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**Government of Uganda  
Ministry of Finance Planning  
and Economic Development**

**Delegation of the  
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## ACRONYMS

|         |  |
|---------|--|
| AAP     | ANNUAL ACTION PLAN   |
| ACF     | ACTION CONTROL FAIM  |
| ADB     | AFRICAN DEVELOPMENT BANK   |
| AFDB    | AFRICAN DEVELOPMENT BANK   |
| AFP     | AGENCE FRANCAISE DE DEVELOPPEMENT  |
| AIDCO   | EUROPEAID COOPERATION OFFICE   |
| ANC     | ANTENATAL CARE   |
| ART     | ANTI-REROVIRAL THERAPY   |
| ASARECA | ASSOCIATION FOR STRENGTHENING AGRICULTUREAL RESEARCH IN EASTERN AND CENTRAL AFRICA |
| ASB     | ARBITTER SAMARITER BUND  |
| AVSI    | ITALIAN NGO  |
| BTVET   | BUSINESS & TECHNICAL VOCATIONAL EDUCATION AND TRAINING                             |
| CBPP    | CONTAGIOUS BOVINE PLEURO PNEUMONIA   |
| CGS     | COMPETITIVE GRANT SCHEMME  |
| CHA     | CESSATION OF HOSTILITIES AGREEMENT   |
| COA     | EUROPEAN COURT OF AUDITORS   |
| COOPI   | ITALIAN NGO  |
| CSO     | CIVIL SOCIETY ORGANISATION   |
| CSP     | COUNTRY STRATEGY PROGRAMME   |
| CUAMM   | ITALIAN NGO  |
| CYP     | COUPLE YEARS OF PROTECTION   |
| DEG     | DEUSTCHE INVESTITIONS UND ENTEWICKLUNGSGESELLSCHAFT                                |
| DEV     | DIRECTORATE GENERAL FOR DEVELOPENT   |
| DFID    | DEPARTMENT FOR INTRENATIONAL DEVELOPMENT   |
| DP      | DEVELOPMENT PARTNERS   |
| EAC     | EAST AFRICAN COMMUNITY   |
| EAMR    | EXTERNAL ANNUAL MANAGEMENT REVIEW  |
| EC      | EUROPEAN COMMISSION  |
| ECHO    | DIRECTORATE GENERAL FOR HUMANITARIAN AID   |
| EC-MS   | EUROPEAN COMMISISON MEMBER STATES  |
| EDF     | EUROPEAN DEVELOPMENT FUND  |
| EIB     | EUROPEAN INVESTMENT BANK   |
| EIDHR   | EUROPEAN INITIATIVE FOR DEMOCRACY AND HUMAN RIGHTS                                 |
| EOM     | ELECTION OBSERVATION MISSION   |
| EPA     | ECONOMIC PARTNERSHIP AGREEMENT   |
| ESSP    | EDUCATION SECTOR STRATEGIC PLAN  |
| EU      | EUROPEAN UNION   |
| FA      | FINANCING AGREEMENT  |
| FAO     | FOOD AGRICULTURE ORGANISATION  |
| FDC     | FORUM FOR DEMOCRATIC CHANGE  |
| FINMAP  | FINANCIAL MANAGEMENT PROGRAMME   |
| FITCA   | FARMING IN TSETSE CONTROLLED AREAS   |
| FMD     | FOOT AND MOUTH DISEASE   |
| FP      | FINANCING PROPOSAL   |
| FY      | FISCAL YEAR  |
| GBS     | GLOBAL BUDGET SUPPORT  |
| GDP     | GROSS DOMESTIC PRODUCT   |
| GFATM   | GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA                                |
| GLI     | GREAT LAKES INITIATIVE FOR AFRICA  |
| GOU     | GOVERNMENT OF UGANDA   |
| HCT     | HIV COUNSELLING AND TESTING  |

|          |   |
|----------|---|
| HRDP     | HUMAN RESOURCES FOR DEVELOPMENT PROGRAMME   |
| HSSP     | HEALTH SECTOR STRATEGIC PLAN  |
| ICC      | INTERNATIONAL CRIMINAL COURT  |
| ICRC     | INTERNATIONAL COMMITTEE OF THE RED CROSS  |
| IDPs     | INTERNAL DISPLACED PERSONS  |
| IFC      | INTERNATIONAL FINANCE COOPERATION   |
| IFMP     | THE IMPLEMENTATION OF THE FISHERIES MANAGEMENT PLAN                                 |
| IFMS     | INTEGRATED FINANCIAL MANAGEMENT SYSTEM  |
| IFRC     | INTERNATIONAL FEDERATION OF THE RED CROSS   |
| IGAD     | INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT   |
| IMF      | INTERNATIONAL MONETARY FUND   |
| KFW      | GERMAN DEVELOPMENT BANK   |
| LA       | LOCAL AUTHORITY   |
| LG       | LOCAL GOVERNMENT  |
| LRA      | LORD RESISTANCE ARMY  |
| LRRD     | LINKING RELIEF, REHABILITATION AND DEVELOPMENT                                      |
| LTEF     | LONG TERM EXPENDITURE FRAMEWORK   |
| LTIA     | LONG TERM INSTITUTIONAL ARRANGEMENT   |
| LVFO     | LAKE VICTORIA FISHERIES ORGANISATION  |
| MAAIF    | MINISTRY OF AGRICULTURE, ANIMAL INDUSTRY AND FISHERIES                              |
| MDG      | MILLENNIUM DEVELOPMENT GOALS  |
| MOH      | MINISTRY OF HEALTH  |
| MTEF     | MEDIUM TERM EXPENDITURE FRAMEWORK   |
| NAADS    | NATIONAL AGRICULTURAL ADVISORY SERVICES   |
| NAO      | NATIONAL AUTHORIZING OFFICER  |
| NFI      | NON FOOD ITEMS  |
| NGO      | NON GOVERNMENTAL ORGANISATIONS  |
| NIP      | NATIONAL INDICATIVE PROGRAMME   |
| NRC      | NORWEGIAN REFUGEE COUNCIL   |
| NRM      | NATIONAL RESISTANCE MOVEMENT  |
| NRM-O    | NATIONAL RESISTANCE MOVEMENT ORGANISATION   |
| NSA      | NON STATE ACTORS  |
| NSP      | NATIONAL STRATEGIC PLAN   |
| NUREP    | NORTHERN UGANDA REHABILITATION PROGRAMME  |
| ODA      | ORGANISATION DEVELOPMENT ASSISTANCE   |
| ODI      | OVERSEAS DEVELOPMENT INSTITUTE  |
| OECD/DAC | ORGANISATION OF ECONOMIC COOPERATION & DEVELOPMENT/DEVELOPMENT ASSISTANCE COMMITTEE |
| OIE      | WORLD ORGANISATION FOR ANIMAL HEALTH  |
| OLAF     | EUROPEAN ANTI-FRAUD OFFICE  |
| OPD      | OUTPATIENT DEPARTMENT   |
| OPM      | OFFICE OF THE PRIME MINISTER  |
| PABS     | POVERTY ALLEVIATION BUDGET SUPPORT PROGRAMME  |
| PACE     | PAN AFRICAN PROGRAMME FOR CONTROL OF EPIZOOTIC                                      |
| PAF      | POVERTY ACTION PLAN   |
| PC       | PARTNERSHIP COMMITTEE   |
| PCD      | POLICY COHERENCE FOR DEVELOPMENT  |
| PEAP     | POVERTY ERADICATION ACTION PLAN   |
| PEFF     | PRIVATE ENTERPRISE FINANCE FACILITY   |
| PFA      | PROSPERITY FOR ALL  |
| PIU      | PROJECT IMPLEMENTATION UNIT   |
| PMA      | PLAN FOR MODERNISATION OF AGRICULTURE   |
| PMTCT    | PREVENTION OF MOTHER TO CHILD OF HIV TRANSMISSION                                   |
| PMU      | PROGRAMME MANAGEMENT UNIT   |
| PNFP     | PRIVATE NOT FOR PROFIT  |

|         |   |
|---------|---|
| PPDA    | PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS AUTHORITY              |
| PRDP    | PEACE, RECOVERY DEVELOPMENT PLAN  |
| PSI     | POLICY SUPPORT INSTRUMENT   |
| RAFU    | ROAD AUTHORITY FORMATION UNIT   |
| RDP     | REGIONAL DROUGHT PREPAREDNESS   |
| RELEX   | EXTERNAL SERVICES OF THE eu   |
| ROM     | RESULTS ORIENTED MANAGEMENT   |
| SBS     | SECTOR BUDGET SUPPORT   |
| SCAU    | SEND-A-COW-UGANDA   |
| STABEX  | STABILISATION OF EXPORT EARNINGS  |
| SUFFICE | SUPPORT TO FEASIBLE FINANCIAL INSTITUTIONS AND CAPACITY BUILDING EFFORT |
| SWAP    | SECTOR-WIDE APPROACH  |
| TC      | TECHNICAL COOPERATION   |
| TCF     | TECHNICAL COOPERATION FACILITY  |
| UDHS    | UGANDA DEMOGRAPHIC AND HEALTH SURVEY                                    |
| UHRC    | UGANDA HUMAN RIGHTS COMMISSION  |
| UJAS    | UGANDA JOINT ASSISTANCE STRATEGY  |
| UK      | UNITED KINGDOM  |
| ULGA    | UGANDA LOCAL GOVERNEMENT AUTHORITIES                                    |
| UNDP    | UNITED NATIONS DEVELOPMENT PROGRAMME                                    |
| UNFPA   | UNITED NATIONS FAMILY PLANNING ASSOCIATION                              |
| UNHCR   | UNITED NATIONS HUMAN RIGHTS COMMISSION                                  |
| UNHS    | UGANDA NATIONAL HOUSEHOLD SURVEY  |
| UNICEF  | UNITED NATIONSS CHILDREN'S EDUCATION FUND                               |
| URA     | UGANDA REVENUE AUTHORITY  |
| USD     | UNITED STATES DOLLAR  |
| UVQF    | UGANDA QUALIFICATIONS FRAMEWORK   |
| UWA     | UGANDA WILDLIFE AUTHORITY   |
| WB      | WORLD BANK  |
| WFP     | WORLD FOOD PROGRAMME  |
| WHO     | WORLD HEALTH ORGANISATION   |

## 1. Executive Summary

In the economic field, the Government continued to follow sound macroeconomic policies, thus keeping inflation under control and enabling the economy to register a 6.5% growth in the 2006/2007 period when compared to 2005/2006. The private sector continued to grow and exports to increase. Revenue collection showed marked improvement. However, targets to contain the creation of arrears have not been met. Whereas reforms in public finance management continued, cases of fraud, waste and poor documentation have been cited in the Auditor General's report for 2005/2006.

The good economic performance contributed to the improvement of key social indicators of the eight millennium Development Goals. It is estimated that Uganda could meet six of them by the target date of 2015. However for two of them, i.e. reduce child mortality, and improve maternal health, there were credible doubts that they would probably not be met.

In the development cooperation area, and after concerted efforts by the NAO and the Delegation, the targets for decommitments, new global commitments and new individual commitments were achieved. Almost all 9<sup>th</sup> EDF projects were at full implementation by the end of the year under review. However, difficulties were encountered in a few of them, necessitating intensive efforts in the first half of 2008. Progress was also achieved in identifying the amount of available STABEX resources, thus facilitating the target of having all of them committed by end-2008.

In the political field, the two main parties as well as the plethora of other small parties are still trying to adapt and function constructively in the multi-party system. Support to electoral process, aiming at facilitating the 2011 national elections, is being provided by the European Commission through a programme of assistance to the Parliament.

Concerning the peace negotiations for Northern Uganda, significant progress has been registered by the end of 2007. It is reasonably expected that these talks would be completed during the 1st quarter of 2008, thus paving the way for the establishment of a lasting peace, which is a prerequisite for the return of the Internally Displaced Persons to their home areas and for restarting their productive lives (according to UNHCR, 1 million IDPs returned home, with about 0.8 million remaining in the camps). In this context, the Government has launched in October 2007 the comprehensive Peace Recovery and Development Programme for Northern Uganda, including Karamoja, aiming at jumpstarting recovery in the north. This major effort, with anticipated support by Development Partners, is planned to commence its implementation on 1<sup>st</sup> July 2008.

The EU's political dialogue with Uganda is being carried out in the framework of the restructured Article 8 Dialogue. During the relevant high level meetings important issues, concerning human rights, media, multi-party politics, security, regional relations, and governance are being dealt with in a frank and constructive manner.

Numerous consultations between various stakeholders (NAO, Delegation, EU Member States, NSAs, LAs) have contributed to the drafting of Uganda's Country Strategy Paper and National Indicative Programme under the coming 10<sup>th</sup> EDF, including also credible Government commitments on governance issues. At the same time, the planning of the actions to be submitted for funding under the 10<sup>th</sup> EDF during 2008 has commenced. Such an early preparation was in line with the lessons learnt from the rather late effective start of the 9<sup>th</sup> EDF implementation.

## 2. Update of the political, economic and social situation

### 2.1.1 Update on the political situation

During 2007 political parties, under the recently introduced **multi-party dispensation**, have become increasingly vocal. Thirty-five parties are registered with the Electoral Commission. Although they are active both within and outside the parliamentary arena, holding the executive to account in many areas, many opposition parties are critical of what they feel is a hostile political environment. The ruling NRM (National Resistance Movement) and main opposition party FDC (Forum for Democratic Change) are yet to adapt to their new roles and find a constructive working relationship in the new multi-party system.

As a follow-up to the EU EOM report, and also in the lead up to the 2011 elections, the European Union continues its support to strengthening electoral reform and multi-party democracy, through a support programme with the Parliament of Uganda, under the 9<sup>th</sup> EDF Human Rights and Good Governance Programme.

The peace negotiations between the Government and the **Lord's Resistance Army** (LRA) to resolve the armed conflict in Northern Uganda made significant progress during 2007, with agreement being reached on the first three agenda items of the peace talks. The implementation mechanisms are under discussion. The conflict had a disastrous effect on local populations, including many women and children who have been abducted and used as child soldiers and sex slaves. There is a high prevalence of HIV/AIDS. A large number of children have been orphaned as a result of conflict. During the last four months of 2007 both sides conducted wide consultations around the country to discuss accountability and reconciliation with the populations in the affected areas and other stakeholders. The Cessation of Hostilities Agreement (CHA), the prerequisite for continued talks, was extended till the end of January 2008. The EU is planning to support the Cessation of Hostilities Monitoring Team and peace building in Acholi and Karamoja, with financing from the Instrument for Stability.

The **Karamoja** region continues to suffer from chronic environmental problems, the availability of small arms and cattle rustling. Special efforts are needed to restore structural stability in these conflict affected regions, where poverty and social indicators seriously undermine the overall efforts in poverty eradication and economic growth. The Government has launched a US\$606 million Peace, Recovery and Development Plan (PRDP) to rehabilitate the north. This three-year plan is supposed to be partially funded by the Government (30%), with development partners financing the remainder. There is also the Karamoja Integrated Development and Disarmament Plan, which provides a framework for continuous support by the European Commission to local governance, social infrastructure and conflict resolution in Karamoja, financed under the 9<sup>th</sup> EDF Northern Uganda Rehabilitation Programme.

The **decentralisation process** in Uganda is well advanced with ample powers and service delivery responsibilities formally delegated to Local Governments. However, the local authorities continue to find themselves without adequate funding, including local revenue, to provide the necessary basic services. The creation of new districts (there are now 80 in total) in 2005-2006 has contributed to worsening finances and has created gaps in capacity.

The Government's regulation of non-governmental organisations (NGOs) and **civil society organisations** (CSOs) has been the topic of much discussion during 2007. There are thousands of registered NGOs/CSOs in the country. Many of the major CSOs and local NGOs feel they are not properly consulted by Government in the legislative process, as well as being over-regulated. To address these concerns, the EC has been actively supporting a dialogue between NGOs and Local Governments in Northern Uganda and Karamoja. Also, the EC has

supported the GoU's efforts to design a policy framework for civil society, financed under the 9<sup>th</sup> EDF Civil Society Capacity Building Programme.

In terms of **media**, several newspapers are published and hundreds of radio stations have a wide coverage in most parts of Uganda. The Media Council, under the President's Office, regulates the activities of the media in Uganda. The 9<sup>th</sup> EDF Human Rights Programme provides support and capacity building to independent media.

The EU's **political dialogue** with Uganda, formally begun in late 2004, has been strengthened during 2007. Article 8 Dialogue continues to be part of the regular political exchange between the EC, the EU presidency, the EU Member States present in Uganda and the Government. A structure to the political dialogue has been proposed, around specific objectives deriving from the governance commitments taken by the Government in the context of the 10<sup>th</sup> EDF, as well as the from the joint EU-Africa action plan adopted in Lisbon. These objectives include regular reviews within a number of areas including: human rights and freedom of expression by media and civil society; strengthening multi-party democracy; improving the rule of law, especially in Northern Uganda; and internal and external security. The political dialogue with the Government will also include reviews and updates on progress made in the areas of corruption (i.e. the Global Fund and GAVI scandals); on public finance and road sector management; and international and regional issues such as the EU-Africa Partnership on Peace and Security, the Great Lakes, African Peace and Security Architecture, and African Peer Review Mechanism. Also, in the area of regional cooperation, such matters as the US supported Tripartite Plus arrangement would be discussed, Uganda's involvement in Somalia, and the on going integration process of the East African Community. A meeting on Article 8 Dialogue between EU partners and President Museveni was organised in December 2007.

Concerning **regional integration** developments, these have remained on course with the East African Community strengthening its structures. Cooperation between DRC and Uganda in the area of regional security has been improved during 2007. The two neighbours agreed to combat foreign rebel groups active on their respective territories.

Regarding the 10<sup>th</sup> EDF **governance commitments**, these include measures on human rights and fundamental freedoms, strengthening multi-party democracy and civic education, the rule of law, control of corruption, government effectiveness through efficient public finance management, economic and social governance as well as internal and external security and regional cooperation. Assessment of the quality of partnership includes the role of non state actors in development. These commitments are part of the regular dialogue between the Government of Uganda and the development partners in various fora, and in particular part of the Article 8 political dialogue under the Cotonou Agreement.

### **2.1.2 Update on the economic situation**

#### *Macro-economic changes and structural reforms*

GoU (Government of Uganda) macro-economic policies have remained broadly satisfactory and on-track with the commitments made by the authorities in the context of the budget process and the IMF's Policy Support Instrument (PSI). The prudent monetary policy implemented by the Bank of Uganda has enabled it to curb inflation to 6.5% in line with its long term objective of 5%.

As the negative shocks faced by it in 2006 – especially the power crisis – receded, the performance of the Ugandan economy has improved significantly.

- National GDP growth has increased by a point to 6.5% in 2006/07 compared to 2005/06, while growth projections for the next few years were raised to 7%, on account of progress in addressing electricity shortages and peace prospects in northern Uganda.



- After increasing to 11.3% in December 2006, annual headline inflation has been reduced to 5% the last six months of 2007. The Kenyan crisis, however, has already had significant negative impact on prices so that renewed inflationary pressures are to be expected as long as the situation remains precarious.
- Private investment has continued to grow, underlined by the growth of credit to the private sector of 23% in 2006/07 to 9.1% of GDP.
- Similarly, the export has performed positively with merchandise exports earnings for the the first half of 2007/08 increasing by 25% compared to H1 2006/07.
- After the Multilateral Debt Reduction Initiative, the external debt service ratio as a percentage of exports and of domestic revenues (about 10%) remains at levels well below critical benchmarks. *Debt strategy*
- Donor funding was estimated at 46% of public expenditure in FY 2006/07 – two points above the originally budgeted share of 44%.

#### *Quality of management in public finances and budgetary expenses*

The performance of fiscal policy has been mixed. Despite the continuing good performance of revenue collection (+18% in 2006/07 or 7.4% above URA's original target), pursuing Government's objective of gradually reducing the fiscal deficit could not be advanced mainly due to the high spending needs related to electricity generation. Maintaining budgetary discipline has also proved challenging. Targets to contain the creation of arrears have not been met while FY 2006/07 over-expenditure in public administration and defence led once again the World Bank and other donors to cut their budget support disbursements.

Budget allocations for poverty related expenditures have remained relatively high (Government executed 99.5% of the approved Poverty Action Fund (PAF) allocations for 06/07 – this represents 30% of total expenditures excluding interests) demonstrate the on-going commitment of Government (and donors) to fund social sectors. Allocations to the health sector have however dropped, on account of a reduction in donor support.

Government's strategy in public finance reform relies, to a large extent, on the gradual computerisation of Government financial transactions through the implementation of the IFMS and related computerised systems (e.g., Electronic Fund Transfers introduced in July 2007). Notwithstanding some delays in the early phases of implementation, IFMS covers all Ministries and fourteen local authorities for more than a year now, with significant positive effects on the payment cycle and the quality and timeliness of financial accounting and reporting. The inter-connection to other computerised systems has been less rapid than envisaged, thereby limiting the range of benefits provided by the system. IFMS implementation has led to improved internal controls in all Ministries and participating LGs. The reduction in the creation of 'discretionary' arrears on payments to suppliers in 2006/07 (indicator monitored through the PABS V operation) is a case in point. However, cases of fraud, losses, waste and poor documentation cited in the Auditor General's 2005/06 report suggest that problems with expenditure control and reporting systems still exist.

In the area of procurement, the establishment of decentralised procurement entities/units complying with the new law has been relatively expeditious. All central government Public Disposal Entities are now compliant and GoU is currently overseeing the same process for all higher local governments (so far, 23% of LG Procurement Disposal Units have been fully established). However, slow progress in the effective enforcement of the PPDA Act on the ground has limited the impact on the quality of public procurement practices.

#### *EPA negotiations*

Uganda played a critical role in securing the signing of a framework EPA before the deadline of 31/12/ 2007, and is determined to pursue the conclusion of a full EPA by mid-2008.

### 2.1.3 Update on the poverty and social situation

In line with good economic performance, key social indicators improved during the 1990s. The tables comprising the **Annex: Country at a glance** to this report, provide the required data. These cover also the core **MDG** indicators. Support to the Uganda Bureau of Statistics in order to further improve the quality of the data is being provided.

A brief assessment of the country's relevant performance towards achieving the MDGs is shown in the table below.

|   |  |
|---|--|
| <b><i>MDG goals that are likely to be attained, with continued good policies</i></b>              |  |
| MDG 1   | Eradicate extreme poverty                    |
| MDG 3   | Promote gender equality and empower women    |
| MDG 6   | Combat HIV/AIDS                              |
| MDG 7   | Ensure environmental sustainability          |
| MDG8  | Develop a global partnership for development |
| <b><i>MDG goals that may be achieved with intensified efforts</i></b>                             |  |
| MDG 2   | Universal primary education                  |
| <b><i>MDG goals for which strengthened policies, institutions and funding is necessary</i></b>    |  |
| MDG 1   | Hunger                                       |
| <b><i>MDG goals unlikely to be met, even with improved policies, institutions and funding</i></b> |  |
| MDG 4   | Reduce child mortality                       |
| MDG 5   | Improve maternal health                      |

In the **education sector**, the introduction in 1997 of Universal Primary Education (UPE) was followed by big improvement in distribution of expenditures for primary education, largely in favour of the poor and of girls. On going efforts to improve the quality of education will be strengthened by the finalisation of the comprehensive plan for the improvement of quality of education which was finalised at the end of 2007. Key indicators are shown in the table below.

| <b><i>Indicator</i></b>       | <b><i>Outcome 2002</i></b> | <b><i>Baseline 2003</i></b> | <b><i>Target 2004</i></b> | <b><i>Status 2004</i></b> | <b><i>Status 2005</i></b> | <b><i>Status 2006</i></b> | <b><i>Status 2007</i></b> |
|-------------------------------|----------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Primary Gross Enrolment ratio | -                          | 127%                        | 131%                      | 124%                      | 108%                      | 112.5%                    | 111.7%                    |
| Primary Completion rates      | 56%                        | 62%                         | 63%                       | 62%                       | 51%                       | 48%                       | 50%                       |

Key education sector achievements in 2007 included the introduction of a thematic curriculum for P1-P3 aimed at improving learning achievements and thus overall quality of education. A diagnostic study to explore and highlight the actual causes of low Primary Completion was undertaken and the recommendations taken up at once. One of these recommendations which included the enforcement of the automatic promotion policy was able to ensure a slight improvement in the Primary completion rate which had for the last two years seen steady decline. A draft Education Bill which seeks to make primary education compulsory and not participation punitive has been discussed by cabinet and is now before Parliament pending enactment. A draft Business, Technical, Vocational Education and Training (BTVET) bill which seeks to revolutionise the BTVET subsection by the introduction of the Uganda Qualifications Framework (UVQF) was also presented to Cabinet and will be discussed by Parliament in 2008. The UVQF will modularise BTVET and will in the medium to long term result in a workforce that is more responsive to the needs of the Private Sector and Economy at large. The land mark introduction of the UPPET also enrolled

a total of 155,000 students. The re-costing of the ESSP was almost finalised while the increment in primary teachers wages was implemented in FY 2006/7.

Concerning the **health sector**, a Mid Term Review for the Health Sector Strategic Plan Phase Two was launched at the end of 2007 and will be finalised by mid 2008. The table below presents a summary of the sector's performance.

| <b>Indicator</b>  | <b>Baseline FY 04/05</b> | <b>FY 05/06 achieved</b> | <b>FY 06/07 target</b> | <b>FY 06/07 achieved</b> |
|---|--------------------------|--------------------------|------------------------|--------------------------|
| **OPD Utilisation in GoU & PNFP units   | 0.9                      | 0.9                      | 0.9                    | 0.9                      |
| **DPT / Pentavalent vaccine coverage  | 89%                      | 89%                      | 87%                    | 90%                      |
| **Percentage of Deliveries taking place in Health facilities (Govt & PNFP)            | 25%                      | 29%                      | 35%                    | 32%                      |
| Proportion of approved posts filled by trained Health workers                         | 68%                      | No new data              | 85%                    | 38.4% <sup>1</sup>       |
| National average HIV Sero-prevalence at ANC Surveillance sites                        | 6.1%                     | No new data              | 4.4%                   | No new data              |
| Proportion of Health facilities without stock outs of 5 tracer medicines and supplies | 35%                      | 27%                      | 55%                    | 35%                      |
| Household latrine coverage  | 57%                      | 58%                      | 72%                    | 58.5%                    |
| Couple Years of Protection (CYP) – (Govt facilities only)                             | 234,259                  | 309,757                  | 325,407                | 357,021                  |

The table shows a rather mixed performance of the key HSSP indicators. The OPD utilisation indicator has stagnated at 0.9 while the DPT vaccine coverage indicator at 90% has improved by 1 point from FY 05/06 performance of 89%. Deliveries in health facilities has improved by 3 points from 29% of FY 05/06 to 32% which is still below the targeted 35% and further still not good enough. The data on the proportion of approved posts filled in by trained HWs is incomparable because the staffing norms for HSSP I and II changed. There has been no new data on the HIV/AIDS indicator since FY 04/05 when the behavioural survey was undertaken. The indicator on Health facilities without stock outs has improved by 8 points to 35% from FY 05/06 performance of 27%. This is still below the set target of 55%. The Latrine coverage indicator has only improved by 0.5 points to 58.5% from FY 05/06 achievement of 58%. This is against a set target of 72% and was the worst performance in the sector, with some districts registering a latrine coverage of only 2%.

On the other hand, the PEAP matrix also includes five health- related outcome indicators which performance is summarised below.

| <b>Indicator</b>                                   | <b>1995</b> | <b>2001</b> | <b>2006</b> |
|--|-------------|-------------|-------------|
| Infant mortality rate (per 1000 live births)       | 85          | 89          | 75          |
| Under 5 Mortality Rate (per 1000 live births)      | 156         | 158         | 137         |
| Maternal Mortality Ratio (per 100,000 live births) | 527         | 505         | 435         |
| Total fertility rate                               | 6.9         | 6.9         | 6.5         |
| Contraceptive Rate %                               | 15.4        | 18.6        | 24.4        |
| Stunting (low height for age) <sup>2</sup>         | n/a         | n/a         | 38          |

<sup>1</sup> This is not comparable to previous data as different methodology was used. The staffing norms were upgraded from HSSP I to HSSP II.

Concerning the **population** issue, the 2006 Uganda Demographic and Health Survey (UDHS) reveals several unfavourable indicators. The Total Fertility Rate was estimated at 6.7% per woman and had remained at this level since the 1995 UDHS. The Infant Mortality Rate was 76 per 1000 live births, while the Under Five Mortality was 152 per 1000 live births. The Maternal Mortality Rate was estimated at 435 per 100,000 live births. Significantly, it was noted that there was no evidence of improvement in Infant and Childhood Mortality in recent years. In 2007, the UNFPA commissioned the Institute of Statistics and Applied Economics of Makerere University to conduct a Situational Analysis on Population, Reproductive Health and Gender issues in the country. Although the final report will only be made available in 2008, the inception report which is rather scientific presents an interesting causality framework and examines in depth the linkages between the three variables of Population, Reproductive Health and Gender in the country.

**Human Resources:** Human resource capacity in terms of numbers and skills continues to present a special challenge. In light of the decentralisation act of 1997, Local governments recruit most of the core personnel. 2007 also saw the finalisation of major restructuring processes that took place in both the Health and Education sectors. These processes presented with significant budget implications which were not foreseen in the MTEF and LTEF. These restructuring processes also tie in with the Uganda Public Service Payroll cleaning exercise which was launched in FY 2005/06 which uncovered serious anomalies in both sectors.

**Employment conditions:** Poverty is closely related to the inadequacy of productive employment opportunities. Through employment, people earn incomes, which enable them and their dependants purchase goods and services necessary to meet their basic needs. Data on the labour market (jobs, job seekers, employment levels, desired skills etc) in both public and private sectors including the large informal sector is important in order to have accurate information about the quantitative and qualitative aspects of the labour force.

The key labour market indicators are presented below and the population in the working age of 18 to 64 years is used in deriving the indicators.

| <i>Indicator</i> <sup>3</sup>     | <i>2002/3</i> |         |       | <i>2005/6</i> |        |        |
|-----------------------------------|---------------|---------|-------|---------------|--------|--------|
|                                   | Male          | Female  | Total | Male          | Female | Total  |
| Uganda labour force ('000)        | 4,634.2       | 5,138.4 | 9,993 | 5,284         | 5,591  | 10,882 |
| Labour force participation rate   | 80.3          | 79.9    | 80.1  | 83.5          | 80.9   | 82.0   |
| Employment to population ratio    | 78.2          | 76.6    | 77.4  | 82.0          | 79.0   | 80.0   |
| National Unemployment rate        | 2.6           | 4.2     | 3.5   | 1.7           | 2.1    | 1.9    |
| Urban unemployment rate           | 7.6           | 17.0    | 12.2  | -             | -      | 6.9    |
| Time related underemployment rate | 18.9          | 15.1    | 16.9  | 14.1          | 10.1   | 12.1   |

The total labour force increased from 9.8 million persons in 2002/03 to 10.9 million persons in 2005/06. In UNHS 2005/06, the labour force participation rate was 82 percent, (slightly higher for males than their female counterparts). The national unemployment rate was about

<sup>2</sup> Changed methodology to new WHO Standards therefore does not allow comparison with preview results.

<sup>3</sup> Source: Uganda National Household Survey 2005/2006, the GoU (UBOS) Statistical Abstract for 2006 and the GoU (UBOS) Statistical Abstract for 2007

2%, while the urban unemployment rate was about 7%. The time related underemployment rate was 12 percent.

In 2005/06, almost 70 percent of the working population was self employed in agriculture. The majority of the paid employees were temporary (mainly casual) constituting 12 percent of the working population. Only about 5 percent of the working population was in permanent paid employment.

Agriculture (which includes hunting, forestry and fishing) was the most dominant industry of employment (73% of the working population). This was followed by sales industry with 8%.

The National Employment policy, the National Policy on the Elimination of Child labour and the National policy on HIV/AIDS at the workplace have not yet been finalised.

**HIV:** The Ministry of Health with the support of various stakeholders has embarked on an ambitious programme of scaling up HIV/AIDS Control activities across the country. This especially includes: HIV Counselling and Testing (HCT), Prevention of Mother to Child HIV transmission (PMTCT) and Anti-retroviral Therapy (ART).

#### *The HIV/AIDS National Strategic Plan*

- A National Strategic Plan (NSP) for HIV & AIDS has been developed for the period 2007/08 to 2011/12 to give a national direction to efforts in addressing the HIV & AIDS issues. The overall goal of the new NSP is to achieve universal access targets for HIV & AIDS prevention, care, treatment and social support by 2012

Implementation of the NSP commenced in financial year July 2007 with the development of a guide (and implementation handbook) on monitoring the national response to HIV & AIDS. Research on HIV/AIDS remains an important objective and activity.

#### *Regional Efforts*

The World Bank has agreed to extend a US\$15 million 4 year grant for a regional project through the Inter-Governmental Authority on Development<sup>4</sup> (IGAD) to support Djibouti, Eritrea, Ethiopia, Kenya, Somalia, Sudan, and Uganda. This regional project is intended to:

- increase preventative action and reduce misconception of cross border and mobile populations, refugees, Dips, returnees and surrounding host communities concerning HIV & AIDS prevention, treatment and mitigation in selected sites in the IGAD member states
- To establish a common and sustainable regional approach to supporting these populations in the IGAD member states.

The World Bank is also funding the Great Lakes Initiative for Africa (GLIA) to run a regional project. The project covers 6 countries Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda. It aims to contribute to improving the health status of individuals and communities within the 6 GLIA member countries. Currently a World Bank funded component is running with the objectives, to facilitate the establishment of HIV & AIDS prevention, care, and treatment programs for mobile and vulnerable groups such as refugees, transport sector workers, and highly affected/infected populations in each of the GLIA member countries and enhance prospects for coordinated approaches for HIV & AIDS prevention, care and treatment among the GLIA member countries.

#### *Long Term Institutional Arrangement in the Ministry of Health*

The Ministry of Health has developed a Long Term Institutional Arrangement (LTIA)<sup>5</sup> with goal of re-aligning all donor funding to existing institutional arrangements thereby minimising

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<sup>4</sup> IGAD Regional HIV/AIDS Partnership Program (IRAPP) Support Project, June 26, 2007

<sup>5</sup> Proposed Long Term Institutional Arrangement for the Programmes of the Global fund to fight AIDS, Tuberculosis and Malaria (GFATM) in Uganda - 2006.

duplication and fragmentation of interventions. This is consistent with the Paris Declaration on Aid Effectiveness (March, 2005), the Rome Declaration on Harmonisation (February, 2003), the Marrakech Roundtable on Managing for Development Results (February, 2004) and Recommendations of the Global Task Team (June 2005) for a more effective AIDS response. Under this LTIA arrangement, budget support financing was adopted for the GFATM, ring-fenced in the Poverty Action Fund (PAF) mode following guidelines with MoFPED as the principle recipient for this fund. Also GAVI agreed to adhere to the LTIA. Existing national and sub-national co-ordination structures such as the Health Policy Advisory Committee, AIDS Partnership Committee (PC), District Technical Planning Committee, District Health Team, District Community-Based Services Office and District HIV & AIDS Committee will be used. The structures should ensure meaningful engagement of the civil society. GoU procedures on procurement and finance management under the public finance and management act will be used by the Ministry of Health. Existing reporting, monitoring and audit arrangements used for PAF will be strengthened and used.

### **3. Overview of past and ongoing co-operation**

#### **Main results achieved**

During 2007, all available balances of funds were globally committed. Also, 95% of the planned individual commitments were also realised. On the other hand, the 2007 target for payments was not achieved due mainly to not fulfilling in time the conditions for the releases of the envisaged tranches under the GBS and SBS ongoing operations.

Concerning the use of B-envelope resources, following their reduction to €38.6 million after the End-of-Term Review, no funds were available for new operations. Consequently, only one EDF project (NUREP - €20 million) is under implementation. The rest of the funds have been / are being used by ECHO.

The programming of the 10<sup>th</sup> EDF was largely completed by the end of the year under review. In addition, preparatory steps for an early launching of implementation activities under the 10<sup>th</sup> EDF were initiated.

A decision was taken, in December 2007, to allocate €5 million to Uganda, for post-floods rehabilitation, from the resources of the regionalised B-envelope. Assessment in the flood affected areas where the resources will be applied has been done.

Under the Instrument for Stability, a decision was taken to allocate €4.2 million to Uganda for support to peace talks and reconciliation in Northern Uganda and conflict resolution in Karamoja.

The amounts of €2 million from the NSA&LA and €0.6 million from the EIDHR budget lines were allocated to Uganda. The Delegation commenced the preparation of the relevant Calls for Proposals to be launched in the first half of 2008.

A Contribution Agreement with FAO for €4 million under the Food Security budget line was signed and the first payment processed.

Under the Water and Energy Facilities, three new contracts were signed.

In the main focal area of road infrastructure, the EC support to institutional reforms contributed to the effective establishment of the new Uganda National Roads Authority, to the tabling in Parliament of the Road Fund Bill, and to the continuation of the Ministry of Works and Transport re-organisation.

In the non-focal area of support to Non State Actors, a number of civil society organisations have been assisted in building up their capacities and involve them effectively in the development process as well as the accountability governance field.

By late 2007, the projects directly concerning activities in the North and Karamoja were in full mobilisation, thus initiating a range of activities in the districts concerned in full compliance with the strategic objectives of the Government's relevant Peace Recovery and Development Plan launched in October 2007.

Finally, after concerted efforts by the Delegation and the NAO office, a clearer picture of funds available under STABEX has emerged, thus allowing the initiation of preparatory work for their allocation and commitment.

All above actions were in line with, and contributed positively to achieving the objectives of the 9<sup>th</sup>, 8<sup>th</sup>, and 7<sup>th</sup> EDFs.

### **Main constraints encountered**

Delays and other difficulties were encountered in the implementation of activities in areas of insecurity due to the fact that the standard EDF rules and procedures are inappropriate in such an environment. The Delegation requested HQs to consider granting derogation from the usual EDF conditions in order to allow maximum flexibility of implementation in Northern Uganda and Karamoja.

Also, it has become evident that in large infrastructure projects there is need to provide to the NAO specialised costly legal advice in order to allow the Contracting Authority to counter sophisticated legalistic claims by Contractors.

Unforeseen events (drastic increases in cost of fuel/bitumen), often leading to serious difficulties in procuring them, and also resulting to important price escalations, are adversely affecting the progress of implementation of large road construction contracts in Uganda. Also, the time that institutional reforms in the roads sector take to materialise, affects previously agreed milestones and associated plans.

The EC-funded sectoral budget support to the Plan for the Modernisation of Agriculture faced difficulties in late 2007 due to the Government's decision to hold on operations, to review the overall rural development issue, and to effect adaptations. Consequently, the release of the last EDF tranche was put on-hold, and the plan to submit in 2008 to HQs a follow-up action under the 10<sup>th</sup> EDF was deferred to 2009.

Finally, difficulties in justifying expenditure in some Programme Estimates have prevented the closure of the corresponding individual commitments and by extension of the relevant projects.

### **Monitoring**

Mid-term reviews and evaluations of main EDF projects, as well as the annual ROM exercise, resulted in useful conclusions and recommendations. These have been mainstreamed, as far as possible, into the respective operations, thus facilitating their implementation and enhancing their effectiveness. For example, some execution periods had to be prolonged, and in another project the profile of envisaged experts had to be changed in order to address better evolving needs. Also, in one project (Karamoja Microprojects Programme) the review pointed towards mismanagement, thus triggering a forensic audit and an OLAF investigation.

The evaluation of another project laid the ground for the preparation of a follow-up action in the coming 10<sup>th</sup> EDF. The experience in implementing the first TCF project provided valuable lessons in better formulating the second TCF. Regular financial examinations of Programme Estimates have identified a number of ineligible expenditures and made recommendations for correcting the relevant situations. Finally, regular site visits by Delegation and NAO staff, and frequent contacts with the NAO's office, led to a better monitoring of ongoing activities.

More information on the status of the currently implemented programmes / projects under the different financial instruments is provided in the annex of **Financial situation**.

#### **4. Policy Coherence for Development (PCD)**

The CSP is the major vehicle for delivering on its political and strategic options regarding aid effectiveness (enhanced commitments towards the Paris Declaration on Aid Effectiveness), ODA (concrete steps towards meeting relevant UN targets), the new Development Policy Statements (the MDG Package, the European Consensus), and particularly concerning Uganda, the Africa Strategy. The share of aid delivered in the form of general and sector budget support is being increased, and the EC cooperates with other Development Partners in order to ensure that a variety of joint operations are undertaken thus reducing transaction costs to Government. In cooperation with other Development Partners, the EC is already concentrating on sectors where it is perceived to have a comparative advantage (i.e. road transport infrastructure), and it is exploring in this respect the possibilities of enhanced synergies with the Regional Programme and with the EU-Africa Infrastructure Partnership. The MDGs have also been fully taken into account, in collaboration with the Government, mainly through the budget support operation. For the first time, the Stability Instrument is now being used, in designing interventions in conflict areas involving also neighbouring countries.

On trade, support towards capacity building especially relevant to the EPA negotiations has continued and further support in this area is envisaged.

On fisheries, current assistance (under the Regional Programme) aiming at the sustainable exploitation of the resources of Lake Victoria will be prolonged. Cooperation with UNIDO in certifying compliance, to relevant ISO requirements, by fisheries processing factories will continue in order to facilitate exports to the developed world.

The EC-funded interventions are also scrutinized against compliance with relevant environmental policies. Applicable regulations are being followed in the EDF projects. Regarding new concerns on potential negative effects from climate change, adequate mitigative measures will eventually need to be developed.

Ongoing support in the transport sector is of paramount importance for matters pertaining to economic development, to access to social services especially by the poor, and to regional integration through interconnectivity.

Finally, and as a cross-cutting issue, the EC has continued to provide assistance to civil society in order to build up their capacities and make them effective advocates, and monitors, of good governance and of social justice.

#### **5. Joint EU – Africa Strategy**

Uganda is planning to study the Joint EU-Africa Strategy, and more specifically its first Joint Action Plan, during 2008. Consideration to possibilities for benefiting from the different Partnerships comprising the action plan will be duly given. In this respect it is noted that the recent decision of the European Commission to contribute to the implementation of the envisaged peace agreement with the LRA is in line with the Peace and Security Partnership of the action plan. Also, Uganda is actively looking at the possibility of identifying a project, and a partner, to be considered under the Partnership for Infrastructure. As for the Energy Partnership, Uganda will work towards accessing more EIB funds for its planned electricity generation projects. Finally, current collaboration with the Commission services competent on matters falling under the Science and Research Partnership will be enhanced.



## **6. Donor coordination and harmonisation**

There have been significant efforts by the Government and Development Partners (DP) towards promoting donor coordination and alignment since the late 1990s and especially during the last three years. The Government's intent for its relationship with donors has been laid out in the overarching national development and poverty reduction strategy document, i.e. the **Poverty Eradication Action Plan (PEAP)** which includes a detailed results and policy matrix that provides the framework for alignment. A set of partnership principles was signed by the Government and key donors in 2003.

The **Uganda Joint Assistance Strategy (UJAS)** was the natural step to further enhance donor harmonisation. The revision of the PEAP in 2004 and the ongoing review provided the opportunity to donors to start developing their assistance strategies aligned to Government's own development programme. The European Commission and seven of the ten EU member states with a presence in Uganda (Austria, Denmark, Germany, Ireland, the Netherlands, Sweden and the UK) are members of UJAS along with the WB, AfDB and Norway. Belgium, France and Italy are considering joining. UJAS represents a significant step forward for harmonization and overall aid effectiveness. It provides Development Partners with a vehicle to enhance their coordination around the Government stated poverty reduction strategy, and to better division of labour based on their respective comparative advantages. In this context, the establishment of a harmonised framework for the implementation of budget support operations should further enhance donor coordination while reducing transaction costs for the Government. This framework was designed in 2007 and will for the first time be used for disbursement decision in fiscal year 2008/09.

UJAS is planned to guide the Development Partners medium to long term support to the PEAP by focusing on certain areas judged to be especially important for achieving the PEAP's overarching strategic results. These areas are: (a) strengthening the budget process and public sector management, (b) promoting private sector development and economic growth, (c) strengthening governance, (d) improving education and health outcomes, and (e) promoting resolution of the conflict in the north and fostering the social and economic development of the region. Activities around joint actions are pursued through active participation in joint sector working groups, the development of sector-wide approach programmes, and pooled funding mechanisms. Also, joint missions, silent partnerships, and joint analytical work and advisory services are pursued by the EC in the context of the UJAS.

However, bearing in mind the potential of this exercise, the implications of the membership have, to date, not fulfilled their potential.

The Government has also taken steps to support the harmonisation and alignment agenda, notably by re-energizing and taking the lead in the Division of Labour exercise. Other initiatives are also in the pipeline to strengthen the capacity of the Aid Liaison Department of the Ministry of Finance to drive the harmonisation and alignment agenda.

## **7. Dialogue in country with the NSAs, local authorities and the national Parliament**

Dialogue with non state actors, local governments and the national parliament takes place in Uganda mainly in the context of existing cooperation in the governance area. The 9<sup>th</sup> EDF Civil Society Capacity Building Programme has provided a platform for dialogue among the EC, the GoU and civil society for example on the priorities for the 10<sup>th</sup> EDF programming, trade issues and on the national policy framework for civil society action. The 9<sup>th</sup> EDF Support to Decentralisation Programme supports the dialogue between the central government and local governments, training of local councillors countrywide, specific capacity building in

up to 19 partner districts and builds capacity of citizens on 'downwards accountability' and local governance. The programme also supports the Uganda Local Government Association (ULGA) which provides a platform for dialogue with local authorities in the country. Thematic budget line 'non state actors and local authorities' will complement these efforts.

Concerning the parliament, the 9<sup>th</sup> EDF Human Rights and Good Governance Programme has a cooperation arrangement for capacity building and dialogue with the parliament. Main focus of actions has been on strengthening a framework for multi-party democracy. There are further plans to present the 10<sup>th</sup> EDF country strategy to the relevant committee in the Parliament in conjunction with the NAO.

## **8. Conclusions**

### **8.1 Key political, economic and social developments**

Political parties are trying to find their rightful place in the multi-party system. They are becoming increasingly vocal on a variety of socio-economic issue, especially as the country moves towards the 2011 elections. The credible prospects of a lasting peace in the north is gradually convincing the hundreds of thousands of the IDPs that conditions are becoming ripe for a return to their homelands. Development partners are gearing up support to the Government's comprehensive PRDP programme, which amongst others is expected to enhance the capacities of Local Governments and it recognises the important role played by Civil Society Organisations in improving service delivery and in empowering people to demand accountability and transparency at all levels. The EU-Uganda political dialogue, covering a variety of human rights and corruption issues, was restructured in 2007 and resumed on a good basis.

Despite the challenges posed by exogenous factors, the Ugandan economy performed well. Prudent fiscal policy has been maintained and revenue performance continued to improve. More investments, however, are needed in infrastructure, particularly roads and energy. Whereas budget execution faced pressures, the performance of the Poverty Action Fund has been impressive. Appropriate programmes are being developed to address perceived weaknesses in Public Finance Management.

In the social field, although some progress has been achieved, more is needed if MDGs are to be met. Sustained efforts will be needed to expand and improve service delivery in the challenging context of high population growth. Local Governments, which are in the forefront of service delivery to the vast majority of the population, need to be assisted in securing the required revenue resources. The objective, that the coming National Development Plan will address current and anticipated challenges, has to be fully supported by coherent Government policies and support from Development Partners.

### **8.2 Progress in achieving MDGs and fighting poverty**

The good economic performance contributed positively to the improvement of key social indicators, which in their turn provided important support to the Government's efforts towards achieving the MDGs. Of the relevant eight goals; (i) five of them are anticipated to be achieved by continuing current policies; (ii) another one can be achieved with intensified efforts; (iii) but two others (i.e. reduce child mortality, improve maternal health) are unlikely to be achieved even with increased efforts.

The satisfactory performance of the economy was the main contributory factor to the reduction of poverty, from 56% in 1992 to 31% in 2006. Current and coming Government policies in support of sustained economic growth provide the best pre-requisite for achieving the MDG target of 28% in poverty headcount ratio. It is intended to achieve this through the

provision of the enabling environment that will induce the creation of adequate productive employment opportunities.

### **8.3 Results of development cooperation**

2007 targets for global commitments, individual commitments and decommitments were largely achieved. The significant deviation from the target for payments is primarily attributed to the need for comprehensive assessment of conditions required for the releases of funds under budget support operations. A review of the 2007 performance, subject of regular meetings between the Delegation and the NAO's office, is expected to lead to more reliable forecasts and targets for 2008.

The General Budget Support operation has continued to provide a credible platform for a constructive dialogue between the Delegation and the competent Government services, as well as with the other Development Partners active in this field. Also, the capacity building component of the programme is providing important assistance to critical areas of public Finance Management as well as to EPA-related activities.

The Sector Budget Support to PMA came under pressure in the last quarter of 2007 due to Government's decision to suspend disbursements to the NAADS programme and to undertake a review of its implementation. This resulted in withholding the release of the last tranche. Most importantly for the longer term, it has raised concern about the envisaged follow-up programme under the 10<sup>th</sup> EDF. On the other hand, very good results were recorded under the Forestry Programme, leading to an agreement to use additional STABEX funds in order to bridge the gap between the end of the current programme and the commencement of the new one under the coming 10<sup>th</sup> EDF.

In the Roads Sector, the biggest EDF-funded project so far, i.e. the Masaka-Mbarara Road Reconstruction, was finally contracted out. Also, the STABEX-funded Karamoja Roads Programme was agreed upon and consultancy services for the study and design are already on-going. Good results were achieved in the Jinja –Bugiri Road, although exogenous factors (the Kenya political crisis, constrains in the international fuel market) may adversely affect future progress. Finally, the Kampala By-pass Road contract continued to experience delays and contractual disputes.

The EDF programmes directly concerning beneficiaries in Northern Uganda and Karamoja were fully mobilised during 2007. With the growing prospects of lasting peace in the north, these programmes are providing vital support to IDP returnees as well as to local governments by making good use of services offered by several Non State Actors.

The closure of some old individual commitments continued to pose serious challenges due to difficulties in providing the necessary justification for their incurrent expenditure. For some of them recovery orders were issued. However, delays in effecting the relevant refunds resulted in having these amounts deducted from the GBS release, which has compromised the effectiveness of this type of support. An important lesson learnt from these developments has been the determination, by the NAO's office, to closely monitor the operations under Programme Estimate and with the help of regular financial audits and review to improve their sound financial management.

### **8.4 Policy coherence for development, donor coordination and harmonisation.**

The CSP will be the major vehicle for delivering aid in compliance with the commitments on aid effectiveness. The new Joint EU-Africa Strategy is expected to enhance efforts in this respect. EU-funded operations under the CSP will concentrate in few sectors where it is perceived that there is a comparative advantage. Specific actions in these focal areas, as well

as complementary actions under the different instruments, will have as their overarching objective the achievement of MDGs.

Following important preparatory work, mainly amongst Development Partners, on matters of aid coordination and harmonisation, the planned Government leadership in this respect is expected to drive the process forward during 2008. The progress achieved in arriving at a credible division of labour amongst donors, is expected to be consolidated during 2008 under Government ownership. The significant progress recorded in harmonising the framework for the implementation of budget support operations is expected to be finalised in 2008, so that donor coordination in this vital field would be enhanced and transaction costs to Government reduced.

The Government's policy of involving fully the Development Partners and other stakeholders, including the Civil Society, in the drafting of the new National Development Plan is reasonably expected to produce a coherent overall policy document, and to further enhance coordination and harmonisation in the delivery of aid to Uganda, thus contributing positively to aid effectiveness.

### **8.5 Future perspectives of EU-Uganda development Cooperation**

There will be special emphasis in 2008 in ensuring that 9<sup>th</sup> EDF funds would be duly contracted by their "D+3" date and implementation of on-going projects continue as required. Another priority concerns the coming 10<sup>th</sup> EDF. The finalisation and signature of the CSP/NIP, expected to be completed in the second quarter of 2008, would be complemented with the effective preparation, by mid-2008, of most of the actions foreseen under the 10<sup>th</sup> EDF. Also, by end-2008, virtually all remaining actions would be in an advance stage of identification. Such a planning is expected to result in early commitment and implementation of the 10<sup>th</sup> EDF by its mid-term review.

There will be increased efforts to ensure that the above NIP related activities will be appropriately complemented with actions funded under the different available instruments. Civil Society Organisations and Local Governments will be assisted in building up their capacities, so that their chances to obtain access to these financial instruments can be boosted. Special emphasis will be given to exploring the possibilities of assistance offered by the different partnerships comprising the important Joint EU-Africa Strategy. In this endeavour, partnerships between public and private bodies will be pursued.

## 1. ANNEXES

### List of Annexes accompanying the JAR

a) General Annexes:

Country at a glance:

A. Key macro-economic performance indicators

B. Key MDG indicators

b) Annexes with a retrospective character: financial situation for:

- 9th EDF and any previous EDFs as per closure of the financial year 2007
- Sector concentration of the engagements under the 9th EDF
- Regional projects
- EIB projects
- Use of budget support (distinguishing between general budget and/or sectoral budget support)
- Budget lines

c) Annexes with a prospective character:

- Indicative time table for disbursements of 9<sup>th</sup> EDF and any previous EDFs (from 2008 onwards)
- Planned EDF commitments in 2008 including activities related to Africa-EU Partnerships and Priority Actions

d) Annexes on aid effectiveness

- completed EAMR aid effectiveness questionnaire
- donor matrices current and future financial support
- donor matrices on current and future donor roles

## Annex: Country at a glance

### A. Tables of macroeconomic indicators

**Table 1: Uganda Selected Economic and Financial Indicators 2005/06 - 2008/09**

|   | 2005/06 | 2006/07 |        | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|---|---------|---------|--------|---------|---------|---------|---------|---------|
|   | Act     | Prog    | Est    | Proj.   | Proj    | Proj    | Proj    | Proj    |
| <b>GDP and prices (percent change)</b>  |         |         |        |         |         |         |         |         |
| Real GDP  | 5,1     | 6,2     | 6,5    | 7,1     | 7       |         |         |         |
| Headline inflation (average)  | 6,6     | 7,5     | 6,6    | 4,5     | 5       |         |         |         |
| Underlying inflation (average)  | 5,2     | 8,1     | 7,8    | 4,8     | 4       |         |         |         |
| <b>Absolute figures</b>   |         |         |        |         |         |         |         |         |
| Nominal GDP (U sh billions)   | 17.330  | 19.934  | 19.962 | 22.223  | 24.880  |         |         |         |
| Overall balance of payments (US \$ millions)  | 254     | 172     | 719    | 86      | 41      |         |         |         |
| Gross foreign exchange reserves (months of next year's imports of goods and services) | 4,7     | 4,7     | 5,8    | 5,2     | 4,8     |         |         |         |
| <b>External Sector (percent change)</b>   |         |         |        |         |         |         |         |         |
| Terms of trade deterioration-   | 16,5    | 11,7    | 6,8    | -4      | -3,2    |         |         |         |
| <b>Money and credit (percent change)</b>  |         |         |        |         |         |         |         |         |
| Domestic credit   | 7,2     | 3,3     | -6,4   | 14,3    | 15,3    |         |         |         |
| Credit to the Central Government*   | -4,8    | -7,2    | -17,2  | 0,8     | -0,4    |         |         |         |
| Private Sector Credit   | 28,3    | 22,2    | 22,9   | 28,7    | 30,3    |         |         |         |
| <b>Savings and Investment (percent of GDP)</b>  |         |         |        |         |         |         |         |         |
| Domestic investment   | 23,4    | 24,2    | 24,5   | 27,6    | 28,4    |         |         |         |
| Public  | 4,9     | 5,1     | 5,4    | 7       | 7,8     |         |         |         |
| Private   | 18,5    | 19,2    | 19,1   | 20,6    | 20,6    |         |         |         |
| National Savings (excluding grants)   | 13,8    | 15,7    | 15,9   | 15      | 14,7    |         |         |         |
| Public  | -2,4    | -3,4    | -1,5   | -0,8    | 0       |         |         |         |
| Private   | 16,3    | 19,1    | 17,3   | 15,7    | 14,7    |         |         |         |

**External Sector (percent of GDP)**

|  |     |      |      |      |      |
|--|-----|------|------|------|------|
| Current account balance (including grants) | -4  | -2,5 | -2   | -8   | -9,5 |
| Net donor inflows                          | 8,1 | 8,6  | 10   | 8,1  | 8    |
| External debt (including fund)             | 43  | 13,6 | 11,7 | 15,9 | 19,5 |

**Government budget and debt (percent GDP)**

|                              |      |      |      |      |      |      |
|------------------------------|------|------|------|------|------|------|
| Total revenue and grants     | 19,6 | 18,9 | 19,6 | 18,4 | 18,5 | 18,5 |
| Revenue                      | 13,1 | 13,1 | 13,4 | 14,1 | 14,6 | 15,1 |
| Grants                       | 6,5  | 5,9  | 6,3  | 4,3  | 3,9  | 3,4  |
| Expenditures and net lending | 20,4 | 21,5 | 21,9 | 21,8 | 22,8 | 22,2 |
| Stock of domestic debt       | 9,1  | 7,2  | 9,9  | 9,9  | 7,9  |      |

**Revenue (USH billions)**

|                              |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|
| Total revenue and grants     | 3.395 | 3.776 | 3.917 | 4.085 | 4.615 | 5.130 |
| Revenue                      | 2.267 | 2.602 | 2.667 | 3.135 | 3.635 | 4.184 |
| Grants                       | 1.129 | 1.174 | 1.249 | 949   | 980   | 945   |
| Expenditures and net lending | 3.532 | 4.283 | 4.376 | 4.842 | 5.668 | 6.160 |

**Uganda Balance of Payments 2005/06 - 2011/12 (USH millions)**

|                   |        |        |        |        |        |        |        |        |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Current account   | -379   | -279   | -224   | -1.030 | -1.382 | -1.336 | -1.188 | -1.188 |
| Trade Balance     | -1.100 | -1.197 | -1.269 | -1.820 | -2.114 | -2.210 | -2.114 | -2.138 |
| Net donor support | 767    | 954    | 1.124  | 1.037  | 1.162  | 1.225  | 1.225  | 1.229  |

Sources: Uganda authorities; and IMF staff estimates and projections

NB

Fiscal Year begins in July

\*Percent of M3 at start of the period

**Table 2: Uganda Fiscal Operations of the Central Government 2005/06 - 2008/09**

|                              | 2005/06 | 2006/07 |        | 2007/08 | 2008/09 | 2009/10 |
|------------------------------|---------|---------|--------|---------|---------|---------|
|                              | Actual  | Prog    | Actual | Proj.   | Proj    | Proj    |
| <b>(U.sh billions)</b>       |         |         |        |         |         |         |
| Total revenue and grants     | 3.395   | 3.776   | 3.917  | 4.085   | 4.615   | 5.130   |
| Revenue                      | 2.267   | 2.602   | 2.667  | 3.135   | 3.635   | 4.184   |
| Grants                       | 1.129   | 1.174   | 1.249  | 949     | 980     | 945     |
| Expenditures and net lending | 3.532   | 4.283   | 4.376  | 4.842   | 5.668   | 6.160   |
| <b>(Percent of GDP)</b>      |         |         |        |         |         |         |
| Total revenue and grants     | 19,6    | 18,9    | 19,6   | 18,4    | 18,5    | 18,5    |
| Revenue                      | 13,1    | 13,1    | 13,4   | 14,1    | 14,6    | 15,1    |
| Grants                       | 6,5     | 5,9     | 6,3    | 4,3     | 3,9     | 3,4     |
| Expenditures and net lending | 20,4    | 21,5    | 21,9   | 21,8    | 22,8    | 22,2    |

Sources: Uganda authorities; and IMF staff estimates and projections

NB

Fiscal Year begins in July



**Table 3: Uganda Balance of Payments 2005/06 - 2011/12  
(US\$ million)**

|                   | <b>2005/06</b> | <b>2006/07</b> |            | <b>2007/08</b> | <b>2008/09</b> | <b>2009/10</b> | <b>2010/11</b> | <b>2011/12</b> |
|-------------------|----------------|----------------|------------|----------------|----------------|----------------|----------------|----------------|
|                   | <b>Act</b>     | <b>Prog</b>    | <b>Est</b> | <b>Proj.</b>   | <b>Proj</b>    | <b>Proj</b>    | <b>Proj</b>    | <b>Proj</b>    |
| Current account   | -379           | -279           | -224       | -1.030         | -1.382         | -1.336         | -1.188         | -1.188         |
| Trade Balance     | -1.100         | 1.197          | 1.269      | -1.820         | -2.114         | -2.210         | -2.114         | -2.138         |
| Net donor support | 767            | 954            | 1.124      | 1.037          | 1.162          | 1.225          | 1.225          | 1.229          |

Sources: Uganda authorities; and IMF staff estimates and projections

NB

Fiscal Year begins on July

## Annex: Country at a glance

### B. Table of indicators for the MDGs

#### UGANDA MDG AND PEAP TARGETS AND STATUS

Uganda: MDG and PEAP Targets and Status

|  | 1990<br>(or closest<br>available) | 2007<br>(or latest<br>available) | 2007/2008<br>PEAP<br>Target | 2013/2014<br>PEAP<br>Target | 2015<br>MDG<br>Target | Target<br>possible at<br>current<br>trend ? | Target possible with<br>better policies,<br>institutions, and<br>additional funding? |
|--|-----------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------|---|--|
| <b>1 Eradicate extreme poverty and hunger</b>  |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = halve 1990 \$1 a day poverty and malnutrition rates</i>   |                                   |                                  |                             |                             |                       |   |  |
| Poverty headcount ratio (%)  | 56                                | 31                               |                             | 28*                         | 28                    | yes   | yes  |
| Prevalence of child malnutrition (% of children under 5)   | 23                                | 38                               |                             |                             | 12                    | no  | yes  |
| <b>2 Achieve universal primary education</b>   |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = net enrollment, etc. to 100</i>   |                                   |                                  |                             |                             |                       |   |  |
| Net primary enrollment ratio (% of relevant age group)   | 58 boys<br>48 girls               | 94 boys<br>90.3 girls            | 90 boys<br>89 girls         | 100*                        | 100                   | yes   | yes  |
| Primary completion rate (% of boys and girls)  |                                   | 50                               | 69                          |                             | 100                   | no  | yes  |
| <b>3 Promote gender equality</b>   |                                   |                                  |                             |                             |                       |   |  |
| <i>2005 target = education ratio to 100</i>  |                                   |                                  |                             |                             |                       |   |  |
| Ratio of girls to boys in primary education (%)  | 83                                | ?                                | 100*                        | 100*                        | 100                   | met   | yes  |
| <b>4 Reduce child mortality</b>  |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = reduce 1990 under 5 mortality by two-thirds</i>   |                                   |                                  |                             |                             |                       |   |  |
| Under 5 mortality rate (per 1,000)   | 177                               | 137                              |                             |                             | 53                    | no  | uncertain  |
| Infant mortality rate (per 1,000 live births)  | 98                                | 75                               | 68                          |                             | 32                    | no  | uncertain  |
| Immunization, DPT3 (% of children)   | 45                                | 90                               | 90                          |                             | n/a                   |   |  |
| <b>5 Improve maternal health</b>   |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = reduce 1990 maternal mortality by three-fourths</i>   |                                   |                                  |                             |                             |                       |   |  |
| Maternal mortality ratio (modeled estimate, per 100,000 live births)   |                                   | 435                              | 354                         |                             | 126                   | no  | uncertain  |
| Deliveries in health care centers (% of total)   |                                   | 32                               | 50                          |                             | n/a                   | met   | yes  |
| <b>6 Combat HIV/AIDS, malaria and other diseases</b>   |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = halt, and begin to reverse, AIDS, etc.</i>  |                                   |                                  |                             |                             |                       |   |  |
| Prevalence of HIV, total (% of adult population)   | 20                                | 6.4                              | 5*                          |                             | <20                   | met   | yes  |
| <b>7 Ensure environmental sustainability</b>   |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 target = integrate into Gov. policies, reverse loss of environmental resources, halve proportion of people without access to safe water and sanitation</i> |                                   |                                  |                             |                             |                       |   |  |
| Forest area (% of total land area)   |                                   | 20%                              | 27*                         | 30*                         | >24                   |   |  |
| Access to safe water (% of population)   | 45                                | 56 urban<br>63 rural<br>No data- | 100* urban<br>90* rural     |                             | 90                    | yes   | yes  |
| Access to improved sanitation (% of population)  |                                   | urban<br>59 rural<br>no data     | 100* urban<br>80* rural     |                             |                       |   |  |
| Titled land (% of land)  |                                   |                                  | 17                          | 25                          |                       |   |  |
| <b>8 Develop a Global Partnership for Development</b>  |                                   |                                  |                             |                             |                       |   |  |
| <i>2015 targets = sustainable debt, make available benefits of new technologies</i>  |                                   |                                  |                             |                             |                       |   |  |
| Debt service (% of exports of goods and services)  |                                   | 4.9                              | 5                           | 187                         |                       | yes   | yes  |

\* PEAP Targets more ambitious than MDGs

Sources: 2004 PEAP, Demographic and Health Surveys, National Household Survey

## **Annex: Financial situation**

### **A. 7<sup>th</sup> EDF**

By the end of 2007, there were six (6) open projects under the NIP:

#### **1. Pr 7 UG 16 – Uganda Health Programme**

Although the project was completed in 2005, it can not be closed because there are still nine (9) open individual commitments. For most of them there are expenditures that can not be justified. The Delegation has advised the NAO to take necessary action, failing which the issue of appropriate Recovery Orders would be initiated.

#### **2. Pr 7 UG 48 – Pan African Rinderpest Campaign**

The project has not been closed because of ineligible expenditure under an individual commitment. Following the issue of the relevant Recovery Order, and the subsequent offsetting operation by DB BUDGET, advice is awaited as to the procedure for the closure of this project.

#### **3&4. Pr 7 UG 51, 54 – Second Structural Adjustment Programme**

These projects are open due to ineligible expenditure for which Recovery Orders had been issued. Following the recent offsetting of the amounts concerned, advice is being awaited as to their closure steps.

#### **5. Pr 7 UG 65 – 4<sup>th</sup> Microprojects Programme for Karamoja**

The closure of this project awaits the final outcome of the relevant OLAF investigation.

#### **6. Pr 7 UG 89 – Mid western Towns Water Supply**

The relevant Financing Agreement expired on 31.08.2007. Final payments for works carried out are being processed at present. After the execution of payments the project will be closed.

### **B. 8<sup>th</sup> EDF**

There are fourteen (14) open projects under the NIP:

#### **1. Pr 8 UG 5 – Improving Sexual and Reproductive Health**

The project could not be closed due to the fact that in eight (8) individual commitments there were identified ineligible expenditures. Following the issue of the relevant Recovery Orders last year, the planned offsetting of the relevant costs would allow the closure if this project.

#### **2. Pr 8 UG 9 – Support to Universal Primary Education**

This project is still open due to ineligible expenditure in two of its individual commitments. The Delegation is liaising with the NAO with a view to recovering the relevant amounts, failing of which the procedure for the issue of the necessary Recovery Orders would be launched.

#### **3&4&5&6&7. Pr 8 UG 23,24,25,26,27 – Poverty Alleviation Budget Support (PABS 4)**

One individual commitment, concerning a service contract, is still open due to problems with the accountability of expenditure. The Delegation is in contact with the NAO with a view to resolving the outstanding issues.

#### **8. Pr 8 UG 29 – Support to HRDPRL**

Whereas a Recovery Order for one individual commitment has been executed, there are six other individual commitments open due to questions about expenditure raised by the relevant audit report. The Delegation is pursuing this matter with the NAO.

#### **9. Pr 8 UG 30 – Forest Resources Management and Conservation Programme**

The implementation period of this €12 million project, showing positive results, has been extended to 31.12.2008. Complementary activities are being funded with STABEX resources.

#### **10. Pr 8 UG 31 – Strengthening of Northern Corridor Route**

In this €36.6 million project, work on its main component resumed in mid-2006 by a new Contractor, i.e. strengthening of Jinja-Bugiri Road, continues in a satisfactory manner. However, drastic fuel and bitumen cost increases coupled with difficulties encountered in their procurement, further aggravated by the recent political instability in Kenya, are adversely affecting the progress of works. It is becoming most probable that the project would not be fully completed by its end date of 31.12.2008. Since the relevant Financing Agreement was already extended once, the NAO and the Delegation will present a case to AIDCO for an exceptional case of a second extension.

#### **11. Pr 8 UG 32 – Acholi Programme**

Activities were completed in 2006. A closure audit is expected to be finalised in the first quarter of 2008, following which the necessary actions will be initiated with a view to closing this project.

#### **12. Pr 8 UG 35 – Human Resources for Health**

This €17 million project had its implementation period extended to 31.03.2010. Current activities concentrate in the construction of a number of Nursing Schools. Following the planned closure of a number of individual commitments and the decommitment of the relevant balances, a financial review of the project will be carried out with a view to some budget reallocations which are becoming necessary due to unforeseen escalation of costs.

#### **13. Pr 8 UG 37 – Uganda Sustainable Tourism Development Programme**

Activities under this programme were completed by 30.09.2007. Currently, some final payments are being processed, and an audit exercise is being finalised. Also, the evaluation of the project is in its final stage.

#### **14. Pr 8 UG 40 – Kampala Northern Bypass Road**

This €41 million project, supplemented also by €5 million from the 9<sup>th</sup> EDF resources and €5 million from the Regional Fund, is being implemented at a slow pace. The delays incurring under the project have necessitated the extension of the validity of the relevant Financing Agreement, as well as the extension of the Works Contract. Completion of works, initially foreseen for November 2007, is now expected during the second half of 2008. Whereas the main cause of delays would seem to be perceived weaknesses of the works Contractor, other attributing factors include obstructions at the site, problems with the specifications of some of the works and with their testing and control, some problems with the procurement of materials, increased quantities of work, and abnormal rains. A big challenge to the NAO is posed by the numerous sophisticated legalistic claims which are being submitted by the Contractor. Appropriate responses to such claims require the procurement of highly specialised contract disputes experts at a high cost. The likelihood of an eventual recourse to arbitration can not be excluded.

## **C. 9<sup>th</sup> EDF**

By the end of the year under review, all available funds (from the 9<sup>th</sup> EDF, from transfers from the older EDFs, and from the eligible decommitments) were globally committed. All current projects/programmes are under full implementation. More specifically:

### **1. Pr 9 UG 01 – SUFFICE**

The relevant Financing Agreement for this €2.5 million project expired on 31.12.2007. Implementation faced numerous problems, mainly due to weak management. A Mid-term Review in 2007 pointed towards alleged irregularities. A short-term “crisis management” consultancy appointed through a contract framework did, not, unfortunately delivered the expected results. A financial and a forensic audit were launched in the second half of 2007. Also, and as a consequence of the findings of the Mid-term review and a Delegation request, an OLAF investigation was launched in August 2007. However, no funds misuse was found by the auditors. A final financial audit will be launched by the end of the 1<sup>st</sup> quarter of 2008 to establish the outstanding financial commitments and ineligible expenditure. These processes and an appropriate action plan need to be agreed between the NAO and Delegation by mid-2008.

### **2. Pr 9 UG 04 – Civil Society Capacity Building Programme**

The operational implementation period of this €7.9 million programme was extended to 31.12.2008. Activities are being carried out satisfactorily. The programme has helped the civil society establishment in Uganda to gain competence and respect, and to become an important stakeholder in the wider field of socio-economic development. Indeed, their representative body is being routinely associated with the different processes foreseen in the Cotonou Partnership Agreement, i.e. the Joint Annual Reports, the Annual Operational Reviews, and the Programming exercise.

### **3. Pr 9 UG 05 – Support to Commercial Justice**

Implementation of the activities under this €1.95 million programme is progressing, albeit at a slow pace for some of its components. This is mainly due to unfamiliarity with EDF procedures by the Supervisor, i.e. the Ministry of Justice and Constitutional Affairs. The Delegation and the NAO are providing advice to the Supervisor with a view to a better management of the programme’s different components.

### **4. Pr 9 UG 06 – TCF**

This €3.4 million programme has proved to be a good and flexible tool in implementing operations in the area of technical cooperation. Due to the limitation imposed by the “D+3” date, an amount had to be decommitted from the global commitment. Out of the sixty six (66) individual commitments entered into under this project, there are thirty four (34) which are still open. For most of these procedures for closure are underway, whereas for few services are still being provided.

### **5. Pr 9 UG 08 – Study on Road Maintenance and Construction Costs**

Following the recent execution of the final payment due to the Consultants, this project of €0.2 million is under closure procedures at present.

### **6. Pr 9 UG 09 – TA to RAFU**

This €3 million project had its implementation period extended and its financial ceiling increased during 2007. The project funds important technical assistance and expertise in support of the institutional reforms underway in Uganda. These reforms are prerequisites for the envisaged sector budget support to the Roads Sector in Uganda under the coming 10<sup>th</sup> EDF.

## **7. Pr 9 UG 10 – Reconstruction of Masaka-Mbarara Road**

This €87 million project, supplemented by another €5 million from the Regional Fund, is the biggest EC-funded construction intervention in Uganda. It aims at the general improvement (strengthening, widening, improved drainage) of a part of the vital Northern Corridor Route connecting the land-locked EAC countries, as well Southern Sudan and Eastern DRC, to the port of Mombasa in Kenya. The works and supervision contracts were signed in 2007, and activities under this project are expected to commence in early 2008 and be substantially completed by end-2010.

## **8. Pr 9 UG 12 – Sector Budget Support to PMA**

The release of the last tranche of funds under this €17.5 million project, initially foreseen to take place in the last quarter of 2007, was withheld following the Government suspension of NAADS in September 2007. Resumption of the programme is contingent on clarification of the Government's policy direction in agricultural advisory services and confirmation of the basic principles agreed upon in the Financing Agreement. Resolution of these issues are expected in the first half of 2008 and followed by closure of the programme.

## **9. Pr 9 UG 14 – 5<sup>th</sup> Poverty Alleviation Budget Support (PABS V)**

Whereas all releases of funds for budget support under this €92 million (initial amount) project have been executed, activities in support to capacity building are still ongoing. It is noted that the foreseen releases of the variable tranche component have not been made to the full due to not meeting the relevant indicators in their entirety. It is also noted that the last release of funds was further reduced by just over €1 million as an offset for recoveries the amount of unjustified expenditure under different EDF projects.

## **10. Pr 9 UG 15 – Support to Decentralisation**

After some delays in its initial stages, mainly to do with the procedures for procuring the required Programme Management services, this €10 million programme is now in full implementation. Besides working with the central government competent services, the programme requires close collaboration with the local authorities concerned. The mode of implementation of the programme's activities ensures that maximum benefits to the districts is derived through involving also Non State Actors. In addition, the capacity building aspects, actively pursued under this programme, are of particular importance for its sustainability objective. With a view to compensating for the delays incurred in the mobilisation phase, it is planned to request, in early 2008, a 12 month extension of the operational period of the relevant Financing Agreement.

## **11. Pr 9 UG 16 – NUREP**

This €20 million programme, funded under the 9<sup>th</sup> EDF B-envelope allocation to Uganda, is of particular importance to the Government's efforts in consolidating peace and enabling the recovery to start in Northern Uganda. Following a slow start due mainly to delays in mobilising the required technical assistance, as well as due to the difficulties encountered in following normal EDF procedures in this post-crisis environment, the programme is now in full implementation. Essential socio-economic infrastructure is to be rehabilitated in several districts, conflict sensitive approach is being followed with a view to addressing relevant causes, and close collaboration of the local authorities concerned is being followed, thus contributing towards building up their capacities. A number of relatively small size contracts are envisaged, thus contributing towards reviving the local construction industry. The bulk of the funds are planned to be spent with the intermediary of civil society organisations which are required to work closely with the

district authorities concerned. Due to the specific nature of this programme, its implementation under standard EDF rules and regulations poses a challenge to the Programme Management Unit. In this respect, the anticipated adoption by the Commission of flexible procedures in such “post-crisis” situations would be of great help. It is noted that NUREP constitutes an appropriate programme for the North, with activities which are fully in line with the strategic objectives of Peace Recovery and Development Programme (PRDP) launched by the Government in October 2007. In addition, NUREP will facilitate greatly the planning and implementation of the new EC-funded programmes envisaged under the coming 10<sup>th</sup> EDF (assuming simplified procedures). With a view to compensating for the time lost in the mobilisation stages, but also potentially in adapting the implementation mode making it more suitable for an LLRD environment, the Delegation and the NAO are planning to request an appropriate rider to the relevant Financing Agreement during the 1<sup>st</sup> half of 2008.

#### **12. Pr 9 UG 17 – Human Rights and Good Governance Programme**

This €7 million programme aims at contributing towards sustainable development centred on human security and good governance, as well as at strengthening rule of law and enhancing participation by citizens in matters pertaining to human rights and good governance. The programme has provided electoral support for the 2006 national elections. Following some delays in procuring the required Programme Management expertise, the programme is now in full implementation. With a view to compensating for the time lost in the mobilisation phase, it is planned to request, during the 1<sup>st</sup> half of 2008, an appropriate revision of the relevant Financing Agreement.

#### **13. Pr 9 UG 18 – Strengthening of the Northern Corridor Route**

This €19 million funding is to supplement the amount allocated to the Project 8 UG 31 described above.

#### **14. Pr 9 UG 19 – Mid Western Towns water Supply**

This €0.6 million funding is to supplement to amount allocated to the project 7 UG 89 described above.

#### **15. Pr 9 UG 21 – Mid Western Water Supply**

This €2.9 million project was the result of the transfer of the funds from a 6<sup>th</sup> EDF project that was supplementing the funding of Project 7 UG 89 described above. The transfer was effected due to the closure of the 6<sup>th</sup> EDF.

#### **16. Pr 9 UG 22 – Farming Systems Support**

This project line was created due to the pending refund of ineligible expenditure that had been incurred under an old 6<sup>th</sup> EDF project. The relevant amount was to be recovered by the Commission through the offset operation mentioned in Project 9 UG 14 above.

#### **17. Pr 9 UG 23 – Backlog Roads Maintenance Programme**

The Financing Agreement for this €15 million programme was concluded in 2007. It aims at assisting the Government in reducing the substantial maintenance backlog created by years of reduced allocations. By the end of the year under review, the procurement of the required consultancy services was advanced, and tenders for the envisaged works had been launched. It is expected that physical works would commence in the second quarter of 2008. Complementarity with the main EDF interventions in the road sector would be pursued as much as feasible. Due to the nature of these works, i.e. deterioration worsening with the passage of time, as well as due to serious price escalations due to the volatile world market of fuel and bitumen and the crisis in Kenya, it is possible that an

appropriate amendment of the relevant Financing Agreement could be sought during 2008.

#### **18. Pr 9 UG 25 – Kampala Northern Bypass Road**

This €5 million funding is to supplement the amount allocated to the Project 8 UG 40 described above.

#### **19. Pr 9 UG 47 – TCF II**

This €3 million programme has been designed to cater mainly for the needs in technical assistance and consultancies required for the preparation of the activities envisaged under the coming 10<sup>th</sup> EDF. Since the TCF programme under the 10<sup>th</sup> EDF would only be operational by mid-2009, and due to increased demand for funding of diverse activities, the Delegation and the NAO are consulting with a view to identifying resources, under STABEX, that could be used for a new TCF.

### **D. Regional projects**

**Regional Programme to Support Agricultural Research in Eastern Africa (8 ROR 14 - ASARECA):** The Rider to extend the duration of the programme to 2010 and also change the implementation modality of the programme has been signed in September. Negotiations to set up a multi-donor Trust Fund administered by the World Bank are being completed and the Trust Fund Agreement is expected to be signed in the first half of 2008. The CGS Grant and the General Grant have come to an end and the closure audits are being finalised. The current Programme Estimate has been extended and a rider to the TA contract has been endorsed to allow for the continuation of the contract up to March 2009.

**Implementation of the Fisheries Management Plan (IFMP) for Lake Victoria (€ 29.9m of which € 23.8m is already committed).**

The project's objective is to contribute to sustainable economic growth, resource use and development in the Lake Victoria basin by assisting Uganda, Kenya and Tanzania to implement a Fisheries Management Plan in line with the LVFO strategic vision (1999 – 2015). Good progress was achieved in 2007 on concluding some main procurement contracts, i.e. the construction contract for the LVFO headquarters, the supply contract for the two research vessels, and engineering services for the landing sites in Kenya. Also, important scientific work on fish stocks, as well as law enforcement activities to impound illegal fishing, were carried out, and the HIV/AIDS Strategy and Action Plan was approved by the Council of Ministers.

**Pan African Programme for the Control of Epizootic (PACE):** Initial support was € 4.2 million 09/2000 – 10/2004. Present support 1/2005 – 12/2008, under STABEX, is € 1.38 million.

PACE was developed to reinforce animal disease control capacity and animal health care delivery as well as to safeguard animal health in the country against major diseases. Main activities during 2007 comprised:

- Collecting more than 3000 serum samples as part of the on-going regional rinderpest surveillance programme though results were negative. An additional 480 samples were collected from goats and sheep to test for Peste de Petit Ruminants (PPR) that confirmed its existence in the Northern Eastern Uganda.
- Support to surveillance for foot and mouth disease was provided and the outbreak was confirmed in the Queen Elizabeth National Park in western Uganda due to illegal settlement of pastoralists in that area.



- Support for the provision of vaccines for various major livestock disease outbreaks of Contagious Bovine Pleuro Pneumonia (CBPP) and Foot and Mouth Disease (FMD) to high risk district areas.
- Supporting animal disease reporting from the districts and mapping of major livestock routes.
- Support to the National diagnostic laboratory in Entebbe with various test kits, equipment and consumables, and staff training.
- Support the provision of loans to 32 private practices in order to improve delivery of veterinary services
- The €13 mio National Plan for Action for the Preparedness and Response to Avian and Human Influenza was approved by the World Bank, FAO, OIE and WHO and a request for provision of funds was sent tout to various donors.

**Farming in Tsetse Controlled Areas (FITCA):** Initial support €3.2m under 7<sup>th</sup> EDF (regional) and € 1.6m (national). Present €1.4m support under STABEX (1/2005–12/2008).

The overall objective is to contribute to improved human health and livestock productivity by having a sustainable approach to tsetse flies and sleeping sickness control.

The Ugandan component of FITCA is being implemented by MAAIF (in collaboration with MoH) and covers 12 districts in the south eastern region. Its emphasis is on determining the extent of tsetse, and sleeping sickness establishing integrated control measures; introducing appropriate agricultural practices; and strengthening sustainable control of tsetse and trypanosomiasis. Main activities during 2007 comprised of:

Tsetse flies and nagana incidence surveys were carried and results indicated an average reduction in incidences of the disease and flies of more than 80%.

- Continued tsetse control through distribution of more than 5,000 tsetse fly traps and treating of more than 2800 heads of cattle with Samorin insecticide.
- The project in collaboration with Send-A-Cow-Uganda (SCAU) continued monitoring the protected zero-grazing units that now comprise of more than 200 cross bred cows in protected zero grazing units; monitored the established FAO-type farmer field schools as part of an improved extension service package in the project area; and continued introducing appropriate farming practices, in addition to carrying out capacity building.

### **STABEX funds overview**

The total amount allocated to Uganda, including interest, amounted to about € 218.5 million by the end of 2007. Whereas virtually all this amount was allocated to channeling Agreements, STABEX Counterpart funds were also generated from two operations in 1990 and 1992. Their dispersal in various local accounts, in UGX, as well as the fact that in a main account with the Bank of Uganda the counterpart funds were mixed with those provided to Uganda under the EDF General Budget Support Scheme, made it extremely difficult to manage them efficiently.

With a view to determining the amount of counterpart funds still available for new Channeling Agreements, a joint effort was undertaken by the Delegation and the NAO's office with assistance by auditors. The identification of these funds and their consolidation in a single account was the goal of this exercise. It was intended to complete this complex exercise by the end of the first quarter of 2008.

At the same time, consultations between the Delegation and the NAO's office were also held with a view to the judicious distribution of the available funds. It was agreed that priority would be given to consolidating progress made under on-going STABEX funded

operations, and to complement EDF –funded activities. Also it is agreed to allocate funds towards the effective preparation of 10<sup>th</sup> EDF actions.

The requirement to have all STABEX funds contracted by end-2008 necessitates prompt agreement on the specific allocations, so that the relevant Riders to Channeling Agreements, and the envisaged new Channeling Agreements could be concluded by mid-2008.

## E. ECHO

As of 1<sup>st</sup> January 2007 the Directorate General Humanitarian Aid (ECHO) took over the Commission's responsibilities for food aid. In Uganda two grants to WFP were issued under two separate funding decisions to support food aid operations in support of IDPs, returning IDPs and nutritional interventions as well as some limited Food for Work activities. ECHO introduced a strict earmarking on food aid to ensure that costly food resources are primarily used life-saving and relief interventions.

The eastern region of Teso was hit by severe flooding in the latter part of the year and ECHO responded with a EUR 3.0 M decision for emergency relief and food security interventions. Physical access was severely impeded as a consequence of the flooding and ECHO decided to support air operations in Uganda for a limited period of two months to ensure that relief assistance would reach the ones in most need and most difficult to reach.

The backbone ECHO's activities in Uganda of providing assistance to IDPs in northern Uganda affected by the LRA insurgency continued in 2007, with increased focus and resource allocations to supporting return and social rehabilitation in return areas.

The Regional Drought Preparedness (RDP) programme continued in 2007 and towards the end of the year, after an external evaluation, it was decided to embark on a phase II of the programme with additional resources and a two-year timeframe. This phase II of the RDP will come on stream in 2008 with additional resources allocated to Uganda.

The following financing decisions were taken in respect of Uganda in 2007:

| Decision                | Amount (EUR)      | Grants Awarded   | Main Sectors Covered   |
|-------------------------|-------------------|--|--|
| ECHO/UGA/BUD/2007/0100  | 13,000,000        | MedAir, NRC, Goal, FAO, OCHA, World Vision, IRC, AVSI, Concern, ACF, UNICEF, Oxfam, COOPI, Danish Red Cross, ICRC, Caritas/CRS | Health, nutrition, water, sanitation, hygiene, NFIs, HIV/AIDS, food security, protection, child protection, co-ordination. |
| ECHO/-FA/BUD/2007/0100* | 5,000,000         | WFP  | Food Aid   |
| ECHO/-FA/BUD/2007/0200* | 3,000,000         | WFP  | Food Aid   |
| ECHO/UGA/BUD/2007/0200  | 3,000,000         | IFRC, ASB, WFP, FAP  | Water, sanitation, hygiene, health, NFIs, food security, air operations  |
| <b>Total</b>            | <b>24,000,000</b> |  |  |

\* Global decision with individual grants for Uganda.

ECHO's humanitarian funding and priorities for northern Uganda in 2007 were adjusted to the prevailing improved security situation with the ongoing Juba peace talks. ECHO focussed on operations and maintenance of services in existing IDP camps, while at the same time significantly increasing resources for food security (up from 15% in 2006 to 21% in 2007 of total Global Plan funding); rehabilitation of water and sanitation

infrastructure combined with reactivation of health services in return areas. Overall, more than 50% of resources under the Global Plan 2007 were targeted toward return areas.

The 'Cluster approach' in Uganda gained momentum in 2007. The main humanitarian donors, namely DFID, USAID and ECHO increasingly co-ordinated donor response and inputs through an informal Humanitarian Technical Donors group.

ECHO continued to collect data on achievements directly attributed to ECHO funding on a half-yearly basis in 2007. The achievements are presented in a two-page table form and provide a succinct overview of tangible results achieved over the course of the year.

LRRD (especially in the LRA-affected areas) has continued to gain momentum in Uganda. In 2007, DG ECHO has further reinforced its LRRD strategy with the different concerned Commission services as well as DG ECHO's implementing partners. Exit strategies by DG ECHO partners' have been implemented since 2006, where collaboration with local and sub-county authorities has been continuously strengthened. EC Delegation is also focusing its attention on LRRD and favourably contributing to the LRRD process through several funding instruments like NUREP, the Water Facility, and the 10<sup>th</sup> EDF planning.

## **F. EIB projects**

In 2007 the EIB completed the project appraisal and negotiated a USD 136 m (EUR 92 m) loan for the Bujagali Hydroelectric Project. This project consists of a dam and 250 MW hydropower station at Bujagali on the upper Nile, some 10 km from the outflow of Lake Victoria. It is expected to double Uganda's electricity generation by 2011. Addressing the rising yet unmet demand for electricity is of major interest Uganda's economic and social development. Bujagali is also a prime example of a tailored partnership between the State and private investors to maximise benefits on both sides. The private investors were selected upon international competitive bidding. They will benefit from returns based on performance, once the dam and hydropower station are fully built and operating efficiently. They raised the significant loan finance – some USD 675 m of a total project cost estimated at USD 850 m – which otherwise would have negatively affected Uganda's capacity to borrow funds for other priority development areas. In turn the State will absorb key risks such as volatile electricity demand and water flow which would make power generation too expensive if all risks were privately borne.

The European Union and EIB have both prioritised support to renewable energies in Africa. Hydropower is a key renewable energy source and the financing of Bujagali contributed to the Bank's strong performance in this area in 2007. During the contract negotiations the EIB and other lenders placed a particular emphasis on the Government of Uganda's efforts to preserve the natural habitat downstream of Bujagali and regulate the Lake Victoria water level in line with international agreements. A national power sector development programme is in place, supported by the World Bank, which ensures that power from Bujagali will be used efficiently. Other financiers of the project include International Finance Corporation (IFC), African Development Bank (AfDB), a group of European finance institutions comprising Proparco, Agence Française de Développement (AFD), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO), Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and Kreditanstalt für Wiederaufbau (KfW). The involvement of the EIB and the other development financiers helped to build confidence, as demonstrated by the participation of two commercial banks. The EIB's loan is among those with the longest tenor and its repayment profile helps level out the project's cash flow requirements, which contributes to the financial stability of the Ugandan power sector.

Also in 2007, the Bank concluded loan agreements with four commercial banks under a new global line of credit for financing private enterprises, the “Private Enterprise Finance Facility” (PEFF). EIB since the mid 1990s has been a major provider of long-term funds to Ugandan banks by way of global loans channelled through Government and the central bank (the Apex global loans). PEFF now marks the debut of direct lending to the intermediaries. This EUR 30 m envelope from the Investment Facility is to finance small and medium sized transactions of a tenor usually between 5 and 10 years. Funds are available in Shillings, EUR and USD. They can be allocated for investment loans, leasing transactions or loans granted to microfinance institutions. The allocation process has started in late 2007. More intermediary banks are likely to be accredited in the course of 2008.

Future financing support in Uganda is being considered by EIB in the area of commercial forestry and microfinance. In accordance with its financing mandate under the Cotonou Agreement the Bank will further explore possibilities to assist the financial sector in providing finance to private businesses, as well as opportunities to support the development of public infrastructure of vital interest to the economy.

### **G. Use of general budget support**

Overall macro-economic management remained broadly satisfactory during the year under review as described in chapter 2.2. Updates on the social situation have been described in more detail under chapter 2.3. Outcome indicators, such as those used in the social and PFM sectors for variable tranche disbursements, while broadly positive, point to the need to accelerate progress in government service delivery (e.g. education completion rate).

Donors active in the macroeconomic support area (WB, UK, ADB, EC, Ireland, Netherlands, Norway, Sweden) are coordinating activities. They have progressed towards the establishment of a joint budget support operation to be based on a joint assessment framework to be implemented in conjunction with annual review of policies with a view to underline further the focus on the outcomes of Government policies supported by budget support operations.

The third fixed and the second variable tranches for the PABS V programme (€92.0 million) were released in December 2006. Disbursement for the variable tranche performed at 68% on account of failure to reach indicator targets in the areas of domestic arrears, education completion rate, primary health centres staffing or the lack of appropriate monitoring information on literacy/numeracy rates and Secondary education enrollements.

### **H. Budget lines**

#### **NGO Co-financing**

Under the **NGO co-financing budget line**, 11 old projects were closed and three more are ready for closure. No new projects were approved for 2007. Implementation of on-going projects is on track. Of all 7 on-going projects, 3 are entering their final year. The others are at various stages of implementation. Their work charge will be considerably lighter than the previous years, and will allow to devote more time to the implementation of the new thematic programme.

Uganda received €2 million under the Non State Actors and Local Authorities budget line, and local calls for proposals will be launched in February 2008.

#### **EIDHR**

5 Microprojects in the Rwenzori region, which had been contracted in 2006, are being implemented according to plan, with the exception of RWIDE Project which experienced delays in the construction of houses for the Batwa community due to bad weather. A no cost three months extension was granted. In 2007, another local call for proposal worth EUR 152,500 was launched. Information sessions were held in three districts. The evaluation was finalised and four contracts were signed.

5 other projects started in January 2007. The Death Penalty project started in June 2007. Activities are implemented according to set targets and schedule. The Legal Aid Project (LAP) was closed.

## **SANTE**

There are three on-going projects, and one other (IRC) in the closing phase. The AVSI project “Increased access and coverage of essential HIV/AIDS services” is entering its final year. The regional “INTERACT” project (Uganda and Rwanda) is slightly behind schedule due to procurement difficulties. The recently contracted CUAMM project has just started.

### **Mine Action Budget line**

The two projects (AVSI and World Vision) started in January 2007. Their activities are implemented according to plan. Trainings and sensitizations were conducted; a radio program on Landmine Awareness began in Pader District. 10 new survivor groups were formed and training in tailoring and carpentry are on-going and. Child-specific IEC were designed in consultation with the target children.

### **Press & information and cultural field**

The Delegation received €15,000 for the **Local Information Project 2007** for the production of a booklet on the 30 years of EC/Uganda cooperation. The booklet is being prepared after data collection was finalised. The EC Delegation also used €50,000 from the **Technical Cooperation Facility (TCF)** for the organisation of the EU-Uganda Cultural village 2007.

**Strengthening and Empowering Civil Society for Participatory Forest Management in East Africa (EMPAFORM) – Environment Budget line** A general overview of the programme shows that the activities in the three East African Countries are progressing well, taking into consideration the recommendations made by the Medium Term Review team. A number of collaborative forest management agreements have been signed. However, sharing of benefits from the forests seems to be a burning issue which is being discussed at national level. The programme has started working on the exit strategy since it has less than 18 months to end.

**Food Security/Food Aid (Budget Line):** Following the signature of a contribution agreement with FAO, the first advance payment was processed. FAO has signed agreements with implementing partners, who have recruited staff associated with the project. Sensitisation meetings have been carried out at district and sub-county level. 7 sub-counties have been selected based on returnee information and agreement with the districts. Appropriate training is planned. Final selection of distributors and stockists and signing of Memoranda of Understanding will be completed in January 2008. The public works sensitisation is ongoing as is training of field supervisors. FAO has procured improved vegetable and crop seeds for delivery to distributors and procurement of tools are ongoing. The public works supervisors will continue to work at the sub-county and parish level throughout January and early February in selection and commencement of public works projects, in line with community selection and sub-county development plans. The first Consultative meeting between all implementing partners has taken place. The Public Works implementing partners are in discussions with the district and sub-county engineers and production officers on the public works projects.

**Water Facility:** The implementation of two grant agreements under the **1<sup>st</sup> Call for Proposals of the Water Facility** is ongoing. The FA of the third successful proposal was signed in November 2007 and the first EC contribution to the programme is due in early 2008. Under the **2<sup>nd</sup> Call for Proposals of the Water Facility**, two grant agreements and one contribution agreement were signed in September and October 2007. Two FAs were signed by the EC in December 2007 and are due for signature by GoU early 2008. The FA for the Water Facility-funded South Western Towns Water and Sanitation Project provides the release of the EC contribution to a Joint Partnership Fund, which however is not under the responsibility of the Delegation. Such releases are to start in early 2008.

**Energy Facility:** The implementation of the grant contract under the **1<sup>st</sup> Call for Proposals of the Energy Facility** is due to commence early 2008. The EC signed the contract in November 2007 and the successful applicant is due to countersign early 2008. Implementation is due to commence shortly afterwards

The annexed table provides an overview of BL interventions in Uganda.

**Annex: Forecast Payments** (see attached Excel sheet)



| YEAR of GLOB. Commit.                          | ACCOUNTING NUMBER of GLOBAL commit. | 0<br>N° INDIV COMMIT. | TITLE GLOBAL COMMITMENT                                       | END date of implementat* | SITUATION END 2007            |                                    |             | FORECASTS on PAYMENTS 1st SEM 2008 |            |            |         | FORECASTS on PAYMENTS 2nd SEM 2008 |            |           |        | FORECAST PAYMENTS 1st SEM 2009 |            |           |        | FORECAST PAYMENTS 2nd SEM 2009 |  |           |        | A<br>L<br>A<br>R<br>M | COMMENTS                   |
|--|-------------------------------------|-----------------------|---|--------------------------|-------------------------------|------------------------------------|-------------|------------------------------------|------------|------------|---------|------------------------------------|------------|-----------|--------|--------------------------------|------------|-----------|--------|--------------------------------|--|-----------|--------|-----------------------|----------------------------|
|  |                                     |                       |   |                          | GLOBAL COMMIT.                | INDIV. COMMIT                      | RAC         | ESTIMATION of RISK FACTOR          |            |            |         | ESTIMATION of RISK FACTOR          |            |           |        | ESTIMATION of RISK FACTOR      |            |           |        | ESTIMATION of RISK FACTOR      |  |           |        |                       |                            |
|  |                                     |                       |   |                          | AMOUNT ONGOING INDIV. COMMIT. | PAYMENTS ON ONGOING INDIV. COMMIT. | RAP         | 1 <sup>st</sup> SEMESTER           | Low L      | Medium M   | High H  | 2 <sup>nd</sup> SEMESTER           | Low L      | Medium M  | High H | 1 <sup>st</sup> SEMESTER       | Low L      | Medium M  | High H | 2 <sup>nd</sup> SEMESTER       | Low L  | Medium M  | High H |                       |                            |
| <b>TOTAL ON ONGOING GLOBAL COMMITMENTS</b>     |                                     |                       |   |                          | 621.489.078                   | 569.105.941                        | 52.383.137  |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        |                       |                            |
| <b>TOTAL ON ONGOING INDIVIDUAL COMMITMENTS</b> |                                     |                       |   |                          | 330.023.299                   | 167.907.746                        | 162.115.554 | 60.498.206                         | 47.678.355 | 12.534.309 | 285.542 | 30.684.231                         | 22.269.832 | 8.414.399 | 0      | 19.798.724                     | 15.087.524 | 4.711.200 | 0      | 13.274.473                     | 8.374.073                                    | 4.900.400 | 0      |                       |                            |
| 1994   | 7ACP UG16                           | 0                     | UGANDA HEALTH PROGRAMME                                       | 2002123                  | 23.405.000                    | 23.401.661                         | 3.339       |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 71                    | WP/ICE AUGUST 77/JULY 98                                      | 19980701                 | 26.204                        | 26.203                             | 1           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 76                    | BUDGET 1998   | 19981208                 | 229.374                       | 229.374                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 101                   | WP AND BUDGET JULY 1998- JUNE 1999                            | 19990630                 | 36.700                        | 36.687                             | 13          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 125                   | WORKPLAN 2000   | 20010112                 | 1.658.100                     | 1.657.816                          | 284         |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 131                   | FOURTH YEAR WP 2000/2001 NEBBI DISTRICT                       | 20010630                 | 241.700                       | 241.681                            | 19          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        |                                |  |           |        | OK                    |                            |
| 1994   | 7ACP UG16                           | 132                   | WP 2000-2001 ARUA DISTRICT                                    | 20010814                 | 272.850                       | 272.839                            | 11          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1994   | 7ACP UG16                           | 133                   | WP 2000-2001 MOYO DISTRICT                                    | 20010808                 | 218.350                       | 218.309                            | 41          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1994   | 7ACP UG16                           | 134                   | WP 2000-2001 ADJUMANI DISTRICT                                | 20010814                 | 275.800                       | 275.776                            | 24          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1994   | 7ACP UG16                           | 136                   | SECOND YEAR WP MAY 2002-DECEMBER 2002                         | 20021231                 | 333.000                       | 332.662                            | 338         |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1995   | 7ACP UG48                           | 0                     | PAN AFRICAN RINDERPEST CAMPAIGN. IBAR.                        | 19991231                 | 605.794                       | 604.116                            | 1.678       |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1995   | 7ACP UG48                           | 6                     | WORK PROGRAMME  | 20000119                 | 74.222                        | 74.222                             | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1995   | 7ACP UG51                           | 0                     | Second structural adjustment programme (sasp2) (+7UG54)       |                          | 22.500.000                    | 22.496.684                         | 3.316       |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1995   | 7ACP UG51                           | 3                     | SASP II (+ 7 UG 54); UGANDA BUREAU OF STATISTICS; UGX 486.10  | 20031130                 | 230.000                       | 218.590                            | 11.410      |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1995   | 7ACP UG54                           | 0                     | Second structural adjustment programme (sasp2) (+7UG51)       |                          | 7.050.000                     | 7.050.000                          | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1995   | 7ACP UG54                           | 2                     | SASP II (+7 UG 51); UGANDA BUREAU OF STATISTICS; UGX 100.855  | 20031130                 | 50.000                        | 27.607                             | 22.393      |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1996   | 7ACP UG65                           | 0                     | 4TH MICROPROJECTS PROGRAMME FOR THE KARAMOJA REGION (MPPK)    | 20020731                 | 1.918.607                     | 1.918.607                          | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1996   | 7ACP UG65                           | 5                     | WP 01012002-31072002  | 20020831                 | 467.939                       | 467.939                            | 0           | 0                                  | 0          | 0          | 0       | 0                                  | 0          | 0         | 0      | 0                              | 0          | 0         | 0      | 0                              | 0  | 0         | 0      | OK                    | OLAF investigation ongoing |
| 2000   | 7ACP UG89                           | 0                     | MID WESTERN TOWNS WATER SUPPLY +8 UG 23                       | 20070831                 | 8.282.111                     | 8.281.764                          | 347         |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 2000   | 7ACP UG89                           | 7                     | DOTT SERVICES LTD - REHAB & EXT OF HOIMA WATER SUPPLY SYSTEM  | 20070201                 | 3.042.000                     | 2.866.067                          | 175.933     | 175.933                            | 175.933    |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 2000   | 7ACP UG89                           | 9                     | DHV WATER - SERVICE CONTRACT                                  | 20070831                 | 910.000                       | 802.246                            | 107.754     | 107.754                            | 107.754    |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 2000   | 7ACP UG89                           | 10                    | EXTRA WORKS ON HOIMA TOWN SEWERAGE SYSTEM SEE 9 ACP UG 214    | 20070709                 | 108.000                       | 0                                  | 108.000     | 108.000                            | 108.000    |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 0                     | IMPROVING SEXUAL AND REPRODUCTIVE HEALTH IN UGANDA            | 20051231                 | 5.502.859                     | 5.502.859                          | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 1                     | START UP WORK PLAN_ POPSEC (PCU)                              | 20010404                 | 47.305                        | 47.305                             | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 3                     | 01012001-31122001 WP; POPSEC & PEARL                          | 20021231                 | 1.005.045                     | 1.005.045                          | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 5                     | AIDS INFORMATION CENTRE                                       | 20021231                 | 384.684                       | 384.684                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 10                    | WP/ICE NO 2 FROM 01/04 TO 31/12/03 AIC; UGX 480.584.633.00.   | 20031231                 | 133.600                       | 133.513                            | 87          |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 15                    | WP/ICE NO 2 FROM 01/04 TO 31/12/03 PEARL/MOGLSD; UGX 256.676. | 20031231                 | 4.590                         | 4.590                              | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | to be closed                                 |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 17                    | PEARL MINISTRY OF GENDER WP 2004                              | 20050430                 | 233.292                       | 233.292                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 18                    | POPSEC [PMU] 1 MAY 04 - 30 APR 2005                           | 20050430                 | 82.527                        | 82.527                             | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 1999   | 8ACP UG5                            | 20                    | GRANT AGREEMENT MAY '04 - APR'05 AIDS INFORMATION CENTRE      | 20050430                 | 342.268                       | 342.268                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | decommit and close at RO final visa (offset) |           |        |                       |                            |
| 2000   | 8ACP UG9                            | 0                     | SUPPORT TO UNIVERSAL PRIMARY EDUCATION                        | 20050630                 | 30.709.221                    | 30.709.221                         | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |
| 2000   | 8ACP UG9                            | 3                     | WP 01082001-31082002  | 20020819                 | 382.904                       | 382.904                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | to be closed                                 |           |        |                       |                            |
| 2000   | 8ACP UG9                            | 4                     | WP 01/02 JANUARY 2002 - JUNE 2003                             | 20030813                 | 326.317                       | 326.317                            | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             | to be closed                                 |           |        |                       |                            |
| 2000   | 8ACP UG21                           | 0                     | STABEX 99 COFFEE -RAW OR ROASTED                              | 20001231                 | 26.602.089                    | 26.602.089                         | 0           |                                    |            |            |         |                                    |            |           |        |                                |            |           |        | OK                             |  |           |        |                       |                            |









|      |           |    |  |          |            |            |            |            |            |           |   |           |           |           |   |           |           |           |       |            |           |           |              |  |
|------|-----------|----|--|----------|------------|------------|------------|------------|------------|-----------|---|-----------|-----------|-----------|---|-----------|-----------|-----------|-------|------------|-----------|-----------|--------------|--|
| 2004 | 9ACP UG6  | 58 | WATCH THE EAST MEDIA GROUP/TA IN PRODUCING A DOCUMENTARY OF JASPER-SEMU ASS. -AUDIT OF UGSDP 8 ACP UG 3777 | 20070630 | 4.998      | 0          | 4.998      | 0          | 0          | 0         | 0 | 0         | 0         | 0         | 0 | 0         | 0         | 0         | 0     | 0          | 0         | OK        |              |  |
| 2004 | 9ACP UG6  | 59 | SIMON OSBORNE ERIS/CONSULTANCY TO ORGANISE A CONSULTATIVE WO   | 20070930 | 7.165      | 0          | 7.165      |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG6  | 60 | JASPER - SEMU ASS - AUDIT OF NFA - PIE 5   | 20070621 | 5.000      | 0          | 5.000      | 5.000      | 0          | 5.000     | 0 | 0         | 0         | 0         | 0 | 0         | 0         | 0         | 0     | 0          | 0         | OK        |              |  |
| 2004 | 9ACP UG6  | 61 | ERNST&YOUNG - AUDIT OF RAMSAR COP9   | 20070930 | 15.240     | 0          | 15.240     |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG6  | 62 | JASPER - SEMU & ASS. - AUDIT OF SPGS JUL'05 - SEP'06   | 20070930 | 4.630      | 0          | 4.630      |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG6  | 63 | UPDATE OF STARMAIL - REINT BAKEMA  | 20070725 | 14.065     | 0          | 14.065     |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG6  | 65 | HITSPE/STUDY FOT IDENTIFICATION OF AGRICULTURAL LIVELIHOOD RE  | 20070714 | 5.000      | 0          | 5.000      |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        | to be closed |  |
| 2004 | 9ACP UG6  | 66 | STUDY ON ROAD MAINTENANCE AND CONSTRUCTION COST TECHNICAL ASSISTANCE TO THE ROAD AGENCY FORMATION UNIT     | 20070714 | 198.480    | 119.088    | 79.392     | 53.672     | 53.672     | 0         | 0 | 3.989     | 3.989     | 0         | 0 | 0         | 0         | 0         | 0     | 0          | 0         | OK        |              |  |
| 2003 | 9ACP UG8  | 0  | WSP INT.MANAGEMENT CONSULT.LTD - TA TO RAFU KAMPALA NISSAN-SUPPLY OF VEHICLES FOR TECHNICAL TEAM TO RAFU   | 20061231 | 199.000    | 183.228    | 15.772     |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        | to be closed |  |
| 2004 | 9ACP UG9  | 0  | MFI OFFICE SOLUTIONS - SUPPLY OF COMPUTER EQUIPMENT  | 20121231 | 2.999.500  | 1.936.935  | 1.062.565  |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG9  | 1  | RECONSTRUCTION OF PRIORITY SECTIONS IN THE KAMPALA-MBARARA   | 20080131 | 1.824.200  | 1.050.667  | 773.533    | 400.000    | 400.000    |           |   | 373.533   | 373.533   |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG9  | 2  | RECONSTRUCTION OF MASAKA- MBARARA AND MASAKA - KYOTERARROADS SECTOR BUDGET SUPPORT                         | 20051025 | 63.655     | 63.655     | 0          |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        | to be closed |  |
| 2004 | 9ACP UG9  | 3  | PROGRAMME MODERNISATION AGRICULTURE  | 20060309 | 9.100      | 7.429      | 1.671      |            |            |           |   |           |           |           |   |           |           |           | 1.671 | 1.671      |           | OK        |              |  |
| 2005 | 9ACP UG10 | 0  | 2ND TRANCHE - SECTOR BUDGET SUPPORT TO PMA   | 20150630 | 87.000.000 | 79.014.151 | 7.985.849  |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG10 | 1  | 3RD TRANCHE - SECTOR BUDGET SUPPORT TO PMA   | 20101130 | 79.014.151 | 0          | 79.014.151 | 26.000.000 | 25.000.000 | 1.000.000 |   | 5.000.000 | 3.000.000 | 2.000.000 |   | 9.000.000 | 7.000.000 | 2.000.000 |       | 12.000.000 | 8.000.000 | 4.000.000 | OK           |  |
| 2004 | 9ACP UG12 | 0  | 5TH POVERTY ALLEVIATION BUDGET SUPPORT (PABS V)  | 20091231 | 17.500.000 | 17.500.000 | 0          |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2004 | 9ACP UG12 | 2  | DISBURSEMENT OF 3RD FIXED TRANCHE  | 20070630 | 6.650.000  | 6.650.000  | 0          |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        | to be closed |  |
| 2004 | 9ACP UG12 | 3  | DISBURSEMENT OF 2ND VARIABLE TRANCHE   | 20071230 | 5.160.000  | 0          | 5.160.000  | 5.160.000  | 5.160.000  |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 0  | CROWN AGENTS- TECHNICAL ASSISTANCE TO THE PUBLIC   | 20121231 | 88.045.000 | 86.337.480 | 1.707.520  |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 4  | TECHNICAL ASSISTANCE TO PPDA -START UP PROGRAMME ESTIMATE  | 20081231 | 14.250.000 | 14.250.000 | 0          |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        | to be closed |  |
| 2005 | 9ACP UG14 | 5  | UGANDA BUREAU OF STATISTICS - START UP PROGRAMME ESTIMATE  | 20081231 | 21.750.000 | 14.829.545 | 6.920.455  |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 7  | LANDRELL MILLS - TA TO GOV'T   | 20080911 | 187.000    | 79.920     | 107.080    | 107.080    | 107.080    | 0         | 0 |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 8  | PLANNING MONITORING & EVALUATION   | 20070315 | 74.926     | 74.529     | 397        |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 9  | UGANDA BUREAU OF STATISTICS/PROGRAMME ESTIMATE N 2   | 20070315 | 60.500     | 59.720     | 780        |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 10 | EU TA TO PPDA/PROGRAMME ESTIMATE 2 15.06.2007-14.06.2008   | 20100731 | 1.291.900  | 258.380    | 1.033.520  | 300.000    | 200.000    | 100.000   | 0 | 300.000   | 200.000   | 100.000   | 0 |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 11 | IBM - FOR THE IDENTIFICATION STUDY EPA RELATED SUPPORT -10TH   | 20080409 | 737.000    | 347.108    | 389.892    | 389.892    | 389.892    | 0         | 0 |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 12 | SUPPORT TO DECENTRALISATION PROGRAMME  | 20080614 | 716.000    | 331.645    | 384.355    | 384.355    | 384.355    | 0         | 0 |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG14 | 13 | PROGRAM ESTIMATE FOR PERIOD 15TH JULY 2006 TO 15TH AUGUST 07   | 20080125 | 64.860     | 0          | 64.860     | 62.000     | 2.000      | 60.000    | 0 |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG15 | 0  | ETC EAST AFRICA LTD - PROVISION OF TECHNICAL ASSISTANCE TO   | 20111231 | 10.000.000 | 4.972.410  | 5.027.590  |            |            |           |   |           |           |           |   |           |           |           |       |            |           | OK        |              |  |
| 2005 | 9ACP UG15 | 1  |  |          | 903.000    | 342.633    | 560.367    | 0          | 0          | 0         | 0 | 0         | 0         | 0         | 0 | 0         | 0         | 0         | 0     | 0          | 0         | OK        |              |  |
| 2005 | 9ACP UG15 | 2  |  | 20090930 | 561.410    | 155.924    | 405.486    | 80.000     | 80.000     | 0         | 0 | 80.000    | 80.000    | 0         | 0 | 80.000    | 80.000    | 0         | 0     | 80.000     | 80.000    | 0         | OK           |  |





**Annex: Indicative timetable for disbursements**

**EDF 9 sectoral breakdown**

**country: Uganda**

| <b>STRATEGY FOR AFRICA</b>                             | <b>EUROPEAN CONSENSUS</b>   | <b>SUB SECTOR AND PART SBS</b>                     | <b>in euro x 1000<br/>total cumulative<br/>commitments<br/>31.12.07</b> |
|--|---|--|---|
|  |   |  |   |
| <b>Human rights and governance</b>                     | <b>governance, human rights and support to economic and institutional reforms</b> | <b>governance</b>                                  | <b>18.950</b>   |
|  |   | <b>economic and institutional reforms</b>          | <b>10.350</b>   |
|  |   | <b>Non State Actors</b>                            | <b>7.900</b>  |
| <b>Peace and security</b>                              | <b>conflict prevention and fragile states</b>                                     | <b>conflict prevention and fragile states</b>      | <b>20.000</b>   |
| <b>Economic growth, regional integration and trade</b> | <b>trade and regional integration</b>   | <b>European Partnership Agreements</b>             |   |
|  |   | <b>regional economic integration</b>               |   |
|  |   | <b>private sector development</b>                  |   |
|  | <b>infrastructure, communication and transport</b>                                | <b>infrastructure, communication and transport</b> | <b>131.600</b>  |

|                              |   |  |               |
|------------------------------|---|--|---------------|
|                              | <b>water and energy</b>   | <b>water</b>   | <b>19.250</b> |
|                              |   | <b>energy</b>  |               |
|                              |   | <b>unspecified (post-floods rehabilitation)</b>                    | <b>5.000</b>  |
| <b>investing in people</b>   | <b>social cohesion and employment</b>   | <b>social cohesion and employment</b>                              |               |
|                              | <b>environment and sustainable management of natural resources</b>            | <b>environment and sustainable management of natural resources</b> |               |
|                              | <b>rural development, territorial planning, agriculture and food security</b> | <b>rural development and territorial planning</b>                  | <b>1.500</b>  |
|                              |   | <b>agriculture</b>   | <b>17.500</b> |
|                              |   | <b>food security</b>   |               |
|                              | <b>human development</b>  | <b>health</b>  |               |
|                              |   | <b>primary education</b>   |               |
| <b>education unspecified</b> |   |  |               |
| <b>other</b>                 | <b>TCF</b>  | <b>TCF</b>   | <b>6.425</b>  |
|                              | <b>support to NAO</b>   | <b>support to NAO</b>  |               |
|                              | <b>unspecified</b>  | <b>unspecified</b>   |               |

|                                      |   |  |                |
|--------------------------------------|---|--|----------------|
| <b>Budget Support</b>                | <b>GBS</b>  | <b>General Budget Support</b>                  | <b>76.125</b>  |
| <b>TOTAL</b>                         | <b>TOTAL</b>  | <b>TOTAL</b>                                   | <b>314.600</b> |
| <b>Level of sector concentration</b> | <b>percentage of 9th EDF commitments covered by largest sectors of concentration plus GBS</b> | <b>largest sector + GBS</b>                    | <b>66%</b>     |
|                                      |   | <b>Two largest sectors + GBS</b>               | <b>78%</b>     |
|                                      |   | <b>Three largest sectors + GBS</b>             | <b>86%</b>     |
|                                      |   | <b>Four largest sectors + GBS</b>              |                |
|                                      |   | <b>Five largest sectors + GBS</b>              |                |
|                                      |   | <b>nr of sectors + GBS to reach 85% of NIP</b> | <b>3</b>       |
|                                      |   | <b>sectors (NSA and GBS excluded)</b>          | <b>5</b>       |

DEV/C1 29/11/07

## Annex: Planned EDF commitments in 2008

The Delegation, in consultation with the NAO, is preparing the first Annual Action Plan under the coming 10<sup>th</sup> EDF National Indicative Programme. This AAP is planned to be submitted to AIDCO/C by mid-2008. It will comprise the following actions:

1. General Budget Support, including assistance for capacity building for EPA. The total amount foreseen is €182 million.
2. Sector Budget Support (Roads), including assistance to institutional reforms in the road sector. The total amount foreseen is €50 million.
3. Agricultural Recovery Programme for Northern Uganda. The amount foreseen is €20 million.
4. Forestry Programme. The relevant amount is €10 million.
5. Karamoja Peace and Development Programme. The foreseen amount is €14.7 million.
6. Support to Democratic Governance. Amount planned: €12 million.
7. Technical Cooperation Facility. Amount foreseen: €4 million.

Consequently, the above planned actions aim at committing (globally) during 2008 the amount of €292.7 million, which would represent about 67% of the total A-envelope amount of the 10<sup>th</sup> EDF NIP.



**Annex: Budget Lines Projects: Overview** (see Excel sheet)

|                     | <b>Budget Support</b>  |                                |
|---------------------|--|--------------------------------|
| Commitments         |  | Notes                          |
|                     | Status   |                                |
|                     |  |                                |
|                     | <b>PRIVATE SECTOR AND TOURISM</b>  |                                |
| <b>SX93/10</b>      | <b>Support to the MTCS Secretariat</b>   | <b>Notes</b>                   |
| SX93/10/01          | Start-up WP: Decommitment and closure in FCS   |                                |
| SX93/10/02          | Long term TA Stephan Duyck: NAO to send request for decommitment and closure + ACOM print out  | Requested since Jan 06         |
| SX93/10/03          | 1st PE: NAO to send request for decommitment and closure + ACOM print out  | Requested since Jan 07         |
| <b>SX99/15</b>      | <b>New Support to the CICS Secretariat</b>   |                                |
| SX99/15/01          | 1st PE: Audit end of PE to be launched mid august  |                                |
| SX99/15/03          | 2nd PE: on-going. Audit to be launched Feb 08  |                                |
| <b>SX99/01</b>      | <b>Old PSFU support</b>  |                                |
| SX99/01/01          | Long term TA Bill Farmer: NAO sent request for decommitment but forgot to mention it is for closure and did not attached ACOM print out  | Requested to NAO several times |
| SX99/01/02          | Grant GEM: Closed  |                                |
| SX99/01/03          | Grant UFEA: Unexpended balance refunded but attempts to get reimbursement of ineligible expenditures failed (8,783 euros)  | Pending since a long time      |
| SX99/01/04          | Start-up WP: Unexpended balance refunded but 39m Ushs ineligible expenditures not yet finalised. NAO wrote to PSFU asking to refund, PSFU conditions for refund (get car and computer) was rejected. | Pending since a long time      |
| SX99/01/05          | Grant UGTL: Unexpended balance not refunded (14,773 euros); same status for budget overrun (7,262 euros)   | Pending since a long time      |
| <b>SX90C/17</b>     | <b>BUDS-EDS</b>  |                                |
| SX90c/17/01         | 1st PE: NAO to send request for decommitment and closure + ACOM print out  | Requested several times to NAO |
| SX90c/17/02         | 2nd PE: Audit revealed the need for further investigation. PE cannot be closed. Waiting for Forensic Audit report.   |                                |
| SX90c/17/03         | 3rd PE: The Forensic Audit also took care of this end of PE audit. Waiting for final report.   |                                |
| SX90c/17/04         | Service contract - Impact Assessment: all payments done. NAO provided ACOM print out but no letter.  |                                |
| SX90c/17/05         | Service contract - Clie n profiling  | <b>Closed</b>                  |
| SX90c/17/06         | Forensic Audit - Moore Stephens  |                                |
| <b>8 ACP UG 037</b> | <b>UGSTDP</b>  |                                |
| Comm 1, 2, 4, 5, 6  | Grants and PEs   | <b>Closed</b>                  |
| Comm 3              | Long term TA TTC: should be closed after sept 07 when contract ends  |                                |
| Comm 7              | PE3: ended Dec 06. FCS is processing the request for Audit through TCF. A decommitment of 148,000 euros is also in FCS. Further decommitment will be done following end of PE audit                  |                                |

|                        |   |               |
|------------------------|---|---------------|
| Comm 8                 | MTR: Closure process can start, no need for audit, all payment done. Decommittment 8,000 euros.   |               |
| Comm 9                 | PE4 (last): on-going since Jan 07, to be audited after Sept 07  |               |
| Comm 10                | Final Evaluation: provider to be selected   |               |
| <b>SXi93/19</b>        | <b>Old support to UWA: Closed</b>   | <b>Closed</b> |
| SXi93/19/01            | Start-up WP: Closed   | <b>Closed</b> |
| SXi93/19/02            | Long term TA Peter Moeller: Closed  | <b>Closed</b> |
| SXi93/19/03            | Long term TA Richard Lamprey: Closed  | <b>Closed</b> |
| SXi93/19/04            | PE2 (last): Closed  | <b>Closed</b> |
| <b>SX99/14</b>         | <b>New support to UWA</b>   |               |
| SX99/14/01             | 1st PE: NAO sent letter and ACOM print out but audit has not yet taken place. Audit to start in July/august 07.                             |               |
| SX99/14/02             | Short term TA Bill Farmer: all payments done. NAO to send letter and ACOM print out.  |               |
| SX99/14/03             | 2nd PE: on-going. Audit to be launched Jan 08   |               |
| SX99/14/04             | Long term TA Bill Farmer  |               |
| <b>9 ACP UG 006/07</b> | <b>MTR PSD and Trade, Serv Contract FWC with IDI: all payments done. No need for audit. NAO to send letter for closure + ACOM print out</b> | <b>Closed</b> |
| <b>7 ACP UG 081/01</b> | <b>Service contract Bannock</b>   | <b>Closed</b> |
|                        |   |               |
| <b>9 ACP UG0 6</b>     | <b>TCF</b>  |               |
| 9 ACP UG0 6/...        | ADE - FINMAP preparation - still one payment  | <b>Closed</b> |
| 9 ACP UG0 6/...        | ECORYS - PEFA Local Government assessment - ready for closure   | <b>Closed</b> |
| 9 ACP UG0 6/...        | Hotel Equatoria - PFM Review workshop - ready for closure   | <b>Closed</b> |
|                        |   |               |
| <b>8 ACP 23</b>        | <b>PABS IV Institutional Support</b>  |               |
| 8 ACP 23/02            | Van Arkadie - ready for closure   | <b>Closed</b> |
| 8 ACP 23/03            | Identification mission - ready for closure  | <b>Closed</b> |
| 7 ACP UG 54 & 52       | UBOS - support to Census:<br>Recovery letter sent on .....  |               |

### Budget Lines - Projects Overview

| Contractor                 | Project title   | Task manager | Project number       | Project status  | Action required   | Decision | Contracted   | Paid         | Balance      |
|----------------------------|---|--------------|----------------------|---|---|----------|--------------|--------------|--------------|
| <b>NGO BUDGET LINE</b>     |   |              |                      |   |   |          |              |              |              |
| Concern Worldwide          | KATAKWI DECENTRALISATION SUPPORT PROJECT  | JH           | ONG/PVD/2003/020-018 | Next interim report expected in August  | NGO is also involved in ECHO funding in neighbouring area of intervention and may be stretched for service delivery. Monitoring has to be done to assess impact of returning refugees in the zone of activities & to see the capacity level of the newly created districts. | 001-092  | 580.000,00   | 420.949,00   | 159.051,00   |
| Care Osterreich            | INCOME SMOOTHING THROUGH AGRICULTURAL MARKETING INTERVENTIONS (ISAMI) UGANDA  | JH           | ONG/PVD?2003/020-053 | Activities ended 31/12/2007. Final report and final payment request received. Waiting for Handover Certificates before making final payment & closing project   | There was a field visit in Dec. 2007 to attend handover ceremony for one of the Store & to meet the field staff on closure preparation.   | 001-092  | 618.726,00   | 404.529,00   | 214.197,00   |
| AVSI                       | Improved preventive and Curative Health Services for Vulnerable population in Acholiland  | JH           | ONG/PVD/2004/064-913 | Activities ended 31/12/2007. Expecting final report and final payment request by end of June.   | All activities have been implemented & were on time. There have been ROM in 2006 & 2007 & no problems are foreseen for this closure.  | 004-562  | 840.545,40   | 756.490,86   | 84.054,54    |
| AMREF                      | SUSTAINABLE HEALTH FOR DISADVANTAGED GROUPS IN SOROTI DISTRICT  | JH           | ONG/PVD/2005/094-705 | First interim report received and second payment made. Second interim report just received.   | Activities are on track & reporting as well..   | 006-239  | 750.000,00   | 396.046,00   | 353.954,00   |
| ADD                        | DISABILITY AND DEVELOPMENT PROGRAMME IN UGANDA  | JH           | ONG/PVD/2005/095-102 | 2nd Interim report long overdue. Reminder already sent to NGO who was already very late for the first interim report. Project ending in Dec. 2008.  | Already NGO showed weak administrative capacity in previous 5-year project.   | 006-239  | 747.730,76   | 433.575,00   | 314.155,76   |
| ACORD                      | COMMUNITY REHABILITATION PROGRAMME IN ACHOLILAND, NORTHERN UGANDA   | JH           | ONG/PVD/205/095-406  | Revised 1st interim report + audit received 28/4/2008. Meeting at the Delegation on 07/05/08 with Pedro Lilliane, ACORD financial manager & Auditors to discuss report. 2nd meeting scheduled 28/05/2008 to resolve outstanding issues & proceed with the payment. Project ending in Dec. 2008. | Progress will have to be monitored once we have received the final revision of the Auditors' report. Activities are ending end of Dec. 2008.  | 006-239  | 750.000,00   | 204.408,00   | 545.592,00   |
| CORDAID                    | STRENGTHENING FARMERS' ASSOCIATIONS FOR POVERTY ERADICATION   | JH           | ONG/PVD/2005/095-805 | Second interim report received & payment completed. The project is ending in Dec. 2008.   | Good improvement showing through the 2nd interim report. Project visit scheduled in June.   | 006-239  | 747.821,00   | 673.039,00   | 74.782,00    |
| SOLIDARIDAD                | Establishing an export market for certified responsible coffee with smallholder producer groups in Uganda   | JH           | ONG/PVD/2005/096-123 | Report & Payment on schedule. Project has been selected by Czech TV Documentary crew under the "Fairtrade theme".   | Project visit will be linked when the ceremony for certification awards will be scheduled.  | 006-239  | 690.370,00   | 281.908,00   | 408.462,00   |
| Marie Stopes International | Securing a stronger future for poor and disadvantaged groups at high risk of mortality and morbidity in 18 districts in Uganda  | JH           | ONG/PVD/2006/119-508 | Rider completed. Meeting in the Delegation on 8/04/07 to discuss issues on the use of service fees.   | Visit of one of the new centers planned end of June.  | 017-215  | 713.765,62   | 252.194,00   | 461.571,62   |
| <b>HEALTH BUDGET LINE</b>  |   |              |                      |   |   |          |              |              |              |
| AVSI                       | Increased Access and Coverage of Essential HIV/AIDS Services- Hoima, Gulu, Kitgum and Pader Districts   | JH           | SANTE/2004/078-646   | 2nd payment was made and activities are on schedule. The project is ending in Dec. 2008.  | Field visit will be made toward the end of the end prior to closure of activities.  | 006-079  | 2.107.834,00 | 1.897.050,00 | 210.784,00   |
| ACADEMISCH MEDISCH CENTRUM | Theme III/ Infectious diseases Network for Treatment and Research in Africa (INTERACT)  | JH           | SANTE/2006/105-316   | International tender for procurement still on going. Waiting for amended financial tables of inception.   | Field visit to assess progress planned in June.   | 017-352  | 4.889.689,00 | 1.096.813,00 | 3.792.876,00 |
| CUAMM                      | Improving Access and Quality of Reproductive Health Services for Oyam District  | JH           | SANTE/2006/127-598   | Tender for vehicle procurement had to be re-launched. Activities are behind schedule because of a slow start for the procurement of vehicles.   | Field visit to be made, combined with ACORD project once we have received extra information.  | 018-034  | 2.015.215,59 | 702.490,63   | 1.312.724,96 |
| IRC                        | Averting Maternal Death and Disability through provision of Emergency Obstetric Care Services to refugees, Internally Displaced Persons (IDPs) and the surrounding host communities in Tanzania Uganda, Southern Sudan and the Democratic Republic of Congo | EO           | SANTE/2003/070-372   | Waiting for EU external audit with identification of amount of eligible costs for the final payment, then closure of the project.   | After several reminders, the Auditors have informed us that the Audit was completed & that we should receive the report shortly.  | 004-136  | 1.642.138,00 | 1.030.214,34 | 611.923,66   |

| <b>EIDHR BUDGET LINE</b>              |   |     |                      |  |  |         |              |            |            |
|---------------------------------------|---|-----|----------------------|--|--|---------|--------------|------------|------------|
| IWPR                                  | International Criminal Court Reporting Project (Uganda, Sudan and DRC).   | JH  | DDH/2006/128-885     | 1st Interim report received & 2nd payment made. Project ending in Dec. 2008                    | Very little activity happening in Uganda. Implementing partner is in South Africa therefore it is not easy for us to monitor this regional project.        | 018-132 | 809.039,80   | 728.135,00 | 80.904,80  |
| BBC                                   | Communicating Justice   | JH  | DDH/206/127-956      | Still waiting for hard copies of the 1st Interim report & Audit. Project ending in Dec. 2008   | Meeting with contact person for this project as little activity took place in Uganda. More information was requested for the financial & technical report. | 017-266 | 950.000,00   | 486.379,00 | 463.621,00 |
| MRG                                   | Enhancing Batwa leadership in Burundi, the Democratic Republic of Congo, Rwanda and Uganda  | RSM | DDH/2006/131-667     | 1st Interim report received and being reviewed, 2nd interim report yet to be effected          |  | 018-131 | 629.792,01   | 160.189,01 | 469.603,00 |
| NAYODE                                | Peace building and conflict prevention among ethnic groups in Kasese district.  | RSM | DDH/2006/127-666     | Project ending in June 2008, then submission of final reports (narrative & Audited report)     | Field visit planned before end of project  | 017-483 | 40.528,00    | 32.422,00  | 8.106,00   |
| DEATH PENALTY PROJECT                 | Assistance for prisoners under sentence of death in Uganda  | RSM | DDH/2006/127-980     | Project started in June 2007, activities on course.  | We have several meetings with the project & its partner FHRI in Kampala.   | 017-265 | 590.460,37   | 253.467,00 | 336.993,37 |
| AHURIO                                | Enhancing inter-cultural and inter-ethnic understanding among the Batooro and Bakonjo, and promoting the rights of minority and vulnerable groups in Karugutu sub county - Bundibugyo district in Uganda. | RSM | DDH/2006/127-993     | Project ending in June 2008, then submission of final reports (narrative & Audited report)     | Field visit planned before end of project.   | 017-483 | 37.064,00    | 29.651,00  | 7.413,00   |
| VSO - UGANDA                          | NGO Capacity Building for conflict management and resolution in Western Uganda.   | RSM | DDH/2006/127-994     | Quarterly reports sent, pending final report at the end of the project.                        | Field visit planned in mid 2008  | 017-483 | 45.000,00    | 36.000,00  | 9.000,00   |
| RWIDE                                 | Batwa Community Human Rights Empowerment Project  | RSM | DDH/2006/131-961     | A no cost extension rider made, project ended 31st March 2008. Final report awaited.           | Field visit (combined with all western Uganda projects)  | 017-483 | 43.885,35    | 35.108,28  | 8.777,07   |
| KIND UGANDA                           | Kyenjojo District Community Support Civil Peace and Human Rights Project  | RSM | DDH/2006/132-666     | Project ending in June 2008, then submission of final reports (narrative and audited reports). | Field visit planned before end of project  | 017-483 | 17.970,80    | 14.376,67  | 3.594,13   |
| UNOHCHR                               | Promotion and Protection of Human Rights in Northern Uganda.  | RSM | DDH/2006/133-379     | 1st interim report received and 2nd payment made.  | Field visit planned for late May 2008.   | 018-509 | 800.000,00   | 720.000,00 | 80.000,00  |
| KADDE-NET                             | Empowering the Bakingwe ethnic group to freely express and participate fully in the development process   | RSM | DDH/2007/144-164     | Project started in November 2007.  | Field visit planned to be combined with all projects in Western Uganda.  | 018-141 | 35.420,00    | 28.336,00  | 7.084,00   |
| NAYODE                                | Peace building and conflict prevention among ethnic groups in Kasese district   | RSM | DDH/2007/144-201     | Project to start in November 2008  |  | 018-141 | 39.232,00    | 0,00       | 39.232,00  |
| KIND UGANDA                           | The inter-ethnic conflict prevention and human rights promotion project in Kyenjojo district, Rwenzori Region Uganda  | RSM | DDH/2007/144-251     | Project to start in November 2008  |  | 018-141 | 35.047,89    | 0,00       | 35.047,89  |
| RWIDE                                 | Batwa Economic Empowerment Project (BEEP)   | RSM | DDH/2007/144-526     | Project to start in July 2008  |  | 018-141 | 42.798,64    | 0,00       | 42.798,64  |
| <b>MAP (MINES ACTION)</b>             |   |     |                      |  |  |         |              |            |            |
| WORLD VISION                          | Northern Uganda integrated mine action program  | RSM | MAP/2006/128-352     | 1st interim report is still awaited for;   | Field visit planned for late May 2008  | 016-971 | 500.000,00   | 218.989,39 | 281.010,61 |
| AVSI                                  | Integrated community based mine risk education and victim assistance in Northern Uganda   | RSM | MAP/2006/128-424     | 1st interim report received and 2nd payment made.  | Field visit planned for late May 2008  | 016-971 | 499.337,00   | 449.403,30 | 49.933,70  |
| <b>IFS-RRM (STABILITY INSTRUMENT)</b> |   |     |                      |  |  |         |              |            |            |
| SAVE THE CHILDREN UGANDA              | Supporting community conflict resolution and peace building in Northern Uganda.   | RSM | IFS-RRM/2008/150-158 | Project started in April.  |  | 019-677 | 200.000,00   | 124.381,60 | 75.618,40  |
| SAVE THE CHILDREN UGANDA              | Peace building and human rights among the Karimojong  | RSM | IFS-RRM/2008/150-960 | Project started in April.  |  | 019-677 | 1.500.000,00 | 862.093,60 | 637.906,40 |
| CARDNO AGRISYSTEMS                    | Provision of Technical Service for conflict expert.   | RSM | IFS-RRM/2008/151-789 | TA took position in April 2008   |  | 019-677 | 200.000,00   | 80.000,00  | 120.000,00 |

| <b>INFCO BUDGET LINE - 2006/2008</b>   |   |    |                    |   |   |              |              |              |              |
|--|---|----|--------------------|---|---|--------------|--------------|--------------|--------------|
| HAI Agency (Services)  | Conduct the initial data collection and research needed for the production of a public information booklet, to be published by the Delegation | LE | INFCO/2007/143-441 | Initial data collection & research for production of public information booklet   | Contract to be closed   | 2006/018-752 | 2.000,00     | 2.000,00     | 0,00         |
| LIMELIGHT LTD. (Service)   | The EU and Uganda - A partnership tht matters:snapshoots of achievements, 1975-2006'  | LE | INFCO/2007/147-408 | Snapshots of achievemnts 1975-2006  | Rider for extension of implementation period completed                    | 2006/018-752 | 8.965,00     | 0,00         | 8.965,00     |
| LIMELIGHT (Services)   | "The EU and Uganda - A partnership that matters; snapshots of achievements, 1975-2006"  | LE | INFCO/2007/147-716 | Snapshots of achievemnts 1975-2006  | Rider to be made to require extension of implementation period till 10/06 | 2006/018-752 | 4.200,00     | 0,00         | 4.200,00     |
| UGCS (Service)   | Europe Uganda Village Film Festival 2008  | LE | INFCO/2008/156-715 | Organisation of film festival 2008  | Activities completed  | 2008/019-860 | 5.500,00     | 0,00         | 5.500,00     |
| LIRA HOTEL(Supply)   | Supply for Seminar Uganda National cultural Dialogue  | LE | INFCO/2008/156-717 | Supply for peace & development seminar in Lira  | Activities completed  | 2008/019-860 | 8.702,00     | 8.702,00     | 0,00         |
| PDCT (Service)   | Europe Uganda Village 2008  | LE | INFCO/2008/157-314 | Organisation of peace & development seminar in Lira   | Activities completed  | 2008/019-860 | 4.781,00     | 4.781,00     | 0,00         |
| <b>FOOD SECURITY</b>   |   |    |                    |   |   |              |              |              |              |
| FAO  | Agricultural Livelihoods Recovery Project for Northern Uganda   | PS | Food/2007/141-003  | 1st advance released  |   | 17-318       | 3.850.000,00 | 1.486.582,00 | 2.363.418,00 |
| ICCO STICHTING INTERKERKELIJKE ORGANISATIE VOOR ONTWIKKELINGSSAMENWER KINGICCO | Food Security Programme for IDPs and former IDPs in Amuria District   | PS | Food/2006/129-941  | Project started 2nd january 2007. 1st advance has been payed and implementation has started.  | Delegation waiting for annual and audit reports. ICCO reminded.           | 17-318       | 498.738,00   | 247.908,24   | 250.829,76   |
| VSF  | Karamoja Livelihood Support Programme   | PS | Food/2006/130-473  | Project started 2nd january 2007. 1st advance has been payed and implementation has started. No cost extension of 6 months initiated due to delay in recruitment of staff.      | Followup rider with F&C Section   | 17-318       | 450.000,00   | 250.862,40   | 199.137,60   |
| CESVI  | Food Security Intervention for Karamoja   | PS | Food/2006/130-098  | Brussels responded to query regarding the blocking of the first advance. Mr. Richelle in Brussels to approve the payment. The payment will be followed by an expalanatory note. | Explanatory note to be prepared.  | 17-318       | 500.000,00   | 126.482,59   | 373.517,41   |
| <b>ENVIRONNEMENT</b>   |   |    |                    |   |   |              |              |              |              |
| CARE DENMARK   | Strenghtening and Empowering Civil Society for Participatory Forest Management in East Africa (EMPAFORM)                                      | PS | ENV/2004-80919     | Project started inApril 2005. The second annual progress report has been submitted and approved. The second pre-financing request for payment has been initiated and approved.  | Next annual progress report due in June 2008                              | 5-893        | 2.799.245,00 | 1.903.441,00 | 895.804,00   |

## Annex: Aid effectiveness questionnaire

### Annex 3.d: Aid Effectiveness Questionnaire

| 1. EU Target No 1  |                       |                      |
|--|-----------------------|----------------------|
| Channel 50% of government-to-government assistance through country systems, including by increasing the percentage of our assistance provided through budget support or SWAP arrangements  |                       |                      |
| 2. Introduction  |                       |                      |
| <p>The aim is to collect information that allows us to measure this target. The information that is needed is both the total amount of ODA provided, as well as the extent to which country systems are used in providing this ODA. For these purposes the country systems are defined as covering four main areas: (i) national budget execution procedures; (ii) national financial reporting procedures; (iii) national auditing procedures; and (iv) national procurement systems. By treating each of these four areas as having a 25% weight and dividing by the total amount of ODA provided the information required can be calculated (hence the division by four – see part 4 below). In all cases the necessary information can be collected using the same definitions as those in the OECD/DAC "Definitions and Guidance" (see attached page which includes an extract of definitions relevant to this indicator)</p> |                       |                      |
| 3. Questions and definitions   |                       |                      |
| Question   | Definition – OECD Ref | Response EUR         |
| How much ODA did you disburse at country level for the government sector in FY 2006/7 (EUR)?   | Qd2                   | 104 089 000          |
| How much ODA disbursed for the government sector in FY 2006/7 used national budget execution procedures (EUR)?   | Qd5                   | 44 390 000           |
| How much ODA disbursed for the government sector in FY 2006/7 used national financial reporting procedures (EUR)?  | Qd6                   | 44 390 000           |
| How much ODA disbursed for the government sector in FY 2006/7 used national auditing procedures (EUR)?   | Qd7                   | 44 390 000           |
| How much ODA disbursed for the government sector in FY 2006/7 used national procurement procedures (EUR)?  | Qd9                   | 44 390 000           |
| 4. Definition of Indicator   |                       |                      |
| $[(Qd5 + Qd6 + Qd7 + Qd9) \div 4] \div [Qd2] \text{ (please calculate and enter as response \%)}$  |                       | Response %<br>42.32% |
| 5. Additional information  |                       |                      |
| <p><i>Are there any significant initiatives in your country to promote the use of country systems? If so provide a list and a short description. If not, highlight the constraints to use of country systems (use additional space as needed)</i></p>  |                       |                      |
| GBS DPs have agreed to move towards a Joint Budget Support Operation, around a commonly agreed Joint Assessment Framework, in the context of the Uganda Joint Assistance Strategy. This will for the   |                       |                      |

first time determine disbursements for FY 2008/09. The UJAS promotes the aid effectiveness agenda in the country context.

The UJAS was conceived in 2005/2006 and has since inspired donor partners (DPs) to initiate a division of labour exercise with the intention to realign DPs involvement more strategically with the country's Poverty Eradication Action Plan (PEAP). EU Member States and EC all agreed to realign their programmes and projects to the proposed Annual PEAP Implementation Review (APIR). Practically this implies that:

- EU Member States and EC will, for the purpose of their own programmes, use agreed PEAP and/or sector policy indicators and targets and support the implementation of the related policy actions. EU Member States and EC will also support the Government to keep the PEAP itself and the PEAP policy matrix updated.
- EU Member States and Commission will use the APIR as the main event to take stock on progress towards PEAP agenda and will harmonise missions and reporting around the APIR.
- A joint budget support mechanism which should eventually use the APIR as a key determinant that will inform BS allocations/decisions for those EU Member States and EC who engage in General Budget Support (see below).

The EU envisages a comprehensive revision of the UJAS in anticipation of the Mid Term Review for the CSP. This revision should not only be undertaken with the aim to update the analysis and response strategy already contained in the UJAS, but also to complement the analysis with areas covered by the current CSP – the proposed joint programming format – which are not reflected in the UJAS. EU Member States and EC will jointly make available resources to undertake this analytical work. The revised response strategy shall integrate this complementary analysis.

In reality, it should be noted that shortly after the UJAS was adopted, there was a shift in the environment in terms of several factors. For example, the perception of the reform agenda in Uganda changed which put the UJAS as an instrument for collective analysis and decision-making under strain; and performance of the social sectors began to slip which caused donors to hesitate about using GBS to support the government, thus negatively effecting on the impact of the UJAS as a tool for alignment and harmonisations. Also with the growing number of participations joining the UJAS exercise, positions inevitably became watered down.

What became clear in Uganda is that the role of Government in a joint programming exercise cannot be underestimated. The success of joint programming exercise largely depends on the genuine commitment of recipient countries to take full advantage of the potential benefits that these can bring about. This can only be the case if recipient countries own these exercises and if they are not DP driven. In Uganda, DPs have prepared the ground, but it is now time for government to take over. Governments provide the context in which DPs operate. Their policies and attitudes determine whether a joint donor approach is likely to be successful.

#### **Definitions from "Definitions and Guidance" OECD/DAC**

[www.oecd.org/dataoecd/13/29/36306366.doc](http://www.oecd.org/dataoecd/13/29/36306366.doc)

|   |   |
|---|---|
| ODA   | <p>Official Development Assistance (ODA) includes all transactions as defined in OECD-DAC Statistical Directives para. 32 (see appendix), including official transactions that:</p> <ul style="list-style-type: none"> <li>▪ Are administered with the promotion of the economic development and welfare of developing countries as its main objective; and</li> <li>▪ are concessional in character and convey a grant element of at least 25%.</li> </ul>   |
| Disbursements   | <p>A disbursement is the placement of resources at the disposal of a recipient country or agency (see OECD-DAC Statistical Directives para. 15-18). Resources provided in kind should only be included when the value of the resources have been monetised in an agreement or in a document communicated to government. In order to avoid double counting in cases where one donor disburses ODA funds on behalf of another, it is the donor who makes the final disbursement to the government who should report on these funds.</p>   |
| Government sector   | <p>Administrations (ministries, departments, agencies or municipalities) authorised to receive revenue or undertake expenditures on behalf of central government.</p>   |
| Disbursements for the government sector                           | <p>This category includes the disbursement of ODA in the context of an agreement with the government sector (see definition above), including works, goods or services delegated or subcontracted by government to other entities (e.g. NGOs, private companies).</p>   |
| Use of national budget execution procedures (Q <sup>d5</sup> )    | <p>Donors use national budget execution procedures when the funds they provide are managed according to the national budgeting procedures as they were established in the general legislation and implemented by government. This means that programmes supported by donors are subject to normal country budgetary execution procedures namely procedures for authorisation, approval and payment.</p>   |
| Use of national financial reporting procedures (Q <sup>d6</sup> ) | <p>Legislative frameworks normally provide for specific types of financial reports to be produced as well as for the periodicity of such reporting. The use of national financial reporting means that donors do not make additional requirements on governments for financial reporting. In particular they do <u>NOT</u> require:</p> <ul style="list-style-type: none"> <li>▪ The production of additional financial reports.</li> <li>▪ Periodicities for reporting that are different from government's normal reporting cycle.</li> <li>▪ Formats for reporting that do not use government's existing chart of accounts.</li> </ul>                             |
| Use of national auditing procedures (Q <sup>d7</sup> )            | <p>Donors rely on the audit opinions, issued by the country's supreme audit institution, on the government's normal financial reports/statements as defined above. The use of national auditing procedures means that donors do not make additional requirements on governments for auditing.</p>   |
| Use of national procurement procedures                            | <p>Donors use national procurement procedures when the funds they provide for the implementation of projects and programmes are managed according to the national procurement procedures as they were established in the general legislation and implemented by government. The use of national procurement procedures means that donors do not make additional, or special, requirements on governments for the procurement of works, goods and services. (Where weaknesses in national procurement systems have been identified, donors may work with partner countries in order to improve the efficiency, economy, and transparency of their implementation).</p> |

|   |
|---|
| <b>1. EU target 2</b>   |
| Provide all capacity building assistance through coordinated programmes with an increasing use of multi-donor arrangements <sup>6</sup> |
| <b>2. Introduction</b>  |

<sup>6</sup> Despite the different wording the target is interpreted to correspond to Paris Declaration indicator 4. Please pay particular attention to the definition for the question Q<sup>d4</sup>.



EU target 2 aims to measure progress in aligning and coordinating support for capacity development. It's closely linked with indicator 4 of the Paris Declaration. Therefore, the term "capacity building" used in the EU target is interpreted as "technical cooperation". This use of the DAC definitions allows consistency with the DAC monitoring of the Paris Declaration.

The term "coordinated" also refers to the DAC definition which covers the following principles: ownership of TC by partner countries, alignment of TC with countries/local strategies and objectives and, where more than one donor is involved, harmonisation of TC among donors.

To avoid confusion, we strongly advise that you use the definitions given in the OECD guidance, by clicking on the link <http://www.oecd.org/dataoecd/13/29/36306366.doc>. DAC criteria on this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.

Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.

### 3. Questions and definitions

|                                   |  |            |
|-----------------------------------|--|------------|
| 1                                 | How much technical cooperation did you disburse in 2007 (Total TC in EUR)?<br><i>OECD question reference in the Paris survey : Q<sup>d3</sup></i>  | 12 720 000 |
| 2                                 | How much technical cooperation did you disburse through co-ordinated programmes in support of capacity development in 2007 (EUR)?<br><i>OECD question reference in the Paris survey : Q<sup>d4</sup></i> | 12 720 000 |
| <b>4. Definition of Indicator</b> |  |            |
| 3                                 | <i>Q<sup>d4</sup> / Q<sup>d3</sup> (please calculate this and enter in the next column as %)</i>   | 100%       |

### 5 Additional Information

|   |   |
|---|---|
| 4 | <p><b>Qualitative information<sup>7</sup> :</b></p> <p><i>Are there any significant initiatives to promote coordinated technical cooperation in your country?</i></p> <p><i>If so, please provide a short description. And indicate whether they are linked to the Code of Conduct / Division of Labour process or any other "EU initiatives"</i></p> <p><i>If not, highlight key constraints delaying joint work on TC and capacity development.</i></p> <p><i>Please note any other comments you have on these issues</i></p> <p>There are several programmes that harmonise technical assistance inputs, particularly in the context of well established SWAPs. Examples include, in the PFM area: FINMAP, in the water area: The Partnership Fund to which the EC is contributing. However, rules and regulations governing basket funding limit the EC's possibility to participate to GoU managed funds.</p> <p>In general the modalities for providing technical assistance however remain patchy as a result of a lack of strategic framework for such assistance in most sectors. The provision of technical cooperation is then not always based on a comprehensive needs analysis.</p> <p>UJAS partners have committed to work together where feasible/appropriate to provide technical cooperation in a coordinated manner.</p> |
|---|---|

|  |
|--|
| <b>1. EU target 3</b>  |
| Avoid establishment of new project implementation units (PIUs).  |
| <b>2. Introduction</b>   |
| <p>EU target 3 aims to assess progress towards strengthening local capacity by tracking the number of PIUs put in place to manage projects and programmes. It is linked to indicator 6 of the Paris Declaration. This target is interpreted as "avoiding the establishment of new parallel PIUs"</p> <p>To avoid confusion, we strongly advise that you use the definition of parallel PIUs given in OECD guidance, by clicking on the link <a href="http://www.oecd.org/dataoecd/13/29/36306366.doc">http://www.oecd.org/dataoecd/13/29/36306366.doc</a>. DAC criteria for this indicator are being updated to make them easier to use and in January the final version to be used for monitoring the indicators in 2008 will be available on this site.</p> <p>Finally please note that a separate AIDCO initiative on EU target 2, related to preparing a strategy for achieving the target, is ongoing in 46 Delegations. Through this EAMR however, we hope to capture information from all delegations. Questions 1 and 2 below seek quantitative information on technical cooperation. Section 4 seeks qualitative information from delegations not participating in the survey launched by AIDCO (46 Delegations contacted) and provides the opportunity to share your experience and views.</p> |
| <b>3. Questions and Definitions</b>  |

<sup>7</sup> These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

|                                  |   |   |
|----------------------------------|---|---|
| 1                                | How many parallel project implementation units funded by EC were in operation in December 2007?<br><i>OECD question reference in the Paris survey : Q<sup>d</sup>10</i>   | 0 |
| 2                                | Out of these, how many <u>new</u> parallel project implementation units were established during 2007?   | 0 |
| <b>4. Additional Information</b> |   |   |
| 3                                | <p><b>Qualitative information<sup>8</sup>:</b></p> <p><i>Are there any significant initiatives to avoid the establishment of parallel PIUs in your country?</i></p> <p>This is one of the objectives of the UJAS. See above.</p> <p><i>What in your opinion should be done to increase domestic ownership and quality of project implementation arrangements?</i></p> <p>More and better consultation with Government at the project design stage including gap analysis of Government systems and examining how in practice to insert TA within Government structures. This means sensitising consultants designing projects for new NIPs in early 2008 to this requirement.</p> <p><i>Please note any other comments you have on these issues</i></p> <p>There remains a critical issue with regard to the discrepancies in salary and incentive structures between PIUs and government entities. The EC commissioned a study to, as a starting point, provide a baseline/comparator for EC funded and other donor funded projects. There is however scope to step up cooperation in this regard. GoU could play an active role in this regard.</p> |   |

|  |
|--|
| <b>1. EU Target No 4</b>   |
| Reduce the number of uncoordinated missions by 50%.  |
| <b>2. Introduction</b>   |
| <p>The aim is to collect data on the number of uncoordinated EC Missions to your country. The information needed is (a) the total number of EC Missions to your country and (b) how many of these were coordinated.</p> <p>The Paris Declaration <b>objectives</b> underlying the related indicator of progress for coordinated missions are: "In planning their missions to the field<sup>9</sup> it is important that donors: Conduct <b>fewer missions, coordinate timing of missions</b> with partner authorities and, where necessary, with other donors, <i>conduct more joint missions, avoid conducting missions during "mission free periods"</i><sup>10</sup>.</p> |

<sup>8</sup> These questions are taken from the survey on " Developing an EuropeAid Strategy on TC and PIU" sent to delegations which are members of the Aid Effectiveness Network. **They need to be answered by delegations who are not participating in this survey.**

<sup>9</sup> 'Field' refers to the country in general including missions to the capital only.

<sup>10</sup> The target set for 2010 for indicator 10 a) is to have 40% if donor missions to the field as joint.

Coordinated mission is a mission undertaken by 2 or more donors jointly, or by one donor on behalf of another. In practice, the following 3 questions help to clarify what is meant by a mission:

1. Does the mission involve international travel to a beneficiary country? i.e. **this concerns only missions from HQ, not missions undertaken within the country by the Delegation.**
2. Does the mission involve a request to meet with government officials, including local government?
3. Is this mission undertaken by 2 or more donors jointly? Or is it done by an HQ service also on behalf of another donor?

The Definitions and Guidance of the OECD ([www.oecd.org/dataoecd/13/29/36306366.doc](http://www.oecd.org/dataoecd/13/29/36306366.doc)) requires that missions undertaken by consultants contracted by AIDCO (or other DG's), if they meet the 3 above questions, must also be included.

### 3. Questions and definitions

|   |  |               |
|---|--|---------------|
| OECD<br>ref: Q <sup>d</sup> 15  | How many <b>HQ missions</b> to the field were undertaken in FY 2006/7? <sup>11</sup> | 6             |
| Q <sup>d</sup> 16   | How many of these were coordinated?  | 0             |
| Please provide a breakdown of missions the Commission and its services have undertaken to your country in FY 2006/7 in the table below: |  |               |
| Missions by:  | Coordinated  | Uncoordinated |
| Members of Commission   | 0  | 0             |
| AIDCO   | 0  | 2             |
| DEV   | 0  | 3             |
| RELEX   | 0  | 0             |
| TRADE   | 0  | 0             |
| ECHO  | 0  | 1             |
| FISH  | 0  | 0             |
| OTHER DGs   | 0  | 0             |
| Consultants contracted by the Commission  | 0  | 0             |
| <b>Total</b>  | 0  | 6             |

### 4. Definition of Indicator

|   |        |
|---|--------|
| Q <sup>d</sup> 16 / Q <sup>d</sup> 15   | 2006/7 |
| Please calculate and enter in the column for 2007 and also include the figure for this indicator for 2006 ; | 0%     |

### 5. Additional Information

Delegations are invited to list the dates for main HQ missions already planned for the March 2008 to August 2008, indicating whether they are, or not, to be coordinated with other donors;

| HQ DG | Date planned | Purpose/Sector   | Coordinated (Yes/No) |
|-------|--------------|--|----------------------|
| DEV   | June         | Finalisation of MDG contract/JBSO identification mission | Yes                  |

Delegations are suggested to indicate higher priority requests for HQ missions needed from September 2008 to February 2009, but not yet agreed with HQs, that the Delegation estimates serve better the

<sup>11</sup> This question applies to the missions from the HQ

coordination arrangements at local level and can yield more added value for the policy dialogue.

| HQ DG     | Date planned | Purpose/Sector   | Donor(s) involved |
|-----------|--------------|--|-------------------|
| AIDCO/DEV | TBA          | A joint mission could be organised around the Sector Reviews for Roads and Agriculture |                   |

*Delegations are asked to briefly inform if there are significant initiatives to decrease the number of uncoordinated missions in your country? If so, please provide a short description. If not, highlight key constraints.*

This is one of the objectives of the UJAS. Concretely, considerable progress has been made with the introduction of Joint Budget Support Operations, which will be supported through joint missions only, between all budget support donors.

Meanwhile, the Delegation has organised an internal aid effectiveness seminar and is actively pursuing that all donor sector coordination groups establish a calendar of planned missions, and exchange terms of reference, with a view to increase the effectiveness of these missions and in an effort to organise a maximum of missions jointly. The same is being pursued for sector studies.

It should however be noted that most missions are decided by HQ. This is a weak starting point to assure that missions are subsequently well coordinated.

*Finally, Delegations are asked to assess the likelihood of meeting, by 2010, the twin targets for missions, i.e. the OECD target of 40% and the EU target of halving the number of un-coordinated missions.*

- OECD target of 40% likely to be met: Yes
- EU target of halving the number of un-coordinated missions: Yes

*Delegations are asked to briefly indicate what additional steps HQ should be prepared to consider to help in achieving those targets at the level of the beneficiary country concerned:*

Coordination efforts can only be successful if driven from the field. This requires flexibility on the part of the visiting missions and planning discipline on the part of the Delegations and local counterparts. There also remain challenges in assuring that verification missions by Court of Auditors, OLAF, internal auditors etc. can be better coordinated at HQ level.

**Other aid effectiveness related information**

On 4 July 2007 our Counsellors Louis Michel and Benita Ferrero-Waldner wrote to all Heads of Delegations requesting implementation of the Code of Conduct for Division of Labour. Several Delegations have responded and have attached their progress reports on aid effectiveness. We need information on the specific points below:

1. Paragraph 5 of the Council conclusion on Division of Labour notes:

"Simultaneously with the implementation of the Code of Conduct, the Member States and the Commission **will promote wide discussions with partner countries and other donors on complementarity and division of labour**, based on the EU code of Conduct which will be complemented by first experiences in the field. **The outcome of**

**these discussions would constitute an input to the OECD/DAC partnership and the High Level Forum on Aid Effectiveness III that will take place in Accra, Ghana in 2008.** The Council invites the **incoming Presidencies to actively support such a process**, in close cooperation with the Member States and the Commission." (Highlights by AIDCO 01)

*1.1 Have the discussions with partner countries and other donors been held?*

*(a) If yes, when and what was the result? Please describe in brief how these talks are progressing.*

Yes. Efforts to promote division of labour between development partners have started as early as 2006, when an extensive study (by ODI) was commissioned. The implementation of the recommendations has partially started but it has been difficult to come to common understanding between DPs and with GoU on the scope and implementation modalities of the exercise. The DoL exercise has however recently been revived and an updating process is ongoing. It is intended that in the next months this exercise will be drawn to a close. It is to be noted that GoU is now much more involved in the process.

*(b) If no, are there plans to hold them? If yes, please describe briefly what the plans are.*

*1.2 What input on division of labour is planned by the partner country towards HLF III? If none, then leave blank.*

See above.

*2 In paragraph 14 the Council invites the Commission to outline Community implementation of the Code of Conduct in its annual report on development cooperation, including: 'a self-assessment in its potential areas of comparative advantage as referred to in the joint Development Policy Statement'. (highlights by AIDCO 01)*

*2.1 What action has been taken towards this self assessment of comparative advantage?*

*(a) If yes, please describe the process in brief and the results.*

As mentioned above a study has been commissioned. The process included a self- and a peer-assessment.

*(b) If no, do you have any plans for initiating such a process? What are the plans?*

*3 In country that have already initiated some form of division of labour:*

*3.1 Please describe the process. (e.g., when did it start; partner country leadership; donors involved; results on the ground, etc).*

The process is described in detail in the following note:

<http://www.cc.cec/home/dgserv/dev/newsite/index.cfm?objectid=8827580B-E014-4E71-7F5413C1D9A65FF5>

Please note that the exercise is still ongoing. Therefore the indications below are tentative.

*3.2 As a result of this process did the Delegation:*

*- Reduce or expand the sectors in which it remains active?*

Reduce in the context of the 10<sup>th</sup> EDF programming

*- Exit from any sectors? Specify*

Yes: education, health

*- Enter any new sectors? Specify*

No

*- Become lead donor in any sectors? Specify*

Yes: roads, trade and industry

*- Enter into delegated cooperation partnerships? Please specify.*

Yes: In the water sector, through the partnership fund

On financial accountability, as part of a joint funding arrangement through FINMAP

Please note that the delegation and the EU MS are currently exploring further areas of cooperation. For the EC, this could lead to agreements for delegated cooperation in the following areas: water, energy, health, education.

The EC, DANIDA and SIDA also have a preliminary agreement to mount a joint programme in support of rural livelihoods and support to private sector

A joint EC/EU note is being prepared in this regard, along with detailed country fiches indicating areas for cooperation.

**EDF 9 sectoral breakdown**

**country: Uganda**

| <b>STRATEGY FOR AFRICA</b>                                 | <b>EUROPEAN CONSENSUS</b>  | <b>SUB SECTOR AND PART SBS</b>                        | <b>in euro x 1000<br/>total cumulative<br/>commitments<br/>31.12.07</b> |
|--|--|---|---|
|  |  |   |   |
| <b>Human rights and governance</b>                         | <b>governance,human rights and<br/>support to economic and<br/>institutional reforms</b> | <b>governance</b>                                     | <b>18.950</b>   |
|  |  | <b>economic and institutional reforms</b>             | <b>10.350</b>   |
|  |  | <b>Non State Actors</b>                               | <b>7.900</b>  |
| <b>Peace and security</b>                                  | <b>conflict prevention and fragile<br/>states</b>  | <b>conflict prevention and fragile states</b>         | <b>20.000</b>   |
| <b>Economic growth, regional<br/>integration and trade</b> | <b>trade and regional integration</b>  | <b>European Partnership Agreements</b>                |   |
|  |  | <b>regional economic integration</b>                  |   |
|  |  | <b>private sector development</b>                     |   |
|  | <b>infrastructure,communication<br/>and transport</b>                                    | <b>infrastructure,communication and<br/>transport</b> | <b>131.600</b>  |
|  | <b>water and energy</b>  | <b>water</b>  | <b>19.250</b>   |



|                     |  |   |        |
|---------------------|--|---|--------|
|                     |  | energy  |        |
|                     |  | unspecified (post-floods rehabilitation)                    | 5.000  |
| investing in people | social cohesion and employment   | social cohesion and employment                              |        |
|                     | environment and sustainable management of natural resources            | environment and sustainable management of natural resources |        |
|                     | rural development, territorial planning, agriculture and food security | rural development and territorial planning                  | 1.500  |
|                     |  | agriculture   | 17.500 |
|                     |  | food security   |        |
|                     | human development  | health  |        |
|                     |  | primary education   |        |
|                     |  | education unspecified                                       |        |
| other               | TCF  | TCF   | 6.425  |
|                     | support to NAO   | support to NAO  |        |
|                     | unspecified  | unspecified   |        |
| Budget Support      | GBS  | General Budget Support                                      | 76.125 |

|                                      |   |  |                |
|--------------------------------------|---|--|----------------|
| <b>TOTAL</b>                         | <b>TOTAL</b>  | <b>TOTAL</b>                                   | <b>314.600</b> |
| <b>Level of sector concentration</b> | <b>percentage of 9th EDF commitments covered by largest sectors of concentration plus GBS</b> | <b>largest sector + GBS</b>                    | <b>66%</b>     |
|                                      |   | <b>Two largest sectors + GBS</b>               | <b>78%</b>     |
|                                      |   | <b>Three largest sectors + GBS</b>             | <b>86%</b>     |
|                                      |   | <b>Four largest sectors + GBS</b>              |                |
|                                      |   | <b>Five largest sectors + GBS</b>              |                |
|                                      |   | <b>nr of sectors + GBS to reach 85% of NIP</b> | <b>3</b>       |
|                                      |   | <b>sectors (NSA and GBS excluded)</b>          | <b>5</b>       |

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**Priority Actions of the Lisbon Plan**

**country: Uganda**

in euro x 1000

| <b>EUROPEAN CONSENSUS</b>   | <b>sectors</b>                                | <b>Partnerships and Priority Actions of the Lisbon Plan</b>   | <b>planned commitments in NIP for 10th EDF</b> |
|---|---|---|--|
| <b>governance, human rights and support to economic and institutional reforms</b> | <b>governance</b>                             | <b>Partnerships on<br/>2. Democratic Governance and Human Rights<br/><br/>7. Migration, Mobility and Employment</b> | <b>7.000</b>                                   |
|   | <b>economic and institutional reforms</b>     |   | <b>14.000</b>                                  |
|   | <b>Non State Actors</b>                       |   | <b>5.000</b>                                   |
| <b>conflict prevention and fragile states</b>                                     | <b>conflict prevention and fragile states</b> | <b>Partnership on<br/><br/>1. Peace and Security</b>  | <b>15.000</b>                                  |
| <b>trade and regional integration</b>   | <b>European Partnership Agreements</b>        | <b>Partnership on<br/><br/>3. Trade (and Regional Integration)</b>  |  |
|   | <b>regional economic integration</b>          | <b>3. (Trade) and Regional Integration</b>  | <b>7.000</b>                                   |

|  |   |   |         |
|--|---|---|---------|
|  | private sector development                                  |   |         |
| infrastructure, communication and transport                            | infrastructure, communication and transport                 | 8. Partnership on Science, information society, space | 162.000 |
| water and energy   | water   |   |         |
|  | energy  | 5. Partnership on Energy                              |         |
|  | unspecified   |   |         |
| social cohesion and employment   | social cohesion and employment                              | 6. Partnership on Climate change                      |         |
| environment and sustainable management of natural resources            | environment and sustainable management of natural resources |   |         |
| rural development, territorial planning, agriculture and food security | rural development and territorial planning                  |   | 25.000  |
|  | agriculture   | 20.000  |         |
|  | food security   |   |         |
| human development  | health  |   |         |
|  | primary education   |   |         |
|  | education unspecified                                       |   |         |
|  |   |   |         |

|                       |                               |                                |                |
|-----------------------|-------------------------------|--------------------------------|----------------|
| <b>TCF</b>            | <b>TCF</b>                    |                                | <b>7.000</b>   |
| <b>support to NAO</b> | <b>support to NAO</b>         |                                | <b>2.000</b>   |
| <b>unspecified</b>    | <b>unspecified</b>            |                                |                |
| <b>GBS</b>            | <b>General Budget Support</b> | <b>Partnership on the MDGs</b> | <b>175.000</b> |
| <b>TOTAL</b>          | <b>TOTAL</b>                  |                                | <b>439.000</b> |

**Annex: Donor Roles** (see Excel sheet Donors table)

## Division of Labour Exercise, Uganda

### Overview of Development Partner's current engagement and future plans

#### Objective with the DoL and AIM

The Aid Information Map (AIM) is a management tool for the Government of Uganda (GoU) and the Ministry of Finance, Planning and Economic Development (MoFPED) to align and harmonize development partners' commitments. The MoFPED has provided a new sector classification which is used in this AIM. The sector classification has 16 sectors. It is important that the sector classifications provided by the MoFPED are used.

The Aid Information Map states both the current engagement and the future priorities of the DPs. Current engagement have only one category: "Current engagement" is marked only with an "X". Future engagement has 6 categories: "Future Lead Role in Sector", "Future Active Engagement in Sector", "Future Subsector Involvement", "Planning New Engagement", "Funding to sector programme only" and "Leaving Sector" each with its own colour code. When reporting your engagement please use the colours given as keys above the

#### Engaged or not?

For the purposes of this Exercise, "engagement" in an Area or Sector has been taken to mean any activity in the sector – financial or dialogue – no matter how small, because the use of DP staff time is a use of ODA.

*Dol Interim Report 9 Mar page 33*

#### Leading or active

*Leading Development Partner:* In any given sector/area, there are a range of leadership functions that can be taken on by DPs. This may be undertaken by one or more partners. Functions include acting as the main liaison with Government in policy dialogue and advocacy. The role of the leading development partner will depend on the agreements reached with Government and other development partners in the sector/area, but may include the following: acting as the main liaison with Government in policy dialogue and advocacy, facilitating funds and aid management, ensuring that joint reviews, monitoring and reporting take place following agreed formats, providing services to other development partners (information, communication and technical advice) and/or monitoring development partners' performance. Some of these functions are currently managed by the chairs of DP sector groups.

*Actively Engaged Development Partner:* A Development Partner that continues active involvement in some areas, such as reporting or financing, in a given sector. Engaged development partners in a sector can represent others in sector dialogue with the Government. They share all relevant information among each other and with "delegating" DPs and assure that the views of "delegating partners" are equally heard and reflected in the positions presented to the Government.

#### Sector definition by MFPEd:

*"... the GoU sectoral classification is based on a grouping of Ministries, Departments and Agencies (MDA's) pursuing common objectives and mandated by law, policy, plan or budget."  
"The new MTEF classification will define a sector in accordance with its function and respective resource allocation"*

*Sector classification brief - final - MFPEd February 2008*

#### Sector definition by OECD/DAC:

*"[A] sector includes development activities commonly grouped together for the purpose of public action such as health, education, agriculture, transport etc."*

*Glossary of Key Terms in Evaluation and Results Based Management, OECD DAC, p. 35,  
<http://www.oecd.org/dataoecd/29/21/2754804.pdf>*

#### Subsector definition:

A subsector is defined as a limited number of activities/vote-functions within a sector. Subsector engagement is the equivalent of active engagement at sector level. An exam. is Irish Aid going out of Health and remains in HIV/AIDS.

#### Funding:

*When development partner only provides funding through a sector programme but is not*

Development Partner (Please state your country/organisation): \_\_\_\_\_

Keys: X Currently Engaged

Future Lead Role in Sector
  Future Active Engagement in Sector
  Planning New Engagement
  Leaving Sector

Future Subsector Engagement
  Funding of a sector programme

| MFPEDs sector classification                  | Total no. Of DPS (present) | Total no. Of DPS (future) | AFDB | IMF | World Bank | EC | Austria | Belgium | Denmark | France | Germany | Iceland | Ireland | Italy | Japan | Netherlands | Norway | Sweden | UK | USA | UNCTAD | UNDP | UNEP | UNESCO | UN-FAO | UNFPA | UN-HABITAT | UNHCR | UNICEF | UN-IDO | UN-IFAD | UNIFEM | UN-ILO | UN-ORCHR | UN-WHO | Other UN organisations | World Food Programme | Organization for Int. Migration |  |   |  |
|---|----------------------------|---------------------------|------|-----|------------|----|---------|---------|---------|--------|---------|---------|---------|-------|-------|-------------|--------|--------|----|-----|--------|------|------|--------|--------|-------|------------|-------|--------|--------|---------|--------|--------|----------|--------|------------------------|----------------------|---------------------------------|--|---|--|
| 1. Security                                   |                            |                           |      |     |            |    |         |         |         |        |         |         |         |       |       |             |        |        |    | X   |        |      | X    |        |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 2. Roads and Transport                        |                            |                           | X    |     |            |    | X       |         |         | X      |         |         |         |       |       |             | X      |        |    |     |        |      |      |        |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 3. Agriculture                                |                            |                           | X    |     |            |    | X       |         |         | X      |         |         | X       | X     | X     | X           | X      | X      | X  | X   |        |      |      |        | X      |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 4. Education                                  |                            |                           | X    |     |            |    | X       |         | X       |        |         | X       |         |       |       | X           | X      | X      | X  | X   |        |      |      |        |        |       | X          |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 5. Health                                     |                            |                           | X    |     |            |    | X       |         | X       | X      | X       |         |         |       | X     | X           | X      | X      | X  | X   |        |      |      |        |        | X     | X          |       |        |        |         |        |        |          |        |                        |                      |                                 |  | X |  |
| 6. Water and Environment                      |                            |                           | X    |     |            |    | X       | X       | X       | X      | X       | X       |         |       |       | X           |        | X      | X  | X   |        |      |      | X      |        | X     |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 7. Justice, Law and Order                     |                            |                           |      |     |            |    | X       | X       |         | X      |         | X       |         | X     |       |             | X      | X      | X  |     |        |      | X    |        |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 8. Accountability                             |                            |                           | X    |     |            |    | X       |         |         | X      |         |         |         | X     |       | X           |        | X      | X  | X   |        |      |      | X      |        |       | X          |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 9. Tourism, Trade and Industry                |                            |                           |      |     |            |    | X       | X       | X       | X      |         |         | X       |       |       |             |        | X      | X  | X   |        |      |      | X      |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 10. Information, Communication and Technology |                            |                           |      |     |            |    |         |         |         |        |         |         |         |       |       |             |        |        | X  |     |        |      |      |        |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 11. Energy and Mineral Development            |                            |                           | X    |     |            |    | X       |         |         | X      | X       | X       |         |       |       | X           |        | X      | X  |     |        |      |      | X      |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 12. Lands and Housing                         |                            |                           |      |     |            |    |         |         |         |        |         |         |         |       |       |             |        |        |    |     |        |      |      |        |        | X     |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 13. Social Development                        |                            |                           |      |     |            |    |         |         |         |        |         |         | X       |       | X     |             |        | X      | X  | X   |        |      |      |        |        | X     | X          |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 14. General Public Administration             |                            |                           |      |     |            |    |         |         | X       |        |         |         |         |       |       |             |        | X      | X  |     |        |      | X    |        |        |       |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 15. Public Sector Management                  |                            |                           | X    |     |            |    | X       | X       | X       | X      |         |         | X       | X     |       |             |        |        |    | X   |        |      |      | X      |        | X     |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |
| 16. Parliament                                |                            |                           |      |     |            |    | X       |         |         |        |         |         |         |       |       |             |        | X      | X  | X   |        |      | X    |        |        | X     |            |       |        |        |         |        |        |          |        |                        |                      |                                 |  |   |  |



KEY: X Currently Engaged    ■ Future Lead Role    ■ Future Active Engagement    ■ Leaving sector    ■ Planning new engagement

| PEAP Pillars, Objectives and Areas  | Total instruments (present) |    |    |    | Total instruments (future) |         |        |         | Total no. of DPs (present) |       |       |             | Total no. of DPs (future) |        |    |        | World Food Programme |      |          |         |     |            |
|---|-----------------------------|----|----|----|----------------------------|---------|--------|---------|----------------------------|-------|-------|-------------|---------------------------|--------|----|--------|----------------------|------|----------|---------|-----|------------|
|   | 10                          | 12 | 13 | 9  | Austria                    | Denmark | France | Germany | Ireland                    | Italy | Japan | Netherlands | Norway                    | Sweden | UK | UN-FAO | UNDP                 | UNEP | UN-ORCHR | UN-IFAD | USA | World Bank |
| <b>Full PAF+A4 General Budget Support, PAF General Budget Support</b>   | 10                          | 12 | 13 | 9  | X                          |         |        | X       | X                          | X     | X     |             | X                         | X      | X  | X      |                      |      |          |         |     | X          |
| <b>PILLAR 1: ECONOMIC MANAGEMENT</b>  |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <b>1.1 Macro stability consistent with rapid private sector led growth</b>  |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 11                          | 10 | 1  | 0  | X                          |         | X      | X       | X                          | X     | X     |             | X                         | X      | X  | X      |                      |      |          |         |     | X          |
| 1.1a Revenue Policy and Administration  | 12                          | 9  | 5  | 5  |                            | X       | X      | X       | X                          | X     |       |             | X                         | X      | X  | X      | X                    | X    |          |         |     | X          |
| 1.1b Financial Sector Reform  | 5                           | 6  | 3  | 2  |                            |         |        | X       | X                          | X     |       |             |                           |        |    | X      |                      |      |          |         |     | X          |
| 1.1c Macroeconomic Management   | 10                          | 10 | 14 | 4  | X                          |         | X      | X       | X                          | X     | X     |             | X                         | X      | X  | X      |                      |      |          |         |     | X          |
| <b>PILLAR 2: ENHANCING PRODUCTION, COMPETITIVENESS &amp; INCOMES</b>  |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <b>2.1 Increased and more efficient private sector production</b>   |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 9                           | 8  | 0  | 0  | X                          | X       | X      |         |                            |       |       |             | X                         | X      | X  | X      | X                    |      |          |         |     | X          |
| 2.1a Trade Policy   | 9                           | 10 | 2  | 1  | X                          |         | X      | X       |                            | X     |       |             | X                         | X      | X  | X      | X                    |      | X        |         |     | X          |
| 2.1b Export Promotion   | 8                           | 9  | 1  | 1  | X                          |         | X      |         |                            |       |       |             | X                         | X      | X  | X      | X                    |      |          |         |     | X          |
| 2.1c Barriers to Trade and Competitiveness  | 8                           | 9  | 7  | 4  | X                          | X       | X      | X       |                            |       |       |             | X                         | X      | X  | X      | X                    |      |          |         |     | X          |
| <b>2.2 Increased &amp; more efficient agricultural production</b>   |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 10                          | 9  | 13 | 4  | X                          | X       | X      | X       |                            |       | X     | X           | X                         | X      | X  | X      | X                    |      | X        |         | X   | X          |
| 2.2a National Agricultural Research System  | 9                           | 8  | 13 | 5  | X                          |         | X      | X       |                            |       | X     | X           | X                         | X      | X  | X      | X                    |      | X        |         |     | X          |
| 2.2b National Agricultural Advisory Services  | 13                          | 11 | 10 | 6  | X                          |         | X      | X       |                            | X     | X     | X           | X                         | X      | X  | X      | X                    |      | X        |         |     | X          |
| 2.2c Agricultural Education   | 9                           | 9  | 4  | 1  | X                          |         | X      | X       |                            | X     | X     |             | X                         | X      | X  | X      | X                    |      |          |         |     | X          |
| 2.2d Agricultural Policy & Coordination   | 10                          | 10 | 8  | 7  | X                          |         | X      | X       | X                          | X     | X     |             | X                         | X      | X  | X      | X                    |      | X        |         |     | X          |
| 2.2e Land Policy & Implementation   | 4                           | 5  | 1  | 1  | X                          |         |        |         |                            |       |       |             |                           |        |    | X      |                      |      | X        |         |     | X          |
| <b>2.3 Fisheries</b>  | 8                           | 6  | 5  | 1  | X                          |         | X      | X       |                            |       | X     |             |                           |        |    | X      |                      |      |          |         |     | X          |
| <b>2.4 Forestry</b>   | 5                           | 4  | 5  | 4  | X                          |         | X      | X       |                            |       |       |             | X                         |        |    | X      |                      |      |          |         |     | X          |
| <b>2.5 Increased &amp; more efficient production of non-agricultural goods &amp; services</b>   |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 5                           | 2  | 2  | 1  | X                          |         | X      |         |                            |       |       |             |                           |        |    | X      | X                    |      |          |         |     | X          |
| 2.5a Support to MSMEs & Private Sector  | 10                          | 8  | 14 | 8  | X                          | X       | X      | X       | X                          |       |       |             | X                         | X      | X  | X      | X                    |      |          |         |     | X          |
| 2.5b Tourism  | 5                           | 1  | 7  | 2  | X                          |         | X      |         |                            |       |       |             |                           |        |    | X      |                      |      |          |         |     | X          |
| 2.5c Mining and Petroleum   | 3                           | 3  | 4  | 3  | X                          |         |        |         |                            |       |       |             | X                         |        |    |        |                      |      |          |         |     | X          |
| <b>2.6 Strengthened infrastructure in support of increased production</b>   |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 4                           | 2  | 2  | 0  | X                          |         | X      |         |                            |       | X     |             |                           |        |    | X      |                      |      |          |         |     |            |
| 2.6a Roads and Transport  | 8                           | 6  | 27 | 22 | X                          |         | X      | X       | X                          | X     |       |             | X                         |        |    |        |                      |      |          |         |     | X          |
| 2.6b Energy   | 9                           | 9  | 23 | 12 | X                          |         | X      | X       | X                          | X     |       |             | X                         | X      | X  | X      | X                    | X    |          |         |     | X          |
| 2.6c Water for Production   | 8                           | 7  | 0  | 0  | X                          |         | X      |         |                            |       | X     | X           |                           |        |    | X      | X                    |      |          |         |     | X          |
| <b>2.7 Strengthened Environment &amp; Natural Resource (ENR) management regime in support of sustainable production of goods &amp; services</b> |                             |    |    |    |                            |         |        |         |                            |       |       |             |                           |        |    |        |                      |      |          |         |     |            |
| <i>Support to all/multiple areas under objective</i>  | 5                           | 5  | 0  | 0  |                            |         |        |         |                            |       |       |             |                           |        |    | X      | X                    | X    | X        |         |     | X          |
| 2.7a Environment  | 9                           | 9  | 8  | 6  |                            | X       |        | X       |                            |       |       |             | X                         | X      | X  | X      | X                    | X    |          |         |     | X          |
| 2.7b Wetlands   | 6                           | 6  | 1  | 1  |                            | X       |        | X       |                            |       |       |             | X                         |        |    | X      |                      |      |          |         |     | X          |
| <b>2.8 Microfinance</b>   | 15                          | 10 | 13 | 4  | X                          | X       | X      | X       | X                          |       | X     |             | X                         | X      | X  | X      | X                    | X    |          |         | X   | X          |