



Country Strategy Paper

Uganda 2007–2009

Uganda

 **Irish Aid**
Department of Foreign Affairs
An Roinn Gnóthai Eachtracha



“ The overall goal of the Country Strategy Paper is to support the Government of Uganda in its efforts to reduce poverty and promote sustainable development for Ugandan men and women. ”

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Foreword

This Country Strategy Paper (CSP) sets out the rationale and context for Ireland's continued support to Uganda for the period 2007-2009. It shows how we will achieve our goal of supporting the Government of Uganda in its efforts to reduce poverty and promote sustainable development for Ugandan men and women.

Over the past fourteen years, the Irish Government has steadily increased its development aid programme in Uganda, working closely with the Government in support of its Poverty Eradication Assistance Programme (PEAP) and the attainment of the Millennium Development Goals (MDGs).

The CSP 2007-2009 is significant in that this is the first time that such a strategy is derived from a multi-donor Joint Assistance Strategy for Uganda (UJAS), which Ireland joined in 2006. The UJAS – following from the commitments entered into in the Paris Declaration on Aid Effectiveness - provides for a more coherent and better aligned delivery of aid in Uganda. It is the donors' joint response to the PEAP, enabling more useful collaboration, and focusing on results and outcomes.

The CSP 2007-2009 amounts to an elaboration of the contribution Irish Aid will make within the UJAS framework. In the course of developing this strategy there has been an emphasis on what Irish Aid has been doing well in Uganda and how we can build on our successes. A donor and Government Division of Labour exercise, which has been ongoing, provided the opportunity to rationalise our programme, streamline our engagement with partners in Government and civil society, and concentrate more on where our comparative advantage lies.

As outlined in the document, Irish Aid will focus on three key areas, namely: education, governance and HIV and AIDS, while at the same time continuing to support the Poverty Action Fund (PAF). The priority issues of gender equality, governance, HIV and AIDS and the environment will be mainstreamed as a central element of what we do.

In light of the Irish Government's commitment to reach the United Nations target for development assistance by 2012, and in line with the UJAS, the CSP 2007-2009 provides a mechanism whereby aid can be increased if the Government of Uganda continues to perform well in a number of key areas. However, the budget also contains a mechanism whereby it can be decreased should there be a deterioration in these key areas.

Irish Aid is determined to work together with the Ugandan Government, civil society and our donor partners to face head-on the challenges in each of the sectors we have committed to in the coming three years. We will do this in order to contribute to development outcomes that will benefit the poorest segments of the population in Uganda in a real and lasting way.

Áine Hearn

Head of Mission,
Embassy of Ireland, Kampala.

Executive Summary

In 2007, Uganda was ranked 154 (out of 177 countries) on the United Nations Human Development Index (HDI) with an average life expectancy at birth of 49.7 years. This was a drop of nine places on the previous year. It is clear that while steady gains have been made in some of the social sectors, significant challenges remain for Uganda as it tackles chronic poverty and inequality.

This CSP sets out the Irish Aid strategy in Uganda for the period 2007-2009. It is guided by the *White Paper on Irish Aid* and Ireland's commitment towards achieving the Millennium Development Goals. It has been drawn up with development partners as part of the Uganda Joint Assistance Strategy, which is a joint strategy for development assistance that responds to the Ugandan Government's Poverty Eradication Action Plan (PEAP). The CSP is Irish Aid's contribution to that process.

The approach in the CSP is structured around the pillars of the PEAP. It involves a focussed and enhanced engagement in the economic management, governance and human development pillars of the PEAP, and is balanced by reduced direct involvement in other areas, in particular agriculture and health.

During the last CSP period 2004-2006, the programme budget totalled €96.5m. The total programme of support for the 2007-2009 CSP is projected at over €124 million. Overall direct bilateral support is projected to increase from €35.5 million in 2007 to almost €45 million in 2009. Additional support will be channelled through NGOs and international organisations.

The first section of the CSP describes the context and rationale for the Irish Aid programme in Uganda. This is followed by a section on the lessons learned from the previous CSP and a description of the 2007-2009 strategy. The final section details how Irish Aid will manage the implementation of the programme over the three year period.



1. Background

1.1 Political context

The political climate in Uganda, including relations with its neighbours, remains stable. The country has shown leadership on governance and on tackling HIV and AIDS. The first multi-party elections in over twenty years were held in February 2006. The Juba Peace Process between the Lord's Resistance Army (LRA) and the Government of Uganda has brought about a ceasefire after two decades of devastating conflict in northern Uganda. However, poverty is still endemic in Uganda, a country facing, like so many others in the region, the challenges of environmental degradation, rapid population growth, instability, and governance shortfalls.

The first multiparty elections resulted in the re-election for a third term of President Yoweri Museveni and an overall majority in Parliament for his party, the National Resistance Movement (NRM). While the elections themselves were conducted in a transparent, relatively peaceful and free atmosphere, international confidence in the fairness of the process as a whole was undermined by the arrest and trial on charges of rape and treason of the leading opposition candidate during the election campaign. The EU Election Observation Mission in its final report described the elections as "generally transparent, relatively peaceful, and [...] held in an atmosphere in which freedoms of expression, assembly and association were more widely respected than hitherto". The report went on to say however that "the elections fell short of full compliance with international principles for genuine democratic elections, in particular because a level playing field was not in place".

Since the election, Parliament structures and functions appear to be operating well. Opposition parties have been given the Chair of government committees and there appears to be a genuine commitment from all parties including Government, to work together in a democratic manner to develop a fully functioning democratic system.

The twenty-year military conflict in northern Uganda, which has been the cause of much suffering and been a destabilising factor for the country and the region, has abated. A ceasefire with the Lord's Resistance Army (LRA) in northern Uganda has held almost completely since August 2006, and the Juba peace process aimed at resolving that conflict got back on track in April 2007. UN Special Envoy Chissano undertook a regional tour in August 2007, during which he met with the presidents of Uganda and DRC with a view to encouraging restraint and keeping the process on track. While major differences between the two sides remain, the cease-fire continues to hold and the peace process aimed at resolving that conflict is ongoing.

In response to growing international pressure in relation to the humanitarian situation in northern Uganda, the Government launched the Joint Monitoring Committee (JMC) in May 2006. This is headed up by the Office of the Prime Minister (OPM) and brings together bilateral and multilateral partners, relevant ministries and district leaders.

The JMC quickly put together a short-term emergency action plan aimed at improving the humanitarian response in the internally displaced person (IDP) camps in northern Uganda¹.

Despite these broadly positive developments, issues of concern remain. These concerns justify vigilance on the part of donors. They are reflected in this CSP in a broadly cautious approach to the growth of the programme and in the emphasis it places on the governance element of the package. It is reflected too in the design of the CSP which provides the flexibility to react in a timely and proportionate manner in the event of difficulties arising in future. These and related issues such as respect for human rights are followed closely by the donors through the Partners for Democracy and Good Governance Group (PDG)² which is the main forum for discussion of these issues with Government. Ireland took over as Chair of the PDG in January 2007.

1.2 Development context

Uganda is one of the poorest countries in the world, ranking 154th out of 177 on the UNDP's 2007 Human Development Index (HDI), a drop of nine places on the 2006 HDI. Poverty levels in Uganda declined substantially between 1992 and 2005 from 56 % to 31 % of the population. However 20% of the people are locked in chronic poverty and inequality is increasing. It has one of the highest rates of population growth in the world (at 3.3% per annum) with the highest fertility rate evident in the lowest wealth quintile. There is a widening inequality among and within regions, as well as between rural and urban populations.

Poverty in northern Uganda is particularly severe and numbers of those living in absolute poverty increased from 3.3 million in 2002 to 3.9 million in 2004. This increase has been put down to prolonged drought and to insecurity resulting from LRA attacks. In Karamoja, where cattle rustling is a significant problem, 80% of the people are not

¹ Ireland responded to this humanitarian crisis in 2006 by providing €2.5 million to the Red Cross (ICRC), Médecins Sans Frontiers (MSF), and UN agencies through the Consolidated Appeals Process.

² This political group comprises of Heads of Mission of Bilateral and Multilateral Donors in Uganda.

meeting their basic requirements. The social indicators in this sub-region, in terms of health, education, access to safe water and sanitation are the lowest in the country.

The economy has suffered significantly from the energy crisis caused by low water levels in Lake Victoria resulting in inadequate hydroelectric capacity, as well as by prolonged drought affecting agricultural output. Growth this year is estimated at 5.9% (based on an assumption that drought will not be a factor and that an oil-burning plant will be available to alleviate the power crisis). This is significantly lower than the 7% PEAP target needed to substantially impact on poverty reduction.

The Government of Uganda's Poverty Status Report (2005) published in June 2006, highlighted positive trends in access to services; greater quantity and diversity of primary education, health clinics, and drug outlets and access to agricultural extension services; improved rural roads; more prevalent and dynamic markets and greater diversity in non-farm activities.

However these trends are offset by widening inequalities in service delivery and deterioration in renewable resources, thus increasing the vulnerability of the poor. While Uganda has made significant progress in improving household welfare, income inequality and high fertility rates have combined to counteract the positive effects of growth on poverty.

The National Household survey 2003/4 showed that women headed households were amongst the poorest in the country. The MDG Report (2005) shows that most health indicators linked to gender inequality have shown little improvement. Women are disproportionately affected by HIV and AIDS with infection rates of 7.5% against 5% for men. Women in Uganda constitute up to 80% of the agricultural workforce but own only 7% of the land and control 30% of the agricultural income. Girls and boys now have equal access to primary education but completion rates for boys far exceed that for girls. Teenage pregnancies at 39% of girls under 18, contributes to a high drop out rate.

To counter this inequality, the Ugandan Constitution provides a comprehensive framework in which to address women's rights, gender equality and affirmative action. A National Gender Policy was developed in 1997. A PEAP Gender Group was formed during the last PEAP review. Despite these initiatives, it is clear that significant inequalities and challenges remain and that this is an area that must continue to be prioritised.

Uganda is however, making real progress in many areas. The HIV and AIDS prevalence rate is currently at 6.4%, while 78% of the population can access a health centre within 5km of their home. Uganda is one of the few countries in sub-Saharan Africa that will meet the Millennium Development Goal of access to Universal Primary Education (UPE) by 2015 - the gender gap in primary education has narrowed to almost 1:1. Under-five mortality rates have declined from 180 per 1000 live births in 1990 to 152 per 1000 in 2005.

1.3 Policy framework for the CSP

Uganda has a long track record of developing appropriate poverty alleviation policies. The first Poverty Eradication Action Plan (PEAP) was developed in 1997 and it set out a strategy for eradicating absolute poverty by 2017. As a result, Uganda was the first country to benefit from the original and enhanced HIPC (Highly Indebted Poor Country) debt relief initiatives in 1998 and 2000. The timeframe of the current PEAP ends in June 2008.

The PEAP is the over-arching framework to eradicate poverty in Uganda. It is grouped into five interlinked pillars:

- (i) economic management;
- (ii) production, competitiveness and incomes;
- (iii) security, conflict-resolution and disaster-management;
- (iv) governance;
- (v) human development.

A detailed Results and Policy Matrix has been developed which in turn is linked to the Poverty Reduction Strategy Credit (PRSC) process of the World Bank. The PRSC is based on the World Bank's Country Assistance Strategy (CAS) and supports the implementation of the PEAP. Other development partners participate in the PRSC missions and evaluations and take the PRSC as their mechanism for assessing progress to allow release of funding. A National Integrated Monitoring and Evaluation Strategy (NIMES) framework under the auspices of Office of the Prime Minister (OPM) helps to track overall progress.

2. The Irish Aid Programme

2.1. CSP 2004-2006

The CSP 2004-2006 operated within the framework of the PEAP. The total budget for the period was €96.5 million. A further €4.57 million was provided for HIV and AIDS. Approximately 70% of the budget was channelled through central ministries for social sector spending,

decentralisation and justice reform through the Poverty Action Fund. The remaining 30% was provided as project support to civil society organizations, government institutions and directly to district development. Table 1 provides an overview of the main areas of support.

Table 1 Irish Aid (Uganda) Support, 2004 – 2006

| Area | Funding (in €) | Engagement – dialogue |
|--|---|--|
| Pillar One: Economic Management | | |
| PAF | 24,600,000 | Research related to growth and poverty; Public financial management; Public service reform; Macro issues-IMF; PRSC and the prior actions. |
| Pillar Two: Production, Competitiveness and Incomes | | |
| NAADS | 2,500,000 | PMA implementation; Agriculture Sector Working Group. |
| Pillar Three: Security, Conflict Resolution and Disaster Management | | |
| Amnesty Commission Conflict resolution through Civil society | <i>Covered under Governance (General) below</i> | Political dialogue; The amnesty process and reintegration of former rebels; Conflict resolution by Government and civil society; Humanitarian interventions; Mainstreaming conflict across sectors. |
| Pillar Four: Governance | | |
| Governance | 19,921,689 | Political dialogue; |
| <i>JLOS</i> | 9,000,000 | Justice reform; |
| <i>Juvenile Justice</i> | 279,374 | Decentralisation and Local Government development; |
| <i>Decentralisation</i> | 6,392,677 | Engagement on thematic areas with Government and civil society; |
| <i>SDP</i> | 1,245,621 | anti-corruption, human rights, democratisation. |
| <i>Governance (General)</i> | 3,004,017 | |
| Pillar Five: Human Development | | |
| Education | 18,700,000 | Education Sector Budget Working Group; |
| Health | 15,400,000 | Policy dialogue – particularly curriculum reform, teacher development and UPPET; |
| HIV and AIDS | 11,000,000 | Support to district development; Health Sector Budget Working Group; Policy dialogue – particularly human resources, malaria, immunisation; Support to health service delivery in districts affected by conflict; Policy dialogue – particularly prevention; Support to Government (MoES and UAC); Support to civil society for care and treatment and prevention. |

2.2. Lessons learned

The preparation of the CSP for 2007-2009 involved a detailed review and analysis of the previous programme. The CSP takes account of lessons learned and draws on the Annual PEAP Implementation Review; Bi-annual PRSC mission reports; Joint Reviews of the Education, Health and Justice Law and Order Sectors; Annual Reports and internal reviews of the country programme; and a Division of Labour exercise underway amongst UJAS partners.

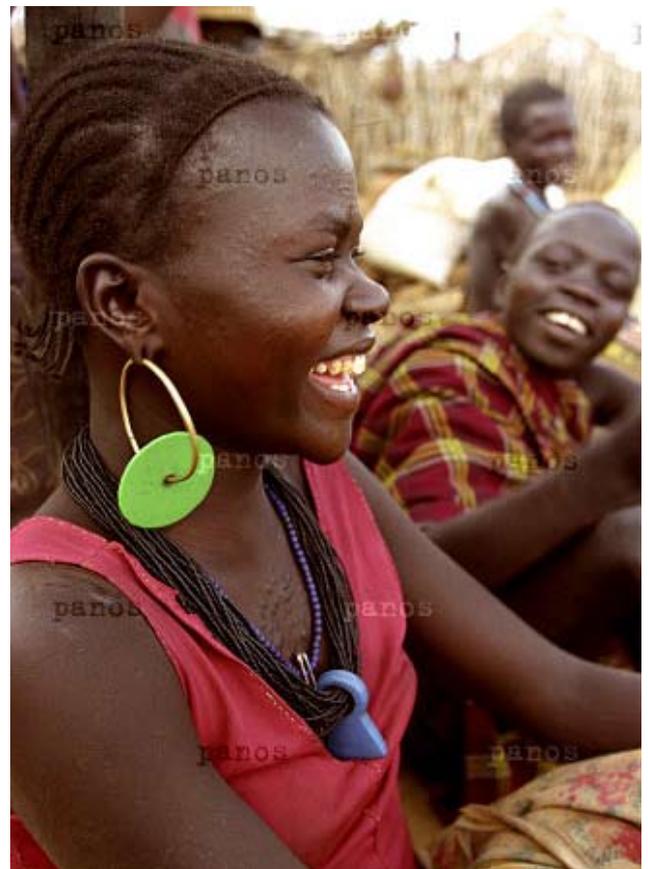
Some of the key lessons informing the new strategy include:

- > Most partners with whom Irish Aid is involved require considerable capacity-building support. In the next phase, direct support will be provided to a reduced number of partners, whilst exploring further use of common modalities and basket fund arrangements;
- > An appropriate mix of aid modalities, engaging at various strategic levels, is central to achieving best results. Irish Aid presence in the districts ensures that the programme is grounded in reality. The challenge is to use this experience to address local development issues from within national structures and to support dissemination of best practice at the national level;
- > Irish Aid has been involved in mainstreaming governance, particularly in the education sector through budget working groups, school management committees and support to civil society organisations. There is a need to document this experience in order to provide a framework for mainstreaming governance in other parts of the programme;
- > Conflict responses should not be left to stand-alone plans, as has been the case up to now. There is a need to ensure that such responses are mainstreamed in sectoral approaches. In Karamoja and in northern Uganda, Irish Aid will support the line ministries in their response to the conflict-affected areas within sector plans. In addition, Irish Aid will focus its efforts where it has comparative advantage, and contract others where this is not the case;
- > Experience over the last CSP showed the value of active engagement in the budget process. Irish Aid will continue to involve itself at the macro and sector level to ensure that adequate resources are provided for PEAP priorities.

Irish Aid has rationalised its support within the Health and Agriculture sectors. This decision takes account of Irish Aid's policy priorities, comparative advantage, levels of current funding, number of like-minded donors active in the sector and level of government commitment.

To date Irish Aid financial involvement in agriculture has been relatively low. Expert competence is not available in the current staff and a significant number of like-minded donors are engaged in the sector.

In health too there are a large number of like-minded donors active in the sector. Irish support to this sector will continue until 2008. Once sector support is phased out, future assistance will be provided through the Poverty Action Fund. Efforts are also being made to rationalise within sectors and to reduce the number of projects and partners with whom Irish Aid engages.



Young Karamojong woman, Kotido district, Karamoja.

3. CSP 2007-2009

3.1. Goal and objectives

The overall goal of Irish Aid in Uganda is:

To support the Government of Uganda's efforts to reduce poverty and promote sustainable development for Ugandan men and women.

Irish Aid has identified six strategic objectives to achieve this goal. Although not directly aligned with PEAP objectives, they are consistent with them. These objectives will focus Irish Aid engagement; will provide the foundation for annual business plans; and will guide the indicators chosen to monitor implementation of the CSP. The CSP strategic objectives are:

1. To promote participatory development for both men and women, and strengthen accountability and the quality of democratic governance in Uganda;
2. To promote gender equality, the empowerment of women and a reduction in gender-based violence;
3. To contribute to the reduction of HIV and AIDS in Uganda and mitigate its effects;
4. To ensure coherence between the Irish Aid country programme in Uganda and other Irish Aid assistance to civil society and multilateral organisations working in the country;



A Ugandan hospital nurse.

5. To promote aid effectiveness, harmonisation and alignment and broader partnership approaches to development cooperation;
6. To build embassy capacity and individual staff competencies to mainstream the environment into subsequent Irish Aid programmes.

These objectives identify the centrality of the four cross-cutting issues of gender, HIV and AIDS, governance and the environment to the reduction of poverty. Reflecting these issues in the strategic objectives ensures that these have a significant focus within the Irish Aid programme.

3.2 Focus of the Programme

During this CSP, the Irish Aid programme is focused on support to education, HIV and AIDS and governance as well as providing financial support to all PEAP Pillars through the Poverty Action Fund. Support to each of the sectors has been rationalised and the number of partners reduced. Funding is provided through a range of modalities - sector support, basket funds, projects, through multilateral organisations and civil society. Coordination with other donors and alignment with government priorities is ensured by building the programme around the PEAP, operating within the UJAS Framework. In addition to providing funding, Irish Aid is engaging with its various partners (a) to ensure that the programmes supported are effective and (b) to promote its policy objectives.

Irish Aid expects to increase its annual funding from €35.5 million in 2007 to a potential €45 million over the next 3 years. Most of these funds will be used in support of major national programmes as set out in the budget in section 8.

The main areas of support are:

- > **Pillar 1 - Economic Management;** enabling Irish Aid to assist in strengthening the budget process and supporting pro-poor economic policy reform;
- > **Pillar 4 - Governance;** focussing on justice reform, public sector management, and democratic accountability;
- > **Pillar 5 - Human Development;** focussing on education and HIV and AIDS.

3.2.1 Economic Management

Uganda's growth strategy is reflected in pillar 1 of the PEAP. Irish Aid is engaging in this pillar through support to the PAF as well as through policy dialogue on macroeconomic performance. Irish Aid's support to the governance sector, which contributes to promoting government accountability, is intrinsically linked to its funding of the PAF.

The PAF is a ring-fenced fund which targets social sectors and excludes defence and public administration expenditure. The Government guarantees that budgetary allocations within these sectors will be protected from in-year budget cuts resulting from revenue shortfalls or any other factors and that actual disbursement will be at least 95% of budgeted amounts. This promise has been honoured since the fund was established in 1997. The bulk of PAF funds are channelled to districts as conditional grants for health, education, rural roads and agriculture. Financing the Poverty Action Fund allows Irish Aid to support all five pillars of the PEAP and a broad range of poverty-reducing programmes³.

The PAF also provides an entry point to macro-level policy dialogue and an opportunity to promote the goal and strategic objectives. Specifically, Irish Aid uses its position within the various structures, such as the Donor Economist Group, to promote economic growth policies which are pro-poor, that is: broadly based, focused on areas in which poor people live, utilise the assets of the poor and provide markets for goods produced by the poor. During this CSP, Irish Aid will finance, either alone or jointly, poverty-related analytical work and will ensure that the analysis is gender sensitive and examines links between pro-poor economic growth and HIV and AIDS.

- > **Support to the Private sector:** This CSP directly contributes to the development of the private sector in a number of ways. Irish Aid, through its support of the PAF, supports the economic policy of the Government of Uganda - up to 15% of PAF expenditure is allocated to improving productivity, competitiveness and incomes. Through its support for *Traidlinks*⁴, Irish Aid has facilitated the development

of a number of Ugandan companies including the Rwenzori Coffee Company, and the development of an export market place for finished products under the Heart of Africa brand. Irish Aid is also providing assistance through support to the Justice, Law and Order Sector, which aims to provide an environment conducive to investment, growth and wealth creation.

3.2.2 Governance

Irish Aid support for the governance pillar is concentrated on developing the capacity of the Government, on encouraging responsiveness to the needs and aspirations of citizens in Uganda, and on promoting transparency and accountability in State institutions. Irish Aid is supporting the following areas:

- > **Justice Reform:** Irish Aid is supporting the Justice, Law and Order Sector (JLOS) Strategic Investment Plan 2006 to 2011, which sets out a comprehensive approach to justice reform and to improving access to justice. It targets criminal, commercial, land and family law areas. This is complemented by support for civil society organisations and for the Uganda Human Rights Commission (UHRC);
- > **Public Sector Management (PSM):** To achieve lasting improvements in living conditions, the capacity and accountability of public institutions needs to be strengthened. Irish Aid is supporting the strengthening of public sector management and accountability, with an emphasis on decentralisation, the rollout of public sector reform, and enhanced Public Financial Management. Irish Aid is supporting several initiatives including: (i) sector support for the Local Government Sector Investment Plan; (ii) basket funding support for the Public Service Reform Programme and; (iii) basket funding support to the Financial Management and Accountability Programme (FINMAP). Support is also provided for an important civil society actor in decentralisation, the Uganda Local Governments Association (ULGA);
- > **Democratic Accountability:** Irish Aid is supporting the promotion of democracy, political parties and civic education in the lead-up to presidential and parliamentary elections in 2011. This is largely being done through participation in and funding for a "Deepening Democracy Programme" basket fund. Components relate to civil society, civic education, media, parliament, the electoral commission, and political parties.

³ The PAF programmes include primary education; post primary education and training; district tertiary education; adult literacy; primary health care, water and sanitation; agricultural extension and key programmes aimed at increasing agricultural productivity; rural and urban roads; district and referral hospitals; AIDS orphans; improved administration of justice; local government development; and poverty and government financial statistics.

⁴ Traidlinks is a not-for-profit organisation and has its origins in the Private Sector Forum of 2004. The organisation explores how to build links between the Irish business community and the Irish Aid programme in developing countries.

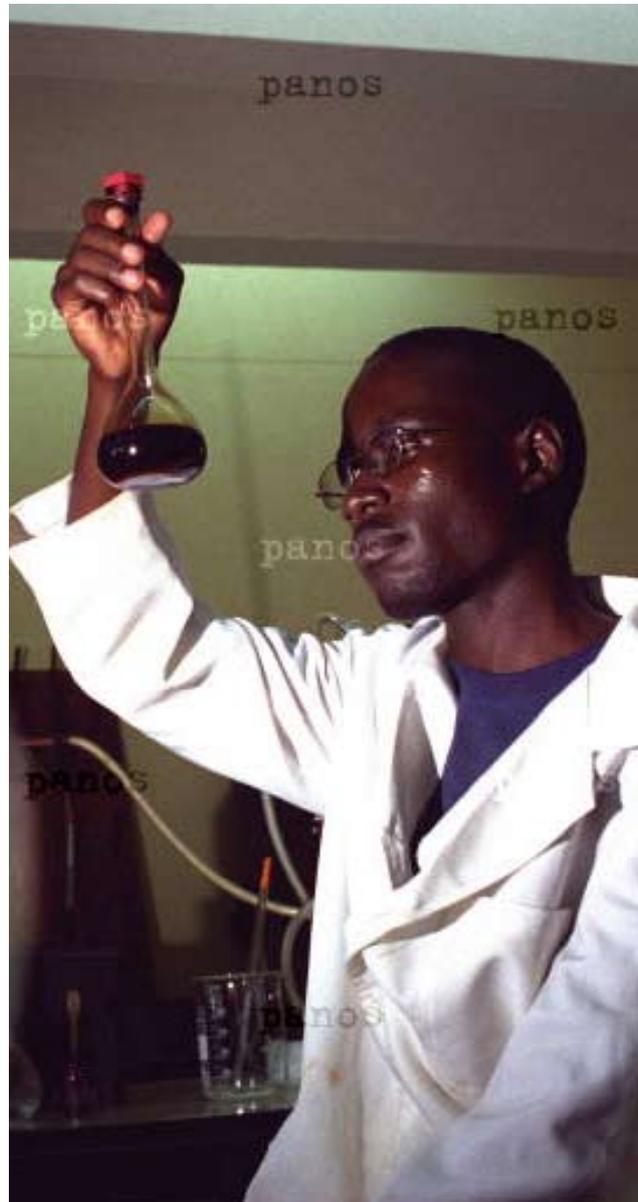
3.3.3 Human Development

Support under this pillar is provided to programmes in education and HIV and AIDS. Irish Aid is assisting the Ministry of Education and Sport to implement the Education Sector Strategic Plan. It is also working through civil society organisations. Activities include curriculum and teacher development, ICT, bursaries and adult literacy. Funding is also being provided to post-primary education and training in the Karamoja region. Gender-based violence at school level is being investigated and an appropriate response is currently being designed.

Irish Aid's HIV and AIDS programme in Uganda will continue to support the Ugandan AIDS Commission and the Ministry of Local Government. Funding will also be provided to a joint donor basket designed to coordinate and streamline the civil society response to HIV and AIDS in the country. Irish Aid has been selected to represent the AIDS Development Partners on the National Strategic Framework (NSF) Task Force to provide overall guidance for developing the new NSF 2006-2011. Irish Aid is working to ensure the NSF deals effectively with issues such as universal access to HIV prevention and treatment and its gender dimensions.

Irish Aid is implementing its exit strategy for the health sector. The withdrawal is being carried out in a phased basis over the course of the CSP. Irish Aid released its final commitment to the Ministry of Health's sector programme in 2007. In 2008, support will be provided to the Primary Health Care Training Programme, implemented by AMREF.

Overall, the programme has become more focused. This has led to a more strategic approach in those sectors in which Irish Aid has a comparative advantage. It also provides a basis for exploiting programme linkages more effectively. The programme is positioned at the heart of national processes, involving an enhanced engagement in education, HIV and AIDS and governance, as well as providing support to all PEAP pillars through the Poverty Action Fund.



Research in the Soil Science department of Makerere University.

4. Cross-cutting Issues

Progressing the Irish Aid cross-cutting issues - gender equality, HIV and AIDS, governance and the environment - is essential to sustainable poverty reduction. Each of these policy priorities is addressed through either specific programmes or mainstreaming. During this CSP, taking account of the need to match resources to ambition, Irish Aid is focusing its efforts on gender, governance and HIV and AIDS.

4.1 Governance

The White Paper on Irish Aid emphasises the importance of governance to achieving sustainable development. Weak governance and corruption greatly hinder development and reduce the effectiveness and impact of development assistance.

Corruption within the public sector remains a challenge and carries high risks for the programme. A particular focus has been given to this area in the CSP. Irish Aid is addressing this through various channels. In 2002, Irish Aid supported the *Inspectorate of Government* to conduct a national integrity survey, which led to the development of the national anti-corruption strategy. Support has been given to oversight bodies such as the *Directorate of Ethics and Integrity* to build capacity and also in the area of legislative reform. Irish Aid has provided support to the *Uganda Debt Network* and the *Anti-Corruption Coalition*, which are involved in raising popular awareness. Irish Aid also plays an active role in the World Bank Poverty Reduction Support Credit which addresses corruption. Assistance to these bodies as well as to civil society organisations and independent media will form an important part of a balanced Irish Aid response.

Uganda has been implementing a wide range of Public Financial Management (PFM) reform measures aimed at supporting the goal of poverty reduction through good governance. Whilst these have resulted in improvements in a number of areas, e.g. legislation, professional capacity and core Government computerisation, they have not yet been completed or created sustainable improvements.

The Government is keen to improve the comprehensiveness, transparency and coverage of its financial transactions. The goal of the Government's recently established Financial Management and Accountability Programme (FINMAP) is to strengthen public financial management at central and local government levels to ensure accountability and reduce opportunities for corruption. Irish Aid has provided

technical input in the preparation of FINMAP and will provide further support over the timeframe of the CSP.

In decentralisation, there were a number of policy reversals in the run-up to the elections including the creation of several new districts and re-centralisation of civil servants. However, with a recently developed decentralisation policy strategic framework and positive moves to establish a strong sector programme in the area, fiscal, administrative and political decentralisation can be enhanced over the coming years. Irish Aid is providing support to decentralisation reform through the Local Government Sector Investment Plan (LGSIP).

4.2 HIV and AIDS

HIV and AIDS prevalence has settled at between 6% and 7% during the past five years. An estimated half of Uganda's 1.8 million orphans have lost one or both parents to the disease. Over 100,000 children are living with AIDS. Women are more affected than men with 12% of women in their early 30s infected and 9% of men (aged 30-45).

Irish Aid is focusing its support on three thematic areas: prevention (including MTCT), home-based care and treatment, and OVCs. This responds to the matured epidemic that now presents itself in Uganda, the comparative advantage of Irish Aid and the under-funded/under-supported priorities in HIV and AIDS.

4.3 Gender

Particular effort is going into mainstreaming gender equality throughout the programme. A detailed work plan has been developed which includes elements such as in-house training and capacity building, and compiling key source material such as studies, reports and government policies. Within each sector supported by Irish Aid, key gender issues will be identified. For example, within the Justice Law and Order sector, key issues include progressing the Domestic Relations Bill, the Domestic Violence Bill and improving women's access to justice. Effective use of Ministry of Finance guidelines on gender equity in the budget process is monitored on an on-going basis and promoted.

4.4 Mainstreaming

Irish Aid is committed to mainstreaming gender equality, HIV and AIDS and governance in the planning, implementation and evaluation of all of our interventions across the programme. The embassy has adopted strategic objectives around each of these areas and will continue to strengthen its capacity to ensure they are implemented. Some of the objectives are to:

- > Promote the application of gender budgeting guidelines;
- > Ensure HIV and AIDS is mainstreamed in sector strategic plans, policies and the budget process;
- > Ensure gender is mainstreamed in the revised National Strategic Plan for HIV and AIDS;
- > Ensure that school construction/ rehabilitation responds to the needs of the female child;
- > Develop the technical and political skills of women representatives to intervene in processes of legislative change.



Young woman winnowing corn in an IDP (internally displaced people) camp near Gulu.

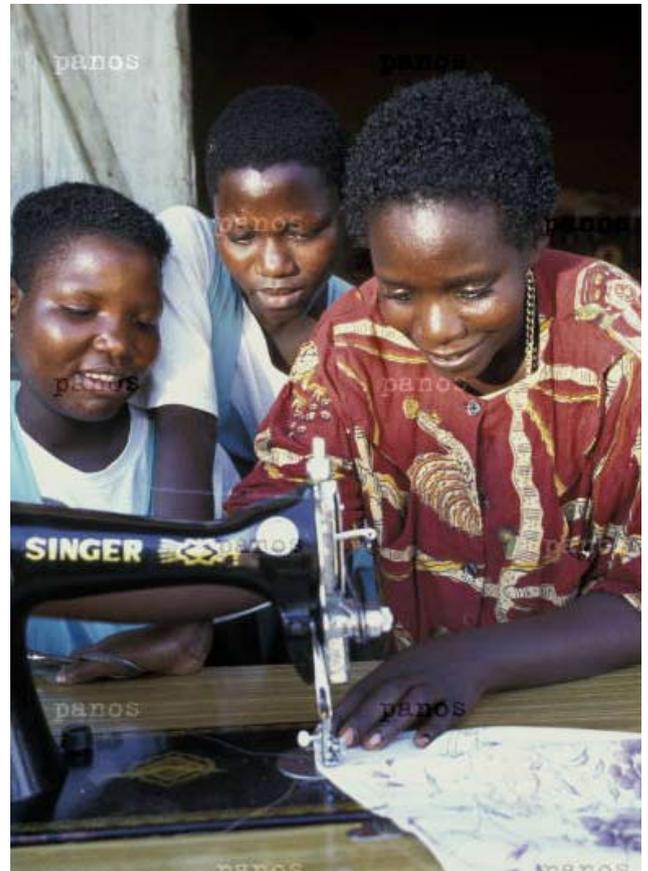
5. Monitoring

The monitoring framework for the CSP focuses on its strategic goal and objectives. It is results-based and makes maximum use of existing local systems such as the PEAP policy and results framework. The monitoring process has two parts: a monitoring framework and the embassy's business plan.

The CSP monitoring framework is closely aligned and integrated with the embassy's business plan and Performance Management and Development System (PMDS) process. They form the basis for annual planning for all development staff, with progress assessed through the PMDS process. In the Business Plan, activities relating to each strategic objective have been finalised and performance indicators identified. Progress in meeting these will be documented in quarterly and annual reports.

The monitoring framework has a longer-term perspective and focuses at the results and impact level. Indicators are selected from the PEAP policy and results matrix that are monitored across the pillars. The various sector programmes and projects being supported are also monitored in conjunction with partners using the programmes' agreed monitoring system to provide a more detailed picture.

Irish Aid also participates in joint monitoring activities with other development partners and Government of Uganda. For example, the Public Expenditure Review (PER) Working Group, annual sector reviews, an annual planning and budget workshop and regular meetings between government and donors.



AIDS orphans taught sewing at a skills training class, Kyotera, Rakai.

6. Risk

The UJAS partners have drawn up a joint risk register. Over the period of the CSP, the major risks to the success of the programme are perceived to be:

- A. Political transition brings uncertainty;
- B. Poor governance undermines confidence;
- C. Inadequate protection of human rights and limited access to justice hampers development;
- D. Continuing conflict in northern Uganda hinders achievement of national and local development objectives;
- E. Weak public sector capacity slows implementation of programmes;
- F. External factors pose unknown risks;
- G. Government fails to take measures to curb population growth.

We estimate the overall risk to be between medium to high. Irish Aid will identify and take into account both internal and external factors which threaten the effectiveness and efficiency of programme implementation. Irish Aid will continue to work closely with partners in the UJAS process to ensure that mitigation measures are in place and implemented.

The risk register, which is updated quarterly, will chart the evolution of risks in the political, social and economic environment, providing information on the overall context for the aid programme at country level.

7. Management

The implementation of the Irish Aid programme in Uganda will continue to be the responsibility of the Head of Mission supported by the development management team, which includes the Head of Development, development specialists, diplomatic staff, advisors and support staff.

The Head of Finance oversees all expenditure. Financial and management systems are subject to ongoing review.

Irish Aid will lead and chair a number of sector working groups over the period of the CSP. Work is distributed to teams in the embassy based around the pillars of the PEAP / CSP. An institutionalised programme of planning and monitoring meetings is in place and component/pillar meetings are held on a regular basis.

Irish Aid will continue to build closer links with other partners in the UJAS process, pooling its resources and expertise where this will strengthen the effectiveness of the programme.

8. Budget

The budget provisions for this CSP include financing scenarios to allow for flexibility in implementation to reflect improvements or deteriorations as appropriate in the governance situation in Uganda. These scenarios are applied to support in the Poverty Action Fund. Decisions as to which scenario is applied are based on agreed criteria contained in the UJAS. Base, low and high case scenarios are outlined in the table below.

The Government of Uganda and donors are currently working towards harmonising and aligning support to the PAF. As part of this work, a joint assessment framework has been developed and will be used jointly for the first time in 2008 to develop disbursement recommendations. While this will provide a framework for a unified response, it does not constrain individual donors' freedom of action. Donors may react to political, governance and human rights developments according to the weight they attach to improvement or deterioration of performance.

Table 2 Irish Aid (Uganda) 2007-09 Budget

| Base Scenario | | | | |
|----------------------|-------------------|-------------------|-------------------|--------------------|
| Area/Sector | 2007 | 2008 | 2009 | Total |
| PAF | 10,000,000.00 | 10,000,000.00 | 10,000,000.00 | 30,000,000 |
| Governance | 8,450,000.00 | 9,450,000.00 | 10,450,000.00 | 28,350,000 |
| Health | 4,285,000.00 | 1,590,000.00 | - | 5,875,000 |
| Education | 9,165,000.00 | 15,250,000.00 | 15,050,000.00 | 39,465,000 |
| HIV and AIDS | 3,250,000.00 | 5,360,000.00 | 6,850,000.00 | 15,460,000 |
| Process Fund | 350,000.00 | 350,000.00 | 350,000.00 | 1,050,000 |
| TOTAL | 35,500,000 | 42,000,000 | 42,700,000 | 120,200,000 |

| Low Case Scenario | | | | |
|--------------------------|-------------------|-------------------|-------------------|--------------------|
| Area/Sector | 2007 | 2008 | 2009 | Total |
| PAF | 10,000,000.00 | 6,000,000.00 | 6,000,000.00 | 22,000,000 |
| Governance | 8,450,000.00 | 9,450,000.00 | 10,450,000.00 | 28,350,000 |
| Health | 4,285,000.00 | 1,590,000.00 | - | 5,875,000 |
| Education | 9,165,000.00 | 15,250,000.00 | 15,050,000.00 | 39,465,000 |
| HIV and AIDS | 3,250,000.00 | 5,360,000.00 | 6,850,000.00 | 15,460,000 |
| Process Fund | 350,000.00 | 350,000.00 | 350,000.00 | 1,050,000 |
| TOTAL | 35,500,000 | 38,000,000 | 38,700,000 | 112,200,000 |

| High Case Scenario | | | | |
|---------------------------|-------------------|-------------------|-------------------|--------------------|
| Area/Sector | 2007 | 2008 | 2009 | Total |
| PAF | 10,000,000.00 | 12,000,000.00 | 12,000,000.00 | 34,000,000 |
| Governance | 8,450,000.00 | 9,450,000.00 | 10,450,000.00 | 28,350,000 |
| Health | 4,285,000.00 | 1,590,000.00 | - | 5,875,000 |
| Education | 9,165,000.00 | 15,250,000.00 | 15,050,000.00 | 39,465,000 |
| HIV and AIDS | 3,250,000.00 | 5,360,000.00 | 6,850,000.00 | 15,460,000 |
| Process Fund | 350,000.00 | 350,000.00 | 350,000.00 | 1,050,000 |
| TOTAL | 35,500,000 | 44,000,000 | 44,700,000 | 124,200,000 |

Abbreviations

| | | | |
|--------|--|-------|--|
| ADPs | AIDS Development Partners | MTEF | Medium Term Expenditure Framework |
| ABPs | Area Based Programmes | NAADS | National Agricultural Advisory Services |
| CBO | Community based organisation | NGO | Non-Governmental Organisation |
| CEM | Country Economic Memorandum | NIMES | National Integrated Monitoring and Evaluation Strategy |
| CSP | Country Strategy Paper | NRMO | National Resistance Movement Organisation |
| DAC | Development Assistance Strategy | NSF | National Strategic Frame work |
| DDP | Deepening Democracy Programme | OAG | Office of the Auditor General |
| DPs | Development Partners | OECD | Organisation for Economic Cooperation and Development |
| DWG | Democratisation Working Group | OPM | Office of the Prime Minister |
| EFAG | Education Funding Agency `s Group | OVC | Orphans and vulnerable children |
| FDC | Forum for Democratic Change | PAF | Poverty Action Fund |
| FINMAP | Financial Management and Accountability Project | PDG | Partners for Democracy and Governance |
| FY | Financial Year | PEAP | Poverty Eradication Action Plan 2004/5 – 2007/8 |
| GDP | Gross Domestic Product | PFM | Public Financial Management |
| GoU | Government of Uganda | PHC | Primary Health Care |
| HDI | Human Development Index | PRDP | Peace Recovery and Development Plan |
| IDP | Internally Displaced People | PSI | Policy Support Instrument |
| IFMS | Integrated Financial Management System | PLHA | People Living with HIV and AIDS |
| IMF | International Monetary Fund | PMA | Plan for Modernisation of Agriculture |
| JLOS | Justice, Law and Order Sector | PMDS | Performance Management and Development System |
| JMC | Joint Monitoring Committee | PPET | Post Primary Education and Training |
| LDPG | Local Development Partners Group | PRSC | Poverty Reduction Strategy Credit |
| LRA | Lord's Resistance Army | UAC | Uganda AIDS Commission |
| MDGs | Millennium Development Goals | UHRC | Uganda Human Rights Commission |
| MDRI | Multilateral Debt Relief Initiative | UJAS | Uganda Joint Assistance Strategy |
| MoES | Ministry of Education and Sports | UPE | Universal Primary Education |
| MoLGSD | Ministry of Labour, Gender and Social Development | UPPET | Universal Post Primary Education and Training |
| MoFPED | Ministry of Finance, Planning and Economic Development | WHH | Women Headed Households |
| MTCT | Mother-to-child transmission | | |

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