime (1971 - 1979), Uganda's human rights record had been completely eroded: It is believed that the Idi Amin Dada regime alone killed well over 500,000 people. The Obote II government was no better. In the process, Ugandans lost hope in themselves. The symptom of this was the destruction of the



socio-economic infrastructure, psychological trauma the people went through, and political decadence. Many skilled and well trained Ugandans had to flee for their lives and others had to go abroad or overseas to seek gainful employment.

To a very large extent, this sad human rights situation the country went through had to be controlled by the NRM. The psychological point of departure between the NRM and the previous regimes starts when the NRM declared that its government was one of a "fundamental change and not a change of guards". Security, although the north and the west still experience insurgency, was quickly restored through a number of measures, namely: construction of a broad-based government which embraced all the different fighting forces and individuals with divergent ideological positions; the structures of RCs or LCs which created participatory structures that healed the differences between the people rapidly; suspension of political party activities through the "no-party" political arrangement; and recruitment into the army of upright citizens with 'O' level qualifications based on recommendations of the RCs.

However, whereas the NRM has scored tremendous successes in the realm of human rights, it has erred in the military/security, legal, law and order and prison sectors. In addition, violation of the rights of women and the girl-child is still manifest in the country. The instability in the north and west and pockets of terrorist attacks in the city have, and continue to, affect the normal lives and properties of the innocent. The displaced people in the war torn areas have undergone the worst form of poverty because even the little they have accumulated is either destroyed or looted.

Although the NRM has shown resilience in the criticisms levelled against it in these sectors and has struggled to improve the

situation, the following recommendations could help improve the situation further:

- Amnesty to those waging war against the NRM should be pursued vigorously;
- The Poverty Eradication Action Plan (PEAP), a multi-sectorial plan, which emphasizes that the poor should be assisted to earn a decent income and that the poor should have an improved quality of life through access to basic services, has to be implemented as planned (McClellan Ntale 1998:9). It is important that the poor are supplied with the right knowledge and information regarding the nature and causes of poverty and the coping strategies.
- Through decentralisation, the localities should build capacity to be able to plan using participatory approaches in order to intervene so as to reduce the poverty levels.
- Danish Centre for Human Rights (DCHR) disbursed part of US\$22,056 which was needed for Police Training Project in order to improve human rights in the country. Danida has, through the DCHR, trained some staff in the Uganda Human Rights Commission, for example, the Librarian and staff in the Education Department, for training in Denmark for short specialised courses in documentation and human rights respectively. More advanced trained in human rights issues should be supported to uplift skills (e.g. counselling skills) of staff who work on human rights-related areas.
- Hence, a Counselling and Rehabilitation Centre should be set up to promote counselling of people who have



been raped, traumatised due to the wars, divorce etc.

- Further, computerisation of the registry should also be taken as a priority area because one of the ways in which human rights is being abused in Uganda is through 'loss' of files in sensitive offices.
- Although the publication of the Women's Constitution helps women (and men) to know their rights (Ministry of Gender and Community Development undated), they are still poor. Hence, debt, which continues to strangle the poor most, should be cancelled and part of the funds should be directed to providing credit (see Report on Experiences for Mbale-Kapchorwa: Legal/Credit Pilot Project Under GAD/DAN Programme 1999) and sensitization and education of the poor to improve their living conditions.
- There is need to translate more of the literatures in English into the main local languages.
- Funds should be directed at the local level rather than women organs that are mainly elitist and urban centred.
- The decentralised Human Rights Commission (HRC) offices in districts should be enhanced and facilitated.
- Northern and western regions should be opened up to the international community as disaster areas. Danida could then come in to assist.

#### 7.4.5 Electoral Process and Poverty Eradication

Several civic organisations, besides the government supported one - i.e., the Electoral Commission - have mushroomed to educate the masses on their rights and civic duties so that they can make decisions and elect capable representatives based on an informed position. This civic education is important in bringing about awareness to a citizenry that has been oppressed for so long. No wonder that the resources of the country have been squandered with impunity simply because no one could afford to raise his or her voice and remain alive the next day. The few who raised their voices and remained in the country were either killed or lived in hiding until such a time that the regime was overthrown. Some vocal ones fled the country. With the coming to power of the NRM, some electioneering process has been infused among the people at different levels (national and local). However, this exercise has been too expensive for a country like Uganda that has almost no funds to hold such processes. It is in this sense that Danida has and can prove to be extremely useful. In fact, Danida has contributed towards the electoral process by training a specialized cartographer in the Electoral Commission whose main area of specialisation is GIS (i.e, demarcation of electoral districts). However, this trained personnel lacks the necessary equipments to make him useful. And should the funds become available, he may need to do GIS Part II to upgrade his skills.

Also, the other Electoral Commission officials should be trained in the basics of GIS in order to monitor what the only expert in the Commission does if they are to make quick decisions. Funding for field visits in the demarcation of electoral districts should be considered extremely important



to the electoral process. In a nutshell, capacity building to the Commission will go a long way in enhancing voter and civic education. In addition, Danida can still support the cause for free and fair elections through organising seminars/workshops in the city and at the local levels so that the people understand their rights in elections which will help them to choose leaders who have vision and can mobilize resources to develop their localities - Danida provided U.Shs.539,279,000 during CA elections and US \$522,500 during presidential and parliamentary elections. Danida can also work with the GOU by ensuring that it channels its assistance in areas which will help to promote human rights and the rule of law especially through conducting free and fair national and local elections. The affirmative action, which allowed 1/3 of women to sit in the LCs in order to enable women to participate in decision-making and planning for poverty eradication and local development, needs to be vigorously supported.

The Electoral Commission should be funded to make use of electronic and print media which are most effective ways in disseminating information through, say, posters, drama, music and film (a film van could be purchased and its maintenance and effective use made cheap through sharing it with other outreach programs such as health, human rights, environmental protection, agricultural extension, etc.).

Exchange of visits between Electoral Commission staff and other Commissions in other countries will help enhance the knowledge base much faster.

Financial support to the democratic process in Uganda (especially to electoral and constitutional issues) should be enhanced and increased for civic education in order to raise electoral and political consciousness of the people. Hence, support to TOTs to the Electoral Commission should be considered

as extremely crucial to the democratisation process. Important, too, is the need to translate the relevant literatures in English to the main local languages for easy access and information acquisition. However, there is need to undertake evaluation of the impact of civic education on democratisation by finding out whether or not people know their needs and have got what they want - i.e., have they influenced policy? Does the GOU and their representatives help them to develop their localities? The legislature should pass the law on recall of MPs whose performance is poor. The citizens should also be educated on government budget so that they know how their money is spent. Finally, there is need to ensure that the Co-ordinating Unit of the different NGOs do what is expected of them.

#### 7.4.6 Gender and Poverty Eradication

With the active role of the feminists and the GOU's recognition of women's important role in society, Gender now occupies a central place in the development process in Uganda (Republic of Uganda 1997; Ministry of Foreign Affairs, Danida 1996:11). In 1988, the GOU established the then Ministry of State for Women in Development in the Office of the President. Today it is called the Ministry of Gender, Labour and Social Development (GLSD). It was Danida which supported this Ministry since 1991. Danida's development programme aims at integrating gender aspects into selected ministries' sector policies. Specifically, on the democratic front, Danida's programme embraces a long-term legislative reform programme to improve women's status, by improving the capacity within the legal systems to take gender issues into consideration.



Danida has so far supported two phases of the Gender and Development Programme (GAD) being implemented by the Ministry of Gender and Community Development. Phase I ran from 1991-1995 and the second four-year phase started in April 1996.

The Danida budget for Phase II is DKK 17.4 million while the Uganda counterpart funding is the equivalent of DKK 2.8 million (Ministry of Gender and Community Development Directorate of Gender Danida, 1997, p.1; for details of statistics see Annex 1). In other words, Danida funds approximately 90 per cent of the total cost of the programme while the GOU contributes 10 per cent.

Although in Uganda the sensitization of women and men have made some to become gender sensitive on human rights issues, the relationship between this awareness (or gender concepts) and poverty eradication still remains vague or unclear. Women and poor women in particular, do not have a voice in decision-making and their different needs and constraints do not inform public policy choices and priorities (Blackden and Bhanu 1999, p. 23). There still exists the belief among many people (both women and men) that either feminism is an urban elitist struggle or a passing fad. The lower status of women, in comparison to men, is due to gender imbalances that arise from the unequal opportunities and access to and control over productive resources and benefits. For example, gender imbalances are noticed in literacy rates and access to education (61.3% of females are illiterate as compared to 38.7% males). The life expectancy stands at 50.5% for women and 45.7 for men. In the informal sector women constitute 20% of formal sector employment and are mainly in lower paid jobs (see Republic of Uganda, Women and Men in Uganda Facts and Figures 1998).

Although comprehensive and sustainable results on gender, democracy and poverty reduction cannot be expected in the short-term because the GOU and Danida's policies on gender are both long-term, several recommendations can be emphasized at this point.

- More sensitization of the population on gender concepts and poverty eradication through appropriate forums should be undertaken to increase the participation of women in decision-making and planning.
- Sustained support of women to take up strategic positions in the public, political and parastatal bodies should be encouraged (Gender Bulletin 1998, pp. 1, 6, 7 and 8).
- Tailor-made training courses in gender-analysis skills should be encouraged to bring about awareness among men and women which will help in eradicating poverty especially among women who bear the largest section of the productive sector of the economy.
- There is need to enforce the implementation of some of the laws in the 1995 Constitution and other related laws to advance the rights of women.
- The capacity of executing agencies should be strengthened by way of sector support in order to monitor, evaluate and implement the gender related policies if they are not to be mere legislations. This means also that the political structures and processes should have the capacity to identify, analyse and incorporate strategic gender needs.



- Decentralisation and democratisation should address gender concerns at the local level. Currently, mainstreaming of gender (Republic of Uganda 1999) stops only at the district level and the mainly poor who live in the remote areas get left out. However, at the same time some experts talked to are of the view that the centre should be strengthened to handle the cross-cutting nature of gender-related issues. The reason is that since gender is not fully understood, there is need to have policies, capacities, plans, advocacy and responsibilities taken care of at the centre.
- Inter-agency, inter-institutional linkages and inter-sectoral approaches should be promoted to have a holistic approach to gender-related concerns.
- The Ministry of GLSD and its relationship with GAD in poverty alleviation is relatively and conceptually new. The Department of Women Programmes which is housed in the Directorate for Community Development, should design women programmes which address the plight of the poor, especially women, who live in the local areas and experience gender inequality on a daily basis. Through the decentralisation programme, the problems of the poor can be effectively addressed. Hence, the institutional and structural problems that hinder the implementation of gender-related programmes should swiftly be done away with.
- Delayed payment in the funding of gender-related activities should be speeded up if the implementation and output of the Ministry of GLSD is not to be affected (see Ministry of Gender and Community Development, Directorate of Gender, Danida 1997, p. 7). Also, the GOU should think seriously about raising its contribution to gender-related activities.
- The training programmes should have content validity and should be intensified in the districts. The training programmes should address those aspects which the available capacity of the districts can effectively handle. In addition, the training programme should, in terms of content, be able to address issues of resistance to the introduction of gender-oriented policies. This approach will help to clear any confusion in the minds of the stakeholders. Otherwise, the implementation of the project will continue to face serious resistance.
- From the discussions held with an expert in the Ministry of GLSD, the ongoing programme should be consolidated rather than either being stopped or new ones added onto them.
- Other stakeholders should be brought on board in the implementation of gender concerns. Since the programme is gigantic, it should be shared.
- Functional literacy and Universal Primary Education (UPE) should be speeded up through increased funding by the GOU. Otherwise, many children and especially girls, will not go to school and thus lack education which is vital for increasing their awareness about matters such as, primary health care and food security at household level.
- Restructuring of the public sector is affecting the institutional capacity especially at the local level - human resources is becoming too thin to handle



such a big project. Some experts believe that the sector specific approach is the right strategy rather than focusing only on one Ministry.

#### 7.4.7 Conclusion: Way Forward

In summary, the Danish-Uganda Development Cooperation is in the right track in so far as the democratic development process is concerned. However, a lot of ground still remains to be covered if this process is to alleviate poverty. It is, therefore, vital that in the different aspects of the democratic development process, the following key issues be addressed:

- Decentralisation: Institution building, civil society involvement, increased funding and combating corruption should be seen as critical areas of attention.
- Judiciary: Effective co-ordination of stakeholders, increased funding and its rational use, and capacity building of the judicial staff should be emphasized.
- Transparency and Accountability: Capacity-building of the essential personnel at both the national and local levels and increased public awareness of the dangers of corruption, and strengthening the office of the IGG to meet its basic responsibilities should be seen as very crucial areas to be embarked upon.
- Human Rights: The implementation of PEAP should be intensified, debt cancellation should vigorously be pursued so as to release funds to poverty alleviation programmes, Human Rights Commission at the local

levels should be speedily set up and supported with logistics.

- Electoral Process: Increased support to electoral process, capacity building of the Electoral Commission staff and civic awareness programmes should be intensified.
- Gender: More sensitization on gender issues, increased financial support to women projects, and institutional support mechanisms should all be focused upon urgently.

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# Annex 1

## Government of Uganda-Danida Contribution to Recurrent Budget (1996/1997) of the Directorate of Gender

	Programme	Approved Budget '000'	Expenditure '000'	%	Unspent Balance '000'	%
01	Headquarters	367,348	266,171	72	101,177	28
02	Planning	321,844	13,735	42	19,109	58
03	Legal	26,393	11,204	42	15,189	58
04	Gender	219,745	178,859	81	40,886	19
05	Community	358,572	203,532	57	155,040	43
06	Women's Programmes	201,237	88,951	44	112,286	56
07	Youth	193,568	72,397	37	121,171	63
08	Culture	50,336	21,900	44	28,436	56
09	Child Care & Protection	462,079	282,948	61	179,131	39
10	Disability & Elderly	156,779	83,380	53	73,399	47
	Total Vote 030	2,068,901	1,223,077	59	845,824	41

Source: Ministry of Gender and Community Development Directorate of Gender (Danida) (1997).



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- |                         |  |
|-------------------------|--|
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