

Third Draft

Review of the Engagement of UN Country Teams in the Poverty Eradication Action Plan in Uganda

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I Introduction: the PRSP, donor alignment and the UNDAF

The purpose of this review is to assess how effective the involvement of UN agencies, collectively and individually has been in the PRS process/National Development Strategies (NDS) and national objective setting and outcomes. The review should identify lessons learned/constraints in integrating the UN development agenda, particularly the MDGs in the PRS. This report is one of eight country case studies.

Uganda is a country with a continuing and developing policy framework, built around a sustained process of economic reform. The Ugandan economy has posted an impressive post conflict recovery from the late 1980s, with strong economic growth averaging 6.5% per annum since 1991/92. During the 1990s income poverty fell significantly but since 2000 it has risen, with the proportion of people below the poverty line rising from 34% in 2000 to 38% in 2003¹ but back to 31% in 2005². It has gone from 'basket case' to 'aid darling' but now to? The nature of the label of this third category is still under debate.

The economic reforms started in 1987 and have been supported by the World Bank and IMF on an almost continuous basis. Key milestones have been³ an Economic Recovery programme in 1987, liberalization of the foreign exchange

¹ Ministry of Finance, Planning and Economic Development, Poverty Eradication Action Plan 2004/5 – 2007/8, Kampala, December 2004

² Uganda Bureau of Statistics, 2005.

³ World Bank, Harmonisation and Alignment: Uganda Country Case Synthesis, February 2005.

system; the decentralization initiative in 1987 and Local Government Act in 1997; civil service reform and introduction of a Results Oriented Management System; and the Declaration of Universal Primary Education in 1997. The Poverty Eradication Action Plan (PEAP) was formulated in 1997, with the establishment of the Poverty Action Fund (PAF) in 1998 with subsequent revision and adoption of the PEAP as the Poverty Reduction Strategy in 2000. The PEAP is the primary framework for planning and current expression of the National Development Strategies, and is implemented through the Medium Term Expenditure Framework, which is a rolling three year plan that has guided the annual budget cycle since 1992. Uganda became the first country in sub Saharan Africa to qualify for the HIPC Initiative, receiving debt relief in 1998 and under the enhanced HIPC framework in 2000. The origins of programming for poverty in Uganda started with UNDP funding of the 20-20 Vision in 1997 and then other partners came in at the time of HIPC.

In terms of the global development of the PRSPs, Uganda is a special case. Many see this as the source of the PRSP concept⁴, and this should be seen as a key factor when appraising the current aid structure and the UN's role in it. It developed from the debt reduction initiatives of the mid 1990s leading to HIPC funds being put towards the Poverty Action Fund in 1997, which identified programmes from the PEAP within the national budget, encouraging donors to provide funds without earmarking and to introduce greater results orientation through the Medium Term Expenditure Framework (MTEF). Over the last ten years, the linking of the budget to the PEAP has encouraged donors to provide a greater share of their assistance through general budget support.

A key element was the involvement of NGOs in building coalitions with the Ministry of Finance⁵: Oxfam, other NGOs and the Government initiated a Participatory Poverty Assessment. This is seen as largely in response to the lack of consultation in proposed BWI approaches earlier and a measure by the Government in the light of critiques of President Museveni's system of non part democracy. Following the first PEAP, there were sharp declines in the poverty level (from 56% to 44% over 1992-1997) that gave an important impetus and credibility to the generic process. The shift in approach to primary education was identified as significant.

In May 2005 (but dated December 2004), the Government of Uganda (GoU) launched its revised Poverty Eradication Action Plan (PEAP) 2004/05-2007/08. This is the second revision of the 1997 PEAP. The 2004 PEAP described the participatory process underpinning the development of the strategy, provides a poverty diagnosis and presents policy measures, sector plans, costing, and a results-oriented matrix for sustainable economic growth and poverty reduction over the 2004/05-2007/08 period⁶. The PEAP 2004 argues for a shift of the policy focus from recovery to sustainable growth and to be implemented through five pillars (with priorities⁷ in brackets):

⁴ Christiansen K and I Hovland, The PRSP Initiative: Multilateral Policy Change and the Role of Research, ODI Working Paper 216, June 2003.

⁵ Christiansen and Hovland, page 33.

⁶ IDA and IMF/Republic of Uganda, Poverty Eradication Action Plan: Joint Staff Advisory Note, June 23, 2005

⁷ PEAP page 5

- (i) economic management (maintenance of macro-economic stability, fiscal consolidation, boosting private investment);
- (ii) enhancing production, competitiveness and incomes (modernization of agriculture, preservation of natural resource base, especially soils and forests, infrastructure including roads, electricity and railways, with better maintenance, cost reduction and private sector participation; enhancing private sector skills and business development)
- (iii) ensuring security, conflict resolution and disaster preparedness (ending rebel insurgency by peaceful means, ending cattle rustling, dealing with internal displacement and abduction);
- (iv) good governance (human rights and democratization, development of legal system, transparency, accountability and the elimination of corruption); and
- (v) promoting human development (primary and secondary education, improving health outcomes, increasing people's ability to plan family size, and community empowerment including adult literacy).

The PEAP also identified eight cross cutting issues: gender, environment, HIV/AIDs, employment, population growth, social protection, income distribution and regional equity. These five pillars were different from the four pillars of the previous PEAP, emphasizing the importance of the conflict-related issues and to group actions that reflect the institutional structure of GoU.

Since 1990, country assistance strategies have become more closely aligned with the PEAP/PRS, principally through those donors who have moved towards sector or general budget support. Others still function through project support, although still try to align with the PEAP. For donors providing budget support, the Government has established a framework for donors directed by the Ministry of Finance while donors with project aid are encouraged to make sure new projects still align through the PEAP. Aid coordination mechanisms in Uganda work to a high level of sophistication and are substantially country-led.

The UN agencies' UNDAF (2006-2010)⁸ is the second, with its predecessor having covered 2001-2005. The UNDAF 2006-2010 was adopted by UN agencies⁹ and endorsed by the GoU Minister of Finance, Planning and Economic Development. The World Bank is also a signatory. The UNDAF was preceded by the Common Country Assessment (CCA) which identified four areas of cooperation for the UNDAF: i) reducing poverty and improving human development; ii) good governance and protection and promotion of human rights; iii) supporting the national AIDS response, and iv) accelerating the transition from relief to recovery in conflict-affected areas. Within the UNDAF, these were translated into five (not four) priority outcomes, one reason being for the UNDAF to better align with the five 'pillars' of the PEAP, leading to the following outcomes to be achieved over the term of 2006-2010:

⁸ United Nations, Uganda, United Nations Development Assistance Framework Uganda, 2006 -2010, 2005.

⁹ UNDP, UNICEF, WFP, UNFPA, WHO, FAO, UNHCR, OCHA, IOM, UNAIDS and the World Bank.

- i) Increased opportunities for people, especially the most vulnerable, to access and utilize quality basic services and realize sustainable employment, income generation and food security;
- ii) Good governance, accountability and transparency of government and partner institutions improved at all levels;
- iii) The promotion and protection of human rights, especially of the most vulnerable, is strengthened;
- iv) Individuals, civil society, national and local institutions are empowered and effectively address HIV/AIDs, with special emphasis on populations at higher risk; and
- v) people affected by conflict and disaster, especially women, children and other vulnerable groups, effectively participate in and benefit from the planning, timely implementation, monitoring and evaluation of programmes.

These five outcomes represent the joint activities of the UN agencies in Uganda and what they expect to achieve by 2010.

II. Areas of UNCT Involvement: Process, Content and Outcomes

The eight country study of which this Uganda case study is part is focusing on the process, content and outcomes of the PRS/NDS exercises. Observations for Uganda are strongly influenced by the fact that in many of the institutions visited there had been a considerable turnover in staff, especially in UNCT and UNDP, and that direct observations of the process which took place even two years back are not readily available. The PEAP was revised during 2004. More attention will be given in this report to the implementation modalities of the PEAP and the role of the UN agencies in the associated follow up structures, and how the current aid architecture operates in Uganda.

As regards our methodology, we met with a wide range of stakeholders during the week of May 28-June 1: UN agencies, bilaterals, development banks, four government institutions and multilaterals (including the BWIs), and these are listed in the Annex ¹⁰. We also reviewed a range of relevant literature, not all confined to Uganda, and the key reports and publications are listed in the Annex. On return to the UK, we held an additional meeting at the Overseas Development Institute in London with the manager of the Division of Labour Exercise. We are very grateful to the UNRC and his team as well as all those we visited for the considerable time and attention they allocated to our visit and to the UNCT's review of the paper which clarified and corrected several issues ¹¹. We are aware that despite the efforts at harmonization, Uganda still bears a heavy (perhaps heavier?) load of visiting missions, all part of the transaction costs flowing from aid disbursement.

¹⁰ We did not meet with any representatives of the civil society. We were told that they were strong in Uganda and that the GoU had to take notice of their influence in the consultative process over the PEAP.

¹¹ But of course responsibility for the content and any remaining errors remains with the authors.

It is worth repeating some of the clarifications expressed in the Zambia case study¹² as they are relevant here also. The references to ‘UN agencies’ mean the ExCom and specialized agencies except the World Bank and the International Monetary Fund. The latter two are UN-affiliated institutions, which are significantly different in how they operate and so are collectively referred to as the Bretton Woods Institutions (BWIs). The term ‘donors’ refers to bilateral development agencies, the European Union and the World Bank but not to UN agencies as their role is to provide supportive services to the Government in the form of expert technical assistance, alternative perspectives from those offered by the BWIs and advocacy among donors on behalf of the government, and to a much lesser degree and in exceptional cases, provider of funds. Their role is often described as ‘trusted partner’. However, that said, we did find some government officials categorizing the UN agencies as ‘donors’, seeing them primarily as a source of funds.

III. The Process of UNCT/PEAP Involvement:

As in Zambia, the GoU insists it has a high degree of ownership of the PEAP process. But there are other aspects to note, principally the high level of support – 48% - which comes in the form of direct budget support by donors. The World Bank still also finances several consultants who work in the Prime Minister’s Office (OPM). DANIDA and GTZ are also active in supporting the OPM.

As noted above, the staff turnover and some gaps in recruitment in the UN in Kampala mean that memories of the PEAP process are thin. Observations from others such as bilaterals may be similarly affected. One big plus was that the timing of PEAP revision was right, carried out in 2004 while the UNDAF was published in 2005. The UN agencies did participate in the PRS process and that in revisions the Government developed the fifth pillar – human development – under UNCT influence. UNICEF provided funding for the review of the Fifth PEAP pillar (which is ‘promoting human development’) by people and organizations in the districts, and the UN also funded the Economic Policy Research Centre which did background research. Generally the involvement of civil society in the formulation of the PEAP was good, certainly when compared to many other countries. The UN is involved in the annual PEAP implementation process, which feeds into the budget.

The PEAP follows the Government’s wishes to promote business and competitiveness and to have an approach to the insecurity in the North and Karamoja. However, the PEAP is not strong on detail for gender nor human rights as cross cutting mainstreamed issues, both areas in which the UN is strong, which suggests that there may be a need to re-examine UN approaches in these areas. The ‘optics’ of human rights in the PEAP and among the Government are expressed in terms of monitoring of violations rather than in the positive sense of a development agenda. This indicates that the UN has a long term role to act as advocates for the importance of human rights and gender as key issues. The development practitioner profession generally has to sort out the approaches to the various mainstreaming issues (and human rights is certainly a controversial one), and the strategic choices to be made.

¹² Manor, James: The United Nations and Zambia’s Fifth Plan: Process, Content and Outcomes amid Changes in the Architecture of Aid, May 2007.

However as found in PRSP processes in other countries, the UN role is not formally acknowledged. There may be several reasons for what appears to be the low profile of the UNCT/UN agencies in this process: first, a wish not to be too assertive in claiming credit, second, modest staff resources compared to those of other agencies and third, gaps in staff competencies in some of the key areas of the PEAP. It appears that inputs were made by individual agencies rather than a one-UN. Bilateral agencies noted respect for the role of the UN but there were some wishes that UNCT might be more visible in this and other key processes. One observer said that the UN provides good technical advice but sometimes does not take on board the realities on the ground.

Government representatives told us that UNDP took the lead in reviewing the PEAP and that UN involvement in the 2004 PEAP revision helped keep the process participatory, and making the PEAP more focused. Government representatives also said that it appreciates what the UN does, working within the structure of government, building capacity and working on the cross cutting issues: environment, gender and human rights. The OHCHR recognizes the need to build capacity in enhancing human rights as a development imperative and is expanding its staff base to meet this challenge. The Government sets up the institutions and then the UN supports them. Where we did interview representatives (of any institution) that had been in place for a considerable period, they impressed us with a history lesson that confirmed this long term steady view of the UN and its agencies. Generally, however, Government representatives were more positive about the role of the UN in such areas than were representatives from the donor community.

The Government emphasized the role of the UN in capacity building, and also does what the UN does, in other words, the 'UN business' of the national human development reports, MDG reports etc. The Government is willing to embark on specific programmes where the MDGs will be prominent, largely due to UN influence. UNDP has had 'country cooperation plans' since 1997, with the first on private sector development, the second on good governance upstream and downstream, and the third plan was building on plans one and two. UNDP still supports the private sector through assistance to middle level enterprises in Enterprise Uganda.

IV. Content of UNCT/PEAP involvement

Through the various working groups on the PEAP – there were twelve, the UN was influential in developing a pillar for the PEAP. UNDP was an active advisor on governance in the PEAP, although we heard some comments that UNDP could have taken a stronger role on governance issues among the differing agency views as to what governance is. There are natural alliances between the PEAP and UN concerns but there were some observations that these were not fully realized, an observation also made in other PRSP countries.

The UN made strong efforts to bring issues of human rights, social exclusion, vulnerable groups and gender to the PEAP but they have not received the attention their importance warrants. The level of participation was not reflected in the final draft. This was largely because the UN with its staffing situation and skills mix cannot easily bring much weight to these issues that lie outside the strict technical mandate of

most agencies. This is a continuing and long-term process to bring these issues, especially human rights into the mainstream of national development strategies. MDGs can prove to be a unifying force between the GoU, BWIs and UNCT and these are highlighted briefly under Pillar 5. However there were observations that their profile could be higher. One possibility for this is that in Uganda where the aid architecture is elaborate, the MDGs represent another cross cutting ‘level’ of planning, that brings its own transaction costs.

The main references of the MDGs in the PEAP are:

- i) the commitment to achieving the MDG on universal completion of secondary schooling (p.153) and
- ii) a two page section at the very end under Chapter 9 of the M&E, which is ‘Prospects for the MDGs’ . Each target is given and then a short commentary on how well Uganda is doing. The report makes a judgment that the only MDG where resources appear sufficient is that for maternal mortality (page 222).

The MDG report for 2003 ¹³ states that the HIV/AIDs goal has already been met, but not the malaria one, while three others will probably be met, three potentially will be met and two (child mortality and maternal health) are unlikely to be met. MDG monitoring “would reflect on the rights-based approach to development to be addressed by the international and constitutional obligations Uganda has subscribed to, this enforced by institutional and policy frameworks” (page 7).

It is obvious but still worth restating that the PRSPs, including the PEAP, are about macro and development economics, an area where the UN expertise is thin; few UN staff focus on these general issues of development: industrialization, tax policy, trade and economic management. In the PEAP, agriculture is reviewed in seven pages in a forty page chapter (of the total 220 page text) on ‘enhancing production, competitiveness and incomes’, but there is emphasis also on infrastructure and natural resources. There is a short chapter on security, conflict resolution and disaster management, where the UN has proved itself to have a strong comparative advantage. Human rights are given prominence in a chapter on governance, but this is presented as a justice issue, rather than one relating to development. The UN sees the rights based approach as the overarching development paradigm but the linkages between rights, development and the MDGs are not made.

The forty page chapter on human development provides the strategies where the UN agencies can link up: sanitation, family planning, treatment of AIDs and malaria, and primary education, and they are almost entirely confined to this area.

There is a uniformity about the PRSP process, and the UN tends not to support ‘uniform’ processes but believes its advice should be tailored more to local needs. However, the UN with its sectoral technical advice can relate to a finite number of areas, and there is even more of a difficulty in seeing how and where some of the specialized agencies fit into the process, given their normative functions.

¹³ Government of Uganda/United nations, Millennium Development Goals: Progress s Report 2003.

V. Outcomes: operationalization of the PEAP process;

There is an elaborate and sophisticated aid architecture in Uganda, sophisticated on paper at least. Many of the reasons depend on the fact that the budget is very heavily financed by donor support. There are great efforts to align and harmonize and more than one interviewee said that the structure had “gone too far” in the country’s efforts to harmonize. UNDAF outcomes interlock with PEAP pillars, with 5 PEAP pillars, 5 UNDAF outcomes, 7 (or 8) MDGs, and many more outputs.

A lot of the mission’s time was devoted to looking at the current planning and PEAP implementation structure, and in trying to understand the complex aid architecture in Uganda. There is an elaborate and inter connected structure of working groups and strategies, outcomes and pillars, with which the UN is involved to some degree: the Local Development Partners Group (LPDG), supported inter alia by the Donor Economist Group (DEG), the Partners for Democracy and Governance (PDG), the Uganda Joint Assistance Working Group (UJAS), and the recent ‘Division of Labor’ Exercise (DoL). The UN was heavily involved in two further important post conflict recovery planning exercises: the National Peace, Recovery and Development Plan for Northern Uganda (PRDP), and the Karamoja Integrated Disarmament and Development Programme (KIDDP).

i) Instruments of Aid Alignment and Harmonization

The main instrument of harmonization is the Local Development Partners Group (LDPG), which is chaired by the World Bank and of which all UN agencies and donors are represented on the sub groups, strongly in some and weakly in others. The LDPG aims to harmonize development partners support for PEAP and to increase the effectiveness of development assistance generally. The LDPG supports the ‘Partnership Principles’ (signed by GoU and the development partners in 2003)¹⁴. It has 20+ sectoral working groups (SWGs) (health, education etc) chaired by the concerned line ministry. The SWGs review proposals for support, vet consistency of proposals with respect to government plans, and are cross checked by development partner groups, this is then fed into the budget process. The role the UN plays is its responsibility for specific thematic areas: FAO for agriculture, and UNESCO for education for example. Also, for some part of 2005 and the entire 2006, the UNICEF representative was the Humanitarian Coordinator in Uganda. The UN is represented on the DEG by UNDP, which is active on the PEAP and various budget processes.

A second instrument is the Uganda Joint Assistance Strategy (UJAS). The UJAS is being developed to ensure more effective application of the Paris Declaration by donor partners, aligned with the PEAP. The UJAS seeks to fully align its partners activities with the PEAP and is responsive to the Government’s Partnership

¹⁴ This is a seven page document with eight sections: i) General principles, that PEAP identifies the development objectives, transparency over the budget process; ii) Government’s Preferred modality of support from development partners: (in descending order of preference: general budget support, budget support earmarked for the Poverty Action Fund, sector budget support and project aid; iii) undertakings by the GoU; transparency, efficiency and predictability of budget process, corruption; institutional strengthening; iv) Reflecting Development Assistance in the Budget; v) Global funds, vi) working more efficiently at the sector level; vii) joint sector reviews and missions, and viii) Consultative group meeting. There is also a calendar of major processes and missions.

Principles. The UJAS initial signatories were eight development partners: the African Development Bank, Germany, Netherlands, Norway, Sweden, DFID, Austria and the World Bank group and has now been expanded to include sixteen aligning donors including Denmark, the European Union, Belgium and Ireland (but not the UN, Japan and the US), and is centered on three principles, which are:

- i) supporting implementation of the country-owned and led revised PEAP to achieve the MDGs
- ii) collaborate more effectively, both among development partners and with the government, and
- iii) Focus on results and outcomes, including managing resources and improving decision making for results and strengthening systems for monitoring and evaluation.

The UJAS presents a core strategy of the development partners for 2005-09 and provides the basis for the partners' support of the implementation of the PEAP outcomes drawing on each partners' comparative advantage in providing expertise and assistance.

Uganda joins Zambia (and Tanzania ¹⁵) in the region with a Joint Assistance Strategy. UNDP is not a member but should be an observer. The UJAS does fragment the donor community in a certain way, with a potential for conflict between World Bank and UNDP. Norway has pushed the World Bank to see political change as part of budget support.

The UJAS presents difficulties for the UN. As noted in the UNDAF Review ¹⁶, the Joint Assistance Strategy is an aid modality that is outpacing the UN's power to adapt. The UJAS document does acknowledge the need to support UN roles in the area of humanitarian assistance and HIV/AIDs, but the role of support to other UN activities is not so clear, apart from being viewed as parallel to NGOs in the delivery of projects ¹⁷. Therefore it is difficult to marry UNDAF and UJAS in the short run, and with UJAS representing 80% of donor funding (and growing) within Uganda, Both are meant to address well identified national challenges and what is required is a constructive dialogue of comparative advantage. However, UNDAF could become marginalized as the amount of resources devoted to it is so small compared to the UJAS, which makes this dialogue all the more necessary. The motivation of UJAS partners is their need to report to their HQs that there is a collective dialogue in support of the Paris principles.

In order to address the relationship between UJAS and UNDAF, the UNCT has contracted a consultant to review the possible linkages and commonalities. Both UJAS and the UNDAF are based on the Partnership Principles and both address key concerns of the PEAP. This review will look at the potential synergies between the two structures and provide some proposals on how to guide the UNCT on its dealings with UJAS, how the UNDAF can contribute to UJAS (without overlooking central

¹⁵ We were told that in Tanzania the UNDAF and the JAS fit well together.

¹⁶ Longhurst, R, Review of the Role and Quality of the UNDAFs, ODI, May 2006.

¹⁷ Johnson, R, Report of the 2006 Annual Review of the Uganda UN Development Assistance Framework, December 2006.

issues of human rights and HIV/AIDS) and the nature of the collaborative relationships.

The third key ‘modality’ is the budget support programmes. There are Sector Wide Approaches (SWAp), which are well defined and very influential, and were set up before the PRSP/PEAP. The Sector wide approach began with the Budget Sector Working Groups set up in 1992/93 with the MTEF. SWAps in Uganda have the full set of characteristics: a budget sector working group, a national policy statement, a costed strategic investment plan, a policy level steering group with technical working groups, and a joint sector review. The sectors most advanced education, health, roads, and water and sanitation¹⁸

UN health related activities are more aligned to the health SWAp than other instruments. The ‘PRSP-type’ discussion takes place in the SWAp coordination framework, so PEAP is the plan and SWAp is the form of implementation. The Health SWAp includes DFID, DANIDA and SIDA and with eight technical working groups, WHO is a member of each one. Because the SWAp came before the PRSP/PEAP, the WHO/UN staff felt well integrated with national priorities (and so UNDAF was even more of an irrelevance). There is a Health Development Partners Group.

The Education Sector SWAp has been in existence since 1998 when Universal Primary Education was started. With budget and project support, six donors have supported this SWAp: World Bank, DFID, USAID, EU, Netherlands and Ireland. The donors have formed a group, the Education Funding Agencies Group, and nominated a coordinator. The Working Group involves UNICEF and UNESCO.

A fourth ‘modality’ is the ‘Division of Labor Exercise’ (held at the end of 2006) under the coordination of the LDPG. This is a voluntary exercise, managed by the Overseas Development Institute (London) as contractors, involving development partners in Uganda but any future coordination in Uganda will be done on the basis of UJAS. This requires each development partner to specify proposed areas and levels of engagement and future plans according to the components of each PEAP pillar, which, in turn is subject to a ‘development partner peer review’ process in order to determine the appropriateness of each agency’s perceived roles on the basis of mandate, financial strength, staffing and skills mix and length of time in the sector.

Eight UN agencies participated in the DoL – WFP, WHO, OHCHR, IFAD, UNICEF, UNFPA, FAO and UNDP. The GoU still has to report its views on the DoL exercise. One bilateral told us that the UN must take part in the process, there, but UN agencies are not prepared. The UN could have been more engaged in this exercise. It is mainly in the area of proposed ‘lead agency’ roles that demands focusing and priorities of UN agencies capacities in order to maximize comparative advantage with a far more coordinated framework¹⁹.

The DoL had no policy content: it was about systems alignment and where funds should be allocated, and to explore what was optimal in each sector. The DoL

¹⁸ Harmonisation and Alignment, Uganda Country Case Study, Open Exchanges, February 2005.

¹⁹ Johnson op cit, pages 17-18.

did not get to the stage of assessing optimality as this is for the Government to decide and it has not yet pronounced its verdict on the exercise.

A fifth plan on the scene is the National Peace, Recovery and Development Plan for Northern Uganda (PRDP), which tries to bring the contested Northern areas on board in the development process, and this will be integrated into the PEAP. The PRDP is a government-led initiative supported by the World Bank. Through one of the LDPG sub groups, the World Bank coordinates the development partners support to the process. The PRDP is a five year plan intended to be about reconstruction and early recovery. We were told that the World Bank wanted to coordinate all structures and the UNCT might have done better in consolidating this approach here. The Karamoja Integrated Disarmament and Development Programme (KIDDP) is part of the PRDP but specifically targeting Karamoja Region in the North East. In the humanitarian field the UN has a far higher profile than in the development activities.

The Partners for Democracy and Governance (PDG) may have more influence than other groups. It includes the EU bilaterals, Norway, Iceland, Japan, Canada, US and the UN is represented by UNDP. The PDG puts an overall emphasis on democracy and governance, and in some cases has brought significant change from the GoU. The PDG has technical working groups in which UN agencies actively participate, and some are chaired by UN agencies.

There is an end piece to much of this. With all of this said about harmonization, GoU makes less attempt to see how PEAP fits into the political manifesto 'Prosperity for All', and in many ways the PEAP has been overtaken by this political manifesto. The new thinking is how the UJAS and PEAP are compatible with Prosperity for All. As one interviewee reported, 'but the PEAP remains a big framework, and can smuggle in anything'. The document that binds most donors is the short agreement on 'Partnership Principles', albeit at a general level, (and mentioned here under the section under LDPG).

It is an interesting point as to how far this aid architecture add to, detracts from or is transaction costs neutral. It may be the latter of these three options and veering towards the first option of being a net addition to transaction costs.

ii) The UNDAF

The UNDAF has taken off slowly because its first year of implementation was election year, as well as being affected by high levels of staff turnover as well. Of the five outcomes, it is only the HIV/AIDs outcome that has moved forward. This outcome was revised to reflect totally the priorities of the government. The feedback on the UNDAF process was not positive. Government involvement in the UNDAF was very low. UNDAF was very time consuming on planning with little to no indication on implementation. There are too many processes involving the logic of interlocking factors and no incentives for staff to collaborate. The UNDAF outcomes are to be monitored through a complex of outcome-specific working groups. One interviewee advised us that with the monitoring of the PEAP now being done by Office of the Prime Minister (OPM), this is where to see the value added by the UN/UNDAF to the PEAP.

The Report of the 2006 Annual Review of the UNDAF²⁰ provides more detailed information on the alignment of the UNDAF outcomes with the PEAP pillars. It believed that there is rather a low level of congruence between the 5 UNDAF outcomes and the 5 PEAP pillars. A general observation is that steps towards alignment with the PEAP were inadequate, beyond reference to PEAP pillars within each UNDAF outcome priority. This Review points out that PEAP commitments to gender and human rights with PEAP anticipation of complementary measures by partners does provide opportunities for UN agencies which should be taken up. Therefore outcome 3 can be justified as recognizing national priorities. For HIV/AIDs, weak within the PEAP, and this has lead to a rewrite of UNDAF Outcome No 4, and strengthens the role of the UN among key partners. Outcome 5, related to accelerating transition from relief to recovery in conflict-related areas (see Section I of this report), should be more effectively linked to the partner networks being formulated for humanitarian relief.

Our observations from meetings were that the UNDAF is at the moment almost invisible to outsiders, and members of UN agencies noted that their agencies simply reproduced their country programmes without amendment, with some shuffling to fit into the broad UNDAF outcomes/PEAP pillars with their 59 outcomes. The UNDAF still faces considerable challenges and these will take time for the UN agencies to become more coherent. Ultimately each agency has to address UNDAF objectives and these need to become more focused. The different structures of UN agencies still create problems without being addressed by agency senior management. Transaction costs remain high, particularly in a country with a complex structure of interlocking working groups. Agency incentives to staff to work together are weak. Positive comments were made about the HIV AIDS component but this now appears separate from the UNDAF. The value added by the UNDAF remains to be proved.

There is a different story to be told about the UN's work in the humanitarian field. There was unanimous support for the UN's humanitarian work in the North and Karamoja. The UN's operations are focused in the north on food aid and also protection, water and sanitation, health education and seeds. UNICEF, WFP, UNDP, UNHCR, FAO, OCHA and OHCHR have been strongly involved in Karamoja. It appears that UN's involvement in the mainstream development work as exemplified by the PEAP has not been as strong as its involvement in the planning processes of the humanitarian work, notably the KIDDP and the PRDP. Various parties would like all rehabilitation work to be under the PRDP and to link the PRDP with the PEAP. UNDP is head of a partners' early recovery cluster which was rolled out end 2005/early 2006. There have been several meetings of this cluster in 2006, starting with needs assessment in Lira. There have been problems in that the meetings have not been sustained. The Office of the Prime Minister (OPM) wants the UN agencies to look at interventions and go beyond humanitarian towards rehabilitation and recovery.

The aid modalities used in the humanitarian work were effective and might be replicated for better delivery of development assistance. Due to the challenges faced in post-conflict areas like Karamoja and in northern Uganda, donors like to reduce their dependence on discrete project funding and move towards funding to pooled

²⁰ Johnson 2006

mechanisms. UN organizations, such as UNICEF, WFP, WHO and UNFPA, collaborate on emergency health, protection and nutrition interventions, HIV/AIDs within the framework of a joint programme pooled funding modality. Other joint programming in the field of monitoring, reproductive health, immunization and nutrition is planned under the framework of UNDAF. These joint programme modalities are generally conducive to integrated planning, synergistic results, joint accountability and reduction of transaction costs. It also provides a multilateral umbrella which may be less tied by policy prescriptions or procedural rules than bilateral channels. These funding mechanisms can also be replicated in more stable development environment and may be more effective in delivering development assistance by the UN as one system.

The UNCT is operating, but as seen in many countries, needs more cohesion and joint action. The road of UN reform in this area is a long one. The UNDAF is still more or less a collection of agency country programmes. A review may happen with refocusing of agencies. The Agency Country programme outcomes were linked to PEAP pillars and PEAP indicators, but it was difficult. UNICEF in particular seems to operate independently: it has the funds and staff on the ground and a clearly defined mandate. Several respondents said that the UN still lacks capacity to speak with one voice, and that UNDP needs some development of capacity to take its rightful role. Overall, the UN should be more visible in strategic dialogue. Also, the problem of lack of common premises is a real one in Kampala with few agencies under the same roof. These logistical problems have a big impact on working together.

The UNCT is slipping somewhat in asserting its comparative advantage in the aid implementation structures: it needs to think more strategically and the Division of Labor Exercise provides one good opportunity to think through some of the issues.

iii) On the agricultural sector

The policy and institutional framework for agriculture in Uganda is provided by the Plan for the Modernization of Agriculture (PMA), which is part of the PEAP. The vision of the PMA is poverty eradication through a profitable, competitive, sustainable and dynamic agricultural and agro-industrial sector. This is premised on two basic principles: that agriculture is critical to poverty alleviation; and second that the development of the sector is highly dependent upon interventions in areas other than agriculture per se. Hence, in attempting to address the multi-sectoral nature of the sector, seven Ministries are directly involved in and members of the PMA Steering Committee, which is headed by the Ministry of Finance. Implementation of the PMA is done through a combination of donor funded projects (DANIDA and EC are the largest donors), government funded projects and NGO activities.

Discussions with various officials confirmed that the PMA had lost some of its initial momentum, in part because of the “disempowerment” of the Minister of Agriculture, and in part because the PMA has been overshadowed by the Prosperity for All, which is a populist movement targeted at cooperatives at the district level. There are also claims from Government representatives that, due to the MTEF ceilings on resource allocation to the sector, there was slow progress in reducing poverty and in achieving some of the PMA objectives. In discussions with the World

Bank sector specialist, we learned that an agriculture SWAp (similar to the ones for health and education) was being discussed among interested partners to improve coordination amongst all relevant policy stakeholders in the sector and increasing coherence in policy, spending and results.

In terms of the UN engagement in the sector, there is little mention of this important economic pillar within the UNDAF and its links to achieving the MDGs. In contrast, FAO, the UN's lead agency for agriculture in Uganda, heads some of the Sector working groups for agriculture, and has participated in both the UJAZ and DoL processes with the Local Partners Development Group. Because of its limited capacity in-country, however, the Organization falls far below expectations of the role both Government and donors envision FAO should assume.

VI Summing Up and Recommendations

- The UN has made many worthy inputs into the PRS/NDS process but their contributions have not had a significant impact because of meagre resources, lack of funding and staff competencies that are mostly oriented towards specific technical and sectoral matters.
- Many actors in the donor community in Uganda would like to see the UNCT team take a more pro-active role, and to see UNDP engage more actively in issues of governance and post conflict recovery. In general, UNDP needs to clarify its niche.
- Within the elaborate aid architecture in Uganda, the UNDAF struggles to find its rightful place. However, this may change as efforts to implement proceed. We did not have the opportunity to meet with those progressing the outcomes related to HIV/AIDs. UNDAF outcomes were aligned with PEAP pillars although the breadth of each was such as to make this relatively straight forward to achieve.
- The point should be stressed that the aid architecture for implementation of the PEAP/NDGs in Uganda may be too elaborate, Uganda may be the special case that is suggested in Section I, and that the UN cannot be reasonably expected to be everywhere doing everything. The implications of this comment cannot be developed given the very short time spent on this review, but there may be lessons to be applied about strategic choices in such countries.
- The Government puts great weight on the UN as its 'trusted partner' and one who takes a longer term perspective than its other development partners so is in line with its priorities but the UN, and UNCT in particular might use its weight more effectively.
- The UN's humanitarian work is regarded very highly by all. The collaborative pooled funding mechanisms might be used in delivering development assistance by the UN.
- In areas where the UN is strong – or has the potential to be strong such as human rights, agriculture, gender and the environment, there are significant

openings for the UN agencies to have an impact. This will require specialised agencies to apply their normative work. The BWIs have loosened up the formula for PRSPs, so allowing the UN more entry points. The UN and its agencies are a good conduit for civil society engagement. The rights work is a long term process with significant development benefits and must be seen as such, with emphasis on its 'optics': not judgmental monitoring but these development benefits.

- The UN has to make strategic choices about its functioning within the various aid modalities (e.g. UJAS) and may also have to engage more vigorously. A general observation about the aid architecture in Uganda is that there are several vertical mechanisms which feed information up from district/project/agency levels through working groups and to government but there is little horizontal interaction between these vertical flows of information. The UNCT might play more of a cementing role in these and have a stronger impact.
- The UN is very short on staff – principally development economists – to interact with general development, rather than technical sector, issues.
- There is a need for an enhanced process of staff selection and promotion: as in other countries the phrase was commonly heard about UN operations: 'it depends a lot on the personalities involved', and this leads to the conclusion that the UN needs to examine its human resource policies for the selection and promotion of UN staff.
- The UN in Kampala is not well served in terms of common premises and this makes a big impact on how well the UN agencies can work together. Although we did not investigate this matter in any depth, any further physical grouping of the agencies would be of enormous benefit.
- It may too simplistic to say that the low profile engagement of the UN with PRS process is due to BWI-exclusive policies. Donors restrict the funding of the UN, which makes it hard for the UN to survive without technical cooperation funding, forcing the UN to themselves to use project funding, making it hard to keep up with new aid modalities.
- Finally, what are the links (potential and actual) between a Development Framework vs. a Humanitarian framework vs. a Normative Framework? Worldwide, the UN's strengths are its humanitarian work and normative work, just ahead of its development activities. Generally more attention needs to be paid as to how the normative work of the UN becomes integrated with the UNDAF, and how modalities in the humanitarian and development sectors can be better integrated.

List of Persons met

United Nations

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Other Organizations

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