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International Fund for Agricultural Development**

**The Republic of Uganda  
District Development Support Programme  
Completion Evaluation**

**July 2005  
Report No. 1637-UG**

Photo on cover page  
The Republic of Uganda: District Development Support Programme  
Sayuni Byaruhanga and her husband John work in their cabbage field in Buswekera, Hoima district.  
They were trained in sustainable and organic agriculture by the project.  
IFAD photo by Robert Grossman

**The Republic of Uganda**  
**District Development Support Programme, Loan no. 482-UG**

**Completion Evaluation**

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## **Currency Equivalents**

Currency Unit: Uganda Shillings (UGSh)  
USD 1.00 = UGSh 1,750 (*November 2004*)

## **Weights and Measures**

International metric system, except where otherwise specified

## **Financial Year**

1 July - 30 June

## **Abbreviations and Acronyms**

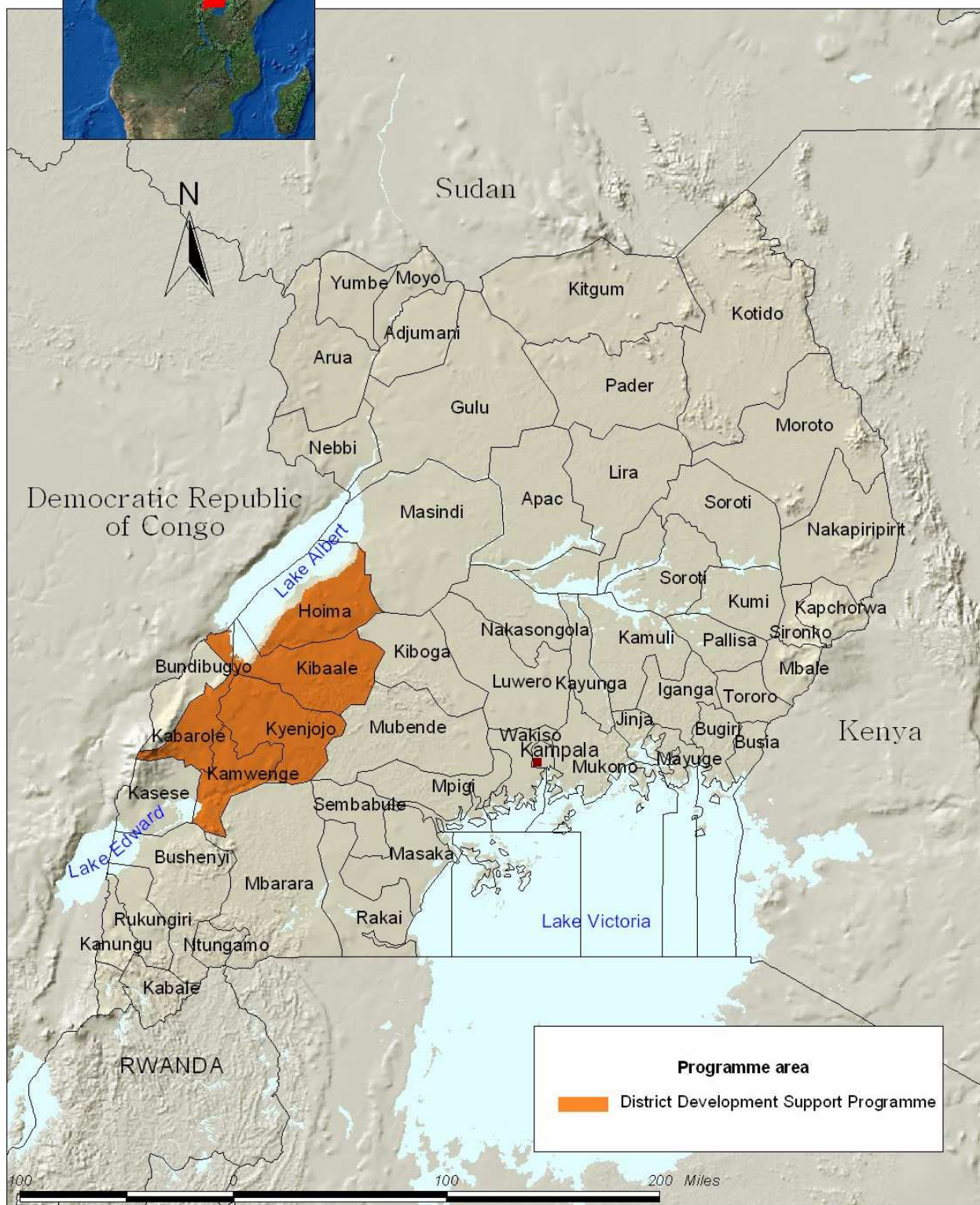
AAMP	Area-based Agricultural Modernisation Programme
AfDB	African Development Bank
BSF	Belgian Survival Fund
BUTO	Bunyoro Toro Development Company
CAO	Chief Administrative Officer (of a district)
CDA	Community Development Assistant
CHW	Community Health Worker
DANIDA	Danish International Development Agency
DICDPs	District Integrated Community Development Projects
DDHS	District Director of Health Services
DDSP	District Development Support Programme
DTPC	District Technical Planning Committee
DWD	Directorate of Water Development
GDP	Gross Domestic Product
GTZ	German Technical Assistance Agency
HIPC	Highly Indebted Poor Country
HKICDP	Hoima and Kibaale Integrated Community Development Project
HUMC	Health Unit Management Committee
IPC	Inter-ministerial Policy Committee
MAAIF	Ministry of Agriculture, Animal Industries and Fisheries
MFPED	Ministry of Finance, Planning and Economic Development
MOH	Ministry of Health
MOLG	Ministry of Local Government
MTR	Mid-term Review
MWHC	Ministry of Works, Housing and Communications
MWLE	Ministry of Water, Lands and Environment
NAADS	National Agricultural Advisory Services
NARO	National Agriculture Research Organisation
OE	Office of Evaluation (IFAD)
PEAP	Poverty Eradication Action Programme
PMA	Plan for the Modernisation of Agriculture
SIDA	Subcounty Integrated Development Association
TBA	Traditional Birth Attendant
UNOPS	United Nations Office for Project Services
UWFT	Uganda Women's Finance Trust
WSC	Water Source Committee
VIPL	Ventilated Improved Pit Latrine





## Republic of Uganda

### District Development Support Programme



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.





**The Republic of Uganda  
District Development Support Programme  
Completion Evaluation**

**Agreement at Completion Point<sup>1</sup>**

**I. Introduction and the Core Learning Partnership**

1. In 2004, IFAD's Office of Evaluation (OE) conducted a completion evaluation of the District Development Support Programme (DDSP) in Uganda. The evaluation mission took place in November/December 2004 and the evaluation report was finalised at the end of February 2005. An evaluation workshop was held in Kampala on 11 March 2005. The objectives of the workshop were to: (a) have a general discussion on the evaluation's results; and (b) discuss the draft evaluation Agreement at Completion Point (ACP). This ACP illustrates the stakeholders' understanding of the key evaluation findings and recommendations, their proposal to implement them and their commitment to act upon them. In particular, the ACP builds on the DDSP evaluation results and the discussions that took place during the workshop on 11 March. It includes, in section B, a brief summary of the key findings from the evaluation (which are fully substantiated in the main report). Section C includes the evaluation's recommendations, as agreed by the main evaluation partners and users (namely, the Government of Uganda (GOU) represented by the Ministry of Local Government (MOLG), IFAD's Eastern and Southern Africa Division (PF), the Belgian Survival Fund (BSF) and Ireland).

2. The evaluation core learning partnership (CLP) members included representatives of the MOLG, the chairperson of the donor working group on decentralisation, PF, BSF and Ireland. OE facilitated the work of the CLP and the ACP process. Discussions were held with CLP members at critical stages in the evaluation, and their inputs in the preparation and discussion of the draft ACP were much appreciated.

**II. Some of the main evaluation findings**

**Main achievements of DDSP**

3. The major achievements of the programme according to the completion evaluation have been: (i) the successful implementation of infrastructural improvements such as safe water supplies, community access roads, health centres and parish headquarters; (ii) the provision of nearly 12 000 short-term and medium-term loans to the rural poor via the network of Subcounty Integrated Development Agencies (SIDAs); (iii) the establishment of community-based initiatives such as adult literacy programmes; (iv) the progress made by the district authorities towards the sustainable delivery of adequate services and a culture of participatory governance; (v) an extremely vigorous and effective supervision process.

**Main Constraints**

4. The mission identified the principal constraints as follows: (i) an imprecise targeting policy which has meant the exclusion of the poorest from the benefits available under the credit and agricultural development components; (ii) the difficulty of providing motivation and incentives for the effective operation of the various users' committees; (iii) the limitations of bottom-up planning processes, which were never fully clarified; (iv) the failure to set up a fully operational M&E system, with central data repository.

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<sup>1</sup> This agreement reflects an understanding among partners (see paragraph 1) to adopt and implement the recommendations stemming from the evaluation.

### **III. Issues and recommendations**

#### **(a) Strategic Issues**

5. The main recommendation is that IFAD should continue its support to the five districts involved in the DDSP on the grounds that the considerable achievements made by the programme will not prove sustainable if external funding is withdrawn, particularly in the three newest districts<sup>2</sup>. The evaluation pointed out that the sector-based ‘basket funding’ approach currently favoured by the Government of Uganda does not necessarily match IFAD’s specific brief and comparative advantages as emphasised in the report of the external evaluation of IFAD.

#### **Recommendations**

6. The evaluation recommends funding for a follow-up programme in the five districts, possibly with the addition of Masindi district (as also recommended in the DDSP Mid-term Review); the nature and direction of the interventions under the follow-up programme should be determined in the light of present needs and former investments, on a componentwise and districtwise basis. In its ongoing negotiations with the Government, IFAD should stress its unique function as a ‘laboratory for innovative ideas’.

*Suggested timing: Inception through appraisal by end 2006 subject to an official request from Government to IFAD by latest end-October 2005.*

*Partners involved: IFAD and GOU (and potential co-financiers and co-operating institution)*

#### **(b) Policy Issues**

7. Despite a supportive policy framework and the radical decentralisation measures which resulted in the transferral of the responsibility for administering government services to the district-level – thus making possible the whole strategy of DDSP – the evaluation feels that further steps are now necessary in terms of the fiscal empowerment of the counties and parishes. The most urgent of these is the provision of alternatives to Graduated Tax, soon to be suspended.

#### **Recommendations**

8. The Government should consider further measures to decentralise budgetary authority in order to enable councils at subcounty and parish levels to fund and manage local schemes. The Government should promptly come up with alternative sources of subcounty and parish revenue to minimise the effect of the revenue hiatus at these levels. In this regard, PF should continue its policy dialogue with the GOU to ensure that the required measures are introduced as soon as possible.

*Suggested timing: as soon as possible*

*Partners involved: GOU and IFAD (in collaboration with other development partners, in particular the donor working group on decentralisation)*

#### **(c) Targeting Issues**

9. The evaluation was concerned that the poorest segments of the population had not been successfully targeted by the rural finance and agricultural development components. The implementing agencies had come to take the view that the ‘active poor’ were the appropriate primary target group, the very poor being either inaccessible, or unable to take advantage of the opportunities offered by the programme. Although the targeting of the ‘active poor’ is a legitimate policy, it was not what was intended at project design. Wealth ranking exercises carried out by the evaluation indicated

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<sup>2</sup> Kamwenge and Kyenjojo are newly created. Kabarole, much reduced in size and with few senior staff remaining, is also effectively a new district.

that there were specific groups of very poor people willing and able to benefit from the programme had the targeting been more precise. There was extensive discussion of this issue at the Kampala workshop, with various stakeholders claiming either that the poorest had been reached or pointing out the severe problems in doing so. However, the consensus of the meeting was that any future project should give close attention to the matter of poverty focus.

## **Recommendations**

10. Any follow-up programme should develop and pilot a medium-term agricultural loan product suitable for the poorest households, consulting best practices within Uganda and elsewhere. The objectives of the Agricultural Development component should be carefully examined to ensure that they match the needs of very poor farmers; in particular, support for the raising of poultry and small livestock might be included in future interventions. Staff of implementing agencies should be trained in PRA techniques such as wealth mapping and wealth ranking in order to achieve a greater precision in targeting.

*Suggested timing: Inception through Appraisal by end 2006*

*Partners involved: IFAD and GOU (and potential co-financiers and co-operating institution)*

### **(d) Volunteer Fatigue**

11. The evaluation found evidence that some community-based committees lacked enthusiasm and commitment, leading in certain cases to ineffective maintenance of schemes and poor attendance at meetings. The programme relies heavily on the work of volunteers, not only for O&M but also in terms of the various participatory processes involved in bottom-up planning. For all volunteers, it seems likely that incentives – whether financial or otherwise – will be necessary to ensure a continuing supply of people willing to undertake these tasks. There also appear to be unrealistic expectations raised by the participatory planning process. Most of the proposals submitted at village and parish level will not be acted on and a sense of frustration will gradually set in. Some evidence for this is already present.

## **Recommendations**

12. Incentives for volunteers must be found, either through allowances or, if the funds are not available, through study tours and minor privileges. The limitations to the bottom-up planning process should be clarified, first of all at design, and after that at every stage of implementation. Care must be taken in the future to avoid an excessive reliance on community volunteers and any unnecessary multiplication of committees at community level.

*Suggested timing: Inception through Appraisal by end 2006*

*Partners involved: IFAD and GOU (and potential co-financiers and co-operating institution)*

### **(e) Monitoring and Evaluation**

13. Despite the expenditure of much time and effort, the M&E system was not fully operational at the time of the visit of the evaluation mission. Among the main constraints in M&E especially at the district level is the low know-how in the use of software and the lack of a fully dedicated M&E capacity.

## **Recommendations**

14. The evaluation recommends to contract out the routine M&E activities (data collection, handling and reporting) to an outside entity that would have a representative co-opted to the management team to facilitate the use of the M&E outputs in performance management. This has the advantage that it brings in flexibility in how multidisciplinary resources are brought together to deal with the types of

spikes that occur in M&E workload. For example, within the provision of one or two full-time person-equivalent(s) an outside entity can deploy up to four people for different aspects of the same assignment. This is a more efficient way of utilising resources. The main requirement is to embed the outside entity into the performance management processes.

*Suggested timing: By end July 2006*

*Partners involved: GOU (DDSP project authorities)*

#### **(f) The Bunyoro Toro Development Company (BUTO)**

15. Although supporting the initiative of the districts to retain the control of the revolving credit fund at district level, the evaluation queried (a) whether BUTO was able to match the need for a businesslike approach with the specific targeting of the poor in terms of savings mobilisation and loan products and (b) whether the company's declared aim that SIDAs should progressively purchase shares in the company – leading to eventual ownership of the company by the SIDAs – was realistic. The evaluation also recommended clarification of the exact position of BUTO in terms of accountability and reporting procedures. These issues provoked a lively debate during the Kampala workshop, ranging over many aspects of microfinance. The main feeling of the meeting was that it is unrealistic to suppose that the very poor can be easily or quickly reached through credit schemes and that it must be seen as a gradual process. However it was also agreed that the design of a future project should include particular efforts to focus on the very poor in this respect.

#### **Recommendations**

16. BUTO should be required by the districts to allocate a specific proportion of credit funds as pro-poor agricultural loans. The company should produce a detailed time-oriented plan concerning the purchase of shares by SIDAs. BUTO should be required to follow the same reporting procedures as other implementing agencies. The process of establishing it as a legal entity requires completion.

*Suggested timing: by end July 2006*

*Partners involved: BUTO and GOU (DDSP project authorities)*

#### **(g) Infrastructural Investments in Water and Health**

17. Boreholes constitute the preferred technology for rural water supply in Uganda and were chosen as the main technology in the programme districts. However, they are not appropriate or economical at all sites and some new boreholes have been neglected by communities in favour of other existing sources. Regarding the health centres constructed under the programme, the evaluation feels that certain essential amenities were missing from the package, notably running water and electric power in the maternity units. In remote areas, the health centres, together with the school, are the chief symbol of the development process. It is essential that they give an impression of efficiency, cleanliness and orderliness.

#### **Recommendations**

18. Boreholes are expensive to construct and maintain and should be adopted only where there is no viable alternative. The initial unit cost of health centres should be increased in order to provide for whatever is considered a basic necessity, including running water, DC electric power supply, a minimum number of beds and mattresses, and a perimeter fence.

*Suggested timing: Inception through Appraisal by end 2006*

*Partners involved: IFAD and GOU (and potential co-financiers)*

## **(h) Management and Finance**

19. Three separate issues are addressed under this heading: budget flexibility, collaborative initiatives between sectors and between districts, and the need for a reliable flow of counterpart funding.

### **Recommendations**

20. The evaluation recommends the introduction in any future programme of budgetary flexibility for district chiefs consisting of a tolerance level of up to 10%, allowing districts to deviate from the annual workplan and budget without specific application and subject only to proper audit controls. The evaluation also recommends brief monthly status update meetings between the component heads. For districts, a biennial workshop would provide an opportunity for the exchange of ideas. The Government should consider setting up monthly or quarterly automated disbursement schedules for counterpart funding.

*Suggested timing: Inception through Appraisal by end 2006*

*Partners involved: IFAD and GOU (DDSP project authorities in collaboration with district councils and the Ministry of Local Government in consultation with the Ministry of Finance)*



**The Republic of Uganda  
District Development Support Programme  
Completion Evaluation**

**Executive Summary<sup>1</sup>**

**I. INTRODUCTION**

1. **The Completion Evaluation of the DDSP** was converted from an interim to a completion evaluation mainly due to the realignment of the policy of the Government of Uganda towards a sectoral funding approach, which appeared to make a second phase unlikely. The task of the Completion Evaluation mission has been to evaluate the DDSP and to make recommendations concerning IFAD's future strategy and approach in Uganda, with a second phase or follow-up programme as possible options among others. The mission was in Uganda from November 19 to December 10 2004, meeting with stakeholders in the five programme districts and at central level.

2. **IFAD has funded or jointly funded 13 projects in Uganda** since 1981, shifting in the 1990s from area-based interventions focusing on agricultural development to multi-component rural development projects co-financed by the Belgium Survival Fund (the DICDPs) and to projects concerned with export products such as cotton and vegetable oil. The three most recent projects constitute a further shift, towards countrywide sectoral approaches. The DDSP was conceived as a follow-up to the rural development projects in the western region and designed to strengthen the process of decentralisation which had started in Uganda in the late 1980s.

3. **The evaluation follows the IFAD Methodological Framework** for Programme Evaluation, which outlines the main evaluation criteria and provides a rating system. The methodology utilized by the mission for impact assessment included: (i) semi-structured interviews with groups and committees; (ii) focus group discussions; (iii) one-to-one interviews with householders and key informants; and (iv) the review of official documents and socio-economic literature. Poverty ranking exercises were also carried out with members of community-based organisations.

**II. MAIN DESIGN FEATURES**

4. **The DDSP is a USD 21.5 million programme** co-financed by the Belgium Survival Fund and Development Cooperation Ireland<sup>2</sup> and directly supervised by IFAD. It was declared effective in May 2000. The initial closing date was December 2004, later extended to June 2006. The target area comprised the three western districts of Hoima, Kibaale and Kabarole, with a combined area of 18 000 sq. km. and a population of 1.4 million. These districts were among the poorest in the country, with average earnings less than half the national average and malnutrition still widespread.

5. **The main emphasis of the DDSP** was to be on productive activities combined with consolidation of the previous socio-economic interventions. The direct beneficiaries were to be around 50 000 households, with a particular emphasis on women and on children at risk, and a broader focus on poor farming households, fishermen and traders. The associations and committees formed under the DICDPs were to provide the basis for community participation.

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<sup>1</sup> The composition of the mission was as follows: Roger Norman, Rural Development specialist and Team Leader; Alice Mango, Water and Sanitation specialist; Catherine Komugisha, Rural Finance and Agriculture specialist; Ismet Mustafa, Management specialist; Lea Joensen (IFAD APO) Community Development specialist. The mission was joined by Katharina Kayser, IFAD Evaluation Officer, for its final week in the country.

<sup>2</sup> Formerly Ireland Aid.

6. **The goal of the programme** was to alleviate the chronic poverty in the programme area through raising rural incomes, improving health, food security and nutrition, the participation of farmers in commercialised agriculture and the enhancement of local governance. For Kabarole, which had not benefited from community-based development assistance, the programme was also designed to create the necessary institutional frameworks. The programme components were: community development, rural finance, health and nutrition, water and sanitation, rural roads, agricultural development, and management capacity building and institutional strengthening.

7. **The Ministry of Local Government** had overall responsibility for the programme and for providing the liaison and secretariat capability through a dedicated unit at central level. To the Inter-Ministerial Policy Committee was given the advisory role on policy and strategy issues. The implementing agencies at field level were the district administrations, with a District Technical Planning Committee acting as the key coordinating body. The Uganda Women's Finance Trust was selected for the implementation of the rural finance component, including the creation and guidance of groups and the management of the credit fund.

8. **Changes during implementation:** (i) the division of the former Kabarole into three districts by the creation of the new districts of Kamwenge and Kyenjojo resulted in a one year delay in start-up in the new districts; (ii) the government decision to abolish community contribution in basic health care caused the abandonment of the drug revolving fund and militated against the DDSP approach to sustainability; (iii) the operation of the health and agricultural services was affected by the ceilings on staff recruitment during the restructuring of local government; (iv) the proposed ten-year suspension of Graduated Tax has already had a significant impact on local government revenue flows, and no replacement plan has yet been announced. Design changes during implementation include the setting up of the Bunyoro Toro Development Company (BUTO), a limited company jointly owned by the five districts, to take over the running of the rural finance component.

### III. SUMMARY IMPLEMENTATION RESULTS

9. **Community Development** (12% of base costs). The major activities have included the construction of community centres, the training of literacy instructors and Community Development Assistants and the promotion of adult literacy groups, agricultural commodity interest groups and women's savings and credit groups. The component has also assisted in the formation of users' committees for other components. Community centre construction has been satisfactory, and the maintenance committees function well. The main problem for the component is the shortage of staff (in some districts) and dependence on unpaid volunteers.

10. **Rural Finance** (14%). There is now a Subcounty Integrated Development Association in every subcounty in all districts, as planned. The SIDAs have been able to mobilize over UGSh 400 million in savings and many should soon be able to operate as independent microfinance institutions, without external support. The transition to BUTO management has been smooth due to the retention of trained staff and the intensive training of SIDAs in technical and managerial aspects of savings and credit operations.

11. **Health** (8%). Health has the smallest of component budgets, with very small amounts allocated to the new districts, where primary healthcare coverage is still very limited. The major activity has been the construction of nine Level III Health Centres, three each in Hoima and Kibaale and one each elsewhere. The quality of construction is satisfactory, but basic amenities were missing from the original design, notably running water and electric lighting for the maternity units. Training courses have concentrated on village health workers, traditional birth attendants and community health committees.

12. **Water and Sanitation** (21%). The major investment has been in borehole construction, which is complete in Hoima, Kibaale and Kabarole. Water source committees and hand pump mechanics have been trained for the maintenance of the boreholes. Water tanks and ventilated pit latrines have



been installed in primary schools, the latter with handwashing facilities as part of the design, maintained by pupils under the guidance of school health committees. In Kibaale and Hoima, sanitation platforms were provided to households at subsidised prices. Hygiene improvement included the promotion of handwashing, washing racks and rubbish pits.

13. **Rural Roads** (17%). The largest item of expenditure has been the construction of 1 120 kms of community access roads, with 87% of these concentrated in Hoima and Kibaale. The most successful approach to construction has been the direct hiring of local labour gangs. Considering the low costs and lack of skilled labour, the standards of construction are commendable and community maintenance has generally been effective. The other major investment under the roads component is the ongoing construction of two motorable roads to Lake Albert.

14. **Agricultural Development** (14%). Activities included the distribution of improved crop varieties (especially for bananas and coffee) to progressive farmers for multiplication and further distribution, the setting up of beekeeping centres, the establishment of fish fry ponds and the distribution of improved livestock. Over 20 study tours to other districts were organized and training offered in animal traction, fish farming, farming as a business, and crop and animal husbandry. The hiring of agricultural management specialists has resulted in advances in market orientation and farm record keeping, especially in Kibaale and Hoima, and beginnings have been made in linking farmers with the private sector.

15. **Capacity Building and Institutional Strengthening** (14%). District-level staff are proficient in standard computer applications and there has been extensive training on the logframe approach to monitoring. Procurement delays have been reduced to a standard two months. Subcounty and parish officials have received training in record keeping and planning, and timely workplans and budgets are now produced at parish level. Eighty-two Parish Headquarters have been constructed for use in revenue collection and as community centres but implementation has been slow.

16. **M&E and Accounting.** Despite significant investments, the M&E system is not fully functional and a central repository for data is lacking. Roads, Water & Sanitation, and Education all use separate systems. However, the districts are adept at compiling financial records and component-specific data by hand. Accounts are accurately kept and detailed financial statements produced. The continuing delay in counterpart funding – USD 481 000 at the end of August 2004 – is disrupting accounting procedures and causing uncertainties in payment schedules.

#### IV. PERFORMANCE OF THE PROGRAMME

17. **There have been significant improvements** in capacities, service provision and infrastructure, especially in the older districts where the bulk of the investment has been made. Safe water supplies, the road network and primary health care have been substantially extended and the cost of infrastructure has been kept within reasonable limits. The principle of community participation in development planning has been established. Overall, the DDSP has been a successful programme, with problems related to design rather than implementation.

18. **Imprecise Objectives.** The programme's stated objectives are general statements of intent rather than measurable and time-oriented objectives, and this has entailed a long search for suitable impact indicators. The 'participation by farmers in the monetization of the economy' seems especially imprecise and does not target the poorest farmers.

19. **Failure to Target the Poorest.** Only the physical infrastructure components have generated benefits for households in all categories. The mission's wealth ranking exercises indicate that SIDA and farmers' group membership is dominated by the 'not so poor'. The majority of the 'poor' and all the 'poorest' are unable to meet the collateral requirements of SIDA loans, which are unsuitable for agriculture. Activities under the agricultural component are mostly targeted at 'the active poor' on the grounds that the poorest lack the basic means of production.

20. **Decentralisation Issues.** The DDSP has been instrumental in promoting a process of participatory planning whereby community requests are progressively screened at higher levels. However, the long delays and lack of government response tend to generate a sense of powerlessness and frustration. There are clear limits to decentralisation, including the decisions necessarily made by technical departments, the capacities of village and parish development committees and, above all, the fact that without financial decentralisation there can be no meaningful delegation of decision making.

21. **Users' Committees.** Most water sources showed evidence of neglect. Less than half of the committees interviewed had collected funds for O&M and over a quarter of beneficiaries viewed the water sources as government facilities. In many cases, there had been inadequate preparation before construction of facilities, lack of training and lack of follow up. As for community health committees, there seemed to be little clear understanding of their function and the mission assessed them as unsustainable. The situation in the road component seems better, with a widespread understanding that the responsibility for maintenance rests with the community.

22. **Infrastructural Efficiency.** The cost per kilometre of roadbuilding was economical for labour-based schemes and cost-benefit ratios were very satisfactory for health centre construction. Under the water component, however, boreholes – the most expensive solution – were normally preferred even when cheaper alternatives existed. Some doubt hangs over the usefulness of the parish revenue offices in view of the imminent suspension of Graduated Tax.

23. **High Operational Costs in Rural Finance.** The Mid-Term Review allocated more for component support than for the revolving credit fund, even though most fixed assets had already been purchased. There are suggestions of extravagance in BUTO's operational budget.<sup>3</sup> Despite the purchase of six vehicles for the component, SIDA is obliged to hire vehicles to transport their monies.

24. **Continuing Problems with M&E.** The programme M&E system has not repaid the considerable investments in terms of time and money and is still not fully utilised. Each line ministry has its own reporting requirement and corresponding software system, containing mostly quantitative data. The beneficiary evaluation process is complex and time consuming, budgets are inadequate and incentives are lacking for facilitators.

## V. POVERTY IMPACT

25. **Water, Roads and Health.** Nearly 200 000 rural people gained access to safe water as a result of DDSP interventions and the average distance to water sources was reduced to reasonable walking distance in most areas. The availability of clean water has had an impact on hygiene and in schools the health of children has improved through the provision of handwashing facilities with the new latrines. The construction of community access roads in the five districts represents an expansion of over 20% within four years. Beneficiaries reported the main impact as cheaper and quicker transportation of farm produce and better access to health centres and schools. The average distance to the nearest health unit has been reduced in all districts. In Hoima, 80% of the population now live within five kms of a health centre and in Kibaale 60%. The number of facility-based births is rising rapidly, especially in the new districts. Hoima and Kabarole have reported substantial reductions in the rate of stunting, underweight and wasting in children under five.

26. **SIDA Members.** SIDA members reported a marked increase in economic activity and household incomes. Many of them have replaced thatched dwellings with iron-roofed houses and some have piped water. Others have purchased land for commercial or agricultural use and utilised the asset as collateral for obtaining larger loans from commercial institutions. Characteristics such as persistence, calculated risk taking, independence and self-confidence have been developed through

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<sup>3</sup> BUTO has challenged this statement and some others in this report. See also page 38, footnote 40.

training, group cohesion and access to credit for small enterprises. Over 95% of SIDA members reported running profitable enterprises.

27. **Farmers and Farming.** Increases in crop yields, crop cover and livestock numbers are claimed in the agricultural sector, but convincing statistics were generally unavailable. Members of farmers' groups reported better access to health and education services and improved production skills through training and study tours. All progressive farmers could point to at least two new skills they had acquired. Farmers' groups are encouraged to save, which has in turn increased their access to credit. Farmer Extension Representatives have emerged as respected community leaders but many farmers outside the groups remain without access to extension services.

28. **Food Security.** All group interviews, without exception, confirmed the perception of the beneficiaries that the overall incidence of poverty has fallen and that household food sufficiency and family incomes have improved. From the literacy classes, radio programmes and drama groups, there is increased awareness about nutrition, and many literacy students have taken up vegetable growing. Beneficiaries of agricultural programmes also reported improved diets.

29. **Environmental Impact.** The environmental impact of DDSP activities has been positive, but the mission recommends a rigorous environmental impact assessment as part of the development of the lakeshore of Lake Albert after the construction of motorable link roads.<sup>4</sup>

30. **Gender.** Almost all married SIDA women said their husbands were now more respectful, and felt they were more often consulted about issues affecting their lives. A number of SIDA members have taken on leadership positions in the local administrative structure. Women have been active in the majority of users' committees.

31. **Development Impetus.** The fundamental sustainability issue is whether the districts will be able to maintain the development impetus in the absence of further donor support. The problem is not with 'hardware' aspects such as roads, boreholes and health centres but with the 'software' aspects such as capacity building, the effectiveness and dynamism of groups, the sustainability of adult literacy programmes and the concept of agricultural commercialization.

32. **Sustainability of SIDAs.** The sustainability of SIDAs seems assured in Hoima and Kibaale, but in Kabarole, Kyenjojo and Kamwenge the associations seem weak in terms of cohesion, ownership, savings, coverage and outreach. There are some doubts about the level of SIDAs' independence from BUTO.

33. **Volunteers.** Many programme committees and activities depend on volunteers, especially under the Community Development component, which relies on the voluntary activities of literacy instructors and community 'change agents'. SIDAs also rely on volunteers, who may not always be forthcoming. Committees under the water, health and roads components all operate on a voluntary basis and will only prove sustainable where the sense of ownership is strong.

34. **Innovation and Upscaling.** The DDSP was substantially a follow-up to the DICDPs, its chief innovation being the degree and compass of direct support given to local government authorities, probably unique in Uganda. Lesser innovations include: the attempts at cross-sectoral collaboration, especially regarding the overall role of the Community Development Department; the creation by the districts of a limited company (BUTO) designed to manage credit delivery, and the involvement of NGOs in service provision.

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<sup>4</sup> Hoima District has pointed out that an environmental impact assessment was carried out for the road scheme itself.

## VI. PERFORMANCE OF PARTNERS

35. **Performance of IFAD.** IFAD is to be commended for the very energetic and effective supervision which in turn has led to the fostering of a direct dialogue with central government. However, the recent Thematic Evaluation complains that ‘the area of dialogue and upscaling has not been seriously explored’, for which a full-time country presence is necessary.

36. **The Co-financiers.** Both the Belgian Survival Fund and Development Cooperation Ireland have a significant history of assistance to the programme area and have taken a close interest in the programme. The BSF is particularly keen on cross-sectoral collaborations and is concerned that the ‘basket-funding’ approach will not be able to accommodate this priority.

37. **The Central Government.** The Government of Uganda has shown a genuine commitment to decentralisation, but the ten-year suspension of Graduated-Tax without declared alternatives, the abolition of cost-sharing at health centres, the free distribution of seeds and livestock breeds in the agricultural sector, and the temporary hiring freeze in the health service have all tended to undermine the community-based and market oriented approach of the programme.

38. **The Ministry of Local Government,** and in particular the key role of its programme liaison office, is highly rated by the districts. **The Ministry of Finance, Planning and Economic Development** is exploring a harmonized reporting structure to be used in conjunction with the sectorwide ‘basket funding’ approach.

39. **The role of NGOs in service provision** has been substantial under the programme, extending to the supply of sanitation platforms, the training of water source committees, the provision of extension services and various agricultural training programmes. Most NGOs are reported as performing well, although formal reporting procedures are not always adequate.

40. **The Bunyoro-Toro Rural Development Company.** It is BUTO’s goal to encourage the SIDAs progressively to purchase BUTO shares and ultimately to become majority shareholders, but the feasibility of this commendable plan has not been properly examined. BUTO does not appear to operate within any supervisory framework and the reporting and monitoring systems do not conform with those of the other components. The Memorandum of Understanding according BUTO the necessary legal status for the administration of the RCF is still unsigned.

41. **The SIDAs.** The expression ‘SIDA women’ conveys an image of self-confidence and entrepreneurial spirit. The Thematic Evaluation’s assessment of the SIDAs was that they had had ‘a tremendous impact on women in development’. BUTO reports all SIDAs as being profitable and the longer-established ones as self-sufficient. SIDAs in Hoima and Kibaale are described as the ‘market leaders’ in microfinance. The main drawback is that SIDA membership tends to exclude the very poor.

## VII. CONCLUSIONS

42. **Overall.** The DDSP has been a successful programme. Crucial to its success has been the demanding supervision exercised by IFAD, which has served to make good the weaknesses of the original design – precisely what supervision is supposed to do, and rarely does.

43. **Design Issues.** The design of DDSP was over-idealistic in respect of ‘bottom-up planning processes’. The limits to the decentralisation of planning decisions were never properly clarified.

44. **Programme Effectiveness.** The programme was effective in achieving its stated goals except in targeting the poorest households. The implementing agencies considered that for the credit and agriculture components, the ‘active poor’ and the progressive farmers comprised the only practicable target groups, and that the ‘trickle-down’ effect would carry the benefits to the poor. This forceful argument highlights a dilemma for IFAD, with its brief to target the poorest.

45. **Programme Efficiency.** Precision about levels of efficiency is problematic in the absence of certain key statistical data. The evidence such as it is does not suggest a costly programme and indicates an efficient use of limited human resources in terms of major investments.

46. **Overall Impact.** The impact of water sources, roads and health centres is undeniable, the credit component has far exceeded its measurable objectives, and the software packages (training, sensitisation and mobilisation) have had a substantial impact on ‘the culture of governance’.

## VIII. RECOMMENDATIONS

47. **Continuation of IFAD Investment.** The mission recommends further investment in all five districts on the grounds that the task, although well-started, is only half-done, and many of the investments may prove unsustainable. This is particularly true for Kamwenge, Kyenjojo and Kabarole, where implementation has been underway for only three and a half years. To remove a chief source of funding for these new districts<sup>5</sup> should not be done without carefully weighing the consequences. The scale and direction of the new investments will require assessment by district and by component and the conduct of a fresh baseline survey.

48. **Decentralisation of Funds.** In future projects of this kind, subcounties and parishes should be directly funded by the programme to give substance to the commitment to bottom-up planning.

49. **Poverty Focus.** The rural finance component of any future project should have as a priority the development of a medium-term loan for agricultural purposes accessible to the very poor.

50. **Strategic Issues.** In its negotiations with the Government of Uganda concerning future loans, IFAD should be mindful of its unique role and comparative advantages (specifically highlighted in the recent external evaluation of the Fund), neither of which are well-served by contribution to a basket-funded approach.

51. **Counterpart Funding Delays.** The Government should consider setting up monthly or quarterly automated disbursement schedules to avoid obstructive delays in counterpart funding.

52. **Donor Coordination.** The harmonisation of reporting systems, urgently required, could be addressed at the monthly meeting of donor representatives in Kampala.

53. **Community Development.** Interventions need to be aimed more accurately at the poor and marginalised. To this end, the Community Development staff should conduct training with staff of the agricultural and rural finance components on wealth ranking exercises. Men should be attracted to join literacy classes by marketing them as providing access to extension advice, English and Swahili language skills and economic opportunities.

54. **Rural Finance.** Operational funding should be reduced and the revolving credit fund correspondingly increased. Clear guidelines as to the social responsibility of the component should be set out, and appropriate monitoring indicators developed. BUTO should be required to allocate a proportion of credit funds as pro-poor agricultural loans and to follow the same reporting procedures as other implementing agencies.

55. **Health.** IFAD should seek clarification on the replacement of nursing assistants before making further investments in the health service. The initial unit cost of new health centres should include necessities such as running water, DC electric power supply, a minimum number of beds and mattresses, and a perimeter fence.

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<sup>5</sup> After the division of the old district of Kabarole, Kabarole itself was also effectively a ‘new’ district.

56. **Water and Sanitation.** As boreholes are expensive, they should be adopted only where there is no other viable alternative. For effective maintenance, communities should be trained before construction starts and a simple guide for committees should be prepared. Initiatives in some districts can be replicated: training by NGOs; associations for hand-pump mechanics; the utilisation of the O&M fund as a revolving credit fund.

57. **Rural Roads.** The Ministry of Works should decentralise the responsibility for the upkeep of trunk roads to the districts, retaining only a coordinating function. It should also review its commitment to the inefficient contract system for the upkeep of district feeder roads.

58. **Agricultural Development.** Tools for monitoring component indicators should be developed and relevant stakeholders trained in their use. Efforts should be made to attract poorer farmers to join farmers' groups. The policy of working with NGOs in outreach activities should be extended.

59. **Management.** The mission recommends a tolerance level of up to 10% allowing districts to deviate from the original Annual Work Programme and Budget without specific application, subject only to audit controls. Inter-sectoral collaboration would be enhanced by brief monthly meetings between component heads and inter-district collaboration by a bi-annual workshop for the exchange of ideas. The programme should hire an MS Access expert familiar with the existing M&E system to design linkage mechanisms for existing databases and to create a central repository.

**The Republic of Uganda  
District Development and Support Programme  
Completion Evaluation**

**Main Report**

**I. INTRODUCTION**

**A. The Evaluation**

1. The Completion Evaluation of the District Development and Support Programme (DDSP) was originally planned as an interim evaluation, a mandatory condition for the consideration and formulation of a second phase of the existing programme. It was agreed, however, that changes in IFAD strategy, as expressed in the most recent Country Opportunities and Strategy Paper (COSOP), together with the realignment of the policy of the Government of Uganda towards a sectoral funding approach, had placed strategic obstacles in the way of a second phase. It was thus logical that the interim evaluation should be converted into a completion evaluation, particularly in view of the fact that project funds under most components are expected to be exhausted by mid 2005. The task of the Completion Evaluation mission has been to evaluate the DDSP and to make recommendations concerning IFAD's future strategy and approach in Uganda, with a second phase or follow-up programme as possible options among others.

2. The mission was in Uganda from November 19 to December 10 2004. The findings set out in this report are based on fifteen days of fieldwork in all five programme districts as well as central level meetings with representatives of government ministries and donors. The mission worked under the overall aegis of the Ministry of Local Government (MOLG), and its itinerary was prepared and facilitated by the Liaison Office situated within MOLG. The five districts and the Liaison Office were requested to present self-assessments at the series of initial plenary meetings with the mission. A wrap-up meeting was held in Kampala on December 8, at which the initial findings of the mission were reviewed and discussed by a representative gathering of central government ministries, district officials, donors and other concerned parties, including IFAD's current and future Country Portfolio Managers for Uganda.

3. The first draft of this report was shared with Core Learning Partners for their comments, the key points of which are reflected in this present draft. An 'issues paper' has been distributed summarising the main recommendations of the report, and this will form the basis for discussion at the workshop to be held in Kampala on March 11 2005. Following this workshop, an 'agreement at completion point' will be issued representing the partners' understanding of the key recommendations and their commitment to act upon them.

4. **Approach and Methodology.** The evaluation follows the IFAD Methodological Framework for Programme Evaluation, which outlines the main evaluation criteria for IFAD programmes and provides a rating system. The objectives of the framework are to systematise impact assessment and facilitate the consolidation of the findings of different evaluation exercises. The framework is articulated in three main blocks: the programme's impact on rural poverty; the performance of the programme; the performance of programme partners. The methodology utilized by the mission for impact assessment included: (i) semi-structured interviews with groups and committees; (ii) focus group discussions; (iii) one-to-one interviews with householders and key informants; and (iv) the review of official documents and socio-economic literature. A total of eleven poverty ranking exercises were carried out with members of community-based organisations.

5. The mission has studied a broad range of primary and secondary documents. Among these have been the comprehensive Mid-term Review (MTR) report of June 2003, the initial draft of the Thematic Evaluation of IFAD's Performance and Impact in Decentralizing Environments (Uganda) of August

2004 and the detailed supervision report of June 2004. The existence of these recent assessments of the DDSP has to an extent freed the present mission from the obligation of reiterating implementation details and enabled it to concentrate on the impact on beneficiaries as well as on the issues arising and the lessons learned from the implementation performance.

## **B. Country Background**

6. Uganda has an area of 236 000 sq km, around 20% of which is covered by inland water and swamps. The remainder is a mixture of tropical rain forest and savannah, with a mountainous area on the western borders. At the time of the 2002 census, the population stood at 24.7 million people, around 80% of whom live in rural areas. The country's major industries are agriculture (coffee, tea, fish, fresh flowers and tobacco), mining, construction, manufacturing and textiles. Its principal trading partners are the United Kingdom, South Africa, India and Kenya.

7. A long period of political and civil turmoil was marked by the Amin dictatorship of the 1970s and the destructive civil war of the first half of the 1980s. Coming to power in 1986, President Yoweri Museveni inherited a country where an estimated one million people had been killed by war, two million had been uprooted as refugees and the economy was in ruins. Considerable progress has since been made in rebuilding infrastructure shattered by civil war. The southern half of Uganda is now peaceful, but some areas of the north remain troubled by insurgency.

8. Uganda's economic progress since 1986 has been impressive. During this period it has been able to attract multinational investment and donor support by ensuring a stable environment in which to invest and adopting pragmatic economic policies aimed primarily at reducing poverty. In recent years, GDP has been growing at around 5% per annum. GDP per capita was calculated at USD 270 in 2003. The rate of inflation currently stands at around 4%. Exports continue to rise, but revenue collection is problematic. There are also some concerns about economic performance and sustainability. Growth is below the levels required (approximately 7% per annum) to meet Uganda's poverty reduction targets, and public expenditure still represents a substantial proportion (around 18%) of the budget. The agricultural sector is relatively healthy, with an average annual growth rate of between 3.5 and 5.5% per year as a result of liberalisation and commercialisation.

9. In 1998, Uganda was the first country to receive HIPC debt relief, currently worth about \$100m annually. Additional loans from multilateral donors, together with lower interest rate and export earnings forecasts, have seen the key debt: export ratio rise from 150% to around 300%. However, debt service ratios as a percentage of domestic revenues (c. 10%) remain well below the critical threshold.

10. **Poverty Alleviation.** The government strategy for poverty alleviation and rural development has been transformed in the last decade by the terms of the Poverty Eradication Action Plan, the Poverty Action Plan and the Plan for the Modernisation of Agriculture (PMA). The primary aim of rural development policies is to increase earnings from productive employment, with priority given to raising smallholder farm incomes. The role of the Government is to ensure public investment in infrastructure, research, extension, health, and education, as well as to facilitate the growth of the private and micro-business economy. Public services are provided through the local government administration (district, county, subcounty, parish and village) in an increasingly decentralised and participatory framework.

11. **Decentralisation.** The process of decentralisation started in the late 1980s with local councils given the authority to determine the provision of services at local levels. An effective system of participatory local government was later articulated in the 1995 constitution and spelled out in a series of policy pronouncements and in the Local Governments Act of 1997. The central Government provides financial support to the districts, subcounties and parishes through subventions under the Local Government Development Fund, capacity building grants, and PMA, as well as through donor-assisted interventions. The DDSP districts thus have multiple sources of funding for development



assistance, and the channelling of resources to the districts has in turn led to the rationalization of the local government system and the improvement of procedures for planning, budgeting, revenue raising and accounting. In this pattern of overall support, DDSP is a significant contributor, both in technical and financial terms. The development strategies of the districts are articulated in three-year development plans, partly financed and produced under DDSP, with participation from the village level upwards.

**12. IFAD in Uganda.** In addition to the DDSP, IFAD has funded or jointly funded 12 projects in Uganda since 1981. The earlier generation of projects consisted of area-based interventions focusing on agricultural development. The 1990s community development projects (DICDPs) in Hoima, Kibaale and Masindi, funded by the Belgian Survival Fund (BSF), marked the start of IFAD's involvement in multi-component rural development projects in the western region, to which DDSP was conceived as a follow-up programme. There were also in the 1990s three projects concerned with the development of export products such as cotton and vegetable oil. The most recent projects – the Area-based Agricultural Modernization Programme (AAMP), the National Agricultural Advisory Services (NAADS) and the Rural Financial Services Programme (RFSP) – constitute a shift toward sector-wide approaches.



A farmer in Buswekera village, Hoima District, spreads manure on a pineapple crop. The farm owner has received training in organic, sustainable farming methods, acquiring knowledge that he passes on. "My neighbors have come to me to learn what I am doing here".

IFAD photo by Robert Grossman

## II. MAIN DESIGN FEATURES

13. The DDSP is a USD 21.5 million programme, financed by an IFAD loan of USD 12.59 million, a USD 5.93 million grant made by the Government of Belgium through the BSF, a USD 854,000 grant from Development Cooperation Ireland, counterpart funding from the Government of Uganda amounting to USD 1.6 million and contributions in labour and materials from beneficiary communities. The BSF grant is designed primarily to support interventions in health, water, nutrition and sanitation, and the Development Cooperation Ireland grant is exclusively directed at agricultural development. The government contribution covers duties and taxes (including value-added tax) and an increasing proportion of recurrent costs. The programme is supervised by IFAD under the direct supervision pilot programme covering 15 projects worldwide. UNOPS is responsible for loan administration. Declared effective on 24 May 2000, the implementation of the DDSP commenced in earnest in October 2000 in Hoima and Kibaale districts and in July 2001 in Kabarole. In April 2004, the closing date of the programme was extended from 31 December 2004 to 30 June 2006.

### A. Programme Rationale and Strategy

14. At the time of programme design, the districts of Hoima, Kibaale and Kabarole were reckoned among the poorest and least developed in the country. At the end of the six-year DICDPs, basic poverty indicators were still alarmingly low.<sup>1</sup> Average earnings were estimated at less than half the national average and malnutrition was widespread. The Baseline Study carried out by the FAO Investment Centre for the DDSP found that the illiteracy rate was 55% in the poorest wealth quintile, 56% of women (and 29% of men) had never been to school, over 20% of households had no form of toilet or latrine and half of the women had to walk more than half-an-hour to fetch water. Around 60% of all households relied on rivers, lakes, ponds or other unprotected sources for their drinking water. Nearly a third of children were reported as stunted and a further 18% as underweight. In the light of such statistics, the conclusion that ‘interventions by IFAD and other donor agencies have not had a significant impact on the poverty situation’<sup>2</sup> seems justified.

15. The main thrust of the DDSP was to be on productive activities (including both cash and food crops), combined with consolidation of the successful socio-economic interventions of the DICDPs. In the case of Kabarole District, which was not covered by the previous project, the programme rationale was to replicate the successful lessons and experiences gained in the adjacent districts of Kibaale and Hoima. The programme strategy comprised: (a) the promotion of directly productive activities in farming, processing and trading, for which expanded savings and credit operations would be the main catalyst; (b) reinforcing the coverage of welfare measures, with emphasis on child health and nutrition, and water supply and sanitation for schools; (c) strengthening health training at a community level; (d) reorientation of the agricultural extension services; (e) utilising NGOs and the private sector where applicable; (f) capacity-building of the grassroots and local government institutions, particularly with respect to financial viability. In order to ensure sustainability, the programme was to include cost-sharing mechanisms.

### B. Programme Area and Target Group

16. **Programme Area.** The programme area initially comprised the three districts of Hoima, Kibaale and Kabarole, with a combined area of some 18 000 sq. km. and a population of around 1.4 million. The population has been increasing rapidly in certain zones because of migration from

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<sup>1</sup> The DDSP appraisal estimate was that no less than 90% of the population of the target area was poor. This seems excessive in the light of Uganda Bureau of Statistics figures for numbers of people living below the poverty line, based on consumption levels, for the period 1993 to the present, where the overall figure for the rural west was 56% in 1993, falling by 4-6% per year to reach 42% in 1997. This roughly accords with a 1993 household survey referred to in the Appraisal Report which found that about 61% of the population in the target area was living below the poverty line.

<sup>2</sup> DDSP Report and Recommendation of the President, Sept. 1998, p. vii.

outside. Kibaale is particularly affected in this respect, and so too are parts of Kamwenge and Kyenjojo, where the estimated population growth rates are 3.2 and 3.75 per annum. The population of the entire programme area may have increased by as much as 20% since programme appraisal in 1998. In November 2000, Kabarole, the largest and most populous of the three districts, was divided into three by the creation of the new districts of Kamwenge and Kyenjojo, so that from this time the DDSP was implemented through the local governments of five districts.

17. Agricultural and related activities account for over 90% of household income. Only about 30% of the available cultivable area in Hoima, Kibaale and the less densely populated parts of Kyenjojo and Kamwenge is under cultivation, while nearly all of the cultivable land is utilised in Kabarole and the remainder of Kyenjojo and Kamwenge. The districts also have large tracts of open water and swamps, forest and wildlife reserves, and grasslands. The main food crops are cassava, sweet potato, maize, sorghum and banana (*matoke*). Cash crops include tobacco, coffee and cotton, with very extensive tea plantations in Kabarole. The total number of cattle in the project area is around 250 000. In the drier areas, these tend to be owned by large herders, but in Kabarole and the mixed farming areas of Kyenjojo and Kamwenge, most farming households possess a few cattle. Goats and poultry are kept in small numbers by nearly all households. Fishing in Lake George and Lake Albert is a major occupation in subcounties bordering the lakes.

18. **Target Group.** Overall, the DDSP targeted some 255 000 households, about 90% of whom depend on agriculture, livestock raising or fishing. The appraisal estimate was that at least 20% of these, or 51 000 households, would be direct beneficiaries of the key productive interventions while a much higher proportion of the total population would gain from improvements in infrastructure and service provision at parish and subcounty level. Women and children at risk and the landless were described as the prime target group, but the uptake and major impact of the productive interventions was expected to be confined to those prepared and able to participate. Thus the targeting approach was fairly specific in identifying as the target group for productive activities what became known in programme terminology as ‘the active poor’, presumably because: (i) poverty levels were at appraisal considered to be relatively uniform throughout the districts, differences in mindset being more likely than levels of assets to determine programme participation; (ii) the less poor households are often the most influential and can become effective ‘first movers’.

19. Under the DICDPs, a large number of savings and credit groups, users groups and development committees had been established and trained, and it was envisaged that these and similar groups would provide the basis for community participation in the identification, planning and management of social services and communal facilities under DDSP. Women have provided the great majority of members of these various groups and committees, a trend expected to continue, leading to a gradual increase in their influence in local governance.

### C. Goals, Objectives and Components

20. The overall goal of the six-year programme was to alleviate the chronic poverty in the programme area. Specific objectives included: (a) the raising of household and rural incomes; (b) the further improvement of the overall health status of the population; (c) greater food security and better nutrition; (d) increased farmer participation in the monetization of the rural economy; and (e) enhanced local governance. In the case of Kabarole, which had not benefited from community-based development assistance, the programme was also designed to contribute to the building of the necessary institutional and community frameworks.

21. **Programme Components.** The programme was designed with seven components. The relative share of each component in the total budget at appraisal can be seen in Table 1. Each component consisted of three to four sub-components, as follows:

- (i) *community development*, comprising community mobilisation support, socio-economic skills development and district planning support;

- (ii) *rural finance*, comprising finance systems development, incremental credit, support for the Uganda Womens Financial Trust (a financial NGO), and beneficiary training;
- (iii) *health and nutrition*, comprising construction of health units, capacity building and training, a revolving drug fund, and technical assistance;
- (iv) *water and sanitation*, comprising the drilling of boreholes, the installation of rainwater tanks and, mostly in schools and community centres, improved pit latrines and sanplats;
- (v) *rural roads*, comprising the construction or rehabilitation of roads and tracks, support to works departments, and the construction of a link road to the shores of Lake Albert;
- (vi) *agricultural development*, comprising the reorientation of the extension services, training and management support, production support for selected crops and livestock activities, and district agricultural organisation support;
- (vii) *management capacity building and institutional strengthening*, comprising implementation support to district administrations, capacity building at all levels, parish revenue mobilisation, and the upgrading of monitoring and evaluation.

**Table 1: Programme Funds by Component (USD millions)**

	Budget at Appraisal	%age of Base Costs
1 Community Development	2.49	12
2 Rural Finance	3.05	14
3 Health and Nutrition	1.63	8
4 Water and Sanitation	4.44	21
5 Rural Roads	3.63	17
6 Agricultural Development	2.91	14
7 Institutional Strengthening	2.96	14

*Source: Staff Appraisal Report*

#### **D. Implementation Partners and Arrangements**

22. As executing agency, the Ministry of Local Government (MOLG) had overall responsibility for the programme as well as providing the liaison and secretariat capability. MOLG also acted as the link with other central level ministries<sup>3</sup> on policy and strategy matters, with the Inter-Ministerial Policy Committee expected to fulfil an advisory role in these respects. The implementing agencies at field level were the three (later five) district administrations, which incorporated all programme interventions into their planning systems. For each district, a District Technical Planning Committee (DTPC) served as the key coordinating body, chaired by the Chief Administrative Officer (CAO) and composed of the heads of the various departments. The CAO had the ultimate authority for the management of programme affairs and the District Planner was designated Programme Coordinator. At the subcounty, parish and village levels, the respective local councils<sup>4</sup> were charged with facilitation of programme activities and training programmes.

<sup>3</sup> Ministries of: Finance, Planning and Economic Development (MFPED); Agriculture, Animal Industries and Fisheries (MAAIF); Gender, Labour and Social Development (MGLSD); Water, Lands and the Environment (MWLE); Health (MOH); and Works, Housing and Communications (MWHC).

<sup>4</sup> The local councils are designated LC1 to LC5, with LC1s operating at village level, LC2s at parish level, LC3s at subcounty level and LC5s at district level. There are no councils at LC4 (county) level.

23. One unusual feature of the implementation arrangements has been the role of the Community Development component, which has effectively acted as the entry point for all community-based activities. It has thus been responsible for community mobilisation and capacity development, the formation of new groups and committees and the strengthening of existing groups, which together form the basis for community participation in the establishment of social infrastructure and services as well as managing and maintaining the completed schemes. The Subcounty Integrated Development Associations (SIDAs) were expected to provide the ‘umbrella grouping’ for the implementation of community development programmes and productive activities. They were also seen as the ‘successors to the programme in terms of carrying forward programme aims in rural financial intermediation’<sup>5</sup>, in other words as key agents of sustainability.

24. **NGOs and the Private Sector.** The Uganda Women’s Finance Trust (UWFT) was selected for the implementation of the rural finance support activities, including the creation, guidance and monitoring of savings and credit groups and the management of the Credit Revolving Fund. It was also envisaged that NGOs would play a part in the training and demonstration activities under the Agricultural Development component. Private sector institutions were expected to be involved in the supply of inputs and equipment and as contractors in the construction of roads and buildings and the drilling of boreholes.

### **E. Major Changes in Policy and Institutions During Implementation**

25. **Division of the Former Kabarole.** The most significant administrative change during the implementation of the programme was the division of Kabarole into three districts. This hindered the start of activities in Kamwenge, Kyenjojo and the new and smaller Kabarole. Ultimately, the move was a positive decentralising step, entailing a large measure of autonomy for the populations of the areas that became Kamwenge and Kyenjojo, previously administered from Fort Portal. However, the measure initially resulted in a period of operational deadlock for the DDSP and even when this was resolved, there remained a host of problems, including two inexperienced implementing agencies and the need for a revised allocation of resources. The result was that activities in the three districts did not get underway until July 2001, around a year later than envisaged. Implementation was further hampered by the fact that the districts initially utilised a single programme account, operated from Fort Portal. They were also obliged to share extension and managerial staff. For the ‘rump’ Kabarole, the change meant a sudden diminution of territory and resources and the loss of experienced staff.



**New district Headquarters at Kyenjojo.**  
IFAD photo by Roger Norman

<sup>5</sup> DDSP Report and Recommendation of the President, Sept. 1998, Appendices p. 12.

26. **PMA and NAADS.** The programme has been strengthened by the shift towards demand-driven agricultural services embodied in the Programme for Modernisation of Agriculture (PMA). The DDSP had anticipated many of the aspects of the PMA, in particular in its emphasis on bottom-up planning of services, farmer participation in research and development and cost sharing between farmers and government service providers. In 2001, the National Agricultural Advisory Services (NAADS) was set up, introducing a farmer-driven extension service using private service providers. Kibaale district was one of four pilot districts, and NAADS is now also operating in Hoima and Kabarole. The Area-based Agricultural Management Programme (AAMP), an IFAD-supported programme aimed at commercialising agriculture and operating in Kamwenge, Kyenjojo and Kabarole, complements the activities of DDSP.

27. **Suspension of Graduated Tax.** The government plan to suspend Graduated Tax (popularly known as G-tax) for ten years from 2005/2006 has already had a significant impact on local government revenue flows, and no replacement plan has yet been announced. Many taxpayers have stopped paying in anticipation of the suspension of G-tax, affecting local council budgets and projects. This has reversed a two-year trend of increased revenue collection and, together with the previous reduction of the minimum G-tax level from UGSh 15 000, to UGSh 3 000, threatens the sustainability of the local government activities at parish and subcounty level.

28. **Abolition of Cost Sharing.** The government decision in 2001 to abolish community contribution in basic health care had significant implications for DDSP, including the enforced abandonment of the proposed drug revolving fund. The Government doubled the size of the budget for primary health care and established a credit line for the purchase of drugs, but IFAD's reaction to the end of cost-sharing was that it undermined one of the basic principles on which the DDSP was founded, namely that of community contributions and therefore 'ownership'. The government decision was widely interpreted as meaning the total exemption from contribution to community projects, with some communities demanding cash payment for labour and materials. In the agricultural sector, the ban on cost-sharing led to the free distribution of planting materials and improved livestock breeds, which also ran counter to the DDSP approach to sustainability.

29. **Recruitment Restrictions.** The operation of the health component and the agricultural extension service were also affected by the 1999/2000 ceilings imposed on staff recruitment until such time as the restructuring of local government should be completed. The ban on the creation of new positions has recently been lifted and it is reported that recruitment procedures are due to return to normal by April/May 2005. The measure has had a negative effect on staffing levels in the new health centres constructed by DDSP.

30. **Water Policies.** In 2003, the Directorate of Water Development (DWD) set up regional support units to provide technical support to districts on request. The units in the programme districts provided support in areas of staff training, procurement, contracts and planning. Also in 2003, the DWD formulated a gender strategy which stipulated gender parity in water source committees, gender mainstreaming in recruitment, capacity building on gender analysis and the collection of gender disaggregated data.

31. **MAAIF Restructuring.** Under the restructuring of the Ministry of Agriculture Animal Industry and Fisheries (MAAIF), Bulindi District Farm Institute, a farmer training institute under the Directorate of Extension which was to provide training and demonstration services to Hoima and Kibaale districts, was redesignated an Agricultural Research and Development Centre (ARDC) under the National Agricultural Research Organisation (NARO).

## **F. Design Changes During Implementation.**

32. **Rural Finance: 'the New Methodology'.** On the expiry of the UWFT contract, the NGO was replaced by a limited company set up and jointly owned by the five districts, the Bunyoro Toro Development Company (BUTO), which took over the supervision of the SIDAs and the administration

of the Revolving Credit Fund in January 2004. This move was part of a redesign of the system of credit delivery known as the 'new methodology'. The banking operations and loan approval procedures of SIDA were decentralised to parish level and individuals now borrow directly from SIDA instead of from the savings and credit groups. Members have ready access to their savings, and loan appraisal is carried out at individual project level. The measures have improved service delivery and increased the demand for loans.

33. **SIDAs Opened to Men.** The MTR recommended the broadening of SIDA membership to include predominantly male groups able to demonstrate a credible savings record, particularly in Kyenjojo, Kamwenge and Kabarole Districts. Women retained the leadership of the SIDA and the number of male groups was restricted to 30% of the whole, although there appear to be no measures in place to guarantee the observation of this rule.

34. **Reallocation of Funds.** Various reallocations of funds have taken place within and between component budgets. Perhaps the most substantial of these followed the decision to construct two link roads to Lake Albert, one in Hoima and one in Kibaale, rather than the single road proposed at design. This entailed the division into two parts of the original budget of USD 880 000. Under the Water and Sanitation component, funds allocated for the rehabilitation of boreholes in Kibaale were used for a water supply system for Ndaiga on Lake Albert, where cholera was a persistent problem, and for a much-needed water supply and sanitation system at Kagadi hospital. In Kabarole, only four of 11 boreholes were constructed, with the balance of funds being used to construct a gravity flow scheme in Kichwamba. The MTR reallocation of funds for the remaining three years of the project is given below.

**Table 2: MTR Allocation of Donor Funds by District and Component ('000 USD)**

	Hoima	Kibaale	Kabarole	Kyenjojo	Kam- wenge	LO/IPC	Total
Community Development	253	290	291	303	238		<b>1 375</b>
Rural Finance (incl. RCF)	335	531	493	536	365		<b>2 260</b>
Health and Nutrition	270	111	69	90	79		<b>619</b>
Water and Sanitation	71	506	318	309	354		<b>1 558</b>
Rural Roads	627	573	246	262	262		<b>1 970</b>
Agricultural Development	193	262	231	227	184		<b>1 097</b>
Institutional Strengthening	202	383	243	267	322	208	<b>1 625</b>
<b>Totals</b>	<b>1 952</b>	<b>2 656</b>	<b>1 891</b>	<b>1 994</b>	<b>1 804</b>	<b>208</b>	<b>10 505</b>

*(source: MTR p. 48)*

### III. SUMMARY IMPLEMENTATION RESULTS

#### A. Community Development

35. **Achievements.** In terms of physical achievements the component seems on track. Major items include the construction (or rehabilitation) and equipping of 29 community centres, the training of, and provision of bicycles for, nearly 600 adult literacy instructors, and diploma training of 26 Community Development Assistants (CDAs). Continued success is being achieved with adult literacy groups (mainly accessed by women), agricultural commodity interest groups and women's savings and credit groups. Available data suggest that more than 36 211 people have been enrolled in functional adult literacy classes to date. The component has also assisted the other departments in the formation of committees for water sources, road maintenance and community health as well as the Parish Development Committees<sup>6</sup>.

36. **Performance.** Community centre construction has been satisfactory, and proper maintenance and upkeep seems to function well in the hands of the management committees. The literacy materials appear of good quality and relevance, but CDAs and literacy instructors reported substantial shortages of learning materials, caused partly by the success of the programme in terms of enrolment. The mission observed evidence of the narrowing of the gender divide in literacy classes due to the active targeting of men, especially in Kyenjojo.

37. **Staff Shortages.** Component outreach is weak and there is evidence of volunteer fatigue among literacy instructors and Change Agents (community volunteers), who shoulder a very considerable part of component implementation on the ground. Each sub-district has one paid CDA, with one Change Agent in each parish. The mismatch between the limited human resources of the component and the mobilisation, training and follow-up activities required by the other components has in some instances affected the quality of services. The component is trying to resolve this problem by means of linking up with NGOs.

#### B. Rural Finance

38. **Performance of SIDAs.** A total of 63 SIDAs have been formed, with at least one in each subcounty in all the five districts and a total membership of close to 30 000. The SIDAs have been able to mobilize over UGSh 400 million in savings, of which UGSh 240 million are held as security at BUTO branches. In terms of short-term and medium-term loans, the component has comfortably surpassed its loan targets (Table 3).

**Table 3: Achievements of Rural Finance Component**

Indicator	Target	Actual
Number of SIDAs formed	63	63
Membership	<i>n/a</i>	28 734
% men clients	<30%	23%
No. of short term loans	2 200	8 260
No. of medium term loans	200	3 605
Repayment rate	95%	96%
Portfolio at risk	<5%	6%

*Source: RF Component Performance Indicators, Aug. 2004*

<sup>6</sup> Since the recommendation of the MTR for an inventory of DDSP groups and committees has not yet been acted on, exact numbers remain elusive.



All SIDAAs are reported as profitable, with an overall average of 83% self-sufficiency; the average is lowest in Kabarole with only 32% and highest in Kibaale at 206%. Repayments rates are healthy in all districts. The key assumption was that by the end of the six-year period the SIDAAs would be able to operate as independent microfinance institutions, without donor or private sector support.

39. **Transition to BUTO.** BUTO was formed in an effort to establish district ownership of the rural finance component and to guarantee the sustainability of savings and credit activities beyond the duration of the programme. It was also felt that the financial reporting by UWFT was inadequate. The transition from UWFT to BUTO appears to have been smooth, mainly due to the retention of trained staff and the intensive training of SIDAAs in the 'new methodology'. The MTR had found that SIDAAs lacked a proper business orientation, depended too much on UWFT and had failed to adapt their services to local needs. There was a lack of information about group and SIDA performance and therefore no proper basis for decision making. The efficiency of UWFT staff was found to be 'relatively low'. Under BUTO, the number of staff was approximately doubled and training manuals were developed to foster a businesslike approach among SIDA members. SIDA capacity building is carried out under three headings: (i) technical aspects such as administration, credit /loan management and savings mobilization; (ii) flow of funds and wholesaling procedures; (iii) networking with SIDAAs through supervisory, audit and technical services. The design of the performance indicators<sup>7</sup> has improved the assessment of BUTO's performance particularly at the district level.

### C. Health and Nutrition

40. **Budgets.** The health component budget was estimated at USD 1.63 million, or 8% of base costs, making it the smallest of the component budgets. Of the donor funds, 41% was allocated to Hoima, 29% to Kibaale and 29% to former Kabarole.<sup>8</sup> Thus the scale of investment – and the discernible impact – under the health component has been uneven, with Hoima receiving the lion's share of donor funds and an average of less than USD 80 000 each for Kabarole, Kamwenge and Kyenjojo for the last three years of implementation.

41. **Health Centres.** The major activity has been the construction and equipping of nine Level III Health Centres, three each in Hoima and Kibaale and one each in the other three districts. The eventual aim is for every parish to have its own Level III unit, something which has been more or less achieved in Hoima, where 42 health units serve 44 parishes, but not in Kyenjojo where there are still only 36 health facilities to serve 71 parishes. In Hoima, it is estimated that 80% of the population now live within 5 kms of a health unit of some kind. The new health centres consist of two main buildings, a dispensary with consulting room, drugstore, laboratory and office, and a maternity unit, with ward and delivery room. A third block contains one or two semi-detached houses for staff accommodation. PVC water collection tanks provide the water supply, with village boreholes normally available as back-up. Equipment is provided according to health ministry guidelines. The cost of the health centres was UGSh 60 to 100 million, or USD 35 000 to 55 000 at current rates. In general, the quality of construction of the health centres is satisfactory, although there was some evidence of poor finishing of doorways and windows and, in one case, of faulty roofing and resulting leaks.

42. **Design Problems.** Certain basic amenities were missing from the original design, notably running water for the maternity units. In some units, filler tanks, pumps and pipes have now been installed; in others, the water must still be drawn and transported by hand. Also lacking in many of the units was electricity for lighting, with some deliveries carried out by oil lamp or candlelight. At Bwizi in Kamwenge, the sub-county funded solar panels, and Kibaale has used its share of the inoperative drug revolving fund to install solar panels at Kisiita health centre. Elsewhere there is a shortage of beds and mattresses, and all blankets must be supplied by patients. At Kigaraale in Kyenjojo, there is a single bed in the maternity ward, without mattress. Other problems mentioned by health workers at these units include the lack of fencing to keep out domestic animals such as cows and goats.

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<sup>7</sup> For details, see Appendix 1.

<sup>8</sup> GTZ was supporting the health sector in 'old Kabarole' and Ireland Aid (as it then was) in Kibaale.



Sayuni Byaruhanga , 38 and her husband John, 42, in front of the house that they are building in Buswekera, Hoima district.  
IFAD photo by Robert Grossman

43. **Training.** The training of support staff has included training for clinic-based staff and extension staff as well as the sensitisation of local government staff at all levels. Under the training of trainers programmes, there have been courses for the trainers of Community Health Workers (CHWs) and Traditional Birth Attendants (TBAs). The CHWs and TBAs have been the major target of the community training. The most extensive programme has been in Hoima, where the majority of targets have been achieved, including the training of 153 health clinic staff, 67 extension staff, 180 community health workers and 111 traditional birth assistants. In Kibaale, 25% of all health workers as well as TBAs have been trained in nutrition issues and 400 CHWs in hygiene and sanitation. In Kamwenge and Kyenjojo, there has been some emphasis on training in mental health. The selection and training of the Village Health Committees and Health Unit Management Committees (HUMCs) constitute a substantial budgetary item. For Hoima, the training of some 250 committee members plus a yearly planning and monitoring workshop was costed in the SAR at USD 21 600. In Kamwenge, over 20% of the 2004/5 health budget was given to the selection and training of HUMCs.<sup>9</sup> In other words, the bottom-up procedure is expensive (especially for a component allocated the smallest total budget) and can only be justified if there is evidence of a significant and useful impact.

44. **Nutrition.** Only Hoima, Kibaale and Kyenjojo had planned activities on nutrition. These consisted mostly of the training of extension staff, CHWs and TBAs to enable them to integrate nutrition into their activities. There were also drama shows and demonstration gardens at health centres. The Agricultural Development Component in Hoima and Kibaale focused on the promotion of vegetable growing in kitchen gardens for improvement of household nutrition, but there appeared to be limited collaboration between the two components. As a result, nutrition was accorded a very low profile, especially in Kabarole and Kamwenge.

#### D. Water and Sanitation

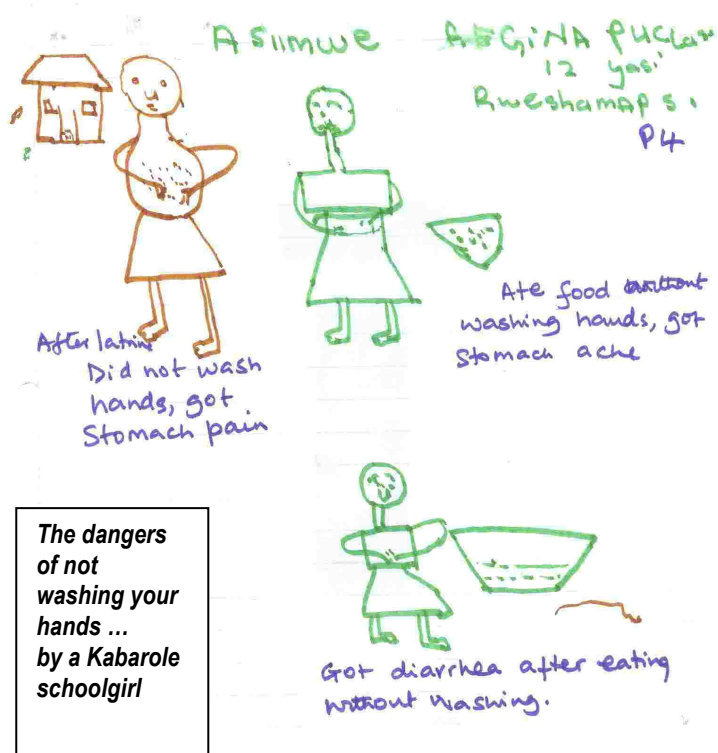
45. **Physical Achievements.** Kabarole and Hoima districts had completed construction of all planned water sources, while Kibaale had completed all boreholes but had yet to complete the Ndaiga water supply system. Kyenjojo had completed construction of protected springs and shallow wells, almost completed borehole construction but only rehabilitated 40% of the planned boreholes. Kamwenge had completed construction of 65% of boreholes, 71% of protected springs and 29% of shallow wells but had not yet rehabilitated any of the planned 50 boreholes. Hoima, Kibaale and Kabarole had completed installation of water tanks in primary schools, Kamwenge had installed 90% while Kyenjojo had installed 32%. The training of school health committees has only been carried out in Kabarole, Kamwenge and Kibaale districts. The programme had also constructed ventilated improved pit latrines to reduce congestion in primary schools. Kibaale had completed all the latrines

<sup>9</sup> Figures from SARI, Appendix II (c) Table 3, and from the 2004/5 Kamwenge budget analysis p. 3.

while Hoima had completed 96%. Kamwenge, Kyenjojo and Kabarole had completed 45%, 66% and 34% respectively. These structures had hand washing facilities as part of the design and were maintained by pupils under the guidance of the school health committees.

46. **Community Training.** All districts had put in place mechanisms for community-based management of new water sources by forming and training water source committees and training hand pump mechanics. However, in Kyenjojo and Kamwenge, construction was carried out before the formation and training of the committees, with Kabarole continuing to manage construction after the creation of the new districts. No funds were made available for maintenance committees of rehabilitated boreholes. Although there were plans for continuous capacity building of water source committees, only one course was provided in each case.

47. **Sanitation and Hygiene Promotion.** There was a precondition that all households likely to utilise the new water sources were to have improved sanitation facilities before construction of the sources. In Kibaale and Hoima, sanitation platforms (sanplats) cast and sold by local NGOs were provided to households at subsidised prices. Kibaale had distributed 75% and Hoima 66% of the planned sanplats. In Kabarole, Kyenjojo and Kamwenge, however, the use of sanplats was not promoted, and water was provided before all households had improved their sanitation facilities. Hygiene improvement included the promotion of handwashing after using the latrine, the construction of bath shelters and the use of a washing rack and rubbish pit. Evidence of this promotion was seen in households in Hoima, Kibaale and Kabarole. Kabarole had set up a model household to demonstrate all these facilities. In schools, hygiene was promoted by providing a hand washing facility for the new latrines and school committees received training to enable them to instruct pupils.



## E. Rural Roads

48. **Budgets.** The budget for the road component at appraisal was USD 3.63 million, the second largest after Water and Sanitation. The main item of expenditure has been the construction of around 1120 kms of community access roads in the five districts, with 87% of these concentrated in Hoima and Kibaale. According to the original division of funds, Hoima was to receive 51%, Kabarole 29% and Kibaale 20%, although these figures are skewed by the fact that the budget for the construction of a motorable road to Lake Albert, with a total projected cost of USD 880 000, was included in the Hoima share. This item accounted for around 37% of the component budget for years four to six, and the budgets for roads in Kyenjojo and Kamwenge have been correspondingly modest.

49. **Roads and Bridges.** The most successful approach to the construction of the community access roads has been labour intensive, with road gangs of men and women hired directly by the districts. The parish headman acts as foreman and supervision is carried out jointly by the county roads supervisor, the district roads assistant and the community development assistant. The alternative approach,

initially preferred by some districts, was to tender the road construction to private contractors but this has proved significantly more expensive as well as less efficient. The average cost of the labour-based method is around UGSh 500 000 per km (c. USD 280 at current rates), and the cost of contracted work might be as much as six times greater. Labour-based construction also entails substantial cash payments for the local workers and serves to strengthen the desired sense of ownership. Considering the low costs and the lack of skilled labour, the standards of construction have been commendable. The quality of construction of the numerous culvert crossings and 18 vehicular bridges was also generally high, although in one or two cases, new bridges looked in danger of being circumvented and eroded by streams in flood. The cost of the 16 bridges constructed by DDSP varied between USD 15000 and 30 000. These are substantial investments and should not be put at risk for the sake of small cost savings.



Old bridge and new outside Fort Portal in Kabarole. IFAD photo by Roger Norman

50. **Maintenance.** In each district, parish road committees have been formed and trained in order to organise the maintenance of the community access roads within the parish. Maintenance is undertaken either by allocating sections of roads to individual households or by summoning the entire community to work on the road at given times, with the latter system resulting in more effective maintenance. All roads maintained by individual allocation suffer from potholed or overgrown stretches, even though some parishes have instituted a system of fines for the idle. It was also observed that roads were better maintained if they had been constructed by the labour of the community in question. Some districts reported a better standard of maintenance where committees were responsible for one road only rather than for all the roads of the parish.

51. **The Lake Roads.** Both Lake Albert roads are presently under construction. An estimated 40-45% of the work on the Buseruka-Kiryamboga road in Hoima is reported as completed (although this looks to be an over-estimate). The work is proceeding slowly due to the terrain, with rocky outcrops requiring blasting, a lengthy and expensive procedure. In Kibaale, where the slope is gentler and the terrain easier, an estimated 40% of the work has been done in considerably less time. The districts could afford to accept only the lowest bids received at tender, resulting in the employment of a contractor lacking experience of comparable projects. The Works Department reported to the mission that some of the international bids for the Hoima road were three or four times larger than the accepted bid, presumably because the technical difficulties were foreseen. The districts are still hopeful that the roads will be completed on schedule and within budget, but at the present rate of progress, this must be considered doubtful.

## F. Agricultural Development

52. **Agricultural Management Specialists.** Two Agricultural Management Specialists were contracted, one for Hoima and Kibaale and the other for Kabarole, Kamwenge and Kyenjojo. The Hoima/Kibaale specialist designed training courses for staff and farmer groups, and developed a draft



manual for component monitoring and basic cost-benefit analysis. As a result a typical progressive farmer in both districts now keeps some farm records and is more market-oriented. In Kabarole, Kamwenge and Kyenjojo, some production staff expressed dissatisfaction with the agricultural specialist's lack of experience and the insufficient time he has spent in the districts.

53. **Planting Materials and Livestock Breeds.** There have been concerted efforts to improve planting materials and livestock breeds in all districts. Close to 3 000 farmer groups have been involved and progressive farmers given planting materials, with an obligation to multiply and pass on twice the quantity to other group members. Over 100 ha of improved bananas have been planted and 20 coffee nurseries established. There has also been progress in apiculture, fish farming and introduction of improved breeds. Three apiary centres have been set up and close to 500 beehives distributed. Three fish fry centres and ten ponds have been established. One hundred in-calf heifers and over 30 improved bulls were distributed, with each bull serving an average of 60 cows annually.

54. **Marketing Initiatives.** Some success has been registered in establishing farmer-private sector linkages for rice and sorghum in Hoima district and cotton and maize in Kamwenge district, although no binding contracts have yet been signed. Staff training has included demand-driven and participatory approaches in extension services, as well as marketing and profitability analysis. Kamwenge and Kyenjojo carried out cost-benefit and gross-margin analyses for selected enterprises, and there has been increased access to markets for the produce concerned. In Kamwenge, district marketed produce increased from 8% to 20% for sweet potatoes, 42% to 70% for maize, and 30% to 60% for groundnuts (compared with baseline statistics). Around three-quarters of all beekeeping, local chicken and crossbreed dairy products are marketed, around 90% of upland rice and 100% of *boer* goats, beef cattle, and improved pigs.

55. **Extension Activities.** The mobility of extension workers has been improved by the purchase of five vehicles and 27 motorcycles, and staff have been given instruction in business oriented training. Trained Farmer Extension Representatives and NGO cadres helped farmers' groups to prioritise their needs and develop plans to be submitted to the district level pre-seasonal planning workshops. Extension methods included demonstrations, radio programmes, study tours, competitions, field days and agricultural shows. Over 20 study tours to other districts were organized for farmers and these had been much appreciated by the farmers met by the mission. Agricultural organisations including NGOs, farmers groups, and public institutions have been contracted to train farmers in specialized fields such as animal traction, fish farming, farming as a business, and crop and animal husbandry. Extension agents also trained farmers in the marketing and production aspects of fish farming and beekeeping. FM radio stations were extensively used for discussions, spot messages and announcements of upcoming events.

## **G. Capacity Building and Institutional Strengthening**

56. **District Level .** District staff have been well trained and are proficient in using computer applications such as MS Excel and MS Access. The staff in the two youngest districts, Kyenjojo and Kamwenge, are particularly enthusiastic and energetic. Training has been provided for a total of 105 staff on the use of the logical framework. A notable achievement has been the identification of impact indicators suitable for the Results and Impact Management System.

57. **Subcounty and Parish Level.** Subcounty and parish officials were trained in record keeping, budgetary processes and planning tools. As a result, timely work plans and budgets are submitted by the parishes to the districts, via the subcounties. Detailed participatory planning guides have been published by MOLG and the mission confirmed their utilisation at parish level, for example in SWOT analyses, beneficiary records and action plans. The sense of community empowerment, conferred by the literacy classes in particular, dovetails with the MOLG directive on participatory planning, which sees Parish Development Committees as key instruments for local development.

58. **Construction of Parish Headquarters.** The new parish headquarters are utilised for revenue collection, as community centres and, in many cases, as the ‘official’ residence of the Parish Chief. Although the provision of these buildings is a key objective in strengthening local capacity and raising local revenue, construction has been behind schedule in all districts except Hoima. Less than a third (82 out of 245) of the planned headquarters have been completed. The slow rate of implementation can be attributed to the division of former Kabarole, tendering delays and high construction costs as well as to the effect of currency fluctuations. In Kyenjojo, the G-tax pronouncement has led to a reallocation of the parish headquarters construction budget to the Water and Sanitation component.

59. **Upgrading of Monitoring and Evaluation**<sup>10</sup>. Although capacity building efforts in participatory monitoring and evaluation had initially taken place, there was little focus on the impact indicators suggested in the logframe at project design, there was a lack of systematic data collection, and any data collected was difficult to retrieve. In an attempt to produce a user-friendly M&E system and usable impact assessments, the consulting firm Nkoola Institutional Development Associates Limited (NIDA) was hired towards the end of 2001 and started a successful training program on theoretical logframe usage. Component-specific logframes were developed, the M&E system was developed using the MS Access platform and training was carried out at all levels. However, there is still no harmonized system in place, with Roads, Water & Sanitation, and Education all using separate systems.

60. **Reports and Statements.** Despite the problems with the M&E system, the districts demonstrate considerable expertise in compiling data for the seven components, and the mission was presented with detailed self-assessments and progress reports prior to each district plenary. These contained component-specific indicator-based data, including M&E and financial records. Since the data had been gathered manually by painstakingly combing through hardcopy reports, the accuracy and currency of some of the data was questionable. All districts had produced the Annual Work Plan and Budgets for the 2004/2005 financial year. Extensive financial statements are properly maintained in MS Excel.

61. **Accounts.** Basic crosschecking of accounts confirmed accurate record keeping. The Auditor General expressed satisfaction with the books. A notable achievement has been the creation of separate Special Accounts for the districts of Kyenjojo and Kamwenge, which should resolve issues of funding interruptions and delays. Thanks to the strong support provided by the liaison officer regarding fund withdrawals and procurement processing, procurement delays have been reduced to a standard two months. However, the continuing delay on the part of the Government in making its contribution to cover recurrent costs and taxes is disrupting accounting procedures, and causing uncertainties in payment schedules. The outstanding counterpart fund contribution was estimated at USD \$481 000, as of the end of August 2004 (MOLG figure).

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<sup>10</sup> For full details of the development of the M&E system, see Appendix 2

## IV. PERFORMANCE OF THE PROGRAMME

### A. Relevance of Objectives

62. **Relevant but Imprecise.** The basic goals of the project were inherited from the DICDPs implemented in Hoima, Kibaale and Masindi during the 1990s: the raising of incomes and the improvement of health in districts with large numbers of chronically poor, very few income-earning opportunities and infrastructure and services destroyed by the long periods of misgovernment and civil disorder in the 1970s and 1980s. The DDSP's five stated objectives at appraisal – raising incomes, improving health, improving food security and nutrition, increasing 'farmer participation in the monetization of the economy' and enhancing local governance – are certainly relevant to the problems of the poor, but they are properly speaking general statements of intent rather than measurable and time-oriented objectives. What is meant by the 'enhancement of governance', and how can it be evaluated?

63. The imprecision of project objectives has had at least two implications. The first is that it has not given rise to appropriate and measurable impact indicators, the identification of which has continued throughout the life of the project. The second is that, together with the flexibility of the targeting stipulations, it has allowed the components (especially the agricultural component) the latitude to concentrate on the needs of the so-called active poor. How can 'the participation by farmers in the monetization of the economy' be measured or assessed? If the primary target group was to be the landless and the very poor, as stipulated at design, this anyway may not have been the most appropriate goal. There might have been more emphasis, at least for these groups, on subsistence agriculture and, in particular, poultry and small livestock, which might have provided a more effective path to improved food security.

### B. Effectiveness

64. There has been broad agreement among supervision teams, the MTR mission and experienced district officials over the most effective aspects of the programme, namely the overall improvements in capacity and competence at the various levels of local government and the improvement in services and the investments in infrastructure, especially in terms of safe water coverage, community roads and primary health care. It is commonly said, and not only by interested parties, that the DDSP and its predecessors in Hoima and Kibaale, the DICDPs, have 'put these districts on their feet'. The more contentious questions posed below should therefore be considered against an overall background of substantial achievement.

#### (i) Was the programme effective in targeting the poorest segments of the population?

65. **Wealth Ranking.** The mission undertook wealth ranking exercises with villagers in eleven communities. The resulting data cannot be claimed to be representative of the programme as a whole, but the findings give a somewhat better indication of the poverty targeting than the programme's own monitoring data, which are not disaggregated by poverty level. Groups of villagers were asked to define the different poverty levels existing within their communities. Four categories were used (very poor, poor, not-so-poor and better-off), rather than the three of the baseline survey (wealthier, average and poor), since the villagers mostly thought of themselves as belonging to the 'average' category, which therefore required differentiation.<sup>11</sup> This differentiation (between poor and not-so-poor) gave telling insights into the characteristics of the group often referred to by the programme as the 'active poor'. The category 'active poor' seems defined mainly in terms of *those that the programme has been able to reach with its credit and agricultural activities*. The mission found that project staff seemed to have limited insight into why the 'inactive' poor could not be served and what solutions could be applied. By focusing explicitly on the differentiation within the 'average' category that comprises both 'active and inactive' (roughly equivalent to the 'not so poor' and the 'poor'), the programme would be

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<sup>11</sup> For details of the characteristics of poverty strata, see Appendix 1, Community Development.

better equipped to target the ‘inactive’ poor, who are supposedly unreachable when it comes to credit and productive activities.

66. The villagers were asked to assess which categories take part in the DDSP activities. Such data, imprecise as they may be, give a rough indication of the level of inclusion or exclusion of certain income groups from activities and benefits as perceived by the villagers themselves. The data showed that while the interventions under the physical infrastructure components (Roads, Health and Water and Sanitation) seem to have generated benefits for households in all poverty strata, the interventions under the income generating components (Rural Credit and Agriculture) appear to focus on households in the upper poverty strata. The data seems to indicate that the ‘not so poor’ category makes up the majority in the SIDA and farmer groups, whereas the project is successfully targeting the ‘poor’ category for the literacy classes.

**Table 4. Percentage Composition of DDSP Groups as Perceived by Project Beneficiaries**

	<b>Very Poor</b>	<b>Poor</b>	<b>Not so poor</b>	<b>Better off</b>
<b>SIDA</b>	0	10	65	25
<b>Agricultural Group</b>	0	30	50	20
<b>FAL Class</b>	0	70	25	5
<b>% of total population based on villagers’ views</b>	25	40	25	10

*Source: Completion Evaluation Wealth Ranking Exercises, Dec. 2004*

67. **SIDA loans.** The mission found a significant number of ‘poor’ households had been enabled to progress to the ‘not so poor’ category as a result of accessing SIDA loans, but that the majority within the ‘poor’ category were unable to access SIDA loans, because: i) the asset base of this category does not satisfy the security requirements of SIDA loans<sup>12</sup>; ii) the short term loans and absence of grace period are incompatible with investments in agricultural activities, which are the primary income generating activity of this category; and iii) some ‘poor’ preclude themselves from accessing SIDA loans because they are not confident that they have the skills to undertake small scale off-farm income generating activities. The mission found that the majority of the ‘poor’ are engaged in some forms of village level savings and credit groups, in which they take up small scale loans (UGSh 20 000 to 50000) to smooth consumption gaps and to cultivate their land, often at a 10 percent interest rate. This indicates that they are not ‘inactive’ as imagined by the project staff, but are in fact capable of managing loan operations for on-farm purposes even when they are non- or semi-literate.

68. **Farmers’ Groups.** The poverty rankings suggest that the majority of members of agricultural groups are currently found in the upper poverty strata. Commendable efforts have been made to identify profitable enterprises to be promoted among rural farmers but the majority of these enterprises require substantial amounts of start up capital (dairy farming, coffee, cocoa, apiary), and little attention seems to have been given to the promotion of enterprises more suitable for the ‘poor’ farmers, such as poultry and pig production.

69. The DDSP has not been ineffective according to its own targeting approach, which anticipated that the uptake and major impact of the key productive interventions would be confined to those prepared and able to participate. The question is of course whether the key productive interventions were designed in such a way as to enable the ‘poor’ to take part, as would normally be expected of an IFAD funded programme. It would seem not.

<sup>12</sup> Some examples quoted by SIDA members: to access a loan of UGSh 30 000, collateral of three goats, two pigs, ten chicken and a house was required; for a loan of UGSh 100 000, collateral of two cows, five goats, ten chicken and five acres of land was required; for a loan of UGSh 300 000, collateral of two cows, five goats, ten chicken and fifteen acres of land was required. These requirements are clearly outside the range of the ‘poor’ category.



## **(ii) How effective has the DDSP been in furthering decentralisation?**

70. **Bottom-up Planning.** According to the Government's policies as embodied in the Local Government Act of 1997, decentralisation should empower local populations in a democratic decision making and problem resolving process and locally elected officials should be allowed to rule on local fiscal, regulatory and administrative issues, including planning and budgeting priorities. Through capacity building at the parish, subcounty and district levels, the development of physical infrastructure such as parish revenue offices, and the management training given to development committees, the DDSP has been instrumental in laying the foundations for the necessary administrative structure. The demand-led development planning process takes place through the submission to the subcounty of parish action plans, often handwritten reports compiled as a result of participatory approaches at the village level. The subcounties in turn incorporate these into their own development plan, which is submitted to the districts for further evaluation. Typically, a total of around 120 people will be involved in the evaluation of a particular set of development proposals as it moves through the various levels.

71. **'Committee Fatigue'.** To be approved, village level requests must conform with the various master plans of the technical departments. They must also compete for a limited amount of funds with a huge number of requests issuing from the other villages and proceeding through the successive screenings. To take a single example, the eight subcounties of Kamwenge submitted around 30 close-written pages of parish and village level development proposals in 2003/4, amounting to well over a thousand separate proposals in all. For the villages, the lengthy delay that follows and the lack of government response in most cases generates a growing sense of frustration and the onset of 'committee fatigue'. The remoter villages lack transportation to attend village meetings and their concerns are therefore not represented. Facilitators rarely travel to such villages to explain the workings of the programme.

72. **Failure of PRA.** The planning meetings at all levels were intended to be conducted in a participatory manner in order to elicit the views of all sections of the communities, including the poorest and the women. Even though CDAs had very thorough knowledge of PRA and most PDC members also had a clear understanding of the rationale of PRA techniques for planning purposes, it seems that – with the possible exception of a number of subcounties in Hoima and Kibaale districts – only very basic versions of participatory approaches have as yet reached the village level. Villagers reported that planning meetings entail nothing more than a simple brainstorming session and a final vote by show of hands. Standard PRA techniques such as separate PRA exercises for men and women, or for different poverty groups, poverty mapping and wealth ranking seemed rarely to be undertaken at this level<sup>13</sup>. The mission's wealth ranking exercises revealed that in many cases the male members of the 'not so poor' section of the communities tended to be the main participants in the meetings. The poor and the women reported that they did not feel that they had a voice in these meetings and consequently refrained from taking active part.

73. **Capacity of Councillors.** A further constraint to effective bottom-up planning appears to be the low levels of literacy among some councillors at lower levels, whose appointment does not depend on educational qualifications and who therefore do not easily comprehend government policies. Their participation in decision-making is limited and a gap exists between them and their educated counterparts – be they councillors or civil servants. The mission found instances where a PDC member did not possess the skills to perform the required committee function. Often PDC members attend meetings and training sessions only because of the incentives provided. Attendance drops significantly where no allowances are paid for lunch or transport.

74. **Accountability.** The complicated administrative structure does not help accountability, with the decentralisation configuration linked across five vertical dimensions (central, district, subcounty,

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<sup>13</sup> Not one of the 277 farmers met in the group discussions had prior experience with wealth ranking exercises or separate vision mapping exercises for men and women.

parish and village) and at least two horizontal dimensions (administrative and political). It has been reported that community proposals may be ‘hijacked’ at lower levels based on the personal agenda of an influential local politician. There is also a tendency to establish users’ committees based on programme component requirements rather than on the perceived needs of the community itself.<sup>14</sup> On the issue of transparency, encouragingly, the offices of every parish, subcounty and district visited by the mission had clearly visible workplans of the major projects together with the associated budgets.

**75. Limits to Decentralisation.** DDSP activities have clearly invigorated the participatory processes. In Kabarole, it even proved possible successfully to recommend a change of CAO. But there are clear limits to the degree of decentralisation possible. The first of these consists of the centralised, technical planning decisions made in such departments as Roads, Health and Water, upon which the creation of logical service networks depend. The second consists of the capacities and educational levels of the members of village and parish development committees. The third and most important is that the bottom up planning process will remain to a large extent token as long as the lower levels control only very limited funds. In other words, without financial decentralisation there can be no meaningful delegation of decision making. The mission feels that the sense of demoralization which was detectable at the lower levels, and the so-called ‘committee fatigue’ results from the perception of villagers that this is the case.<sup>15</sup>

### **(iii) How effective have the users’ committees been in achieving what was expected of them?**

**76. Water Source Committees.** In all districts, there was evidence that the training of water source committees was ineffective. Most water sources visited by the mission showed evidence of neglect, for example unfenced and overgrown surroundings and waterlogging at soak pit and platform. Of the thirteen water sources visited, only six committees reported collection of funds for operation and maintenance. Hand pump mechanics had received training, but the committees were not aware that they had to pay them for routine maintenance work. Over a quarter of household members said they viewed the water sources as government facilities. Water catchment tanks in schools were prone to vandalism by surrounding communities. The reasons for the various problems include: i) inadequate preparation of communities before construction of facilities; ii) untrained committees, especially in Kamwenge and Kyenjojo; iii) lack of follow up on management committees after construction.<sup>16</sup>

**77. Health Committees.** According to the SAR, ‘the community is represented by the Health Unit Management Committee or the Village Health Committee [which] will be involved in the planning of community-based primary healthcare activities ... Based on the information supplied by the Village Health Workers, the Village Health Committees will provide inputs to the Health Unit Management Committees for action.’ Clinical officers and committee members were unanimous that the community/health centre link provided by the committees was valuable. In practice, however, the mission found that committee meetings were irregular and that attendance was rather poor. The agenda of one management committee meeting observed by the mission consisted of nothing but a long list of complaints about the operation of the health centre. At another centre, the clinical officer confessed that he utilised the HUMC meeting to air the problems of the centre. All of this may be useful in some way, but it has little to do with involving the community in planning and management.

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<sup>14</sup> See the Thematic Evaluation Report on Decentralisation: ‘These committees tend to be grafted on to the sector agencies and are not independent agencies...they perceive themselves as part of the administration.’

<sup>15</sup> This section of the report provoked vigorous responses from MOLG and from the districts. The mission wishes to make it clear that the problems referred to here were of design rather than implementation. As stated elsewhere in this report, the participatory approaches have certainly fostered a different and better ‘culture of governance’. But how can the processes be further enhanced?

<sup>16</sup> In Kabarole, Kamwenge and Kyenjojo, NGOs have been hired to undertake the capacity building of these committees, but implementation is at an early stage.

78. The question must be asked: in what specific areas of planning and management can the community, through its committees, influence or contribute to decision-making? The 'health priorities' of the communities are fairly uniform throughout the region: malaria, respiratory diseases such as bronchitis and, among children, diarrhoea and dysentery. It is difficult to see what is meant by the involvement of the committees in 'the planning of community-based primary healthcare activities' since such planning is quite rightly carried out by qualified doctors and health administrators based on the statistical evidence available to them. What is meant by: 'Village Health Committees will provide inputs to the Health Unit Management Committees for action'? Action by whom?

79. If the purpose of the committees is that of 'linkage', 'feedback', 'discussion' – perhaps something along the lines of parent-teacher associations in schools – this seems a reasonable goal. But for this purpose, elaborate and expensive training programmes are surely unnecessary. The committees as they are have come into being not because the communities have demanded them but because the project design stipulated them. There are no incentives for the committee members, and probably few incentives for the over-worked health workers, especially if the agendas are taken up with a long list of grievances (waiting times, drug shortages) over which the staff of the health centre have no control. In these circumstances, the health committees seem unlikely to be sustainable.

80. **Road Committees.** The situation in the road component seems rather better, but here too variations were observed: (i) roads dug and levelled by the community were generally better maintained than roads constructed by the use of mechanical graders; (ii) maintenance carried out collectively on a given day gives better results than the allocation of small sections of road to individual households; (iii) road management committees responsible for a single road work better than parish level committees responsible for all the roads of the area. Predictably enough, the key seems to be the degree of *ownership*. For roads built by local labour, there is an understanding that the responsibility for maintenance rest entirely with the community. Labourers interviewed by the mission at one site stated emphatically that the road was owned by 'the people who dwell on this land'.

### C. Efficiency

81. **Investments in Infrastructure.** The construction of boreholes, roads and bridges, health centres and parish headquarters, represent a substantial proportion of investment costs under the project. The construction involved has generally been administered and supervised by very limited numbers of district staff in the relevant departments. In these circumstances, the successful construction of nearly 200 boreholes, 1 200 kms of roads, 16 bridges, 9 health centres, 30 community centres and over 80 parish headquarters represents a very efficient use of human resources. With the exception of the machine-based roadbuilding in the new districts, the costs of infrastructural investments have also been kept within very reasonable limits.

82. **Technology Options for Water Sources.** The technology of choice for the provision of rural water was the borehole. This was justified in the case of Hoima and Kibaale, where other donors were promoting alternative technologies. It was also argued at design stage that surface water sources in these districts were contaminated. However, despite the requirement that new water sources should be located in areas with low coverage, field visits to two boreholes in Hoima revealed alternative sources nearby. One borehole was located in an area served by a gravity fed scheme and the other near an unprotected spring. In one case, the borehole had been neglected, with overgrown surroundings and a waterlogged drainage channel, and in the other case, the borehole had been abandoned on the grounds that the water was salty. District officials in Kamwenge revealed that the programme was designed without a water resource study being carried out<sup>17</sup>. The result was a larger than usual number of dry holes, which had to be paid for.

83. **Economical Roadbuilding.** The major investment under this heading was the construction or rehabilitation of around 1 120 kms of roads, most of them categorised as 'community access' roads. At

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<sup>17</sup> The SAR stipulated that 'hydrological and geophysical investigations will be implemented by the contractors'.

an average cost of around UGSh 500 000 per km (c. USD 280 at current rates), much of which was paid in wages to local people and thus represented a ‘double investment’ in the local economy, the labour-based construction of these roads represents a highly efficient investment. The cost of contracted work was much greater (up to UGSh 3 000 000 per km), but the recommendations of successive supervision missions and the MTR mission seem to have established the labour-based method in all districts.

84. **Cost per Beneficiary at Health Centres.** The unit cost of the health centres varied between 60 and 100 million UGSh, or USD 35 – 55 000 at current rates, depending on the remoteness of the site and the quality of construction. These new health centres will serve an estimated population of some 150 000 people, giving a cost per beneficiary of something under USD 3. Given the other variables – how many of the potential beneficiaries will eventually use the facilities, the recurrent costs such as staff salaries and drugs, not to mention the quality and efficacy of the therapy and medication offered – this figure is no more than a very rough guide, but such as it is, it indicates a highly efficient investment.

85. **Functions of the Parish Headquarters.** Some questions hang over the investment in what were designated as Parish Revenue Offices, constructed at an average cost of UGSh 10-12 million (USD 6-7 000). The suspension of G-tax has undermined one of the primary functions of these buildings. It is true, however, that many of them are utilised as community meeting halls or accommodation for the parish chief, so that their real function is to serve as the focus for parish level activities of various kinds. The mission suggests their redesignation as Parish Headquarters, a practice already adopted in some districts (and in this report).

86. **Inefficiency in the Rural Finance Component.** The component’s operational costs are high relative to the size of the credit fund.<sup>18</sup> The MTR allocated USD 1 132 000 for component support funds and rather less than this, USD 1 128 000, for the credit fund. Since most SIDA, especially in Hoima and Kibaale, are reported as being self-sufficient and most fixed assets have already been purchased under this component, this appears surprising, and there are suggestions of extravagance in BUTO’s operational budget. Despite the fact that the DDSF purchased no less than six vehicles for the RF component, SIDA are obliged to hire vehicles to transport money. On average each SIDA receives a loan at least once in two months and pays UGSh 100 000 for transport each time. With 63 SIDA in the programme area, this represents annual expenses of close to UGSh 400 million.

87. **Inefficiency in M&E.**<sup>19</sup> Despite the initial training and the subsequent hiring of external consultants, the M&E system is not fully utilised. Multiple, and sometimes duplicated, repositories of data are stored on different systems. The beneficiary evaluation process is complex and time consuming, and budgets are inadequate. There is also a problem in recruiting and training facilitators, who are mostly volunteers, receiving only small allowances for transport and lunch. Other reasons for the weaknesses of M&E include the understandable reluctance of staff to duplicate input and the matter of departmental sensitivity, which disposes some component heads to take personally any criticism of their component implied by the output of the M&E system. Perhaps the most important drawback is the lack of a sense of ownership. The M&E system is a supply-driven tool requiring vigorous support and engagement from the district management, so far lacking.

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<sup>18</sup> Refer to footnote 40, page 38.

<sup>19</sup> The BSF representative at IFAD made the interesting suggestion to the mission that since the M&E systems in IFAD-funded projects are *always* inefficient, it must be that too much is expected of them.

## V. IMPACT ON RURAL POVERTY

### A. Impact on Physical and Financial Assets

88. **Safe Water Coverage.** A total of 185 940 rural people had access to safe water as a result of DDSP interventions, of whom 76 000 were primary school children. Average distances to safe water sources decreased, and pupil to latrine stance ratio at schools improved due to construction of VIPL latrines and household pit latrine coverage. Table 5 shows the improvement in safe water coverage since 2000.

**Table 5: Safe water coverage by district**

District	Safe water coverage (%)	
	2000	2004
Hoima	58	68
Kibaale	26	67
Kabarole (before split up)	30	95.3
Kamwenge	28.9 (July 2001)	42.8
Kyenjojo	n/a	49.3

*Source: DDSP and Directorate of Water Development*

89. **Impact of Roads.** The construction or rehabilitation of around 1 200 kms of community access roads in a region where the total length of such roads amounted to around 5 000 kms at the time of appraisal represents a substantial expansion within four years. The community access road network in Hoima expanded by nearly a quarter under DDSP and in Kibaale nearly one-third. The importance given by communities to the construction of community access roads is reflected in the number of requests and proposals for roads of this kind in all districts. Subcounty development proposals in Kamwenge for 2003/4, for example, included no less than 150 such proposals. Beneficiaries interviewed by the mission reported that the main impact of these roads is the cheaper, quicker and easier transportation of farm produce, sometimes resulting in dramatic increases in farm gate prices.<sup>20</sup> Better access to health centres and schools was also frequently cited as a significant benefit, with many young children now able to walk to school, even in the rainy season, without having to venture through sodden foliage or ford swollen streams. Hoima has produced the following figures based on beneficiary assessments: more than 50% of households have access to public transport within an hour's walk; more than 75% have access to primary schools within an hour's walk; the overall volume of traffic has increased by 30%.

90. A further direct impact of the road programme derives from the wages paid for labour: the daily payment of an average of UGS 2 500 to 50 workers on a road gang for a period of two to three months represents a substantial injection of cash in poor areas. Several workers interviewed by the mission said that they had been able to buy one or two goats with savings from their wages during the course of construction. Women who would normally be working in their own fields had been able to employ others to do this work for them, at a rate of only half of what they themselves were earning from the road.

91. **Financial Assets.** SIDA members in all districts reported a marked improvement in economic activity and increased household incomes. Field interviews with groups and households revealed that beneficiaries, especially in Hoima and Kibaale, have been able to build brickbuilt iron-roofed houses

<sup>20</sup> The mission was informed that since the opening of the Kiyagarra-Bunoga road in Kamwenge, the price paid for 1 kg of maize has risen from UGSh 80 to 200, of 1 kg of beans from UGSh 800 to 1 200 and of 1 kg of groundnuts from UGSh 800 to 1 200.

to replace thatched dwellings and some families now have piped water.<sup>21</sup> Livestock ownership has increased among SIDA members, and some beneficiaries have purchased land for commercial and agricultural use. Such assets can in turn serve as collateral for obtaining bigger loans from commercial institutions. Some SIDA members interviewed by the mission have saved as much as UGSh 300 000. Income diversification has been encouraged by providing credit only to members already engaged in an income generating activity. Though farmers do not borrow directly for agricultural activities because of the unfavourable terms, there has been increased agricultural production since most profits from non-farm activities are ploughed back into agricultural activities. Indications from poverty ranking exercises show that some graduates of literacy classes have progressed to becoming small entrepreneurs using SIDA credit. The proceeds from the enterprises have resulted in improved housing and the purchase of bicycles and household utensils as well as savings. Most farmers' groups have been encouraged to save, which has increased both their assets and their access to credit.



The home of a member of Buhanika SIDA, Hoima district, before and after joining the SIDA.  
IFAD photo by Roger Norman

92. **Farming.** Increases in crop yields, crop cover (for bananas, rice, maize and coffee) and livestock numbers are claimed in the agricultural sector, but figures comparable with the findings of the 2000 baseline survey were generally not available. A 2004 survey of 142 households in Kabarole revealed that the proportion of households raising chicken had doubled (16% to 31%) between 2000 and 2004, those raising goats had increased from 32% to 49%, those raising cattle from 16% to 22% and those raising pigs from 4% to 12%. The same survey, however, showed no significant difference in the acreages of staple crops (bananas, beans, cassava, Irish potatoes and rice) over the last four years, and no increase in improved varieties.<sup>22</sup>

## B. Impact on Human Assets

93. **Water and Hygiene.** The availability of clean water has had an impact on hygiene and therefore health, although only Hoima carried out a beneficiary assessment study. In some parts of Kibaale, water for domestic use was previously collected from ponds which dried up during certain months. Waterborne diseases showed a slight decline in Hoima district during the programme period but a slight increase in Kibaale, perhaps because of the lack of emphasis on hygiene. In schools, the health of children was improved through the provision of handwashing facilities as part of the design

<sup>21</sup> When asked how she could afford piped water in her house at a cost of UGSh 50 000, a member of Muhorro SIDA in Kibaale replied: "*SIDA yaja kukoraki?*" – How can I fail when SIDA is there?

<sup>22</sup> Only the initial survey findings were available and these contained some inexplicable items; for example, the occupation of 52.3% of respondents was given as 'student'.

of the new latrines. The reduced distances to safe water has eased the burden of water collection on women and children.

94. **Health Coverage.** The simplest indicator of the effect of health centre construction is the average distance travelled to the nearest health centre, and this has improved in all districts. In Hoima, 80% of the population now live within five kms of a health centre; in Kibaale the figure is 60% and in Kamwenge 47%. In the case of Kyenjojo, the proportion of those living within two kms of a health centre rose from 28% in 2000 to 39% in 2004, while in Kabarole the 2004 Impact Survey found that the average distance to a health centre fell from three kms to 2.3 kms and the maximum distance from ten kms to seven kms during the same period. Beneficiaries interviewed at the new health centre at Bwizi in Kamwenge, gave the reduction of distance to the health centre (previously up to 12 kms) as one of the major benefits of the DDSP intervention.

95. **Mothers and Children.** A second indicator for which all districts provided figures was the number of facility-based deliveries. In Hoima, around one-third of births are now facility-based, and in Kigaale, the proportion is estimated at between 20 and 30%. Facility-based births rose by over 60% between 2000 and 2003 in Kabarole, and by around 70% in Kamwenge in only two years (2001-2003), although the starting point was much lower. Deliveries assisted by Traditional Birth Attendants rose from 12 to 18% in Kibaale between 2000 and 2004, and an estimated 90% of expectant mothers attended ante-natal classes. Hoima reports fairly substantial reductions in the incidence of stunting, underweight and wasting in children under five between 1999 and 2003, from 57%, 18% and 27% respectively to 40%, 9% and 18%. The parallel findings for Kabarole show an even greater reduction, to 32%, 17% and 1.3%.

96. **Immunization.** Kibaale reports that full immunization coverage rose from 69% to 79% between 2000 and 2003, and Hoima gives an overall coverage of 73%. DPT3 immunization now covers 91% of infants in Kabarole. In Kyenjojo, coverage for DPT3 rose from 63% in 2001 to 92% in 2003, for measles from 57% to 92% and for BCG from 74% to 98%. Increased immunization coverage is the result of collaborative efforts between UNICEF, a national immunization programme and DDSP. There is of course no way accurately to gauge the contribution of DDSP, which has taken the form of supporting outreach activities both through the construction of new health units and the increase of mobility through the provision of bicycles and motorcycles. However, improvements recorded in a single year (2002 – 2003) at Bwizi are impressive: a rise in coverage of DPT3 from 78% to 99%, of BCG from 78% to 99% and Measles from 60% to 77%.

97. **Literacy Plus.** There has been a marked impact on literacy levels. SIDA members who are illiterate are encouraged to join literacy classes so that they are at least able to fill in their savings books. Some SIDAs promote the classes by allowing only people who can read and write in SIDA leadership positions. Graduates of literacy classes have not only acquired reading and writing skills, they have also attained increased awareness of improved hygiene and sanitation practices, nutrition, family planning, and modern agricultural methods. Most women reported that their attendance in the classes had increased their self-confidence and ability to speak in public, but put equal emphasis on knowledge of health and nutrition for their children. While overall school attendance numbers have increased considerably due to the national programme for Universal Primary Education, the literacy programme has contributed to increased enrolment for girls, inasmuch as female learners have become more insistent on equal education opportunities for their sons and daughters.

98. **Entrepreneurial Skills.** Interviews with SIDA members revealed that characteristics such as persistence, calculated risk taking, independence and self-confidence have been developed through training, group cohesion and access to credit for small enterprises. SIDA members are trained in record keeping, profitability and simple financial analysis and all of those interviewed kept business records. Over 95% of them reported running profitable enterprises.

99. **Farmers' Groups.** Members of farmers' groups reported various positive effects of DDSP support, notably better access to health and education services, improved production skills through

training, study tours and improved extension services. Progressive farmers met by the mission reported receiving regular training and could point to at least two new skills they had acquired. Beneficiary assessment in Hoima in 2003 showed that 30% of the farmers had access to public or private extension services, against the component target of 25%. This still leaves most farmers without access to extension services, especially if they do not belong to groups.

### **C. Impact on Social Capital and Empowerment**

100. **SIDAs: ‘A Force to be Reckoned With.’** SIDA members have been able to increase the degree of collaboration and mutual trust in their groups, and the general feeling is that SIDAs have become ‘a force to reckon with in the community’. SIDA members have taken on leadership positions in the local administrative structure and sometimes called upon to give a vote of thanks to ‘subcounty visitors’ on behalf of community members. Those interviewed by the mission demonstrated an increased awareness of the wider world as well as higher levels of self-esteem and confidence.

101. **Literacy Graduates.** In some cases, former literacy learners have gone on to become instructors. A number of female learners reported joining the classes so as to be able to assume positions on village and parish Councils, and an unspecified number have done so.

102. **Farmers’ Initiatives.** The bottom up planning process and demand driven approach have enabled farmers to identify their own priorities, and the Farmer Extension Representatives have emerged as respected community leaders through their adoption of improved farm management practices. Other farmers also feel that working in groups has enhanced their interpersonal skills. This is especially so in Hoima and Kibaale, with their longer history of group formation. In Kabarole, Kamwenge and Kyenjojo a learning process has been set in motion.

### **D. Impact on Food Security**

103. **Improved Food Sufficiency.** Despite the lack of convincing statistics, all group interviews (without exception) confirmed the perception of the beneficiaries that the overall incidence of poverty has fallen and that household food sufficiency has been enhanced, albeit more so among SIDA members. Most beneficiaries reported adequate food provisions and two meals a day. The great majority of them possess their own kitchen gardens, which are mainly given over to vegetables. Local sales of meat and milk are reportedly on the increase in many areas. Some women attested to the fact that the increased production of vegetables and animal products was connected to the reduced time they had to allow for fetching water. Other factors included improved crop varieties and livestock breeds. Acreages under cultivation are reported to have increased due to SIDA members’ re-investment of proceeds from non-farm enterprises.

104. **Better diets?** As a result of the adult literacy classes and sensitisation through radio and drama groups, beneficiaries reported increased awareness about nutrition and balanced diets, and many of the FAL learners met indicated that they had taken up vegetable growing in their kitchen gardens. Beneficiaries of agricultural programmes, especially those involved in the heifer and vegetable gardens projects, also reported improved household diets. Outside of these particular programmes, however, it seems that households are consuming more food but not necessarily more balanced diets. In particular, the mission found a lack of animal protein in diets. This confirmed the findings of the MTR in this respect.

### **E. Impact on the Environment and Communal Resource Base**

105. The overall environmental impact of DDSP activities has been positive. Agricultural component activities are by and large environmentally friendly since most farming is organic. In the livestock sector, too, there is limited use of agro-chemicals. The newly constructed roads and boreholes show no likelihood of causing soil erosion or other damage. Environmental sanitation in households has improved due to improved garbage and faecal waste disposal.



106. **The lakeshore roads.** The Lake Albert roads will have significant environmental/ecological repercussions which have so far received little comment. The lakeshore area is at present one of unspoilt natural beauty, without motorised vehicles or other form of air or noise pollution. In addition to the two DDSP-funded roads, an aerodrome is planned and tourist facilities contemplated, including powerboat fishing on the lake and game safaris on the land. Powerful economic and social reasons exist for the roads to be made, but the resulting development activity will disturb a very long-established ecology and although an initial environmental impact assessment was carried out, a further, more wide-ranging assessment is now required concerning the long-term development in this unique environment.

## **F. Impact on Gender**

107. **Positive Impact.** Women and women's groups have been at the centre of many DDSP interventions, and the programme has effectively empowered a large number of women through their involvement in SIDA groups and literacy classes. Almost all married SIDA members said their husbands were now more respectful and communicative. They felt that they were more often consulted about issues affecting their lives and that their opinions were now sought on major household decisions. Some women even attributed improved family stability to their membership of SIDAs. In addition, DDSP has addressed women's practical needs for access to markets, health services, water supplies, adult education and credit.

108. **Constraints.** Women interviewed by the mission estimate that about one in three women are prevented by their husbands from joining literacy classes and SIDA groups. While many of these women are able surreptitiously to access credit from informal groups at village level, their access to formal SIDA loans is constrained by the requirement of the husband's signature on SIDA loan applications. Equally, although DDSP has encouraged women's participation in responsible bodies by earmarking seats for women in groups and committees, mission interviews indicated that in many instances women's representation remains token.

109. **Domestic Violence.** Activities under the Community Development component has increased awareness of domestic violence due to alcoholism among men, but this continues to be a problem. Sometimes the problem arises as a consequence of the income women derive from enterprises funded by SIDA loans, income that increasingly assertive women wish to control some part of. The incidence of domestic violence and husbands' reported propensity to regard the income earned by women as theirs to spend without consulting their wives, make some women shy away from the opportunities created by DDSP.

110. **Women on Water Committees.** Women have participated actively in the management of water sources. Eight out of 13 water sources visited by the mission had women as treasurers of the committees, and women also tended to serve as caretakers of the sources. In primary schools, girls now have more privacy in using the latrines and one school in Kyenjojo has constructed bathrooms for the use of girls. In the same district, five of the 28 hand pump mechanics are women, which constitutes a breakthrough in a male-dominated field.

## **G. Sustainability**

111. **Development Impetus.** The fundamental sustainability issue, raised both by the MTR and by supervision missions, is whether the districts will be able to maintain the development impetus in the absence of further donor support. The problem is not so much with the 'hardware' aspects of the DDSP as with the 'software' aspects such as capacity building (the impact of which will soon be lost without continuing training programmes), the effectiveness and dynamism of groups and farmers' associations and the sustainability of adult literacy programmes. The concept of agricultural commercialization is new and therefore not yet firmly entrenched among farmers or officials. Without continuing investment in training and the consolidation of market linkages, what has been achieved to date will be lost.

112. **SIDAs and BUTO.** The sustainability of SIDAs seems assured in Hoima and Kibaale, but in Kabarole, Kyenjojo and Kamwenge the associations seem weak in cohesion, ownership, savings, coverage and outreach, and in the absence of continuing support, their future looks insecure. For example, SIDAs seem willing to pay allowances but require approval from BUTO which is not forthcoming. There seems no good reason why BUTO should be involved. Cases were also reported to the mission of book-keepers being ‘imposed’ on SIDAs by BUTO where it was felt that the existing bookkeepers lacked the necessary education or training. It is vital that the autonomy of SIDAs is not compromised in this way. The correct course is for the appropriate training to be provided. As far as the sustainability of BUTO itself is concerned, the company is designing a sustainability plan which targets a level of 50% self-sufficiency by the end of the current financial year, but at present it depends heavily on DDSP funds and will need to identify alternative sources of funding.

113. **Volunteers and Committees.** Many programme committees and activities depend on volunteers, especially under the Community Development component, which relies on the voluntary activities of literacy instructors and Change Agents. There are plans to reward top performers and in some cases small allowances have been introduced, but such initiatives are threatened by dwindling government revenues. SIDAs also rely on volunteers as treasurers, secretaries, chairpersons and committees members, all of whom perform demanding tasks without remuneration. Committees under the water, health and roads components all operate on a voluntary basis and will only prove sustainable where the sense of ownership is strong. The majority of water source committees met by the mission had failed to collect money for operation and maintenance of boreholes and pumps, apparently ignorant of the need for regular maintenance, despite the training received. Water source committees in Kyenjojo and Kamwenge were formed retrospectively and therefore with little sense of ownership of the scheme. In such cases, users’ committees will require other incentives to operate effectively.<sup>23</sup>

114. **Funding of Community Development.** It was assumed that by the end of the programme period, with substantial contributions from the community development activities, household incomes and district revenues, that the operations of the Community Development Department would be sustainable without recourse to donor funding. However, with the abolition of the G-tax, this remains very much an open question. The CDAs estimated that about one-third to one-quarter of their total salary comes from allowances for their mobilization services to the other components of the programme. They indicated that without this incentive, the current level of activities undertaken by them would in all probability not be sustainable.

## **H. Innovation<sup>24</sup> and Upscaling**

115. **The BUTO initiative.** The creation of BUTO as a district-owned development company probably represents the project’s most innovative feature. This initiative was prompted by the desire of the districts to retain control of the Revolving Credit Fund and to replace an NGO which was proving unaccountable. The BUTO-SIDA linkage might be replicated in other districts but the inherent costs associated with the current structure would need to be addressed. It also remains an open question as to whether BUTO is capable of developing genuinely pro-poor loan products. The management itself recognises a ‘tension’ between the need for profitability and BUTO’s essential brief to reach the poor. The current plan for BUTO is for SIDAs progressively to purchase shares in the company, leading to

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<sup>23</sup> The MTR twice raised this important issue, as follows: ‘The maintenance, operation and upkeep of programme facilities and investments remain issues of concern. At both community and local government levels, the ethos of acceptance of decline and replacement, rather than one of proper maintenance, repair and upkeep, persists’ (para 20); ‘In contrast to group-based operations linked with a financial incentive, social workers and technicians had only limited success in forming active, dedicated committees to oversee the operation and maintenance of social infrastructure ... this is a serious weakness in programme implementation.’ (para 34).

<sup>24</sup> The former CPM rightly pointed out that what was genuinely innovative about the DDSP was the degree and compass of direct donor-funded assistance to local authorities, unique in the Ugandan context.

eventual control by the SIDAs. Government policy in the rural finance sector, meanwhile, is to transfer the management of credit funds from the districts to the Microfinance Support Centre. SIDA ownership of the credit component would obviate this, but the capacity of the SIDAs to purchase substantial numbers of BUTO shares is doubtful, at least in the short term.

**116. Involvement of NGOs.** In the districts of Kabarole, Kamwenge and Kyenjojo, NGOs have been hired to train water source committees, although this is at an early stage of implementation. In the agricultural sector, collaborative arrangements with local NGOs, have enabled the delivery of a wider range of services to the farming community: Kibaale supported the Uganda Rural Development Trust to form and train beekeepers associations comprising over 400 groups. Funds were also allocated for training courses in ploughing with oxen, sericulture and fish farming. A fish farmers' association has also been formed and over fifty fishponds dug. Kyenjojo carried out a training of trainers workshop for Kulika Charitable Trust, an NGO promoting sustainable agriculture. NGOs in Kibaale and Hoima contracted to supply sanplats are reported to be performing well. In Kabarole, an NGO has carried out community sensitisation and training for the tapstand committees for the gravity-fed water supply scheme. In Hoima and Kibaale, the NGO *Tugende Omumaiso* provided nutrition training, and the Hoima District Farmers' Association trained Farmers Extension Representatives and promoted rice cultivation. Given the shortage of trained staff in line departments and the proposed reduction of staff of the District Water Offices, the outsourcing of work to selected NGOs is a fruitful area for replication. **Strategies in O&M.** A commendable innovation was observed in a community in Kamwenge where funds collected for O&M were used as a revolving loan fund for the water users. This approach can be used elsewhere to encourage communities to contribute funds for the timely maintenance of schemes. In Kibaale, the hand pump mechanics have formed an association to help them share experiences and obtain spare parts. This approach could be also useful in other districts.

**117. Marketing Initiatives.** The formation of the Hoima district marketing task force responsible for linking farmers with the private sector and providing market information could be replicated in other districts, as could Kamwenge and Kyenjojo's systematic cost/benefit analysis initiative and the 'zoning' scheme for profitable enterprises.



200 000 people in the project area gained access to safe water as a result of DDSP interventions'.  
IFAD photo by Roger Norman

## VI. PERFORMANCE OF PARTNERS

### A. Performance of IFAD

118. **Programme Design.** It is the view of the mission that the design of DDSP was over-idealistic and over-ambitious in respect of ‘bottom-up planning processes’. The programme designers believed that the various bottom-up mechanisms would feed into the planning procedures up to district level and that the communities themselves would thereby derive a real sense of ownership of the development process. The expected output of the Community Mobilisation Support sub-component was given as ‘over 1 200 functional and cohesive community organisations able to implement locally-conceived programmes and plans and improve the lives of their members’. It was envisaged that ‘independent groups, farmers associations, producers societies and other common interest societies’ would ‘play the lead role in developing economic and social activities in the villages’.

119. **The Realities of Planning.** The limits to the decentralisation of planning decisions were never properly clarified. A logical and coherent network of roads and bridges cannot by its nature be determined by a bottom-up process, nor can the even coverage of clean and safe water or healthcare provision. The siting and construction of revenue collection offices is not a matter for community-based organisations or community involvement. As for credit, it can be targeted at the poor, and even at the poorest, but the terms of its provision from external sources (interest rates, collateral requirements, repayment conditions) are determined by the borrowers and not by the lenders. Thus the major planning decisions in five components of seven under DDSP were top-down decisions *and could not have been otherwise*. The key to community participation in planning is to identify at what points and in what ways it can be exercised, and the first rule is the devolution of responsibility without the devolution of financial resources is meaningless. In other words, the level at which the necessary resources exist is the level at which the ultimate planning decisions will be made. What the DDSP actually supported was not a system of bottom-up *planning* but bottom-up *requesting*. This is not to say that the system that was put in place was without value. Both officials and beneficiaries saw the process as valuable, the latter because it gave them a sense of participating in development and the former because they learned what people wanted. But this was by no means the limit of the original intention.

120. **Underfunding of Agriculture and Health.** Certain component budgets look to have been underfunded, notably agriculture and health. A 10% budget allocation for agriculture in a region where over 80% of the population are farmers and bearing in mind the scale of the task (‘the commercialization of agriculture’) seems inadequate, as does the even smaller allocation for health, given that an overall improvement of health status was one of the key programme objectives. This underfunding can perhaps be linked with the overambitious – and therefore relatively expensive – Community Development component and the unrealistic expectations of what could be achieved by committees.

121. **Targeting.** The programme design did not find ways of ensuring that the ‘poor’ would be able to participate in the key productive interventions. By explicitly focusing on the ‘economically active poor’, the design encouraged implementers to proceed with productive activities not specifically suited to the poorer sections of the communities, and exerted no pressure on them to analyse whom they were reaching and why some sections were excluded.

122. **Mid-term Review.** The MTR constituted IFAD’s major opportunity to assess what had been achieved, to review successes and constraints and to recommend modifications in implementation and re-allocations of funds. A comprehensive document was produced which examined component performances in detail and was generally very positive about the programme but less so about government policies, particularly the abolition of cost-sharing and the proposed suspension of graduated tax. The only question marks raised over the performance of the programme concerned the capacity of communities to operate and maintain schemes (both infrastructure and services) and the effectiveness of impact monitoring, including ‘the lack of precise, documented quantification of

results' (paragraphs 8 and 19). This last explains why the MTR itself, although rather positive about impact, failed to provide much in the way of statistical evidence. The first point, about operation and maintenance, is the more serious for appearing in a generally favourable report (see MTR quote in footnote 29).

123. **Policy Dialogue.** The DDSP in general and the supervision missions in particular have allowed IFAD a direct influence on local government policies and the fostering of a dialogue with central government. In particular, the aide-memoires of the supervision missions have become an important tool in positioning IFAD within the national agenda. This is a direct result of the CPM's insistence that the aide-memoire be signed by the chairman of the IPC<sup>25</sup>, as well as of the practice of working closely with the ministries and other donors. IFAD's presence at donor coordination meetings, through its part-time country representative, also provides an important opportunity for a purposeful dialogue with the Government. However, it would seem that in Uganda as elsewhere, a more direct and involved country presence is called for in order to ensure real policy impact and the dissemination of lessons learned from DDSP. The verdict of the recent Thematic Evaluation in this respect was not encouraging: 'one hardly hears of IFAD efforts as giving lessons to deepening decentralisation processes at the local government level ... the area of dialogue and upscaling has not been seriously explored...'<sup>26</sup>

124. **Programme Supervision.** The DDSP is one of only fifteen IFAD-funded projects directly supervised by IFAD itself. In the opinion of the mission, the programme has derived very special benefits from proactive and energetic supervision. All programme officials agreed that the persistent and painstaking supervision missions, including a specialist for each component, the personal rapport with the CPM, and the detailed supervision reports have been invaluable in steering the implementation and reinforcing the objectives of the project.

125. **The Co-financiers.** IFAD's relationship with its two co-financiers seems to have been trouble free. Both the Belgian Survival Fund and Development Cooperation Ireland have a significant history of assistance to the programme area and have taken a close interest in the programme. The BSF is particularly keen on developing cross-sectoral collaborations and is concerned that the 'basket-funding' approach will not be able to accommodate this priority. It has received assurances from the Government that the necessary 'flexibility' will be forthcoming.

## **B. Government and its Agencies**

126. **The Central Government.** The Government of Uganda has been generally supportive of the DDSP. In particular, the commitment to an effective process of decentralisation seems genuine. However, recent central government policy decisions already referred to – the ten-year suspension of G-tax without declared alternatives, the abolition of cost-sharing at health centres,<sup>27</sup> the free distribution of seeds and livestock breeds in the agricultural sector, and the temporary recruitment freeze in the health service – tend to undermine the community-based and market oriented approach of the programme.<sup>28</sup>

127. In the DDSP-funded districts, between 16 and 20% of the budget is derived from donor funds, with the balance drawn from central government grants. In some districts up to 90% of the total revenue is drawn from the central government. This dependency on the central government for

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<sup>25</sup> i.e. the Permanent Secretary of the Ministry of Local Government.

<sup>26</sup> Thematic Evaluation on Decentralisation, Draft of August 2004.

<sup>27</sup> The question of users' fees in the health service is energetically debated. IFAD claims that their cessation was a threat to sustainability; others, including many doctors and health service administrators, argue that it was only by removing these charges that health services became accessible to the poor.

<sup>28</sup> On the day of the wrap-up meeting, a news item in *The New Vision* reported that the Government would be offering a new low-interest loan scheme which will undercut existing microfinance institutions – including the SIDAs, of course.

funding is already a major challenge to the decentralisation process, but the situation has been exacerbated first by the reduction of the tax then by its suspension. G-tax revenues make up the bulk of the local financial inflows, with 65% remaining at subcounty level or below.

128. **The Ministry of Local Government**, and in particular the key role of its programme liaison office, is highly rated, especially by the newer districts. Corruption safeguards are in place through Local Government financial regulations, supervised by an Inspector General. These have helped to reduce the reported cases of illegitimate influence in procurements and of nepotism.

129. **The Ministry of Finance, Planning and Economic Development** is currently exploring a harmonized reporting structure to be used by government and donors as part of the new financial management system being developed in conjunction with the sectorwide 'basket funding' approach. A major advantage of this approach for the government is the avoidance of the high transaction costs of the existing funding structure. Currently, a USD 10 million loan involves around USD 1 million in institutional costs in addition to operational costs.

### **C. Performance of Non-Governmental and Community Based Organizations**

130. **The role of NGOs in service provision** has been substantial in the provision of training and other services, and in view of government staff shortages, is likely to become more so. The drawback that has emerged from the contracting of NGOs has been the lack of formal reporting procedures and therefore of transparency.

131. **Nkoola Institutional Development Associates Ltd. (NIDA)** was responsible for training in the usage of the logframe and for revamping the M&E system. The company has developed a thorough training programme with good supporting material and the districts have consistently rated its performance as high. NIDA's own assessment of the performance of the trainees and districts as a whole is perceptive and revealing with clear solutions presented. The company is in a good position from the point of view of experience and capacity to undertake the much-needed M&E database linkage.

132. **The Bunyoro-Toro Rural Development Company.** BUTO is a limited company with an executive board comprising (non-government) representatives from each district which oversees the company's activities and verifies the financial results. It is BUTO's stated goal to encourage the SIDAs themselves progressively to purchase BUTO shares and ultimately to become majority shareholders, but neither the share structure nor the costs involved have been determined. In addition, SIDAs are not currently in a legal position to own shares. Thus the feasibility of this transfer of ownership, which has much to recommend it in terms of the autonomy and self-sufficiency of the SIDAs, is still in doubt.

133. The role of districts in the implementation of the Rural Finance component was not specified at appraisal. The MFPED was given the supervisory role but has not exercised it with any vigour. The result is that BUTO does not appear to operate within any supervisory framework and the reporting and monitoring systems do not conform with those of the other components. The Memorandum of Understanding providing BUTO with the necessary legal status for the administration of the credit fund is still unsigned. And despite the June 2004 supervision mission recommendation that a formal reporting arrangement be established, no system has been put in place to ensure that districts are kept abreast of the financial status of the company.

134. **The Subcounty Integrated Development Associations (SIDAs).** The expression 'SIDA women' is widely recognised in the programme area as conveying an image of self-confidence and entrepreneurial spirit. The Thematic Evaluation's assessment of the SIDAs was that they had had 'a tremendous impact on women in development'.<sup>29</sup> BUTO reports all SIDAs as being profitable. The

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<sup>29</sup> OE Thematic Evaluation, draft of August 2004, p. 7

longer-established ones, in Hoima and Kibaale, are said to be self-sufficient, and the new ones as heading in that direction. SIDA's in Hoima and Kibaale are described as the 'market leaders' in microfinance. The main problem from the point of DDSP stated objectives and target group is that SIDA membership is concentrated among the not-so-poor. Non-SIDA members described SIDA loans as expensive and the application process as complicated.

## VII. OVERALL ASSESSMENT, RATINGS AND CONCLUSIONS

135. Overall, the DDSP has been a successful programme, and the mission awards it a 'five' on a scale of one to six, an emphatic commendation. Crucial to the DDSP's success has been the very energetic and demanding supervision exercised by IFAD. Twice a year, a large team of specialists has descended on each district in turn, closely examined the implementation status of each component, insisting on the production of all the necessary documentation, and done an admirable job in identifying constraints and finding solutions for them. The DDSP has been very fortunate in this respect. With its limited supervision budgets, UNOPS is generally unable to field more than a two- or three-person mission, whereas the DDSP missions have had a specialist for each component, many of whom came to know the project extremely well. The supervision has generally served to refine and rectify the weaknesses of the original design, which is precisely what supervision is supposed to do, and rarely does.

136. **Programme Relevance.** No questions were raised by the present mission (nor by the MTR nor by the Thematic Evaluation) over the relevance of the project objectives or components in pursuit of its overall goals. Although some components were somewhat underfunded, there were no significant omissions or mis-directions in project design. The rating in this respect is 'six'.

137. **Programme Effectiveness.** The programme was effective in achieving its stated goals, with one notable exception. The 'software' aspects of DDSP failed to target the poorest households. This was recognised by the implementing agencies, who took the point of view that for the credit and agriculture components, the 'active poor' and the progressive farmers comprised the only practicable target groups, and that the 'trickle-down' effect would ultimately carry the benefits to the poor. This is a forceful argument, but one that highlights a common dilemma for IFAD, with its particular brief to target the poorest. Since the very poor was the primary target group of DDSP, and in view of the weaknesses of some of the committees and thus of some standards of maintenance, the effectiveness rating is 'four'.

138. **Programme Efficiency.** Precision about levels of efficiency is problematic in the absence of certain key statistical data. Even the cost per beneficiary is impossible to calculate because of the large numbers of interventions (roads, health centres, water sources) which can be assumed to have benefited the entire population of particular areas. Yet the evidence such as it is does not suggest a costly programme, and it does strongly suggest a programme that has made very good use of human resources in terms of its infrastructural investments. The mission therefore gives an efficiency rating of 'five'.

139. **Overall Programme Impact.** As Chapter V made clear, statistical evidence in this regard is in short supply. The impact of water sources, roads and health centres, however, is undeniable, the credit component has far exceeded its physical objectives, and the extensive software packages (training, sensitisation and mobilisation) have had a substantial impact on 'the culture of governance', even if the mission is correct in supposing that the aims in this regard were unrealistic. Overall rating only 'four', because of the shortage of useful statistics.

140. **Performance of IFAD.** Despite the design weakness regarding targeting and the imprecision of the objectives, the overall excellence of the supervision and the high regard in which the programme is held by all district officers contribute to a rating of five.

141. **Performance of the Government.** The Government was supportive, and the degree of decentralisation to the districts is commendable. MOLG has been an effective lead implementing agency and the role of the Liaison Office has been very significant. However, the series of unhelpful policy decisions and the delays in counterpart funding make it impossible to rate the performance of the Government more than 'four'.



142. **Performance of NGOs.** Greater stringency in reporting and transparency is required of the NGOs, some of which are perhaps not accustomed to government/donor standards in this respect. With this reservation, the role of the NGOs has been important and their performance satisfactory, earning a 'five' rating.

## VIII. INSIGHTS AND RECOMMENDATIONS

### A. The Key Issues

143. **Continuation of IFAD Investment.** The task, although well-started, is only half-done. In view of the rapid diminution of remaining funds, most activities will effectively cease during next year, and the mission fears that many of the investments made so far will prove unsustainable.<sup>30</sup> This is particularly true in the case of Kamwenge, Kyenjojo and the new Kabarole, where implementation has been effectively underway for only three and a half years. The challenge of mastering the complexities of the programme has been compounded by the problems inherent in setting up new district headquarters, with new staff, in areas lacking basic infrastructure. To remove a chief source of funding for these new districts should not be done without carefully weighing the consequences.<sup>31</sup>

*Recommendation:* The mission recommends further investment in all five districts.

144. **Hardware and Software.** There are powerful reasons for continuing at least a measure of support to selected components in the three ‘older’ districts, although infrastructural support may be discontinued where an acceptable coverage has been reached. There is no justification for the construction of more health centres in Hoima while Kamwenge still has no district hospital, or more roads in Kibaale or Kabarole when the need is much more pressing in Kyenjojo. The agriculture and rural finance components however, together with key elements of the community development component such as the literacy classes, should be continued throughout the programme area, with a sharpened poverty focus.

*Recommendation:* The scale and direction of the investment requires assessment by district and by component. A fresh baseline survey will be required to identify present needs and priorities.

145. **Poverty Focus.** Any future IFAD-funded project should explore ways to reach beyond the ‘active poor’, especially through the interventions under its agricultural and credit components. The crucial element in this will be the design of a loan product accessible to the poor and also suitable for agricultural purposes. The best practices worldwide should be consulted.

*Recommendation:* The rural finance component of the DDSP and of any future project should have as a priority the development of a medium-term loan for agricultural purposes accessible to the very poor. The mission also recommends that the agricultural component takes care to identify and promote enterprises suitable to ‘poor’ households, taking into consideration the level of start up and operational capital. Special attention could be given to poultry and pig production.

146. **Strategic Issues.** The mission recognises that the continuation of area-based multi-component support does not match the present direction of government policy. The preference for the ‘basket-funding’ of sectoral approaches has been formally acknowledged by IFAD in its most recent Country Opportunities and Strategy Paper (2004). However, the Government of Uganda is well aware of IFAD’s claim to serve as a laboratory for innovative approaches and, in particular, for interventions which reach the most remote and poorest communities. According to the report of the recent Independent External Evaluation, IFAD is required to ‘clarify its role primarily as an innovator in policy, institutional and operational terms rather than as a purveyor of fairly routine projects which closely mirror the approaches of larger development organisations. IFAD’s comparative advantage does not lie in competing with the other IFIs but in being a progenitor of well-tested innovative ideas

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<sup>30</sup> The MTR also advocated a follow-up project, recommending the inclusion of Masindi district.

<sup>31</sup> The ‘rump’ Kabarole faces a challenge in some ways greater than that of the other new districts, because it lacks the pioneering enthusiasms of a new entity. It has been shorn of more than half of its territory and population, with a concomitant loss of resources and prestige, and most of its senior staff elected to move to Kamwenge or Kyenjojo. It does not derive revenue from its richest crop (tea), and much of the administrative infrastructure in Fort Portal is badly in need of refurbishment.

and approaches that can be replicated nationwide by others with greater resources'.<sup>32</sup> The Government of Uganda has promised 'flexibility', and this will be necessary if IFAD is to maintain its distinct contribution in these respects.<sup>33</sup>

*Recommendation:* In its negotiations with the Government of Uganda concerning future loans, IFAD should be mindful of its unique role and comparative advantages, neither of which are necessarily well-served by contribution to a basket-funded approach.

147. **Donor Coordination.** The harmonisation of reporting systems is urgently required to obviate the excessive workload for districts in meeting the various demands of different systems. Such a harmonisation can only be taken at a central level.

*Recommendation:* This issue should be raised at the meeting of donor representatives which takes place in Kampala on a monthly basis.

148. **Decentralisation of Funds.** The decentralisation of the programme budget and the planning and implementation of significant projects at parish level constitute the major challenge for any future programme. Further capacity building at parish and village level needs to be matched by meaningful budgetary devolution, for it is this step that would signal the genuine empowerment of the community. One solution would be to fund the subcounty and parishes directly, which would have the added advantage of greatly sharpening the accuracy of targeting. The strategy would only affect donor funds allocation, and not other revenue collection streams. Care should be taken to ensure that at the parish level, officials are capacitated to handle the budgeting and management requirements.

*Recommendation:* In future projects of this kind, subcounties and parishes should be directly funded by the programme to give substance to the commitment to bottom-up planning.

149. **Guarding against Illegitimate Influence.** The peddling of personal and political influence in the planning and implementation of schemes has been reported in some districts. In some cases, this has resulted in a tense working environment and illogical decisions. Both the Government and IFAD need to guard against such occurrences.

*Recommendation:* The Government should publish clear anti-corruption guidelines and closely monitor accounting practices and political patronage. These guidelines need to be visibly adopted and supported by IFAD.

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<sup>32</sup> The rest of the passage reads as follows: 'IFAD's specialist mandate provides a powerful imperative for the Fund to take a central role in demonstrating how different approaches to rural development reduce poverty and contribute to achievement of the Millennium Development Goals. ... The approach should involve more risk and possibly more failure with greater attention to learning from and disseminating results. This implies a more discriminating management of government and non-governmental partnerships and the strategic use of grants where risks are significant ... A more proactive approach to policy engagement is crucial, more clearly defined and better resourced.' (*IFAD Independent External Evaluation Draft Report, Paras 4.43 and 4.44, p. 69*)

<sup>33</sup> The Government may argue that if area-based development projects are mooted, the claims of the war-torn northern regions are paramount. It is inappropriate for the mission to comment on competing claims, but it may be that the districts which have suffered heavily over long years from the series of insurrections will first require major infrastructural improvements and a period of peace before decentralisation and community-based initiatives are possible.

## B. Insights and Recommendations by Component

### Community Development

150. **Wealth Ranking.** Programme interventions need to be aimed more accurately at the appropriate target groups, particularly the poor and marginalised, and DDSP staff need to appreciate the particular needs of the various categories of ‘the poor’.

*Recommendation:* The mission recommends that the Community Development staff conducts training with staff of the agricultural and rural finance components on wealth ranking exercises.

151. **Men and Literacy.** Women’s groups requested that more effort be put into attracting men to join literacy classes in order to improve their appreciation of gender equality, especially of the rights of women in determining how the proceeds from SIDA loans should be spent, and also to address their fears of women becoming economically and institutionally active.

*Recommendation:* The mission recommends that the project attracts men to join literacy classes by marketing them as providing access to extension advice, English and Swahili language skills and economic opportunities.

### Rural Finance<sup>34</sup>

152. **Agricultural Loans.** To be suitable for very poor farming households, agricultural loans need to be medium-term, collateral-free and with an extended grace period. Such loans are considered risky and unprofitable for credit institutions such as BUTO. The MTR recommended targeting loans for agricultural enterprises but without prescribing any specific quota. BUTO anyway considers the available loanable funds inadequate in view of pending applications at district level. The crucial synergy between the RF and agricultural components has been inoperative: the production department staff have neither trained BUTO staff in agricultural enterprises nor carried out joint loan appraisals.

*Recommendation:* BUTO should be required by the districts to allocate a proportion of credit funds as pro-poor agricultural loans. Close linkages need to be established between the Rural Finance and Agricultural Development components, including joint loan appraisal.

153. **Reporting System.** According to design, the component reports to the CAOs, but the full details of the Rural Finance operation are missing at district level.<sup>35</sup> As an autonomous body, BUTO reports to its board and seems to have no defined position within the district structure.

*Recommendation:* BUTO should be required to follow the same reporting procedures as other implementing agencies so as to ensure the accountability of the component.

154. **Balancing Financial and Social Objectives:** BUTO faces the challenge of operating as a profitable institution and at the same time providing services on behalf of the Government. This has created tension over such issues as the use of project assets, targeting policy and information flow. Currently the financial obligations of BUTO seem to override the social responsibility of the Rural Financial component, with BUTO and the SIDA targeting profitable areas.

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<sup>34</sup> The mission received written responses to the first draft of the main report from BUTO and from the districts concerning the rural finance component. In brief, these consist of firm rebuttals of many of the mission’s reservations concerning the failure of the component to reach the poor, to establish genuinely self-sufficient SIDA and to control operating costs.

<sup>35</sup> The mission had to obtain relevant information directly from BUTO branch offices.

*Recommendation:* Operational funding should be reduced and the revolving credit fund correspondingly increased. Clear guidelines as to the social responsibility of the component should be set out, and appropriate monitoring indicators developed.

## **Health**

155. **The Basic Health Centre ‘Package’.** Essential amenities were missing from the package, notably running water and electric power in the maternity units. Elsewhere there is a shortage of beds and mattresses, all blankets must be supplied by patients, and the compounds lack fencing to keep out domestic animals. In remote areas, the health centres, together with the school, are the chief symbol of the development process. It is essential that they give an impression of efficiency, cleanliness and orderliness. They should have gardens, flowers, trees and good solid furniture.

*Recommendation:* The mission recommends that the initial unit cost be increased to include whatever is considered a basic necessity, including running water, DC electric power supply, a minimum number of beds and mattresses, and a perimeter fence.

156. **Staffing Problems.** Staffing shortages affect the appearance and cleanliness of the health centres, as well as outreach activities, which are crucial in terms of the prevention and early diagnosis of malaria. The on-site accommodation provided is sufficient for only a proportion of the staff. It lacks cooking facilities as well as basic furnishings such as curtains. Even where there is a DC power supply, there is no television and no computer.

*Recommendation:* Small but intelligent investments are required – DC-powered television and computer, simple cooking facilities and basic furnishings. If staff cannot be attracted and retained, the health centres will not be able to fulfil the tasks for which they are intended.

157. **Recruitment Policy and Nursing Assistants.** Recent government guidelines issued by the Health Service Commission propose that nursing assistants be progressively replaced by more qualified staff. Contradictory reports were received about how and when this replacement would be effected. Given the crucial role of the nursing assistants, this is an issue of vital interest.

*Recommendation:* IFAD should seek clarification on this matter before making further investments in the health service.

## **Water and Sanitation**

158. **Maintenance of Facilities.** In some cases, the new water sources seemed to be viewed as government structures. Simple maintenance needs had been neglected and funds for O&M funds had not been collected. Hand-pump mechanics were trained and equipped but most committees were unwilling to pay them and spare parts were difficult to obtain.

*Recommendation:* Communities should be sensitised and trained before construction is started and a simple guide for management committees should be prepared. Effective initiatives in some districts can be replicated in others: committee training by NGOs, associations for hand-pump mechanics; the utilisation of the O&M fund as a revolving credit fund.

159. **Choice of Technology.** Boreholes are the preferred technology for rural water supply in Uganda and were chosen as the main technology in the programme districts. However, they are not appropriate or economical at all sites and some have been neglected in favour of pre-existing sources such as unprotected springs.

*Recommendation:* As boreholes are expensive to construct and maintain, they should be adopted only where there is no other viable alternative.

160. **Hygiene Promotion.** Basic attitudes to hygiene and sanitation change slowly and little change was observed among the beneficiary households. This is likely to negate the impact of providing clean water to communities and to result in the spread of waterborne diseases in particular.

*Recommendation:* Specific budgetary allocations are required for hygiene promotion in the shape of training courses, campaigns and competitions, as well as for allowances for the field staff involved. As in Kabarole, demonstration homes with latrines, hand-washing facilities, drying racks, garbage/compost pits and bath shelters should be used for training and study tours.

## **Rural Roads**

161. **Maintenance of Main Roads.** There are two systems of maintenance for district feeder roads. The Government strongly favours the hiring of contractors and payment by kilometre over the cheaper and apparently more efficient system of maintenance by directly hired gangs with local people benefiting from the employment. It was also observed by the mission that the upkeep of feeder roads was better than of trunk roads, for which the central government is responsible.

*Recommendation:* The Ministry of Works should decentralise the responsibility for the upkeep of trunk roads to the districts, retaining only a coordinating function. It should also review its commitment to the contract system for the upkeep of district feeder roads.

## **Agricultural Development**

162. **Component Data.** The production departments do not have systematic data relating to distributed planting materials, performance of improved livestock breeds, change in yields and farm gate prices and performance of supported agricultural organisations.

*Recommendations:* Uniform tools for monitoring component indicators should be developed and relevant stakeholders trained on how to capture and analyse the required data. Effective use should be made of the monitoring tools developed by the agricultural management specialist in Hoima and Kibaale.

163. **Agribusiness and Agro-processing.** Technical assistance in agribusiness development and marketing is a priority, but there appears to be no clear strategy for the ‘commercialization of agriculture’. Agro-processing activities are directed only towards milk and honey processing. Much could be done in terms of dried fruit, fruit juices and post-harvest cereal handling.

*Recommendations:* An agribusiness specialist should be recruited to work in forming marketing groups, training staff in commercially oriented extension services, establishing market linkages and guaranteeing production standards.<sup>36</sup> Agro-processing should be included as a strategic activity in future projects.

164. **Extension Services.** The agricultural extension services are very overstretched. Access to extension services is still very low for farmers outside the groups. This particularly applies to the poorest and most remote communities.

*Recommendation:* Efforts should be made to attract the poorer farmers to join farmers’ groups. The policy of working with NGOs in outreach activities should be extended to include other NGOs and CBOs.

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<sup>36</sup> The mission has recently been informed that this appointment has been made, with the specialist concerned due to start work in March 2005.

## Management Capacity Building and Institutional Strengthening

165. **Budget flexibility.** Project Coordinators and CAOs are presently subject to very tight budget controls, allowing them no flexibility to re-prioritise budget allocations in view of changing circumstances.

*Recommendation:* The mission recommends a tolerance level of up to 10% allowing districts to deviate from the original AWPB without any specific application, subject only to proper audit controls being in place.

166. **Inter-sectoral and Inter-district Collaboration.** Inter-sectoral cooperation does occur in such areas as sanitation and nutrition, but few opportunities exist for the exchange of ideas. The monthly DTPC meetings are too broad in scope. As for inter-district collaboration, there is more competitiveness than synergy, even though the districts have much to learn from each other.

*Recommendation:* The mission suggests brief monthly status update meetings between the component heads. For districts, a bi-annual workshop would be the ideal opportunity for the exchange of information and ideas.

167. **Automatic Counterpart Funding.** A major challenge for the districts is the management of cash flow. A regular automatic disbursement of government funds would do much to relieve the districts of the present unpredictability.

*Recommendation:* The Government should consider setting up monthly or quarterly automated disbursement schedules.

168. **M&E System.** A sizeable investment of time and money has gone into a system that is still not properly operational. A final effort is called for to establish linkages among the Water, Health, Roads and Education databases and to form a central data repository.

*Recommendation:* DDSP should hire, perhaps from NIDA, an MS Access expert familiar with the existing M&E system. It should be possible for such an expert to design a suitable mechanism within a three-week timeframe.<sup>37</sup>

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<sup>37</sup> See Appendix 2 for detailed recommendations for the refinement of the M&E system.





Table A 1. Poverty Strata according to Poverty Ranking Exercises in 11 Communities

	Very Poor	Poor	Not so poor	Better off
<b>Housing</b>	House of sticks, grass thatched roof	House of mud, grass thatched roof	House of mud, iron roof	House of bricks, iron roof
<b>Cultivation of land</b>	No land	Less than 1 acre	2-5 acres	5-12 acres
<b>Livestock</b>	No livestock	1 goat, 1-4 chicken, 1 pig	3-4 goats, 5-10 chicken, 2-3 pigs, 1-2 cattle	10 goats, 10-30 chicken, 10 cattle
<b>Diet</b>	Maize, cassava, beans, matoke	Cassava, beans, matoke, potatoes, groundnuts	Matoke, potatoes, cassava, rice, meat or fish once a week	Matoke, potatoes, cassava, rice, eggs, milk, tea, fruits, meat, fish
<b>Meals/day</b>	1 meal a day	2 meals a day	2 meals a day	3 meals a day
<b>Cash income source</b>	Casual labour	Sell some surplus to buy basic necessities	Sell to buy household assets & pay school fees, trade business	Owens a shop or earns salary
<b>Type of transport</b>	No transport	No transport or old bicycle	Good bicycle	Motorbike or car
<b>Communications</b>	No radio, no phone	No radio, no phone	1 radio, no phone	1 radio/ 1 phone

Table A 2: Rural Finance Summary Implementation Results

(All amounts in UGSh '000,000)

Variable	Hoima	Kibaale	Kabarole	Kyenjojo	Kamwenge	Total
SIDAs (No)	12	19	11	13	8	63
Savers (No)	6801	10050	3990	3499	4394	28734
Total Savings	109.95	164.32	30.38	33.15	63.31	401.11
<b>Short term (ST) lending</b>						
ST loans (No)	535	3598	432	117	250	4932
ST loans outstanding	266.28	418.6	279.39	125.14	187.52	1276.92
Cumulative ST loans	6,124	11,106	1,637	518	1861	21,246
<b>Medium Term (MT) Lending</b>						
MT Loans (No)	340	1488	-	-	-	1828
MT loans outstanding	90.46	425.04	-	-	-	515.50
Cumulative MT loans (No)	1,265	2340	-	-	-	3605
% men clients	18%	28%	21%	36%	15%	23%
Total no of staff	7	8	7	6	6	34
No of credit assistants	3	5	3	3	2	16
Operational self-sufficiency	58%	206%	32%	79%	90%	83%

Table A 3: Summary Achievements under Health Component

	Hoima	% of target	Kibaale	% of target	Kabarole	% of target	Kyenjojo	% of target	Kamwenge	% of target
<b>Construction of Health Centres</b>	3	75	3	100	2	100	1	100	1	100
<b>Other Infrastructure</b>			District Hospital Water Supply							
<b>Training of Clinical Workers</b>	153	80			1 course	100	20		planned	
<b>Training of CHWs</b>	120	66	618				planned		planned	
<b>Training of TBAs</b>	111	100	590				68		planned	
<b>Training in Mental Health</b>					1 course	100	98		24	100
<b>Training of Committees</b>	242	100					planned		planned	
<b>Transportation</b>	1 4WD; 358 bicycles		1 4WD; 10 m/cycles		3 m/cycles	100	3 m/cycles; 150 cycles ordered	100	3 m/cycles	100

Table A 4: Summary Implementation Results of Water and Sanitation Activities

Planned activity	Target	Achieved		Comments
		No.	Percentage	
Hoima				
Drill new boreholes	120	105	87%	All attempted, some dry
Rehabilitate old boreholes	75	75	100%	
Provide rain water harvesting tanks in schools	40	40	100%	
Construct VIPLs in schools (2-S)	200	192	96%	
Procure tools for hand pump mechanics	4	22	550%	
Procure water quality testing kits	2	2	100%	
Procure GPS equipment				
Provide sanplats to households	3000	2000	66%	
Train water source committees	75	75	100%	Some other WSCs trained under UNICEF funding.
Train HPMs (courses)	1	1	100%	
Train SHCs	0	100		
Conduct TOT course for CDAs & Has	1	1	100%	
Provision of ecosan to fishing villages	8	0	0%	
Kibaale				
Drill new boreholes	100	89	89%	All attempted, some dry
Rehabilitate old boreholes	60	0	0%	Funds reallocated to Kagadi WSSS
Provide rain water harvesting tanks in schools	40	40	100%	
Construct VIPLs in schools (2-S)	200	200	100%	
Construct WSSS	2	1	50%	
Procure tools for hand pump mechanics	7			
Procure water quality testing kits	2	2	100%	
Provide sanplats to households	2000	1500	75%	
Train water source committees	100	100	100%	
Train HPMs (courses)	1	1	100%	
Train SHCs	0	0	0	Trained under UNICEF funding
Conduct TOT course for CDAs & Has	1	1	100%	
Kamwenge				
Drill new boreholes	17	11	65%	
Rehabilitate old boreholes	50	0	0	
Protect springs	14	10	71%	
Construct shallow wells	56	16	29%	
Provide rain water harvesting tanks in schools	44	39	90%	
Construct VIPLs in schools (5-S)	92	51	45%	
Procure tools for hand pump mechanics	8	8	100%	
Procure water quality testing kits	2	0	0%	
Procure GPS equipment	8	8	100%	

Planned activity	Target	Achieved		Comments
		No.	Percentage	
Train water source committees				
Train HPMs (courses)	1	1	100%	
Train SHCs	21	21	100%	
Conduct TOT course for CDAs & Has	1	1	100%	
<b>Kabarole</b>				
Drill new boreholes	11	4	36%	Funds re-allocated to GFS
Rehabilitate old boreholes	7	10	142%	
Construct GFS	1	1	100%	Has 18 tapstands
Provide rain water harvesting tanks in schools	14	14	100%	
Construct VIPLs in schools (5-S)	90	31	34.4%	
Procure tools for hand pump mechanics	11	11	100%	
Procure water quality testing kits	2	1	50%	
Train water source committees	960	384	30%	Target included training of WSCs of existing water sources
Train HPMs (courses)	1	1	100%	
Train SHCs	1	1	100%	
Conduct TOT course for CDAs & Has	1	1	100%	
<b>Kyenjojo</b>				
Drill new boreholes	12	11	91.7%	
Rehabilitate old boreholes	65	26	40%	
Protect springs	4	4	100%	
Construct shallow wells	21	21	100%	
Provide rain water harvesting tanks in schools	44	14	31.8%	
Construct VIPLs in schools (5-S)	70	46	65.7%	
Procure tools for hand pump mechanics	13	13	100%	
Procure water quality testing kits	2	2	100%	
Procure GPS equipment	8	0	0%	
Train water source committees	300	56	18.7%	Target includes existing water sources
Train HPMs (courses)	2	2	100%	
Train SHCs	1	1	100%	Not adequate
Conduct TOT course for CDAs & Has	1	1	100%	

**Key:**

S - stance

WSSS – Water supply and sanitation systems

Table A 5: Effectiveness in Water and Sanitation Development

Type of facility	Hoima		Kibaale		Kamwenge		Kabarole		Kyenjojo	
	No. Achieved	People served	No. Achieved	People served	No. Achieved	People served	No. Achieved	People served	No. Achieved	People served
New boreholes	105	31,500	89	26,700	11	3,300	4	1,200	11	3,300
Rehabilitated Borehole	75	22,500	-	-	-	-	10	2,000	26	7,800
Protected springs	-	-	-	-	10	2,000	-	-	4	800
Shallow/hand dug wells	-	-	-	-	16	3,200	-	-	21	4,200
Gravity Flow scheme (tapstands)	-	-	-	-		-	18	1,440	-	-
<b>Total people with safe water access</b>		<b>54,000</b>		<b>26,700</b>		<b>8,500</b>		<b>4,640</b>		<b>16,100</b>
Kagadi Hospital WSS	N/a	N/a	1	unknown	N/a	N/a	Na	N/a	N/a	N/a
Rain water tanks in schools	40	<b>20,000</b>	40	<b>20,000</b>	44	<b>22,000</b>	14	<b>7,000</b>	14	<b>7,000</b>
VIPLs in schools (no. of stances)	384	15,360	400	16,000	280	11,200	155	6,200	230	9,200
Sanplats to households	2000	2000	1500	1500	-	-	-	-	-	-

*Ave. number of people served by each facility:*

Borehole	300
Shallow well	200
Protected spring	200
10,000 Litre tank	500
GFS tapstand	80
VIPL stance	40

**Table A 6: Road Component Budgets by District, at Appraisal and at MTR**

	<b>Hoima</b>	<b>Kibaale</b>	<b>Kabarole</b>	<b>Kyenjojo</b>	<b>Kamwenge</b>	<b>Total</b>
Base Costs at Appraisal (USD '000)	1599 (51%)	634 (20%)	913.6 (29%)	>	>	<b>3147</b>
Post MTR allocation (PY 4-6) (USD '000)	627 (32%)	573 (29%)	246 (12%)	262 (13%)	262 (13%)	<b>1970</b>

**Table A 7: Summary of Physical Achievements of Roads Component**

	<b>Hoima</b>	<b>% of target</b>	<b>Kibaale</b>	<b>% of target</b>	<b>Kabarole</b>	<b>% of target</b>	<b>Kyenjojo</b>	<b>% of target</b>	<b>Kamwenge</b>	<b>% of target</b>	<b>Total</b>
<b>District Feeder Roads (kms.)</b>	21	58	20	100	30	88	5	18	35	81	<b>111</b>
<b>Community Access Roads (kms.)</b>	463	57	506	80	65	*	33	46	52	25	<b>1,119</b>
<b>Culvert Crossings (no.)</b>	94	67	73	73	105	*	290 (rings)	n/a	123 (rings)	n/a	<b>n/a</b>
<b>Bridges (no.)</b>	6	100	3	60	5	125	2	75	0	0	<b>16</b>

Sources: District Self-Assessments, Nov. 2004  
funds reallocated, April 2004

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Table A 8: Implementation Results under Agricultural Development Component

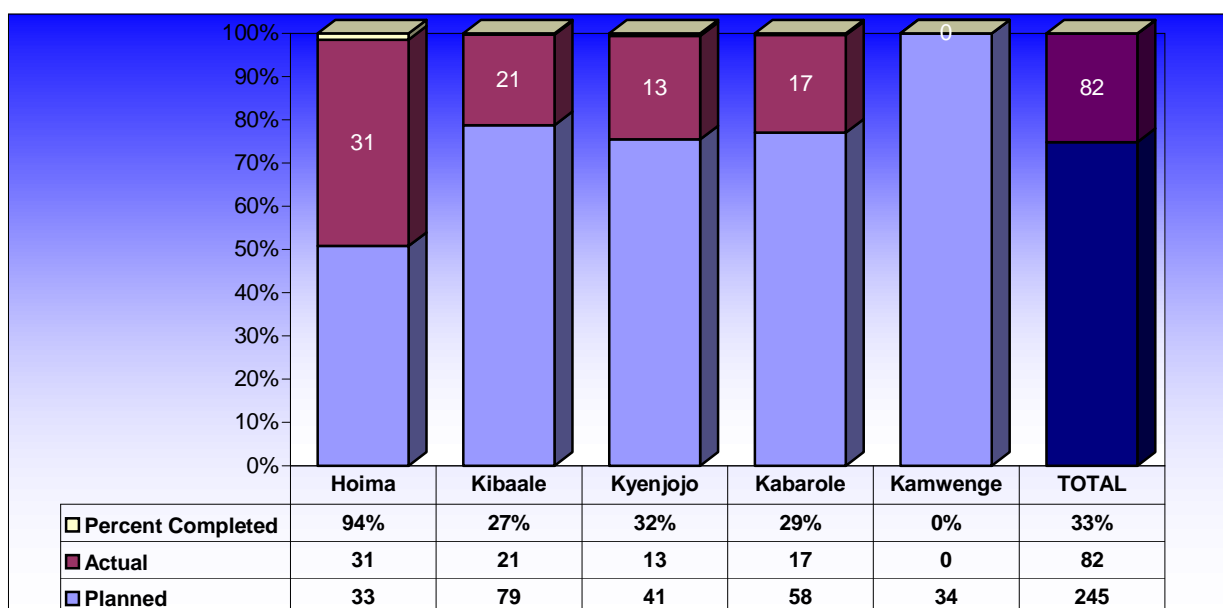
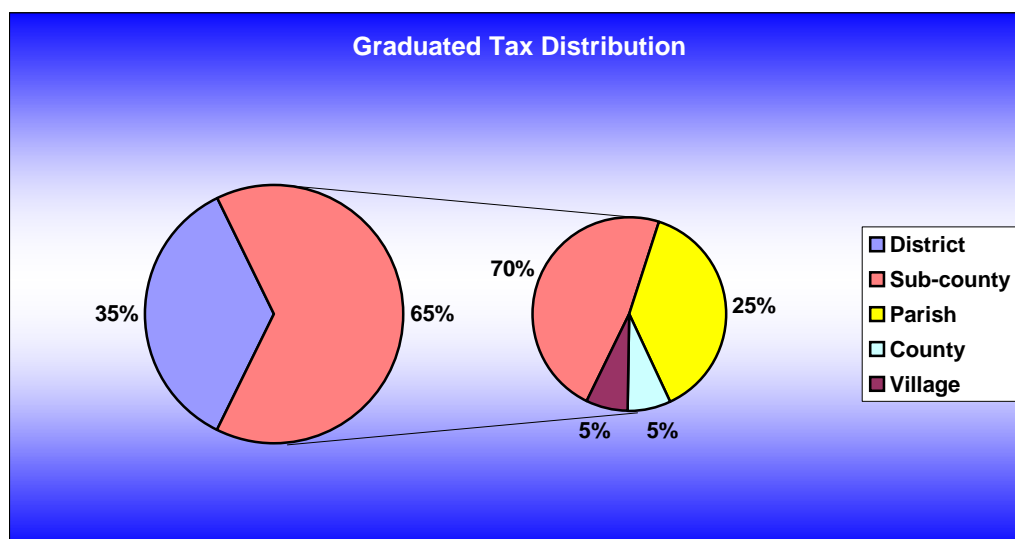
Sub component	Indicator	Hoima	Kibaale	Kaba- role	Kyen- jojo	Kam- wenge	Total
<b>Extension orientation</b>							
	Farmers groups engaged (No)	671	1388	461	262	176	2948
	Agricultural/study tours (No)	7	2	4	12	1	26
	Extension kits purchased (No)	4	N/a	25	N/a	N/a	29
	Vehicles purchased (No)	2	1	-	1	1	5
	Motorcycles	8	17	-	2	-	27
	Bicycles	N/a	N/a	N/a	N/a	N/a	N/a
<b>Training and management support</b>							
	Agribusiness and marketing specialist	-	-	-	-	-	-
	Agricultural management specialist (cumulative)	1	1	2	2	2	2
	Agricultural surveys	-	2	1	-	-	3
	Computers sets purchased	3	1	-	1	-	5
	Case studies	N/a	5	N/a	N/a	N/a	5
	Cost benefit analysis	N/a	N/a	N/a	N/a	13	13
	Gross margin analysis	N/a	N/a	N/a	13	N/a	13
	Banana suckers (Nos. or Ha.)	30 Ha	55Ha	15,000	5926	15,000	
	Sweet potato vines	7 Ha	5 Ha	N/a	N/a	2000	
	Upland rice Kg	N/a	N/a	N/a	N/a	4335	
	Cassava planting materials	26	40	-	50 bags	2000	
	Coffee nurseries established (No)	6	14	N/a	N/a	N/a	20
	Vanilla vines	N/a	N/a	N/a	N/a	4500	4500
	Boran/ improved bulls (No)	2	-	-	15	17	34
	Incalf heifers (No)	35	59	-	-	-	94
	Pasture seed (Kg)	-	90	-	-	-	90
	Improved piglets (No)	-	-	-	-	80	80
	Acquired oxen (pairs)	2	3	-	-	-	5
	Improved goats	-	-	-	-	28	28
	Fish ponds established (No)	1	1	--	-	8	10
	Fish fry centers established	2	1	-	-	-	3
	Fish fry supplied	N/a	N/a	N/a	2633	N/a	2633
	Apiaries established	3	1	-	-	-	3
	Bee hives supplied	210	125	30	30	30	312
<b>District agric. organisational support</b>							
	Honey packing equipment supplied	1	-	1	1	1	4
	Public private sector collaborations	1	-	-	-	2	N/a

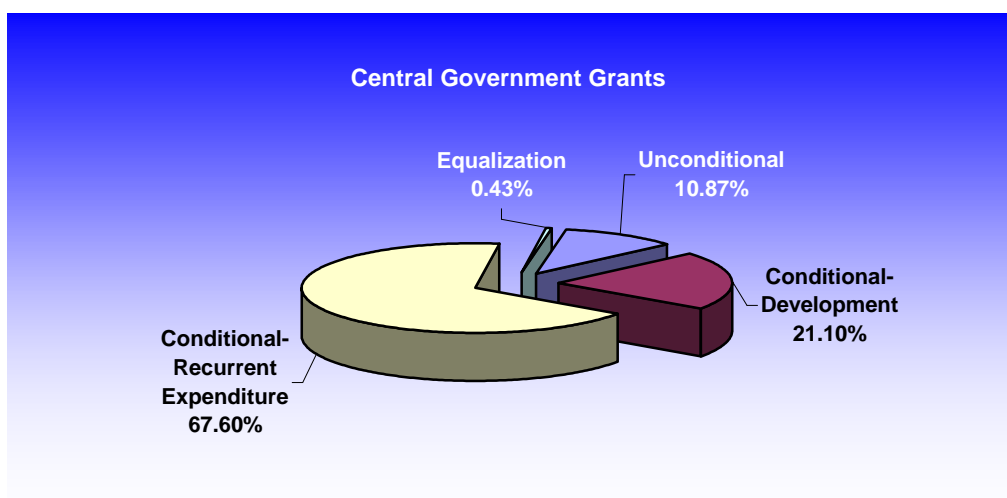
Table A 9: Implementation Results for Agricultural Extension

Planned activity	Target	Achievement		Comment
		No.	%	
Hoima				
Training of FERs	24			
Village/group training	12960			
Orientation of technical staff and skills enhancement for FEWs,ACDOs and NGOs in farm business orientation	33	11	33%	
TOT course for SMS/FEW	2	2	100%	
Training of FEWs in partipatory techniques for technology testing and dessimation.	2	2	100%	
Bi –monthly training	36	24	67%	
Familiarisation visits within Uganda	3	1	33%	
Familiarisation visits elsewhere	3	1	33%	
Bi-annual district seminars	6	4	66%	
Farmer skills enhancement in marketing	3	1	33%	
Farmer skills enhancement for CBAHW/FER(courses)	2	1	50	
Visit selected FER to agricultural stakeholder farmers exchange visits	33	8		
Conduct field days	3	2	66	
Specialised course (persons)	24	7	29	
Pre-seasonal courses	12	8	75	
Kabarole				
Conduct specialised training for farmers	720	189	47	
Conduct village/farm group training	153	101	66	
Train FEWs	1	1	100	
Offer specialised courses	4	4	100	
Organise study tours	3	2	100	
Conduct monthly workshops	-	-	-	
Hold pre-seasonal planning workshops	12	5	42	
Kamwenge				
Business orientations for extension workers	24	6	25	
Participatory methodologies training for staff	4 staff	0	0	
National consultants	4	1		
Staff review/planning workshops	18	5	27.8	
Training workshops for staff	18	4	22.2	
Technical seminars to demonstrate to service providers on new technologies	6	1	16.7	
Farmer skills enhancement in marketing efficiency	24	25	104	
Try CBAHWs in basic skills of animal health and management				16 CBAHWs selected not yet trained
Radio programmes	78	8	10.2	
Radio spot messages	30	5	16.6%	
Agricultural shows	3			
Farmer exchange/familiarisation visits	12	0	0%	
Nutrition education programmes for farmers on food path	3	1	33.3%	

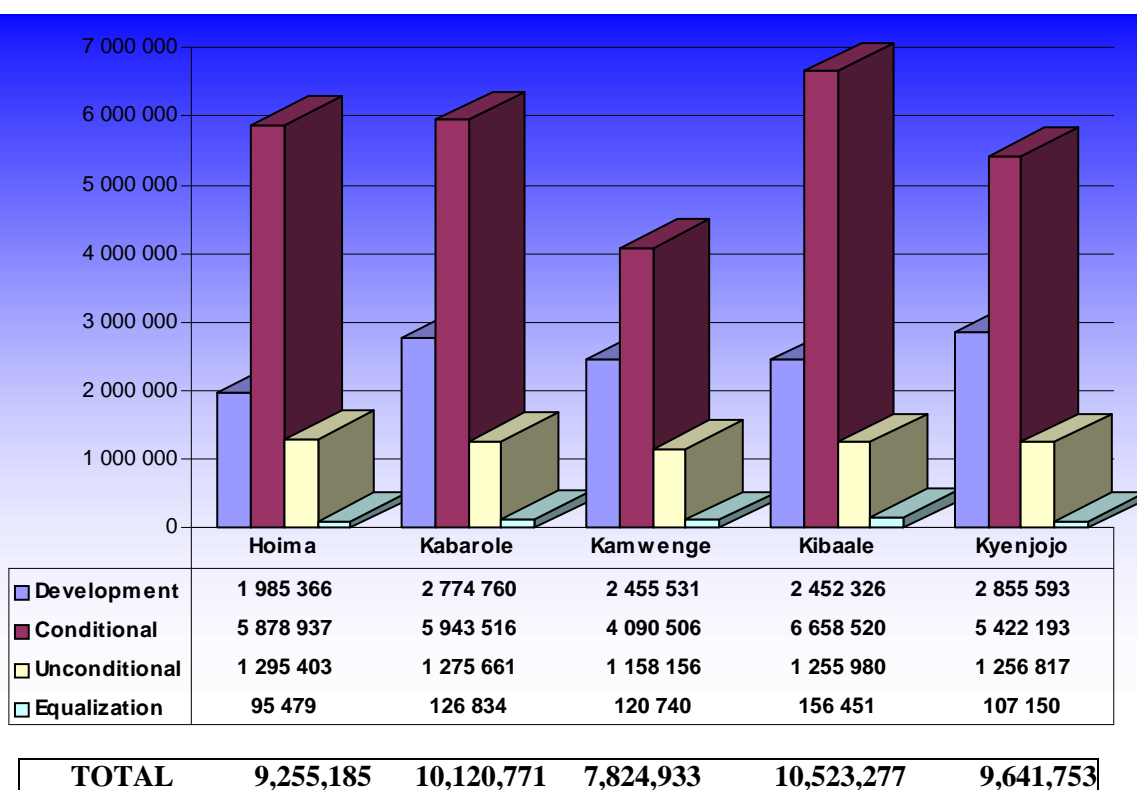


Planned activity	Target	Achievement		Comment
		No.	%	
Kyenyoyo				
Conduct specialised training for FERs and staff	8	4	50%	
Conduct village/farmer group training	-	397	-	
Train field extension workers	-	1	-	
Organise study tours for staff	2	3	150%	
Organise study tours for farmers and staff	-	3	-	
Hold quarterly planning review workshops	24	13	54%	
Recruit AMS	1	1	100%	
Training of CBAHWs	-	250	-	
Training of CBHWs	-	5	-	
Kibale				
Conduct specialised training for farmers	24	41	171%	
Conduct village/farm group training	12960	5016	39%	
Train FEWs	1	1	100%	
Offer specialised courses	6	4	67%	
Conduct monthly workshops	48	24	50%	
Organise study tours	2	2	100%	
Hold pre-seasonal planning workshops	12	6	50%	
Conduct farmer competitions and award prizes	3	1	33%	

**Table A 10: Number of Parish Headquarters Completed or Under Construction****Table A 11: Graduated Tax Distribution with Sub-County breakdown**

**Table A 12: Central Government Local Revenue Grant Distribution by Percentage****Table A 12: Central Government Contribution to Local Revenues**

The following chart shows the breakdown of the central Government contribution to the five DDSP Districts:



Source: MFPED

Table A 13: Decentralization Structures by Levels

Levels and Categories	Commercial Organizations	Elective/Political Structure	Administrative Structure	Judicial Structure	Autonomous Civil Society Organizations
<b>Central</b>		<b>Parliament</b>	<b>Cabinet and civil service</b>		
<b>District LC 5</b>		<b>District Council</b>	<b>Chief Administrative Officer and District Staff</b>		<b>Farmer Associations</b>
<b>County LC 4</b>		<b>(Non-functional)</b>	<b>(Non functional)</b>		
<b>Sub County LC 3</b>	<b>Service Providers (NGOs, private sector entities, de-layered extension staff)</b>	<b>Sub County Council</b>	<b>Sub County Chief and Extension Staff</b>		<b>Farmer Forums</b>
<b>Parish LC 2</b>		<b>Parish Council</b>	<b>Parish Chief [PDC]</b>		
<b>Village LC 1</b>		<b>Village Council</b>	<b>WSC, SIDA Group, VHC, Road Committee</b>		<b>CIG, Farmer Groups</b>

Source: OE Thematic Evaluation on Decentralization

### UPGRADING OF MONITORING AND EVALUATION

Although significant training and capacity building efforts in participatory monitoring and evaluation had initially taken place in the DDSP implementation area, it had become apparent that none of the five Districts under DDSP had established a functioning M&E system. There was no impetus to focus on impact indicators as suggested in the Logical Framework Approach (LFA) at project design. (LFA was subsequently refined during the baseline study). There was little culture of systematic data collection, and any data collected was difficult to retrieve. As a result of this situation, and in an attempt to meet the expected outputs of this sub-component of producing a streamlined, simple and user-friendly M&E system and the appropriate procedures to enable better management and usable impact assessments, the external consulting firm Nkoola Institutional Development Associates Limited (NIDA) was hired towards the end of 2001, using additional IFAD financing. It started a successful training program on theoretical logframe usage. Beginning 2003 Component Specific Logframes were developed, then, starting in 2003 through mid-2004, the M&E system was developed using the MS Access platform for relative ease of use and compatibility with local know-how. (It is worth noting that there is no harmonized system in place, instead Roads, Water & Sanitation, and Education all use a separate MS Access based system.)

NIDA undertook a six-phase M&E System implementation plan with outputs as follows:

	<i>Description</i>	<i>Expected Output</i>
Phase 1	Preparatory Phase	Capacity for establishing and backstopping use of the monitoring and evaluation system developed in the DDSP implementation area. The general status of M&E system used in the DDSP implementation area assesses and/or verified.
Phase 2	Review and validation of DDSP component logframes	DDSP components' objectives (goal, purpose and outputs,) performance indicators and activities clarified, reviewed and/or validated.
Phase 3	Developing Component Monitoring and Evaluation plans	DDSP Components' monitoring and evaluation frameworks/plans developed.
Phase 4	Developing an operational, comprehensive and user friendly monitoring & evaluation system	An operational, comprehensive and user friendly monitoring and evaluation system for the DDSP that adds value to the present system developed.
Phase 5	Consolidating the DDSP M&E system	A Management Information System (MIS) designed. Use of the M&E tools, procedures and the MIS piloted.
Phase 6	Training of MIS users	End users of the Management Information System trained.

Source: NIDA Progress Report

#### *NIDA Phases of the Development of a Monitoring and Evaluation System*

All required training relating to each phase and level (see table below) has been done by NIDA from the Beneficiary to the District level. Currently further advanced training in M&E has been put on hold, pending the demonstration of a fully functioning monitoring system.

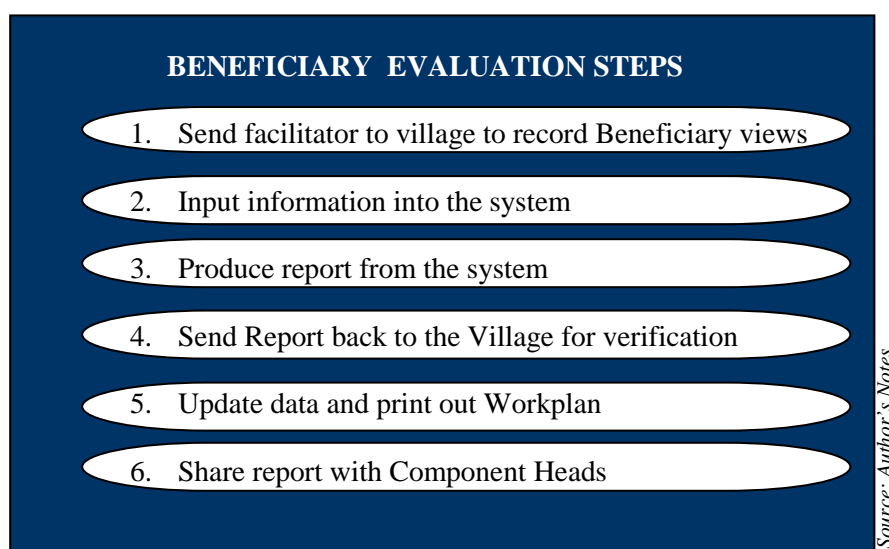
The MS Access based M&E system consists of four different levels of information tracking and reporting, all using Standard Questionnaires as input forms.

M& E Level	Output	Frequency	Input Source
Management	1) Progress Report 2) Quarterly Workplans	Quarterly	Component Heads
Beneficiaries	<b>Beneficiary Evaluation</b>	Quarterly	Committee Groups
Case Studies	1) Beneficiary Assessments of the whole programme 2) Focused Component Case Study	Ad Hoc	Beneficiaries
Survey	Overall Impact Assessment	Ad Hoc	Beneficiaries

Source: Author's Notes

***Computerized Monitoring & Evaluation System Structure***

In order to illustrate the complexity of the system, the structure, processes and steps required to produce a Beneficiary Evaluation are outlined below.



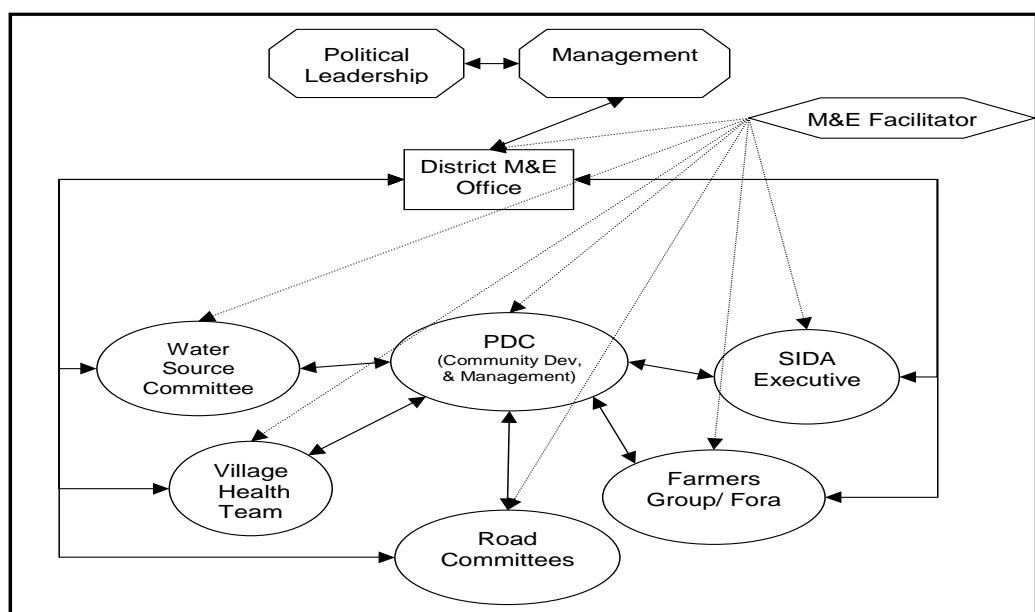
Source: Author's Notes

***Breakdown of a beneficiary evaluation report production cycle***

Usually a M&E facilitator or ACDO (Assistant Community Development Officer from the Sub-county) is sent to interview 5-6 groups (Water Source Committee, Parish Road Committee, Parish Development Committee, Farmers Group, SIDAs, Health community workers) for a chosen community.

Each group requires about an hour to fill out the form through question and answers sessions. In Hoima, for example, there are 11 Sub-Counties requiring between 55-66 hours of work for each Beneficiary Evaluation. Another four hours are needed for data entry at the District Office. In order to trace changes, this exercise should ideally be repeated four times a year.

The communities are highly appreciative of the Beneficiary Evaluation reports as they perceive it as a tool to influence change. The component heads on the other hand, do not always agree with the results from the communities. They may not see the benefits the same way, e.g., demand-driven approach versus supply oriented reasoning, short-term vs. long-term visions. A typical example relates to the Rural Finance component: Implementers would like to hear the communities say that they see the benefits, whereas the beneficiaries are primarily focused on the resulting hard work needed to repay the credit. However, the ensuing disagreement allows for the **creation of a dialogue** between components heads and beneficiaries – key to the participatory approach of building local government.



Source: NIDA Progress Report

### **Structure and key players in the Beneficiary Evaluation System**

#### **Constraints on the usage of the Monitoring and Evaluation System**

*Lack of adequate Resources.* As can be seen from the Beneficiary Evaluation process above, a significant amount of time is required to have all the questionnaires filled out and the database populated. Currently a lack of funding was listed as the primary reason for not being able to conduct timely Beneficiary evaluations. This was followed closely by lack of time and lack of commitment. It is often difficult to train and retain M&E facilitators, as they tend to be mostly volunteers and are only compensated for transport and lunch.

*Multiple Data Storage Repositories – Qualitative vs. Quantitative information.* As noted earlier, each line ministry has its own reporting requirement and corresponding software system. Unlike the M&E System, the other component systems contain mostly quantitative data. This forces multiple, often complementary but sometimes partially duplicate repositories of data to be stored on different systems. Partly as a result of this, the much-anticipated MS Access based M&E system is not fully used: the most recent beneficiary data found in the system dates back to April 2004, although recent (September 2004) Quarterly Workplans and Progress reports do exist in some cases – as these are produced at the district level and do not require field work. A further reason for the M&E System not being fully used include the reluctance of staff to duplicate input – in at least one case the results of a beneficiary survey was input solely into another statistical software package (Statistical Package for Social Scientists – SPSS) for analysis, instead of being input into the M&E System.

*Management Commitment.* Perhaps the most important drawback is the lack of a sense of ownership contributing to a precarious sense of inertia. The system being basically a supply-driven tool would ideally require a continuous thrust and engagement from the district management, without which its usage will remain minimal. Additionally, component heads are often predisposed to resist the results of the M&E System, as they sometimes tend to take personally any criticism.

#### **Strategies for the successful adoption of the M&E System:**

- i. Clearly budget for quarterly Beneficiary Evaluations as well as for periodic Case Studies, and full Beneficiary Assessments. This should include funds for training, transportation and daily allowance for M&E facilitators to ensure qualified staff retention. Ideally one facilitator per sub-county should be employed. Additionally, Component Heads will eventually need follow-

- up training in M&E, but only once the system is in place and the commitment to use it is assured.
- ii. Linkages between the existing line ministry databases to allow for a centralized reporting database comprising both qualitative (M&E System) and quantitative data (Roads, Water, Health and Education).<sup>1</sup>
  - iii. Short of insisting on the mandatory usage of the M&E system, a strong public endorsement at the CAO level is needed, followed up by support to the M&E officer in terms of conferring authority and resource.
  - iv. Sensitization to a holistic Livelihood-based view of the Beneficiaries versus a contained component focus only. Both component Heads and Beneficiaries should be sensitized, as this approach is integral to the design of the M&E system. Local monitoring systems are only going to be functioning well if they are seen as evolving in response to a genuine local demand for the information produced rather than as data collection outposts of a central agency.
  - v. Create a standard data capture tool encompassing all components – including both qualitative and quantitative aspects. This should be merged with the existing reporting structure: Currently Sub-counties (including Parish information) and Departments are already required to submit quarterly reports to the CAO's office.

### Data Retrieval

Despite not fully using the M&E system, all five districts have demonstrated an expert ability to compile detailed data for all seven components, honed no doubt, as a result of the extensive reporting requirements of the IFAD Supervision Missions as well as the requirements of the respective Line Ministries. The mission benefited from detailed self-assessments and progress reports presented to it prior to each district plenary, containing component-specific indicator-based data, including M&E and financial records. However, the data was gathered manually from each of the components by painstakingly combing through many different hardcopy reports; about four days a quarter go into the production of the management reports. However, there were a number of instances where the accuracy and currency of the data was questionable, as it reflected the same exact numbers as produced for the 2003 Mid-term Review Report.

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<sup>1</sup> See M&E Database Linkage Strategy section for a brief outline of integration feasibility.



### M&E Database Linkage Strategy Outline

In order to take advantage of the data already being maintained in the computerized systems of the Roads, Water & Sanitation, Education and Health components, the M&E Database needs to be connected together with them. The resulting linked database would contain both the qualitative information from the M&E system, as well as the quantitative information of the componental databases and would allow for a single centralized source of reporting. The following outline provides a brief overview of the processes required and design issues to be considered.

The computerized **M&E System** is built on the Microsoft Access software platform. In a simplistic overview, MS Access consists of:

- Individual data tables (to store the information)
- Entry forms (to enter the data into the tables)
- Report formats (to design and generate reports)
- Queries (to search and select for information)

The following components also use a MS Access based database:

- Roads – system called RAMPS
- Water & Sanitation
- Education – Ed Assist

Health uses a non-MS Access system called EPI; however, data can be easily extracted into a text file and imported into an MS Access database table.

It is important to note that tables within multiple MS Access databases can be easily linked together (simple property setting of a table) for consolidated reporting. What this means is that in theory one could run a report in the M&E system accessing data from, for example, the Roads database. The system requirements for this to work are that either all the Databases in question reside on one PC, or that the PCs are linked together via a network connection. If no network exists, as is the case in most of the districts today, a specific MS Access database can be created to act as a temporary reporting repository. This database will capture all the necessary data, (via a memory stick, or CD-ROM, etc.) on, for example, a quarterly basis, and have the reports run off of it. It becomes essentially a procedural question as to where and how often an update happens.

The key to this process will be to identify the common data across the multiple databases that could be linked together to produce a comprehensive report.

For instance, in order to produce a beneficiary report on a particular village listing all the water sources and roads built by DDSP, the common denominator across the three databases has to be established. In this case the beneficiary information for that particular village has to be identified in the M&E System and linked to data for that village in both the RAMPS, and Water databases. This would combine both the qualitative and quantitative information for the village.

Most of the effort required to build this system will revolve around the analysis of the individual databases and identifying common, linkable data, as well as determining the reporting requirements of the districts.

Once this is set up, it is vital that additional advanced MS Access training for at least two people per district be undertaken in conjunction with the development of this system, in order to ensure sustainability of meaningful cross-sectoral data analysis.



## IMPACT AND EFFECTIVENESS MATRICES

MAIN DOMAINS OF IMPACT	Key Questions for Impact Assessment in Rural Communities Affected by the Project (changes to which the project has contributed)	Assessment of Change (1)				Reach of Change (3)				Dynamic Processes (4)	Sus. Pot (5)
		Presence and Direction of Change (+) (0) (-)	What Has Changed? Indicators	Extent of Change:		How Many?	Who? (1) (Poor/ Poorest/ Better-off)	Who? (2) M/F	Project Contribution Rating 1 - 6	Rating 1 - 6	Rating 1 - 6
				How Much?	Rating 1 - 6						
<b>I. Physical and Financial Assets</b>	1.1 Did farm households' physical assets change (farmland, water, livestock, trees, equipment, etc.)?	+	Animals; equipment; crop varieties	U	4	U	Poor and better off	M/F	5	4	4
	1.2 Did other household assets change (houses, bicycles, radios, etc.)?	+	Improved housing; more bicycles	U	5	U	Poor and better off	M/F	5	4	4
	1.3 Did infrastructure and people's access to markets change (transport, roads, storage, communication facilities, etc.)?	+	Road network	1,200 kms of new roads	5	500,000	All	M/F	6	3	4
	1.4 Did households' financial assets change (savings, etc.)?	+	Savings	Total savings: Ush 400 million	5	30,000 SIDA members	Poor and better off	M/F	5	5	5
	1.5 Did rural people access to financial services change (credit, saving, insurance, etc.)?	+	Access to credit	25,000 loans made	5	30,000	Poor and better off	M/F	4	5	4
<b>II. Human Assets</b>	2.1 Did people's access to potable water change?	+	new boreholes	220	5	110,000 + 70,000 pupils	All	M/F	4	2	2
	2.2 Did access to basic health and disease prevention services change?	+	New health centres	10 units	4	150,000	All	M/F	5	4	4

	2.3 Did the incidence of HIV infection change?	+	N/A								
	2.4 Did maternal mortality change?	+	Clinic-based deliveries	20–30 % in some districts	4	U	All	F	5	5	5
	2.5 Did access to primary education change?	+	N/A								
	2.6 Did primary school enrolment for girls change?	+	N/A								
	2.7 Did women's and children's workloads change?	+	Distance to water source	Varies per district	4	U	All	F	5	2	2
	2.8 Did adult literacy rate change?	+	Adult literacy	Literacy groups: 36,000 members	5	36,000	Poor and poorest	Mainly F	5	4	5
<b>III. Social Capital and People's Empowerment</b>	3.1 Did rural people's organizations and institutions change?	+	Users' committees and SIDsAs*	63 SIDsAs; various cttees	4	U	Poor	M/F	4	3	3
	3.2 Did social cohesion change?	+	Working together in groups	U	4	U	Poor	Mainly F	4	3	3
	3.3 Did gender equality and/or women's conditions change?	+	Empowerment of SIDsAs	U	5	U	Poor	M/F	5	5	5
	3.4 Did rural people feel empowered vis-à-vis local and national public authorities and development partners? (Do they play more effective role in decision-making?)	+	Participatory processes	U	3	U	All	M/F	5	2	2
	3.5 Did rural producers feel empowered vis-à-vis the marketplace? Are they in better control of input supply and marketing of their products?	+	Marketing training and linkages	Knowledge, & skills	2	U	Poor and better off	M/F	3	2	2

<b>IV. Food Security (Production, Income and Consumption)</b>	4.1 Did children's nutritional status change?	+	Diet	More veg and fruit	2	U	All	M/F	4	4	4
	4.2 Did household food security change?	+	Crop yields and live-stock nos.	U	4	U	All	M/F	U	4	4
	4.3 Did farming technology and practices change?	+	Improved varieties and breeds	U	4	U	Poor and better off	M/F	5	4	4
	4.4 Did the frequency of food shortages change?	See 4.2									
	4.5 Did agricultural production change (area, yield, production mix, etc.)?	+	Yields and varieties	U	3	U	Poor and better off	M/F	4	4	4
<b>V. Environment and Common Resource Base</b>	5.1 Did the natural resource base status change (land, water, forest, pasture, fish stocks, etc.)?	N/A									
	5.2 Did exposure to environmental risks change?	N/A									
<b>VI. Institutions, Policies, and Regulatory Framework</b>	6.1 Did rural financial institutions change?	+	Expansion of SIDAs	Now one SIDA per sub-county	5	U	Poor and better off	Mainly F	5	5	4
	6.2 Did local public institutions and service provision change?	+	Decentralisation and capacity building	U	4	U	Poor and better off	M/F	5	5	4
	6.3 Did national/sectoral policies affecting the rural poor change?*	?	Abolition of health charges	U	?	U	All	M/F	N/A	N/A	N/A
	6.4 Did the regulatory framework affecting the rural poor change?*	?	Tax reduction	U	?	U		M/F	N/A	N/A	N/A

Ratings are on a scale of 6 (highest) to 1 (negligible) for impact, and 6 (certain) to 1 (extremely unlikely) for dynamic processes and sustainability. U indicates unquantifiable. SIDAs: Subcounty Integrated Development Associations, community savings and credit institutions.

- 6.3 and 6.4: advantageous for payers of taxes and charges; considered damaging to programme objectives

MAIN DOMAIN OF IMPACT	Key Questions for Impact assessment in Rural Communities Affected by the Project (Changes to which the Project has Contributed)	Expectation of Impact (Programme's Stated Objective)				Effectiveness Rating (Achievements against stated objectives) 6/5/4/3/2/1			
		Reach Who?	Change what?	Change how much?	Reach how many?	Reach Who?	Change what?	Change how much?	Reach how many?
<b>1. Physical and Financial Assets</b>	1.1 Did farm households' physical assets change?	Farmers	Livestock breeds, crop varieties; apiculture, fish farming,	Significantly	30,000 hhs	3	6	6	3
	1.2 Did other household assets change?	All	Improved housing, more bicycles	U	U	3	4	4	3
	1.3 Did infrastructure and people's access to markets change?	Producers	Road network	1,400 kms of access roads	75,000 +	5	5	5	5
	1.4 Did households' financial assets change	Households	Savings mobilised	U	11,000	3	5	6	5
	1.5 Did rural people's access to financial services change?	SIDA members	Access to credit (RCF)	US\$ 1 bn.	11,000	5	6	6	4
<b>2. Human Assets</b>	2.1 Did people's access to potable water change?	Households	Households with access to safe water	50%	70,000	6	5	6	5
	2.2 Did access to basic health and disease prevention services change?	Selected areas	Ave. distance to Health Centre	U	600,000 eventually	4	4	4	4
	2.3 Did the incidence of HIV infection change?	N/A							
	2.4 Did maternal mortality change?	Households	Clinic-based deliveries	U	All new mothers	4	4	4	4
	2.5 Did access to primary education change?	N/A							
	2.6 Did primary school enrolment for girls change?	N/A							
	2.7 Did women's and children's workloads change?	Women and children	Distance to safe water source	Reduce to 1 km	U	4	5	4	4
	2.8 Did adult literacy rate and /or access to information and knowledge change?	Illiterate people	Adult literacy	U	90,000	6	5	5	5

<b>3 Social Capital and Empowerment</b>									
	3.1 Did rural people's organisations and institutions change?	Members of cttees and groups	Committees and Groups	Form 1,200 functional CBOs	U	5	4	4	4
	Did social cohesion of rural communities change?	- as for above -							
	Did gender equality and women's conditions change?	SIDA and group members	Empowerment	Substantially	10,000 +	3	5	5	5
	3.4 Did rural people feel empowered vis a vis local and national public authorities and development partners? Do they play more effective role in decision making?)	All	Participatory processes	Substantially	All	3	3	3	3
	3.5 Did rural producers feel empowered vis a vis the market place? Are they in better control of input supply and marketing of their products?	Producers Producers Producers	Marketing training Public /private sector collaboration Access to market information (radios)	Substantially	Up to 30,000 hhs	3 1 5	3 1 4	3 1 4	3 2 5
<b>Food Security (Production, Income and Consumption)</b>									
	4.1 Did children's nutritional status change?	Children under 5 yrs	Reduce severe amd moderate malnutrition	Substantially	All children eventually	2	3	4	3
	4.2 Did household food security change?	All	Crop varieties and yields, livestock breeds,	Substantially	Up to 30,000 hhs	4	5	5	4

	4.3 Did farming technology and practice change?	All	Animal traction Improved breeds Improved varieties Agro-processing	Substantially	Up to 30,000 hhs	4	4	4	4
	4.4 Did the frequency of food shortages change?	See 4.2							
	4.5 Did agricultural production change?	All	Outputs and income from farming enterprises	Substantially	Up to 30,000 hhs	3 4	5 5	5 5	4 4
<b>Environment and common Resource base</b>									
	5.1 Did status of the natural resource base change	N/A							
	5.2 Did exposure to environmental risks Change?	N/A							
<b>Institutions, Policies and Regulatory Framework</b>									
	6.1 Did Rural Financial institutions change?	SIDAs	Membership, savings and credit access	100% growth in membership	11,000	3	4	4	5
	6.2. Did local public institutions and service provision change?	Local Councils	Capacities and roles	Substantially	29 sub-counties, 116 parishes	4	4	4	4
	6.3. Did national/sectoral policies affecting the rural poor change?	Districts	Strengthen decentralisation	U	three districts	4	4	4	4
	6,4 Did the regulatory framework affecting the rural poor change?	N/A							

SIDA – Subcounty Integrated Development Association/U means unquantified or unquantifiable



