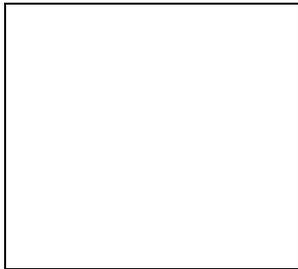


**Ministry of Local Government**

**Republic of Uganda**



**United Nations Capital Development Fund**

**United Nations Development Programme**

# **District Development Project – Pilot and Kotido District Development Project**

**Mid-Term Evaluation**

**January – February 2001**

**Final Report**

## PROJECT DATA SHEET

COUNTRY: UGANDA

FULL PROJECT NUMBERS: UGA/95/C01, UGA/97/008, &  
UGA/96/C01, UGA/98/005

PROJECT TITLE: DISTRICT DEVELOPMENT PROJECT – PILOT, &  
KOTIDO DISTRICT DEVELOPMENT PROJECT

PROJECT SECTOR: DEVELOPMENT STRATEGIES, POLICIES & PLANNING  
(0210)

SUB-SECTOR: LOCAL GOVERNANCE

EXECUTING AGENCY: MINISTRY OF LOCAL GOVERNMENT

IMPLEMENTING AGENCIES: LOCAL GOVERNMENTS OF ARUA, JINJA, KABALE,  
MUKONO & KOTIDO

FUNDING AGENCIES: UNCDF, UNDP & GoU

PROJECT COSTS:

UNCDF US \$ 12,273,520 (UGA/95/C01)  
US \$ 2,693,493 (UGA/96/C01)

UNDP US \$ 2,048,445 (UGA/97/008)  
US \$ 500,000 (UGA/98/005)

GoU US \$ 242,397 (UGA/96/C01; UGA/98/005)

PROJECT APPROVAL DATES: July 1997 (UGA/95/C01, UGA/97/008),  
October 1997 (UGA/96/C01, UGA/98/005)

PROJECT START DATES: July 1998 (UGA/95/C01, UGA/97/008 & UGA/96/C01,  
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EVALUATION DATE: JANUARY – FEBRUARY 2001

## **Acknowledgements**

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We wish to acknowledge the support and understanding of the UNDP Country Representative, Mr. Daouda Toure, and his deputy, Dr. Dan Temu, during the course of our work. Other senior staff of UNCDF and UNDP in Kampala also provided useful information. UNCDF Country Office provided us with relevant literature as well as logistical support.

We would also like to thank the Ministry of Local Government, and in particular the Decentralisation Secretariat/ Project Management Unit, especially Mr. Mugabi (Director, DS) and Mr Onyach-Olaa (Co-ordinator, PMU), who provided us with detailed information about decentralisation in Uganda in general and the DDP/KDDP in particular. We would also like to thank the dedicated staff of PMU who responded to our requests for data regardless of the time and day of the week and also accompanied us to all the districts we visited.

The Team is also thankful to the representatives of Uganda's development partners, whose names appear elsewhere in this report, for their frank discussion of their organisations' policies and how these relate to the development policies of the country. These discussions enabled us to see the project within the wider donor perspective of Uganda's development in the context of decentralisation.

We are thankful to all the participants of the two consultative meetings held in Kampala, one at the beginning of the Mission and the other at the end of the Mission.

While in the field, we also received the full co-operation of district and sub-county political executives as well as their technical staff. Their frank discussions of the issues related to the project and readiness to allow us access to relevant documents enabled us to gain clearer perspectives of the performance of the Project on the ground. At the project level, the Project Management Committees that we talked to at various sites were more than prepared to give us the information we needed.

And when the draft report was ready, the Team benefited from the constructive discussions that were held during the debriefing meeting at UNCDF Headquarters, New York. Subsequently, comments from UNCDF Technical Advisors (Local Government Unit), UNCDF Evaluation Unit, UNCDF Country Office, MoLG, Mukono District, and Mrs. R .P. Tumusiime (Commissioner for Agricultural Planning) were of great benefit in producing the final report.

The Team alone takes the responsibility for the contents of this Final Report and any other weaknesses that may still remain herein.

Finally, the Team is grateful to the Government of Uganda and the Project donors, namely UNCDF and UNDP, for having given us the opportunity to serve on the Mission.

## Abbreviations and Acronyms

|              |                                                        |
|--------------|--------------------------------------------------------|
| CAO          | Chief Administrative Officer                           |
| CBF          | Capacity Building Fund                                 |
| CBO          | Community Based Organisation                           |
| CDRN         | Community Development Research Network                 |
| CG           | Conditional Grant                                      |
| CoU          | Church of Uganda                                       |
| Danida       | Danish International Development Assistance            |
| DDP          | District Development Project                           |
| DfID         | Department for International Development               |
| DMU          | Dispensary Maternity Unit                              |
| DPU          | District Planning Unit                                 |
| DS           | Decentralisation Secretariat                           |
| DTB          | District Tender Board                                  |
| FaAR/ LGFaAR | Local Government Financial and Accounting Regulations  |
| FY           | Fiscal Year                                            |
| GAD          | Gender and Development                                 |
| GoU          | Government of Uganda                                   |
| GPT          | Graduated Personal Tax                                 |
| HoDs         | Heads of Departments                                   |
| HQs          | Headquarters                                           |
| IC           | Investment Committee                                   |
| IDA          | International Development Association                  |
| IPFs         | Indicative Planning Figures                            |
| KDDP         | Kotido District Development Project                    |
| LCs          | Local Councils                                         |
| LC1          | Local Council level 1 (Village Council)                |
| LC2          | Local Council level 2 (Parish Council)                 |
| LC3          | Local Council level 3 (Sub-county Council)             |
| LC5          | Local Council level 5 (District Council)               |
| LDF          | Local Development Fund                                 |
| LG           | Local Government                                       |
| LGDP         | Local Government Development Programme                 |
| LGFC         | Local Government Finance Commission                    |
| M&E          | Monitoring and Evaluation                              |
| MCs & PMs    | Minimum Conditions and Performance Measures            |
| MGLSD        | Ministry of Gender, Labour and Social Development      |
| MISR         | Makerere Institute of Social Research                  |
| MoFPED       | Ministry of Finance, Planning and Economic Development |
| MoLG         | Ministry of Local Government                           |
| NGOs         | Non-Governmental Organisations                         |
| NRM          | National Resistance Movement                           |
| O&M          | Operations and Maintenance                             |

|         |                                                                           |
|---------|---------------------------------------------------------------------------|
| PAF     | Poverty Action Fund                                                       |
| PAIMS   | Planning, Allocation and Investment Management System                     |
| PEAP    | Poverty Eradication Action Plan                                           |
| PMA     | Plan for Modernisation of Agriculture                                     |
| PMC     | Project Management Committee                                              |
| PMU     | Programme Management Unit (MoLG)                                          |
| PPAs    | Priority Programme Areas                                                  |
| PS      | Permanent Secretary                                                       |
| PSC     | Policy Steering Committee                                                 |
| PTA     | Parents Teachers' Association                                             |
| PTC     | Project Technical Committee                                               |
| PUIP    | Peri-Urban Infrastructure Project                                         |
| PDWs    | Poor Disadvantaged and Widows                                             |
| SMC     | School Management Committee                                               |
| SWAP    | Sector-Wide Approach                                                      |
| UBN     | Unsatisfied Basic Needs                                                   |
| ULAA    | Uganda Local Authorities Association                                      |
| UNABCEC | Uganda National Association of Building and Civil Engineering Contractors |
| UNCDF   | United Nations Capital Development Fund                                   |
| UNDP    | United Nations Development Programme                                      |
| UNFPA   | United Nations Fund for Population Activities                             |
| UPE     | Universal Primary Education                                               |
| UPPAP   | Uganda Participatory Poverty Assessment Project                           |
| USAID   | United States Agency for International Development                        |
| Ushs.   | Uganda Shillings                                                          |
| WB      | World Bank (The)                                                          |
| WID     | Women in Development                                                      |

## **INTRODUCTION TO THE EVALUATION REPORT**

This report is submitted to UNDP/UNCDF and the Government of Uganda as one of the outputs required by the Terms of Reference for the Evaluation Team carrying out the Mid Term Evaluation (MTE) on the District Development Project-Pilot (DDP-Pilot) and Kotido District Development Project (KDDP). The broad objectives of the evaluation, which guided the work of the Team, are set out in part 1 of the T.O.R., on page 2, quoted here below:

1. Assess the overall progress (or lack thereof) and detect early signs of success or failure;
2. Assess the initial project design and project relevance to the current situation;
3. Establish the likely impact of the DDP/KDDP on vulnerable and marginalised groups such as the internally displaced and persons with disabilities;
4. Examine the impact of DDP design/ objectives and mode of operation on on-going policy debate on and implementation of such initiatives as Universal Primary Education, Plan for Modernisation of Agriculture, Water and National Sanitation Strategy, etc.
5. Assess sustainability of implemented activities and/or exit strategies;
6. Assess the monitoring and evaluation system (including review and comparison of Project Performance Indicators, i.e. the SRFs and KPIs);
7. Set the course for the remaining duration, including the one year extension of the project;
8. Draw initial lessons learnt about project design, implementation and management.

The four-member Evaluation Team was made up of two international and two national consultants, viz.:

- Prof. Walter O. Oyugi (Team Leader): The Decentralisation Policy and Institutional Change Expert (University of Nairobi, Kenya);
- Ms. Monica Ramirez: Poverty and Participation Expert (Consultant, Bogota, Colombia);
- Mrs. Elizabeth Eilor: Gender Expert (Eastern Africa Sub-Regional Support Initiative for the Advancement of Women, Kampala, Uganda); and
- Eng. Patrick Batumbya: Infrastructure Specialist (MBW Consulting Engineers, Kampala, Uganda).

The Team assembled in Kampala on 14<sup>th</sup> January, and held its first briefing meeting with UNDP and UNCDF senior staff on 15<sup>th</sup> January. During its first week in the country, the team held meetings with government officials in Kampala and also met a cross-section of Uganda's development partners based in Kampala. In between these meetings, the Team worked on the Inception Report – the instrument that guided the activities of the mission for the rest of the duration of their stay in the country. Between 22<sup>nd</sup> January and 14<sup>th</sup> February the Team moved in and out of Kampala to all the five project districts, viz. Kabale, Mukono, Jinja, Arua and Kotido. While in the districts, the Team held meetings with both the political and administrative leaders who are members of the District Executive Committee and District Technical Committee respectively. These meetings were followed with more focused person-to-person interviews with individual heads of departments/directorates. While in the districts, the Team also visited selected Sub-Counties where meetings were again held with the political and administrative leaders at that level. These meetings were usually followed with field visits purposely designed to assess implementation work in progress as well as the impact of completed projects. The Team visited a total of 19 Sub-Counties and an average of 2-3 projects in each Sub-County. It should be noted that in the case of Mukono and Arua, each of which has since been split into two districts, no distinction was made between the 'old' and new districts for purposes of this evaluation exercise.

Two meetings were held with stakeholders during the course of the evaluation. The first one was held two weeks after the arrival of the Team, and was intended to enable the Team not only to explain the purpose of the mission, but also for the stakeholders to share their views about the project with the Team. The second meeting was held on the last working day of the Team in the

country and was an opportunity for the Team to present their preliminary findings to the stakeholders and to receive their reactions and views.

The report was developed through group and individual effort with the Team leader, as is usually the practice, putting the contributions together. The report is organised into five major sections based mainly on the structure of the Terms of Reference as follows: introduction and background; project preparation, design and relevance; status and performance of implementation, results and potential impact; critical issues; and conclusions and recommendations.

## **EXECUTIVE SUMMARY**

The District Development Project-Pilot and the Kotido District Development Project were started by the Government of Uganda with the support of donors, namely, the United Nations Capital Development Fund and the United Nations Development Programme. The primary purpose of the Projects was to experiment with modalities and procedures for strengthening development at the district level within the context of the decentralisation policy put in place from 1992. To achieve this objective, the Government of Uganda approached the IDA of the World Bank to provide financial assistance in this regard. It was the IDA which, aware of the experience of UNCDF in implementing decentralisation programmes, initiated links with the latter. UNCDF and the GoU put in place a mechanism between 1996 and 1997 that resulted in the formulation and design of what has become known as the District Development Project for Jinja, Arua, Kabale & Mukono, with the extension of the Project a year later to include Kotido. The pilot districts were selected on criteria established and agreed upon by the Government and donors.

The immediate objectives of the Project in all the five districts were:

1. To enhance the capacities of Local Councils (LCs) to meet their service provision responsibilities;
2. To refine and test LC investment allocation, planning and management procedures and approaches;
3. To monitor, evaluate and document lessons from the Pilot process and ensure their effective communication in national fora concerned with devolution of budgets and service responsibilities;
4. To encourage private sector agencies in the production of infrastructure and services, including contracting and consultancy services to local governments and communities; and
5. To support the construction, rehabilitation and maintenance of services mandated to districts and sub-counties under Schedule 2 of the Local Government Act, 1997.

To achieve these objectives, two project modalities and two financing facilities were introduced. The management of the Project was anchored on the two project modalities, namely, the Planning, Allocation and Investment Management System (PAIMS) and the Communication Framework. The two financing facilities provided for in the design are the Local Development Fund (LDF) and the Capacity Building Fund (CBF) supported by UNCDF and UNDP respectively. Besides these modalities and facilities, the implementation of the Project was supposed to be carried out within the provisions of the Constitution, 1995 and the Local Government Act, 1997. Therefore, the Decentralisation Secretariat (DS) within the Ministry of Local Government (MoLG) became the focal point for the Project. Later on, however, a special unit – the Project Management Unit (PMU) – was created to handle the Project on a day-to-day basis on behalf of the DS, and under the guidance of two committees, namely, the Policy Steering Committee (PSC) and the Project Technical Committee (PTC), established to give policy and operational guidance to the Project respectively.

In general, the evidence presented in this report indicates that the Project has performed quite well considering the existing situation before it was launched. The degree of success, however, varies from one district to another, and even within individual districts, from one sub-county to another. So far, the Project has satisfactorily addressed most of its objectives. However, the Project has not yet been successful in establishing partnerships with CBOs, NGOs and private sector agencies in the development process as was originally expected. There has also been weakness in the communication component as manifested by the lack of articulation of lessons of experience from the Project in national fora. Specifically, Local Governments outside the Project and line ministries have not been specifically targeted with regard to sharing lessons of experience. In all the five districts, the Project modalities and financial facilities have been put into good use in the course of

planning and project implementation, though there were some misgivings about the demands created by some of the operational conditions attached to them.

Through the Project, the capacity of local councils to discharge their responsibilities has been enhanced as exemplified by the development and investment plans that the districts and the sub-counties have been able to produce, and the social infrastructures they have been able to complete, some of which are already operational. Although many service facilities have been constructed under the Project, their efficacy on the ground is still to be realised. The impression one gets as one moves from one place to another and within each district is that the primary objective, namely, poverty alleviation, which the Project was supposed to address, has been touched only tangentially. This is largely because in the design of the Project, little attention was given to the identification of the dimensions of poverty, which would enable one to assess whether or not the problem has is being adequately addressed. This is also true in relation to the impact of the Project on the capacity of the poor. The Project assumes generally that there are poverty pockets without identifying who belongs to a particular poverty group.

Apart from the enhancement of the capacity of LGs, other ways in which the Project has created positive impact include the positive influence which the Project has had on decentralisation policies under other initiatives such as the Local Government Development Programme (LGDP), and the awareness that the Project has created among Uganda's development partners about the promises and prospects inherent in the development of Uganda within the framework of decentralisation policy.

There are, however, a number of issues, which still remain that the Project ought to address. The first issue is the state of institutionalisation and sustainability of the Project in the absence of donor support. In all the districts, there is little or no provision for sustaining the scale of activities currently ongoing under the Project should the donors pull out at the end of the Project duration. This is largely the situation due to the weak resource base which is characteristic of local authorities in Uganda, as also of local authorities in Africa generally. Secondly, the lessons learnt from the Project indicate that there is still lack of firm support for decentralisation policy by line ministries with critical activities at the districts, which tends to put to question the basic assumptions underlying the decentralisation policy. The lessons from the Project also indicate that the issue of gender mainstreaming, although widely discussed, finds little expression at the level of design and implementation, which is not to say that there is a deliberate attempt to downplay the issue.

The experience of Kotido requires special mention, since KDDP is regarded as a stand-alone project. The risks that were foreseen during the preparatory period have continued to affect the rate of implementation of the programme. Reference is made here particularly to the state of insecurity in the district, which has made the district quite unattractive for employment of qualified personnel. As a result, many positions at the sub-county level are vacant, which has meant that the staff on the ground is thinly spread. The net result is that Kotido has had the lowest absorption rate in comparison with the other districts, and is also lagging behind the rest of the districts with regard to capacity building efforts. Nonetheless, there has been sustained effort on the part of the project management both at the centre and at the district level to get projects initiated and implemented despite the difficulties on the ground.

So far, the donors are committed to a one-year extension of the Project. Ultimately, however, the issue of phasing out the Project will have to be confronted, and in this report, we have offered the option of rolling the Project into the LGDP as the most logical move in the present circumstances.

To address some of the outstanding problems referred to above, the following recommendations have been made:

- **On forging relationships with NGOs:** It is recommended that Local Governments should regularly invite NGOs and other development agencies operating within the LGs administrative areas to meetings where development matters bearing on the activities of such organisations are under discussion. And NGO's with long term presence in the districts should be made members of the District Technical Planning Committee in their own right (e.g. the Church of Uganda in Kotido).
- **On strengthening the communication system** in the programme: there is need to disseminate project-related information in a more structured manner to non-project areas. This could be in the form of (sharing) quarterly progress reports and familiarisation meetings for local authorities. PMU should take the lead responsibility for this. Additionally, the consultants who have been contracted by the Government to review the communication component of the Project should address themselves to the factors that have impeded the effective creation of publicity on the project at the national level.
- **And with regard to poverty alleviation**, as a matter of policy, the central government should assist LGs to categorise the poor as a basis for devising policies that target each group according to its own peculiarities.
- **As to the institutionalisation and sustainability of what has been achieved**, the central government should broaden the sources of revenue for Local Governments to enable them to meet their obligations in relation to operation and maintenance of completed projects.
- **To address the problem of lack of support to decentralisation by line ministries**, the membership of the PSC should be expanded to include the ministries with strong development presence in the field, i.e. education, health, water and sanitation, works and agriculture. And under this scenario, the chairmanship of the committee might have to change to, say, the Office of the Prime Minister.
- **With regard to gender mainstreaming:** What is meant by gender mainstreaming should be clearly defined in policy documents, and gender issues should be integrated in all national policies as appropriate, rather than treating women as a special interest group. Specific budgetary allocation should be made for gender mainstreaming activities both at the MoLG and at the districts.
- **Finally, with regard to Kotido**, the most pressing issue is the insecurity problem. The insecurity in Kotido is a much more complex problem, as it involves not only the situation in the district but also the insecurity in the adjoining areas in the neighbouring countries. It therefore requires a two-pronged approach: a national one and a regional one.

## TABLE OF CONTENTS

|          |                                                                                |           |
|----------|--------------------------------------------------------------------------------|-----------|
| <b>1</b> | <b>INTRODUCTION AND BACKGROUND</b>                                             | <b>15</b> |
| 1.1      | COUNTRY AND SECTOR SITUATION AT THE TIME THE PROJECT STARTED                   | 15        |
| 1.2      | DATA/ILLUSTRATION OF PREVAILING CONDITIONS IN AREAS TARGETED AT INCEPTION      | 17        |
| 1.2.1    | <i>Profiles and Features:</i>                                                  | 18        |
| 1.2.2    | <i>Economy and Livelihoods</i>                                                 | 19        |
| 1.2.3    | <i>Local Governments: Systems and Practices</i>                                | 20        |
| 1.3      | BRIEF DESCRIPTION OF THE PROJECT SINCE INCEPTION                               | 21        |
| 1.4      | MAJOR CHANGES IN MODE OF IMPLEMENTATION                                        | 22        |
| 1.5      | INPUTS DELIVERED VERSUS PLANNED AT MACRO LEVEL                                 | 24        |
| 1.5.1    | <i>Assessment of the DDP Pilot Program of Inputs</i>                           | 24        |
| 1.5.2    | <i>Assessment of the KDDP Program of Inputs</i>                                | 27        |
| 1.6      | PROCESSES AND PROCEDURES IMPLEMENTED VERSUS PLANNED                            | 30        |
| 1.6.1    | <i>Timeliness of Project Activities</i>                                        | 30        |
| <b>2</b> | <b>ASSESSMENT OF PROJECT PREPARATION, DESIGN AND RELEVANCE</b>                 | <b>36</b> |
| 2.1      | PROJECT PREPARATION PHASE                                                      | 36        |
| 2.1.1    | <i>Availability of Baseline Studies</i>                                        | 36        |
| 2.1.2    | <i>Inclusiveness of Consultations</i>                                          | 37        |
| 2.1.3    | <i>Performance Indicators</i>                                                  | 38        |
| 2.1.4    | <i>Introduction of the Capacity Building Fund Financing Facility</i>           | 38        |
| 2.1.5    | <i>Preparation to Meet Minimum Conditions</i>                                  | 38        |
| 2.2      | DESIGN                                                                         | 39        |
| 2.2.1    | <i>Appropriateness</i>                                                         | 39        |
| 2.2.2    | <i>Policy Relevance of Design Choices</i>                                      | 44        |
| 2.3      | RELEVANCE IN THE CURRENT CONTEXT                                               | 51        |
| <b>3</b> | <b>STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS, AND POTENTIAL IMPACT</b> | <b>52</b> |
| 3.1      | PROJECT MANAGEMENT AND IMPLEMENTATION ARRANGEMENTS                             | 52        |
| 3.1.1    | <i>Donor-Recipient Relations</i>                                               | 52        |
| 3.1.2    | <i>Relations at the Centre</i>                                                 | 53        |
| 3.1.3    | <i>Centre-Local Relations</i>                                                  | 54        |
| 3.1.4    | <i>Field-Level Relations</i>                                                   | 55        |
| 3.2      | IMPLEMENTATION RESULTS                                                         | 56        |
| 3.2.1    | <i>Enhanced Capacity of Local Councils to Discharge their Responsibilities</i> | 56        |
| 3.2.2    | <i>Encouragement of Private Sector Participation in the Programme</i>          | 72        |
| 3.2.3    | <i>Support to Mandated Services per Schedule 2 LGA 1997</i>                    | 74        |
| 3.2.4    | <i>Performance of Project Management Tools</i>                                 | 78        |
| 3.2.5    | <i>Monitoring, Evaluation and Feedback System</i>                              | 82        |
| 3.3      | IMPLEMENTATION IMPACT                                                          | 83        |
| 3.3.1    | <i>Impact on Poverty</i>                                                       | 83        |

|          |                                                                                                   |            |
|----------|---------------------------------------------------------------------------------------------------|------------|
| 3.3.2    | <i>Impact on Local Governance</i>                                                                 | 94         |
| 3.3.3    | <i>Impact on Capacity of Local Governments</i>                                                    | 94         |
| 3.3.4    | <i>Capacity of the Poor</i>                                                                       | 95         |
| 3.3.5    | <i>Impact on Policy</i>                                                                           | 96         |
| 3.3.6    | <i>Donor Replication</i>                                                                          | 98         |
| <b>4</b> | <b>CRITICAL ISSUES</b>                                                                            | <b>99</b>  |
| 4.1      | INSTITUTIONALISATION AND SUSTAINABILITY OF THE DDP-PILOT AND KDDP                                 | 99         |
| 4.1.1    | <i>Institutional Innovations and Bottlenecks and their Impact</i>                                 | 99         |
| 4.1.2    | <i>Policy Implications Pertaining to Minimum Conditions and Performance Measures</i>              | 100        |
| 4.1.3    | <i>Assessment of Local Capacity Building Efforts</i>                                              | 100        |
| 4.1.4    | <i>Viability of the Local Council System in Planning, Capacity Building and Service Provision</i> | 100        |
| 4.1.5    | <i>Role of the Local Council System /Communities in Project Sustainability</i>                    | 101        |
| 4.1.6    | <i>Institutionalisation of Dialogue among Various Local Actors</i>                                | 101        |
| 4.1.7    | <i>Existing Institutional Capacity to Meet Local Government Training Needs</i>                    | 102        |
| 4.2      | GENDER ISSUES                                                                                     | 102        |
| 4.2.1    | <i>Gender Mainstreaming in the Project Design</i>                                                 | 103        |
| 4.2.2    | <i>Effect of the Project on Gender Relations</i>                                                  | 104        |
| 4.2.3    | <i>Gender Mainstreaming in Government National Policies and Development Programmes</i>            | 104        |
| 4.2.4    | <i>Challenges to Gender Mainstreaming in the Project</i>                                          | 105        |
| 4.2.5    | <i>Impact of Gender Policy on DDP/KDDP and vice versa</i>                                         | 106        |
| 4.2.6    | <i>Other Observations on Gender Mainstreaming in the LG System</i>                                | 106        |
| 4.3      | PARTNERSHIPS AND CO-ORDINATION ROLE OF THE PROJECT                                                | 107        |
| 4.3.1    | <i>Nature and Quality of Partnerships with Local Actors</i>                                       | 107        |
| 4.3.2    | <i>Coordinative Role of the Project</i>                                                           | 107        |
| 4.4      | MONITORING AND EVALUATION                                                                         | 108        |
| 4.4.1    | <i>Availability and Quality of Baseline Information</i>                                           | 108        |
| 4.4.2    | <i>Availability and Acceptance of Indicators</i>                                                  | 109        |
| 4.4.3    | <i>Regularity and Accuracy of Data Collection</i>                                                 | 109        |
| 4.4.4    | <i>Usefulness and Extent of Actual Use of M&amp;E System</i>                                      | 110        |
| 4.4.5    | <i>Recommendations</i>                                                                            | 110        |
| 4.5      | PHASING OUT STRATEGIES                                                                            | 110        |
| 4.5.1    | <i>The Option: Roll DDP/KDDP into LGDP</i>                                                        | 111        |
| 4.5.2    | <i>The Course for the Remaining Duration of DDP</i>                                               | 111        |
| 4.5.3    | <i>The Case of KDDP</i>                                                                           | 111        |
| <b>5</b> | <b>SUMMARY FINDINGS AND RECOMMENDATIONS</b>                                                       | <b>113</b> |
| 5.1      | INTRODUCTION AND BACKGROUND                                                                       | 113        |
| 5.1.1    | <i>Changes in mode of implementation</i>                                                          | 113        |
| 5.1.2    | <i>Inputs delivered v. planned</i>                                                                | 113        |
| 5.1.3    | <i>Processes and procedures implemented v. planned</i>                                            | 113        |
| 5.2      | ASSESSMENT OF PROJECT PREPARATION, DESIGN AND RELEVANCE                                           | 113        |

|       |                                                                        |     |
|-------|------------------------------------------------------------------------|-----|
| 5.2.1 | <i>Appropriateness of Design</i>                                       | 113 |
| 5.2.2 | <i>Relevance of Design Choices</i>                                     | 114 |
| 5.2.3 | <i>Project preparation phase</i>                                       | 115 |
| 5.2.4 | <i>Relevance of the Project in the current context</i>                 | 115 |
| 5.3   | STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS AND POTENTIAL IMPACT | 116 |
| 5.3.1 | <i>Project management and implementation arrangements</i>              | 116 |
| 5.3.2 | <i>Implementation results</i>                                          | 117 |
| 5.3.3 | <i>Implementation Impact</i>                                           | 119 |
| 5.4   | CRITICAL ISSUES                                                        | 122 |
| 5.4.1 | <i>Institutionalisation and Sustainability of DDP/KDDP</i>             | 122 |
| 5.4.2 | <i>Gender Issues</i>                                                   | 123 |
| 5.4.3 | <i>Partnerships and Co-ordinative Role of the Project</i>              | 124 |
| 5.4.4 | <i>Monitoring and evaluation</i>                                       | 125 |

**LIST OF TABLES AND FIGURES**

|                                                                                    |    |
|------------------------------------------------------------------------------------|----|
| Table 1: Regional Poverty Profile.....                                             | 17 |
| Table 2: Rural Population, Population Density and Administrative Areas .....       | 18 |
| Table 3: Selected Social indicators .....                                          | 19 |
| Table 4: Planned Inputs for the DDP-Pilot.....                                     | 25 |
| Table 5: Planned Inputs for the KDDP.....                                          | 27 |
| Table 6: Project Financing Plan for DDP/KDDP.....                                  | 46 |
| Table 7: DDP/KDDP Projects by Sector .....                                         | 75 |
| Table 8: Distribution of Projects within the Health Sector .....                   | 88 |
| <br>                                                                               |    |
| Graph 1: DDP-LDF Planned vs. Released .....                                        | 25 |
| Graph 2: DDP-CBF planned vs. released.....                                         | 26 |
| Graph 3: KDDP-CBF Planned Vs Delivered.....                                        | 28 |
| Graph 4: KDDP-LDF planned vs. delivered .....                                      | 29 |
| Graph 5: LDF Releases for all Districts, Actual vs. Planned.....                   | 31 |
| Graph 6: Mukono District Planned Vs Actual LDF Releases .....                      | 32 |
| Graph 7: Jinja District Planned Vs Actual LDF Releases.....                        | 33 |
| Graph 8: Arua District Planned Vs Actual LDF Releases .....                        | 33 |
| Graph 9: Kabale District Planned Vs Actual LDF Releases.....                       | 34 |
| Graph 10: Kotido District Planned Vs Actual LDF Releases .....                     | 35 |
| Graph 11: Evolution of District Total Revenues .....                               | 65 |
| Graph 12: Evolution of Local Revenues per capita.....                              | 66 |
| Graph 13: Composition of Total Revenues – Jinja District .....                     | 66 |
| Graph 14: Composition of Total Revenues – Kabale District .....                    | 66 |
| Graph 15: Compositions of Total Revenues – Mukono District .....                   | 68 |
| Graph 16: Composition of Total Revenues – Arua District.....                       | 68 |
| Graph 17: Arua Local Revenue vs Total Revenue.....                                 | 69 |
| Graph 18: Jinja Local Revenue vs Total Revenue .....                               | 70 |
| Graph 19: Kabale Local Revenue vs Total Revenue .....                              | 70 |
| Graph 20: Mukono Local Revenue vs Total Revenue.....                               | 71 |
| Graph 21: Evolution of Graduated Tax per Capita .....                              | 72 |
| Graph 22: Percentage Distribution of LDF by Sector for Fys 1998/99 – 1999/00 ..... | 83 |
| Graph 23: Kabale District – Total DDP Investments by Sector .....                  | 85 |
| Graph 24: Jinja District – Total DDP Investments by Sector .....                   | 85 |
| Graph 25: Mukono District – Total DDP Investments by Sector .....                  | 86 |
| Graph 26: Kotido District – Total DDP Investments by Sector.....                   | 86 |
| Graph 27: Arua District – Total DDP Investments by Sector.....                     | 87 |
| Graph 28: LDF Distribution by District .....                                       | 89 |
| Graph 29: Total LDF Per Capita Vs Poverty Indicator.....                           | 90 |
| Graph 30: Health LDF Per Capita vs. Child Mortality .....                          | 91 |
| Graph 31: Education LDF Per Capita vs. literacy .....                              | 92 |

**LIST OF ANNEXES**

Annex 1: REFERENCES

Annex 2: EVALUATION SUMMARY

Annex 3: LIST OF PEOPLE MET AND/OR INTERVIEWED

Annex 4: TERMS OF REFERENCE

Annex 5: MAP OF UGANDA SHOWING PROJECT DISTRICTS

# 1 INTRODUCTION AND BACKGROUND

## 1.1 COUNTRY AND SECTOR SITUATION AT THE TIME THE PROJECT STARTED

The District Development Project, whose performance is the subject of this Mid-Term Evaluation, was conceived in 1996 when the need to experiment with various strategies of strengthening the development process at the District and lower levels was felt. A discussion between the Government of Uganda (GoU) and the International Development Association (IDA) of the World Bank group was initiated. Accepting the need for establishing such a strategy, IDA turned to an international agency – United Nations Capital Development Fund (UNCDF) – which it believed had the requisite experience in implementing decentralised development programmes. Having been brought on board, UNCDF linked up with the GoU and the two worked together between October 1996 and June 1997 to identify the basic characteristics of the Project as well as the modalities to guide its planning and implementation processes.

The setting within which the Project would operate was the District, following the decentralisation policy pursued since 1992. In particular, the period between 1992 and 1996 saw a deliberate attempt by the National Resistance Movement (NRM) government to put in place structures and processes at the local level through which local government staff and the citizens at large would be involved in decision making for people-based development. Initially, the 1993 Resistance Councils Statute established a hierarchy of resistance councils from the village level up to the district. In the meantime, the government was seriously thinking about a long-term decentralisation policy that would address the pressing politico-administrative demands within the country at the time.

It should be recalled that during this same period there was intense discussion on whether or not Uganda should revert to the federal system inherited at independence. Therefore, the decentralisation policy enacted into law in 1997 (Local Government Act, 1997) was deliberately designed to address not only the administrative needs of decentralised development, but also the political imperatives at the time; which is why an informant has characterised the districts under the current decentralisation dispensation as some kind of tiny federal states.

*The decentralisation system was the result of the “federo” debate. Thus districts are like tiny states.  
(Respondent)*

Indeed, the Ugandan decentralised system is quite unique in comparison with other decentralised schemes in Africa. Unique characteristics are evident in the way decision making powers over development have been devolved to the districts, the mode of revenue-sharing among the various units of local government, and the district’s powers to hire and fire personnel, which has made district employees directly accountable to district authorities. More importantly, the Ugandan system dispenses with the superintending and inspection role which the line ministries had been using before as mechanisms for controlling projects and activities at district level. The 1997 Act thus officially removed the centre from being involved in operational decisions at the district level.

The District Development Project – Pilot (DDP-Pilot) was required to operate within the guidelines set by the decentralisation legislation, that is the Local Government Act of 1997. Under the Project, 4 pilot districts were chosen in June 1996. These are Mukono, Arua, Jinja and Kabale. They were selected to represent different ecological conditions as well as to reflect geographical/regional balance. The inclusion of Kotido as the fifth pilot district came a year later and was influenced largely by the presence of UNCDF in the District. In this regard, it should be noted that the UNCDF had been

involved in Kotido from early 1992 through the Karamoja Community Development Programme. The programme was implemented by the Church of Uganda (CoU) on behalf of UNCDF and the United Nations Development Programme (UNDP) as a pilot project known as Karamoja Pilot Development Project. Following an evaluation of the programme carried out by UNCDF in 1996, a decision was made to upscale the pilot phase, which had started in earnest in 1994. During 1997, the upscaling process got under way. But in June 1997 the UNCDF decided to reformulate the Project in line with the DDP-Pilot being implemented in Arua, Jinja, Kabale and Mukono, and in light of the newly enacted Local Government Act. However, the inclusion of Kotido in the DDP-Pilot was not officially effected until Fiscal Year (FY) 1998/99, though the disbursement of funds to Kotido started at the same time as the disbursement of funds to the other districts in the DDP – Pilot (i.e. July 1998).

The focus of the Project in all the five pilot districts is the eradication of poverty, which is an area of concern both for the GoU and the Project donors. The Project proposes to address the problem of poverty through making the development process, and in particular the delivery of public goods and services, more inclusive, efficient, effective and sustainable. To that end, the Project provides technical assistance and financial resources to enable the definition, testing and application of a range of participatory planning, allocation and investment management procedures in ways that:

1. Empower local governments and communities to identify, deliver and sustain locally determined investment priorities for public goods and services; and
2. Provide practically tested lessons from experience and contribute to national decentralisation policy and procedures.

Indeed, prior to the launching of the Project, and in spite of the efforts by the Government to address poverty since especially the mid-eighties when the NRM government came into power, available data indicate that poverty was still a major problem. With the guerrilla war of 1981-85 coming to an end, the economy benefited from the relative stability that characterised the post-war period. During the war, the operational areas of the anti-Obote forces were the central and western regions, which also happen to be the most productive parts of the country. Hence Uganda registered negative growth (-3.4%) in 1984/85. But economic growth recovered substantially to 6% in 1985/86, and since then, the growth rate has by and large remained at that level.<sup>1-</sup> This notwithstanding, Uganda still remained among the least developed countries of the world. As at 1998, it was ranked 158 out of 174 countries by UNDP based on Human Development Index. And with a per capita income of US\$ 296 as at 1998, the average Ugandan was living below the poverty line. In real terms, 55% of the population lived below the poverty line. Furthermore, 43% of the rural population have been characterised as “human poor” i.e. deprived of survival, knowledge and decent living.

In addition to general poverty, 54% of the population had no access to clean water, 38.2 % of the total population aged 15 and above were illiterate and 53% of females in the same age category were illiterate. The regional poverty profile at the time is presented in table 1 below:

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<sup>1-</sup> Republic of Uganda, National programme for good Governance in the Context of the Poverty Eradication Action Plan (Uganda Governance Capacity Assessment Project) (Kampala: MoFPED, May 2000).

**Table 1: Regional Poverty Profile**

|          | % of Ugandan population | % of population in absolute poverty |      |
|----------|-------------------------|-------------------------------------|------|
|          |                         | 1992/93                             | 1997 |
| Northern | 17.4                    | 71                                  | 59   |
| Eastern  | 28.9                    | 60                                  | 54   |
| Western  | 26.7                    | 53                                  | 42   |
| Central  | 27.1                    | 45                                  | 28   |

Note: Total population of Uganda is approx. 21 million.

Source: Uganda Poverty Status Report, 1999 (Kampala: MoFPED)

## 1.2 DATA/ILLUSTRATION OF PREVAILING CONDITIONS IN AREAS TARGETED AT INCEPTION

The five Project districts present similarities in some areas and contrasts in others. To begin with, at the time of the Project launch all the five districts had a very weak local revenue base. Kotido represented the worst-case scenario, with local revenue constituting only 3% of total district revenue received in 1995. For Mukono, which is regarded as the richest of the 5 pilot districts, local revenue constituted only 32% of total revenue, while Arua, Kabale and Jinja recorded 16%, 18% and 21% respectively.

With respect to poverty indicators at the time of the Project launch, Kotido and Arua, which represent the poorest of the pilot districts, had child mortality rates estimated at 235 and 230 per 1000 respectively compared with Jinja at 159; in the area of literacy, Kotido scores lowest among the five districts with a 20% literacy rate in contrast with 75% and 65% for Jinja and Arua respectively. In Kotido, 67.6% of the population were in the lowest quartile of national expenditure, whereas in Jinja, the proportion was 15%. The relatively better endowment of Mukono and Jinja is reflected in the fact that 31% and 28% respectively of their populations were in the highest national expenditure quartiles.

Differential endowment of the pilot districts is also reflected in the nature of access to services. In both Jinja and Mukono, the people are able to access services available in Jinja municipality and Kampala City respectively. This is particularly so in the areas of health and education. For example, in Jinja, 95% of the population are within 5 km of a health service unit, whereas in the two least developed districts, namely Arua and Kotido, the situation is much different: in Arua, less than 50% have similar access, whereas in Kotido, it is only 10%. The situation in Kotido and Arua has over the years been greatly affected by insecurity, in the case of Kotido occasioned by cattle rustling and armed banditry, while Arua has been affected by civil unrest in the neighbouring countries and cross border infiltration. Both Arua and Kotido are affected by the general insecurity in the neighbouring countries. What is more, the nature of insecurity in Kotido has made it difficult for public servants to be attracted to and retained in the district. And even within the district itself, it has been difficult to deploy staff from the district headquarters to the sub-counties for the same reason.

Such conditions as reflected in the data above were representative of a wider situation in the country, and the choice of these districts was influenced by the need for such representativeness.

### 1.2.1 Profiles and Features:

The Pilot districts and Kotido represent some of the major regional differences of Uganda. The adjacent districts of Jinja and Mukono are close to Lake Victoria and experience perennial rains. Arua and Kotido in the north-east and north-west, bordering Congo, Sudan and Kenya, are significantly drier and hotter. Kabale district in the south-west, bordering Rwanda, is mountainous and cool.

As table 2 shows there are significant differences in population, population density, land area and ethnicities among the five Districts.

**Table 2: Rural Population, Population Density and Administrative Areas**

|                                                     | <b>Arua</b>                                           | <b>Jinja</b>                                  | <b>Kabale</b>                           | <b>Mukono</b>                                                              | <b>Kotido</b>                                |
|-----------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------|----------------------------------------------|
| Estimated Rural population, 1996 <sup>1</sup>       | 698,323                                               | 250,091                                       | 432,568                                 | 841,676                                                                    | 218,143                                      |
| Administrative Divisions                            | 31 rural Sub-counties, one municipality, one township | 7 rural Sub-counties, one municipality.       | 16 rural Sub-counties, one municipality | 32 rural Sub-counties, five Town Councils.                                 | 19 rural Sub Counties, one Town Council      |
| Land area (Km <sup>2</sup> )                        | 7,595                                                 | 677                                           | 1,695                                   | 4,594                                                                      | 13,294                                       |
| Rural population density (persons/Km <sup>2</sup> ) | 92                                                    | 369                                           | 255                                     | 183                                                                        | 15                                           |
| Largest ethnic groups <sup>2</sup>                  | <b>Lugbara</b> (79%), Kakwa (10%), Madi (8%)          | <b>Basoga</b> (65%), Baganda (8%), Iteso (5%) | <b>Bakiga</b> (96%), Banyarwanda (1%)   | <b>Baganda</b> (55%), Basoga (10%), Banyarwanda/ Barundi (6%), Bagisu (6%) | <b>Dodoth</b> (47%), Jie (29%), Labwor (24%) |

The different physical, administrative and social constraints faced by the five Districts were evident in the indicators of poverty (see table 3 below).

<sup>1</sup>. Extrapolated from the 1991 Census using 1980-1991 annual growth rates. Rural population defined as total population excluding population in urban centres.

<sup>2</sup> 1991 Population Census (entire District populations including urban areas).

**Table 3: Selected Social indicators**

| <i>District</i> | <i>Child mortality rates<sup>3</sup></i> | <i>% population within 5 km radius of health clinic<sup>4</sup></i> | <i>AIDS per 1000<sup>5</sup></i> | <i>Literacy rates<sup>6</sup></i> | <i>Household expenditure per capita<sup>7</sup> in U Shs.</i> | <i>Distribution of population (%) (by expenditure at bottom income)</i> |
|-----------------|------------------------------------------|---------------------------------------------------------------------|----------------------------------|-----------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------|
| Arua            | 230                                      | 48.4                                                                | 0.9                              | 46.2                              | 10,676                                                        | 32.5                                                                    |
| Jinja           | 159                                      | 94.1                                                                | 4.6                              | 68.1                              | 21,939                                                        | 15.5                                                                    |
| Kabale          | 190                                      | 71.1                                                                | 0.9                              | 51.9                              | 21,031                                                        | 17.0                                                                    |
| Mukono          | 169                                      | 44.3                                                                | 1.6                              | 62.0                              | 23,379                                                        | 21.3                                                                    |
| Kotido          | 245                                      | 10.0                                                                | - <sup>8</sup>                   | 12.2                              | 8,614                                                         | 67.6                                                                    |
| Uganda          | 203                                      | 49.0                                                                | 2.3                              | 60.5                              | 17,545                                                        |                                                                         |

Differentials in access to services are a marked distinguishing feature between the 5 pilot districts. The people of Jinja are able to access services available in Jinja town nearby, Mukono District is relatively wealthy and comparatively well endowed with infrastructure, but there is much greater pressure on existing facilities, whereas Kabale's hilly terrain adds to the cost of providing services. Arua, where service levels are least favourable, has been much affected by prolonged civil unrest. Kotido, in turn, presents the lowest endowment of facilities compared to the other Districts and the most difficult situation in accessibility given the nomadic characteristics of the Karamojong people.

Of all the five Districts, Mukono and Jinja are the most adversely affected by HIV/AIDS, well above the national average. The high incidence of AIDS cases reported in Jinja is partly to be ascribed to the higher urbanisation of the District, but also to the better reporting system. Unlike the other four Districts between 1980-1991, Kotido District experienced a steep decline in population growth that can neither be attributed to the incidence of Aids, nor to famine. The most probable explanation would appear to be the greatly increased levels of adult mortality arising from bandit attacks and cattle raiding carried out with the use of automatic weapons.

### 1.2.2 Economy and Livelihoods

The economy of the four DDP pilot districts is overwhelmingly based on agriculture, although Jinja and Mukono Districts have a number of small-scale industries. Historically, Jinja District has been an industrial centre and although its position has declined in recent years it still maintains a very high

<sup>3</sup> Child mortality rate at ages 0-59 months, 1991 Census data.

<sup>4</sup> Ministry of Health, Health Planning Unit 1993: "Health Facility Inventory and Access to Health Services, Uganda, 1992"

<sup>5</sup> ACP, HIV/AIDS Surveillance Report, 1993, quoted in T. Barton and G. Wamai 1994: "Equity and Vulnerability: A Situation Analysis of Women, Adolescents and Children in Uganda, 1994", p.65. The same report mentions that actual AIDS cases are probably five times higher than the reported cases.

<sup>6</sup> Uganda Human Development Report 1998, UNDP. Appendix 3: Human Development Indicators: District Profile 1996. Source: Statistics Department, MoFPED

<sup>7</sup> Ditto.

<sup>8</sup> Data unavailable.

urbanisation ratio (28 per cent) compared to Uganda as a whole (11 per cent) and the other three districts (where the ratio ranges from 4 to 12 per cent).

Rural households are generally small landholders, with 62 per cent of the households in possession of less than one hectare per household.<sup>9</sup> Variations in land ownership patterns among or within districts are not well described in the available statistics. However, case studies point to an increasing pressure on land in many areas in Uganda, for example in Kabale District and the more densely populated areas of Mukono and Jinja Districts. The generally small acreages farmed are in some areas also due to limited access to inputs and tools – especially in a district like Arua. Among the four pilot districts, Arua is the poorest in terms of overall incomes, although not as poor as the average district in the Northern region. Mukono and Jinja are relatively the wealthiest districts. The income distribution is most unequal within Mukono District.

Kotido, on the other hand, as part of the Karamojong culture has developed, over many centuries, a viable but delicate production system suited to the local ecology. Part of the family (consisting of the elderly, the women, and the children) and part of the livestock (consisting of the lactating female animals and their young, or the dairy herd) are settled on higher, drier land, while the main herd trashes to different pastures driven by the male members of the family. Studies in the 1970s showed that, given current rates of mortality, fertility and productivity, a typical household needs about 17 Livestock Units (LSU) to just survive from year to year, and even more to withstand droughts. Cultivation is a recent enterprise, started within this century, among the Karamojong of Kotido but is an increasing trend. A slash and burn system is used to grow mono-crop cereals, except on the home gardens, which are more intensively planted. The land is stripped bare after harvest, leaving the soil exposed to the winds and early rains, and contributing to erosion. In the customary Karamojong system of crop production, women grow cereals and a few vegetables to supplement the staple diet of milk and meat. Male participation in crop production increased with the growing use of ox-drawn ploughs, but women continue to sow, weed, harvest and process the food.

### **1.2.3 Local Governments: Systems and Practices**

#### ***1.2.3.1 Planning and Allocation for Public Service Delivery Investments***

At the time of the inception of the DDP only Mukono District had prepared District Development Plans in the past while the other three pilot districts were expected to have their development plans by October 1997.

In terms of staffing, no District Planning Unit had all six key staff required<sup>10</sup>, and only Mukono, the best staffed, had four categories, whereas all had population officers, which was attributed to the influence of UNFPA activities.

Decisions on resource allocations for public service delivery were to a large extent made within the confines of individual development projects, e.g. water, road development, etc., the bulk of which were donor-financed. Central government development budgets had not yet been decentralised and local revenue for development investment was very limited.

Sub-counties as corporate bodies can pass plans and budgets without approval from the Districts. Districts are at the same time required to integrate lower council plans into 'integrated district plans'. A

<sup>9</sup> World Bank 1993b: "Uganda: Agriculture", p.28.

<sup>10</sup> Statistician, Population Officer, Economist, Physical Planner, Urban Officer, and Environment Officer

challenge to the DDP Pilot was to resolve and operationalize the principles of ‘non-subordination’ and ‘integrated planning’; overcoming potential tensions between LC5 and LC3 levels of government.

The democratically elected councils approved budgets that integrated local revenue and central transfers, as well as to a varying degree reflected the activities of donor-funded programmes and NGOs. However, questions were raised about the inclusiveness of the planning process in which Districts have to involve the lower councils.

### ***1.2.3.2 Financial Management***

All the four districts had shortcomings in staff charged with financial management. At the time of the initial assessment, both Arua and Mukono Districts were without the Chief Internal Auditor to head the audit department. Several Sub-Counties did not have accounting staff with formal qualifications as accountants. However, great efforts were in place to improve Sub-county staffing in all the four districts.

Although operational for some time, Local Government Tender Boards in the four districts had limited experience in the preparation of the more technical construction contracts for roads or water supplies. Sub-Counties were very reluctant to use them due to the Tender Boards’ poor reputation for failure to secure reasonable bids and quality contractors.

Final accounts were notoriously delayed (if ever released). Although improvements were reported for the financial year 1996/97, only one of the four districts (Jinja) submitted its final accounts within the four months after the closure of accounts.

### ***1.2.3.3 Fiscal Performance: Revenue Sources and Expenditure Patterns***

The Districts relied mainly on central government transfers. The share of locally raised revenue of the total district funds ranged from 32 per cent (Mukono District) to 16 per cent (Arua District).<sup>11</sup> Kotido, as we have already seen, locally raised only 3% of total district revenue.

In Jinja, the District collected U Shs 4,800 per capita in revenue in FY 95/96 (and total revenue, from all sources, reached U Shs 23,500 per capita) whereas in Arua, revenue flows were more erratic and seldom reached half this level. Actual revenue collection ranged from 45 per cent of potential in Arua to 75 per cent in Kabale.

At the Sub-county level, the picture is even more markedly varied. Some Sub-Counties raised almost U Shs 3,500 per capita; others, particularly in Arua, were only able to raise ten per cent of this amount.

## **1.3 BRIEF DESCRIPTION OF THE PROJECT SINCE INCEPTION**

The districts of Arua, Jinja, Mukono and Kabale were confirmed for the pilot project in June 1996 (see DDP Project Document, p. 7). This was followed by a series of consultations among stakeholders, but particularly between the Project donors and the GoU. These consultations were intended to determine the most appropriate institutional arrangements for carrying out the Project. To facilitate the discussions, a task force was established comprising representatives of the ministries of Local Government, Finance, Planning and Economic Development. However, at some point during the course of these consultations, the need to establish a unit within the focal ministry to handle the day-to-day matters relating to the proposed project as well as another pilot project that was being formulated at the

<sup>11</sup> See DDP-Pilot, Project Document, Technical Annex II: Pilot Districts Profile

same time, i.e. the IDA supported Peri-Urban Infrastructure Project, was felt. Hence the establishment of the Project Management Unit (PMU) under the Decentralisation Secretariat within the MoLG. In the case of the DDP, the PMU once established, moved into action by establishing district core teams in each pilot district comprising of councillors and technical staff, to create a framework for the participation of local councils. A District Advisory Group made up of selected councillors and technical staff was also appointed and would henceforth be co-opted into the national policy-making process regarding the Project.

A number of specialist institutions were hired to provide specific services with regard to the formulation process. During the formulation process, the donors (i.e. UNDP and UNCDF) and the MoLG focussed on three main objectives: capacity building, participation and appropriate project design. The formulation process culminated in the production of the Project Document in August 1997, which was approved by the GoU and Project donors in September 1997. KDDP's formulation took place between October 1997 and February 1998 and the Project Document was approved in August 1998.

The DDP-Pilot had an establishment phase lasting six months up to June 1998, with the first release of LDF funds scheduled for July 1998. The establishment phase was designed to achieve the following objectives:

- To align the programme with the local government planning and budgeting cycle;
- To provide technical assistance intended to enable the 5 pilot districts and the sub-counties therein to meet the minimum conditions regarding the disbursement of Project funds

With these objectives achieved by and large, LDF funds began flowing to the Districts in July 1998 as planned.

The DDP-Pilot is now in its final year of implementation while the KDDP is scheduled to end next year. Two 'internal' reviews of the Project have since been carried out to assess the general performance of the Project during the implementation phase. They have identified areas of achievements and recommended improvements in those areas requiring attention.

#### **1.4 MAJOR CHANGES IN MODE OF IMPLEMENTATION**

The Project was to be implemented according to two project modalities, viz.

- (a) The Planning, Allocation and Investment Management System (PAIMS), and
- (b) The Communication Framework.

The PAIMS is designed to manage the LDF and consists of the menu of investment options, the funding and allocation channels, the financing terms (including the minimum conditions and co-financing arrangements), and the planning and provision responsibilities for services to be financed.

The Communication Framework provides the basis for the identification and sharing of lessons of experience arising from the Project. It includes monitoring and documenting of lessons learnt and their translation into informed and tested policies, procedures and operational guidelines.

There are two financing facilities for the above project modalities, viz.

- (a) The Local Development Fund (LDF), and
- (b) The Capacity Building Fund (CBF).

The LDF is meant to provide flexible development funds to enable the local governments to assume the primary responsibility for service provision geared towards poverty alleviation. The CBF is intended to meet the LC's capacity building requirements and those of other service providers within the decentralised approach to service provision.

Information available indicates that no major changes have been made in the mode of Project implementation. However, a number of operational arrangements have been adjusted as identified below:

The 10% co-financing requirement for the LCs is a Minimum Condition to access LDF funds. According to the original design, LCs were required to deposit an amount equivalent to 10% of the yearly budget into the LDF account at the beginning of each fiscal year. The first annual Assessment of Minimum Conditions and Performance Measures found this requirement to be a major constraint for Local Governments. Therefore the requirement was adjusted to be compatible with the local revenue mobilisation cycle. Hence LGs were now required to deposit an amount equivalent to 10% of the expected quarterly release every quarter. This arrangement was expected, as indeed happened, to ease access of LGs to LDF.

Also as a result of the first annual Assessment, LGs reported the mismatch between releases and work plans since the latter did not necessarily follow an even pattern during the year. They pointed to the fact that most investments should be accomplished during their appropriate season and therefore some of them may be concentrated in certain periods of the year. Consequently it was agreed that instead of making equal quarterly releases, as had been done since the inception of the Project, LDF releases from the centre to the Districts and Sub Counties would be based on work plan requirements for each quarter. The new arrangement contributed to enhanced accountability and increased efficiency in the use of funds as the flow was adjusted to the actual conditions of the demand in terms of timing.

Arising from changes in national regulations or from the application of some provisions from the Local Government Act 1997, some practical arrangements were also modified in the project operation. Initially, the minimum thresholds for procurement of works, and goods and services through the District Tendering Board were UShs. 2,000,000 and UShs.1, 000,000 respectively. During Fiscal Year 1998-99 the Ministry of Finance reduced the original threshold to UShs 500,000 for procurement of goods and services, while for construction the threshold now stands at UShs 1,000,000. This government decision was intended to introduce stringent controls on procurement processes especially by lower and less capable local governments throughout the country. In the case of DDP and KDDP Subcounties, this requirement is felt to be an impediment to more efficient procurement procedures, for it may cause delays in the process of execution of investments. Such low thresholds, although necessary in some cases, could be gradually raised for some stronger Subcounties based on their past performance.

The introduction of ‘mentoring’ and on-the-job training, and the application of the ‘cascade training’ approach were not foreseen in the original design of the CBF facility. The CBF facility was conceived both with a supply driven component, to be administered mostly by the MoLG, and a demand driven component at the level of Local Governments as they strove to meet their capacity gaps based on their own needs assessment. During year 1999<sup>12</sup> the MoLG realized the importance of actively fostering the mentoring role for Local Governments enshrined in the LGA, 1997, which particularly refers to no less than twenty different ways in which District Local Governments are responsible for mentoring the lower level local governments. Besides, the MoLG is also responsible for providing guidance to and assisting local governments to improve their capacities. As a practical way of delivering such responsibilities on the ground for the pilot Districts, which altogether comprised more than 100 local

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<sup>12</sup> Martin Onyach-Olaa, “Mentoring of Lower Level Local Governments by District local Governments”, UNCDF-Uganda, Working Brief Series, June 1999; and Annet Mpabulungi, “Assessment of the Cascade Training”, UNCDF-Uganda, Working Brief Series, June 1999.

governments and many more local councils, the MoLG formulated a training strategy the central focus of which is called the “cascade approach”. The cascade training approach is a method designed to provide serialised training from national core teams to District core teams who in their turn provide training to the lower levels. The essence of this approach is that the training is structured so that those trained, train others. The focus of training and the particular beneficiaries in each case will depend on the needs or gaps identified through the Minimum Conditions Assessment, mostly around functional capacities in planning, financial management, engineering, etc. The cascade approach was initially implemented during the establishment phase of the DDP Pilot, but continued to be the main conduit for delivering mentoring and capacity building from Districts to lower local governments. Developing joint mentoring plans and using both District and Sub-County resources (i.e. the CBF facility), cascade training became the main beneficiary in the utilisation of the CBF facility at the lower levels. The implication is that given the low capacity of LGs to identify and formulate capacity building plans, mentoring and cascade training have become the main conduit for capacity building; a practical mode, half way between a supply and a demand driven approach, which mostly utilises training modules developed by the MoLG.

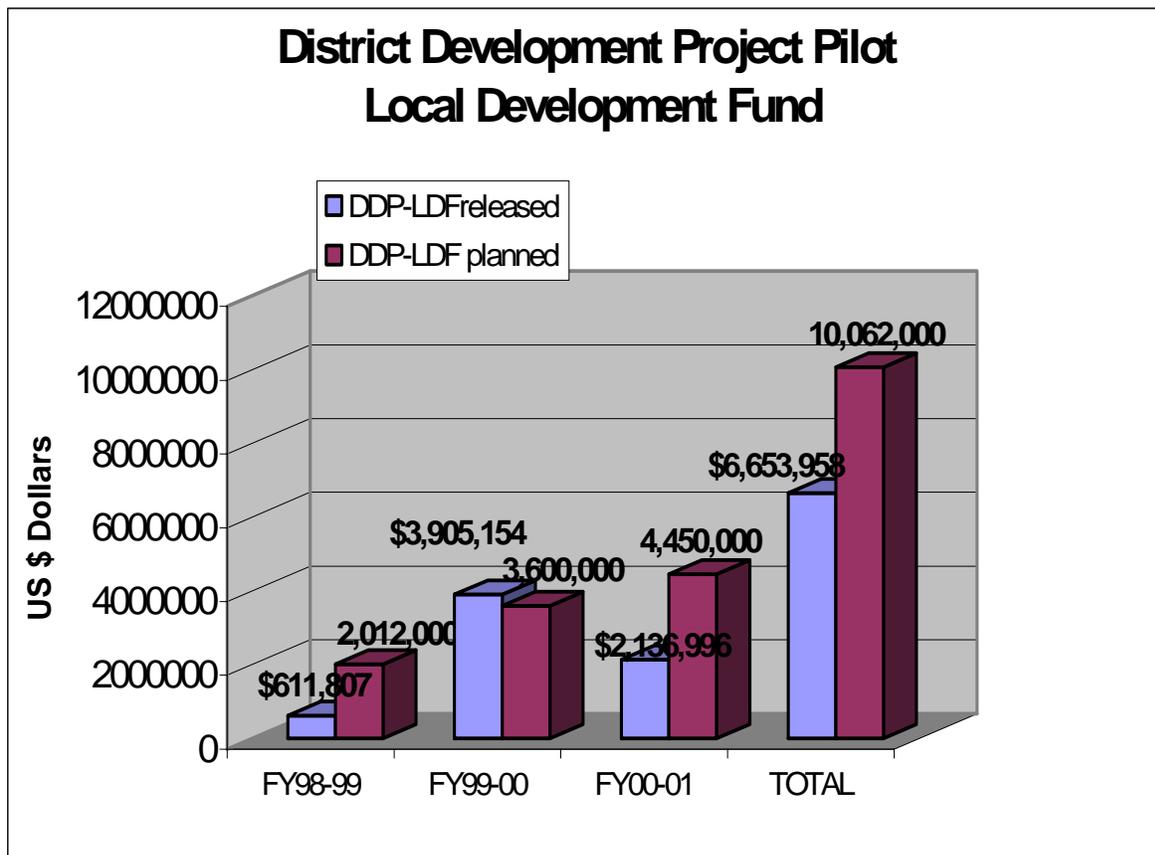
## **1.5 INPUTS DELIVERED VERSUS PLANNED AT MACRO LEVEL**

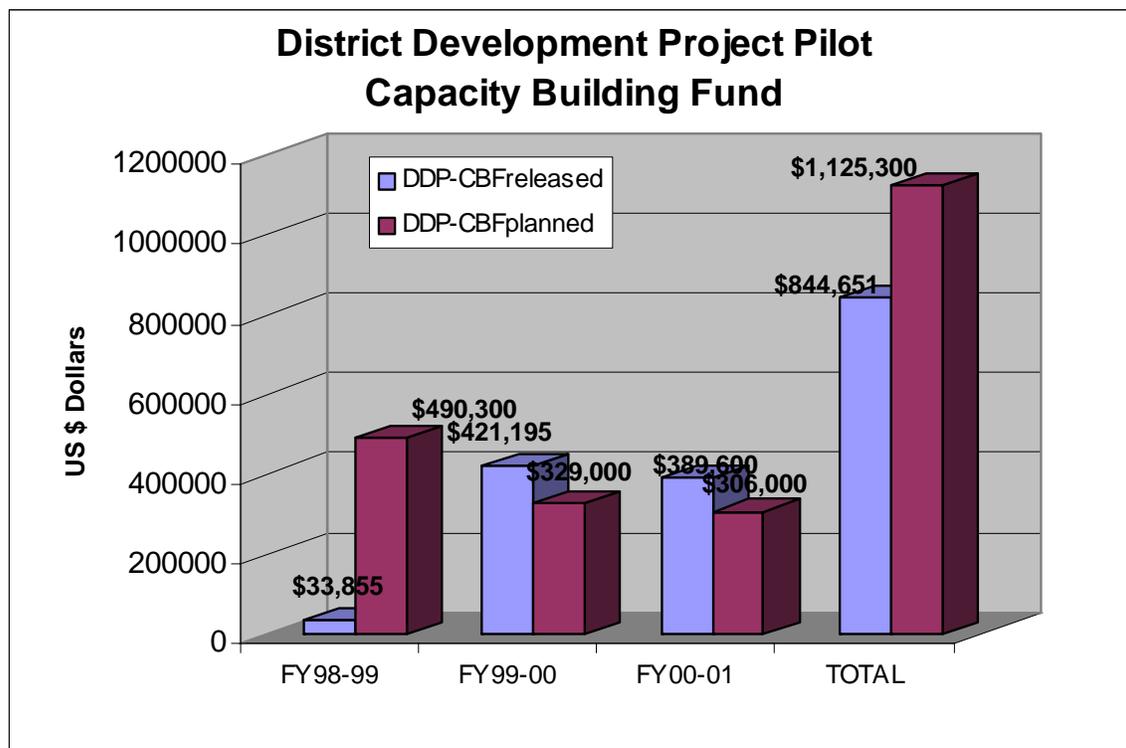
### **1.5.1 Assessment of the DDP Pilot Program of Inputs**

The following table shows the financial resources originally planned for the programme for DDP-Pilot districts. The amounts are in US Dollars.

**Table 4: Planned Inputs for the DDP-Pilot**

| Input                  | Funding Source | Establishment  | Year one         | Year two         | Year three       | Total             |
|------------------------|----------------|----------------|------------------|------------------|------------------|-------------------|
| Project Management     | UNDP           | 163,000        | 201,000          | 161,000          | 158,000          | 683,000           |
| Capacity Building Fund | UNDP           | 0              | 490,300          | 329,000          | 306,000          | 1,125,300         |
| Local Development Fund | UNCDF          | 0              | 2,012,000        | 3,600,000        | 4,450,000        | 10,062,000        |
| Establishment Phase    | UNDP           | 239,400        | 0                | 0                | 0                | 239,400           |
| Mission Support        | UNCDF          | 40,000         | 70,000           | 50,000           | 100,000          | 260,000           |
| <i>Totals</i>          |                | <i>442,400</i> | <i>2,773,300</i> | <i>4,140,000</i> | <i>5,014,000</i> | <i>12,369,700</i> |

**Graph 1: DDP-LDF Planned vs. Released**

**Graph 2: DDP-CBF planned vs. released**

Comparing the information contained in the Project Document with the actual disbursements realized by UNDP and UNCDF for the CBF and the LDF facilities respectively<sup>13</sup>, it appears that so far 75% of the funds planned for the CBF (US\$ 844, 651) have been released to the government while 66% of the LDF (US\$ 6,653,958) were delivered. Releases from UNDP and UNCDF are now sent to the government according to national work plans but are delivered to the Districts as they comply with the accountability requirements for each quarter.

Overall for the Local Development Fund, funds have been expended almost as was originally planned over the three years. During FY 98-99, due to the closing of the International Credit Bank where the funds were deposited, the government could not disburse funds to the Districts and consequently that year shows actual releases were less than planned. In contrast, in FY99-00, actual releases were above the planned figures, partly because the government tried to compensate for the delays and problems faced by the Project in the previous year. But the combined releases for the first two years still fell short of the total planned amount for the same period. For fiscal year 2000-2001 up to the second quarter, 48% of the LDF planned for the year have already been released. Seemingly, by the end of the current year, unless there is an extraordinary effort, funds may not have been fully released to exhaust the original budget of US\$ 10,062,000 of the LDF for the DDP Pilot.

<sup>13</sup> Information for releases obtained from Cash disbursement vouchers provided by UNDP-UNCDF updated to December 2000.

As for the CBF funds, there was very poor utilisation of the facility during FY 98-99. However, in the following years the releases have been greater than planned. This is perhaps due to the implementation of the cascade and mentoring approach to training as a result of which local governments utilised the facility in training programmes according to the modules provided by the MoLG and PMU. There is very scant information on the utilisation of the CBF and its performance. In short, the PMU informed the team that the 40% held in trust at the centre was being used mainly in training courses, training of trainers (TOT), and a few attachment practices for officials in different Districts. Main topics covered in training courses are contract procedures, procurement and management; Investment Planning and Management; Operation and Maintenance; Financial and Records Management; Accountability requirements and procedures; & Monitoring and Evaluation. Regarding the utilisation of the CBF by Districts and Subcounties for the most part it has been applied to the mentoring and cascade-training activities based on agreements between the two LG units. Unfortunately the information available is scattered and, therefore, given the time constraint, the Team could not carry out analyses on cost-effectiveness of the utilisation of the CBF facility.

### 1.5.2 Assessment of the KDDP Program of Inputs

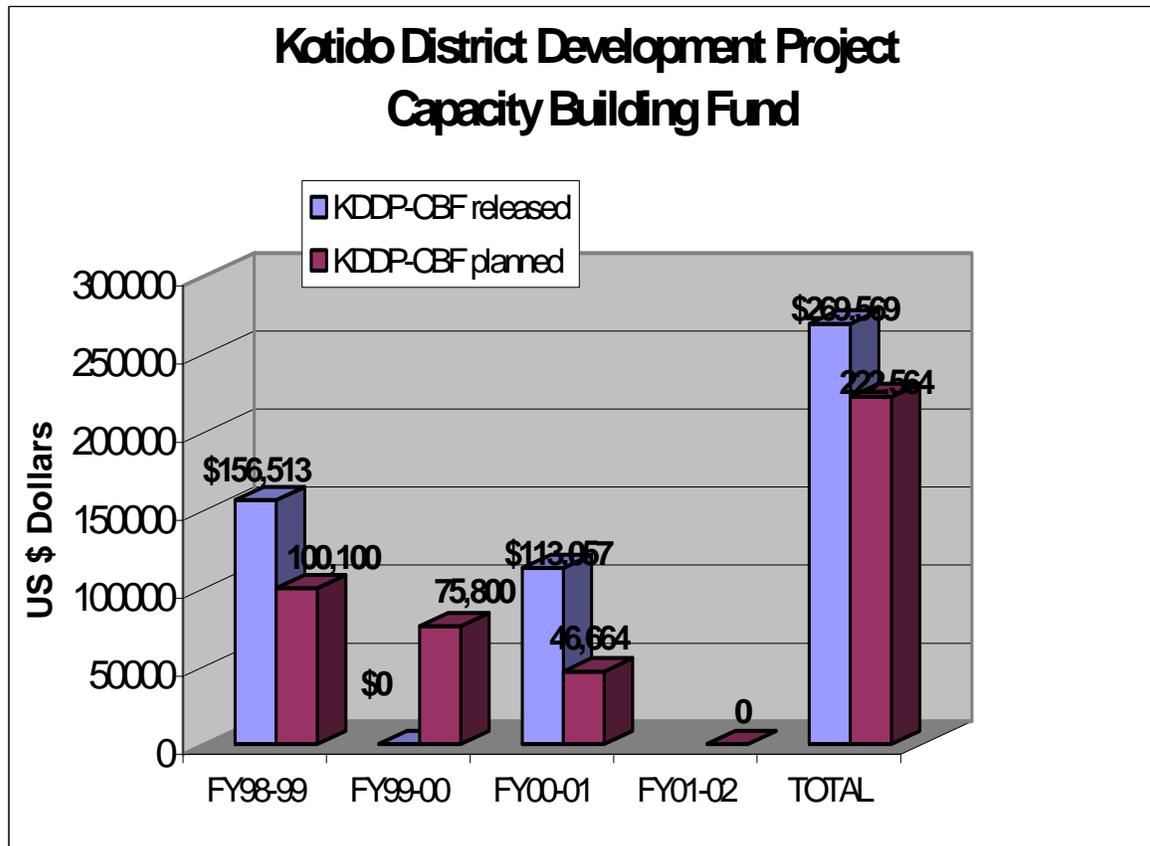
The following table shows the financial resources originally planned for the KDDP.

**Table 5: Planned Inputs for the KDDP**

| Items                     | Funding Source | 1999         | 2000         | 2001         | 2002         | Total         |
|---------------------------|----------------|--------------|--------------|--------------|--------------|---------------|
| LDF                       | UNCDF          | US\$ 280,975 | US\$ 516,000 | US\$ 754,000 | US\$ 873,000 | US\$2,423,975 |
| CBF                       | UNDP           | US\$ 100,100 | US\$ 75,800  | US\$46,664   | US\$ 0.0     | US\$ 222,564  |
| Project Management        | UNDP           | US\$ 87,077  | US\$ 83,181  | US\$ 73,503  | US\$ 33,675  | US\$277,436   |
| Establishment costs       | UNDP           |              |              | -            | -            | US\$ 46,439   |
| Other support costs, M&E. | UNCDF          | US\$10,000   | US\$20,000   | US\$10,000   | US\$30,000   | US\$70,000    |
| Contingencies             | UNCDF          |              |              |              |              | US\$129,518   |

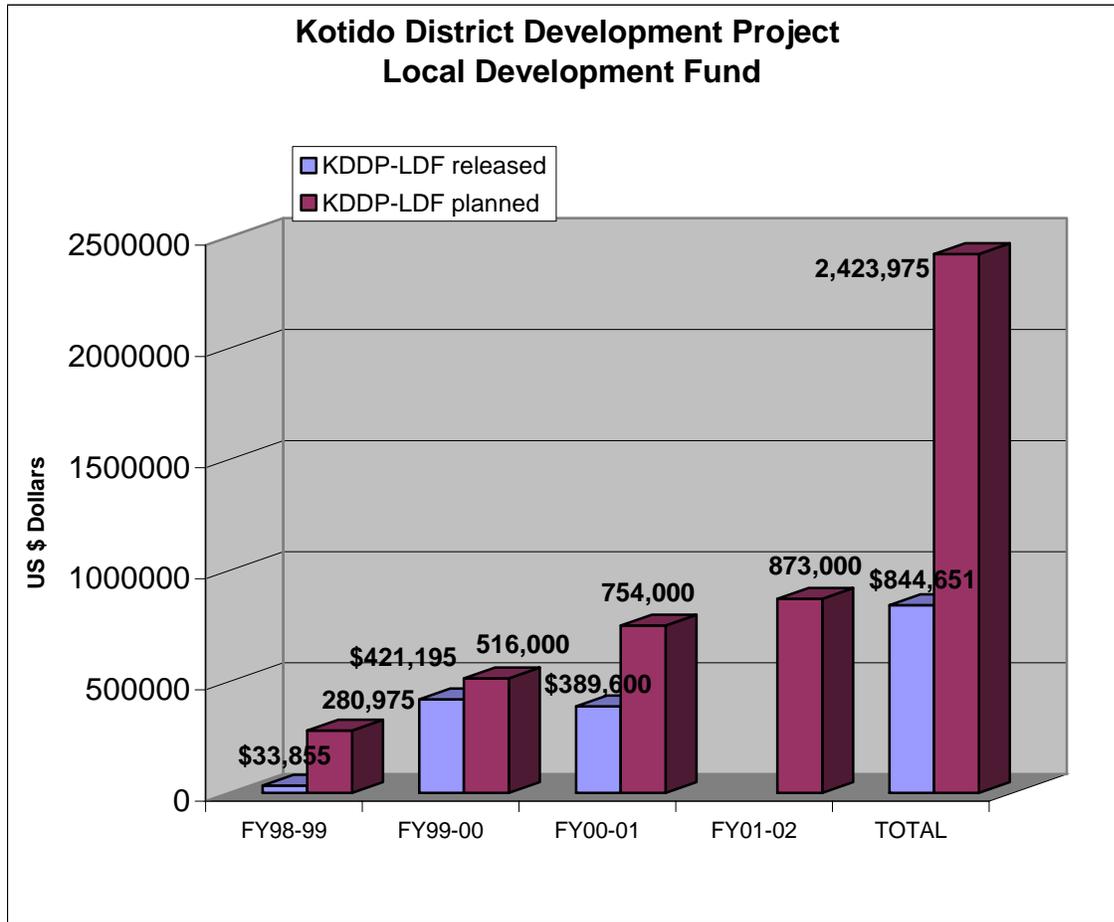
According to the figures reported by UNDP, the Capacity Building Facility for Kotido had already received US\$ 269,569 up to December 2000, which corresponds to 121% of the original budget, or an excess amount of US\$ 47,005. This is explained by the fact that at the establishment phase there was a special contract with the Church of Uganda, financed with funds remaining from the former Kotido project, to speed up the process of qualification for Minimum Conditions for the first ten Sub-Counties to be included during the first year of implementation of the KDDP.

Graph 3: KDDP-CBF Planned Vs Delivered



Source: For releases: Cash Disbursement Vouchers provided by UNDP  
For planned: KDDP Project Document

**Graph 4: KDDP-LDF planned vs. delivered**



As Graphic 3 shows, during FY 98-99 the total amount released for CBF was US\$ 156,513, which was US\$56,413 in excess of the planned disbursement for that year. During the following year no funds – not even under the LDF facility – were released to Kotido until the last quarter because of the district’s failure to provide accountability for the previous year and to comply with minimum conditions in some of the Sub-Counties. Therefore, after Kotido met the specified requirements, it was decided that funds would be released to Kotido at once and cumulatively in the last quarter, i.e. including the sum of all the previous quarter disbursements not released, to compensate for the disruption in the flow of funds.

Regarding the flow of funds for the LDF facility, it is worth mentioning the increasing effort that Kotido has been making since the year 1998. During the first year their performance was very low, and they absorbed only 12% of the planned figure for that period. Starting in the FY 99-00 and in the following year Kotido was able to raise their absorption capacity to US\$ 280,975 and US\$ 389,600 respectively. Nonetheless, these figures still remain below the planned figures for those years as Graphic 4 shows. Overall during KDDP’s two years of full implementation Kotido has actually received and spent nearly US\$ 844,651. This is 54% of the total planned budget for the three years of the Project. Given the present rate of absorption, although this is increasingly growing, it is unlikely that Kotido will be able to spend the planned budget within the original time frame of the KDDP. This is largely so due to the insecurity that has made staffing and accounting for disbursed funds problematic, as discussed elsewhere in this report.

## **1.6 PROCESSES AND PROCEDURES IMPLEMENTED VERSUS PLANNED**

### **1.6.1 Timeliness of Project Activities**

The Team did not come across data related to the timeliness of the completion of planned activities in accordance with the Project Document. Officials at PMU reported that a format for tracing targeted activities against delivery time is being developed jointly with UNCDF. They also informed us that annual work plans are prepared and that they provide quarterly progress reports to the Project Technical Committee.<sup>14</sup> These reports and work plans form the basis for disbursements of funds from UNDP and UNCDF.

For the Districts, PMU releases funds on a quarterly basis according to the annual work plan. The first quarter disbursements are automatic once the District and Sub-Counties have met the minimum conditions, including their 10% co-financing contribution. Thereafter releases depend on previous compliance with accountability on the use of funds in the immediate prior quarter. This requirement has introduced some rigidities and delays in the flow of funds. This is further compounded by the fact that delayed releases makes it difficult to implement projects in a timely manner; many times such delay is not advisable or not even feasible, for the implementation of some projects is tied to certain weather seasons.

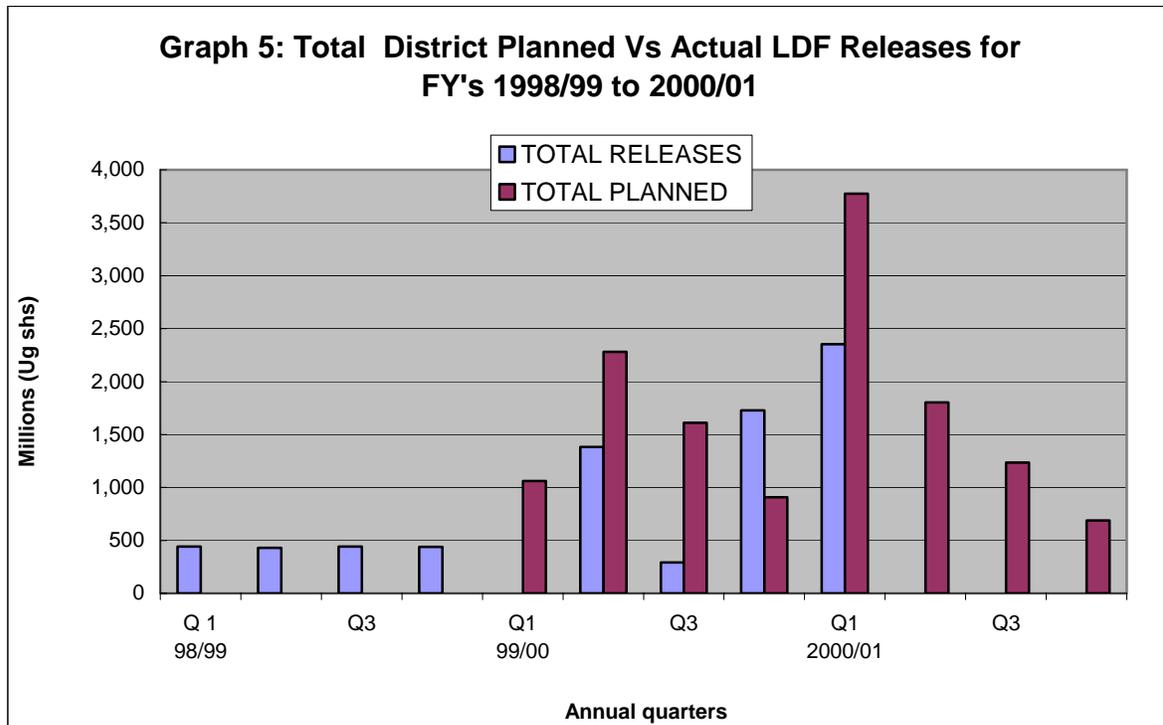
Overall the flow of LDF funds to Districts (see graphic 5 below) in the first year followed the equal instalments pattern. Starting in FY 99-00 releases were intended to follow work plans although this was not always the case. For one thing at the beginning of FY 99-00 the closure of the International Credit Bank froze most funds, which could therefore not be delivered as planned in the first quarter. After that,

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<sup>14</sup> PMU provided sample soft copies of quarterly reports for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of FY 99-00 both for the DDP and the KDDP. They reported that copies of other reports were lost in the 2000 computer crash and they were therefore unable to supply them to us.

although funds were finally released, work plans were somewhat disrupted for that year leading to delayed execution of projects and late submission of accounts and accountability reports. Efforts to facilitate the quick flow of funds have been put in place, e.g. funds are released to PMU based on work plans and PMU can then release the funds to LGs as and when they account for previous disbursements. Nonetheless, all Districts complained that a quarter is too short a period to procure, execute and prepare accounts for the projects in all their Sub-counties and therefore delayed accountability leads to delayed releases and vice versa.

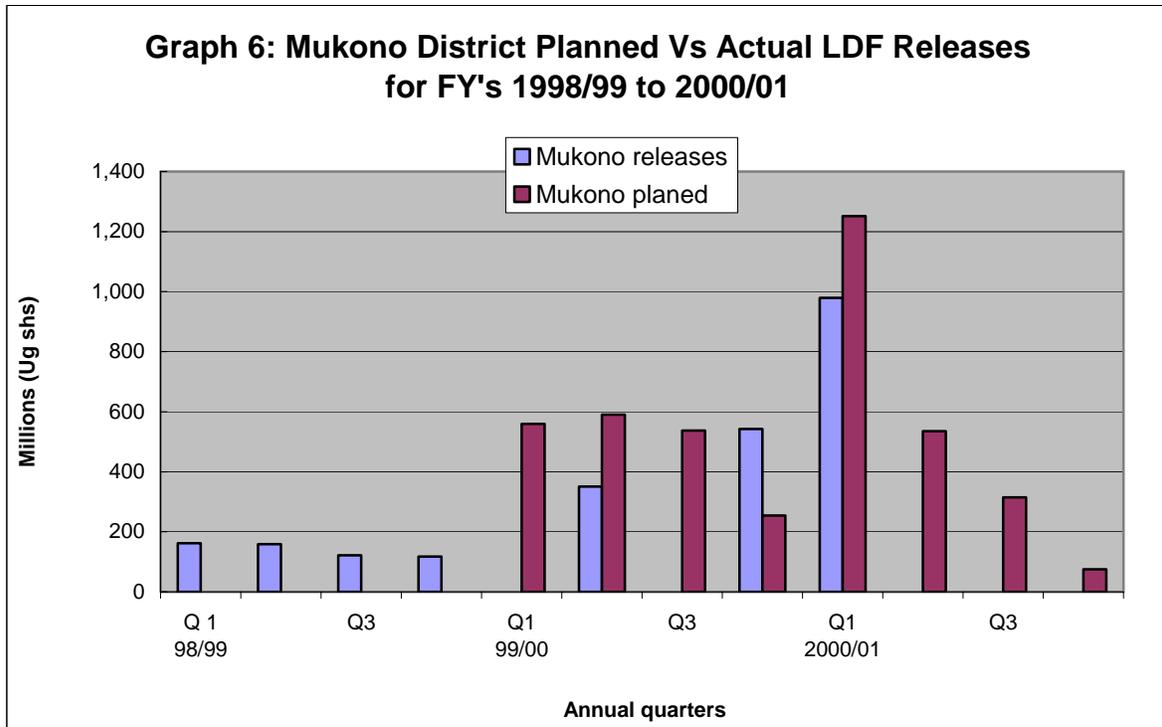
**Graph 5: LDF Releases for all Districts, Actual vs. Planned**



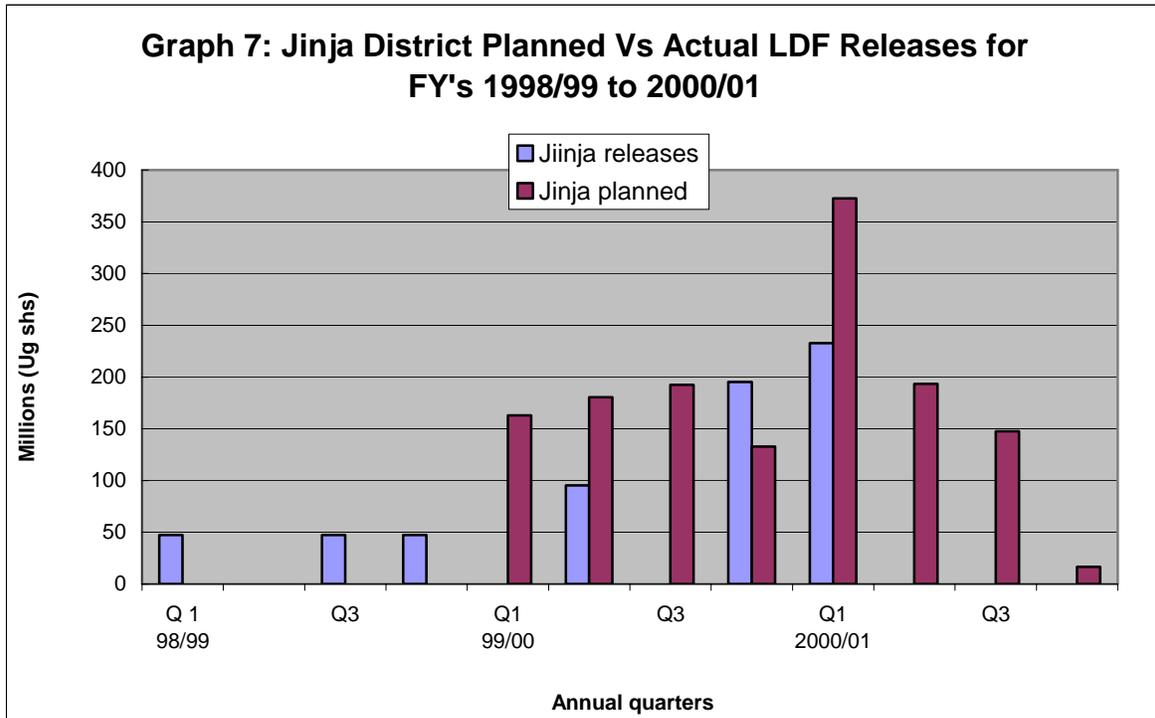
The pattern of releases differs among Districts (see graphics below). Mukono, for example, because of accountability problems only obtained two releases in the second and fourth quarters of FY 99-00, despite its workplan. From the information provided by PMU it appears Mukono received in one single release, during the second quarter, both the amounts of releases for the first and second quarters; then in the fourth quarter both the releases for the third and fourth quarters. The same situation was faced by Jinja and Arua Districts as shown in the graphics. It is important to note that the second quarterly release in all these cases was consistently lower than the amount budgeted by the Districts in their respective work plans. However, the release in the fourth quarter was greater than the third and fourth quarterly budget, perhaps to some extent to compensate for the failure to release any funds in the first and third quarters. It is, however, not clear what compensation policy was applied by PMU, as at the end of the year the total amount disbursed was less than the funding Districts expected as per their workplans. This may indicate either that Districts planned without being fully aware of their respective entitlements for that year, resulting in over-optimistic plans, or else that PMU had to make adjustments along the way to the planned releases. The Team does not have enough information to establish the actual situation and therefore recommends further enquiries to obtain the necessary information that may explain the situation.

The case of Kabale (see graphic 9 below) shows a greater effort made by the District to comply with the quarterly accountability requirements in time. Kabale was, therefore, able to obtain the planned releases for the second and third quarters in a row. Unfortunately they did not obtain the fourth release in accordance with their plan.

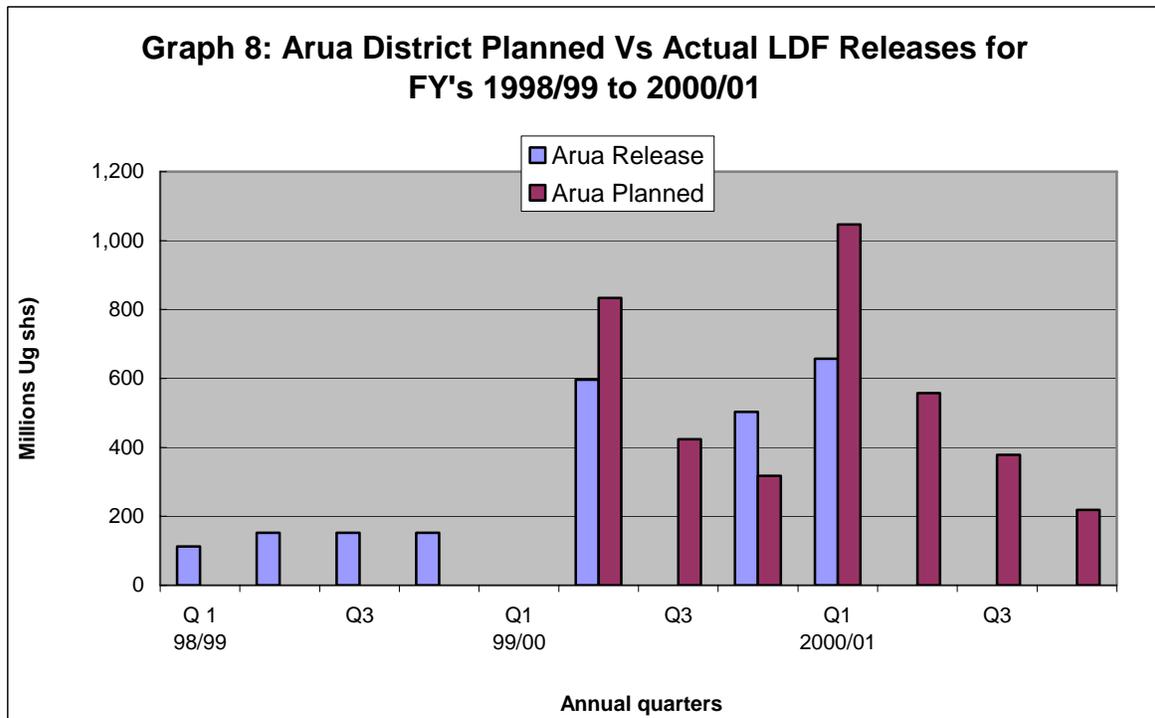
**Graph 6: Mukono District Planned Vs Actual LDF Releases**

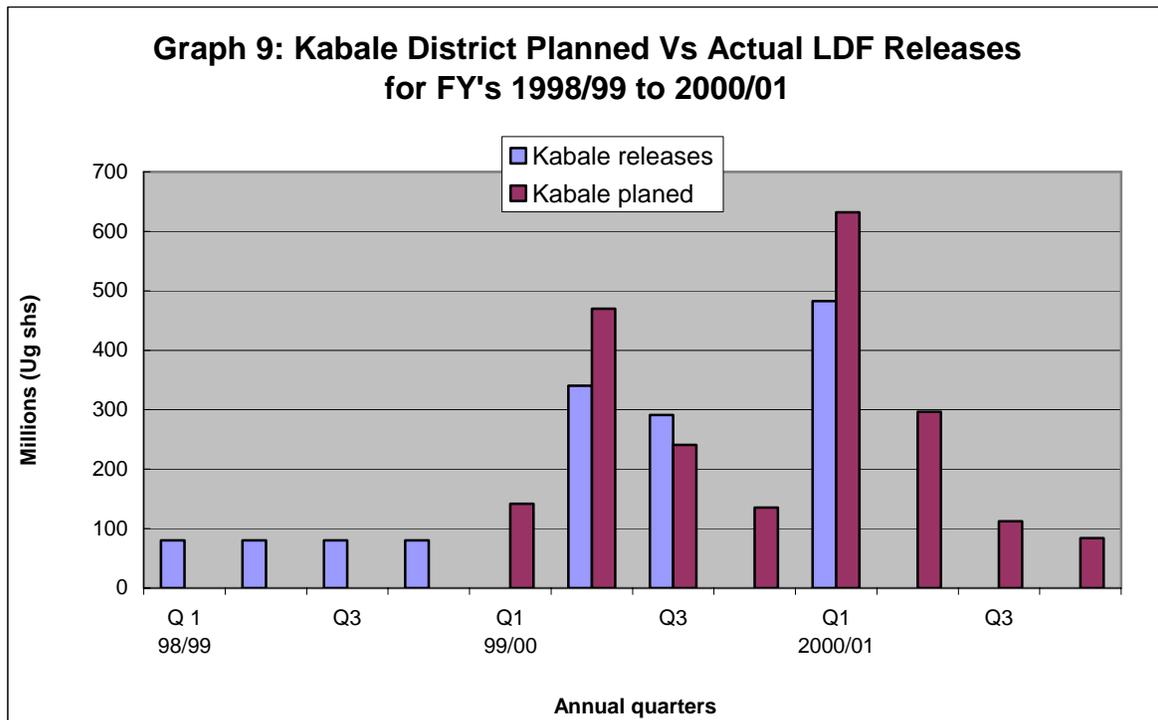


**Graph 7: Jinja District Planned Vs Actual LDF Releases**

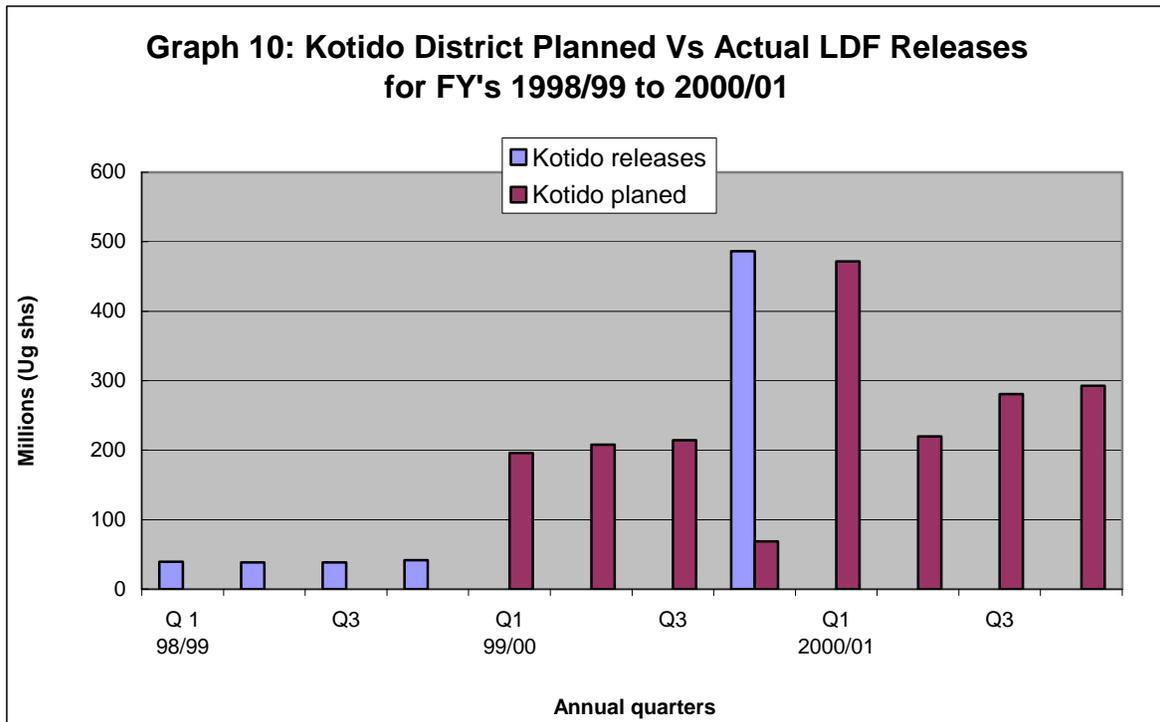


**Graph 8: Arua District Planned Vs Actual LDF Releases**



**Graph 9: Kabale District Planned Vs Actual LDF Releases**

The case of Kotido is the most acutely problematic. The District was unable to comply with the accountability requirements for the previous FY 98-99 due to many difficulties that impeded timely submission of accountability reports. First, insecurity hindered access to Sub-Counties, such that the preparation of accounting on the ground was not possible. Secondly, poor capacities and unclear contracting procedures applied in that year at the Sub-County level further hindered the process of accountability. As was reported by local officials in the District, procurement procedures were not well known at the Sub-County level, contractors were not prepared to bid, contracts were awarded in the context of poor appraisal and payments were sometimes made without proper certification of completion of works. All these factors together led to difficulties in establishing proper accounting of funds, a process that took the most part of FY 99-00. In the fourth quarter of that year Kotido received in one release the equivalent of all the previous (three) quarterly releases.

**Graph 10: Kotido District Planned Vs Actual LDF Releases**

Finally it is interesting to note that unlike in the previous year, for FY 2000-2001 all Districts resorted to an investment strategy heavily concentrated in the first and second quarters of the year. The districts appear to have been seeking an alternative way of coping with the delayed releases factor as well as greater flexibility in the management of LDF resources. The Districts appear to have appreciated that timely accountability does not necessarily mean full expenditure of funds within a one-quarter time frame. Therefore it is important for viable operation to have money available at the District and it may not be wise to rely in all circumstances on the timely accountability and delivery of funds.

## 2 ASSESSMENT OF PROJECT PREPARATION, DESIGN AND RELEVANCE

This section of the report will assess the overall consistency, coherence and clarity of the original Project design. It will look at the appropriateness of the project design, the preparation activities, and the Project's policy-relevance and soundness within the current context. The section will finally draw the lessons learnt in both operational and policy terms.

### 2.1 PROJECT PREPARATION PHASE

#### 2.1.1 Availability of Baseline Studies

As part of the preparation and formulation stage of the DDP Pilot, several organizations and consultants were recruited to develop particular studies and reports. Community Development Resource Network (CDRN), a Ugandan NGO specialising in participatory research and with a particular interest in rural poverty, and a Local Government Institutions specialist, together with PMU and UNCDF, were intensively involved in the formulation process. These agents were subsequently joined by a Communication specialist from World Neighbours East Africa to assist in developing the communication strategy to be applied both during formulation and implementation of the DDP Pilot. An independent consultant was also hired to assess critical issues in the Health Sector for DDP participation.

Key reference documents resulting from these efforts include: CDRN, 1997, *Final Report on Findings from Field Consultations in the Districts of Kabale, Jinja, Arua and Mukono*, DDP Pilot Ministry of Local Government, May; Tidemand, P. 1997, *Capacity Assessment in the Four Pilot Districts*, MoLG, UNCDF, March; Birungi, H., 1996, *Discussion Paper: Critical Issues for DDP Consideration in the Health Sector*, MISR, for MoLG and UNCDF, December. The participatory consultation exercises were mostly intended to provide insights into the design of the project and particularly involved discussions of some of the design parameters with different actors. They also provided some understanding of the priorities and problems faced by the people, which the DDP Project was expected to address. Secondary data was also collected from different sources that provided proxy information on the situation of service coverage within the Districts. Altogether these efforts and exercises helped to orientate the Project and determine its focus investment areas based on an overall view of the situation of poverty, service coverage and problems. While practical for purposes of the Project design, these exercises in the strict sense were not intended or designed to appraise or diagnose the poverty situation in the Districts. Yet they can be used as a qualitative or proxy indicator when conducting impact assessments.

In fact at that time neither the GoU nor UNDP and UNCDF had conducted any baseline studies on poverty issues within the four pilot Districts or Kotido District<sup>15</sup>. Later on, UNDP prepared the *Uganda Human Development Report 1998* which collected some data on poverty indicators at the District level in areas such as health and literacy. However, it was not until 1999 that the first Uganda Poverty Status

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<sup>15</sup> It should be noted that poverty indicators can only be constructed on the basis of representative sample surveys which become bigger, the smaller the unit to be represented, and, therefore, may be very costly. Usually a census or quasi census survey is needed for this purpose, which explains the little viability of conducting such an exercise for only a particular purpose or area. Most of the time, then, baseline indicators in regard to poverty for a particular project area are drawn from secondary sources.

Report was prepared by the MoFPED and slightly after that, Uganda Participatory Poverty Assessment Project (UPPAP) applied a participatory consultation assessment of poverty in some selected Districts. Among the districts in the DDP-KDDP only Kotido was covered. As a result of the above-mentioned facts the team considers that there are neither comparable nor uniform statistics for the five Districts that could be used as a basis for future impact assessments on poverty alleviation for the DDP-KDDP. However, results from participatory consultations on problems and priorities, and the Participatory Poverty Assessment made in Kotido, could be taken as a qualitative reference on the poverty situation and as a basis for comparison in carrying out impact assessments.

The *Capacity Assessment in the Four Pilot Districts* in its turn provides a baseline of the Minimum Conditions and institutional capacities at the time of the Project inception. These could be used as a basis for comparison with the Annual Capacity Assessments conducted by the Project during implementation, to determine the degree of improvement in institutional capacities.

### **2.1.2 Inclusiveness of Consultations**

The process of formulation and preparation for launching of the DDP pilot involved wide consultations with many stakeholders at both the District and national levels, including District representatives of the donor community. Between November 1996 and mid-1997 a number of workshops, focus group discussions, and the establishment of a resource and reference group made up of District officials and representatives were carried out with ample participation.

The extended participatory process of consultations had several important impacts on the implementation of the DDP Project:

- First of all it served as a filtering process to select the districts most likely to succeed in the piloting of the Project;
- Secondly, it helped to fine-tune the operative parameters of the project and its procedures through consensus building, thereby creating a common ground for all actors to be involved;
- Thirdly, this consultation process also served as a way of sensitization and training of key actors at the Local Government levels who were expected to be responsible for the operation of the Project.

As a consequence, implementation of the project began promptly and smoothly on the ground, and a sense of cooperation rather than conflict was built between the centre and the local government levels. A minor shortcoming, though, was the limited participation of Sub-counties in these consultations. Our attention was drawn to the fact that this, and the resultant lack of design provisions to account for differences in their initial capacity, may be responsible to some extent for the differential performance among Subcounties.

Despite the reported involvement of Gender and/or Community Services Officers during the consultation process, the vulnerable groups seem not to have had much influence on the design of the Project as evidenced by, for example, the lack of serious coverage of gender concerns in the Project Document. The Team learnt that the design process did not involve a gender analysis, which could have highlighted the gender concerns that would need to be addressed by the Project. Attempts, therefore, to integrate gender concerns and issues into the Project were left to chance, on the assumption that, since the Local Government Act 1997 provided for at least one third representation by women at Sub-County and District Councils, gender and women's concerns would automatically be addressed. Indeed, another writer also observed that while "special care was taken to seek out and meet with the many different groups found in communities ... it is not completely clear, yet, how representative they were of those

silent groups whose voices are generally not taken into consideration when designing programs such as the DDP-Pilot”.<sup>16</sup>

### 2.1.3 Performance Indicators

Performance indicators and a well-developed Monitoring and Evaluation (M&E) framework were clearly laid out at the formulation stage. These indicators form the basis of the *Assessment Manual for Minimum Conditions and Performance Measures for Local Governments*, a ‘living’ document that has been updated annually on the basis of consultations with District and Sub County officials and councillors, and with active participation of UNDP-UNCDF and other stakeholders.

The M&E framework for the DDP mainly revolves around three types of information needs, as follows: (a) those information needs with regard to the allocation process and accountability; (b) information that provides feedback for the review and modification of design parameters with a view to increasing the efficiency and effectiveness of service delivery in the Project; and (c) information to feed lessons into the policy formulation process at national and UNCDF levels. Every level builds upon information provided by the level below. This kind of framework facilitates reliable feedback and thereby optimises the functionality of the Project and its immediate results. It does not, however, provide comprehensive information on the impact and effects of the project on the general performance of Local Governments in such areas as financial indicators, provision of services, improvement in coverage of services, etc., which could inform an assessment of the efficiency and effectiveness of these governments as service providers. Neither does the current M&E framework provide for information that may help in tracking the impact on poverty alleviation, which the DDP-KDDP may be making.

### 2.1.4 Introduction of the Capacity Building Fund Financing Facility

As reported by the 1999 District Development Project Pilot Evaluation Review, the CBF was introduced during the inception phase within the context of other DDP start-up and implementation activities, but with LDF being the primary focus. As a result little time was devoted to introducing the guidelines on CBF utilisation to councillors and staff at the District level. Subsequent meetings were organised by technical staff with Sub-Counties to begin to plan CBF activities. Unfortunately, as it was realized later on, this process took place simultaneously with the development of District and Sub-County development plans, and as time grew short, priority went into developing plans, which were part of the requirements to qualify for access to the LDF.

### 2.1.5 Preparation to Meet Minimum Conditions

Between the time of the Project inception and the first release of funds to Districts, PMU worked hard to prepare the four pilot Districts to meet those Minimum Conditions still pending. In particular a great effort was devoted to developing the work plans, which would guide investments and form the basis for future accountability.

In the case of Kotido, though, local officials reported that they did not have enough time for the preparation phase. It was assumed that the preceding pilot project, which had been mainly supported by

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<sup>16</sup> Doug Porter, *District Development in Uganda: The Formulation Process for a Pilot Project*, (UNCDF, December, 12, 2000).

the Church of Uganda and intensively involved participatory planning, had laid the ground for the District to quickly comply with the Minimum Conditions. However, local officials reported that while it was true that the grassroots community were well prepared for a participatory and inclusive planning process, the CoU had not previously involved local governments in the District in planning and, therefore, an important link between communities and local governments was missing. Besides, officials reported that institutional gaps and capacity needs had not been previously assessed or addressed by the CoU within local governments. To overcome the problems inherent in this situation the MoLG decided to contract the CoU to prepare local governments in Kotido to meet the Minimum Conditions. As was reported these activities were rushed (given the difficulties of security on the ground) and were thus not very effective. Therefore, ten Sub-Counties were pre-selected as the most likely to qualify and capacity building efforts were concentrated on them.

## 2.2 DESIGN

A standard approach to the assessment of the design of a project is to examine its weaknesses and strengths from a purely theoretical point of view and to determine its internal coherence and logic. However, for purposes of drawing relevant lessons, the assessment should rather refer to the policy relevance of the design at the time of formulation, and to a certain extent has to draw lessons emerging from the actual implementation and from those bottlenecks that could be traced back to the design. Therefore, at the risk of some repetition later on in this report, the following analysis of the design features its perceived weaknesses and strengths, sometimes making reference to the results of the Project or the shortcomings of its implementation.

### 2.2.1 Appropriateness

The basic rationale behind the design of the DDP was for the GoU “to respond to the major challenges of operationalising the provisions of recent statutes – namely the Constitution 1995 and the Local Government Act 1997 – and the pressing need to further the decentralisation process” to which the government was fully committed. For UNCDF the Pilot was an opportunity also to “elaborate their mandate to provide support for the empowerment of local governments, to foster local level dialogue between public and private agencies in service provision, and to test the central policy *assumption about the links between these actions with poverty eradication*”. Most of the focus of the DDP was therefore to contribute to the building of the institutional capacities needed at different levels of government, private sector and community and to test different arrangements whereby the responsibilities of central and local government for planning, allocating and managing public investments and service delivery could best be configured.

It was expected that the DDP Pilot would enable the government to create a bench-plate which could be used as an operational reference point for legislation and policy, and which could guide arrangements for nation-wide devolution of development financing, as well as provide a framework for government relations with other external partners keen to support local development planning and financing. As a pilot for policy implementation the main design principles were:

- *Creation of a coherent, decentralised financing facility;*
- *A transparent allocation formula;*
- *Clear rules of access and incentives;*
- *Full integration within the Local Council system and legislative framework;*
- *Opting for subsidiarity, despite capacity constraints;*
- *Integration of Local Council and community participation;*

- *Highlighting the comparative advantages of different local actors;*
- *Demand-driven capacity building;*
- *Open-ended, learning-approach to implementation.*

Given the policy context and the immediate objectives of the Project, some of the main assumptions such as the “linkage between decentralisation and poverty alleviation”, or that “participatory planning guarantees inclusive participation”, were not further investigated in their own right to feed back into the design. Therefore, it appears to the Team that some of the expected impacts on poverty alleviation and inclusive participation may not have been achieved partly because of lack of a deeper understanding of these phenomena. Of course it required these assumptions be tested in the context of project implementation for the shortcomings to emerge, but now it is evident that the assumptions will not work in a straightforward, self-sufficient manner but rather that some other factors have to be taken into account. Consequently, some of the issues that were not addressed in the design made it inappropriate particularly in regard to its social development approach and its poverty alleviation strategy

#### ***2.2.1.1 Approach to Social Development***

Decentralisation involves four dimensions: the collective-exterior, the collective-interior, the individual-exterior and individual-interior. The collective-exterior dimension has to do with the institutional and legal forms and procedures. The collective-interior dimension deals with the societal culture – the set of values and assumptions that are often unspoken or unacknowledged but, nevertheless, play a powerful role in human relationships. The individual-exterior dimension has to do with the observable behaviour of individuals within the various societal institutions, whether government, private sector or civil society. The individual-interior dimension deals with the mindset, worldview, mental models, emotions and intuitions of individuals within institutions. Effective decentralised governance planning must be based on an analysis of all these dimensions.<sup>17</sup> However, in the case of the KDDP/ DDP Pilot projects the collective-interior and the individual-interior dimensions in the social approach were not taken into serious consideration. No social development analysis was conducted. This therefore led to a non-social sector development approach in the implementation of the programme and as a result of that, many cultural and social factors affecting individual and community access to social facilities were not addressed.

At no point in developing the programme was a strategy for including and/or targeting women and other vulnerable groups designed. Thus the achievement of inclusive outcomes was left to chance. A more strategically designed and better thought out approach to gender mainstreaming and inclusion of other vulnerable groups would have involved further study of causes and key aspects of vulnerability and gender inequalities as well as considerable debate about how to address these issues.

#### ***2.2.1.2 Poverty Focused Strategies***

The poverty alleviation strategy for the DDP-KDDP mainly subscribed to the scope proposed by the PEAP, particularly in the provision of services to improve the quality of the life of the poor. Furthermore, in line with the Sector Wide Approach<sup>18</sup> and the sector guidelines developed by the

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<sup>17</sup> UNDP, New York, February 1998, “Factors to Consider in Designing Decentralised Governance Policies and Programmes to Achieve Sustainable People-Centred Development”.

<sup>18</sup> In chronological order the first sectors that developed their Sector Wide Approach and the policy guidelines for decentralised budgets were the Ministry of Education, the Ministry of Health, and the Directorate of Water Development. And recently the Ministry of Agriculture has developed the PMA and has now started to implement it.

priority investment sectors under PEAP, service delivery under the DDP-KDDP is approached mainly through capital investments, which for the most part are considered “hardware” construction of infrastructure.

This “PEAP - hardware approach” consists mainly of a list of infrastructure modules provided by Ministries with minimum required quality standards, that apply uniformly throughout the country, as far as design features and operational modes are concerned. Although people can choose from the list of items, they lack the option to propose more suitable service delivery alternative strategies or more comprehensive approaches to the solution of their problems, or to even adapt designs to their customs and conditions, which is why this may be regarded as a supply rather than a totally demand driven strategy.

For instance, construction of fixed classroom blocks may not be an adequate solution to provide education services for the Karamajong nomadic people. Likewise, Health Units are physically designed in the same manner throughout the country regardless of the climatic conditions. Furthermore, sometimes the actual causes of problems and needs are overlooked and opportunities for more efficient and effective solutions are missed. Access to health services, for example, sometimes can better be enhanced through construction of roads rather than locating a DMU in every community that reports such need. While facilitating the access to health services a road may have multiple positive side effects.

Sectoral policies and Ministries are not flexible enough, do not provide enough guidance for alternative solutions and do not give enough technical support throughout the local planning process. In an attempt to retain control at the center, this policy approach may be losing many of the opportunities offered by decentralization. Getting to know the conditions of the demand that particularly affect access to services by the poor; opening up the menus and looking for more adequate quality or standards in service delivery could open the way to a myriad of creative new alternative ways/technologies, locally designed, for service provision, or problem solution which may be more suitable for the community, and perhaps more inclusive and effective in meeting the needs of the people.

Apart from conforming to the PEAP government strategy and policies, DDP-KDDP did not anticipate other provisions in the design to specifically address the needs of the poorest and the most vulnerable. This may partly be explained by lack, at the time, of a profound understanding of the social, physical and cultural constraints faced by the poor and the local particularities of poverty. Subsequent studies such as the Participatory Poverty Assessments by UPPAP now provide insights into the nature of poverty and the perceptions of the poor, and suggest ways in which government policies could effectively impact on poverty reduction.

The baseline studies conducted at the District level – the District profiles – mainly focused on institutional capacities of the local governments, the private sector or the communities as potential partners in the provision of services, and on the actual numbers and endowments of some services, mostly looking at the available facilities at the time. However, it appears that no additional inquiries were conducted to establish the actual numbers of people covered by and benefiting from the services, or whether or not the services have had an impact on the conditions of the poor and the perceived characteristics of poverty. Such inquiries were either considered irrelevant or unfeasible at the time.

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The Roads sector had already developed a Sector Wide Approach before the launching of the PEAP strategy, and therefore just rolled into it.

The Participatory Poverty Assessment published in 1999 reveals, for instance, that local people define poverty beyond the lack of income and material assets to include the absence of social/spiritual amenities that support life. This lack manifests itself in isolation, exclusion, powerlessness, deprivation of basic human rights, among others. They distinguish between individual or household poverty – seen as a situation of perpetual need for daily necessities and a feeling of powerlessness – and community poverty, regarded as the absence of basic physical infrastructure and services, productive assets and social harmony within the community. In this regard DDP/KDDP strategy has mainly addressed the community aspects of poverty, but the question remains as to how personal poverty relates to community poverty. Sometimes, as the Team was able to witness, having a school or DMU just a few steps away did not necessarily imply full access for example for a widow with no income and five kids to look after.

According to the report, “Poverty in Uganda is not uniform and varies by region, location, season and socio-economic groups...”<sup>19</sup> Rural poverty is featured predominantly in failure to educate children, limited access to infrastructure facilities and services, poor crop yields, alcoholism, impoverishment at old age and men abandoning their families. Geographic and climatic patterns on the other hand, create vulnerability to poverty since seasonality affects production and incidence of diseases, which coupled with seasonality of expenditures, for example on school fees, create fluctuations in poverty levels throughout the year and even over longer periods when people are forced to sell assets. Moreover, at the community level certain groups in society are perceived to be more vulnerable to poverty: the landless, the women, especially the widows, widowers with many children, large families, orphans or abandoned children, the chronically sick, the elderly and the jobless youth.

Overall, DDP/KDDP may be tackling the general features of community poverty. However, there is still a lot to do through the PAIMS and the local planning processes to actually come up with sensitive solutions to the kind of poverty that is more likely to strike certain groups, during certain seasons or in certain regions and conditions. This “community approach” is not limited to Uganda. In a recent study of six Sub-Saharan African countries (Uganda, Mali, Tanzania, Mozambique, Ghana and Benin)<sup>20</sup> it was observed that much of the focus (of reforms) is on improved state performance in service delivery for the whole community, and that “this community orientation does raise serious questions about the ability of the reform agenda to effectively address the most needy”. The writers further note that “there are important elements of policy, including user charge exemption arrangements and direct employment schemes (safety nets) which clearly do have a focus on the most needy”, but that “overall [they found] little evidence that poverty differentials, either between regions or within regions, were driving the reform process”.

Uganda’s Participatory Poverty Assessment report also includes a section on messages for policy makers prepared by people who participated in the exercises. Among the recommendations, the most relevant for the DDP/ KDDP project (and government policies in general) in the endeavour to enhance poverty focused strategies are:

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<sup>19</sup> Hon. Gerald M. Ssendaula, Minister of Finance, Planning and Economic Development, in the Foreword to the “Uganda Participatory Poverty Assessment Report: Learning from the Poor” – A Summary of Key Findings and Policy Messages –, June 2000.

<sup>20</sup> Martin Greely and Rob Jenkins, “Mainstreaming the Poverty Reduction Agenda: An Analysis of Institutional Mechanisms to Support Pro-Poor Policy Making and Implementation in Six African Countries”, Research Report 51, Institute of Development Studies, University of Sussex, October 2000.

***On measurement, analysis and targeting:***

- “Local people can be involved in measurement and analysis of poverty conditions within their communities”, not just in prioritizing investments. Local indicators of poverty, which are context-specific, could inform targeting poverty groups, and help in designing interventions which are relevant to poor people’s lives and priorities.

***On priority areas for intervention:***

- Something has to be done in regard to the high illiteracy levels, which prevent adults from accessing opportunities for progress.
- “Health care is a major priority but cost-sharing is seen to further impoverish the poor.” This suggests the need for a system of exemptions and subsidies. Although these kind of subsidies can only be provided by the centre, DDP-KDDP may actually device management modules to help Health Management Committees to better allocate resources and implement such fee waivers, at least based on local poverty targeting indicators. DDP should put in place mechanisms for “ring-fencing” the poorest of the poor to benefit from such exemptions.
- “Extension services are perceived as the major agent for change in agricultural production... and access to markets are a central area of concern for local people in terms of being able to sell their agricultural surplus.” Because low rural incomes is one of the main causes of poverty and of low local revenue mobilization, DDP/KDDP should develop more effective ways to promote rural development. And as pointed out elsewhere in this document rural development requires a comprehensive approach capable of guiding sectoral investments and responding to the economic conditions of demand in a strategic way.

***On implementation, attitudes and behaviours:***

- It is important to “build on existing positive social relations”, which are one of the strongest resources possessed by poor Ugandans. DDP-KDDP may encourage further involvement of community-based groups and local organizations as a means to assist local people to improve their incomes and quality of life. This asset, not sufficiently exploited within DDP-KDDP, is important for the design, implementation and monitoring of poverty reduction interventions.
- “Flexibility in grants from central to local governments is needed” in order to accommodate district specificities. This is key to all central transfers but most importantly for Unconditional Grants such as LDF. Beyond national policies, local people, if properly assisted, can find alternative ways and more efficient and effective ways to ensure access to services. The Team would like to stress the great innovative potential of local communities, which, combined with appropriate technical assistance and flexible resources, could gear to pilot more adequate and participatory service delivery models.

The Assessment finally suggests that in order to improve livelihoods, the main government interventions should be addressed to human resource development, building the country’s physical infrastructure, enabling the poor to gain access to natural resources in order to guarantee food security, and enabling them to access financial capital. Indeed, some of these issues are already being addressed by the DDP and what one might stress is the magnitude rather than the substance. And with regard to financing, what appears appropriate is the establishment of a micro-financing facility that would avail capital to community based organisations whose mandate is to address poverty reduction among the poorest of the poor by engaging them in income generating activities. This is an area where donor organisations and/or the private sector can be encouraged to play a major role.

### **2.2.1.3 Approach to Service Delivery**

The design of the PAIMS mostly established a set of infrastructures that could be delivered at each particular level of government depending on responsibilities assigned in the LGA 1997 and also on the basis of some further analysis. Nonetheless, the main approach to service delivery was based on the PEAP strategy and the guidelines issued by the line Ministries whose main focus is to construct infrastructures and facilities. Other alternatives such as piloting appropriate technologies, rewarding innovations in service provision, or supporting appropriate research and technology development at the District level, were not foreseen.

Moreover, at the formulation phase, some Districts raised the issue of the greater difficulties and particularities of providing services to them given their peculiar physical conditions and the current poor endowment of facilities, which placed some districts far behind others. However, it was assumed that the poverty indicators were enough to account for these differences, and, in any case, the resource allocation formula would take care of the development disparities in the Districts. No other provision was included in the design to respond to these initial disparities or to acknowledge and accommodate the resulting costs of attaining minimum common standards of service provision in all the Project Districts. In some countries, where information on the actual situation of service coverage and on unit construction costs per region or locality are available, an indicator can be built to reflect the total cost of achieving a certain coverage level. Depending on conditions of coverage and construction difficulties this cost may differ from one region to another. These differences or the absolute cost value can be built into the allocation formula giving priority and more weight to those regions with the biggest financing gap. In the case of Uganda this may not be feasible as yet. Nonetheless, as has been pointed out earlier, greater flexibility in the utilization of funds such as LDF may enable local governments to come up with more suitable solutions to their conditions as long as certain minimum standards are attained.

## **2.2.2 Policy Relevance of Design Choices**

### **2.2.2.1 Selection of Districts**

According to the DDP-Project Document, the Pilot Districts were selected by the GoU to reflect: (a) diversity in terms of socio-economic and environmental conditions, and institutional and fiscal capacities; (b) practicability in terms of likely responsiveness of LC5s to opportunities provided by the Project and minimal logistical constraints on providing implementation support; (c) existing donor activities, in particular capital development projects, as may present constraints and opportunities during the Pilot implementation; (d) 'Batch I' decentralisation districts, i.e. the first batch of districts to benefit from the decentralisation of the recurrent budget; (e) regional balance across the four national regions; and (f) avoidance of PUIP overlap, such that the four districts in which the Peri-Urban Infrastructure Project was operating were to be discounted.

Overall the selection of the four pilot Districts and Kotido is representative of the conditions of Ugandan Districts, and appropriate and relevant for purposes of a pilot programme. Out of the six selection criteria, it seems that criteria (b), (d) and (e) were the most dominant in the selection of pilot Districts. For one thing, the Diversity criteria could have been subsumed within Regional Balance since there were not enough studies at the time of project preparation to enable comparison of social, economic and environmental conditions among all Districts. But it is not clear to the Team how the Existing Donor Activities criterion was applied. During our field trips, we noted that all Districts show presence of other donors or NGOs, although it is not clear that a particular approach to co-ordination or exclusion has been applied, either at the District level or at the central government.

As for the avoidance of PUIP overlap, it may have been a relevant equity criterion for those Districts that had not benefited from it. But then the urban or semi-urban character of PUIP would have been a self-fulfilled criterion since DDP was intended in any case to assist rural areas.

Ultimately after the Batch I criterion, which was a must to ensure minimum institutional conditions, the Practicability criterion appears to be the most important applied in the selection process. The long consultation process was the means to determine which Districts would be more likely to succeed and therefore provide a demonstration example for others to follow, the exception being Kotido District for certain reasons.

#### **2.2.2.2 *The Inclusion of Kotido***

It was very important to test the DDP modality under the most difficult institutional and physical conditions, and in that sense Kotido provided a good ‘control case’ for such a test. Considering that the DDP is not only a modality but also a pilot for the Local Government Act, the inclusion of Kotido<sup>21</sup> was highly appropriate for testing the potential effectiveness of the Decentralisation Policy.

The few results so far attained in Kotido show that it was worth doing so. Moreover the results in Kotido are quickly demonstrating constraints for the decentralisation policy and the need for adjustments. The low rate of investment absorption in Kotido, for instance, is pointing to the need for a “dosage feature” in fund allocation and transfers, which addresses institutional capacity and specific needs

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<sup>21</sup> Although considered a stand-alone project, KDDP’s design almost exactly follows the DDP modality, except for the inclusion of the Kotido Town Council.

### 2.2.2.3 *Volume/Intensity of Funds*

**Table 6: Project Financing Plan for DDP/KDDP**

| <b>Input</b>           | <b>Funding Source</b> | <b>DDP (US\$)</b> | <b>KDDP (US\$)</b> |
|------------------------|-----------------------|-------------------|--------------------|
| Project Management     | UNDP                  | 683,000           | 199,518            |
| Capacity Building Fund | UNDP                  | 1,125,300         | 500,000            |
| Local Development Fund | UNCDF                 | 10,062,000        | 2,493,975          |
| Establishment Phase    | UNDP                  | 239,400           |                    |
| Mission Support        | UNCDF                 | 260,000           | 70,000             |
| <b>Totals</b>          |                       | <b>12,369,700</b> | <b>3,193,493</b>   |

The volume and intensity of funds for the DDP Districts were well designed. For one thing the LDF was the first unconditional capital financing facility fully accessible to Districts and lower level governments at a time when their capital development budget was almost non-existent since these districts relied on the meagre local revenues. Secondly, even when compared with other current sources of capital financing such as PAF-conditional grants, the LDF funds continue to give local governments greater manoeuvrability in carrying out their development plans. On average LDF funds represent nearly 10% of the capital budget of Districts, and the bulk of capital investments at the Sub-County level. Judging from the reasonable absorption rate of the four Districts during the three years of implementation, it can be concluded that the volume and intensity of funds were well designed, in spite of whatever difficulties may have arisen.

The criteria for deciding on the level of the allocation of funds for Kotido included a consideration of the potential result of having the allocation formula applied to a basket fund that included DDP and KDDP funds. The level of allocation would also depend on the capacity of absorption, which was approximated by examining local revenue mobilisation and the correlated co-funding capacity. A special allocation on a per capita basis was included for Kotido Town Council and added to the total estimate for the Sub Counties and District. Project management needs for the Kotido programme were considered marginal since the combined operation of the DDP, LGDP and KDDP projects was likely to provide economies of scale in project management. These criteria led to the allocation to Kotido of UNCDF funds worth US\$ 2,693,493 and UNDP funds mainly for Capacity Building in the figure US\$ 500,000. The Capacity Building budget included an initial field support contract with the Church of Uganda for the establishment phase of 3 months and a longer term contract up to the third year when it was expected that the District would be able to assume full responsibility for contracting and financing additional capacity building requirements.

The conformity of the financing plan of both projects with common criteria agreed with the Ministry of Local Government was an empowering incentive for the government to implement an increasingly coherent national policy for decentralisation of development and capacity building funds. Importantly

enough the same line of reasoning has been applied in the design of the LGDP, further strengthening the Ministry of Local Government and its policies.

#### **2.2.2.4 Fund Allocation Mechanism and Formula**

Both the allocation mechanism and formula were designed in a manner consistent with the provisions of the Constitution (1995) and the Local Government Act (1997), and have proved to be two of the main strengths of the DDP-KDDP modality. The two financing facilities, namely the Local Development Fund and the Capacity Building Fund, have been providing grants according to the allocation formula to Districts and Sub Counties as corporate government bodies to enable them to deliver their mandated service responsibilities.

**Allocation Formula for Districts:** The needs-based allocation formula applied at the national level distributes LDF and CBF funds to Districts on the basis of population (20% weight), land area (15% weight), school going age children (25%), and prevalent child mortality (40%). It is reported in the Project Document that local councillors raised concerns about particular physical difficulties affecting the provision of services in some Districts and proposed the inclusion of a relevant indicator in the allocation formula. No objective and transparent indicator was agreed upon, and so given the fact that DDP-KDDP was a pilot for the LGA, it was decided that LDF allocation should follow the variables and formula established in the Constitution and the LGA. Yet no other provision was anticipated to cater for actual cost differences in service provision arising from different physical conditions in different areas.

**Allocation Formula/Procedure for Sub-Counties:** A 65% share of the District LDF funds is allocated among Sub Counties on the basis of population, land area and ratio of school going age children, with the same proportional weightings as at District level but adjusted on a pro-rata basis to account for the absence of the child mortality factor. In addition to these basic entitlements, following a suggestion by councillors, a provision was made to allow Districts to top-up general funds in response to the most needy or disadvantaged Sub Counties. The team did not find any case in which such topping up did actually take place, which may suggest that there was not as strong an incentive to do this as one would have expected. Yet, it should be noted that on a case-by-case basis sometimes Districts have contributed on a co-financing basis funds to some Sub-County projects of greater interest.

**Allocation Formula for LC2/1 (Indicative Planning Figures):** Based on the population distribution at LC2, Sub-Counties are passing 30 percent of their share entitlements to the Parish level in the form of Indicative Planning Figures – IPFs. The IPFs enable Parishes to prioritise their investments within a “hard budget constraint” determined by the available resources, thus contributing to improved allocative efficiency. Additionally, guaranteed access to funds at the LC2/1 level has proved to be a strong incentive for the community to participate in the planning process and has contributed to a positive and enabling environment for more inclusive participation. Nonetheless, there are some indications that the IPF figures may be too small to carry out meaningful and priority investments and that the subsidiarity principle may not be working in practice which oftentimes leads to the implementation of second or third best investment alternatives, and possible losses in efficiency. Among the projects mentioned by parishes as priorities beyond their financial capability were feeder and community roads, boreholes, health units, etc. They may be either too costly or too lengthy to embark on given the small IPFs per year or quarter. Although parishes are entitled to pass their priority investments to higher levels of government whenever they are either beyond their budget or because they are too complex for them to handle and operate, many times communities prefer to prioritise other investments within their direct control. Furthermore, even though they could set aside a local counterpart fund for priority investments

in the hope that the next LG level will match funds, this will not always happen because there is no certainty that it will be taken as a priority in the next level and therefore they may end up downsizing their own investment plan.

**10% Co-funding:** The PAIMS design requires, as one of the Minimum Conditions to access LDF, a co-funding contribution, made out of their own revenues, of 10%, that Local Governments (Districts and Sub counties) should deposit in the LDF account in order to qualify for LDF grants. Careful calculations were made by PMU/UNCDF to ensure viability of the co-funding requirement. Among other factors they examined the expected magnitude of government funds in the medium term, the availability and potential for local revenues, and other recurrent or co-funding obligations by local councils. The fact that most local governments have complied with the requirement and sometimes have even exceeded the requirement might, on the face of it, suggest the appropriateness of the design. However, while this requirement has led to an increase of local revenue allocated for capital development, it has meant sacrificing other district activities as further elaborated in section 3.2.4.1.

#### ***2.2.2.5 Access and Performance Criteria Established***

As reported by many donors and the LCs themselves, central to the DDP/KDDP design is the annual assessments of Districts and Sub-Counties against the pre-set governance criteria (the so-called ‘minimum access conditions’) and performance criteria. The ‘minimum conditions’ determine whether a district or a sub-county is eligible to access the Local Development Fund. The performance criteria, assessed in retrospect, determine whether a local government is eligible for a reward or penalty (i.e. whether the amount of the Development Fund is to be increased or decreased for the subsequent financial year). Districts which do not meet the minimum access criteria can still benefit from the Capacity Building Fund (a separate funding-line under DDP/LGDP) in order to assist them qualify for development funding in future.

The Minimum Conditions and Performance Measures have greatly contributed to the enforcement of the Local Government Act and the Financial and Accounting regulations, and to the further encouragement of a results-oriented approach to management among Local Governments. A similar approach is also envisioned in the Civil Service Reform and Restructuring Programme under the Ministry of Public Service. The Minimum Conditions and Performances Measures are commonly regarded as one of the major strengths in the DDP-KDDP design, and the key to encouraging capacity building.

*The Minimum Conditions and the Performance Measures have helped us to improve capacity. (Council member and Secretary of Finance, Mukono District)*

#### ***2.2.2.6 Investment Menu Limits and Exclusions***

The DDP/KDDP Programme offers LGs a broad investment menu and all service delivery functions within the LG Act Schedule II. With the exception of security equipment and vehicles, or private production investments, all other investments in LG mandated services are eligible for funding. Local Governments can fund activities outside the PEAP priorities – such as council buildings – but if expenditure on non-PEAP priorities exceeds 20% of all expenditure, then the LG is subject to penalty in the form of decrease in allocation in the subsequent year.

Using this reward and penalty incentive DDP has encouraged prioritisation of investment in PEAP, and therefore DDP/KDDP investments are in exactly the same sectors as the PAF-CG is financing: Primary Education, Primary Health Care, Water, Feeder Roads and, to a lesser extent, Agricultural Extension. In

fact DDP, having been implemented before PAF-CG, has greatly contributed to the realization of the PEAP in the first place, and to levelling the ground for the implementation of PAF conditional grants. As observed in the Fiscal Decentralisation Report, this penalty and reward system is also one of the main strengths of the DDP/KDDP, since the built-in incentives have succeeded in commanding the allocation of LDF investments within the PEAP priorities.<sup>22</sup>

The investment menu gives priority to investments which are purely capital in nature. Districts are required to make budgetary provisions for recurrent costs associated with LDF investments, but which are financed from non-LDF resources. As indicated in other sections in the report, districts have been meeting recurrent costs through a combination of central government grants such as the PAF-CG and locally raised revenue such as user fees.

Although LDF expenditure is mainly on capital items, LGs are also authorised to use the LDF funds for investment planning and monitoring (the so-called ‘investment servicing costs’) up to a maximum of 15% of the total fund. This feature was intended to ensure accessibility of local governments, particularly at lower levels, to technical assistance either from the District level or from private consultants.

#### ***2.2.2.7 Principles for Division of Planning Authority between LC3 and LC5***

In terms of the design it should be noted that great effort was put into the search for a clear division of responsibilities. However, the basic principle of the “accruing service benefits area” is not easy to apply in a straightforward manner and therefore it requires a period of testing alternative modalities to determine the best ones. Hence service delivery responsibilities are still not clearly delineated in the LG Act and therefore clearly defined responsibilities could not be embodied in the DDP.

Principles for division of planning responsibilities were laid out in the project design in terms of Investment Project Categories, Planning/Provision/Production responsibilities, and production roles. Three project categories were defined – Public Category A, Public Category B, and Community Projects – based on criteria such as recurrent cost responsibilities, District Tender Board involvement and community contributions.

The recurrent cost criterion applied was aimed to cater for the operation and maintenance obligations emerging from new/rehabilitated infrastructures as well as the physical maintenance of the works in the context of the required local capacity to cater for these obligations. In terms of operation, which for the most part of PEAP investments depends on staff salaries, there was no clear rule. In the absence of government regulations on this matter, each District had different local arrangements whereby the Sub-County, the district or the direct beneficiaries had the responsibility to afford such expenditure. Therefore, by implication, practical arrangements, following the ownership principle, were expected to operate and to be taken into account during project appraisal on a case-by-case basis. Such an indefinite framework may be responsible for some of the potential operational problems reported in the field to the evaluation Team.

Later on, the introduction of the PAF Conditional Grants began to cover operational costs (mainly staff salaries and supplies for the health and education sectors), and as of now accountability is mainly intended to be made to the centre rather than to the constituents.

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<sup>22</sup> “Fiscal Decentralisation in Uganda: The Way Forward”, Draft Report, December 2000.

Social sectors with great benefit externalities are commonly regarded as national priorities, and therefore it is the responsibility of the central government to ensure standards and delivery. However, under a decentralisation framework some of these responsibilities may be “delegated” rather than “devolved” to lower levels of government, by way of conditional transfers. For such cases the regulatory framework should also anticipate management schemes for service delivery that may include a wide range of alternatives including Community Based Organizations, the private sector and/or corporate public utility enterprises, among others. To ensure effective delivery there should be adequate quality checks, full access to and control on the production factors by the production agent, and proper financing schemes. Furthermore, when accountability on quality of services cannot be enforced through market forces a representative level of government should be empowered, on behalf of the beneficiaries, to intervene and demand adequate service delivery and management. In the case of decentralisation in Uganda this is still a pending matter to be developed by sectoral Ministries.

#### **2.2.2.8 Appropriateness of PMU/DS as Preparation/Managing/Executing Body**

The PMU was created in order to give the Project a focal point in its management. Prior evaluations have agreed that the Unit has done an impressive job in spite of the many operational difficulties on the ground; and we concur with this position.

That success aside, PMU has experienced some constraints in its operations within the MoLG. Although it is a unit under the Decentralisation Secretariat, the two seem not to be properly coordinating their activities both at the centre and in the field. In fact, positions that exist in the wider Ministry are duplicated in the Secretariat and this has had the effect of uncoordinated messages being sent to the field. As a recent report<sup>23</sup> prepared by UNCDF Hq. Staff put it:

The operational linkages between the Decentralisation Secretariat and Programme Management Unit and the various branches of the MoLG are not always clear, which has implications for mainstreaming the experiences from the DDP and possibly other donor supported initiatives.

As a unit in the Ministry, PMU is limited in terms of what initiatives it can take in the management of the Project, for if such initiatives have policy implications, the PMU must get approval from higher authorities in its parent Ministry. And, considering the crosscutting nature of the Project, such approval may even involve line ministries. Where support is not forthcoming, there isn't much the Unit can do.

And in the field, there exists several other decentralisation Projects, whose activities impact on those of DDP. These include activities by sectoral ministries, other donors and NGOs; yet PMU as presently constituted has no authority to ensure that there is coordination and collaboration between these decentralisation initiatives at the district level whose activities impact on those of DDP/KDDP. Granted, PMU's mandate does not include that of co-ordinating such activities at the district level. But the absence of proper co-ordination at the district level leaves one to wish that PMU were in a position to fill the vacuum, which it cannot as presently constituted. The co-ordination problem at the district and lower levels is further compounded by the fact that most donor programmes are negotiated without the involvement of LGs and they are subsequently forced to accept the set modalities in order not to lose the resources associated with the programmes.

One of the major problems currently facing the implementation of DDP is the fact that it exists as a parallel project alongside those of line ministries, such as Education, Health, Agriculture, which have

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<sup>23</sup> “Mission Report: UNCDF Programme Review Mission in Uganda”, 30 July-12 August 2000 by Hitomi Komatsu, Kadmiel Wekwete & Stefan Rummel-Shapiro.

their own work plans that are implemented according to their own rules and regulations in spite of the DDP Pilot. This problem should be appreciated when one considers that it is the same government officers who implement both the DDP and the sectoral programmes. According to the operative norms in any bureaucratic system, PMU as presently constituted does not have the leverage power to coordinate the entire government development activities at the District level, even if they had the resource capacity to do so. The problem – not unique to the Ugandan case – is that whenever units are created within a ministry to manage a special project, they often acquire an operational culture of their own, and this tends to make such units the target of envy, which may lead to uneasy relations with other units because of the special status and resources they enjoy relative to other units in the ministry. Intra-departmental cooperation therefore becomes difficult in such situations. The evidence available to the Team suggests that PMU has not been spared such an experience.

Since the activities of the PMU and the Decentralisation Secretariat are not quite well coordinated, the challenge to the MoLG is to find means and ways of removing this hiccup so that the Ministry is represented in the field with one voice. This would require that functions that have been duplicated within the Ministry be rationalised so that the Ministry reaches the locality through a common medium in every functional/ operational line. Given that PMU was created to give the Project its own identity expressed through separate implementation arrangements, this has had the unintended consequence of undermining intra-ministry relationships. As the Project nears its terminal stage, the whole operational arrangement will need to be revisited by both the donors and the government to address these issues.

In terms of its relation to Districts and LCs with regard to the implementation of the DDP/KDDP, PMU is uniquely well positioned at the centre of the Decentralisation Secretariat and as an executing body of the Ministry of Local Government, which is an advantageous position empowering it to properly relate to the lower levels in order to operationalise the DDP-KDDP projects. As time has passed PMU has proved to have good management capacity, which is mainly built on a well-designed monitoring and evaluation framework.

### **2.3 RELEVANCE IN THE CURRENT CONTEXT**

As discussed above, the Project modalities and the instruments put in place to guide the planning and implementation of DDP/ KDDP are still relevant in many respects since they have been responsible for whatever achievements have been recorded so far by the Project. Although many lessons have been learnt, which have, for example, begun to influence the design of similar Projects, e.g. LGDP as well as sectoral programmes, e.g. PMA, as discussed elsewhere in this report, one could still say that many more lessons of experience are likely to be learned during the remaining life of the Project, including the one year extension. Indeed, with a number of donors currently considering supporting the expansion of the LGDP, the DDP/ KDDP should be encouraged to pilot any modalities and/ or instruments which might be considered for introduction into the LGDP.

Whether KDDP should continue to be regarded as a special case is still a valid issue in view of the unchanged security situation in the District, which has, for example, made accountability for funds submitted to sub-counties a lingering problem. Besides insecurity, the staffing situation in the District remains very poor, with many posts unfilled both at the District and at the lower levels, especially at the critical LC3 level. Therefore, even if the DDP were to be phased into the LGDP or into some other programme, such as the UNDP 2<sup>nd</sup> Country Programme (CCF), Kotido district would still be ill-prepared to compete reasonably with other districts, including even the Northern districts such as Gulu, Lira, etc.

### **3 STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS, AND POTENTIAL IMPACT**

#### **3.1 PROJECT MANAGEMENT AND IMPLEMENTATION ARRANGEMENTS**

##### **3.1.1 Donor-Recipient Relations**

UNDP and UNCDF disburse funds to PMU on a quarterly basis based on district work plans (since 1<sup>st</sup> quarter of FY 1999/00). The Project donors require quarterly accountability for remittances within 15 days from the end of the quarter. This has been difficult to achieve given the large number of LCs that the PMU handles under the Project. For example, the 32 Sub-Counties of Mukono must submit accounts to PMU, which in its turn submits them to UNDP/ UNCDF.

The MoLG, acting on the authority of the PSC, early last year presented a number of proposals to the Project donors including the request that they should release the 1<sup>st</sup> quarter and the 2<sup>nd</sup> quarter funds automatically based on quarterly work-plans, and then tie the release of the 3<sup>rd</sup> quarter funds to accounting for the 1<sup>st</sup> quarter release, which accounting should be submitted within the second quarter; the 4<sup>th</sup> quarter release should then be tied to accounting for the 2<sup>nd</sup> quarter, which should be submitted in the 3<sup>rd</sup> quarter. A second proposal was to break accounting responsibilities to two levels: PMU to UNDP and UNCDF and Districts to PMU. In the case of the latter alternative, it was suggested that in the first instance money should be transferred directly to the benefiting districts on advice of the MoLG, as there was not any 'value-added' by transferring money to the LGs via the MoLG. These proposals were not accepted and the situation is still much the same. UNDP was urged to review the disbursement modalities under the Project as the current situation is slowing down the implementation process. Reportedly, a workshop was organised to discuss the issue but this did not resolve the matter. Thus there is the feeling that UNDP does not seem ready to adjust. However, UNDP's position is that it is bound by the NEX guidelines and that if any modification in the operative rules were to be introduced there would have to be a renegotiation of these guidelines by all the parties involved. UNCDF also takes the position that the guidelines would need to be revisited if the current mode of operation is to be changed. If the Project had a longer lifetime remaining, it would have been worthwhile to renegotiate the guidelines, but considering that the Project has only a year to go, the effect of a renegotiation may not be felt.

The Project also experienced a major setback in the flow of funds during its first year of implementation. This was attributed to the collapse of the International Credit Bank where the PMU had deposited Project funds amounting to about U Shs 1.2 billion. This incident resulted in some strained relations between the Project donors and the government, with the former insisting that until the government made good the loss, they would not make any further remittances. It took the government about 6 months to pay the money. The effect of the delay has been felt on the ground where projects stalled for lack of funds and the costs of completion went up as time passed.

The Team further learnt that efforts to make up for the lost time, after the government had made good the loss, were hampered by the structure of accountability in the Project. Specifically it was pointed out that the Project donors required full accountability from all the pilot areas, and this condition made it difficult to progress faster because of the differential performance by Districts and Sub-Counties.

It was also pointed out to the Team that UNDP occasionally introduces changes, which they do not communicate to the government in good time. For example, the UNDP was supposed to provide US\$ 2.8 m to the Project but later cut its contribution by \$ 614,000 without prior discussion with the government.

The relationship between the donors and the recipients is furthermore affected by what appears to be an unsettled relationship between the UNDP and UNCDF. UNCDF operates under the diplomatic umbrella of UNDP, and in so doing finds itself subjected to the operative norms of the latter; when in practice there is lack of joint programming and convergence of approaches between the two. Therefore, cases have been reported where the two do not relate to the recipients as an organic entity, which suggests that there is a need for clarification of future operational relationships between the two.

According to the Project design, the donors are supposed to provide some technical support to the Project. There is available evidence that there has been a lot of co-operation between UNCDF and UNDP in giving technical back-up to the PMU in, for example, preparing training documents and in monitoring and evaluation. In addition there have been a number of programme review missions from UNCDF Hqs. whose discussions with relevant government officers and reports developed therefrom have highlighted and/or ironed out some of the bottlenecks identified during the implementation process. This has happened in spite of the thinness of staff on the ground, especially on the part of UNCDF Country Office.

Indeed, the issue of the donor-recipient relationship goes beyond the DDP and should be seen within the wider context of donor participation in the country's development efforts. The Mission held discussions with representatives of the donor community based in Kampala, viz. Irish Aid, Danida, DfID, The World Bank, The Netherlands Development Organisation, USAid, in addition to the Project donors. It was quite clear during the discussions, except in the case of the WB, that most of the donors still have misgivings about decentralisation in Uganda (as illustrated by the quotation in the box) and have thus far continued to disburse funds along the same lines they used to follow before the decentralisation policy was introduced about 8 years ago. This has tended to create a lot of demand on district staff who must divide their time between their routine departmental activities and those that respond specifically to donor designs and conditionality. It has also made coordination difficult especially where a donor has a representative at the district level who reports to Kampala directly. In fact, the situation is compounded by the fact that the donor representatives at the districts are never part of the decision making structure at the district level and have therefore by and large operated autonomously.

*Decentralisation  
requires control  
mechanisms to  
ensure accountability  
by way of checks and  
balances  
(Donor official)*

### 3.1.2 Relations at the Centre

Under the DDP-Pilot, policy formulation and strategic management are the responsibility of the Policy Steering Committee, which comprises the Permanent Secretaries in the MoLG, MoFPED, and Ministry of Gender, Labour and Social Development. The PSC is supposed to meet twice annually to review progress reports, endorse the annual Project Plan and Budget, including Annual Schedules for LDF transfers and for CBF allocations and priority investments to be supported by each financing facility. The PSC is also responsible for ensuring that the lessons resulting from the implementation experience are integrated into the appropriate fora for policy development.

The Team found out that the PSC has not been able to perform these functions; it has only met once since the inception of the programme, i.e. early last year. And even at that meeting, only the PS, MoLG attended. The PS to the Treasury sent a representative while the PS for the Gender ministry was absent with apology. In the absence of a functional Policy Steering Committee, the burden of steering the operations of the Project has fallen on the Project Technical Committee. Meeting quarterly, the PTC is not mandated to share the minutes of its deliberations with the PSC. The resolutions are communicated to the PMU and CAOs for implementation with copies going only to the Project donors.<sup>24</sup> The general feeling among some members of the PTC is that since it has been effective in the discharge of its responsibilities, there has been no need to convene the PSC. But the effect of this stance is that one of the PTC's functions, strategic advice to PSC, has not been performed.

Part of the explanation of the non-performance of the PSC may be found in the fact that both the chairman and the secretary of the PTC belong to the Ministry that chairs the PSC. With consistent briefings after and in-between the meetings of the PTC, the Chair may have seen no necessity for convening the PSC. It also appears that members of the PSC who do not belong to the Ministry of Local Government have not demonstrated interest as evidenced by the low attendance at the only PSC meeting that has been held so far. Which leads us to conclude that the PSC has played little or no direct role in the management of the DDP-Pilot.

With regard to the PTC's role, there is evidence that it has met regularly and discharged its functions as mandated. And through the PMU, it has also been able to link up with districts to prod them into discharging their mandated roles. However, as presently constituted, the structure of representation in the PTC does not favour other line ministries. The only ministry represented (by 1/3 of the membership) is the MoLG, which hosts the Project. As a result, there has been no systematic participation of sectoral ministries in the determination of the Project activities, which might explain why line ministries have tended to relate to the Pilot Districts outside the framework of DDP modalities.

### **3.1.3 Centre-Local Relations**

The key factors in centre-local relations are the programme modalities and the LG Act, 1997, which have set the beacons within which the Project management operates. PMU as established has specialised sub-units through which it has been able to reach the Districts to ensure that the Project modalities are adhered to. In areas where weaknesses at the district level have been detected through M&E, the Unit has been able to direct capacity building efforts to address the identified bottlenecks. This has been true of its effort in strengthening the planning system at the local level and especially the development of competencies in the district planning units. The Unit has also managed to get the districts to appreciate the need for timely accountability in the use of disbursed funds since failure to provide regular accounting disrupts the subsequent flows. Many problems still remain in this area as discussed elsewhere in this report. But that is not to say that the unit has not done what it is mandated to do.

But there are areas of operation, which are outside the mandate of PMU, but which still negatively impact on the Project management. Two of these are worth singling out. As intimated above, there is still lack of effective dialogue on decentralisation among the different sector ministries, which have developed their own sectoral policies, some of which do not incorporate the principles of or the commitment to the decentralisation policy enshrined in the 1997 Act. Line ministries are still, for

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<sup>24</sup> DDP Project Document, p. 84.

example, channelling poverty alleviation funds in some cases directly to the projects, as in the case of education, or directly to the district as conditional grants, which means that the Pilot Districts are not free to use the said funds in areas of critical needs as perceived by them. The second factor is the uncoordinated interventions at the district level by both the donor agencies and the NGOs operating in the pilot areas. As mentioned earlier, donors still prefer channelling resources directly to their adopted projects through their own intermediaries at the district level. And NGOs have been reluctant to operate within the framework of the Project. Thus, the operational approaches by both the donors and the NGOs, especially foreign NGOs, have tended to undermine the coordinative role of the district as well as the input by PMU in the Pilot Districts.

An equally important factor which has impacted negatively on the Project, as pointed out in a recent UNCDF Report (Programme Review Mission in Uganda, 2000), is the MoLG's failure so far to shift its orientation from the traditional inspectorate role to reflect its mentoring and empowering responsibilities to LGs. The problem is even worse in some of the line ministries. As a senior officer in the government put it, "line ministries want to continue with business as usual as if the 1995 Constitution and the 1997 LG Act do not exist. They do not want to believe that their work is in the field". The challenge remains how to make them see LGs as their partners and stop taking their roles as that of policing their units in the field. However, the districts appreciate the role of the Project in strengthening the relationship between them and the centre. In Jinja and Kabale, it was specifically mentioned that officers from the MoLG (PMU) come down to the districts from time to time to assist in making the Project a success.

The multiple channels of resource flows to the districts from the centre have, as would be expected, increased the workload of district staff without corresponding compensation. In Kabale, for example, a District HoD complained about the parallel planning frameworks which they have to apply, one for DDP projects, and the other one for the line ministry, and wondered why the two cannot be synchronised and integrated into a single district planning framework. The problem of planning co-ordination between the centre and the locality is partly attributable to failure by the government to prepare appropriate instruments to establish the National Planning Authority provided for in the 1995 Constitution. In the meantime, the MoFPED has largely lost its former coordinative authority for district planning since the decentralisation policy was put in place.

#### **3.1.4 Field-Level Relations**

Field level relations in the pilot areas have been affected by lack of co-operation, especially in the planning process and allocation of resources among the government departments, on the one hand, and between the government and development partners, on the other. Differential accountabilities at the district level have therefore made it difficult for a sense of unity to be built among the various partners at the district and lower levels. There are, for example, donor organisations and NGOs which are implementing more or less the same projects in the Pilot Districts without feeling the need to coordinate their activities with those of the DDP. And the district authorities have been unable to compel them to do so because of lack of leverage power. In Arua, for example, UNICEF has 3 projects, namely Joint Engagement for New Gainful Activities, Educational Development for Gainful Empowerment and Food Production Enhancement, all started in 1998. None of these has made use of the DDP model, but instead are operating autonomously, while expecting the cooperation of the relevant government ministries if and when there is need. We found a similar situation in Kotido, where the Church of Uganda, which until recently was a major actor in KDDP, has decided to completely delink from the Project, but continues to provide services in critical areas such as primary healthcare, agricultural

extension and community education programmes. They have adopted the attitude that after handing over responsibility to the District, they should not interfere in the activities of the Project.

In some DDP pilot districts we found strained relations between the District Technical Committee and the Executive. In Jinja, for example, some District heads of departments complained that the politicians were actually interfering with the allocation of funds to projects and that they had little say over the actual disbursements. They contrasted this with the control they have over Poverty Action Fund. Elsewhere, in Kabale, this lack of cooperation manifested itself in the Council ganging up against the District Chief Executive resulting in his dismissal and a prolonged delay in filling his position. This had the effect of depriving the District of a coordinating focal person.

Inter-departmental co-operation seems to depend, first, on who the CAO is and, secondly, on the perception of individual HoDs about the benefit to be derived from cooperation. The Team was informed of cases where departments which are well endowed do not preach the gospel of cooperation leaving it to the poorer ones to do so. But in all the 5 Pilot Districts, there was the general claim that the Project has made the district work as a team. In Arua, for example, it was reported that the district has constituted a multi-disciplinary work team to offer support to the lower councils. And in Kabale cooperation is effected on the ground through the use of the good offices of the Community Development Officer who helps in mobilising the community behind various development programmes to be implemented.

## **3.2 IMPLEMENTATION RESULTS**

### **3.2.1 Enhanced Capacity of Local Councils to Discharge their Responsibilities**

While in the Districts, the Team visited selected Sub-Counties and community based projects with a view to assessing the capacity of the local governments and communities to discharge responsibilities at their respective levels in service delivery under DDP/KDDP. In particular the Team sought to capture technical performance and governance indicators to inform the evaluation on the very important factors of investment management which include:

- Project identification and planning;
- Operation and maintenance;
- Projects design;
- Procurement of goods and services;
- Implementation/ construction quality;
- Monitoring and evaluation;
- Accountability; and
- Local revenue mobilisation

Community, private sector and other stakeholder involvement in the DDP/KDDP was inquired into in the context of all the factors above and is reported on in sub section 3.2.2 below. The following subsections present the key findings from the field visits.

#### ***3.2.1.1 Approach to Project Identification and Planning***

DDP/KDDP has made a major impact in enabling local governments to meet their responsibility for service delivery within the provisions of the Local Government Act 1997 and the LG Financial and Accounting Regulations, 1998. The team was able to see at the Districts and Sub Counties visited the three-year rolling development plans, work plans and budgets for the current year. These instruments,

with different degrees of quality, overall appear to have improved along the three years of implementation of the Programme and certainly were non-existent before 1997.

At the Sub-Counties visited there were files containing the parish investment plans, and the records of procedures from planning meetings. Records of planning meetings from a parish filed with Busede Sub-County clearly showed the list of identified projects and how they had been prioritised.

In contrast to other non-project areas,<sup>25</sup> which mainly rely on centrally determined grants and plans (i.e. PAF grants), DDP Districts currently have developed the 3-year rolling Development/ Investment plans through a participatory bottom-up planning process. Development plans cover the overall allocation of resources from different sources and not just DDP. This is possible because DDP has provided a wider range of investment options, which allows them to effectively operationalise those plans combining different resource sources.

### **Functional Capacity at the District Level:**

The team found that the District Planning Units, except in Jinja,<sup>26</sup> were well staffed with qualified personnel. District Technical Planning Committees were also functional in the Districts visited.

All Districts carry on a planning and budgeting cycle, which starts with a budget workshop or conference with Sub-Counties and stakeholders to set the priorities and particular strategies for a particular year and to identify the expected resources to accomplish the investment strategies. Some Districts like Mukono have established their own planning cycle, which in their view is shorter and more effective, and foremost allows them to reconcile the preparation of the Budget Framework Paper, the three-year development plan, and the annual work plans and budgets.

The District Council approves all plans, and any subsequent modification to them. The original approved annual work plan is sent to PMU who can only assess eligibility of investments according to the menu limits and exclusions but cannot suggest any change. In some work plans items such as an ambulance (Mukono) or a farm tractor (Jinja) outside the eligible investments were included, and after being alerted by PMU, the District Council made a final decision. In the case of Mukono the District Council considered the ambulance a legitimate felt need because of the frequent traffic accidents along the main road, which affect a wide area and population in the District, and therefore they decided to approve the acquisition of the ambulance. They feel this decision was responsible for preventing the District from qualifying for reward in the following year. Meanwhile, Jinja Council decided to reallocate the funds originally intended for the tractor to increase investments in the education sector. Technical officials from the Production Department claimed they were neither consulted nor informed of this change and therefore sectoral activities expected to benefit from the acquisition of the tractor were not properly or in a timely manner adjusted, leading to inefficient performance of the sector and frustration of the potential beneficiaries.

As it was reported in May 2000 during the Third Year Assessment of Minimum Conditions and Performance Measures:

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<sup>25</sup> The team visited Kamuli District, currently supported by the IPC-USAID Programme, and found improvements in financial management, the existence of several programmes and plans from different sources and donors, but less comprehensive planning tools in comparison with the Project Districts.

<sup>26</sup> The District Planner was on leave for studies, and the acting planner had passed away the day before our visit. All planning responsibilities had been passed to the Internal Auditor for the time being.

*With the exception of Sub-Counties in Kotido, preparation and upgrading of development plans has now been institutionalised in all the DDP-Pilot Districts and lower LGs with deliberate efforts made to improve the quality of their development plans. However, districts have not yet adequately analysed poverty issues nor integrated gender and the needs of disadvantaged groups in development planning which are indicators that have been included in the assessment for the first time. There is also still the need to ensure a linkage between the problems identified in the plan and the strategies chosen to address them as well as linking the Budget Framework Paper, the Three Year Development Plan, and the annual work plans and budgets.*

As for the general quality of plans it was also reported, “there is weak linkage between the problems and challenges identified and the strategies devised to cope with them. Besides, the cross-sectoral analysis is also considered still shallow and poorly oriented”.

It is the opinion of the Team that in order to improve the technical quality of plans it is necessary to introduce more comprehensive planning tools capable of providing an appropriate framework for the analysis of social, physical and cross-sectoral issues. This will require a full revision of planning guidelines and the introduction of more specialised training modules on Regional Analysis and Planning Techniques such as “Urban Functions for Rural Development”. This regional analysis method was developed by Prof. Dennis Rondinelli and applied and tested in countries like the Philippines, Indonesia, and Bolivia.

### **Functional Capacity at the Sub County and Lower Levels**

All the Sub-Counties visited by the team had appointed Sub County chiefs, with qualifications that range from junior level to graduate level. The qualities of Sub-County chiefs seem to be improving slowly with the drive to recruit graduates that has been initiated in districts like Arua, Mukono and Kabale. The level of Sub-County chiefs in Jinja and Kotido was substantially lower than in the other Pilot Districts. However, in comparison with the situation in the rest of the country, officials from the MoFPED noted a marked difference between Sub-Counties within DDP districts and those in non-DDP districts, with better capacities generally found in the former.<sup>27</sup>

### **Inclusiveness of the Planning Process**

Districts and lower level governments showed that planning for development investments was being done by stakeholders in a participatory approach that is appreciated by all. Thus the communities are accountable to themselves first and foremost and also to the higher level local councils; besides they are able to monitor the progress and quality of the projects they have planned. Copies of minutes filed by a parish investment committee with the sub county office in Butagaya Sub County, Jinja District, clearly showed the attendance by community members, the agenda and resolutions of the committee with respect to the agreed priority investments and the costs. At Kisasi Dispensary and Maternity Unit (DMU) in Kisasi Parish, Busede Sub-County, Jinja District we found a very active Parish Investment Committee supported by the community. The Team found the community celebrating the completion of the roofing phase of their DMU (refer to photograph). The contractor reported full support from the committee while the chairman of the committee was in turn appreciative of the contractor’s cooperation with his committee. The good quality of the work at this DMU can be attributed to the active role reportedly played by the Project Management Committee and the participation of the community in the original planning.

<sup>27</sup> At the Regional Budget Framework Workshop held in Jinja, Jan 30<sup>th</sup>, 2001.

Local Councils at Sub-County and Parish levels are aware of the need for greater inclusiveness as a way to obtain political legitimacy. The M&E framework for DDP-KDDP requires them to collect lists of attendance at meetings by gender and to comply with a minimum 30% of women's participation. In some Districts, however, this requirement is considered an unnecessary burden and is often not complied with.

### **Effectiveness of Plans**

In all cases the priority investments made by the districts and the lower level governments are in the poverty-focus sectors of primary education, water supply, primary health, roads and agriculture. This, in many ways, indicates an attempt by the local governments and the communities to address their felt needs, although they are sometimes frustrated because the feasible technical solution projects especially at community level may require more resources than those provided by the IPFs. However, where these basic needs are being met at a satisfactory level the stakeholders are demanding a more inclusive investment menu. For example the Chairman, Mukono District Council, was concerned that the district had been penalised for purchasing an ambulance using LDF; that the district could not use the LDF to construct badly needed district headquarters; and that Mukono Town could not be included in the Project.

The above notwithstanding, some problems were identified that may jeopardize the effectiveness of the bottom-up planning process. For instance, parishes are entitled to IPFs while Sub Counties are free to allocate the retained 30% of LDF funds to their projects. Districts in turn can embark on District projects based on their retained 35% quota. This clear-cut allocation of funds has led in some cases to isolated sets of projects determined on the basis of financial ceilings at each level, which sometimes do not correspond to the main priorities at the different levels. For example, in Midia Sub County in Arua, a Health Unit was the main felt need for parishes and the Sub County. However, the LC3 did not have enough resources on its own to include it in the investment plan and parishes preferred to have some localised investments within their boundaries that could be accomplished within their IPF entitlements. Therefore, as a second best choice, parishes turned to the creation of protected springs and the Sub County decided to provide desks to schools, thus indefinitely postponing a solution to their common and most important need. For the District, although the Sub County placed a request, this was a priority competing with other priorities and therefore had to wait in the queue.

An unintended effect of the allocation and planning system is that it seems to have discouraged economies of scale and the construction of greater impact projects. This is because each unit treats its allocation as parochially belonging to it, and rarely thinks of combining resources with other units in order to come up with greater impact projects. This suggests that there are not enough incentives for combining resources among various levels of LCs. However, some encouraging examples were found in Mukono and Kotido. The Sub County Chief of Seeta Namuganga (Mukono) reported receiving the support of the District in the form of road construction equipment to carry out a Sub-County-funded (LDF) swamp reclamation. In Kaabong Rural Sub County, in Kotido, the team visited the Lokipwor-ebele bridge financed by two adjacent parishes that combined their IPFs to solve a common problem, namely, lack of safety in crossing of a stream that had become life threatening during rainy seasons (as evidenced by the reported loss of two lives in the recent past).

#### ***3.2.1.2 Approach to Design of Projects***

Because of the basic nature of most of the projects identified at the community level, only simple designs and technology levels have been required to carry them out. The Programme Management Unit

(PMU) has issued modular designs for this purpose to local governments. The designs cover school classroom blocks, VIP latrines, desks, health units/DMU, bridges, protected springs, protected wells, drains, cattle dips, gravity flow schemes, and stand pipes. These designs have been implemented satisfactorily. In fact the Team found that the implementation of most of the projects was by local artisans and small-scale contractors, meaning that the plans were not too complex for their level of resources.

The office of the district engineer performs a number of functions, viz. the review of the modular designs to suit the local conditions; carrying out engineering survey; preparation of Bills of Quantities, specifications, draft contract agreements and bid documents; and technical evaluation of bids. However, the Team found that in all districts this office is not adequately staffed and is over-stretched in discharging its functions. For example, the Assistant District Engineer (buildings) invariably assumes the quantity surveying and architectural functions besides the engineering design and supervision responsibilities.

In the case of KDDP, the challenge remains that some of the modular designs appear not to have wholly addressed the harsh environmental conditions and the customs peculiar to Karamoja. The Team found that the buildings in Kotido, with its hot and dry climate, are of identical design to those in the climatically milder districts of Kabale, Mukono and Jinja. The impact on the physical environment arising from the extraction of building/construction materials needs to be assessed within the DDP/KDDP framework so that proper mitigation measures can be incorporated in the revised designs and specifications.

### ***3.2.1.3 Approach to Procurement of Goods and Services***

There exists at the DDP/KDDP districts both the institutional framework and the technical competence for the procurement of goods and services. The goods and services are contracted for at the Sub-County and district levels only, as these are the corporate bodies empowered to enter into legal contracts under the LGA.

Parishes submit their investment projects to the Sub-County where they are advertised locally with some Sub-Counties demanding a bid-processing fee from the bidders. The exception is when parish investment committees have prepared and conducted tendering on their own using their IPFs where the DTB threshold is not exceeded (as per the Local Government Financial and Accounting Regulations, 1998). In this case the bidding process has sometimes been weak and uninformed to the extent that the committees push the contractor to accept their IPF value as the bid price regardless of the actual cost of the project. For example, the district works supervisor in Kabale reported that some of the parish projects had been under-quoted and this had led to rolling them on to the next quota IPF. However, the district technical personnel have now controlled such cases through more awareness building.

The Sub-Counties are assisted by the district in preparing tender bids, including costing, packaging and advertising for supply of goods and services whose estimated cost is above the threshold provided for in LG FaAR, 1998. For example the team found that on October 9, 2000 Kabale district published in the *New Vision* newspaper a call for submission of tenders for supply of goods and services to the district and the sub counties. These notices are widely publicised locally.

The heads of departments at the district level are responsible for preparing procurement documents for goods and services for their respective departments and for projects at the lower level councils, seeking support from the works department in procurement of physical construction-related goods and services.

Under the chairmanship of the CAO the heads of departments form the technical evaluation team which supports – and reports to – the DTB in the technical evaluation of bids. This team is sometimes assisted by a consultant in cases of more complex contracts. The DTB is responsible for implementing the procurement process for goods and services including physical construction and consultancy contracts for the district and Sub-Counties. In all districts visited the district tender boards were reported to be in place and functional in line with the LGA and LG FaAR.

Most of the small-scale contractors are not members of the Uganda National Association of Building and Civil Engineering Contractors (UNABCEC). However, some Kampala based medium scale contractors (e.g. Dott Services working on Mukono district roads and KARK constructing Kotido district roads) working on projects in the districts are registered with UNABCEC. The Team could not establish whether or not the non-UNABCEC members are suffering from any disadvantage for not belonging. In contrast to the UNABCEC affiliates, these are simple one-man organisations owned by craftsmen and retired civil servants who would join UNABCEC only if this was a condition for a contract award. Therefore there is scope for UNABCEC to get involved with the grassroots contractors so that they can benefit from UNABCEC's capacity building initiatives currently being funded under a DANIDA grant.

Each tender board in the DDP/KDDP districts has its operational problems, which have sometimes affected the timeliness of processing of DDP project bids. For example, the chairman of the Mukono DTB reported that inability to pay allowances more often to the members restricts the board to sitting only at two to three month's intervals regardless of the backlog. This constraint must be prevalent in the rest of the project districts. The districts (and sub-counties) reported low local revenue – as a result of a weak graduated tax promotion, payment and collection system – as the reason for a weak financial base.

The DTB members reported they would like to monitor the progress of the physical works but are hindered by lack of facilitation. Although the Team did not find a legal or procedural justification for this, as there are other competent officials responsible for this function, all the same there is need to evaluate any marginal benefit whereby DDP/KDDP could benefit from more monitoring centres.

#### ***3.2.1.4 Approach to Monitoring and Evaluation***

##### **At the Sub-County and Lower Level Councils**

Village council investment planning committees keep records of their meetings and file copies with the Sub-Counties. The Team saw such files at all the Sub-Counties visited. Besides, the Sub-County Chief and the chairman of the Sub-County Council each keep a visitors' book where entries of visits by the PMU Staff and other stakeholders are recorded.

The investment planning guidelines for Sub-Counties and lower level councils are clear about the format for the parish chief's summary of project progress.<sup>28</sup> Most projects visited keep records of comments by the members of the Project Management Committees and other visiting stakeholders on the progress and proposed remedial measures in a site book kept by the contractor. For example at Mpungwe DMU construction site in Jinja district the team found an entry in the site book by the

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<sup>28</sup> Although the entries (in form ME-P-02) do not directly report on the quality of the project under implementation the parish chief must report whether the project management committee (responsible for ensuring quality) is functional or not and, if needed, prompt them into action. However, PMU reported that in many sub counties the forms are not being filled in as expected on the grounds that they are "hard to fill".

chairman of the Investment Committee confirming that he had witnessed the contractor correctly preparing the specified mix for the concrete. The District Engineer in Mukono reported that the communities have been sensitised to the extent that their involvement in decision-making and implementation of works enables both physical works and the movement of road equipment to be monitored by the communities.

### **At the District Level**

At the district level the District engineer ensures that work of good quality is done, not only for the district projects but also for the Sub-County and Parish projects. For example, Seeta-Namuganga Sub-County Council Chairman reported that the sub-county investment planning committee requested the district technical staff to assist them in the supervision of their projects. The field extension staff prepare and submit regular reports to the district. These reports are sometimes followed up with a field visit by the head office staff.

*'We involve the district, political leaders and communities.'* Sub-County Local Council Chairman, Seeta Namuganga

#### **3.2.1.5 Approach to Accountability**

The DDP Pilot has contributed to the refinement of existing and emerging regulations and procedures governing the use of public funds for the delivery of mandated services in a technically competent, appropriate and sustainable manner as envisioned in the Constitution and Local Government Act 1997. For example, accountability to the centre and to the constituents is now a common practice at all levels of LCs, not only for DDP projects but also for most of the development and investment plans implemented by Districts and Sub-Counties with resources from different sources. Furthermore, at the Sub County level the minimum conditions have ensured staffing with a qualified Sub Accountant for all the Sub-Counties.

Furthermore the bottom-up planning process is greatly contributing to the improvement of “allocative efficiency” since development plans are suitably designed to meet the felt needs and demands expressed by the population. Priorities are determined and met by the nearest local government and delegated upward when they have benefits for a larger population or cannot be handled properly at that level because of financial or technical constraints.

### **Political Accountability**

With regard to political accountability, the District is accountable to the Project management through the Chairman of the District Council (LC5) who is a member of the PTC where matters specific to a given district are discussed and decided upon. The Team found that as a result of their membership in the PTC, most of the Chairmen are quite well informed about the performance of the Project generally and in their districts in particular. Apart from their membership in the PTC at the national level, the district political leaders are also usually invited to national fora where Project related matters are being discussed. Their inclusion in the decision making process has enhanced the degree of political commitment to the Project, which is expressed at the local level through the monitoring visits that the members of the District Executive Committee make to the Sub-Counties and projects therein. The LC5 Chairman in Kabale told the Team that his committee would make more frequent visits were it not for the limited funds available for such visits. Furthermore, the LG Act, 1997, which stipulates the nature of relationships between the various levels of LCs, has increased accountability at every level since the LCs know what is right for every level and expect the higher levels to act according to the provisions of the Act.

The accountability model applied by the Project is biased towards financial and physical issues. However as the project is gradually institutionalized together with the basic principles of the LGA, new aspects of accountability should be promoted. For example, grassroots leaders should be fully informed about the prioritization and the decision-making process that takes place at higher levels of government (beyond the parish level) to be able to judge the performance of their political representatives and the reasons for any failure to carry out their particular priorities. Furthermore, community leaders should also be gradually encouraged to hold officials and political representatives at higher levels accountable, not just for the way money is spent, but for the actual results and impact of the projects being implemented on the people's wellbeing.

In Uganda the only means through which the citizens can register their approval or disapproval of the performance of their representatives is the electoral process. Other controlling mechanisms and corrective measures on local officials are mainly a prerogative of the center. But for the community and the common citizens there are no ways for effectively applying sanctions for poor performance by their political representatives and officials. From experience in other countries other kinds of sanction mechanisms (e.g. power of recall) are necessary to actually empower community participation and to make participatory plans a political mandate to which political representatives and officials can be held accountable.

#### ***3.2.1.6 Investment Management Processes and Procedures***

The Team found that the investment management processes and procedures spelt out in the DDP and KDDP project documents (based on the LG Act and FaAR) are by and large being followed in the implementation of the civil works at the district, sub-county, parish and community levels. The following sections elaborate.

##### **At the District Level**

###### **Investment Planning**

The Team met the District Technical Planning Committees and confirmed that these committees are in place and active in the project technical processes in all the four pilot districts and in Kotido.

###### **Tendering /Procurement Procedures**

The tendering procedures are being handled by the appropriate organs. The Team found out from a meeting with the chairman and secretary of Mukono District Tender Board that the DTB was implementing its mandate satisfactorily; and the Team attended an ordinary session of the DTB in Arua District. At the office of the District Works Supervisor, Kabale District, the tender for provision of goods and services to the district and Sub-Counties, as published in the *New Vision* newspaper of October 9, 2000, was prominently displayed on the notice board.

However, the Supervisor of Works (Buildings), Jinja District, a member of the Technical Planning Committee, gave a self critical evaluation of the technical processes and procedures at the lower level governments, reporting that there is lack of the critical mass of community based skilled artisans to cope with the construction backlog for new buildings under the project.

##### **At the Sub-County and Parish Levels**

###### **Investment Planning**

There was evidence of clear understanding of roles and responsibilities in the planning procedures and processes. For example, the project document requires that a project management committee be formed to take responsibility for planning, implementation and project oversight at the community level.

At Amaguru Primary School in Romogi Sub-County, Yumbe District (a new district recently created out of Arua district) a member of the school management committee was able to describe the SMC's roles and responsibilities in the planning for and construction of their first ever new four classroom block which is being completed. The Chairman of Yumbe Sub-County Investment Committee reported that because of the sandy nature of the soils the new building had been constructed on a ground beam, that the burnt earth bricks had to be transported from Yumbe as the quality of the local bricks was very poor, and that the committee counted and weighed every bag of cement brought on site. These efforts have led to the completion of a well-constructed four-classroom block.

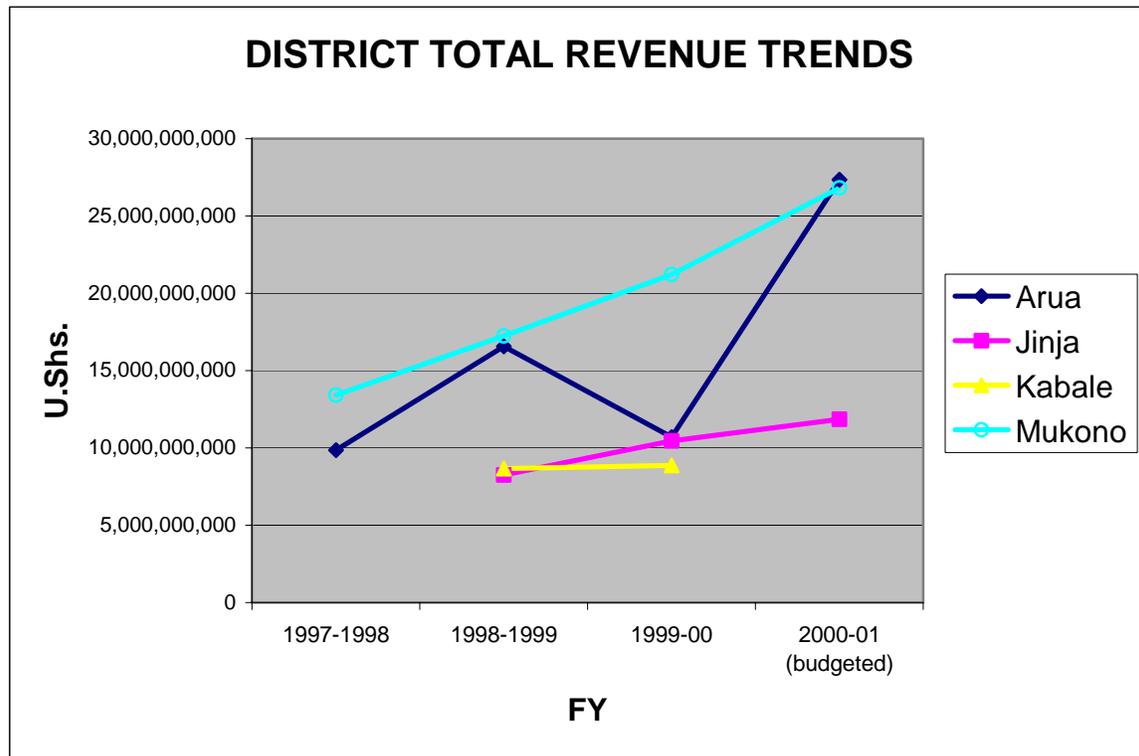
*'We built this building on concrete'*, Chairman, Romogi SC investment committee

The Sub-Counties and parishes are addressing the lack of critical community-based skills for their projects through hiring contractors from outside their areas of jurisdiction. Indeed the contractor for the new Mpungwe DMU in Buwenge Sub-county reported that their office is in Jinja Municipality.

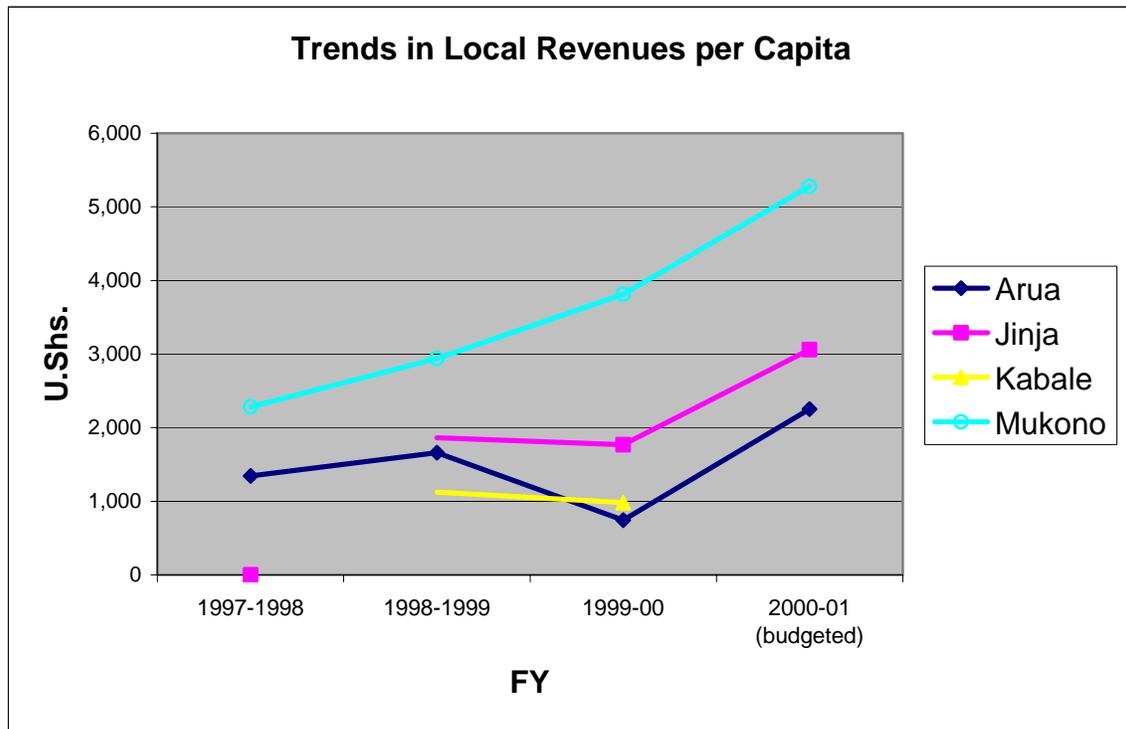
### **3.2.1.7 Local Revenue Mobilisation**

During field trips we managed to collect some financial information at the District level that reflected the trends and composition of revenues and expenses. The main source of such data were the Budget Framework Papers that Districts were in the process of preparing for submission to the Minister of Finance in February. Since we did not have access to any other central database on such information, the following analysis is based on data gathered in the field and collated by the Team. Information from Arua, Jinja, Kabale and Mukono was available for almost all fiscal years 97/98 through to 2000/01, the latter in budgeted terms. The Team was unable to get such information from Kotido.

According to the accounts, non-local sources of revenue mainly come from central government transfers, conditional and unconditional, while districts also receive grants from different private donors or from multilateral or bilateral aid agencies. Local sources of revenue include the Graduated Tax, property tax and several fees and licenses. As graph 11 shows in the last few years total revenues have been steadily growing for all Districts except for Arua which registered a steep decline in year 1999/2000.

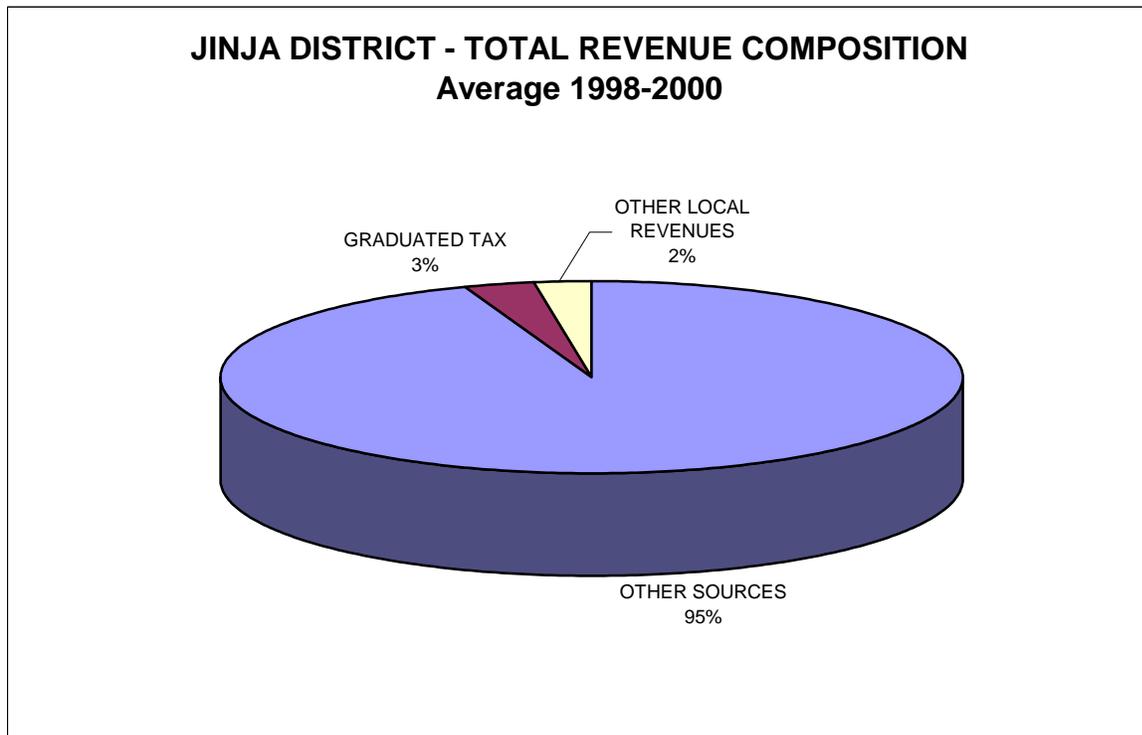
**Graph 11: District Total Revenue Trends**

The different levels of resources and degrees of increase may be associated with the discretionary presence of aid agencies. For instance, in spite of the decline experienced by Arua during 1999/00, the district has most of the time enjoyed similar levels of resources as Mukono, a more populated and comparatively richer District. Although the differences become less acute when analysed in per capita terms, the differential resource endowment among the districts becomes more evident when the population factor is removed as a variable.

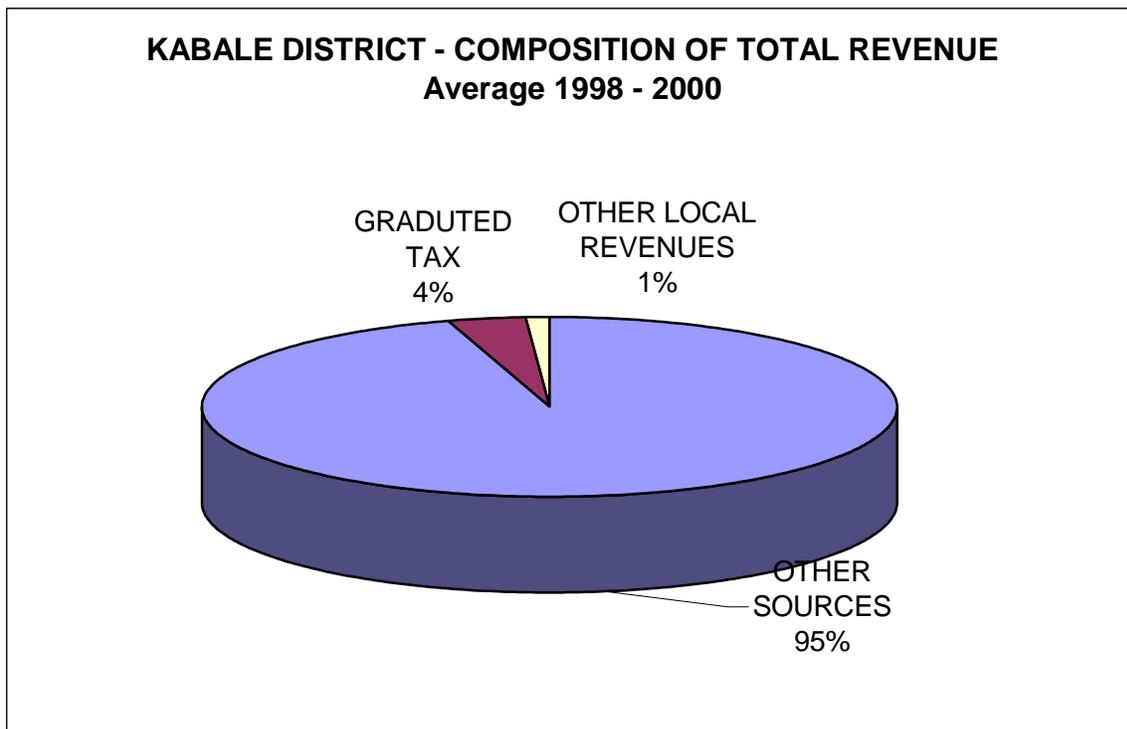
**Graph 12: Trends in Local Revenues per capita**

For some districts though, higher levels of resources are related to their own efforts in local revenue mobilization, as in the case of Mukono. As the following graphs (Graphs 13-20) show, in the period 1998-2000, on average, the districts have raised between 5%, in the cases of Jinja and Kabale, and 6% for Arua and 15%, in the case Mukono, out of their total revenues through local revenue mobilization. Mukono has made the biggest effort, although mainly through local sources other than Graduated Tax that has been declining in the last two years.

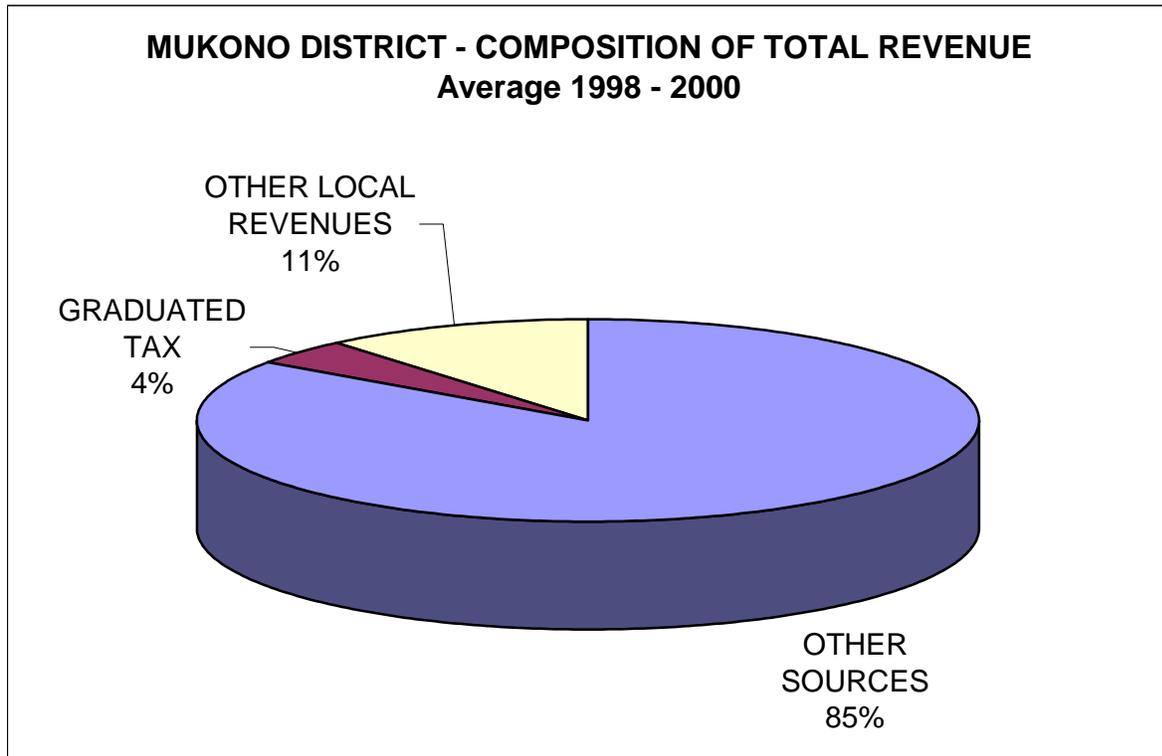
**Graph 13: Composition of Total Revenues – Jinja District**



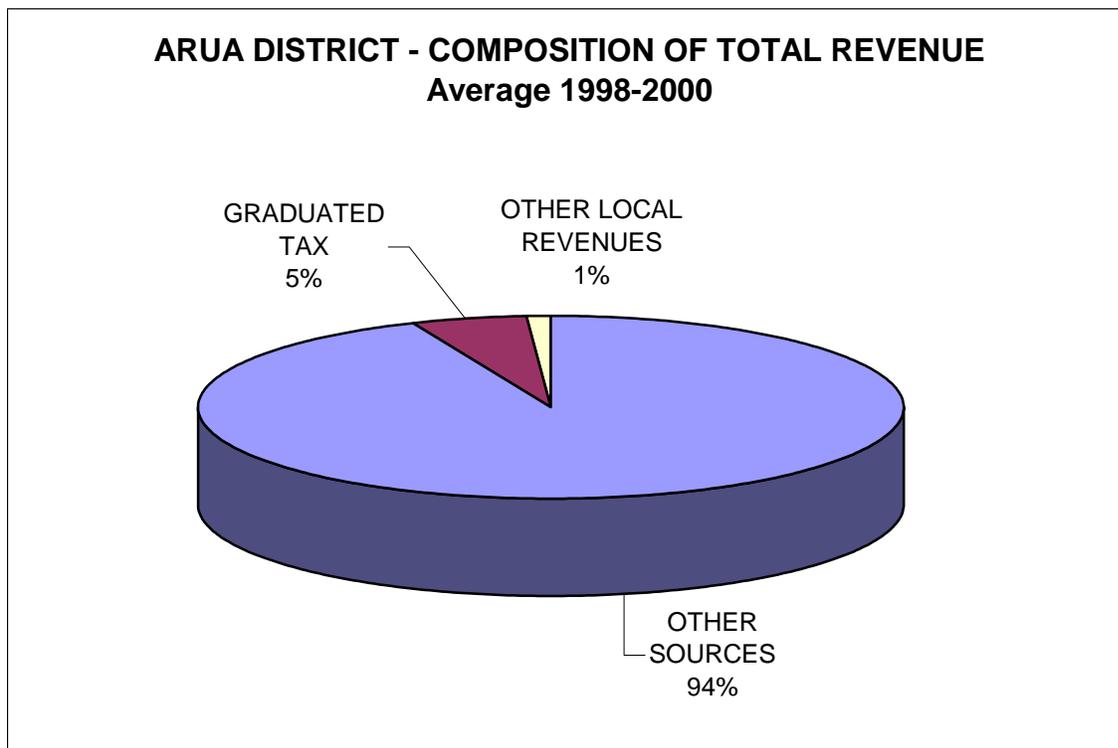
**Graph 14: Composition of Total Revenue – Kabale District**



**Graph 15: Compositions of Total Revenue – Mukono District**



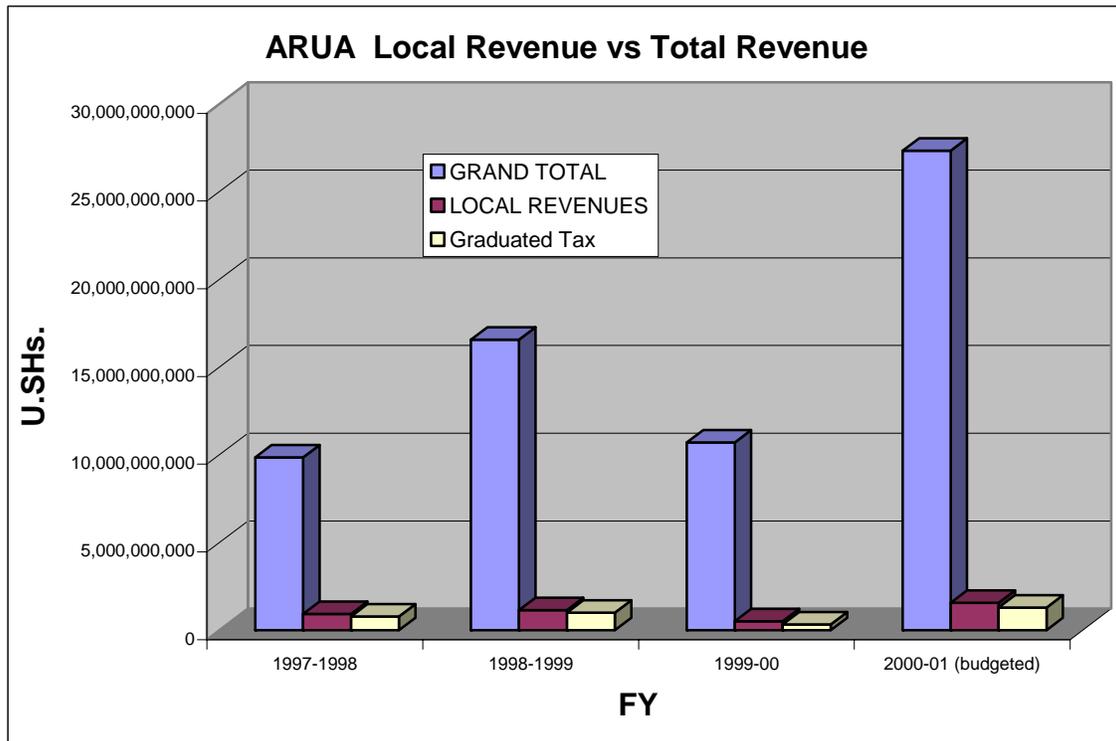
**Graph 16: Composition of Total Revenue – Arua District**



Traditionally, Graduated Tax has been the main source of local revenues, and this continues to be the case in some districts, e.g. Kabale. However, for many reasons, one of them being the lack of stable incomes among rural families, it seems that this source is becoming less important while others are emerging. It captured the attention of the Team that some districts have been applying and collecting new fees or compulsory contributions attached to the new infrastructural facilities. It was argued that this is a way of collecting funds to ensure maintenance and operation of the new facilities.

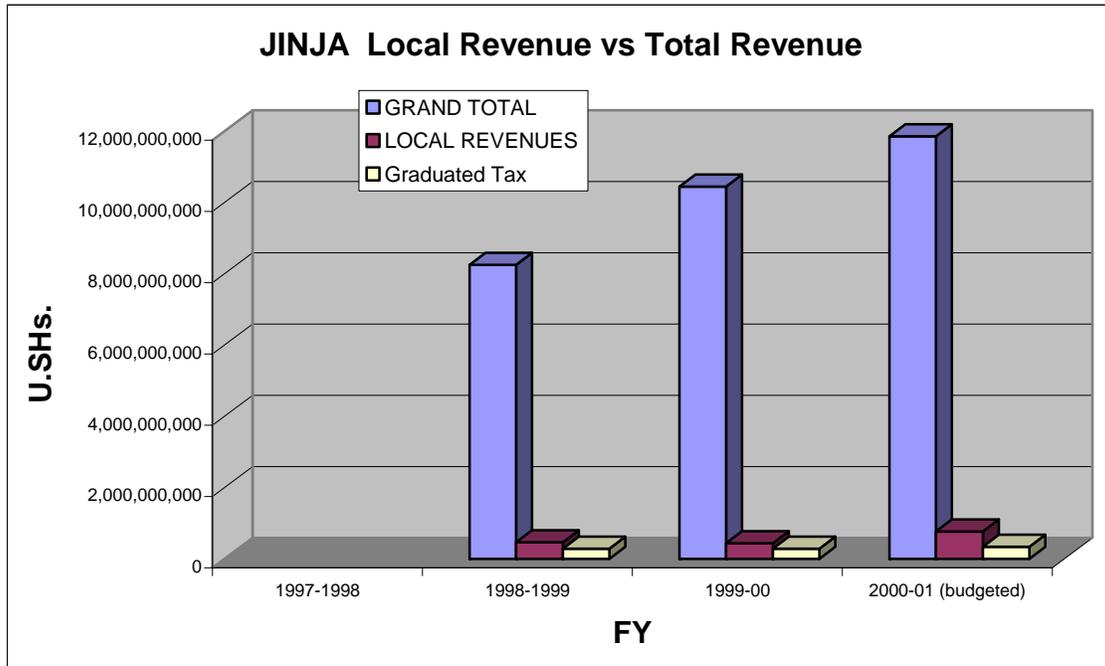
Over the last few years the flow of funds from local and non-local sources has fluctuated significantly and in varying ways among the four Districts. In the case of Arua total revenues have been irregular especially due to fluctuations in the flow of non-local funds. Local sources sources of revenue increased during the first two years but then experienced a decline during the year 1999-00. For the year 2000/01, though, the District expects to pick up its former trend and continue increasing collection of local revenues, particularly Graduated Tax.

**Graph 17: Arua Local Revenue vs Total Revenue**



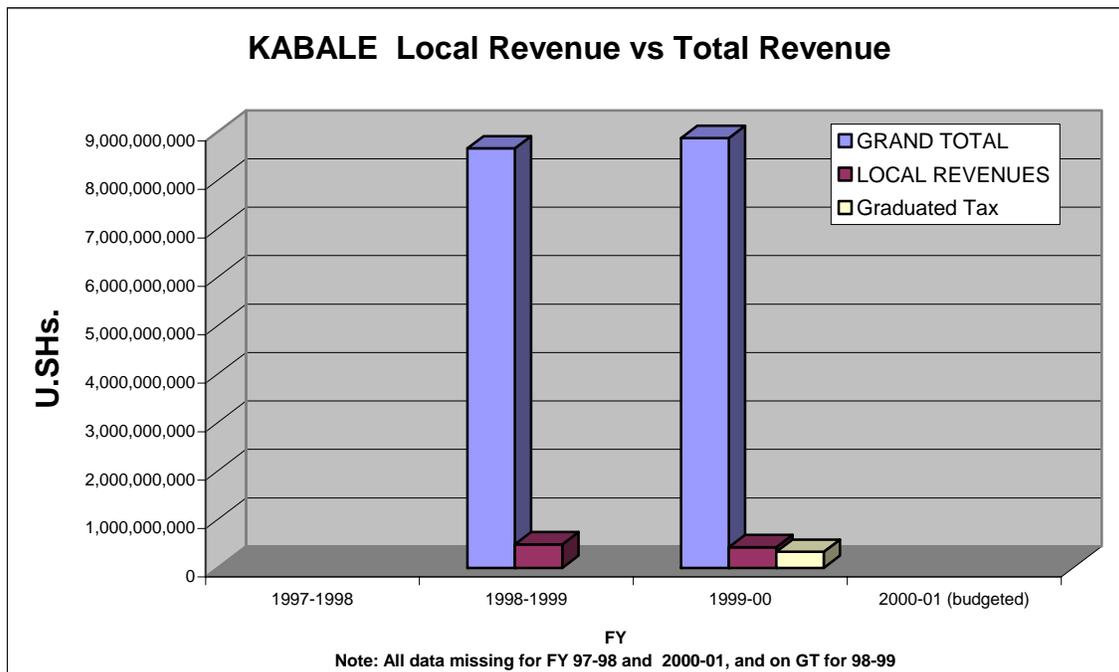
Jinja in turn presents a steadily increasing pattern both for local and external sources. Although with rather low levels of collection compared to other similar Districts like Mukono, it seems the District has made efforts to increase its local revenues. Sources other than the Graduated Tax seem to have become more important though.

**Graph 18: Jinja Local Revenue vs Total Revenue**



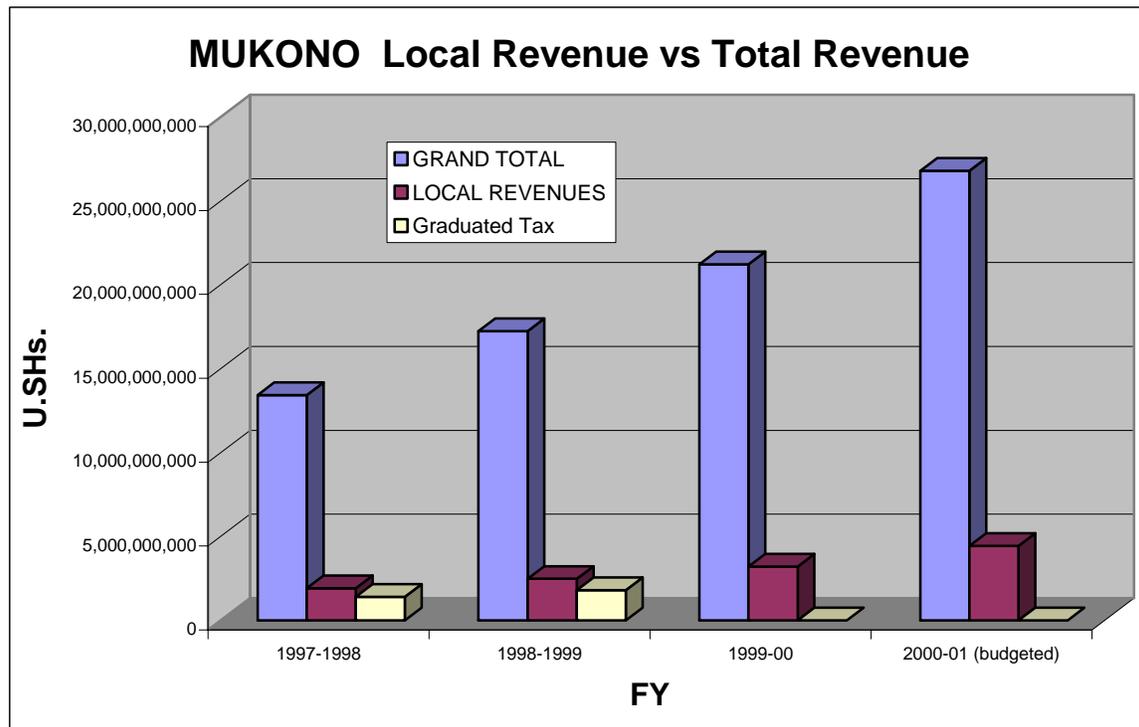
In the case of Kabale we could only gather information on local revenues for two years, and received information on Graduated Tax for only one year. Nonetheless, total revenue appears to have been slightly growing, most of which is not locally derived. Graduated tax seems to be the major source of local revenue as reflected in Graph 19 below for the year 1999/00.

**Graph 19: Kabale Local Revenue vs Total Revenue**



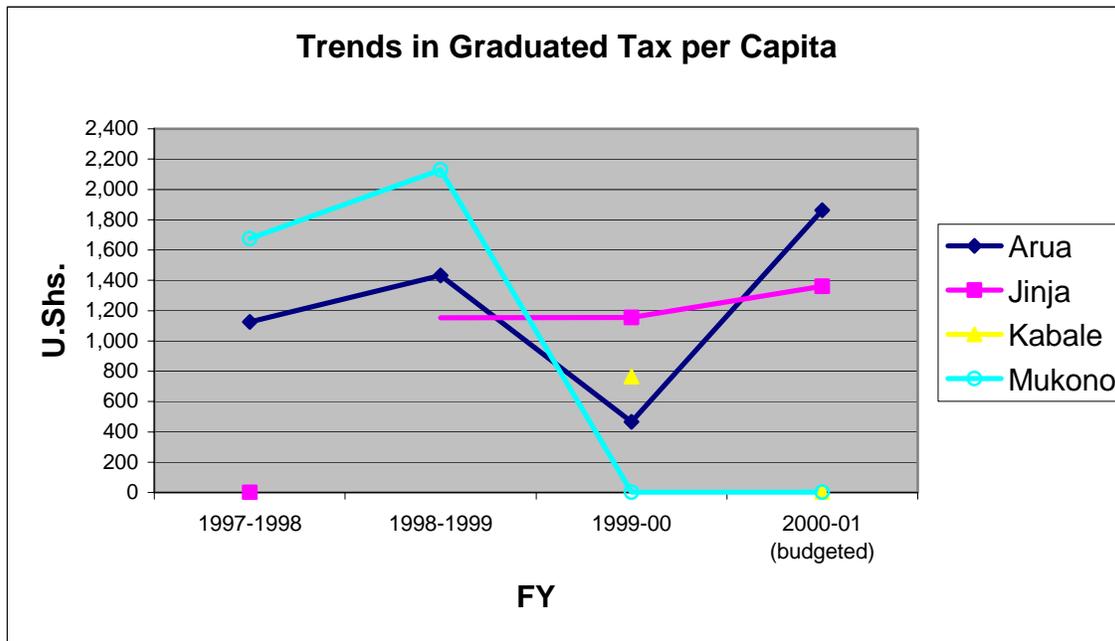
Finally the case of Mukono shows the most stable and steadily growing behaviour both in local and external sources of revenues. As it appears both sources have been growing at the same pace but the most distinctive feature about Mukono is that while the Graduated Tax grew during the first two fiscal years it dramatically dropped in the year 1999/00. Yet in spite of this slow down the District managed to mobilise other sources of revenues and continued with the same growth trend it experienced during the preceding years.

**Graph 20: Mukono Local Revenue vs Total Revenue**



Regarding the comparative behavior of Graduated Tax, traditionally regarded as the main source of local revenue among the four Districts, the evidence shows a general decline in all of them. For comparison purpose Graph 21 shows the trends in per capita terms over the last four fiscal years.<sup>29</sup>

<sup>29</sup> There was no information for year 1997-98 in the case of Jinja, and we only received the record of Graduated Tax for the year 1999-00 in the case of Kabale.

**Graph 21: Trends in Graduated Tax per Capita**

As Graph 21 shows, all the districts experienced a major setback in the collection of graduated tax during the year 1999/00, which was more accentuated in the cases of Mukono and Arua. The situation may be explained by the impoverishment of rural families, which in these two districts were particularly affected by crop diseases that cut down their incomes during the period in question. However, it is worth noting that all the districts, except Mukono, expected a recovery in the collection of Graduated Tax for the fiscal year 2000/01. But this is unlikely to be realised considering that as at February 2001, less than 10-14% of the potential amounts had been collected, with only one quarter of the year remaining.

To conclude, it appears that districts have been trying to improve local revenue collection. However, the main sources of local revenue, i.e. graduated tax and property tax, are very unreliable and have been declining over the years. The latter, in spite of its great potential, has not been properly exploited to date since property rights are still an unsettled issue in Uganda and raising property cadasters is very expensive for individual districts to embark on. The central government should seriously think about a national program funded to regularize property rights and support those districts that wish to put in place cadasters and the collection of property tax. It can be a very productive source of local revenue but the initial cost is a barrier for local governments.

As for the Graduated Tax, it is a very vulnerable source since it depends on rural crop yields or animal production which for the most part are adversely affected by climatic conditions, poor animal breeds and natural diseases. Therefore, promoting rural incomes through rural extension, distribution of enhanced seeds or breeds and giving technical advice to farmers becomes a critical issue not only for poverty alleviation but also for sustainability of the whole decentralisation programme.

### 3.2.2 Encouragement of Private Sector Participation in the Programme

The Team did not find any widespread involvement of large private sector organisations in the implementation of Project activities. Only Mukono and Kotido districts reported that they had

employed medium scale contractors for their district road projects under the Project. Otherwise small-scale contractors and/or artisans form the majority of contractors. The feeling was also expressed in one of the districts that contracting out work makes projects more expensive. An example was given of one company that demanded US\$ 15m to undertake consulting work on planning and investment prioritisation in Kotido. According to a senior officer in Kotido that kind of high cost has tended to discourage them from contracting companies. On the other hand, many local individual artisans have benefited from the Project. We saw completed projects that were well constructed in most of the parishes that we visited in the Pilot Districts. Only in isolated cases, such as the new cattle dip at Nakapelimoru in Kotido, did we see defects in the work that needed to be rectified.

There were many cases of reported delays in making payments to contractors because of delayed disbursements of funds from the centre, which has had the effect of straining the relationship between the contractors and Project Management Committees in some of the areas we visited. This is a negative lesson of experience from the Project.

*Delay creates friction between project management and the contractor, especially where the latter has spent his own money in expectation of timely payment.*  
(LC5 Chairperson, Jinja)

### **3.2.2.1 Role and Effectiveness of Contractors**

The role of contractors (in this case the artisans and small scale contractors) in the physical implementation of projects at the district and lower level councils is evident in all districts. This is largely due to two basic reasons. Firstly, it is Government policy to involve the private sector in the effective delivery of public services. As a result the Government has drastically reduced the activities to be directly implemented on a force account basis, resulting in a reduction of the burden of direct labour based projects and of personnel at the centre and in the districts in many departments. Secondly, the capacity of the centre and the local councils to deliver mandated services is very limited. Thus the private sector contractors play a very important role to fill capacity gaps in service delivery.

All districts and lower level councils visited employ contractors in the implementation of the projects under the DDP/KDDP and other programmes. The projects range from small community works such as spring protection, dug well construction and cattle dip construction to the big contracts such as road rehabilitation, construction of classroom buildings and health units. The process of procurement of contracted services has been covered elsewhere in this report. No baseline figures exist for the number of private sector agencies in the districts prior to the introduction of DDP/KDDP. However, the private sector is just emerging in the context of the favourable investment climate and prevailing good governance. It can be stated that DDP/KDDP has in fact contributed to the emergence and growth of the private contracting sector in the districts and lower levels. It can also be concluded that the DDP/KDDP has successfully tested the mutually rewarding relationship between the private sector and the lower level governments in the discharge of their mandated functions and responsibilities in the provision of infrastructure through the physical implementation of projects.

The quality of the investments has been covered elsewhere in this report. The total picture is that contractors are complying with the specifications in the contracts to produce good quality outputs. The contractors were trained in all the districts by the Project, under the CBF, to prepare them at the initial stages in order to enable them to qualify for LG contracts. As a result contracting capacity is available even at the community level for the construction of springs, wells and buildings. At Midia Sub-County the Team met an artisan who has constructed 70 protected springs so far and has been contracted to

protect another 15 within the second quarter of the year, in order to benefit from the second quarter releases. One of the protected springs visited near Dricile Primary School was of very good quality.

Contractors interviewed reported they had no problems understanding the terms of the contracts under which they are operating. However, they complained that delayed payments during the course of contract execution reduced their profits.

### ***3.2.2.2 Role of Consultants***

Although the guidelines provide for the employment of consultants, the local councils did not report any active involvement of private consultants in the implementation of their investments. Neither did the Team find evidence of deep involvement of private sector consultants. However, Kotido reported they had used a locally based private firm to conduct a capacity needs assessment in the district. The explanation for this lack of involvement of private consultants may be basically due to the simple and straightforward nature of the projects and the fact that the PMU has issued modular designs to guide the LCs. The flip side may be that that is why the district engineers are complaining of being overstretched on supervision obligations to the lower councils.

## **3.2.3 Support to Mandated Services per Schedule 2 LGA 1997**

### ***3.2.3.1 Approach to Implementation/Construction Quality***

DDP/KDDP has supported local governments in carrying out their responsibilities for quality and efficient service delivery as mandated by the law. The Team found the following situation in respect of project implementation, quality and supervision.

On the basis of the projects visited it is clear that districts and lower level local governments have strived to implement projects of high quality. Most of the projects in fact show value for money. This is largely attributable to the detailed pre-implementation requirements and procedures laid down by the DDP/KDDP, involving as they do active community participation. The requirements for accountability, transparency and community involvement in monitoring of work progress have all led to consistently well-constructed works.

All the Investment Committees at Sub-Counties and the Project Management Committees at parishes visited reported that they get support from the district officers who assist in supervision and certification of contracts. At this point it is pertinent to point out that no lower level council reported active participation by the Sub-County technical committee in project supervision, much less in technical certification of IPF funded projects. This may be due to absence of the right capacity or, most likely, an overlooked/ neglected role or responsibility.

The parish and Sub-County Investment Committees have relied on members from the community with specialist knowledge or relevant skills to ensure the quality of not only the design but also of the works. The district works supervisors, and the district water engineers/officers reported that they give support to sub-counties and lower level councils regarding supervision of the projects at those levels as part of their responsibilities under the DDP/KDDP.

### **Efficiency**

Efficiency as a measure of the value of inputs in relation to outputs has been built into the physical design; emphasis has been placed on simple, manageable, and cost effective solutions/outputs capable of being operated and maintained through community contributions. The Team found that the various sector projects all aim at the most efficient means of service delivery at the level at which they have

been constructed, using appropriate and locally available technology. No sector was being served by a technology higher than the minimum standard for the efficiency required. The following Table shows some of the most efficient projects, which have been used in the delivery of services for a given sector.

**Table 7: DDP/KDDP Projects by Sector**

| <b>Sector</b>     | <b>Sector component sample</b>                                                                                                                                                                                           | <b>Comments</b>                                                                                |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Water             | Boreholes                                                                                                                                                                                                                | As district projects where no other water sources are feasible                                 |
|                   | Protected springs                                                                                                                                                                                                        | In Arua, Jinja, and Mukono districts                                                           |
|                   | Dug or augured wells                                                                                                                                                                                                     | Sealed and fitted with hand pump                                                               |
|                   | Rain water harvesting tanks built at institutions                                                                                                                                                                        | e.g. at the Nazigo health centre.                                                              |
|                   | Gravity flow scheme with several stand pipes                                                                                                                                                                             | e.g. in Kaharo Sub-County, Kabale district                                                     |
| Primary Health    | Basic buildings constructed out of permanent locally available materials.<br>VIP latrines<br>Rain water harvesting/storage tanks                                                                                         | Prevalent in all districts                                                                     |
| Primary Education | Basic buildings constructed out of permanent locally available materials<br>Existing buildings started by School Management Committees and PTA completed<br>Desks<br>VIP latrines<br>Rain water harvesting/storage tanks | Prevalent in all districts                                                                     |
| Roads             | Rehabilitation of District roads                                                                                                                                                                                         | e.g. the 7 km Muletenga-Namasigi-Kalungu road, Hamurwa Sub-County, Kabale district             |
|                   | Opening up of community access roads                                                                                                                                                                                     | e.g. the 2 km road through Wakalenge swamp, Mukono district;<br>new urban roads in Kotido town |

| Sector                     | Sector component sample                                           | Comments                                                                                                                                 |
|----------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|                            | Swamp reclamation                                                 | e.g. the 1 km Matumbwe swamp improvements in Seeta Namuganga Sub-County, Mukono district.                                                |
|                            | Culverts and bridges                                              | e.g. 9 culvert lines across the Lokipworebele river, Kaabong Rural Sub-County, Kotido district;<br>Nyenga parish bridge, Mukono district |
| Agriculture/<br>Production | Seed improvement/ planting material schemes & demonstration farms | e.g. cassava multiplication in Mafubira Sub-County, Jinja district; Hamurwa Sub-County, Kabale district; Midia Sub-County, Arua.         |
|                            | Fisheries/ fish production                                        | e.g fish kiln and shed at Rhino Camp, Arua; fingerlings project in Kabale.                                                               |
|                            | Livestock improvement                                             | Rabbit, heifer and pig raising schemes in Kabale district; cattle dips in Arua and Kotido.                                               |

### 3.2.3.2 Approach to Operation and Maintenance

The DDP/KDDP guidelines prepared and issued by the Ministry of Local Government for use in assisting the various local governments in the preparation and execution of investment and capacity building plans all incorporate a provision to ensure proper operation and maintenance of the investments. The provision includes technical support and capacity building.

One of the performance measures for the districts to qualify for further LDF allocation is the evidence of support to sub-counties. This support is manifested in mainly two ways, namely, active performance of the extension workers at the community level, and the mentoring of lower level councils so that 75% and 100% of sub counties meet minimum conditions in the second and third year respectively.

At the sub-county level one of the DDP/KDDP performance measures demands that an inclusive participatory planning process be employed as a way to ensure that investment plans are not only technically competent but are financially sound, with recurrent costs clearly spelt out and their coverage based on affordable user charges. These recurrent costs would be a factor of the level of service technology of the investment. For example for a dug well or a borehole fitted with a hand pump there is

*The hand pump mechanics were trained by RUWASA and the communities employ them whenever there is need.*  
Chairman, Seeta-Namuganga Sub-county

need for routine maintenance of the hand pump. The sub counties reported the availability of trained hand pump mechanics at the community level but were not sure whether these mechanics stock the consumable parts. In particular Seeta Namuganga Subcounty Chairman reported that the hand pump mechanics were trained by the RUWASA project and have kept the borehole facilities in the subcounty in a state of repair.

At the new health centre at Nazigo in the new Kayunga (formerly part of Mukono) district the nurse on duty reported that the centre was charging Uganda shillings 500 for the first visit including three injections where necessary. The recent abolition, by the Executive, of cost sharing at health centres and hospitals therefore presents a challenge to the sustainability of the health centres at a time when collection of graduated tax by the local councils is very problematic nationwide. This is not to say that cost sharing for health services was a very popular or successful business in many locations; to the contrary there was an outcry by the communities against it, and it was only supported by the direct beneficiaries. Otherwise, for most of the other sectors the levying of user charges for operation and maintenance appears to be acceptable and supported by the communities. For example, the Town Clerk, Kotido, reported that the cattle market in Kotido Town will charge for every head of cattle entering the new market while the Project Investment Committee in Kaabong Town Council reported that they will operate the new sanplat casting yard on the basis of user charges. A more sure way of fostering sustainability is through the councils divesting from the investment and passing it on to the private sector. An example is the new Kaabong Town Market and the public VIP latrine, which are planned to be divested to a private operator through competitive bidding.

At the parish and community level most of the performance measures focus on sustainability of the investments. Transparency, participation, community support, community contributions and existence of functional Project Management Committees are all measures to ensure that the projects once implemented shall be *sustain-ably* operated and maintained. The Team met: project management committee members at Kivubuka and Kisasi Maternity and Dispensary centres in Jinja district, at Nazigo health centre, Kayunga district, at Kaabong Urban market and Casting yard, Kotido district, and at Lokolia health unit at Lokolia, Kaabong Rural, Kotido district; as well as school management committee members at Bwegire Primary school Mukono district. All understood and appreciated their role in coordinating the community to support the sustainable use of the investments through user charges whenever necessary.

At the district level capacity to maintain investment projects is provided by the district technical planning committee. This committee is chaired by the CAO and is composed of all the departmental heads. The Team met these committees in all districts visited. Each head of department has generated a workplan and budget for projects under their charge. The budgets are financed from various funds such as PAF and local revenue. This to some extent ensures that there is a dependable source of resources for operation and maintenance for the year..

At the Sub-County level, investment management responsibility for sub-county and, to some extent, community projects, is vested in the Sub-County. According to the LGA 1997 the Sub-County technical committee is composed of all the technical staff (extension staff) employed at the Sub-County and is chaired by the Sub-County Chief. All the Sub-Counties visited reported the presence of technical/extension staff.

At the parish and community level, Project Management Committees manage the operation and maintenance of investments. Examples include maintenance of protected springs, dug/augured wells,

health units (DMUs) and gravity flow schemes. Both the chairmen of Midia Sub-County Council in Arua District and Romogi Sub-County Council in Yumbe District reported that communities are requested to contribute funds towards repair of the protected springs whenever there is need.

### **3.2.4 Performance of Project Management Tools**

The following section will assess the performance of the main management tools of the DDP-KDDP, examining their impact on capacities and accountability, the level of adoption of those tools, the extent of deliberate strategies for participation of the poor and whether the enhanced capacities of local governments and the inclusive participation in the planning process have actually contributed to improved delivery of services and better conditions for the poor.

#### **3.2.4.1 PAIMS**

The Planning, Allocation and Investment Management System (PAIMS) is now an institutionalised tool at all levels of government which operationalises a bottom-up participatory planning process to allocate funds to priority investments within a hard budget constraint determined by the Indicative Planning Figures.

The fund allocation mechanism and formula are well known, accepted and considered equitable by all actors, as it was the result of consultations and consensus built during the formulation phase. The reliability of funds, even at the parish level, upon which decisions are to be made, has fuelled the participatory planning process. Furthermore, the requirements for participation of women, youth and persons with disabilities within decision-making bodies as well as the requirement for at least 30% female attendance at key planning stages, have opened formal spaces for the participation of these previously disadvantaged groups and potential solutions to their specific needs.

PAIMS was also designed to integrate plans from the lower levels with those at the higher levels, which has been broadly achieved between Sub-County and District levels. The Districts and Sub-Counties have also played the role of collecting information on investment priorities from lower councils such as parishes and villages, as envisaged by the PAIMS.

The PAIMS also provides for an M&E system which has enabled accountability from lower levels of government to the higher levels and the centre, and that has also encouraged accountability to the constituents by way of publicising plans and investments.

Without a proper impact assessment it is not possible to determine whether or not PAIMS has actually improved conditions for the poor. Nonetheless, what is certain is that PAIMS has become the main conduit for local councils and governments to decide on and realize investments in national priority sectors. It is evident that new facilities have been built to proper standards and it is expected that their operation will be sustained in order to continue serving the community.

The above achievements notwithstanding several important challenges remain that may affect the effectiveness of PAIMS. These are discussed in the following paragraphs.

#### ***(a) Regarding the Fund Allocation Mechanism and Formula***

It was reported by some Parish and Sub County chiefs (e.g. at Bussede Sub County in Jinja), that the population criteria may be leading to some inequity as more urbanised parishes, with their higher population density, receive relatively more resources and yet they usually already have more facilities.

Meanwhile, the less densely populated rural parishes that usually lack most infrastructure facilities were receiving proportionally lower funds. It is the view of the Team that this may also be the case at Sub-County and District levels.

Although population is used as a measure of needs, it becomes evident particularly at the micro-level, that a measure of the unmet needs should also be included, so as to discount the unequal effect of coverage of the already existing service facilities (public or private). This realisation suggests the need for fine-tuning the allocation formula not only for parish funds allocated within DDP-KDDP but also for those allocated to Sub Counties and Districts. An indicator of Unsatisfied Basic Needs will provide information on the different starting points in terms of the population served and the population not served with the existing facilities, and will also serve as a measure of the remaining gaps requiring to be filled in order to fully and equitably cover the service needs in each jurisdiction (District, Sub-County, Parish). In order to have a uniform and objective measure for all levels, it is crucial to include a request for the next planned National Census, to devise an indicator of the Unsatisfied Basic Needs that could be built into the formula.

In the short run this UBN indicator could only be applied to the allocation formula for LDF grants, since the formula for calculating Unconditional Grants is enshrined in the Constitution. However, the Team is aware that a Constitutional Review Commission is now in place to address gaps that have been identified and those that may emerge along its work. That commission should be informed of the unintended inequities that the allocation formula, as currently established in the Constitution, might be perpetuating.

***(b) IPFs for parishes are too small***

Sub counties at Kotido and Kabale expressed concern that the IPFs for parishes have been too small. As a result of this, communities who decide to embark on projects that are relatively ambitious in the context of the IPFs often face uncompleted projects and delays in project execution leading to further escalation of costs. Piecemeal funding induces unnecessary fragmentation of projects and delays in execution, which at the end of the day mean reduced cost-effectiveness. Rather than simply raising the absolute values of the IPFs, an alternative solution would be to create greater incentives for the combination of funds by different levels. For instance, for every joint project between more than one unit or level of government, the central government may offer extra matching funds. This would create a more attractive incentive for LCs to combine resources in order to implement projects of greater scale and impact.

***(c) Regarding the 10% co-financing***

Districts and Sub-Counties alike frequently complained during our visits about the shortage of funds to cover the Minimum Condition regarding co-funding. Yet none of them had failed to comply with the requirement. Nonetheless, it is evident that local revenues have been declining in the last two years (see section on Local Revenue Mobilisation) and therefore a potential crisis in LGs' co-funding capacity may occur in the near future. As was reported in Mukono, for example, the local revenue base is very weak given the high poverty levels, the vulnerability of the income sources (mainly agricultural activities), and the high cost of tax collection relative to the revenue yields.

A representative from Arua district informed the National Workshop for stakeholders held in Kampala purposely to introduce the MTE Mission that the District had been able to raise the level of co-funding to almost 30%, although it was not explained from what sources. Kotido, on the other hand, reported that the District was subsidizing the corresponding 10% contribution for Sub-Counties, drawing

resources from other District activities that had been temporarily suspended in order to ensure accessibility to the LDF. The District's attitude can partly be explained by their own interest to ensure Sub-Counties in the district access LDF funds, as this would increase the bulk of LDF funds available to the District, and thus increase the share of funds retained at the District, which is 35% of the bulk.

Most districts also reported increasing pressure on local revenue arising from co-financing commitments demanded by other donor programmes. Only a few districts like Mukono were using LDF funds for purposes of co-funding or matching funds from other government programmes, particularly PAF. The failure to utilise this provision that allows LGs to use LDFs to meet other co-financing obligations is partly attributable to individual and specific accountability requirements from these other donors, which usually disfavour combination of funds into common projects as this may confuse accountability over funds.

In sum, the 10% co-funding requirement rather than stimulating local revenue sources that are structurally stagnant, has led to special arrangements to leverage funds from other sources or to sacrificing of activities that would otherwise be priorities. In some districts, however, community contribution (in kind) to investments is quite substantial, and if monetised, could even be greater than the 10% co-funding required of the LGs.

***(d) Regarding effectiveness in addressing community priorities***

On several occasions it was reported to the Team that community priorities might be lost along the PAIMS process. Some of them are lost because IPF figures were inadequate for the prioritised project and a second best alternative was selected instead. At other times major priorities at lower levels were not pushed up to the higher levels because of fear that they would not be prioritised at those levels. In most cases it seems that priorities left out in one year were not recovered in the following year, and yet they were still considered priorities.

These issues point to the need of establishing stronger incentives to address the main priorities of the community. For instance, to overcome the problem of the discrete IPF-financed projects, and instead promote priority projects with greater impact and economies of scale, a provision may be included in PAIMS to top-up with an extra bonus from the centre those projects in which more than one LC has contributed funding.

In addition, minor adjustments to the planning guidelines may be introduced to give a more dynamic approach to the planning process, for example keeping records of formerly identified priorities. Also expanding the situational analysis exercise at the lower levels using PRAs or similar techniques would enable communities to have a better and deeper understanding and awareness of their needs and alternative solutions. Thus, priorities will be determined in a consistent manner rather than on a random basis influenced by temporary circumstances. Although it has been pointed out that PRAs require expertise and time and therefore may be costly, we found examples where other donors were supporting these exercises (like UNICEF in Kahungye Parish, Rubaya Sub-County, Kabale District) as a back-up for preparation of development plans. This could be an area of potential cooperation between donors and particularly an area where UNDP may input much of its technical assistance to enhance the effectiveness of the DDP-KDDP.

***(e) Regarding investment menu limits and exclusions***

In view of the limited sources of unconditional funds, it seems that the investment menu limits and exclusions, even within LDF, may be leading to losses in allocative efficiency, as they have become a

limited list of eligible alternatives rather than a guiding list. Since Districts, and Sub-Counties too, largely depend on central transfers to implement their plans, rather than developing comprehensive strategies tailor-made to their local conditions and opportunities and addressed to the community priorities identified through a participatory bottom-up planning process, they have had to resign themselves to drawing up alternatives from a list of eligible investments, sometimes leaving out relevant priorities, strategies and projects. Under a decentralised government system Districts and local governments should have the real opportunity to integrate national sectoral policies with comprehensive regional and local development, but this can only be achieved with unconditional funds being available as well as with enhanced planning capacities.

***(f) Investment servicing and M&E costs***

LGs are authorised under DDP to use the LDF for investment planning and monitoring (the so-called 'investment servicing costs') – up to a maximum of 15% of the total fund. Although widely utilised, according to information provided by PMU accounts staff, the evaluation Team recorded frequent complaints by both civil servants and councillors, but mainly by councillors, that these funds were very little. Seemingly District technical staff are performing most roles involved with servicing costs, i.e. facilitation of community involvement in, and technical advice for, the planning process, project design and appraisal and supervision of works, which sometimes are also mentoring exercises. The M&E quota (5%) is also considered very little to cover councillors' mobilisation to oversee progress on projects. On the other hand cases were found where monitoring and evaluation activities were carried out using CBF funds. It is likely that CBF resources and the 15% for investment servicing and the M&E quota are being used for the same purposes indiscriminately. The team suggests that a deeper enquiry be carried out to establish the actual use of these resources, and assess the real need to increase the allocation for them.

***(g) Minimum Conditions and Performance Measures***

Through the reward and penalties system, which is associated with performance measures, PAIMS has successfully contributed to implementing the national Poverty Eradication Action Plan and policy. Resulting from this modality, allocation of resources to PPAs has been quite commendable in all the LGs in the pilot districts. Most of the LGs have allocated 100% of their LDF to PPA projects. In this sense PAIMS has encouraged implementation of national policies and has promoted poverty focused strategies. Because DDP incentives prioritise investment in PEAP, DDP/KDDP investments are in exactly the same sectors as the PAF-CG is financing, viz. Education, Health, Water, Roads and, to a lesser extent, agricultural production. This may justify the opening-up of the investment menu to allow more flexibility particularly with regard to alternative technologies for service delivery, which could be a piloting feature for a potential extension of the DDP/ KDDP.

Secondly, MC&PM have been the most powerful mechanism for inducing capacity building, since accessibility to increasing funds depends on them.

***3.2.4.2 Capacity Building Fund***

The Team had very little access to documented information on the CBF. PMU keeps information on the utilization of the fund in the accounts surrendered by Districts but there is no database as such. Nonetheless, through field visits the team only found scanty reference to the facility. Some districts reported that they had been using the resources to offer training on topics such as book/record keeping, the planning process, and monitoring & evaluation. They also reported that special emphasis is given to the youth and women.

It appears that the CBF is utilised mostly through the mentoring process based on agreements between districts and subcounties. Overall, although LC3s realize the importance of and the need for training and technical capacity, they lack the capacity to design a coherent training or capacity building program. That is why districts have resorted to the mentoring and cascade training as a way of overcoming such weakness. Districts mainly advise Subcounties to focus on those topics that address the weaknesses identified during the annual Minimum Conditions and Performance Assessment exercise.

The CBF is currently undergoing some reforms within the implementation of the LGDP. Under the LGDP, the Capacity Building Grant is an open facility to all districts and Sub-counties, and particularly to those which have not yet qualified to access the Local Development Grant in order to prepare them to comply with Minimum Conditions.

### **3.2.5 Monitoring, Evaluation and Feedback System**

The M&E framework tracks information on planning, allocation and management of investments starting at the village/parish level in the initial decision-making stages, and at the Project Management Committees during the implementation phase in order to provide information on project progress. Some Districts, e.g. Mukono, reported that the quality of the whole M&E system depends on the calibre of the lower levels and that there are problems in lack of capacity to fulfil the required formats. The CAO of Mukono even considers that human resources at these levels are in many cases not trainable because of illiteracy and lack of knowledge of the English language.

#### ***3.2.5.1 Effectiveness of the communication and advocacy of lessons learnt from the Pilot Project in national fora***

As designed, the communication framework in the Project was meant to provide a basis for creating an interactive analysis and learning system for the Project. The key strategy built into the framework is the monitoring of the project implementation and documenting lessons and translating these into informed and tested policies and procedures as well as operational guidelines.

Documentation was regarded as an important step in the dissemination of lessons learnt during the course of Project implementation. Policies generated through this framework were supposed to be shared with donors, government agencies, NGOs, civil and professional society. The instruments to be used in documenting the Project's methods and impact and the lessons learnt from the Project included video documentaries, policy briefs, case studies, and written research results. These were to be disseminated using seminars & training, mass media, newsletters, visits and study tours.

The Team received information during field visits to the effect that the communication framework had had a tremendous impact on information flow at the LC level. During our field visits, we were able to see information relating to the Project displayed in strategic locations at the sub-county and district level. The success at the lower level is attributed to the linkage of communication to incentives in that some of the minimum conditions for access and the performance measures include, for example, the requirement that sub-counties must publicise IPF allocations with the public and show evidence of attempts to adopt a more inclusive, participatory planning process.

The experience at the centre has, however, been rather disappointing. There is a communication office in the MOLG charged with the responsibility of publicising the Project. The Team learnt that there have been difficulties in publicising the Project at the national level as stipulated in the Project design because of certain bureaucratic bottlenecks within the Civil Service. For the PMU to use the modes of dissemination stipulated in the document, it requires clearance from a number of government offices.

And where some senior officers happen to be uncomfortable with publicity, getting such clearance becomes a problem. Therefore, the officers charged with publicising the Project have found it difficult to organise, for example, round table discussions, seminars or even TV appearances to inform the non-Project districts and the general public about the Project. The net effect is that even the districts which neighbour the Project areas do not know much about the DDP. Officials in Kamuli district (bordering Jinja and Mukono) confessed to us that they knew very little about the DDP. In this regard, the Ministry seems to appreciate that indeed a problem exists in this area as evidenced by the fact that a consultant has been commissioned to review the communication component in the Project. This is in realisation of the fact that with some of the DDP modalities being extended to the LGDP, failure to strengthen the communication system will weaken the back-up support for the programme.

In the meantime there is a lot of documentation that has been generated since the Project started, which should form a good basis for the preparation of video documentaries, policy briefs, and so on. In this regard, it is hoped that the consultancy work that has been commissioned will address this issue and come up with appropriate recommendations. The Team on its part recommends that the consultants should among other things come up with recommendations about how to remove the bottlenecks which have impeded the implementation of the communication component at the national level.

### 3.3 IMPLEMENTATION IMPACT

#### 3.3.1 Impact on Poverty

To quantitatively determine the impact of the DDP project on poverty alleviation within the four pilot districts and Kotido may be an unrealistic task considering the number of actors involved in addressing poverty on the ground. Many donors and government programmes, including DDP-KDDP, have subscribed their interventions under the PEAP strategy, often coinciding in sectoral and regional focus. Given the simultaneous presence of different actors aiming and acting within the same framework, it is difficult to assess the particular contribution of each one. Besides, more important than determining their individual contribution is to establish the overall impact on poverty alleviation within a particular area, a task that we understand will soon be spearheaded by the government of Uganda with support from the donor community.

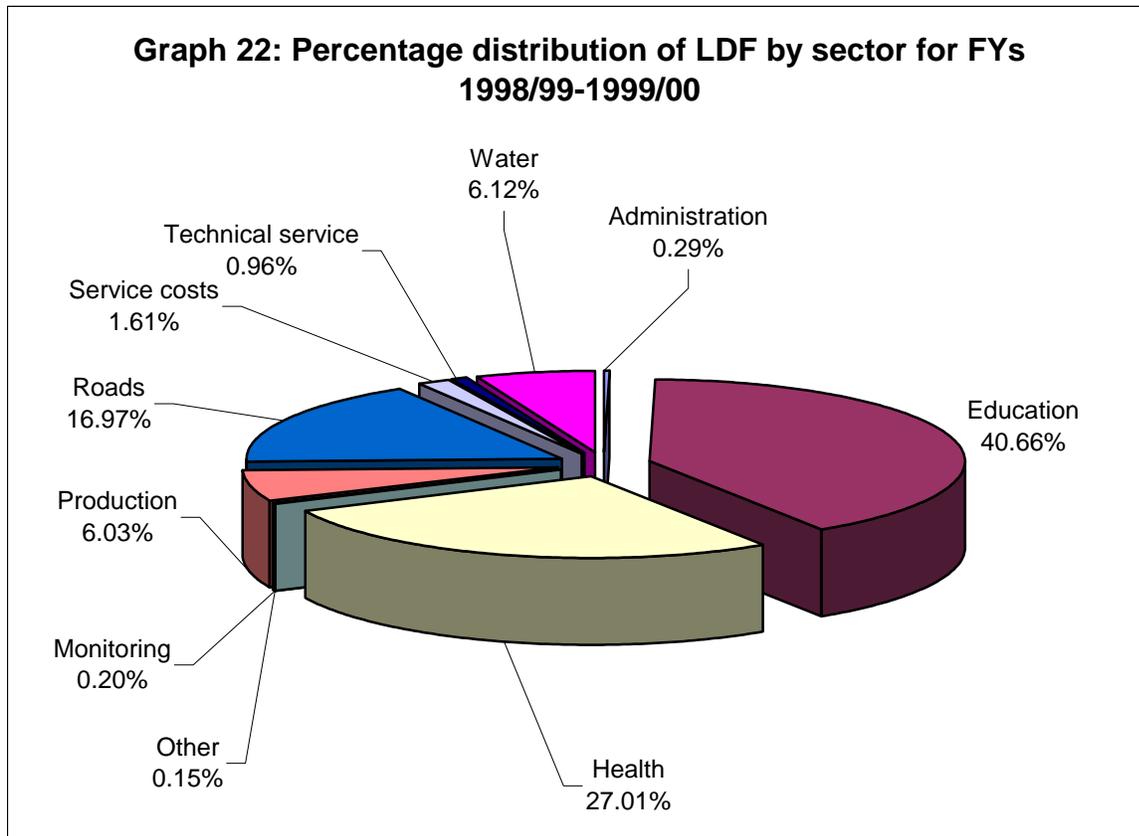
Notwithstanding the above observations, we will present some simple analyses<sup>30</sup> below to show the sensitivity of DDP-KDDP investments to particular needs and conditions of poverty in the pilot Districts and Kotido.

##### 3.3.1.1 Sectoral Analysis

First of all, as they were set to do, the majority of investments within DDP/KDDP have been allocated to the PEAP sectors even beyond the 80% minimum requirement (Graphic 22). By and large education and health are the leading sectors followed by roads, water and production, altogether comprising nearly 97% of all investments realised during the period 1998-2000.

#### **Graph 22: Percentage Distribution of LDF by Sector for FYs 1998/99 – 1999/00**

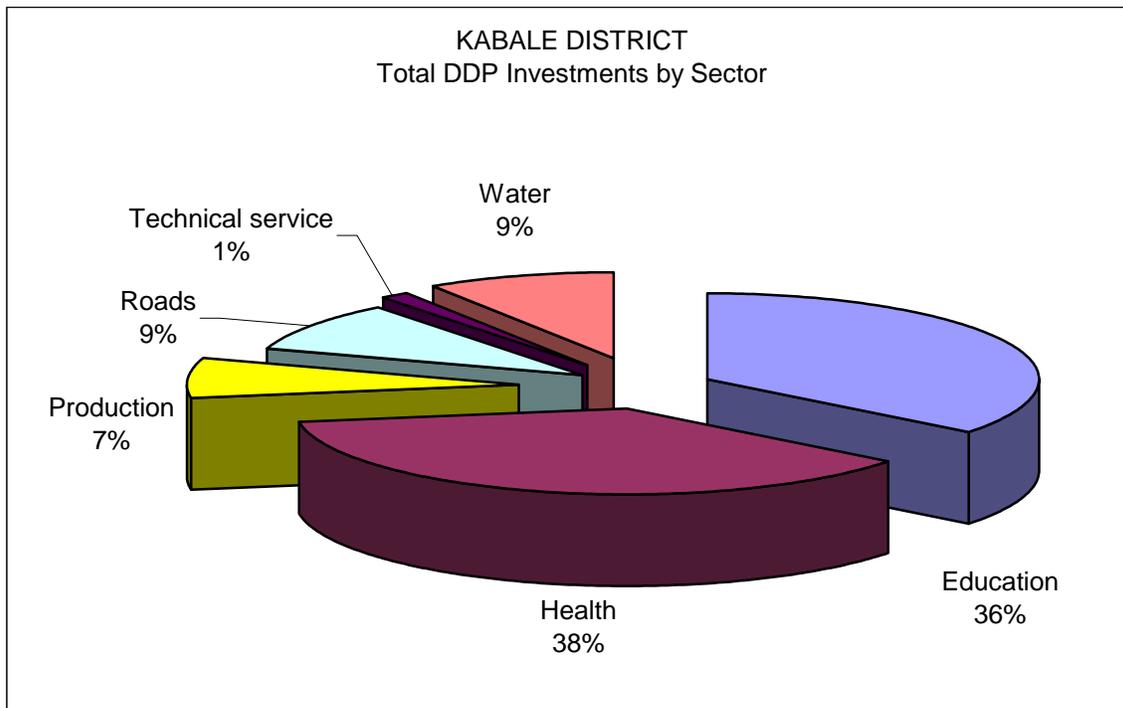
<sup>30</sup> Graphics have been developed from information provided by PMU from Inventories for FY98-99 and FY99-00



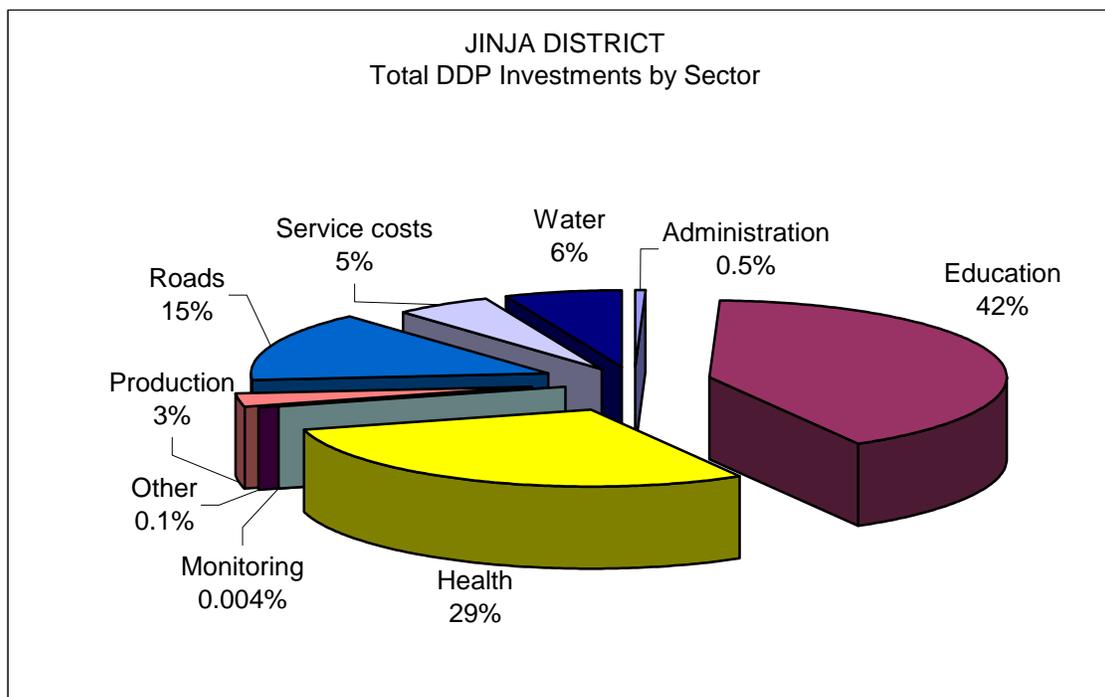
However, the picture is different among the pilot districts, as depicted in the graphics below. While for most districts health and education are the sectors with the greatest investments, in the case of Mukono roads with 34% was second after education with 36%, with the health sector being third with a 21% share. This is mainly explained by a deliberate district policy to enhance communication within their territory and also due to the higher unit costs of such facilities, which means a high consumption of resources for this sector. The third most important sector in the other districts varies, being the roads sector for Jinja and Arua, while in Kabale water and roads shared the third position. In Kabale, the water sector takes a higher percent share than in any other district because most water sources are gravity schemes, which are more expensive than water springs and boreholes elsewhere. In Kotido the “technical services” sector comes third because projects such as water troughs for cattle were classified under this sector. These facilities are a priority for the Karamojong who need to feed and support their cattle through their expansive territory.

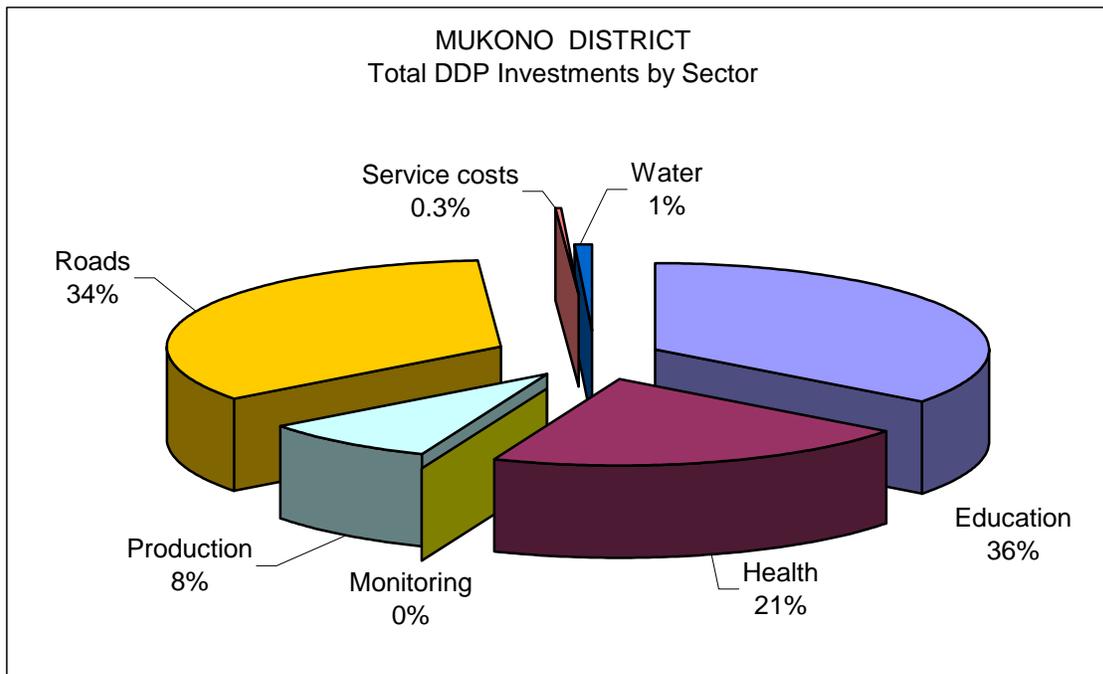
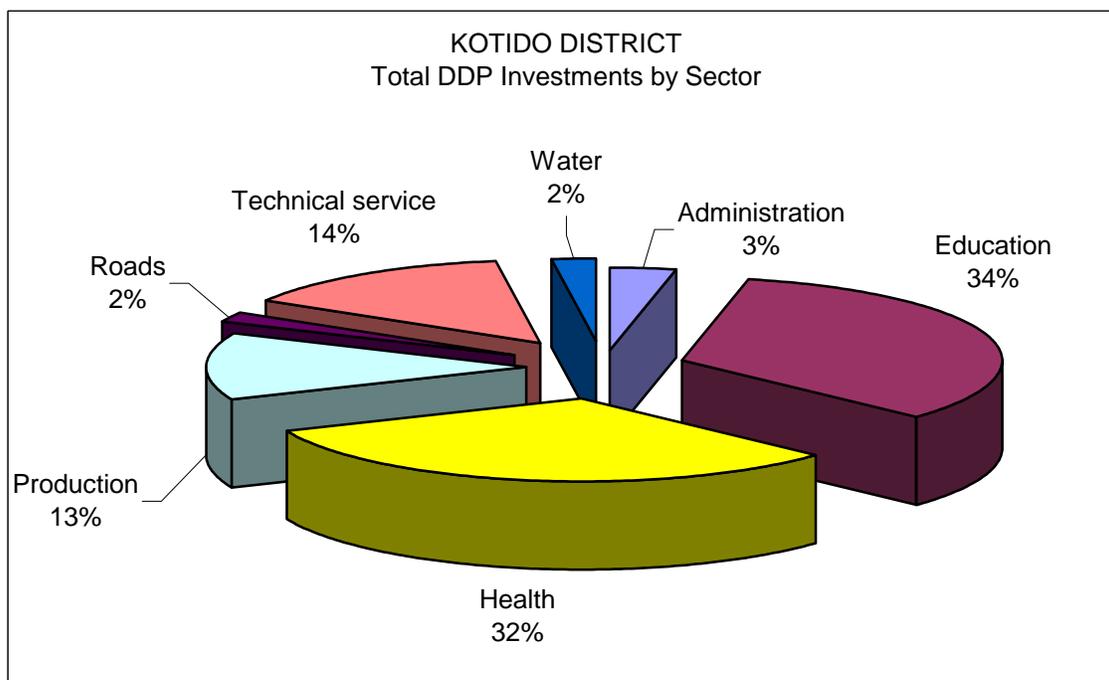
Overall the relatively low percentage share of LDF invested in the water sector within DDP/ KDDP may partly be explained by the presence of other donors and sources that support the sector, and also because for the most part typical projects funded under DDP are protected springs, which are low-cost projects. Interestingly enough there are very few cases of construction of boreholes, yet some resources have gone into repairing them in some districts.

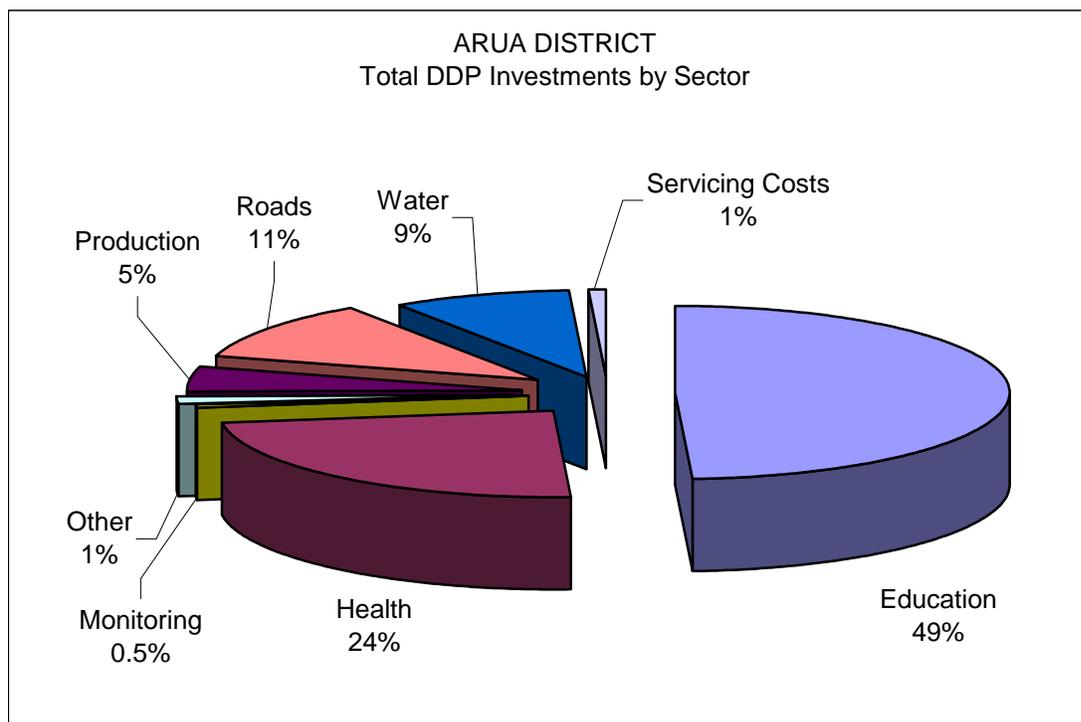
**Graph 23: Kabale District – Total DDP Investments by Sector**



**Graph 24: Jinja District – Total DDP Investments by Sector**



**Graph 25: Mukono District – Total DDP Investments by Sector****Graph 26: Kotido District – Total DDP Investments by Sector**

**Graph 27: Arua District – Total DDP Investments by Sector**

The types of projects and most common investments within the education sector may also differ among the districts. In Arua, for instance, the funds available for this sector were mainly devoted to completion of stalled structures and renovation of existing ones (30%), provision of desks and chairs for the pupils (26%), and construction of new classrooms (17%). In Jinja 51% of expenditure in this sector was related to procurement of desks, 27% was spent on construction of new classrooms, while only 16% was spent on completion of stalled structures. In the case of Kabale most projects are related to construction of new classrooms (34%), followed by procurement of desks (32%) and completion of blocks (25%). In the case of Kotido, while most projects are construction of new classrooms (43%), there are a few project components which are not found in other districts such as construction of dormitories, kitchens and stores mainly because schools provide boarding for pupils as a way of ensuring their regular attendance. Finally, in Mukono 41% of projects were constructions of new classrooms, procurement of desks took 28% while completion of classroom blocks took 26% of the total. Some other projects within this sector were complementary facilities such as staff houses and pit latrines.

The following table shows the components within the health sector and the most common projects. As it appears the majority of projects are related to the construction or completion of Dispensary and Maternity Units in all the districts, except for Kotido where investments in this sector had to do mainly with construction of VIP pit latrines. These types of projects come as second priority in Arua, and Mukono. In Jinja the construction of water sources to serve health facilities is the second most important consideration, while in Arua similar type of projects represented the third most important priority.

**Table 8: Distribution of Projects within the Health Sector**

| <b>Components</b>               | <b>ARUA</b> | <b>JINJA</b> | <b>KABALE</b> | <b>MUKONO</b> | <b>KOTIDO</b> |
|---------------------------------|-------------|--------------|---------------|---------------|---------------|
| <b>DMU</b>                      | <b>36%</b>  | <b>66%</b>   | <b>77.5%</b>  | <b>56%</b>    | <b>40%</b>    |
| <b>Staff houses</b>             | <b>15%</b>  | <b>1.6%</b>  | <b>7.5%</b>   | <b>2%</b>     | <b>10%</b>    |
| <b>Medical Purchases</b>        | <b>1.4%</b> | <b>6.4%</b>  | <b>8.7%</b>   | <b>6%</b>     | <b>4%</b>     |
| <b>VIP</b>                      | <b>30%</b>  | <b>1.6%</b>  |               | <b>34%</b>    | <b>45%</b>    |
| <b>Springs or water sources</b> | <b>18%</b>  | <b>24%</b>   | <b>1.25%</b>  | <b>2%</b>     | <b>2%</b>     |

From the supply point of view, DDP-KDDP has contributed to both construction and rehabilitation of infrastructures wherein education and health services can be provided. Effective delivery of these services depends on timely and sufficient availability of staff, drugs, sundry supplies or recurrent costs that Districts should provide when required by Sub-Counties and Community projects. For these facilities to have an impact on poverty alleviation, the community should be able to utilise them. Some random inquiries with members of the community or Project Management Committees revealed that for the poorest groups, economic barriers such as inability to pay access fees, discourage the use of the facilities. And although PMCs also indicated their willingness to waive such costs in special cases, they said that they lacked objective criteria to establish who would be eligible for such waivers. In addition to economic factors, lingering socio-cultural factors may hinder access to service facilities.

Production as used here refers mainly to crop, livestock and fish production, which currently fall under the Ministry of Agriculture, Animal Industry and Fisheries. The projects being implemented in this sector in the DDP/KDDP include development of improved crop/ seed varieties mainly cassava, beans and sweet potatoes, production and distribution of fingerlings, piglets, rabbits and heifers, and tree nurseries (see also table 7). Apart from the projects which are common to most of the districts, Arua reported the construction of fish shed and kiln at a landing site in the district while Kotido has put up cattle markets and dips.

The low priority given to the production sector in the allocation of the Project's funds is worth noting. Although production falls within the PEAP areas, LGs so far seem to be pre-occupied with the implementation of projects with high visibility and perceived to serve collective community rather than individual interests. Hence the focus on construction projects in education, health, roads and water. We also learnt that projects in this sector (i.e. production) do not usually feature among community priorities. Unlike other sectors it is only recently that the Ministry of Agriculture, through the PMA, has spelled out a comprehensive policy and approach that may guide districts and local governments in identifying more relevant investments for the sector. Since the production sector has linkages with other sectors, addressing it requires integrated planning which LGs can only accomplish with co-operation with line ministries, which is not the case presently.

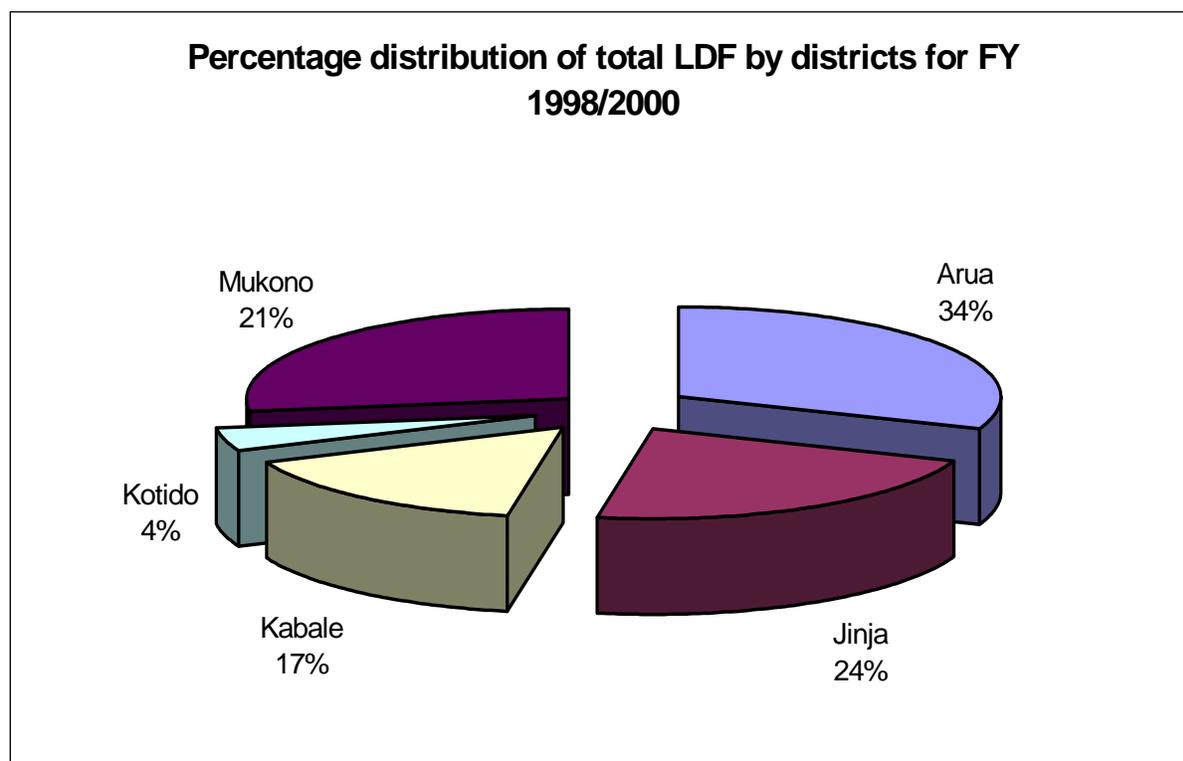
It should be noted, however, that the production sector has a major role to play in poverty alleviation at the community level since it is the only sector in the PEAP areas from whose activities families can generate direct income. To achieve that objective requires in the present circumstances the establishment on the ground of a framework for capacity building linked to increased productivity. Farmers should be equipped with the necessary skills to promote better agricultural practices. This is the challenge that the PMA has to grapple with. In this regard it should be noted that producers (farmers)

have not been direct beneficiaries of the CBF under DDP/KDDP because of its focus on LGs and other service providers within their areas.

### 3.3.1.2 Distribution of Funds by District

The team could not get the information on the indicative (i.e. planned) figures allocated to the 4 DDP Pilot Districts *individually* on the basis of the allocation formula or the resulting ranking of the Districts. On the basis of poverty indicators, Kotido, Arua, and Kabale deserved more attention; while on the basis of population, it is Mukono and Jinja which deserved greater attention. PMU provided information on the resources actually released to each District. It should be noted that beyond the plain formula, individual apportionments have been influenced by the reward or penalties obtained by each District on the basis of individual performance vis-à-vis the performance measures.

**Graph 28: LDF Distribution by District**



Overall, during the two fiscal years – FY98/99 & FY 99/00 – Arua is the District that received the highest proportion of LDF (34%), followed by Jinja (24%) and Mukono (21%). In spite of their comparatively poorer conditions, Kabale and Kotido have received less funding, i.e. 17% and 4% respectively. In the case of Kabale, these results are to a great extent related to “poor political involvement”<sup>31</sup> and local commitment, which made them lose out in the first year. And in the case of Kotido, the rate of absorption has been quite low because of particular difficulties on the ground.

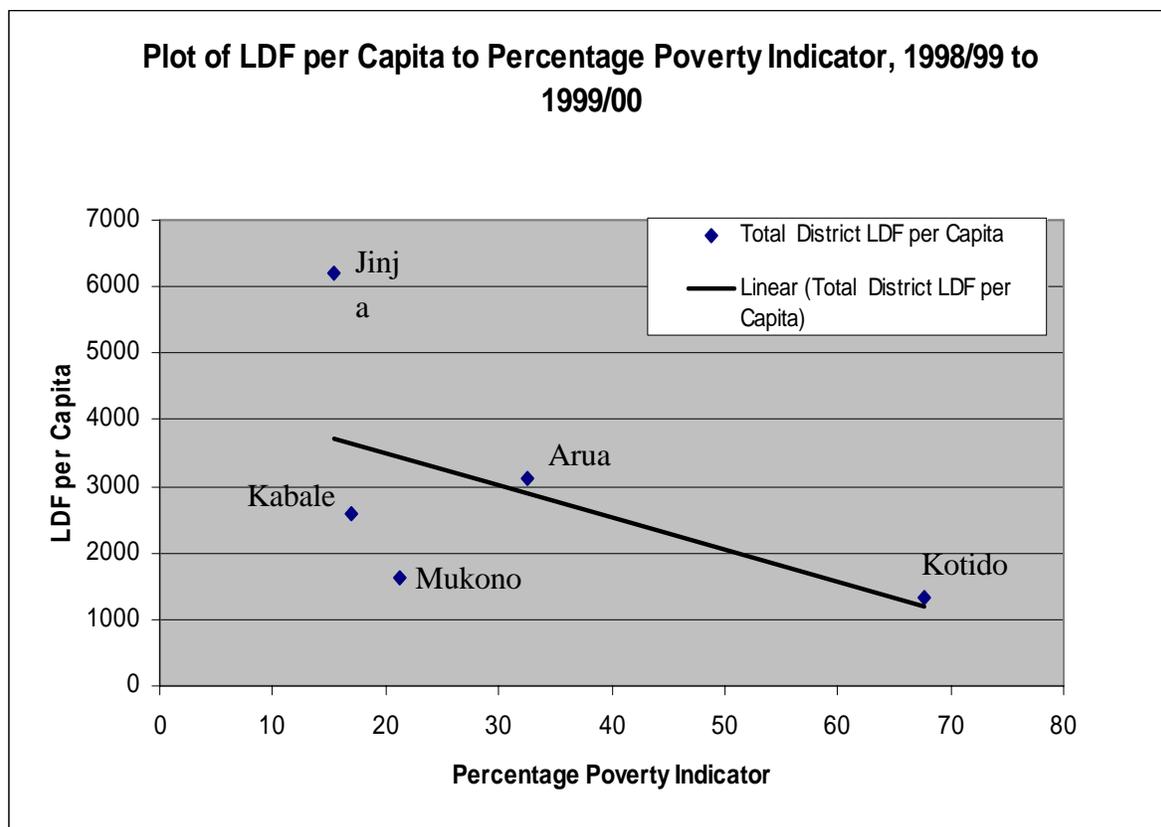
<sup>31</sup> The terminology used by local officials to refer to the initial misunderstandings between the CAO and the Local Council which led to significant delays in approval and implementation of plans during the first year.

### 3.3.1.3 Equity Analysis

If national policies and conditionalities within DDP-KDDP were sensitive to the criterion of equity, we would expect that unconditional grants like the LDF would be allocated in response to the most needy sectors in order to contribute to poverty alleviation. In other words we would be testing the potential equity impacts that could be attained through a set of unconditional grants like LDF.

Below, we compare total LDF investments per capita in each district against a general poverty indicator such as the percentage of population within the bottom income bracket. If an equity objective is at work, we would expect a progressive allocation of investments such that the worse the situation, the higher the level of investments.

**Graph 29: Total LDF Per Capita Vs Poverty Indicator**

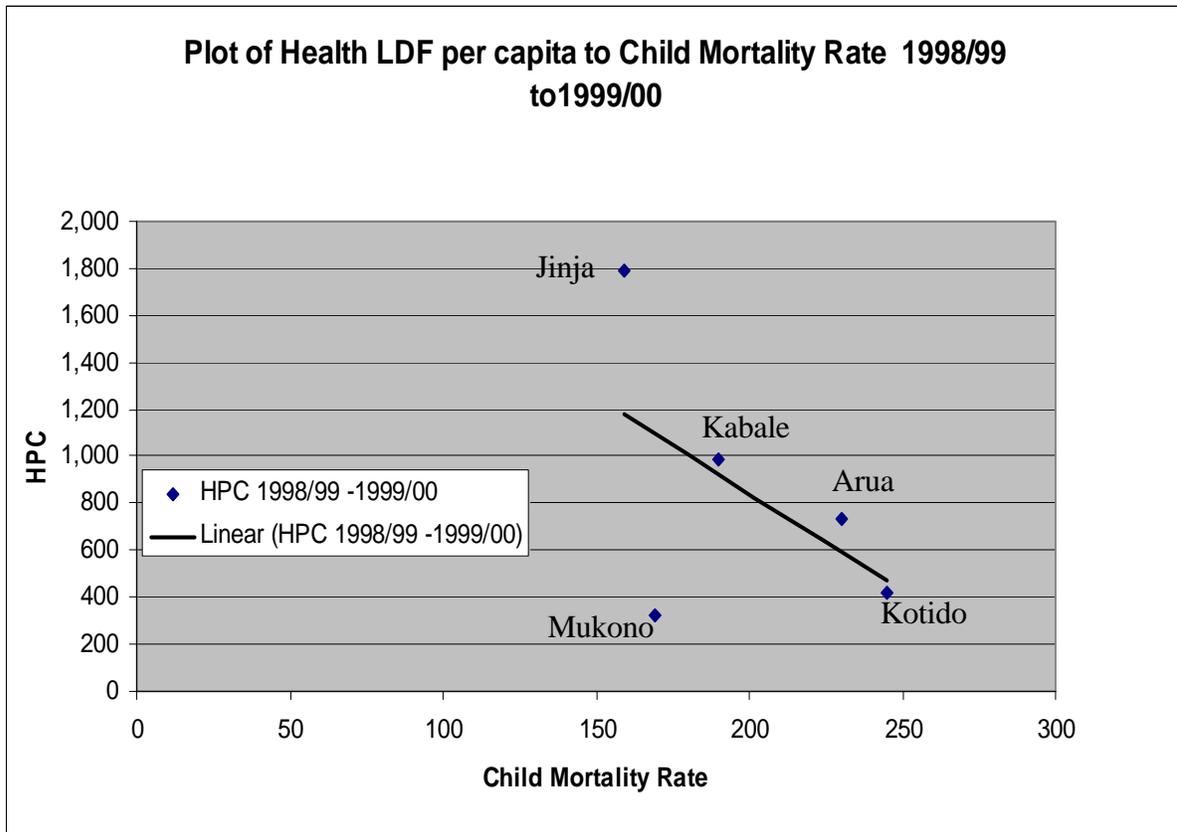


The above graphic (Graph 29) shows, however that instead of aiming at higher equity, allocation of LDF investments per capita at each District presents a regressive pattern. In other words districts like Kotido with the highest percentage of population within the bottom income bracket have the lowest level of investments. Arua compared to Kabale and Mukono shows some degree of progressiveness as it has reached a higher level of investment per capita. Nevertheless, Jinja, which is neither the most populated nor the poorest, shows the highest level of investment per capita of all the 5 districts.

In the Graphic below, (Graph 30) we relate investments in the health sector to a sensitive indicator of needs in the sector, i.e. Child mortality, which in fact is used as part of the allocation formula. A

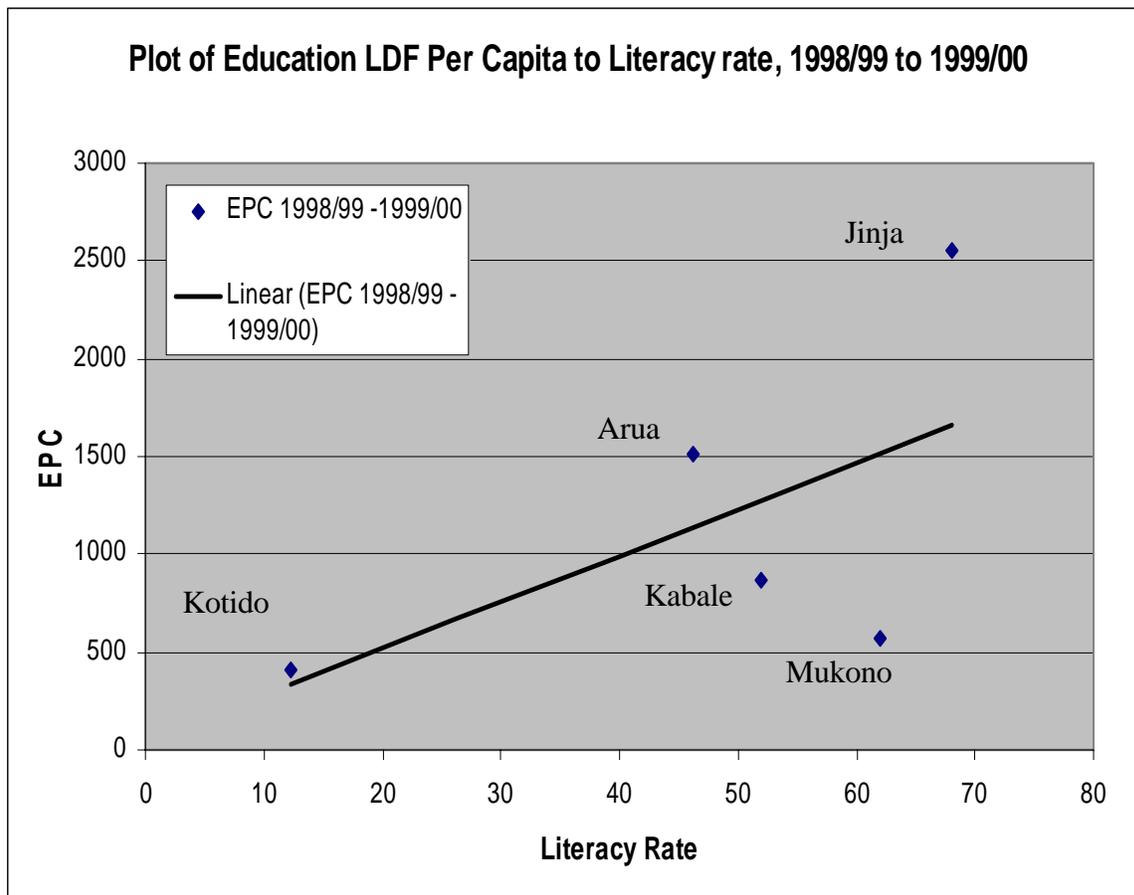
progressive pattern would indicate that higher investments have been allocated in those Districts that have the highest Child Mortality Rate.

**Graph 30: Health LDF Per Capita vs. Child Mortality**



Again this graphic shows a regressive pattern in which districts like Jinja and Kabale, with relatively lower Child Mortality rates, have got higher investment levels compared to Arua or Kotido, which have the highest mortality rates among the five. The only relatively progressive behaviour is Mukono, which being better off has devoted fewer resources per capita to health investment in comparison to the other districts.

And, finally, we compare per capita investments in the education sector to a general indicator of need, i.e. literacy level. A more appropriate indicator would have been “school age going children”, a variable which is currently used in the allocation formula, but the information about which the Team did not have access to.

**Graph 31: Education LDF Per Capita vs. literacy**

As the graphic (Graph 31) above shows, some districts with better conditions, i.e. higher literacy rates, such as Jinja have enjoyed higher rates of investment per capita in the education sector compared to other districts which are worse off and relatively more deprived. On the other hand, Kotido, which has the lowest literacy level, has invested fewer resources in comparative terms. Some degree of progressiveness is shown, though, among districts like Arua, Kabale and Mukono which in that order have higher literacy rates and show decreasing levels of investments per capita in the education sector.

The results presented in the above analyses should be carefully interpreted and cannot be taken as conclusive. Some additional considerations might contribute to an explanation of these results:

LDF funds are not the only source of funding for local investments. PAF conditional grants form the bulk of resources that the national government transfers to Local Councils to deliver investments within the PEAP priority sectors. Therefore in order to get a more complete and accurate picture, one would have to consider investments financed from all the funding sources.

Secondly, it should be borne in mind that the rate of absorption of LDF funds has been greatly influenced by levels of performance. Which means that good performers overall have been able to obtain greater resources than poor performers, regardless of indicators of poverty or need. Indeed, to

some extent, it appears that poor performance might be attributed to higher levels of poverty or need in general.

The foregoing analyses suggest that within DDP-KDDP there are not enough incentives embedded to drive the allocation of investments at the District and lower levels in a manner consistent with national equity objectives. Whereas LGs are capable of delivering services as expected by the national government according to conditionalities and financing provided, it seems that they lack the information and the signals from the national government to identify which of the PEAP sectors should be given higher priority considering the District's relative position within the national development scenario. Indeed, these results do point to the need for further analysis with a view to examining whether or not unconditional grants are an appropriate instrument to address poverty alleviation and equity objectives considering factors such as the politics of resource allocation both at the district and sub-county levels.

#### ***3.3.1.4 Availability of Baseline and Secondary Data for Impact Assessment***

As mentioned in section 2, at the time of the Project inception no baseline study had been conducted to assess the poverty situation of the four Districts and Kotido District. Available figures come from secondary data, and from individual or sectoral studies conducted at around the time of implementation of the Project.

The Ministry of Finance, Planning and Economic Development produced the first "Uganda Poverty Status Report" in 1999 based on a National Household Survey. In November 2000 a second Household Survey was conducted and the results are now being processed and analysed by the Ugandan Bureau of Statistics and UPPAP. The 2000 Household Survey will provide quantitative figures reflecting the current status of poverty in the country, and the impact of the PEAP strategy in reducing the major features of poverty. These studies will provide a good database to track the evolution of poverty alleviation indicators in most Districts. Regarding the qualitative analysis of poverty, the GoU has appointed the UPPAP to conduct participatory poverty assessments throughout the country that should allow one to understand the particular causes, categories and characteristics of poverty. Despite the Government's intentions, neither the Household Surveys nor the Participatory Poverty Assessments will be able to provide relevant information at lower local government levels or units of analysis, namely LC1 to LC4.

#### ***3.3.1.5 Challenges in Poverty Alleviation***

To a large extent poverty is locally specific and determined by social, physical and cultural conditions prevailing in a particular region. Oftentimes these conditions affect access of the poor to the facilities intended to meet their needs thus reducing their economic and social effectiveness. For example, children in Kotido are not sent to school because they have to look after the cattle as a main source of income and food for the family. Likewise, in Kabale a mother would not send her children to school if she cannot send them there properly dressed and wearing shoes, for otherwise they would be looked down upon by their mates. In Arua, many women, we were told, do not go to deliver in health units since this is considered cowardly; and during the harvest season children are withdrawn from schools to help their parents. Other times they are not sent to schools because they are hungry and cannot perform well.

The cultural issue poses a major challenge in the provision of services: technologies and ways for delivery of services should be flexible enough to adjust to the local conditions in order to be effective. This not only entails the participation of the community in deciding how best their needs can be met, but it also requires greater capacity and ingenuity of local officials to generate alternatives in the

provision of services to meet cultural-specific needs. One encouraging example is the transient schools for the Karamojong in Kotido, which are supported by UPE. Also in Arua, the planning unit has requested approval by the Ministry of Health to provide –under the PAF grant – “mobile delivery kits” to enable midwives to attend household calls by mothers in labour.

Furthermore, adjusting to the particularities of each location also requires flexibility in the implementation of national policies and utilisation of national grants, which may be difficult for the centre to concede because of the difficulties involved in maintaining and exhibiting accountability. However, to successfully achieve poverty alleviation through service delivery, the most effective strategy under a decentralised government system is to allow local councils, which are better positioned, to determine the most appropriate and most effective ways to deliver services so that they can actually meet the needs of their constituents.

### **3.3.2 Impact on Local Governance**

In the TOR, a distinction has been made between local governance and local government, with the former used to refer to (empowerment of) different categories of civil society, especially women and marginalised groups, in local governance and development management, and the latter being restricted to the activities of elected local councils.

The impact, which the Project has had on facilitating the empowerment of the above groups, varies from one area to another. What all the Pilot areas have in common, though, is that the presence of the Project has not resulted in improved co-ordination of the activities of CBOs, NGOs and civil society groups generally, where they exist. The Project has tended to be more concerned with mobilisation of the communities rather than empowering them to make *meaningful* decisions about matters that affect them as a community. There has not been a deliberate effort under the Project to organise civil society groups with a view to empowering them as an alternative voice in the governance process. As a result, community organisations, NGOs and other civil society organisations as may exist continue to operate outside the activities of the Project, and those that link up with it do so incidentally. The work is made much more difficult by the failure of many local authorities in the Project areas to appoint community development workers to operate at the Parish level, which would have become the conduit for the Project to link up with the local people.

In every Project area, the central concern of mobilisation and/ or sensitisation has been to prepare the community initially to contribute to implementation of the Project activities and to ensure that a committee is put in place to manage the projects that have been completed. As pointed out below, the focus of the Project has also been to enhance the technical capacity of local councils/ committees in planning and project management.

### **3.3.3 Impact on Capacity of Local Governments**

The implementation of the programme has impacted on the procedures for service delivery by local governments in many desirable ways. The result is that local governments are no longer relying on the centre for technical input in the planning process.

#### ***3.3.3.1 Technical Planning Capacity***

As already stated elsewhere the implementation of DDP/KDDP projects has assisted the districts and lower level local councils to assume their responsibility for planning in general and preparing technical plans for physical infrastructure projects in particular. The findings of the Team point to the fact that what now exists in the districts is more of enhanced capacity for technical planning and less of technical

capability, basically because the personnel is inadequate in the critical functions such as quantity surveying and architectural draftsmanship.

### **Community and Parish Level Planning Capacity**

For the first time in the governance of Uganda the communities in the Project areas have been empowered through training under CBF support to plan for investments in physical projects to address their needs on the basis of investment planning figures. Secondly, the artisans such as masons and carpenters contracted to construct the facilities have undergone mentoring and instruction through frequent visits by technical personnel. These in turn provide the communities with technical support in the planning phase, as most of them may be members of these same communities. The Project Management Committee members have now been trained to ensure that they have the capacity to operate projects upon completion.

### **Sub-County Planning Capacity**

According to the LGA 1997 the Sub County is the lowest level of corporate government. It collects and receives revenue for and on behalf of the communities and the district. The preparation and training under the project has enabled this local government to properly plan and manage investments including physical projects. The Team found increased awareness of the basic technical specifications for planning service projects on the part of the Sub-County Investment Committee. The chairman of Butagaya Sub-County Council appreciated the contribution of the CBF to the improvement in planning, financial management, and project identification in his Sub-County. He reported that DDP had changed their mindset, enabling them to optimally plan in the context of very limited resources.

*Now we are able to plan for our families using the training we have received under DDP. Chairman Butagaya Sub-county council*

### **Technical Capacity at District Level**

DDP/KDDP has placed a positive demand on districts for more capacity in planning for physical facilities. The technical assistance required by the lower level councils from the district for planning purposes is being met albeit with some difficulty due to lack of adequate human resources. However, the fact that lower level councils demand this assistance suggests that the investments are technically sound. At Kaabong Urban Sub-County, in Kotido District, the Investment Committee reported that they could not implement their project to open up roads in the trading centre before the District Surveyor gives them plans.

### **3.3.4 Capacity of the Poor**

An attempt to assess, within a period of less than three years into the life of the Project, the impact of the Project on the capacity of the poor to plan, implement and manage infrastructure and services at the local level raises more questions than it answers. First is whether a project of this nature is likely to build the performance capacity of the poor in such a relatively short time as for the poor to be able to participate in meaningful choice of development projects and in the management of infrastructure and services developed as a result. The second question is whether the service providers, in particular the public servants and the NGOs, would themselves have already developed sufficient capacity to enable them to provide the kind of leadership and guidance required in fostering community participation in the development process. The latter question becomes important when one considers that for many years, civil servants in the field had been operating within a highly centralised bureaucratic system in which every decision that matters was often referred to the level immediately above. The other pertinent question here is whether indeed poor communities as such can directly participate meaningfully in

decision making pertaining to investment choices and the management of infrastructure developed as a result. The reality of the participation situation, as is well supported by abundant literature based on both theory and practice, suggests that the poor are often simply mobilised around decisions made by others on their behalf. The closest that the community gets involved in decision making for their development is through their informal leaders and their elites.

In the context of DDP/KDDP, the co-optation of retired local elites and serving school teachers from the community into investment committees is a case in point. For it is these people who articulate the needs of the community whenever development meetings are called. If we accept that community participation can express itself through intermediaries, i.e. indirect participation, then there is evidence that the Project has established a strong basis upon which to move forward.

Turning specifically to the disadvantaged groups among the poor, the LG Act, 1997, for example, provides for the structure of their representation at the various levels of local government. At every level, 1/3 of the membership is reserved for women. And there is representation of the disadvantaged and the youth at all hierarchies of LCs. And even in constituting PMCs, great effort has been made to ensure adequate representation of the disadvantaged groups in conformity with the requirements of the Act and the policy of decentralisation generally. Indeed, the Team established that these groups are formally represented as required by law.

Formal provisions aside, we found little evidence below the district level that the capacity of the poor, and especially poor women, have been enhanced for participation in the PAIMS process. We were told in all the 5 pilot districts that women usually shy away from active participation in the deliberations of the various committees, preferring to go along with what the men folk say. In one Sub-County in Kabale, for example, we were told that women in the area are the bread earners and usually prefer not to "waste" their valuable time in activities that do not materially and directly benefit the family at the end of the day. Elsewhere, we were told that it is a taboo for women to participate in community deliberations in the presence of their husbands. Therefore, the net effect has been symbolic rather than meaningful participation by the socially disadvantaged groups. But that is not to say that they have not played any useful role in the development process. In Kotido, we were informed of the positive role that women play in project implementation especially during the dry period when the able bodied men would be away looking after their livestock in neighbouring districts.

It should be pointed out that the Project as designed was also concerned with technical empowerment of the poor and disadvantaged groups to enable them to make an input in the choice of projects and their mode of implementation. About three years down the line, the evidence available in all the 5 pilot districts indicates that meaningful participation by the poor has been impaired by the social structure of the community. This has been compounded by the high incidence of illiteracy, which according to the information we received has affected the absorptive capacity of the poor and therefore their ability to contribute ideas, even if only indirectly. The high incidence of illiteracy has rendered many of the poor incapable of benefiting from capacity building efforts. Functional literacy should be seen as a stopgap measure, as exemplified by the training that has been extended to local contractors under the Project's CBF facility. In the long-term, however, the policy of UPE should be appreciated as key to the eradication of the problem of illiteracy.

### **3.3.5 Impact on Policy**

There are a number of policy areas where DDP modalities and activities have had direct impact. First and foremost is the fact that the Project was supposed to pilot the provisions of the LG Act, 1997 as these relate to the functions and activities of Local Governments, especially LC5 and LC3. The DDP has provided the resources that have enabled LGs in the Pilot districts to carry out their mandated functions, particularly the construction of infrastructure projects. Lessons from the DDP have influenced the design of the Local Government Development Programme (LGDP) which is the mechanism through which development funds will be devolved to all the districts in the country. LGDP's overall design closely approximates the design of the DDP. As captured in a PMA study document, both programmes provide non-sector specific (unconditional) development grants to LGs according to a transparent formula to be accessed once the LGs achieve specified governance criteria based on the LG Act, 1997 and the LG FaAR. Under both the DDP and LGDP, LGs are required to co-finance the development projects by making a 10% cash contribution in addition to community contribution in kind. The other minimum conditions and performance measures in DDP have largely been retained under LGDP.

However, the LGDP has introduced some changes based on lessons from the DDP. As pointed out elsewhere in this report, the running of separate Project accounts, one for capacity building and another for local development financing, has had the effect of undermining the implementation of the Project because of lack of synchronisation of financial flows. With this lesson learnt from the DDP, the design of the financial flows under the LGDP takes the form of basket funding from one source. The money is transferred to the district and it is at that point that 20% is utilised for capacity building (Capacity Building Grant) and the remaining 80% for financing development projects (Local Development Grant). The second lesson that has informed the design of the LGDP is that under DDP, there has been lack of strong capacity at the centre to make implementation realistic. To address this weakness, a major focus in the design of LGDP has been the strengthening of the MoLG so that it can effectively play its mentoring and coordination roles. The centre is also empowered under the LGDP to audit the funds of local governments.

With regard to the effect of the Project on regulations and procedures for decentralised planning and financing of mandated local government services, the Project has influenced the formulation of the LG Financial and Accounting Regulations (1998). And as noted in the Fiscal Decentralisation Study Report, the 'Investment Planning Guide for Sub-counties and Lower level Councils' developed under DDP/ KDDP was issued in May 1998 by the MoLG as the national planning guide for sub-counties.

However, the lessons learnt from the Project have so far not influenced the revision of the main decentralisation instrument, i.e. the LG Act, 1997, despite the fact that there are areas of weaknesses identified under DDP which have a bearing on the provisions of the Act. A case in point is the financial weakness of local authorities, which is traceable to the Act, where the sources of revenue for local authorities are spelt out. The experience in all the DDP pilot districts clearly shows that GPT, which is the mainstay of LG revenue, is regressive, difficult to collect and low yielding. Yet according to the co-financing requirement LGs are expected to meet 10% of project costs. Notwithstanding the weakness of the Councils in raising revenue to finance their obligations, the co-financing requirement has been replicated in the design of the LGDP, when in fact a case exists for the central government to reconsider the distribution of revenue sources in light of the experience in the last eight years (i.e. since the 1983 decentralisation policy). We have since learnt that the LG Act is soon to be amended and these issues should be duly considered.

### ***3.3.5.1 The Influence of DDP on Sectoral Approaches***

The degree of influence that the DDP framework has had on sectoral approaches varies from one sector to another. In general those sectors that have pronounced major policies directed at poverty alleviation, namely, Ministry of Agriculture, Education, Health, Water and Sanitation and Works, have been slow in facing the realities imposed on them by the decentralisation policy. This is the reality on the ground in spite of the formal statements of commitment contained in official ministry/ sector documents. Most of them still believe that the sectoral approach makes it easy to achieve accountability in its various aspects. Which explains why they are still insisting on district planning according to formats centrally designed. Indeed, at a recent workshop on fiscal decentralisation, many representatives of line ministries argued very strongly against what some of them referred to as unrealistic decentralisation requirements which do not take into consideration the capacities of the districts to discharge the responsibilities being devolved to them. Whereas there are residual powers that the ministries exercise over the district, it has been difficult to draw a line between what is referred to as *mentoring* and inspection. As a sign that the ministries are still hesitant to surrender planning power to the districts, most of the funds flowing to the districts are conditional grants instead of general grants that would allow the districts to exercise choice over projects.

And even in the general framework of relationships between the districts and the centre, some ministries position is still characterised by ambiguity. This is illustrated by a position taken by the Ministry of Agriculture where, on the one hand, a decision was taken not to set up a parallel system to the LGDP, while at the same time emphasising that the LGDP should be reviewed to make it as PMA compatible as possible.<sup>32</sup> Furthermore the Ministry insists that under PMA, the grants to the districts will be supplementary to the LGDP's local development grant and will only go to sub-counties that have met the minimum requirements under LGDP.

### 3.3.6 Donor Replication

The planning and management modalities and financing facilities operational under DDP are widely known by the donors. At their monthly meeting, the Donor Sub Group on Decentralisation would normally receive up to date information on the Project, if required, through the MoLG and UNDP and UNCDF representatives. As indicated elsewhere in the report, a number of donors are beginning to appreciate the benefits inherent in supporting Uganda's decentralisation effort within the framework of the wider Local Government Development Programme into which many of the DDP modalities and procedures have been streamlined. In the majority of cases, however, there are still a lot of misgivings occasioned by fears that capacities still do not exist at the local level, which does create problems of accountability, hence the fear to channel resources through the district councils. Those donors who are already supporting decentralisation programmes such as DfID, the Netherlands Development Organisation (SNV) and the World Bank are doing so through the Ministry of Finance. A number of donors who are present at the district level do not seem to have been directly influenced by the DDP modalities and procedures although the SNV, for example, would not release their funds unless a District plan had been developed – a requirement similar to that under DDP.

It should, however, be appreciated that donor organisations are constrained by peculiar policy and operational guidelines imposed on them by their respective home governments.

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<sup>32</sup> Republic of Uganda, Study to Define Modalities for the Proposed PMA "Non-Sectoral Conditional Grant, Interim Report, 17<sup>th</sup> December 2000.

## 4 CRITICAL ISSUES

### 4.1 INSTITUTIONALISATION AND SUSTAINABILITY OF THE DDP-PILOT AND KDDP

#### 4.1.1 Institutional Innovations and Bottlenecks and their Impact

Except for the Investment Committee established at the LC3 level (in lieu of technical planning committee provided for in Sec. 38(3) of the LG Act, 1997), the institutional/ organisational framework within which the Project is being implemented is the Local Government structure as provided for in the 1997 Act. The Ugandan local government system since 1997 is unique compared to similar systems in Africa and is in that sense an innovation in itself. It is innovative in the sense in which it has drastically reduced the overwhelming powers which the Minister of Local Government used to exercise over local authorities, thereby rendering them mere outposts of the MoLG. What has made LGs the powerful institutions which they are today are the provisions in the Act empowering them to hire and fire their own staff, to raise and commit revenue without reference to the centre and, more importantly, the discretionary power which is vested in the Council as the policy making organ for the LGs' own governance within the broad parameters provided by the law. There are, of course, escape clauses for the Centre, but they are such as not to threaten the integrity of a LG that is operating within the legal provisions.

In a way, one could say that it is too early to conclusively assess the effectiveness of LCs in the performance of their mandated functions. In many respects, the last 3 years (since the LG Act, 1997 was enacted) have been years of experimenting with the provisions of the Act. In the process, both negative and positive lessons have been learnt, which are worth addressing. To start with, the Team established that there has been some friction between the political leaders and the administrators, which has tended to disrupt the smooth running of Council affairs. In Kabale, for example, that kind of struggle led to the sacking of the CAO and it took some time before a replacement was brought on board. We were informed that this incident had the effect of demoralising the administrators. A similar case occurred in Jinja where the CAO was sacked but later reinstated on appeal, only to come back and find that he had been deprived of most of the important duties. Since then, the relationship between the CAO and the district political leadership has been unsettled. This has had the effect of depriving the Project of effective leadership. What these two cases suggest is the need for the MoLG to strengthen its mentoring role such that LCs can use its good offices in resolving internal disputes before they reach crisis level. In addition, the central government should provide a framework at the national level for political and senior administrators at the district to interact, possibly within the framework of workshops and seminars, to discuss the practical problems that affect working relationships. The seminars could be organised in such a way that officers from the same district need not attend the same seminar. Similarly the districts should organise such seminars for the sub-counties. Part of the problem is that there seems to be a lack of appreciation of the limits of power in a decentralised system within a unitary system of government such as Uganda, notwithstanding a strong system of decentralisation.

The power to hire has also had an unintended consequence in that LGs, which are not financially viable, especially at LC3 level, have many unfilled positions. We found this to be the case in 15 sub-counties which we visited and where we held discussions with LC3 officials. This inadequate staffing at the LC3 level has therefore had an effect on Council operations and were it not for the intervention by the district and the role played by the elites in the Investment Committee, a number of LC3s in the pilot districts would not be able to produce investment plans. As an illustration, we were introduced to a senior headmaster in one of the LC3s we visited as the one who helps the Sub-County to produce their plans.

Notwithstanding the above, Councils have acquitted themselves very well in some of their mandated functions. A case in point relates to district planning. The PAIMS has been fully operationalised at the district level especially, and all the districts now have a 3-year rolling plan unlike in 1998 when only Mukono had a 3-year rolling plan. The Technical Planning Committees are operational and the DPUs are giving them back-up, although the latter still need strengthening in terms of establishing a strong information base for planning purposes.

#### **4.1.2 Policy Implications Pertaining to Minimum Conditions and Performance Measures**

As already indicated, sectoral ministries have justified their preference for CGs on the basis that they ensure that accountability is easily enforced. However, arising from the application of Minimum Conditions and Performance Measures there is justification for extending unconditional grants from the centre to the LGs and still ensure accountability based on the system of rewards and sanctions inherent in the conditions and measures. Already, the Ministry of Agriculture is applying the MCs as a basis for accessing the PMA grants – a non-sectoral conditional grant.

#### **4.1.3 Assessment of Local Capacity Building Efforts**

As pointed out elsewhere in this report, it is somehow difficult to attribute the strengthening of local capacity solely to the activities of the Project since a number of other organisations are involved in local development in the pilot districts. But this is not to downplay the role that the Project has played in this area. The difference which the Project makes in this area is that it has a strong funding base for capacity building, which has enabled it to extend its coverage to more diversified areas than other actors have been able to do. This is exemplified by its inclusive approach to capacity building as a result of which both public and non-public organisations and individuals can access the CBF. But strengthening of human capacity alone does not guarantee the continued delivery of goods and services to the people in the absence of a strong funding base. So far, the Project has not addressed this issue beyond channelling of donor funds to the LGs. In fact, doubts have been expressed whether LGs will be able to maintain the infrastructures that have been constructed so that they continue to serve their intended purposes. Granted, a number of artisans have, for example, benefited from capacity building activities under the Project. But unless LGs and other development actors at the local level have the resources to implement social overhead projects, the capacities that have been acquired will remain underutilised, and the appetites of these artisans will simply have been whetted. However, if upon the termination of the Project the revenue inflows to the pilot districts can be sustained by way of grants from central government, e.g. PAF, then the LGs will be in a good position to continue delivering goods and services.

#### **4.1.4 Viability of the Local Council System in Planning, Capacity Building and Service Provision**

##### ***4.1.4.1 Planning***

As presently constituted, LC3s have acquired sufficient planning capacity but only if the membership of the ICs remain unchanged and if the councillors are not defeated en masse at the next and subsequent elections, which would necessitate further capacity building. This therefore necessitates the institutionalisation of capacity building, which LC3s on their own cannot afford without support from the districts, which support is presently provided by the district at a cost to the LC3s.

##### ***4.1.4.2 Capacity Building***

A major contribution of the DDP-KDDP has been to enable the implementation of a “Cascade Mentoring process”, provided for in the Local Government Act 1997, through the CBF financing facility. According to the law, the CAO is expected to “give guidance to Local Governments/ Councils and their departments in the application of the relevant laws and policies”, “to supervise, monitor and co-ordinate the activities of the District and lower local council employees and departments, and to ensure accountability and transparency in the management and delivery of council services”.

In fact through “training on the job” higher levels of government are now providing both technical assistance and training to lower levels. The model has allowed local governments to use CBF funds not only for purposes of isolated training exercises but actually to technically support the realisation of their responsibilities within the PAIMS, thus providing a service which otherwise would have been outsourced. For example, CBF funds are commonly used by Sub Counties to bring District technical staff to support their planning meetings at least in one of their parishes. Thus, the resulting plan is an improved product and the actors involved become training resource persons for similar exercises elsewhere. Likewise other training related to monitoring and evaluation has been carried out for purposes of reinforcing such responsibilities at Sub County and parish levels.

The mentoring system has improved efficiency in the delivery of training and technical assistance, since Project Servicing Costs (such as appraisal, designing, and supervision) and M&E costs can be financed using the 10% and 5% allocation for these costs, but at the same time CBF funds can be used for mentoring activities, which in fact could also be considered technical assistance. Therefore although there may be a case for greater efficiency in the application of project servicing and M&E costs, there is perhaps greater need to clarify the extent of application and the relevance of these two sources.

#### **4.1.5 Role of the Local Council System /Communities in Project Sustainability**

No evidence is available to the Team with regard to local financing of capacity building and monitoring and evaluation. So far, the LCs and communities have relied on the Project support in these activities. But with regard to sustainability of implementation activities, the Investment Committees at LC3 level have in particular ensured that Project Management Committees are established and are performing their functions as outlined in the DDP Project Document.

There is no disputing the fact that local councils have assumed the role of ensuring that their investments are managed and operated according to the project objective of sustainability. There is enough evidence about the awareness of the councils that the projects constructed have to be maintained with funds collected from users as and when needed and kept by the Project Management Committees at the community level, while at the sub county the workplans submitted to Council carry an Operation and Maintenance budget for such investments as access roads, health units, springs and wells, tree nurseries, etc. At the district level the heads of departments allocate funds for the O & M budgets in the annual workplans.

The challenge to sustainability is the low local revenue base and, therefore, the need to mobilise funds on a regular basis without turning the exercise into a parallel ‘head tax collection’ almost throughout all the project districts.

#### **4.1.6 Institutionalisation of Dialogue among Various Local Actors**

The institutionalisation of dialogue among the communities, civil society, private sector and LGs in the pilot areas finds expression in the participatory development management approach. The Project requires that the communities and various levels of LCs be fully involved in planning, implementation

and sustenance of completed projects. And it also requires LCs to reach out to development organisations operating at the local level. The framework within which participatory management takes place is the Council committee system at which various groups in the community are represented. Indeed, as already indicted several times in this document, the LG Act 1997 stipulates who should be represented in these committees and in what proportion. The Team established that these committees, such as the Technical and Investment Committees, are indeed in existence and operational, and through them LCs indirectly involve the communities through their representatives in decision making about their development. Because allowances are paid for attending these official committee meetings (for example, at Butagaya Sub-County we were informed that members of the IC are paid Ushs. 7000 allowance per sitting from the council's own sources) it turns out that where the LC does not have funds to pay for allowances, meetings are never held even when due.

In the 1998 Evaluation Review carried out by the UNDP/UNCDF and MoLG, it was reported that dialogue between the LCs and the communities seemed not to be as effective as it should be because of poor attendance at village meetings. The Team established that lack of meaningful participation by the community in development management and decision-making is a function of a number of factors. These include apathy, high incidence of illiteracy in some pilot districts and the negative perception by members of the community about the benefits to be derived through participation. Whereas we found a positive disposition on the part of the Councils to involve the people in decision-making, we found very little of the same in their relationship with the private sector and CBOs. For example, we did not find evidence in the sub-counties we visited of these parties being co-opted in the decision making process. Therefore they continue to operate independently without co-ordinating their activities with those of the LCs.

#### **4.1.7 Existing Institutional Capacity to Meet Local Government Training Needs**

Uganda is endowed with many institutions capable of meeting long-term training needs of LGs. Just to mention a few, Makerere University's department of Political Science and Public Administration is capable of providing high level training to LGs to increase the conceptual and analytical capacities of senior officers. Uganda Institute of Management is capable of providing training for the middle level cadre in a variety of fields; so is the Institute of Commerce at Nakawa. In addition, ULAA provides short-term training linked to capacity building. And the LGFC is particularly concerned with the enhancement of the capacity of financial and accounting staff in the LG service.

## **4.2 GENDER ISSUES**

Since 1986, Uganda has been undertaking affirmative action to address gender imbalances in political and other areas of decision-making. Article 32(1) of the Constitution provides for affirmative action in favour of groups marginalized on the basis of gender, age, disability or any other reason created by history, tradition or custom, for the purpose of redressing imbalances that exist against them. Thus there is a woman representative for each district in Parliament and one third of councillors at Sub-County and district levels are women. Gender equality goals enjoy strong support from the political leadership. The government's commitment to the mainstreaming of Gender is illustrated by the existence of a national institution – the Ministry of Gender, Labour and Social Development, with the mandate to ensure, spearhead and co-ordinate gender responsive development and the improvement of women's status. In line with this the government also put in place a National Gender Policy and the National Action Plan on women. The DDP/KDDP therefore operate in an environment that encourages the use of a gender sensitive approach. However, in the original conceptualization of the Project, there was very little consideration given to issues of women empowerment or gender mainstreaming.

Reviews conducted jointly by PMU and project donors during the course of implementation found that women were not actively involved in decision making. Interviews with the programme management revealed that the Project operated on the assumption that since women form 1/3 of the local councils, and are also represented indirectly in the PSC through the MoGLSD, gender issues would automatically be addressed.

#### 4.2.1 Gender Mainstreaming in the Project Design

“Mainstreaming, a gender perspective, is the process of assessing the implications for men and women of any planned action, including legislation, policies and programmes, in all areas and at all levels. It is a strategy of making women’s as well as men’s concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.” (ECOSOC July 1997)<sup>33</sup>

The Team found very little analysis of gender issues and concerns during the formative stages of the Project. Whatever is found in the Project Document is both scanty and general (see pp. 122/3 for DDP and 85/6 for KDDP). The later stages of implementation, project assessments and evaluation reviews revealed a gap in the participation of women and limited focus on gender.

In terms of structure, however, the Ministry of Gender, Labour and Social Development is a member of the Policy Steering Committee. But as noted earlier, the PSC has been inactive and as such the Ministry of Gender lost the opportunity it might have had to promote gender issues related to the Project, assuming it wanted to. Similarly, we found no evidence that the Ministry has been using alternative avenues to promote gender-related issues in the Project.

Interviews with district planners and management team members revealed that any attempt to deal with gender issues in the Project was largely left to chance. The attitude seems to have been that issues of women’s empowerment and gender concerns naturally emerge once the relevant interest groups within the community take time to attend the meetings and be part of the planning process at the community level. It was assumed that as part of the participatory approach, communities would naturally come up with interventions/project activities that address the concerns of men and women, as long as they were really important to the community. The corollary to this is the idea that, if they are not dealt with, then they are not important and there is no neglect of gender concerns in the community. This is not necessarily so. Communities visited by the review Team in all the five districts identified issues specifically relating to women that were seen as problematic and needed immediate attention. These included:

- ◆ Heavy workload;
- ◆ High female illiteracy;
- ◆ High female fertility rates;
- ◆ Domestic violence;
- ◆ High female school drop out rates;
- ◆ High rates of female poverty;
- ◆ Poor female health status;

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<sup>33</sup> Cited in Elizabeth Akpalu, et. al., “Gender Mainstreaming: Emerging Lessons from Ghana”, London: Department for International Development(DfID), November 2000, p. iii.

- ◆ Alcoholism among men which negatively impacts on the social well being of women and children;
- ◆ Lack of confidence on the part of women councilors and inadequate understanding of their roles.

In light of this, the Project policies and ideas that sought to address these problems were directed towards meeting the practical needs of women but without addressing the underlying causes. As one moves between and within the districts, one comes across a general lack of appreciation of the need for gender equality both at the community and at the management levels. Gender considerations should have been incorporated into the Project during the design, in order for the Project to effectively address gender mainstreaming. This should be a lesson for the replication of the Project. Failure to mainstream gender in projects leads to a situation where subsequent efforts to address gender imbalance is seen as a 'women-only affair'.

#### **4.2.2 Effect of the Project on Gender Relations**

Although midway during the implementation of the Project some attempts were made to address gender concerns in the project areas, these attempts were mainly aimed at addressing the practical needs of women, e.g. improvement of water sources, building of maternity centres and provision of improved seeds. These interventions were not geared at changing the status quo. Women have been the main producers of labour in the agricultural sector, and the ones responsible for collecting water for their households. Hence improving the water sources and ensuring access to clean water benefits the whole community, and only reduces the amount of time women spend on collecting water. Other areas of benefit for women under the Project include the DMUs that have made it easy for expectant women to get medical attention within easy reach and at reduced health risks compared to visiting traditional birth attendants. But issues related to the high illiteracy levels among women, ownership of land and other resources for production, for example, have not been addressed at all.

On assessing the implementation of the Project it was realised that in some areas, the Project activities seem to have increased the burden borne by women. A case in point is the issue of heavy workloads. In all the investment sites visited by the team, it was reported that women were the most active in the construction work. Women were involved in fetching water and ferrying sand and other building materials to the building sites – all these in addition to their usual domestic chores. It was noted that only one district awarded a group of women a tender for maintenance of a feeder road. Even then, it was, according to one of the members of the technical committee in Kabale, meant to “test the ability of women”. Right from the initial stages of the Project cycle no specific interventions were put in place to address possible implications of the project activities on gender relations. Hence direct benefit of the projects under the DPP/KDPP in terms of improving the social status of women has so far been minimal. This sort of situation was to be expected in the absence of a properly worked out gender policy for the Project.

#### **4.2.3 Gender Mainstreaming in Government National Policies and Development Programmes**

This is one of the areas which the Team is required to address under the broad rubric of gender as a critical issue in the development process. The overall goal of Uganda's National Gender Policy is to mainstream gender concerns in the national development process and hence improve the living conditions of men and women as well as boys and girls in Uganda. The underlying principle of this policy is that integration of gender concerns into national policy and action will improve the national welfare, contribute to poverty alleviation and to sustainable development. The Ministry of Gender, Labour and Social Development is the national machinery for ensuring that gender concerns are mainstreamed into the national development process through all sectors of government. However, the

sector policies for gender equality, e.g. the National Strategy for the Education of Girls of the Ministry of Education and Sports, were developed in isolation, and not as part of an integrated National Gender Policy.

And in the wider development context, the Uganda government has adopted a Sector Wide Approach as the *modus operandi*. Five sectors have been identified as the priority sectors, namely: Education, Health, Agriculture, Water and Sanitation, and Roads. However, for purposes of the assessment of the extent of gender mainstreaming it was only possible to examine the first 4 sectors, leaving out Roads. It was noted that all the four sectors have made attempts to incorporate gender issues into their programmes. However, a lot still remains to be done in order to adequately address gender concerns in these programme areas.

Individual sector programmes recognise the need to mainstream gender and make programmes more relevant to women. However, the programme objectives tend to remain largely restricted to increasing the numbers of women involved. Issues causing women's limited access to goods and services in a sector, and the barriers they face in making equal use of these goods and services, are ignored or neglected. This has sometimes led to the development of parallel programmes instead of gender integration, and to lack of consistency between programmes, as well as to a discrepancy between stated objectives and programme activities.

#### **4.2.4 Challenges to Gender Mainstreaming in the Project**

The Decentralisation Secretariat is faced with the task of introducing the notions of people's participation, awareness and responsibility for decentralised governance to both the communities and other government sectors. But it should be noted that the DDP/KDDP modality offers a unique opportunity for the decentralization process to understand the challenges associated with gender mainstreaming and be able to address them in an effective way. However, the DS lacks the capacity to analyse projects, data and situations from a gender perspective – a need recognized by the Secretariat itself. Possibilities for gender training and sensitisation for staff should be explored through accessing already existing programmes and/or seeking funds for in-house training.

Gender mainstreaming in the DDP/KDDP also presents a unique opportunity for women to participate in decision making, which has traditionally been seen as the preserve of men. Therefore the challenge that faces the MGLSD, is to make meaningful interventions in this area in liaison with the MoLG on behalf of the women, and in furtherance of issues relating to gender. It is advisable that gender sensitive guidelines be formulated for each of the priority areas of the Project support and investments. However, in ensuring all these, both Project donors and implementors need to bear in mind the following challenges that have hampered efforts to integrate gender in the DDP/KDDP:

##### *Limited resources and competing demands*

- There are many critical issues, e.g. environmental issues, HIV/AIDS, that require mainstreaming into the development process and which compete for scarce resources with gender mainstreaming.

##### *Policy evaporation and fade away syndrome in programmes*

- The challenge is how to ensure that expenditures on priority areas are made gender sensitive both at the planning and implementation stages, and especially during implementation since the focus on gender is usually weakened at this stage.

##### *The WID/GAD approaches*

- The challenge here is how to overcome the confusion between policies specifically addressing affirmative action linked to increasing the representation of women in specific areas of public affairs (WID) and those relating to gender equality (GAD).

#### *Marginalisation of gender issues at the district level*

- The fact that GAD is not regarded as a priority programme area and therefore does not attract the attention that the PPAs receive. This manifests itself through lack of invitation of gender officers and directors of community services to planning meetings. The said officers do not seem to fully understand what their role is supposed to be, as there is a misconception that in order to address gender concerns, women-specific interventions/ projects should be implemented. These officers expressed the wish to be trained in gender analysis.
- There is also the question of how one ensures that gender officers at the district level take initiative to ensure that GAD issues are incorporated in all district and subcounty plans.
- And there is need for a systematic co-ordination mechanism in order to harmonise activities of the various players targeting women and addressing gender issues and ensure effective utilisation of resources.

#### *Role and position of the MGLSD*

- Lack of adequate manpower at the MGLSD impairs its ability to provide technical backstopping, for example, second staff to the MoLG to be in charge of co-ordinating gender activities in the districts/ Project areas.

### **4.2.5 Impact of Gender Policy on DDP/KDDP and vice versa**

No evidence was found of any attempt to link the National Gender Policy to the DDP/KDDP, although this should have been done. Although some attempts were made to mainstream gender at the later stage of implementation, these interventions were piecemeal, for example stressing the attendance of women in planning meetings or the implementation of some *ad hoc* activities aimed at addressing practical gender needs rather than the strategic gender needs. The formation of a Gender Task Force to spearhead gender mainstreaming in the Project was done to try and fill this gap. But its impact is yet to be felt on the ground.

A recent paper<sup>34</sup> prepared by an officer from PMU has identified a number of achievements made by DDP towards the inclusion of gender concerns, and which we concur with. These include:

- A system of tracking gender inclusion in development plans has been developed for the first time;
- A study to engender all training materials and develop a mainstreaming strategy for LGs is underway.

Considering that the Project has been on the ground for slightly less than three years, there is still a lot of scope for the DDP to influence gender focused policies during the remaining life of the Project and after.

### **4.2.6 Other Observations on Gender Mainstreaming in the LG System**

#### **4.2.6.1 Gender Budgeting**

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<sup>34</sup> Asumpta Tibamwenda, "Gender Inclusion in Decentralised Governance: The Case for District Development Project – Uganda". A complementary paper presented at a conference on 'Decentralisation and Local Governance in Africa', Cape Town, 26-30<sup>th</sup> March, 2001.

Gender budgeting does not mean having separate budgets for women oriented projects. A gender sensitive budget refers particularly to a budget which ensures that gender issues are integrated into all elements of programmes rather than regarding women as a “special interest group”. Gender budgeting is not only an analysis of expenditure, but also of revenues, i.e. taxes, and other forms of public collections of revenue, to determine who pays tax and who bears the burden of taxation. This is particularly important for the district when considering raising the required matching funds (co-funding) under both the DDP and LGDP.

Resource allocation for gender related activities is almost non-existent, particularly at the district level. However, it should be recognised that for gender to be taken as an important component in the Project, gender mainstreaming deserves specific budgetary allocation at all levels of government.

### **4.3 PARTNERSHIPS AND CO-ORDINATION ROLE OF THE PROJECT**

#### **4.3.1 Nature and Quality of Partnerships with Local Actors**

The point has been made in section 3.1.4 of this report that the Project has so far been unable to bring on board other donor organisations and civil society organisations, notably NGOs, involved in development activities in the pilot areas. Most of the indigenous NGOs are mainly church-based organisations, while foreign NGOs are mainly locally based branches of donor agencies under direct control of country offices in Kampala. The Project therefore has found it difficult to bring on board organisations with such parallel hierarchical structures. The same is also true of indigenous NGOs, for they too have their parent organisations in Kampala. The situation is well captured in a communication from UNCDF, Kampala office, which traces the problem of co-ordination with NGOs to “the different ways in which development partners were supporting NGOs, at some point more than the LGs, as a result of which some of the NGOs felt that they had the mandate to do what they did in the districts.” It adds:

*The fact that decentralisation increased the LGs’ powers also affected the NGOs because in many ways NGOs still operated within a framework that was centralised and hence they got left out in the districts. However, governments at the district level were also still sceptical about how to work with NGOs considering that there was no clear cut direction on how to foster partnerships (personal communication).*

Thus the only local actors that the Project has been able to establish strong partnerships with are the local communities who support and benefit from the Project.

#### **4.3.2 Coordinative Role of the Project**

Arising from 4.3.1 above, it is quite evident that the Project has so far not been able to play any coordinative role *vis-à-vis* the activities of other development actors in the Project area. A similar observation was made by the National Assessment Team, which carried out the Assessment of the DDP Minimum Conditions and Performance Measures last year, when they reported thus:

*There was ... a shortfall in the discussion of the contribution of NGOs/ CBOs and civil society to the development of the districts. Most districts stopped at listing them and their broad areas of intervention without giving value to their contributions. NGOs/ CBOs are not involved in the planning process.<sup>35</sup>*

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<sup>35</sup> MoLG, *Assessment of the DDP Minimum Conditions and Performance Measures: Synthesis Report – Year 3, June 2000.*

The situation in the field is a reflection of what happens at the centre, where the Project has so far not succeeded in co-ordinating the development activities of both the donors and NGOs with operational presence in the pilot districts, notwithstanding the representation of the NGO forum in the PTC. In the case of donors, even though they are well informed about the Project, our interviews with representatives of eight donor organisations in Kampala revealed that they still have misgivings about the efficacy of Uganda's decentralisation system and are reluctant to accept it as the framework for their participation in the country's development efforts. Which may explain why the Project has found it difficult to co-ordinate their activities in the Pilot districts. This lack of co-ordination was also pointed out in a recent report, which states:

*With respect to donor co-ordination, we were delighted to find a donor-working sub-group on decentralisation (set up informally by the donors in recognition of the need for better co-ordination). We also noted that its work has been limited to information sharing rather than co-ordination in implementation.*<sup>36</sup>

In short, the Project has so far neither succeeded in creating partnerships with all the local actors nor succeeded in co-ordinating the activities of various agencies operating in the pilot districts.

## 4.4 MONITORING AND EVALUATION

### 4.4.1 Availability and Quality of Baseline Information

Since its inception DDP-KDDP has devoted a great deal of effort to develop an M&E framework particularly to track down results from the project. The main areas of concern have been related to the set of Minimum Conditions and Performance Measures, which are designed to ensure the functionality of the Districts and Sub-Counties in accordance with the provisions of the LGA 1997 and the FaAR 1998. Baseline information on the situation in the Districts and Sub-Counties with regard to their capacities and practices in areas such as planning, internal financial and administrative management, accountability and investment management (procurement, supervision, etc) were recorded in the initial District Profiles.

In addition to the Minimum Conditions and Performance Measures the participatory Monitoring and Evaluation carried out in accordance with the PAIMS provides information starting at the village and parishes on the decision-making processes, levels and inclusiveness of participation and the exercise of transparency and accountability in the process of work performance. Similarly, information on the allocation of funds to projects, the way these funds are spent and the progress of projects is all documented with the participation of the community and the representative committees. Based on this information, the PMU maintains files containing annual inventories on the basis of Sub-Counties and Districts with descriptions of projects by sector, type of investment, original budget according to work plans, actual expenditure of LDF funds and other contributions, and status of project progress and relevant comments about reasons for delays in completion and/ or escalation of costs, etc.

The above notwithstanding, information and indicators of the direct impact of the DDP-KDDP on the performance of local governments in areas like improvement in the provision of services, the reduction of deficits, or in better management have not been recorded. Indicators such as efficiency, effectiveness and so on do not appear in the PMU's files. It would be of great value, for instance, not only to have qualified personnel for the finance area, but also to be able to track local revenue mobilisation and levels of financial independence in regard to central transfers; or to determine the recurrent-capital

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<sup>36</sup> Joint UNDP/ German BMZ Evaluation of the UNDP Role in Decentralisation and Local Governance: Country Report # 5 – Uganda, February 20, 2000.

budget ratio, which would show the evolution of capacity to invest and provide services in an effective manner. For purposes of enhanced planning it would also be important for local governments to maintain databases with information related to specific service coverage situations on a Sub County or even Parish basis if possible beyond what one finds in development plans.

Furthermore, as has been pointed out earlier in this document, information to assist the monitoring of the evolution of major factors such as poverty alleviation, gender inequities and the conditions of the poorest and disadvantaged, which were partly expected to improve through a decentralised provision of services and partly through actions carried out as part of the DDP-KDDP, were not measured at the beginning of the Project and only mild efforts to demand such measures and indicators from sectoral ministries have been tried out recently. Indeed most of these measures should primarily be the responsibility of sectoral ministries but they are paramount both for the GoU and for UNCDF, as they will provide the final test and confirmation about the impact of decentralised governance on better living conditions particularly for the poorest people.

The Team was informed, though, that PMU is preparing a review of their M&E framework under LGDP, which would be used across the board in all Districts under either DDP-KDDP or LGDP. This review is expected to develop a more comprehensive approach to the assessment of local government performance. It was decided that the whole question of M&E for LGs should be handled comprehensively under the LGDP where there is a sub-component for developing an Inspection Manual, M&E Manual and a Communication Information System, which should be able to link the inspection and the M&E results to produce timely reports for Governments.

Besides, since UNCDF is also developing an M&E system for its corporate needs, and there are a number of other donors who are also involved in the development of M&E, e.g. the Canadians, the challenge under the LGDP is to bring all these various initiatives under one effort which can be used for the monitoring and evaluation of both processes compliance and investments in LGs.

#### **4.4.2 Availability and Acceptance of Indicators**

Indicators for assessment of Minimum Conditions and Performance Measures have usually been discussed and agreed upon with Districts and Local Governments. Governments are aware of the areas of assessment where they have to improve performance from year to year. Furthermore at the end of the exercise in which district and national teams are involved, there is a final workshop for discussion of the results and to recommend on adjustments to the methodology for the subsequent assessment.

However, we noted that new indicators are usually not communicated to LGs in advance. For instance, it was reported in the "Assessment of the DDP Minimum Conditions and Performance Measures of Year 3" that "...districts have not yet adequately analysed poverty issues nor integrated gender and the needs of disadvantaged groups in development planning which are indicators that have been included in the assessment for the first time".

#### **4.4.3 Regularity and Accuracy of Data Collection**

Assessments of Minimum Conditions and Performance Measures are currently conducted twice a year on a regular basis. Starting in May 2000, the methodology has also been applied to determine qualification of Districts and Sub-Counties for access to LGDP funds in Districts not covered by DDP-KDDP. The methodology has been standardized and the results are normally recorded in periodic reports.

In addition to these assessments PMU has conducted two internal reviews of the DDP-KDDP, each one of them intended to examine particular aspects of the implementation of the project. Some of the issues that have been addressed through these reviews include effectiveness and utilisation of the Capacity Building Facility, challenges in promoting production investments, and pros and cons analysis of labour force account vs. contracting out. These assessments have focussed on those issues which were considered more challenging or that were the subject of specific demands and inquiries from the stakeholders. Worth noticing is the fact that these exercises have been realized in a participatory manner and the results have been widely discussed and disseminated among stakeholders at the national level.

#### **4.4.4 Usefulness and Extent of Actual Use of M&E System**

In spite of the aforementioned, the Team was not able to find a central data base where results from both the MC&PM assessments and from the Internal Reviews were stored so as to facilitate analysis of trends or crosscutting issues for different years or for certain groups of LGs. It is wasteful that such valuable information is not arranged to be available for further uses and analysis besides the formal purpose of compliance with MC and PM. The team was informed, though, that PMU is now in the process of contracting a specialist to develop an information system and central database, but this exercise shall be conducted hand in hand with the comprehensive review of the M&E framework also in the pipeline.

#### **4.4.5 Strengthening the M&E System**

Firstly, if any connection is to be made between decentralisation and poverty alleviation, a comprehensive set of indicators and techniques to assess conditions of the poor and their effective access to improved and increased facilities should be developed as part of the relevant effort to support policy design and provide feedback on the decentralisation model spearheaded by the MoLG.

Participatory Poverty Assessment exercises may be part of this expanded M&E system so as to ensure that both qualitative and quantitative information, which could be used at the LGs and at the national level, is captured. For Districts and lower local governments it would provide insights for sharpening the planning process, determining relevant priorities and devising innovative participatory approaches to service delivery. At the national level as well as for the Districts, if properly recorded, such information would also indicate improvements achieved and the extent of effectiveness of investments in poverty alleviation

The Team would strongly recommend that a proper documentation centre be put in place at the Decentralisation Secretariat under the PMU, with adequate management and safeguard procedures, to avoid information being scattered among different officials in PMU or UNCDF. We are aware that there has been a previous but failed attempt at creating such a centre, which was closed because important documents were lost and never recovered. However, with proper library management techniques and online information systems, such a documentation centre may become one of the most important knowledge hubs for generation, analysis and dissemination of lessons learnt from the Ugandan decentralisation experience and model.

### **4.5 PHASING OUT STRATEGIES**

In discussions with UNDP and UNCDF staff, the commitment to support Uganda's decentralisation efforts was reiterated. Therefore, the question is not whether the support from the two organisations will be forthcoming, but rather the form which that support will take in the post DDP period. The DDP Pilot covering 4 districts ends in about 5 months' time. But both the UNDP and UNCDF have committed themselves to a one-year extension. The KDDP has slightly more than a year to go before its life comes

to an end. The Team has been asked to identify the strategies for phasing out the current programme and to suggest possible strategies for future programming. In the draft report, we presented three phasing out scenarios. We have since revised them in light of subsequent discussions and submissions. Before indicating what our latest position is on the matter, it is important to underscore our understanding of what the Project donors' position is regarding their continued participation in the development of Uganda. In this regard reference is made to the Memorandum of Understanding between UNCDF and UNDP signed on 26<sup>th</sup> April 2000, where they committed themselves to begin channelling the DDP LDF and CBF resources through the LGDP transfer system early in the programme's life, which is about this time. But this has not happened yet. The intention by UNDP to channel capacity building funds through the Ministry of Finance is highlighted again in the draft Programme Support Document dated January 2001, where UNCDF is identified as a collaborating institution. This position is in line with the option discussed below.

#### **4.5.1 The Option: Roll DDP/KDDP into LGDP**

Lessons captured from the pilot phase are useful for the LGDP. These have been documented properly and are available. In fact, DDP modalities have influenced the design of the LGDP. Therefore rolling the DDP/ KDDP into the LGDP seems to be a logical move in the present circumstances. The impression we got from the interviews we had with senior Government officials both in the MoLG and other ministries is that the government has decided to move away from pilot approach to development since it tends to give a mistaken picture that pilot districts are favoured districts. In this case UNDP and UNCDF would relate to the LGDP the way the World Bank is currently relating to it. Interviews conducted with donors as well as findings by the Fiscal Decentralisation Study indicate that a number of other donors are seriously considering the idea, e.g. Danida, Irish Aid and the Netherlands.

Advantages: The funding base for the LGDP will be broadened, which will enable the Government to extend the Programme to more districts in the country. Furthermore, it will relieve the MoLG of running two parallel local government development programmes, as is currently the case.

#### **4.5.2 The Course for the Remaining Duration of DDP**

The remaining Project duration, including the one-year extension in the case of the four districts under DDP, should focus on the remaining challenges which we have identified in the various sections of this report. These challenges include: gender mainstreaming, income-generating activities to enable individuals to meet their basic needs and also to enhance LGs tax yield, establishing/ strengthening reliable data banks (District information management system), strengthening partnership between LGs and other development actors at the local level, improving intersectoral communication intended to harmonise the planning relationship between LGs and line ministries. Action in these fronts may require a priority setting exercise involving the government (i.e. relevant ministries and LGs) and the two donors in consultation with other stakeholders as appropriate.

#### **4.5.3 The Case of KDDP**

During our visit to Kotido, we visited a number of projects, some of which were in the process of construction while others had been completed but were not yet functional. As already indicated elsewhere in the report, we also established that the rate of absorption of funds in Kotido was low in comparison with the DDP districts. Therefore, in consideration of the foregoing, it would appear that much of the same activities as are going on now need to be continued during the remaining life of the Project. Thereafter, Kotido, like the other DDP districts should be rolled into the LGDP. As Kotido is rolled into the LGDP, the donors should consider giving special support to districts which have weaknesses on the ground such as Kotido itself through the NGOs on the ground as the UNCDF had

done through the Church of Uganda before the KDDP. Even with the provision for equalisation grants in the LG Act, 1997, there might still be a need for special support to such districts.

## **5 SUMMARY FINDINGS AND RECOMMENDATIONS**

In this section of the report, we bring together the key findings as well as the recommendations that arise from them.

### **5.1 INTRODUCTION AND BACKGROUND**

#### **5.1.1 Changes in mode of implementation**

A number of changes were made in the mode of implementation in order to facilitate smooth implementation of the Project and/or remove some bottlenecks identified during the course of implementation. By and large these changes led to an improvement of the situation existing before. No specific recommendation is preferred here.

#### **5.1.2 Inputs delivered v. planned**

In the four DDP districts, over 66% of the funds earmarked have been delivered. By the end of the year, it is unlikely that the planned budget will have been fully exhausted. With regard to KDDP, given the history of low absorption rate, it is also unlikely that the planned budget will be spent within the original time frame.

#### Recommendation

- The planned stabilisation of the insecurity situation in Kotido should be given the immediate attention it deserves in order to make it possible for staff to be deployed in the Sub-Counties to improve the absorptive capacity.

Action: Office of the President/ Resident District Commissioner.

#### **5.1.3 Processes and procedures implemented v. planned**

The life of the Project has been characterised by delays in the release of funds mainly because of the issue of accountability. A lasting solution to this problem has yet to be found, in spite of recent attempts to find one.

No recommendation is made here since the Project donors' position is that nothing much can be done without a renegotiation of the NEX guidelines.

## **5.2 ASSESSMENT OF PROJECT PREPARATION, DESIGN AND RELEVANCE**

### **5.2.1 Appropriateness of Design**

The accent of the project design was on building institutional capacity of LGs, and thus the Project design had a capital investment orientation, which ignored the need to address the particular interests of the poorest of the poor. Where district profiles were carried out, the focus was on assessment of the existing institutional capacities of LGs, CBOs and NGOs.

There was little or no social development analysis, and the assumption that there is a linkage between decentralisation and poverty alleviation has not been ascertained. The design of the Project did not take into consideration differential endowments and capacities of the districts.

Policy recommendation

- As the experience of the DDP is being replicated in the LGDP, the Government should take initiative in ensuring that the design reflects the actual peculiarities of the individual districts by incorporating a 'dosage feature'.

Action: In the meantime, MoLG; but this could change if our recommendation to relocate the national focal point for the co-ordination of decentralisation is accepted..

**5.2.2 Relevance of Design Choices**

The selection of the four Pilot districts and Kotido was representative of the prevailing conditions in Uganda and therefore relevant for purposes of a pilot project.

The volume of funds made available to the Project has enabled local governments to have manoeuvrability in implementing their development plans, and the fund allocation mechanism and formula are in keeping with the Constitution, 1995 and the LG Act, 1997.

The guaranteed accessibility of funds at the LC1 and LC2 levels has proved to be a strong incentive for community involvement in project management.

Compliance with the 10% co-financing obligation by all the pilot districts suggests the appropriateness of this design choice.

The access criteria and investment menu limits and exclusions established have strengthened financial discipline within local authorities and encouraged the spirit of positive competition.

However, the principles for division of planning authority between LC5 and LC3 levels remain rather blurred in spite of efforts made to come up with a clear division of responsibilities between them.

And at the national level, PMU/ DS as the managing/preparatory/executory body has performed well. However, the duplication and overlap of roles in the DS/PMU and the rest of the MoLG compromises this effectiveness. As the Project's focal point at the centre, PMU is not in a position to assist LGs to bring on board line ministries which are still reluctant to operate within the LG system.

Operational recommendation

- The overlapping roles in DS/PMU and the rest of the MoLG with respect to implementation of decentralisation should be synchronised and harmonised so that there are no multiple functional lines of communication to LGs.

Action: Head of Public Service; PS, MoLG.

Policy recommendation

- There is a need to revisit the LG Act in order to clarify the operational relationships in such a way as to empower districts to momentarily assume the functions of the LC3, where it is demonstrated that the latter cannot fulfil them for good reason, while simultaneously assisting them to build up their capacities in areas of demonstrated weaknesses through appropriate appointment and training of staff at LC3 level.

Action: MoLG to initiate appropriate legislative action in consultation with LGs and relevant legislative/ legal organs of the State.

### 5.2.3 Project preparation phase

**Availability of baseline data:** A capacity assessment in the four pilot districts provided a baseline of the minimum conditions and institutional capacities at the time. However, primary data indicative of the nature and incidence of poverty, which could be used for future impact assessments, was not available until much later.

**Consultations** during the preparatory period are said to have been widely inclusive, although, as it later turned out, there was no special effort specifically directed at the disadvantaged groups.

**Performance indicators** were clearly laid out and an M&E framework was put in place to monitor the performance of the Project and to provide solid feedback on strengths and bottlenecks identified during the process of implementation.

The recognition of weak capacity at LG levels necessitated the **introduction of the CBF** during the preparation phase. In the four DDP Pilot districts, this was done in a more systematic manner than in the case of Kotido where the preparatory activities were rather rushed.

#### Operational recommendation

- The MoFPED should assist local authorities to identify the specific characteristics of poverty at the district level in order to enable LGs to have a more focussed attack on poverty than has been the case so far.

Action: MoFPED and District Planners.

### 5.2.4 Relevance of the Project in the current context

With the decision to expand LGDP to the rest of the country, DDP/KDDP still remains relevant as a project where new ideas and procedures could be piloted with a view to replicating the same in the LGDP. There are also a number of areas that have not yet been sufficiently addressed within the Project such as gender mainstreaming and co-ordination & partnerships among the various development actors at the local level. And Kotido's low absorption rate, occasioned by factors discussed elsewhere in the report still justifies its special status as a stand-alone project.

#### Recommendation

- The identified areas of weakness (see sec. 4.5.2) should be given more attention during the remaining life of the Project.

Action: PMU, Project donors and individual LGs.

## 5.3 STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS AND POTENTIAL IMPACT

### 5.3.1 Project management and implementation arrangements

#### *Donor recipient relations*

The relationship between the Project donors and the government of Uganda is by and large harmonious, but the terms regarding the disbursement of Project funds remain unsettled. The operation of UNDP and UNCDF as separate donors has led to lack of synchronisation of the flow of funds to the recipient.

#### Policy recommendation

- UNDP and UNCDF should establish internal arrangements so that they release their respective contributions to the Project at the same time whenever the remittances are due.

Action: UNDP and UNCDF Country Offices.

#### *Relations at the centre*

The Policy Steering Committee rarely meets as a result of which its functions are being performed by the Project Technical Committee in addition to the latter's functions. Line ministries with development activities in the field are not represented in the Project's decision-making organs at the national level.

#### *Centre-local relations*

PMU has played a major role in co-ordinating DDP/KDDP funded project activities. However, with respect to line ministries there is still lack of support for decentralization policy for they still continue to relate to their field units outside the framework of DDP/KDDP. Multiple resource flows from the centre to the districts have increased the workload of district staff without corresponding compensation, and parallel planning frameworks hamper integrated planning at the district level.

#### Policy recommendations

- The government should prepare appropriate instruments for the establishment of the National Planning Authority provided for in the 1995 Constitution so that there is a planning focal point at the centre to co-ordinate district planning and to perform the other planning related functions which the planning ministry used to perform before the decentralisation act (i.e. LG Act1997) came into force. During the transitional period, however, the MoFPED should provide these services as before.

Action: MoFPED to produce cabinet paper; legislative process to follow thereafter.

- Line ministries with critical functions in the field such as agriculture, education, health, should be included in the Project's decision-making organs at the centre.
- As DDP is phased into the LGDP, there will be a need to establish a new focal point where line ministries hitherto not represented in the PTC and PSC would be included. Considering that decentralisation is a national programme rather than a programme of one ministry, there is, as one study<sup>37</sup> put it, a need for a driving force for decentralisation... one that would ensure coordination among the key central and line ministries of the government. This study suggested that such a driving force could only come from the President's office or that of the Prime Minister. As we have suggested elsewhere in the report, such a focal point should be the office of the Prime Minister.

<sup>37</sup> Joint UNDP – German Ministry of Economic Co-operation (BMZ) Evaluation on The Role of UNDP in Decentralisation and Local Governance (NY: UNDP, February 2000). P. 13.

Action: Office of the President/ Cabinet office, MoLG, UNDP and UNCDF.

- The Head of the Civil Service should be requested to ensure that an enlarged PSC meets to discharge its responsibilities during the remaining life of the Project pending the creation of the new focal point suggested above.

Action: Project donors.

### ***Field level relations***

The presence of the Project has created some sense of co-operation among departments. But in some districts, the relationship between the political executive and administrative staff has been strained, which has in some districts resulted in the removal of senior staff.

### **Policy recommendation**

- The MoLG should establish a mechanism for pre-empting and resolving conflicts at the district level and below.

Action: PS, MoLG.

## **5.3.2 Implementation results**

### ***On enhanced capacity of LCs to discharge their responsibilities***

The capacity of the LCs has been enhanced in the following areas: project identification and planning, design of individual projects, procurement of goods and services, investment management, and improved accountability, especially financial. This is true of both LC3 and LC5 levels although the degree of enhanced capacity varies from one district to another and from one Sub-County to another within the districts.

A few areas of weaknesses still remain, including: poor staffing especially at the Sub-County level, more so in Kotido but also in some sub-counties within DDP districts; irregular meetings of statutory committees occasioned by lack of funds to pay for sitting allowances.

### **Operational recommendations**

- Make capacity building a continuous process as a way of ensuring that the gains registered by LCs are sustained.

Action: PMU, LC5, UNDP and UNCDF Country Office.

- Introduce more comprehensive planning tools capable of providing an appropriate framework for the analysis of social, physical and cross-sectoral issues. This requires a full revision of planning guidelines and the introduction of more specialised training modules on Regional Analysis and Planning Techniques such as “Urban Functions for Rural Development”, etc.

Action: MoFPED, line ministries and District Technical Planning Committees.

### **Policy recommendation**

- The LG Act should be amended to broaden the sources of revenue for LGs in order to enable them to meet their obligations, e.g. paying allowances to officials.

Action: MoLG to take initiative in consultation with the relevant legislative authorities.

### ***Encouragement of private sector participation***

The objective of working in partnership with the private sector has been partially achieved. Many local artisans and small-scale contractors have benefited through successful tendering for construction work. However, private organizations and consultants as such have not been brought on board, for LCs feel that they are too expensive to hire. Delayed payment to private contractors occasioned by delayed release of funds has, on the other hand, tended to create a bad relationship between Project Management Committees and contractors.

#### Operational Recommendation

- Local contractors operating in the Project areas should be included among the beneficiaries of UNABCEC's capacity building initiatives, currently underway, in the long-term interest of strengthening local capacity.

Action: LGs to take initiative in consultation with PMU and the scheme's donors.

#### ***Support to LGs in the delivery of mandated services per Schedule 2 of LG Act, 1997***

The requirement of transparency, accountability and community involvement in project implementation has led to satisfactory quality of work. The Investment Committees have discharged their responsibilities reasonably well.

Operations and Maintenance costs are being financed mainly by non-DDP/KDDP funds, such as PAF grants and user charges.

#### Operational recommendations

- For community support towards the cost of maintenance for local facilities to be sustained, the District government should ensure that, for example, DMUs are staffed and equipped to provide the services intended, for if the community does not benefit from completed, but unsustainable or failed projects, their support will not be forthcoming.
- The DTB should where possible give priority to local artisans in awarding tenders, which in turn will enable local persons of means to contribute towards operation and maintenance of projects.

Action: CAOs.

- The impact on the physical environment arising from the extraction of building/construction materials needs to be assessed within the DDP/KDDP framework so that proper mitigation measures can be incorporated in the revised designs and specifications.

Action: Relevant ministry.

#### ***Performance of Project management tools***

The **PAIMS** is now an institutionalised tool at all LC levels in the pilot districts and it has operationalised a bottom-up participatory planning process to allocate funds to priority investments within a hard budget constraint.

The **funding, allocation mechanism and formula** are well known, accepted and considered equitable for all actors, although it has been pointed out that the population criteria may be favouring the relatively well-off, densely populated areas.

The **Minimum Conditions and Performance Measures** have encouraged compliance with national policies, in particular the PEAP, and have also induced capacity building in order to improve absorption rate.

#### Operational recommendation

- There is need for a balancing mechanism that would ensure that the criterion of allocation does not distort the access structure regardless of the situation on the ground.  
Action: PMU, CAOs, district planners.

#### Policy Recommendation

- The Government of Uganda and its development partners should support the extension of the PAIMS to sectoral planning and budgeting where they have not already been introduced.  
Action: Ministry of Finance, Planning and Economic Development.

#### Challenges identified under the PAIMS include:

The **co-financing requirement** by donors, including under the Project, has put increasing pressure on local revenues, and more so due to donor specific accountability requirements which usually disfavour combination of funds from different sources.

The **investment menu limits and exclusions** may be leading to losses in allocative efficiency, as they have tended to become a list of eligible alternatives rather than a guide.

#### Policy recommendations

- The investment menu should be opened up to allow more flexibility particularly in regard to alternative technologies for service delivery. This could form a feature of the extended Project.
- The Project donors should introduce flexibility in co-financing in ways that would enable the districts with demonstrated need to meet co-financing obligations from equalisation grants from the Central Government, which would then be extended to the needy Sub-Counties.

Action: MoLG (PMU), Project donors.

**Communication Framework:** At the LC levels, information flow has greatly improved due to linkage of communication to incentives. And at the national level, a lot of documentation has been generated since the Project started. However, wide publicity at this level has been hampered by some bureaucratic bottlenecks.

- Operational recommendations Since non-project areas seem to know little about the DDP/KDDP, there is need to disseminate project-related information in a more structured manner to non-project areas. This could be in the form of shared quarterly progress reports and familiarisation meetings for LG officials.

Action: PMU should take the lead responsibility for this.

- The consultants contracted by the Government to review the communication component of the Project should address themselves to the factors that have impeded the effective publicity of the Project at the national level.

Action: MoLG (PMU).

### **5.3.3 Implementation Impact**

#### ***Impact on poverty***

The presence of many development actors at the LC level contributing towards the same goal of poverty alleviation makes it difficult to isolate the impact of DDP/KDDP. This observation notwithstanding, the Project has contributed to the construction of service facilities targeting the poor, and falling within the national priority programme areas. However, there are locally specific socio-

cultural and economic conditions that affect the access of the poor to these facilities, which factors still remain to be addressed.

Within the Pilot districts, the LGs seem to lack the information and the signals from the national government to identify which of the PEAP sectors should be given higher priority considering each district's development status within the national development scenario.

#### Operational recommendation

- LGs should define the structure of access to services in terms of who can, and who cannot, afford user fees, where applicable.

Action: CAOs, District Planners, Sub-county and Parish Chiefs.

#### Policy Recommendation

- DDP/KDDP may encourage further involvement of community-based groups and local organisations as a means of assisting local people to improve their incomes and quality of life.
- There should be established a micro-financing facility that would avail capital to community based organisations whose mandate is to address poverty reduction among the poorest of the poor by engaging them in income generating activities.

Action: CAOs with assistance from PMU, District Planners.

#### ***Impact on Local Governance and capacity of Local Governments***

The Project has tended to be more concerned with the mobilisation of communities and their technical empowerment rather than empowering them to make meaningful decisions about their own development.

The capacity of LGs has been greatly improved and they no longer rely on the centre for technical planning capacity. Districts are now able to meet the needs of lower LCs for technical assistance for planning, albeit with some difficulties and at a cost to the latter.

#### Operational Recommendation

- UNDP should link up with other donors supporting PRA exercises with a view to enhancing the effectiveness of DDP/KDDP through better understanding of community perceptions of, and alternative solutions to, their needs.
- As the Project is gradually institutionalised and so are the basic principles of the LGA, new aspects of accountability should be promoted. For example grassroots leaders should be fully informed about the prioritisation and the decision-making process that take place at higher levels of government.

Action: MoLG, LC5s and LC3s.

#### ***Impact on the capacity of the poor***

Beyond the formal representation of the disadvantaged groups at all hierarchies of LCs, there was little evidence, below the district level, to indicate that their capacity to participate in the PAIMS process has been enhanced.

High incidence of illiteracy impairs the participation of the poor and has affected their absorptive capacity. Widespread poverty makes people preoccupied with issues of survival leading to their failure to participate in decision-making fora.

#### Recommendation

- The recommendation made under Project preparation phase regarding characteristics of poverty applies here as well.

Action: as above.

#### ***Impact on Policy***

The LGDP has adopted many of the DDP/KDDP design features, and the PMA has adopted the Minimum Conditions. The Project has influenced the formulation of the LG Financial and Accounting Regulations (1998), and a number of guidelines developed under the Project have been extended to LGs countrywide. However, the Project has not significantly influenced the planning and budgeting process of other line ministries, partly because of lack of effective dialogue on decentralisation.

The main decentralisation instrument, the LG Act, 1997, has not yet been revised despite the fact that some negative experiences under DDP/KDDP point to some weaknesses in the Act, e.g. the limited revenue sources spelt out in the Act.

#### Policy-operational recommendation

- The MoLG should identify good management practices in the Project with a view to replicating them in the LGDP.

Action: MoLG (DS and PMU).

#### Policy recommendation

- The Ministry of Finance, Planning and Economic Development should take the lead in ensuring that the National Planning Authority provided for in the Constitution is put in place to co-ordinate Local Government planning in the country.

Action: Head of Public Service.

#### ***Donor Replication***

Whereas DDP modalities and financing facilities are widely known by the donors, most donors are still reluctant to channel resources through LGs due to misgivings about local capacities and the decentralisation framework in general.

#### Recommendation

- Donors should assist the MoLG to strengthen the capacities of LGs as a way of addressing misgivings about local capacities. Some donors are already doing this, e.g. DfID and The World Bank.

Action: PS, MoLG at meetings of the Donor Consultative Group in Kampala.

## 5.4 CRITICAL ISSUES

### 5.4.1 Institutionalisation and Sustainability of DDP/KDDP

#### *Institutional innovations and bottlenecks*

The LG Act has strongly empowered LCs to continue performing their functions. However, at the LC3 level, inadequate staffing owing to lack of finances to hire and retain qualified staff poses a threat to the proper functioning of this level of government in the absence of support from the LC5.

#### *Viability of the LC system in planning, capacity building and service provision*

The strong funding base of the CBF has enabled it to contribute significantly to strengthening the capacities of LCs, especially in terms of human resources.

The cascade training approach has enabled higher LGs to provide training and technical support to lower LCs, and resulted in cost savings.

However, the issue of revenue flows has not been sufficiently addressed and this threatens the sustainability of projects, including capacity building and M&E initiatives, beyond the duration of DDP/KDDP.

High turnover of LC officials, e.g. following elections, threatens the capacity of LCs in planning and capacity building linked to service provision.

#### Policy recommendation

- Make capacity building an on-going activity with or without donor financed capacity building initiatives. This should be done through both supply and demand driven capacity building interventions.

Action: MoLG, LC5s.

- There is a need for districts to put in place cadasters to facilitate the collection of property tax.

Action: District Councils, with support from relevant Central Government agencies where necessary.

#### *Role of LCs and Communities in Project Sustainability*

The Project Management Committees have taken on an active role in management and sustainability of projects. Communities are also contributing to operation and maintenance by way of paying user fees.

#### *Existing Institutional capacity to Meet Local Government Training Needs*

There are quite a good number of institutions capable of meeting the long-term training needs of LGs.

#### Operational Recommendation

- The Ministry of Local Government should establish links with institutions that have the capacity to offer various forms of training to LG staff, and make these widely known to LGs.

Action: MoLG (Training Division).

## 5.4.2 Gender Issues

The terms of reference relating to gender mainstreaming raise issues that go beyond the DDP/KDDP and, therefore, the findings and recommendations below relate to gender mainstreaming in local government in general, not just in the DDP/KDDP.

### *Gender mainstreaming in the Project design*

No specific measures were put in place during the Project design to address gender concerns. Attempts at a later stage to address gender concerns have been aimed mainly at addressing the practical needs of women.

### Policy recommendations

- The Ministry of Gender should second a Gender and Development person to the PMU/ DS to spearhead gender issues in the Project and the LGDP.
- Gender issues should be integrated into all national policies as appropriate rather than treating women as a “special interest group”.

### *Gender mainstreaming in other government programmes*

Whereas sectoral ministries have taken the initiative to address gender issues in their programmes, these initiatives are largely restricted to increasing the numerical strength of women.

### Operational recommendation

- The MGLSD should conduct annual ministerial gender audits as a way of monitoring the extent to which gender is being addressed. The results should be presented and discussed with key stakeholders at a national conference.

Action: MoGLSD

### *Effect of the Project on gender relations*

The Project has mainly contributed to addressing the practical needs of women through construction of facilities such as DMUs but has not had a major effect on their social status. The participation of women in the development process is still hampered by many factors, including high incidence of illiteracy, heavy workload, high fertility rates, and lingering traditional norms which, for example, still limit women’s freedom to express their views in community fora. At the district level, however, women in formal positions of authority participate actively, although the degree varies from one district to another.

### Operational recommendation

- Provide, as a stop-gap measure, for meetings for women at the Village and Parish level which they may use to discuss development matters that come up at village and parish meetings.

Action: Parish Chief in consultation with sub-county chief; LC3 community development officers/assistants. CAO to give authority to that effect.

### *Challenges to gender mainstreaming*

These include the marginalisation of gender issues at the district level and below, lack of understanding of the role of gender officers and community development officers charged with spearheading gender concerns at the district level and below, the limited manpower capacity of the

MoGLSD, the lack of co-ordination at the local level of activities geared towards addressing gender concerns, and the limited amount of resources directed towards gender mainstreaming.

#### Operational recommendations

- The position of gender officer should be established at the district level, where it does not already exist.

Action: District Service Commissions.

- Officers charged with gender issues should be trained in gender analysis through programmed workshops that bring gender and community development staff from all Project areas together.

Action: MoGLSD in collaboration with PMU's Community Development Specialist.

- There is need to co-ordinate the activities of various players targeting women and addressing gender concerns at the district and lower levels by holding quarterly consultation meetings at the LC5 and LC3 levels.

Action: CAOs and LC3 Chiefs.

- Gender sensitive guidelines, which promote the GAD approach, should be formulated for each of the priority areas of the Project support and investments.

Action: MoGLSD, PMU and district gender and/or community development officers.

- Specific budgetary allocation should be made for gender mainstreaming activities both at the MoLG and at the districts.

Action: PS, MoLG and CAOs in consultation with MoGLSD.

- There should be a sensitisation programme for elected leaders at LC5 and LC3 and informal leaders at the community level.

Action: CAOs and district gender officers at the districts, and sub-county Chiefs and community development officers at the LC3 and community levels.

#### ***Impact of gender policy on DDP/KDDP and vice versa***

There is no evidence that the National Gender Policy influenced the design of the DDP/KDDP. Furthermore, whatever efforts made under the Project to address gender needs have been rather *ad hoc*. The Project's contribution to gender policy so far has been in the following areas: a system of tracking gender inclusion in development plans has been developed for the first time; and a study to en-gender all training materials and develop a mainstreaming strategy for LGs is underway.

N.B. Recommendations made above on gender mainstreaming are relevant here.

#### ***Other observations on gender mainstreaming in the LG system***

Gender budgeting has not become part of the budgeting process at any level of government. Consequently, gender mainstreaming is never regarded as an important item deserving its own budgetary allocation.

#### Recommendation

- Gender mainstreaming is an important budgetary item. Budgeting for it should ideally begin when the budgeting cycle begins in January at the LC3 and LC2 levels, and be addressed in all the budgetary stages throughout the budget cycle both at the localities and at the centre.

Action: MoGLSD, LC5, LC3.

### **5.4.3 Partnerships and Co-ordinative Role of the Project**

The participatory development management approach embraced by the Project has increased the participation of the community and forged strong partnerships with the beneficiaries.

But the Project has so far not succeeded in co-ordinating the development activities of donors and NGOs with operational presence in the Pilot districts despite the representation of the NGO forum in the PTC.

#### Policy recommendation

- NGOs involved in substantial development activities and with long term presence in the districts should be made members of the District Technical Planning Committee in their own right (e.g. the Church of Uganda in Kotido).

Action: MoLG to initiate amendment to the LG Act as appropriate.

#### Operational recommendation

- LGs should invite NGOs and other development agencies in the districts to development meetings if and when matters bearing on their activities are under discussion.

Action: CAOs.

### **5.4.4 Monitoring and evaluation**

The indicators for the assessment of minimum conditions and performance measures have usually been discussed and agreed upon with LGs. The assessment exercises have been realised in a participatory manner and the results widely discussed and disseminated among stakeholders at the national level.

However, information and indicators of the direct impact of the Project on the performance of LGs in areas such as efficiency and cost-effectiveness have not been recorded. Furthermore, information needed to follow the evolution of major issues of concern to the Project, i.e. poverty alleviation and gender inequality, were not measured at the beginning of the Project.

There is no central database for storing results from M&E activities to facilitate analysis of trends and crosscutting issues.

#### Operational Recommendations

- A properly equipped documentation centre should be put in place at the DS/ PMU, with adequate management and safeguard procedures.

Action: MoLG.

- The district councils should strengthen the District Planning Unit by establishing an information and documentation unit.

Action: MoLG, LC5.

- A comprehensive set of indicators and techniques for assessing the conditions of the poor and utilisation of service facilities should be developed.

Action: PMU, PEAP Sector Ministries.

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## ANNEX 2: EVALUATION SUMMARY

### I. Basic Project Data

|                           |                                                                                |
|---------------------------|--------------------------------------------------------------------------------|
| Type of evaluation:       | Mid-term                                                                       |
| Country:                  | Uganda                                                                         |
| Project numbers:          | UGA/95/C01, UGA/97/008, &<br>UGA/96/C01, UGA/98/005                            |
| Project title:            | District Development Project – Pilot, &<br>Kotido District Development Project |
| Project sector:           | Development Strategies, Policies & Planning (0210)                             |
| Sub-sector:               | Local Governance                                                               |
| Executing agency:         | Ministry of Local Government                                                   |
| Implementing agencies:    | Local Governments of Arua, Jinja, Kabale, Mukono & Kotido                      |
| Funding agencies:         | UNCDF, UNDP & GoU                                                              |
| Project Costs:            |                                                                                |
| UNCDF                     | US \$ 12,273,520 (UGA/95/C01)<br>US \$ 2,693,493 (UGA/96/C01)                  |
| UNDP                      | US \$ 2,048,445 (UGA/97/008)<br>US \$ 500,000 (UGA/98/005)                     |
| GoU                       | US \$ 242,397 (UGA/96/C01; UGA/98/005)                                         |
| Project approval dates:   | July 1997 (UGA/95/C01, UGA/97/008),<br>October 1997 (UGA/96/C01, UGA/98/005)   |
| Project start dates:      | July 1998 (UGA/95/C01, UGA/97/008 & UGA/96/C01,<br>UGA/98/005)                 |
| Project completion dates: | June 2001 (UGA/95/C01, UGA/97/008)<br>June 2002 (UGA/96/C01, UGA/98/005)       |
| Evaluation date:          | January – February 2001                                                        |

## II. Background

The National Resistance Movement came into power in 1986 after a protracted guerrilla war and immediately began putting in place measures to address the political imperatives at the time, including the administrative needs of decentralised development. The decentralisation policy was entrenched in the 1995 Constitution and further expanded in the 1997 Local Government Act. The Government felt the need to experiment with various strategies of strengthening the development process at the District and lower levels and thus approached its development partners to assist in this regard. The IDA of the World Bank linked the Government with UNCDF and the consultations that followed culminated in the formulation of the District Development Project, Pilot during 1996/97. Four districts were selected for the pilot project, viz. Arua, Jinja, Kabale and Mukono, to represent different ecological conditions as well as regional spread. A year later, Kotido district was brought on board as a fifth pilot district following the upscaling and reformulation of the Karamoja Pilot Development Project, a project implemented in Kotido district from 1994 by the Church of Uganda with financial support from UNCDF.

## III. The Project

The focus of the Project in all the five pilot districts is the eradication of poverty. It proposes to address the problem of poverty through making the development process, in particular the delivery of public goods and services, more inclusive, efficient, effective and sustainable. To that end, the Project provides technical assistance and financial resources to enable the definition, testing and application of a range of participatory planning, allocation and investment management procedures in ways that:

1. Empower local governments and communities to identify, deliver and sustain locally determined investment priorities for public goods and services; and
2. Provide practically tested lessons from experience and contribute to national policy and procedures concerned with decentralisation.

To attain these development objectives, the DDP/KDDP has five immediate objectives, viz.,

1. To enhance the capacities of Local Councils to meet their service provision responsibilities;
2. To refine and test Local Council investment allocation, planning and management procedures and approaches;
3. To monitor, evaluate and document lessons from the Pilot process and ensure their effective communication in national fora concerned with devolution of budgets and service responsibilities;
4. To encourage private sector agencies to be involved in the production of infrastructure and services, including the provision of contracting and consultancy services to local governments and communities; and
5. To support the construction, rehabilitation and maintenance of services mandated to districts and sub-counties under Schedule 2 of the Local Government Act, 1997.

The management of the Project was anchored on two project modalities, namely, the Planning, Allocation and Investment Management System (PAIMS) and the Communication Framework. The design provided for two financing facilities – the Local Development Fund (LDF) and the Capacity Building Fund (CBF) supported by UNCDF and UNDP respectively. The Decentralisation Secretariat (DS) within the Ministry of Local Government (MoLG) became the focal point for the Project. Later on, however, a special unit – the Project Management Unit (PMU) – was created to handle the Project on a day-to-day basis on behalf of the DS under the guidance of two committees, namely, the Policy Steering Committee and the Project Technical Committee which were respectively established to give policy and operational guidance to the Project.

#### **IV. Purpose of the Evaluation**

The broad objectives, which guided the work of the Mid-Term Evaluation Team, are set out in part 1 of the Terms of Reference document, thus:

1. Assess the overall progress (or lack thereof) and detect early signs of success or failure;
2. Assess the initial project design and project relevance to the current situation;
3. Establish the likely impact of the DDP/KDDP on vulnerable and marginalised groups such as the internally displaced and persons with disabilities;
4. Examine the impact of DDP design/ objectives and mode of operation on on-going policy debate and implementation of such initiatives as the Universal Primary Education, Plan for Modernisation of Agriculture, Water and National Sanitation Strategy, etc.
5. Assess sustainability of implemented activities and/ or exit strategies;
6. Assess the monitoring and evaluation system (including review and comparison of Project Performance Indicators, i.e. the SRFs and KPIs);
7. Set the course for the remaining duration, including the one year extension of the project;
8. Draw initial lessons learnt about project design, implementation and management.

#### **V. Findings**

##### ***With regard to Project design/ design choices***

- The DDP mostly focused on building institutional capacities at various levels of local government, private sector and community, and testing different arrangements for planning, allocating and managing public investments and service delivery.
- Some of the main assumptions such as “linkage between decentralisation and poverty alleviation” or that “participatory planning guarantees inclusive participation” were not further investigated in their own right to feed back into the design.
- No social development analysis was conducted specifically to inform the design of DDP/KDDP, leading to a non-social sector development approach in the implementation of the Project, as a result of which many cultural and social factors affecting access to social facilities were not addressed.
- Service delivery is approached mainly through capital investments, a “hardware approach” that tends to ignore the conditions of demand that may particularly affect access to services for the poor and the local particularities of poverty.
- Apart from the poverty parameters in the allocation formula, no other provision was included in the design to respond to the different starting points (endowments and capacities) of the pilot districts and the resulting costs of attaining common standards of service provision in each district.
- Overall, the selection of the 4 pilot districts and Kotido is representative of the conditions of Uganda and relevant for the purposes of the Project. The inclusion of Kotido was of great relevance to probe the potential effectiveness of the decentralisation policy under the most difficult institutional and physical conditions.
- Both the fund allocation mechanism and formula were designed in a manner consistent with the provisions of the Constitution (1995) and the Local Government Act (1997), and have constituted one of the main strengths of the DDP/ KDDP modality.
- The Minimum Conditions for access and Performance Measures are commonly regarded as constituting one of the major strengths in the DDP design, and they have played a key role in encouraging capacity building and a results-oriented approach to management among LGs.
- The investment menu limits and exclusions have succeeded in commanding the allocation of LDF resources/ investments within the national priority programme areas.

- With regard to division of authority between the District and Sub-County levels of local governments, there was no clear rule as to the operation of projects. Practical arrangements, following the ownership principle, were expected to work out on a case by case basis. Such an indefinite framework may be responsible for some of the potential operational problems reported to the Team in the field.
- As an executing body, the PMU is uniquely well positioned to properly relate to the Local Councils in order to operationalise the Project. However, PMU as a unit in the MoLG is limited in terms of what initiatives it can take in the management of the Project since initiatives with policy implications require approval from a higher office.

### ***Performance of implementation arrangements***

- The Policy Steering Committee has largely failed to perform its role under the Project. In contrast, the Project Technical Committee (PTC) has been meeting regularly and has practically taken over the role of steering the implementation of the DDP/KDDP.
- UNDP has played an important advocacy role aimed at influencing policy and galvanising donor support to the decentralisation process. However, its financial support to the Project has been negatively affected by external factors beyond its control. The UNCDF has worked closely with the PMU in developing implementation guidelines and in monitoring and evaluation of the Project.
- The issue of accountability vis-à-vis the release of funds seems not to have been settled yet. The Government prefers the use of the established LG accounting procedures whereas the donors' position is that they are bound by the NEX guidelines, which would have to be revisited if the current mode of operation is to be changed.
- PMU, through its specialised sub-units, has been able to reach the districts to ensure that Project modalities are adhered to, and to deliver capacity building directed at areas of weaknesses identified. But PMU's coordinative role under the Project has been undermined by the parallel modalities of line ministries and other development agencies operating in the pilot districts.
- And at the LG level, differential accountabilities have made it difficult for a sense of unity to be built among the various partners – government departments, donors and NGOs on the ground. There are also cases of strained relations between members of the District Technical Committee and the Executive.

### ***Results***

- The Project has played a major role in enhancing the capacity of local governments. Local Governments in the pilot districts are now preparing 3-year rolling development plans, annual work plans and budgets on a regular basis comprising not only DDP/KDDP investments but also investments financed from other sources. The District Planning Units have been strengthened through the recruitment of qualified personnel, and are conversant with the Project planning tools. However, the degree of capacity and competence varies from one district to another.
- The Project districts have been trying to improve local revenue mobilisation but their main source of revenue, i.e. graduated tax, has been declining over the years. Other potential sources of revenue, for example property tax, have not been properly exploited to date.
- There has also been an increasing involvement of private sector individuals in the Project, as opposed to private sector organisations. Local contractors/ artisans have benefited from training under the CBF. The result has been an increased quality and capacity of local contractors, though actual levels vary among districts.
- The increase in numbers of the local labour force engaged in construction is contributing to new capacities at the community level.

- The districts have assumed the responsibility for Operations and Maintenance, which are shown in their work plans. At the lower Local Councils, Project Management Committees (PMCs) are implementing various arrangements, e.g. charging user fees, to cater for physical maintenance of facilities.
- However, guaranteed operation of service facilities and continued delivery of services still depend on interventions beyond the control of lower Local Councils, PMCs or the beneficiaries. For example, the cost of major repairs and replacements are beyond the capacity of the PMCs.
- The Project's Monitoring and Evaluation system has enabled accountability from lower levels of government to higher levels and the centre, and has also encouraged accountability to constituents by way of publicising plans and investments. However, the accountability model applied by the Project is biased towards financial and physical/material issues.
- The communication component has had a great impact on information flow at the local level, especially with regard to publicity about financial allocations and investment projects, due to the stipulations of the MCs and PMs. However, at the national level, it appears that the spill-over of lessons learnt has not been realised. Most donors have accessed the DDP/KDDP lessons through the Donor Sub-group rather than from the Communication Framework. At the same time, no specific efforts seem to have been made to share the DDP/KDDP experiences with LGs not covered by the Project and other sectoral/ line ministries.

### ***Potential impact***

- The DDP/KDDP has increased the availability of infrastructure service facilities within the national priority areas (health, education, roads, agriculture and water & sanitation). DDP/KDDP has contributed in providing service facilities particularly relevant to the needs of the poor, particularly women, e.g. water sources, schools, and health units. However, there are a number of locally specific socio-cultural and physical conditions affecting the access of the poor to facilities, which factors may dampen the potential impact of the Project on poverty.
- The capacity of the poor to participate in the PAIMS process has not been sufficiently addressed by the Project beyond the formal provisions for their inclusion in the process. Meaningful participation of the poor has been impaired by the social structure and high incidence of illiteracy.
- The DDP/KDDP has made a major impact in enabling local governments within the pilot districts to meet the provisions of the Local Government Act 1997 and the Financial and Accounting Regulations, 1998. The Local Governments are no longer relying on the centre for planning capability for technical facilities among other capacities.
- Districts are now able to meet the needs of lower Local Councils for technical assistance for planning, albeit with some difficulties.
- With regard to impact on policy, the Project has influenced the formulation of the LG Financial and Accounting Regulations (1998), and a number of guidelines developed under the Project have been extended to LGs countrywide. The Ministry of Agriculture has adopted the DDP/KDDP Minimum Conditions in its Plan for Modernisation of Agriculture. However, the Project has not significantly influenced the planning and budgeting process of other line ministries, partly because of lack of effective dialogue on decentralisation.
- A number of donors are beginning to apply the DDP-KDDP modalities to the projects they support. The World Bank-supported Local Government Development Programme closely adheres to the DDP modalities. But most donors still fear channeling resources through the district councils due to misgivings about local capacities and the decentralisation framework in general.

### ***Critical issues***

- The issue of revenue mobilisation/ generation of own resources by Local Governments has not been sufficiently addressed and this threatens the sustainability of implemented projects beyond the life of DDP/KDDP.
- Although attempts were made at a later stage to address gender concerns in the Project, these initiatives were rather *ad hoc* and were mainly aimed at addressing the practical needs of women rather than the strategic gender needs. Initiatives to address gender issues are largely restricted to increasing numbers of women involved but neglect issues to do with their societal status and barriers limiting their access to services.
- At the local level, the Project has established strong partnerships with the local communities who support and benefit from its activities. However, the Project has so far not succeeded in achieving the co-ordination of the development activities of other donors and NGOs with operational presence in the pilot districts, despite the representation of the NGOs forum in the Project Technical Committee.
- Whereas the Monitoring & Evaluation framework provides a solid feedback to operationalise and optimise the functionality of the Project and its immediate results, it does not provide comprehensive information on the impact and effects of the Project on the general performance of Local Governments in such areas as financial indicators, provision of services, improvement in coverage of services, etc., which could inform an assessment of the efficiency and effectiveness of these units as service providers. Furthermore, the usefulness of results from M&E activities is hampered by lack of a central database for storing the information generated so as to facilitate analysis of trends and crosscutting issues.

## **VI. Lessons Learnt and their Policy Implications**

- Where decentralisation is not designed in such a way that there is in-built flexibility to enable changes to be made based on lessons of experience arising from the implementation process, bottlenecks identified in the course of implementation cannot be addressed immediately.
- The absence of a strong decentralisation co-ordinating body with sufficient leverage power to influence the activities of line ministries and other actors who contribute to the implementation of the decentralisation policy leads to uncoordinated development in the field.
- A holistic approach to decentralisation which does not take into consideration the differential capacities and endowments of various local governments tends to create problems for the weaker local governments. This suggests that functions/ responsibilities that are decentralised should be commensurate with capacities/ capabilities of each local government unit, and these may be increased as capacities are built.
- Unconditional grants provided by the Project donors have given local authorities some flexibility in planning for service delivery, notwithstanding the conditions attached to the funds e.g. the government requirement that at least 80% be spent in key poverty eradication sectors identified by the central government.
- Where the project document is too technical and detailed for the average district staff to comprehend, as was the case with DDP, it is necessary to produce a simplified version. In the case of the DDP, the introduction of simplified guidelines and modules by PMU and UNCDF field staff has played a great part in enabling the district staff to understand and operationalise the Project modalities.

## **VII. Key Recommendations**

### ***Project design***

- As the Local Government Development Programme is extended to other districts, the Ministry of Local Government should take the initiative in ensuring that the design reflects the actual peculiarities of the individual districts. A measure of unsatisfied needs should be included in the funding allocation mechanism and formula so as to discount the effect of coverage of the already existing facilities, both public and private.

### ***Project management and implementation arrangements***

- The Government should prepare appropriate instruments for the establishment of the National Planning Authority provided for in the Constitution so that there is a planning focal point at the centre to co-ordinate integrated planning both at the centre and at the districts.
- Line ministries with critical functions in the field such as Agriculture, Education and Health should be included in the Project's decision-making organs at the centre, specifically the Project Steering Committee and the Project Technical Committee. With this expanded membership, the chair of the PSC should ideally shift to the Office of the Prime Minister.

### ***Local Council Planning***

- To ensure the efficacy of district planning, the following actions need to be taken:
  - There is immediate need to integrate sector-wide planning with Local Government planning, including planning for special projects such as the DDP/KDDP.
  - The District Planning Units should be strengthened through appropriate appointments and enhancement of competencies through sustained capacity building, and by establishment of an information and documentation unit.
  - There is need to strengthen the participation of local communities in decision-making about their own development. However, there is disagreement among researchers and practitioners on how to achieve effective community participation. Hence the need for further research in this area.

### ***Project management tools***

- The investment menu should be opened up to allow more flexibility particularly in regard to alternative technologies for service delivery. This could form a piloting feature for potential extension of the DDP/ KDDP.
- A properly equipped documentation centre should be put in place at the DS/ PMU to act as a central database for storing information about M&E activities to facilitate analysis of trends and crosscutting issues.
- Since non-project areas seem to know little about the DDP/KDDP, there is need to disseminate project-related information in a more structured manner to non-project areas. This could be in the form of shared quarterly progress reports and familiarisation meetings for local authorities. PMU should take the lead responsibility for this.

### ***Institutionalisation and sustainability***

- The volume of equalisation grants should be increased to supplement the meagre resources of poor local authorities so as to enable them to sustain the delivery of services.

### ***Gender***

- Gender issues should be integrated into all national policies as appropriate rather than treating women as a "special interest group".

- The Ministry of Gender should second a Gender and Development person to spearhead gender issues in the Project.

### ***The course of the remaining duration***

The Project should continue to do more or less the same things but concentrate more on addressing areas of weaknesses identified in this and other similar reports. These include gender mainstreaming, income-generating activities linked to local revenue mobilisation, establishing/ strengthening reliable data banks (District information management system), strengthening partnership between LGs and other development actors at the local level, improving intersectoral communication intended to harmonise planning relationship between LGs and line ministries.

### **VIII. The Evaluation Team**

The four-member evaluation team was made up of two international and two national consultants, viz.:

|                                                                                        |                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Walter O. Oyugi<br>(Team Leader)<br>(Decentralisation and Institutional Change Expert) | Kenyan<br>BA, MA, Ph.D.<br>Professor of Political Science and Public Administration, University of Nairobi<br>oyugiw@yahoo.com, wooyugi@swiftkenya.com                                                                   |
| Monica Ramirez<br>(Poverty and Participation Expert)                                   | Colombian<br>BA, MA (Economics), MA (City and Regional Planning)<br>Consultant<br>piamonica@yahoo.com                                                                                                                    |
| Elizabeth Eilor<br>(Gender Expert)                                                     | Ugandan<br>BA (Political Science and Social Administration), MA (Gender Analysis in Development)<br>Programme Officer, Eastern African Sub-Regional Support Initiative for the Advancement of Women<br>eilor@hotmail.com |
| Patrick Batumbya<br>(Infrastructure Specialist)                                        | Ugandan<br>BSc (Eng.), Fellow, Uganda Institution of Professional Engineers<br>Managing Director, MBW Consulting Engineers Ltd., Kampala<br>mutenga@imul.com                                                             |

**ANNEX 3: RECORD OF VISITS AND INTERVIEWS**

| <b>DISTRICT</b> | <b>PLACE</b>             | <b>DATE</b>     | <b>INTERVIEWEES</b>                  | <b>POSITION</b>                |                               |
|-----------------|--------------------------|-----------------|--------------------------------------|--------------------------------|-------------------------------|
| KAMPALA         |                          | 16-Jan-01       | Meeting with MoLG staff              |                                |                               |
|                 |                          |                 | Patrick Mutabwire                    | Ag. D/ LGAI                    |                               |
|                 |                          |                 | Amuge Akol A.                        | C/ DUA                         |                               |
|                 |                          |                 | Joy Rujojo                           | Ag. C/ LAI                     |                               |
|                 |                          |                 | Benson Turyazayo                     | P1/ MoLG                       |                               |
|                 |                          |                 | Sylvia Keera                         | Senior M&E Officer             |                               |
|                 |                          |                 | Kahuka Kusemererwa                   |                                |                               |
|                 |                          |                 | Dorcas Okalany                       |                                |                               |
|                 | Mr. Sam Emorut           | AC/ PP          |                                      |                                |                               |
|                 |                          |                 |                                      | Meeting with Irish Aid staff   |                               |
|                 |                          |                 |                                      | Frank Ryan                     | Public Sector Mgt. Specialist |
|                 |                          |                 |                                      | John T. Hoy                    | Development Attaché           |
|                 |                          |                 |                                      | Meeting with Danida staff      |                               |
|                 |                          |                 |                                      | Berit Basse                    | First Secretary               |
|                 |                          |                 |                                      | Daniel S. Iga                  | Programme Officer             |
|                 |                          |                 |                                      | Visit to the Dutch Embassy     |                               |
| Rein Koelstra   |                          |                 |                                      | First Secretary for Rural Dev. |                               |
| MUKONO          | Mukono District HQ       | 22-Jan-01       | Mr. Solomon                          | District Planner               |                               |
|                 |                          |                 | Godfrey Bwanika                      | Deputy CAO                     |                               |
|                 |                          |                 | Meeting with the Executive Committee |                                |                               |
|                 |                          |                 | Meeting with the Technical Committee |                                |                               |
|                 |                          |                 | 23-Jan-01                            | Robert Kalemba                 | Chief Finance Officer         |
|                 |                          |                 |                                      | Michael Kikaawa                | Senior Accountant             |
|                 |                          |                 |                                      | Observation of Council Session |                               |
|                 | Seeta Namuganga S/county | 24-Jan-01       | Richard Wasswa-Lukwago               | LC3 Chairman                   |                               |
|                 |                          |                 | Wilberforce Serwanga Kaddu           | LC3 Chief/ Accounting Officer  |                               |
|                 | Nazigo S/county          | 24-Jan-01       | Edward B. Ssemworere                 | Vice Chair person, LC3         |                               |
|                 |                          |                 | LC3 Chief/ Accounting Officer        |                                |                               |
|                 |                          |                 | Sub Accountant                       |                                |                               |
| Nyenga          | 24-Jan-01                | S.P.Kitaka      | LC3 Chairman                         |                                |                               |
|                 |                          | Agnes Wanyama   | Chair, Education Committee           |                                |                               |
|                 |                          | Florence Mukoza | V. Chairperson, LC3                  |                                |                               |
|                 |                          | G.W.Lubanga     | S/County Chief                       |                                |                               |

| DISTRICT                      | PLACE               | DATE                                                   | INTERVIEWEES                               | POSITION                                              |  |
|-------------------------------|---------------------|--------------------------------------------------------|--------------------------------------------|-------------------------------------------------------|--|
|                               |                     |                                                        | Fred Lubwama                               | Member, LC3 IC                                        |  |
|                               |                     |                                                        | Ibrahim Mukalazi                           | Parish Chief, Ssunga                                  |  |
|                               |                     |                                                        | James Mukwanga                             | Parish Chief, Buzzuka "B"                             |  |
|                               |                     |                                                        | Francis Weitaka                            | Ag. Accounts Assistant, Grade I                       |  |
|                               |                     |                                                        | John Kyobe                                 | Parish Chief, Nyenga                                  |  |
|                               |                     |                                                        | Joseph Musisi                              | Parish Chief, Kabizzi                                 |  |
| KAMPALA                       | UNDP Boardroom      | 25-Jan-01                                              | Meeting with UNDP, Kampala                 |                                                       |  |
|                               |                     |                                                        | Daouda Toure                               | UNDP Resident Rep.                                    |  |
|                               |                     |                                                        | Haruna Kyamanywa                           | Governance Program Officer                            |  |
|                               |                     |                                                        | 25-Jan-01                                  | Meeting with Decentralization Secretariat staff       |  |
|                               | Edward A. Mugabi    | Director, Decentralization Secretariat                 |                                            |                                                       |  |
|                               | Francis X.K. Wagaba | Chief of Division, Investment and Development Planning |                                            |                                                       |  |
|                               | PMU Office          | 25-Jan-01                                              | Meeting with Program Management Unit staff |                                                       |  |
|                               |                     |                                                        | Martin Onyach-Olaa                         | Co-ordinator, PMU                                     |  |
|                               |                     |                                                        | Thomas Nkayarwa                            | Commissioner, Local Government Inspectorate           |  |
|                               |                     |                                                        | Sylvia Keera                               | Senior M&E Officer                                    |  |
|                               |                     |                                                        | Rebecca Batwala                            | M&E Officer                                           |  |
|                               |                     |                                                        | Paul Kasule-Mukasa                         | Senior Programme Engineer                             |  |
|                               |                     |                                                        | Abbey Iga                                  | Asst. Commissioner, District and Urban Administration |  |
|                               |                     |                                                        | Assumpta Tibamwenda                        | Community Management Specialist                       |  |
|                               |                     |                                                        | Christopher O. Ebau                        | CF-T                                                  |  |
|                               |                     |                                                        | James Baguma                               | Procurement                                           |  |
|                               | Peter Joel Mulumbi  | Communications Officer                                 |                                            |                                                       |  |
|                               |                     |                                                        | 29-Jan-01                                  | Meeting with DfID                                     |  |
|                               |                     | Bella Bird                                             |                                            | Poverty & Social Issues Advisor                       |  |
| Grand Imperial Hotel, Kampala | 29-Jan-01           | National Consultative Workshop                         |                                            |                                                       |  |
|                               |                     | List of participants                                   |                                            |                                                       |  |
|                               |                     | Group 2: Governance                                    |                                            |                                                       |  |
|                               |                     | Jim Isanga                                             | LC5 Chair, Jinja (Chairman)                |                                                       |  |
|                               |                     | Samuel Katehangwa                                      | CAO Kabale (Secretary)                     |                                                       |  |
|                               |                     | Lawrence Banyoya                                       | Sec. LGFC                                  |                                                       |  |
|                               |                     | P. Wekiya Gwaria                                       | for CAO, Jinja                             |                                                       |  |
|                               |                     | Abbey Iga                                              | Asst. Commissioner, MoLG                   |                                                       |  |
| P.Mugyezi                     | Sec. Gen. ULAA      |                                                        |                                            |                                                       |  |
|                               |                     |                                                        | Dr. Runumi Mwesigye                        | LC5 Chairman, Kabale                                  |  |

| DISTRICT | PLACE                       | DATE      | INTERVIEWEES                                               | POSITION                                                                 |
|----------|-----------------------------|-----------|------------------------------------------------------------|--------------------------------------------------------------------------|
|          |                             |           | Patrick Mutabwire                                          | CILCD, MoLG                                                              |
|          |                             |           | Annet Mpabulungi                                           | PA, UNCDF                                                                |
|          |                             |           | Edward Mugabi                                              | Director, DS                                                             |
|          |                             |           | Walter O. Oyugi                                            | Evaluation Team                                                          |
|          |                             | 30-Jan-01 | Meeting with World Bank Staff                              |                                                                          |
|          |                             |           | Robert Mugwagwa                                            | Country Operations Manager                                               |
|          |                             |           | Joseph Kizito                                              | LGDP Official                                                            |
|          |                             |           | John J. Oloya                                              | Rural Development Specialist                                             |
| JINJA    | The Triangle Hotel          | 30-Jan-01 | Jinja Regional Budget Framework Seminar                    |                                                                          |
|          | Jinja District HQ at Mwenbe | 31-Jan-01 | Jim Isanga                                                 | Chairman, LC5 (Jinja)                                                    |
|          | Jinja District HQ in town   | 31-Jan-01 | George Gakwandi                                            | CAO, Jinja                                                               |
|          |                             | 31-Jan-01 | Interviews with sectoral officers                          |                                                                          |
|          |                             |           | Lillian Acem                                               | Education Officer                                                        |
|          |                             |           | Muwaya Mukuwa                                              | Superintendent of Works & Buildings                                      |
|          |                             |           | Sam Matende                                                | District Master of Engineers                                             |
|          |                             |           | David Mwase                                                | Assistant District Water Officer                                         |
|          |                             |           | Suleiman Bagalawa                                          | Head, Agricultural Extension (representing District Agriculture Officer) |
|          | Jinja District HQ at Mwenbe | 01-Feb-01 | Meeting with the Executive Committee & Technical Committee |                                                                          |
|          |                             |           | Jim Isanga                                                 | Vice Chairman LC5                                                        |
|          |                             |           | Nelson Byakatanda                                          | Secretary of Finance                                                     |
|          |                             |           | Betty Bamugolole                                           | General Secretary (Women's representative)                               |
|          |                             |           | Paul Welaya Gwaka                                          | P.I. Auditor                                                             |
|          |                             |           | Isiko Kawankuri                                            | Secretary of Health, Works and Transportation                            |
|          |                             |           | Salome Musana                                              | Secretary for Education and Social Services                              |
|          |                             |           | Dr. David W. Kitimbo                                       | District Director of Health Services                                     |
|          |                             |           | Benan Moses Kigeryi                                        | Clerk to Council                                                         |
|          |                             |           | Muwaya Mukuwa                                              | Superintendent of Works & Buildings                                      |
|          |                             |           | E.M. Lugeno                                                | for Community Based Services Officer                                     |
|          |                             |           | Sarah Nampala                                              | Deputy Speaker                                                           |

| DISTRICT | PLACE               | DATE      | INTERVIEWEES         | POSITION                                            |
|----------|---------------------|-----------|----------------------|-----------------------------------------------------|
|          |                     |           | Binima Kamu-Kamu     | District Speaker                                    |
|          | Butagaya Sub County | 01-Feb-01 | Paul Balidawa        | Chairman, LC3                                       |
|          |                     |           | J.Tazuba             | Sub County Chief                                    |
|          |                     |           | Joy Naigaga          | Chairperson                                         |
|          |                     |           | Eva Kintu            | Vice-Chairperson, LC3 IC                            |
|          |                     |           | Irene Higenyi        | Secretary of Agriculture Production and Environment |
|          |                     |           | Ngobi Yona           | Parish Chief, Namagera                              |
|          |                     |           | Henry Nasaba         | Health Assistant                                    |
|          |                     |           | Hasiishaban Mazereba | Secretary of Security, LC3                          |
|          |                     |           | Steven John Ikendi   | Zone Member, Education Committee                    |
|          | Busede Sub County   | 01-Feb-01 | Robert Buyinda       | LC3 Chairperson                                     |
|          |                     |           | Samuel Kabwa         | S/County Chief                                      |
|          |                     |           | Fatuma Nampiina      | Youth Councilor                                     |
|          |                     |           | Francis Samanya      | Councilor, Bugubi Parish                            |
|          |                     |           | Sulaiman Dhumbwike   | Councilor, Nalinaibi Parish                         |
|          |                     |           | Kampere Karimu       | Councilor for Disabled                              |
|          |                     |           | James Kasadha        | Councillor, Nabitambala                             |
|          |                     |           | Charles Alimuingida  | Youth Councilor, Busede                             |
|          |                     |           | Patrick Wuirirweira  | Councilor, Krakaibolu Parish                        |
|          |                     |           | Moses Tibenkana      | Sub Accountant                                      |
|          |                     |           | Maka Mncua           | Investment Chairman                                 |
|          |                     |           | Waiswa Yahad         | Secretary for Youth                                 |
|          |                     |           | Monica Namukwaya     | C/C Busede                                          |
|          |                     |           | Irene Kafuko         | Officer, Busede Adm. Police                         |
|          |                     |           | Samsom Ojakol        | A H O Busede                                        |
|          |                     |           | Kakaine Sosipateri   | Health Assistant, Busede                            |
|          |                     |           | Resty Tibwamulala    | Prison Adm. Officer, Busede                         |
|          |                     |           | Albert Baguya        | Councilor, Kisasi Parish                            |
| KAMULI   | Kamuli District HQ  | 02-Feb-01 | Paul Tigatoola       | DEC/ Deputy Administrative Officer                  |
|          |                     |           | Saeed A Baghoth      | District Works Officer                              |
|          |                     |           | Stephen J. Kasadha   | for Personnel                                       |
|          |                     |           | Richard Waiswa       | Internal Auditor                                    |
|          |                     |           | Godfrey Kama         | District Planning Officer                           |
|          |                     |           | Henry Waiswa         | Clerk to Council                                    |
|          |                     |           | H.Kakwguli           | Assistant Tax Officer                               |
|          |                     |           | Fred Wamusigo        | Superintendent of Works & Buildings                 |
|          |                     |           | Ngobi J. Ali         | Town Treasurer                                      |
|          |                     |           | Dr. David Tgawulana  | LC5 Health Services Director                        |
|          |                     |           | Lusego Sullema       | for CAO                                             |
|          |                     |           | Richard Wansambo     | Economist                                           |

| DISTRICT | PLACE                        | DATE                                                     | INTERVIEWEES                     | POSITION                                                  |
|----------|------------------------------|----------------------------------------------------------|----------------------------------|-----------------------------------------------------------|
|          |                              |                                                          | Godfrey Egulwa                   | D.R.O                                                     |
|          |                              |                                                          | Joseph Mugwde                    | V.C.O                                                     |
|          |                              |                                                          | David W. Magasa                  | Labour Officer                                            |
|          |                              |                                                          | Dr.Kuza-Waako                    | D.V.O                                                     |
|          |                              |                                                          | Ivan Ebong                       | D.F.O.                                                    |
|          |                              |                                                          | B.Okolimong                      | Tax Officer                                               |
|          |                              |                                                          | Daniel Mugulusi                  | Assistant CAO                                             |
|          |                              |                                                          | Rachael Kamaali<br>Waduko        | Advisor, IPC/USAID<br>Decentralisation Project,<br>Kamuli |
|          |                              |                                                          | Frederick Kabbale                | District Entomologist                                     |
|          |                              |                                                          | Erikwaine Ngobi                  | Water Officer                                             |
|          |                              |                                                          | Charles Akoyo                    | D.E.O                                                     |
|          |                              |                                                          | Fred Mutagawa                    | Secretary D.S.C.                                          |
|          |                              |                                                          | Joseph Ngobi                     | D.I.O                                                     |
|          |                              |                                                          | Wilson Kafifi                    | D.E.                                                      |
|          |                              |                                                          | Bsalwa Isabwe                    | Sec. of Works                                             |
|          |                              |                                                          | Chuka Muzalah                    | Sec. for Finance                                          |
|          |                              |                                                          | Peter A. Olweny                  | Gender & Youth Officer                                    |
|          |                              |                                                          | Stephen Kungu                    | Officer Commanding Adm.<br>Police                         |
|          |                              |                                                          | Elliot Kitimbo                   | O/C Prisons                                               |
| KABALE   | District HQ<br>Planning Unit | 05-Feb-01                                                | Johnson Gumisira                 | District Planner                                          |
|          |                              |                                                          | Alex Twebaze                     | Assistant Planner                                         |
|          |                              |                                                          | F.Tukwasibwe                     | Population Officer                                        |
|          | Deputy CAO's<br>Office       | 05-Feb-01                                                | Okiror Iporotum                  | Deputy CAO                                                |
|          | Auditor's Office             | 05-Feb-01                                                | Francis Twegye                   | Senior Internal Auditor                                   |
|          | District Personnel Office    | 05-Feb-01                                                | Leopold Bavigye                  | District Personnel Officer                                |
|          | District Finance Office      | 5-Feb-01                                                 | James Mugisha                    | Senior Finance Officer                                    |
|          | Chairman's Office            | 5-Feb-01                                                 | Meeting with Executive Committee |                                                           |
|          |                              |                                                          | Dr. Runumi Twesigye              | District Chairman                                         |
|          |                              |                                                          | Dideo Kamyegye                   | District Vice Chairperson                                 |
|          |                              |                                                          | Godfrey Kwizera                  | Sec. for Technical Services                               |
|          |                              |                                                          | Amos Rwanshejja                  | Sec. for Production                                       |
|          |                              |                                                          | Flavia Kanagizi                  | Sec. for Health Services                                  |
|          | Jacinta Tinzaarnia           | Secretary for Education, Sports<br>and Mass Mobilisation |                                  |                                                           |
|          | Hamurwa Sub                  | 06-Feb-01                                                | Ahimbisibwel Rwabona             | LC3 Chairperson                                           |

| DISTRICT           | PLACE                                   | DATE      | INTERVIEWEES                            | POSITION                               |
|--------------------|-----------------------------------------|-----------|-----------------------------------------|----------------------------------------|
|                    | County                                  |           | Robertson Muhiigwa                      | Sub County Chief                       |
|                    | Kaharo Sub County                       | 06-Feb-01 | Edison Ogyemba<br>Katabaazi             | LC3 Chairperson                        |
|                    |                                         |           | Godfrey Kyarinora                       | Sub county Chief                       |
|                    |                                         |           | Nelson Batuma                           | Chairperson, IC and Sec. For Security  |
|                    |                                         |           | Peace Twesinguire                       | Member, Investment Technical Committee |
|                    |                                         |           | Lamuel Batebkyera                       | Investment Committee member            |
|                    |                                         |           | M.Besigye                               | Sub-Accountant                         |
|                    |                                         |           | Christopher Gumisiriza                  | Member, Investment Technical Committee |
|                    |                                         |           | Evans Asimwe                            | LC3 Health Assistant                   |
|                    |                                         |           | D. Mutahakana                           | Member, Investment Technical Committee |
|                    |                                         |           | Y.Rubaremwa                             | Member, Investment Technical Committee |
| KOTIDO             | District Headquarters                   | 09-Feb-01 | Michael Ouma                            | Assistant CAO                          |
|                    |                                         |           | Anne Regina Diko                        | District Planner                       |
|                    |                                         |           | Ignatius L. Rinyamoe                    | Chief Internal Auditor                 |
|                    |                                         |           | Grandfield Omowa                        | Town Clerk, Kotido Town Council        |
|                    | Chairperson's Office                    | 09-Feb-01 | Gabriel Lotyang                         | Kotido District Chairperson            |
|                    | Resident District Commissioner's office | 09-Feb-01 | Drani Dradriga                          | Resident District Commissioner         |
|                    | District HQ                             | 09-Feb-01 | Meeting with Kotido Technical Committee |                                        |
|                    |                                         |           | Gabriel Lotyang                         | District Chairperson Kotido            |
|                    |                                         |           | Loyola Rinyamoe                         | CIA Kotido                             |
|                    |                                         |           | Rose Lokiru                             | Sec. of Production                     |
|                    |                                         |           | Gabriel Tirach                          | Sec. for DHS                           |
|                    |                                         |           | George Walter Ocerro                    | Education Officer                      |
|                    |                                         |           | Dlaip Akais Patel                       | D.S.B.O. Kotido                        |
|                    |                                         |           | Ignatius Nangiro                        | Ag. CFO                                |
|                    |                                         |           | William Ebullum                         | District Health Inspector              |
| V.O. Musana        |                                         |           | Ag. TFO                                 |                                        |
| Godfrey Opio       |                                         |           | A.O. - Kotido                           |                                        |
| George Ribdo       | for Ag. DAO                             |           |                                         |                                        |
| Burton Okiwii      | for DCO                                 |           |                                         |                                        |
| Ogwang Jino        | Entomologist                            |           |                                         |                                        |
| Grace Ikirimat O.O | District Population Officer             |           |                                         |                                        |
| Paul Lomanio       | Finance Secretary, Kotido               |           |                                         |                                        |

| DISTRICT | PLACE                         | DATE               | INTERVIEWEES                         | POSITION                                    |
|----------|-------------------------------|--------------------|--------------------------------------|---------------------------------------------|
|          |                               |                    | Jackson Omara                        | APC, Kotido district                        |
|          |                               |                    | Anna Regina Diko                     | District Planning Officer                   |
|          |                               |                    | Benedict Lubang                      | District Engineer                           |
|          |                               |                    | Wilberforce Longoli                  | Kotido Town Clerk                           |
|          | District Planning Unit Office | 09-Feb-01          | Anna Regina Diko                     | District Planner                            |
|          | District CFO Office           | 09-Feb.-01         | Ignatius Apollo Nangiro              | Ag. CFO                                     |
|          | Kaabong Urban Sub-County      | 10-Feb-01          | Alex Tecko                           | LC3 Chairman                                |
|          |                               |                    | Mark Abuku                           | Councilor, Kaabong                          |
|          |                               |                    | Herbert Tusubira                     | LC3 member                                  |
|          |                               |                    | Michael Lobolia                      | Subcounty Chief                             |
|          |                               |                    | Chris Lochoto                        | Chairperson, Investment Committee           |
|          |                               |                    | Alex Abdulla Ochana                  | Sub Accountant                              |
|          |                               |                    | Mohammed Mraath                      | Investment Committee                        |
|          |                               |                    | John Bosco Okhello                   | ACAO, Kotido                                |
|          | Kaabong Rural Sub-County      | 10-Feb-01          | Lotere Cobwa L.                      | LC3 Chairperson                             |
|          |                               |                    | Lucy Etyong                          | LC3 W/Secretary                             |
|          |                               |                    | Felister Akol                        | Sub-Accountant                              |
| ARUA     | Arua Chairman's Office        | 12-Feb-01          | Meeting with the Executive Committee |                                             |
|          |                               |                    | Bernard Murozi                       | Sec. For Finance & Planning                 |
|          |                               |                    | Stephen Ouma                         | SACAO, Arua                                 |
|          |                               |                    | Shapan Andeku                        | District Statistician                       |
|          |                               |                    | Wilfrey Amayo                        | Clerk to Council                            |
|          |                               |                    | Christopher Yikii                    | CAO, Yumbe District                         |
|          |                               |                    | Wilson Erizana                       | District Economist                          |
|          |                               |                    | Caroline Arubaku                     | District Extension Coordinator              |
|          |                               |                    | Dan Opima                            | Secretary for Health                        |
|          | Amos Wereba                   | Town-Clerk, Arua   |                                      |                                             |
|          | CAO's Office                  | 12-Feb-01          | Meeting with the Technical Committee |                                             |
|          |                               |                    | Stephen Ouma                         | SACAO, Arua                                 |
|          |                               |                    | Agamile O. Gozan                     | D.W.O.                                      |
|          |                               |                    | Dr.Okolloni-Edoni                    | DVO..                                       |
|          |                               |                    | Caroline Arubaku                     | District Extension Coordinator/<br>Ag. P.O. |
|          |                               |                    | Shapan Andeku                        | District Statistician                       |
|          |                               |                    | Lawrence Pario                       | District Executive Engineer                 |
|          |                               |                    | Robert Anguzu                        | District Physical Planner                   |
|          | Wilson Erizana                | District Economist |                                      |                                             |

| DISTRICT | PLACE                                                   | DATE      | INTERVIEWEES            | POSITION                                         |
|----------|---------------------------------------------------------|-----------|-------------------------|--------------------------------------------------|
|          |                                                         |           | Andrew Alio             | District Fisheries Officer                       |
|          |                                                         |           | Edison Adiribo          | District Forestry Officer                        |
|          | District Planning Unit                                  | 12-Feb-01 | Shapan Andeku           | District Statistician                            |
|          |                                                         |           | Wilson Erizana          | District Economist                               |
|          | Romogi Sub-County                                       | 13-Feb-01 | Asiku Swane             | Sub-County Chief                                 |
|          |                                                         |           | Izaruku H. Ajaga        | Chairman Investment Committee                    |
|          |                                                         |           | Moses Alamiga Karalee   | Ag. Sub-county                                   |
|          |                                                         |           | Kasim Ayisulta          | DLC Representative, Romogi Sub-county            |
|          | Midia Sub-County                                        | 13-Feb-01 | Babu Allai              | LC3 Chairman                                     |
|          |                                                         |           | Acikule Bran I.         | LC3 Secretary for Production                     |
|          |                                                         |           | Peter Abeson Mokili     | LC3 Secretary for T/Services/Facilitator         |
|          |                                                         |           | Musa Dimba              | Chairman, Investment Committee                   |
|          |                                                         |           | Titus J. Afedra         | Sub-Accountant                                   |
|          |                                                         |           | Martin Boy              | LC3 Councilor/ Chairman Finance Comm.            |
|          |                                                         |           | Emmanuel Alish          | LC3 Councilor/ Chairman Production Comm.         |
|          |                                                         |           | Jacob Innocent Opeotubo | Sub-county Chief, Midia                          |
| KAMPALA  | Ministry of Finance, Poverty Monitoring & Analysis unit | 15-Feb-01 | Rosetti Nabbumba        | Policy Analyst/ Member of the task force         |
|          | MoFPED, Aid Liaison Department                          |           | Patrick Ocailap         | Commissioner/Deputy National Authorising Officer |
|          | Local Government Finance Commission                     | 15-Feb-01 | Dr. Dick Odur           | Director, LGFC                                   |

## **ANNEX 4: TERMS OF REFERENCE**

### **PART I**

#### **I. PURPOSE OF THE EVALUATION**

This evaluation fulfills the following purposes:

The Mid-Term Evaluation is conducted to provide a review of project performance to date, in order to:

1. Assess overall progress (or lack of thereof) and detect early signs of success or failure.
2. Assess the initial project design and project relevance to the current situation.
3. Establish the likely impact of the DDP/KDDP on vulnerable and marginalized groups such as the internally displaced, persons with disabilities.
4. Examine the impact of DDP design/objectives and mode of operation on on-going policy debate and implementation such as the Universal Primary Education, Plan for Modernization of Agriculture, Water and national Sanitation Strategy, etc.
5. Assess sustainability of implemented activities and/or identify exit strategies;
6. Assess the monitoring and evaluation system (including review and comparison of project performance indicators with corporate performance indicators; i.e the SRF and KPIs);
7. Set the course for the remaining duration, including the one year extension of the project;
8. Draw initial lessons learned about project design, implementation and management.

#### **II. EVALUATION METHODOLOGY**

The mission will be carried out in the following way:

1. A briefing of the team-leader at UNCDF headquarters. Relevant documentation will be provided to the team members prior to the mission.
2. Review of relevant project documents and files. As there has been several evaluation and study missions conducted recently that are related to this project, the evaluation team should utilize the data and information already available from these missions. Critical documents include -
  - i. Project Documents for The District Development Project-Pilot, MoLG, UNDP/UNCDF (October 1997) and the Kotido District Development Project, MoLG, UNDP/UNCDF (April 1998)
  - ii. DDP-Pilot Evaluation Review Reports. (January 1998 and 1999).
  - iii. The Poverty Eradication and Action Plan, Ministry of Finance, Planning & Economic Development. (May 2000).
  - iv. UNCDF Mission reports and Aide Memoires.
  - v. ITAD/UNCDF Field Visit Report (January 1999)
  - vi. UNDP/German Evaluation Report of Uganda
  - vii. Taking Risks, and Background Papers, UNCDF (September 1999)
  - viii. UNCDF Policy on Poverty Reduction & Local Governance: The Way Forward
  - ix. UNCDF Strategic Results Framework Guideline (2000)
  - x. Local Government Act 1997
  - xi. LDF and Capacity Building Fund Guidelines
  - xii. Financial Management Guideline and Investment Planning Guideline
  - xiii. World Bank project document of the Local Government Development Programme
  - xiv. DDP technical annexes and policy papers developed under the DDP (eg. contracting paper)
  - xv. UNCDF Working Briefs
  - xvi. Report on the fiscal decentralisation study (currently on-going).
  - xvii. 1999, Poverty Status Report, MFPED.

- xviii. UPPAP Poverty assessment reports.
- xix. District resource endowment profiles for the pilot Districts.
- xx. Proposal for the Implementation of the Plan for Modernisation of Agriculture.
- xxi. DANIDA report on Evaluating Rakai project.
- xxii. National Gender Policy, 1997.

1. At the beginning of the mission, the team leader should consult with the other team members and propose a detailed methodology on how to proceed with the evaluation; i.e. the feasibility of sample surveys, participatory learning and action/participatory rural appraisal (PLA/PRA), focus-group discussions, etc. The team leader and the team members should produce on the 2nd day the Evaluation Methodology and Work-plan, outlining the methodology to be used for the review and the work-plan. This should include the tasks to be performed by the different team members, a time schedule for the mission and a table of contents for the evaluation report. See PART II Detailed Terms of Reference.
2. Briefing by UNDP/UNCDF, representatives of relevant Government ministries, and DDP-Pilot staff and review of the project files in the field. The staff of UNDP/UNCDF UGANDA and Ministry of Local Government will assist the team. Field trips and site visits to conduct the evaluation will be planned in consultation with UNDP, GoU and DDP staff, to meet with the relevant project-related authorities and the beneficiaries/users, as well as population groups outside the project areas. These should include local authorities, women representatives/groups, community leaders, and poor community members, Ministry management, national and technical staff, NGOs and donors. The mission should visit an appropriate, representative sample of Districts and communities. Wherever possible, all evaluation data should be disaggregated by gender.
3. On the basis of their findings, the mission should draft synopsis report, which will be shared with key stakeholders (Government, UNDP/UNCDF in Uganda, and other relevant partners) prior to the mission debriefing meeting, where stakeholders can comment and discuss the missions' findings.
4. Mission Debriefing meeting is held and comments from participants are noted for incorporation into the final report
5. Debriefing session with the UNDP Resident Representative and government focal point.
6. Debriefing of UNCDF HQ in New York by the team leader.

### **III. ORGANIZATION OF THE MISSION**

#### **i. Composition of the Mission**

The MTE will be conducted by a team of International and Nationally recruited consultants consisting of an Decentralization Policy and Institutional Change Expert (Team-Leader), a Decentralized Planning Systems and Participation Expert, a Gender expert, and an Infrastructure Expert.

**The Decentralized Policy and Institutional Change Expert** (Team Leader) should be an international consultant with extensive rural development experience, especially in decentralization policy development and local governance institutions in Africa, including the workings of fiscal transfer systems. S/he should also have applied experience with LFA (Logical Framework Analysis) and be familiar with Uganda systems and policies. In addition s\he should have excellent writing skills.

**The Poverty and Participation Expert** should have strong experience in the development and operationalization of decentralized systems of planning and financing at district and sub-district levels. S/he should also have a sound knowledge of community participation approaches with experience in participatory planning systems and familiarity with participatory appraisal tools (Rapid Rural Appraisal (RRA), Participatory Rural Appraisal (PRA) and Participatory Learning Appraisal (PLA). Substantial knowledge of the local government planning and service delivery system would be an advantage

**The Gender Expert** should be a national consultant specialized in Gender studies, with experience in gender impact assessment, designing gender mainstreaming activities and knowledgeable about gender policy and programming in the Ugandan context.

**The Infrastructure expert** should be a planner/infrastructure economist with experience in evaluating rural construction projects and who is able to conduct qualitative and quantitative technical assessments and costs appraisals of the infrastructure built by the project, as well as assess the viability of the operations and maintenance systems in place. Familiarity with community-based construction, management, operations and maintenance would be an advantage.

The International Consultant (Team Leader) will be recruited by UNCDF Headquarters. The National Consultants will be recruited by UNCDF/UNDP, Uganda, in consultation with the Ministry of Local Government. All consultants will need to demonstrate familiarity with local government issues in Uganda and appreciation of the changing roles of local government institutions in poverty reduction. They should also be familiar with on-going macro-economic issues and policy debate as they relate to and/or impact on the local governments.

## **ii. Duration of the Mission**

The assignment will be undertaken in January 15th - March 2001. The mission will require a total of 182 person-days (i.e. 47 work-days for the team leader, 45 work-days per team member).

This proposed schedule of activities is as follows

|                           |                                                                                                                                                                                                                   |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January 12th              | - 1 day briefing at UNCDF HQ for Team Leader                                                                                                                                                                      |
| January 15th              | - Mission in-country begins.                                                                                                                                                                                      |
| Jan 15th - 19th           | - 5 days documentation review and meetings with other development and government partners in Kampala                                                                                                              |
| Jan 20th - February 13th  | - 25 days of evaluation work in the field (including internal travel to Districts)                                                                                                                                |
| February 14th - 18th      | - 5 days developing individual draft report inputs                                                                                                                                                                |
| February 19th - 20th      | - 2 days harmonizing individual draft reports into draft report                                                                                                                                                   |
| February 21st - 22nd      | - 2 days preparation for Evaluation Mission (and period for stakeholders to review draft report)                                                                                                                  |
| February 23rd             | - 1 day Evaluation Mission Wrap-Up meeting                                                                                                                                                                        |
| February 26th             | - 1 day debriefing by the mission leader at UNCDF HQ                                                                                                                                                              |
| February 27th - March 8th | - 5 days for revision of individual reports by team-members.<br>- 5 days for team leader to finalise report incorporating revised individual reports and feedback received from Wrap-Up meeting and debriefings.) |
| March 9th                 | - Final Report submitted.                                                                                                                                                                                         |

#### IV. REPORTING

The Consultants shall work as a team and report to UNDP and UNCDF Evaluation Unit. In the field, the mission should report to the UNDP Resident Representative and UNCDF Programme Officer. However, the team is further obliged to report to the Permanent Secretary Ministry of Local Government or to his appointee. Both the UNDP Resident Representative and the Permanent Secretary have appointed a Task Force that will be dealing with the review team on matters pertaining to the evaluation exercise on their behalf. It is the responsibility of the Task Force therefore to report to the UNDP Resident Representative and Permanent Secretary Ministry of Local Government on the progress of the review exercise.

The detailed **Evaluation Methodology and Work plan Proposal** should be submitted on the second day of the mission to UNDP, UNCDF Programme Officer and shared with the Evaluation Unit. In preparation for their information gathering activities, the team may wish to prepare Participation facilitation materials to aid their consultation of the various project stakeholders.

Near the end of the mission (upon completion of information gathering and assessment), the mission should draft a report stating the key findings. Ideally, time should have been allowed for discussion of findings in the field with the project beneficiaries during the in-field consultations.

The Synopsis of the draft report becomes the basis of discussions at the **Evaluation Debriefing** meeting, to which representatives of key stakeholders are invited. UNCDF HQ should receive a copy of the synopsis report as well prior to the meeting. At the Debriefing meeting, the mission should discuss its main findings and recommendations with the UNDP Resident Representative, UNCDF, government authorities, and other project partners concerned. While the consultants are free to raise any subject relevant to the evaluation of the project, the mission is not empowered to make any commitments on behalf of UNDP or UNCDF.

The comments of the Government, the UNDP Resident Representative, and other relevant stakeholders on the synopsis report and at the Debriefing meeting should be incorporated or addressed appropriately in the **Draft Evaluation Report**.

The Team leader should present the Draft Evaluation Report at the Evaluation Debriefing of UNCDF HQ. 5 days after the Evaluation Debriefing, 10 bound copies and an electronic version of **the Final Evaluation Report**, including the "summary of project evaluation", (in Microsoft Word 6 format) should be submitted to UNCDF headquarters for review and comments. UNCDF will distribute the report to all parties concerned.

Specifically, the following outputs are required of the evaluation team -

- **Evaluation Methodology and Work plan:** At the start of the mission, the team is required to submit a brief proposal regarding his/her understanding and interpretation of the ToR and overall evaluation. This will also include the proposed methodology and break down of the work programme and technical requirements.
- **Inception statement: Detailing the approach that will be used in the field visits and in analyzing the information gathered. Synopsis report:** A brief paper presenting the main findings and recommendations of the evaluation team that will guide the debriefing workshop with stakeholder at the country level.
- **Draft report:** A detailed paper on the findings and recommendation that will be submitted to the Mid Term Evaluation Review task force for discussion prior to departure of the mission from the country.

- **Evaluation Report and Summary:** On completion of the exercise, evaluation report will be prepared as per the format outlined (Annex 1), including the Evaluation Summary, which should be prepared as per the outline below (See outline as per II. 1. ix)

## **V. MISSION COSTS AND FINANCING**

The costs of the mission will be charged to UGA/96/C01 budget line 16.02 (mission costs). The consultants will receive 50% of the agreed amount upon acceptance of the draft evaluation report, and the remaining 50% fees will be paid only upon acceptance by UNCDF HQ of the final evaluation report.

## **VI. FORMAT FOR THE EVALUATION REPORT**

The evaluation report should follow the outline provided in Part II: Detailed Terms of Reference. UNCDF HQ will provide examples of Evaluation Reports and Summaries to the team leader. However, please note that the formats/outlines may be different from that stipulated in this ToR.

## **PART II: DETAILED TERMS OF REFERENCE**

### **1. Contents of the Evaluation Report**

The evaluation report should include the following items, (please note that the formats/outlines may be different from that stipulated in this ToR):

- i. Table of contents**
- ii. Executive Summary**, 2-3 pages providing an overview of the report, and a summary of the main findings and recommendations.
- iii. List of abbreviations**
- iv. Project data sheet**, providing key facts and figures on a single page
- v. Introduction to the Evaluation**, briefly stating the purpose of the mission, composition of the evaluation team, a schedule of activities carried out, the methodology used, and the structure of the report.
- vi. Chapters** as per sections 2 outlined below
- vii. List of persons interviewed**
- viii. List of documents and references used in the evaluation**
- ix. An Evaluation Summary**; a 4-5 page annex to the main report. This is distinct from the Executive Summary, and should serve as a self-contained summary that may be read without reference to the main report. The evaluation summary should follow the this outline:
  - a. Basic project data**
  - b. Background of the project**
  - c. Description of the project**
  - d. Purpose of the evaluation**
  - e. Findings of the evaluation mission**
  - f. Assessment of the project design**
  - g. Policy implications and lessons learned**
  - h. Recommendations of the mission**
  - i. Members of the evaluation team**

## **2. EVALUATION REPORT CHAPTERS**

### **A. INTRODUCTION AND BACKGROUND**

The evaluation report should include a brief description and overview of the project from inception to

the present, focussing on changes that may have occurred since inception. It should indicate briefly: the **country and sector**, the **situation existing** at the time the project started, selected data to illustrate prevailing conditions in the areas targeted by the project then. The mission is requested to describe the actual change in the mode of implementation compared with the project document and the risks identified at the time the project was designed and their relevance.

The factual delivery of project inputs and implementation of project processes versus the planned inputs and processes should be documented, including review of staff rolls, and equipment inventory (including operations and maintenance of project equipment, etc). The procedures, activities (such as staff training), and timing, of the different project stages should be assessed; covering formulation, inception, and implementation, including the operational processes therein; such as the establishment of the management structure and system, establishment of work-norms, procurement, contracting and payment procedures, etc.

## **B. PROJECT PREPARATION, DESIGN, AND RELEVANCE**

In this section, the teams should assess the initial design and project relevance to the current context. Generally, the mission should -

- Assess the overall (a) clarity, coherence and consistency of the design, and (b) the adequacy of the resources, work plan and time allowed, and draw lessons learnt on strength or weaknesses in the project design
- Analyze the appropriateness of the project preparation (including baseline data, key performance indicators, feasibility studies, implementation arrangements, etc.).
- Assess the relevance of the project and its strategy given the current context.

Specifically, the mission should revisit and comment on the policy-relevance and soundness of design choices made in the context of 1996-97 regarding, for example -

the selection of Districts: number, representativeness, use as basis for pilot (noting that this selection was done by government from the first 13 Phase 1 districts, taking out those with major donor activities, and those with known political/civil instability, and aiming for a N/S/W/E spread);  
 the inclusion of Kotido;  
 the volume/intensity of funding, as well as the fund allocation mechanism and formula;  
 the access and performance criteria established;  
 the investment menu limits and exclusions  
 the principles for division of planning authority between LC3 and LC5;  
 and the appropriateness of PMU/DS as preparation/managing/executing body

## **C. STATUS AND PERFORMANCE OF IMPLEMENTATION, RESULTS, AND POTENTIAL IMPACT**

Assess the performance of implementation, the results achieved and their potential impact upon the development objective.

### **i. Project Management and Implementation Arrangements**

This section of the report should provide an evaluation of the means, processes and procedures used to implement the DDP-Pilot, and its overall performance in terms of economic efficiency, equity, transparency, timeliness, participation and effective management. The evaluation should, specifically:

- Assess the management capacity and the management structure and hierarchy as they reinforce, or

impede timely and efficient support to Local Governments.

- Assess the horizontal and vertical linkages between the Secretariat, the Project Management, line ministries and other on-going initiatives to contribute to the objective of the project.
- Assess the effectiveness and efficiency of the technical and financial support provided by UNDP and UNCDF.
- Assess the role and effectiveness of the Policy Steering Committee and Project Technical Committee.

## **ii. Implementation**

### **a. Results**

This section should assess the methodologies and activities leading towards the attainment of the desired outputs and immediate objectives, including the delivery of related inputs (i.e. capital and technical assistance), timeliness, efficiency, costs, quantity and quality.

This section may be organized under each of the 5 immediate objectives, and under each objective, discussion of the related implementation processes, results (outputs), impact, and recommendations.

**Immediate Objective 1:** Enhanced capacity of Local Councils to meet their service provision responsibilities, including planning, identifying, designing, managing and evaluating the construction and operation of investments, and foster the involvement of community (CSOs, PSOs) and private sector interests in the provision process.

In addition to reviewing the relevant performance indicators<sup>38</sup>, the team should assess the utilization and effectiveness of the Capacity Building Fund and the actual change in capacity of local councils to carry out various functions. These include planning, participation of the community in the planning and decision making process, bidding and contracting, accountability of local officials to their constituents and to the center, financial management, local revenue mobilization and increased absorption rate of the local councils.

**Immediate Objective 2:** To encourage private sector agencies in the production of infrastructure and services, including contracting and consultancy services to local government and communities;

Specifically, the team should examine:

- Change in number of private sector agencies in production of infrastructure and services since project started.
- Quality of schemes undertaken by the private sector.
- Satisfaction of contractors with the entire contracting process, from bidding to payment.

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<sup>38</sup> Suggested performance indicators for this immediate objective are -

- Local Council's technical competency in planning; measured by percentage of capital investment plans meeting the required performance standard/minimum conditions and by reduced time.
- Increased Capacity in bidding and contracting; measured by increased satisfaction by contractors and community in bidding and contracting process, and by shorter time taken from request for bids to issue of contracts.
- Accountability of local officials to constituents; measured by the community's satisfaction with public access to information about the project's financial and physical implementation, and by reasonable public access to information of the same.
- Accountability of local officials to the centre; measured by level of compliance with established reporting requirements, including audits.
- Percentage of project recurrent costs (O&M) covered by an identified, sustainable source of funds (fees, grants, etc.)
- Percentage annual change in Local Council's budget and source of change.

- The transparency, efficiency and accountability of the contracting procedures; including the role and effectiveness of the tender board.

In addition, the team should establish existence of any initiatives/methodology replication as a result of the in-learning from the DDP in the collaboration with the private sector.

**Immediate Objective 3:** To support the construction, rehabilitation and maintenance of services mandated to Districts and Sub-Counties under Schedule 2 of the Local Government Act 1997.

The team should assess:

- Percentage of planned construction, rehabilitation or services completed, by type.
- The quality of physical outputs.<sup>39</sup>
- Cost effectiveness of service and infrastructure delivery by comparing average project costs with appropriate local comparators.
- Whether adequate operations and maintenance plans are in place and are implemented.<sup>40</sup>

**Immediate Objective 4:** To refine and test Local Council investment allocation, planning and management procedures and approaches consistent with emerging national policy to encourage participatory, results oriented and poverty focused practices and linkages among different levels of LC, central government and the non-government sector;

Specifically, the team should -

- Assess the effectiveness of the project tools, (Planning Allocation Investment Management System/PAIMS, Capacity Building Fund, Minimum Conditions, Performance Measures, etc) and their impact on both local capacities and on local government accountabilities.
- Assess the level of adoption of the planning tools by relevant actors.
- Review whether the inclusive participation, efficiency and effectiveness of the local governments have enhanced improved delivery of services and accountability in general.
- Examine the interface (viability and benefit of) between representative participation and comprehensive, all-inclusive stakeholder participation of the greater community; especially the poor.
- Examine whether there are deliberate strategies for the inclusion of the poor and the vulnerable in the PAIMS process.

**Immediate Objective 5:** To monitor, evaluate and document lessons from the Pilot process and ensure their effective communication in national fora concerned with devolution of budgets and service responsibilities in Uganda and elsewhere.

Specifically, the team should:

- Assess the efficiency and effectiveness of the participatory monitoring and evaluation system (PM&E).
- Examine the effectiveness of the communication and advocacy of lessons learnt from the pilot project in national fora in Uganda (including government policy makers, local governments,

<sup>39</sup> Suggested indicator is - percentage of physical outputs assessed positively.

<sup>40</sup> Suggested indicator is - percentage of projects with quality assurance methodologies in place.

donors, CSOs and PSOs) and elsewhere .

### **b. Impact -**

In this section, the evaluation team should assess the potential impact by the project activities on poverty and national policy (as well as other donor strategies) and the challenges in ultimately alleviating poverty. The team should illustrate, whenever possible, examples of the impact of the project to support their findings.

- The evaluation team should, in this context, comment on the availability or quality (if available) of baseline and secondary data for future impact assessment, and make recommendations for methodologies that could be used to support future impact assessment. It is important that, wherever possible, all data gathered should be disaggregated by gender, socio-economic and social groupings.

Specifically, the mission should assess:

- **Impact on poverty:** Illustrate the contextual achievements and challenges of the project in light of its impact on poverty within the framework of the Government Poverty Eradication Action Plan. This should include an analysis of the sectoral as well as geographic expenditure pattern of the project funds, and an analysis of the provision of services to the poor. That is, the team should examine the expenditure pattern at sub-county (LC3) and district (LC5) levels and how far they are in “pro-poor” areas, or at least within the Poverty Eradication Action Plan (PEAP) sectors.
- **Impact on Local Governance:** Assess the progress made by the Project in empowering different categories of civil society, especially women and marginalized groups in local governance and development management.
- **Capacity of local governments:** Determine to what extent the current results generated by the project have enabled emergence of strong local governments to deliver on their mandated services as defined in the Local Government Act (1997) Schedule 2 and the operationalisation of the Local Government Financial and Accounting regulations.
- **Capacity of the poor:** Assess how the capacity of the poor and especially poor women have been enhanced to participate in the Planning, Allocation, Investment Management System (PAIMS), and more broadly, in the decentralized implementation and management of services and infrastructure.
- **Impact on Policy:** Examine the extent to which the lessons of the project have made a positive influence on the refinements to policies, legislation, regulations and procedures for decentralized planning and financing of mandated local government services, (including the influence on the Universal Primary Education, Plan for Modernization of Agriculture, Water and National Sanitation Strategy).
- **Donor Replication:** Assess the existence of any initiatives/methodology replication by donor supported projects as a result of the lessons learnt from the project. (For example, the LGDP)

### **c. Recommendations -**

The evaluation should discuss here their findings in terms of the causes and effects of project actions, as well as the internal and external factors, which have had an effect upon the attainment of the outputs and the immediate objectives. This should be followed by the related recommendations to solve or improve the current situation as necessary; such as specific recommendations for improved utilization of the produced outputs and of the established systems and procedures, etc. To the extent possible, the recommendations should be specific and achievable. They should be categorized into operation, implementation and policy. In addition, the evaluation should also extract policy lessons learned that will be discussed with the Central Government, be incorporated in the operation of the project, and be

useful for the development of future projects.

## **D. CRITICAL ISSUES**

### **a. Institutionalization and Sustainability of the DDP-Pilot.**

Institutionalization and sustainability are two sides of the same coin. Sustainability can be defined as “the continuation of benefit flows with or without the programmes or organizations that stimulated those benefits in the first place”, (Honadle and VanSant 1985, p2). Institutionalization is commonly defined as “introducing something that is qualitatively new, by way of institutional practices or organizational arrangement, such that it can be sustained as a normal part of those practices and arrangements” (Porter 1999). These definitions could be extended to also include resource investment and maintenance.

Institutionalization and sustainability of the DDP-Pilot is a question of concern to all its stakeholders. The evaluation should therefore:

- Review the institutional bottlenecks or innovations of the central and local governments that are affecting the effectiveness of the programme in the context of its overall objective. This should include a discussion of the effectiveness of the LC3 level investment committees and the Local Council system.
- Assess the potentials for policy change based on the application of minimum conditions and performance measures.
- Assess the overall contribution of the Project on strengthening local capacity to continuously deliver on infrastructure and other goods and services paramount for poverty reduction.
- Examine the viability of the Local Council System/Structure as an institutional conduit for capacity building and planning for improved service delivery, bearing in mind the increased role and responsibility of the LC3 after the 1997 Act.
- Assess the viability of actions taken by the councils, committees and communities to ensure sustainability of the implementation activities at their respective levels, including whether there has been evidence of local financing of capacity building and monitoring and evaluation.
- Assess how the project has enabled the institutionalization of dialogue between the communities, civil society, private sector and the local governments.
- Review whether there has been evidence of convergence in approaches of donor supported and national programmes at the DTPC.
- Assess the sustainability of local interventions and infrastructure in terms of re-current cost implications.
- Determine the extent the project has contributed to mobilisation of resources at local level and what guarantee is there to ensure that revenue levels can be sustained to meet the running costs of local government investments that have been induced by the project.
- Assess the availability of training facilities/institutions that could provide training support (in planning, financial management, procurement, etc) to local governments in the long term.
- Identify strategies for phasing out the current programme and possible strategies for future programming .

State findings and recommendations.

### **ii. Gender issues in the DDP-Pilot**

The DDP is implemented along the decentralization policy and Local Government conceptualization. The assumption is that Gender is an integral component of the project since the Local Government Act 1997 has instituted affirmative action to address the issue of Gender imbalance through providing a

policy guideline that at least 1/3 of councils statutory, commissions and committees has to be women. Besides, women are free and entitled to compete for the remaining 2/3 of the seats in elective bodies. In essence this lays a foundation for inclusion of women in the decision making structure. The later is complemented by the National Gender Policy of 1997 that lays the framework and basic principles for gender mainstreaming in all sectors. It emphasizes the cross cutting nature of gender and seeks to integrate them into development efforts at national, sectoral, District and local levels. Further, the Project Document also points out that gender issues will be emphasized, in practice, and stressed through M&E activities of the programme.

In light of the programme, it is clear that having women on councils or committees alone does not mean the existence of gender awareness. The bigger issue also raises the question of how gender responsive is the DDP in terms of planning, allocation of investments and strengthening the management procedures and capacities. Women as well as men are recognised as potential participants in the development process. However, both are often constrained, in unequal ways. Gender as a symbolic category, evokes multiple and mixed representations of realities; the normative aspect of gender contains and limits the meanings of these symbols. Yet these symbols are translated to norms in society as an institutional aspect, and gender thus impacts on the manner in which social, political and economic entities perform.

Bearing in mind the DDP experiences and the above analytical categories, the review team should:

- Analyze how the DDP formulation, establishment and implementation phases take into account the different needs of women and men, so that both can serve in a complementary manner to enhance the outputs of the project.
- Analyze how the DDP/KDDP methodology has improved or otherwise women's participation, empowerment and overall gender relations and the degree to which the local governments are responsive to women's needs and priorities.
- Examine options for increased gender mainstreaming in the context of a Local Government System and make proposals for more flexible gender inclusive systems.
- Examine the impact of the Gender policy on the DDP/KDDP.
- Examine how the DDP/KDDP have impacted on the gender policy.
- Establish how government has mainstreamed gender into other development programmes.

State findings and recommendations.

### **iii. Partnerships and Coordination Role of the Project**

The evaluation should assess the nature and quality of the partnerships the project has forged with local actors, as well as the effectiveness of the coordination role the project plays in aligning the efforts of different players towards the project objectives. This should not be limited to government and donor partners, but should include a discussion of the role of civil society partners.

State findings and recommendations.

### **iv. Monitoring and Evaluation**

The evaluation should assess the status and effectiveness of the project Monitoring and Evaluation system.

Specifically, special attention should be paid to -

- checking the availability and quality of baseline information,
- the availability of agreed upon indicators and the level of their acceptance as well as extent to which other key actors are aware of and agree with them
- reviewing and comparing project performance indicators with corporate performance indicators; i.e. the SRF and KPIs;
- regularity and accuracy of data collection
- usefulness and extent of actual use of M&E data collected by project staff, key actors and beneficiaries
- assessment of the strengths and weaknesses of the current monitoring and evaluation system with view to ensure improved service delivery and capability of learning from experiences and best practices.

State findings and recommendations

**v. Any other critical issues identified**

The evaluation should raise here any other critical issues that need to be addressed.

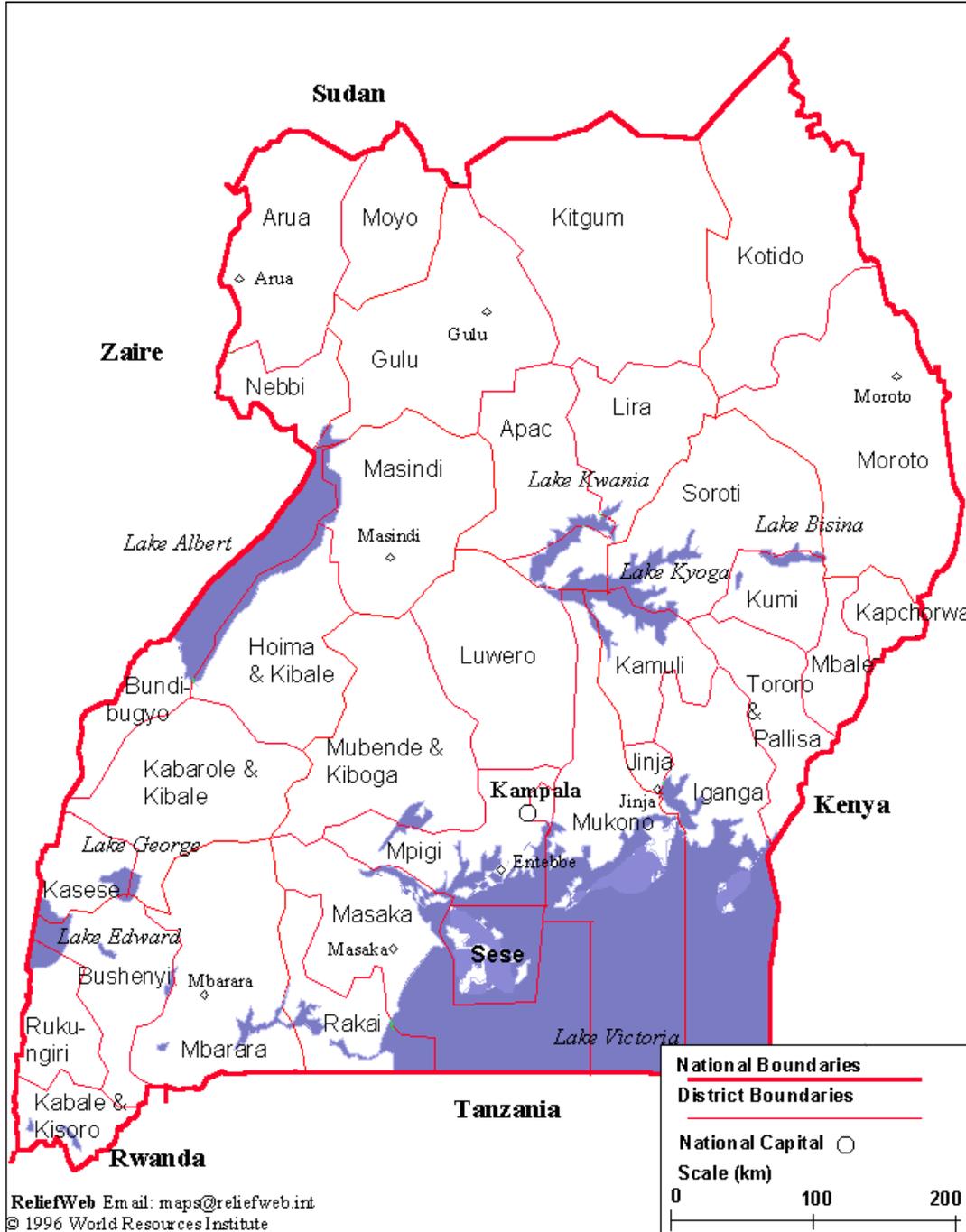
**E. CONCLUSION AND KEY RECOMMENDATIONS**

State the key findings and recommendations of the evaluation.

**ANNEX 5: MAP OF UGANDA SHOWING PROJECT AREAS**

**UGANDA with district boundaries**

Updated 18 Jul 97



The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations or ReliefWeb. These maps may be freely distributed. If more current information is available, please update the maps and return them to ReliefWeb for posting.