



Food & Justice

Investing in human security in a
challenging governance context



Multi Annual Strategic Plan 2012-2015
Embassy of the Kingdom of the Netherlands in Uganda

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The Multi-Annual Strategic Plan is a rolling document. The ambitious plan was presented by the Embassy in October 2011 and approved by the Ministry of Foreign Affairs in December 2011. The new policy priorities will be further developed, focussed and operationalized in dialogue with government, civil society and development partners during the coming year, taking existing implementation and monitoring capacity into account.

CHAPTER 1 MANAGEMENT SUMMARY

After 20 years of impressive progress that brought back stability to Uganda and led to economic growth that increased prosperity for many, development has slowed down. Although Uganda has good policies and frameworks in place for nearly all the challenges it faces, patronage politics heavily influence the governance situation. This provides an attractive explanation for the apparent paradox of Uganda underachieving on its development potential. Uganda needs to further develop this potential in order to be able to achieve middle income status in 10-15 years, reduce persistent poverty, decrease inequality and address the problems resulting from tremendous population growth. The Embassy (EKN) has made choices for its new strategy and the implementation modalities based on this context.

Taking into account new Dutch policy priorities, EKN has decided to find new ways to unleash Uganda's potential for further - inclusive - growth and poverty reduction. Given Uganda's abundant natural resources, perfectly suited for agricultural development, and the fact that 75% of its population depend on agriculture for their livelihood, it is obvious that part of the solution should be found there. The Netherlands has a strong network in business, civil society and knowledge institutions to make a meaningful contribution to enhance agricultural production and food security in Uganda. EKN will set up a new program on food security that underlines the country's position as a major food supplier in East Africa. Uganda is a linchpin between the Horn of Africa, the East African Community and the Great Lakes region. Farmers will be linked to agribusiness and banking initiatives, thereby increasing production and generating rural income for both men and women. Youth will gain from skills training. Dutch companies and know-how will assist with the food security agenda. This agenda complements EKN's economic diplomacy efforts.

As a further contribution to stability, EKN will continue its interventions aimed at professionalising institutions in the Justice, Law and Order Sector (JLOS), developing alternative centres of influence and increasing access to (transitional) justice. Land tenure security will be addressed under the Security and Rule of Law spearhead as issues around land are an increasing source of conflict but it is also relevant for the Food Security spearhead, as insecurity about tenure hampers land productivity.

As Uganda is a provider of stability and security in the region (main supplier of troops for the African Union Mission (AMISOM) in Somalia), the Netherlands will promote regional security through multilateral frameworks, supporting Uganda in its regional peacekeeping effort.

CHAPTER 2 LOOKING BACK ON THE PREVIOUS Multi Annual Strategic Plan (MASP)

2.1 The context in the past four years

There has been little or no change in our appreciation of the nature of Uganda's political system since 2007, when the power and change analysis underpinning the previous MASP was made.

Patronage politics

In the 2011 national elections, President Museveni and his National Resistance Movement (NRM) convincingly renewed their hold on power. Whereas the elections were calm and provided some technical improvements over previous elections, they were marred by avoidable shortcomings and an unprecedented use of public resources.

Macroeconomic management

Uganda's reputation for prudent macroeconomic management has been tarnished due to a controversial supplementary budget and a substantial withdrawal of reserves held by the Central Bank to finance military expenditure in the Financial Year (FY) 2010/2011. Whereas reparative measures have brought Uganda back on track with the IMF, for the Netherlands the conditions for providing budget support ceased to exist in 2011. Uganda's macroeconomic performance in the next year will demonstrate whether these policy decisions have exacerbated the external shock on Uganda's economy, resulting from high oil and food prices, leading to an inflation of more than 20% mid 2011. Notwithstanding recent concerns on macroeconomic management, Uganda's investment climate and monetary policies have been conducive to constantly high levels of growth over the previous MASP period. Uganda remains a strong supporter of economic integration and has been more cooperative in negotiations about the economic partnership arrangements than other countries in the region.

The new National Development Plan 2010/11-2015/16 (NDP) of Uganda focuses on socio-economic transformation by addressing the infrastructure gaps and the further development of human resources. However, financial coverage of this plan and the priority that will be given to its implementation in practice are not yet clear.

Value for money and accountability

Leakage, waste, inefficiencies and corruption continue to impinge on the production of public goods and services. The result based approach for budget support developed in the Joint Budget Support Framework (JBSF) has proven to be a good mechanism to revitalise the communication and dialogue between Government and donors on results and actions needed in order to achieve these. However, progress has been limited to date.

A joint and graduated response to corruption on the part of donors has contributed to effective joint analysis and positioning with regard to specific cases like the Commonwealth Heads of Government Meeting (CHOGM). This has led to the imposition of sanctions by some donors including the Netherlands (cut of EUR 3.2 million in the Sector Budget Support (SBS) for JLOS for FY 2010/2011).

Peace and Security

In the area of peace and security, clear progress has been made in the MASP period. With the expulsion of the Lord's Resistance Army (LRA) from Northern Uganda during and after the inconclusive Juba Peace process, peace, reconstruction and economic resurgence have benefitted the North. For the first time since the sixties the Museveni regime has a convincing monopoly of force in the entire country. The possible exception is the Karamoja region which continues to suffer from banditry and armed cattle rustling, be it at lower levels than previously, partly due to the presence of the army, the police and disarmament efforts. This monopoly of force also prevailed during the 2011 elections and contributed to the calm atmosphere. At the same time the limiting of opportunities for people to air their grievances about Government and the limited prospects for a peaceful transition or succession could augment the risk of political conflict.

Uganda also contributes to regional peace and stability through its positive and constructive role in the region, both in the Horn of Africa (AMISOM) and the Great Lakes region (against the LRA) and its efforts to combat global terrorism. At the same time security risks continue to exist. These are related to fragility in South Sudan, differing interest with Egypt and Sudan over Nile-water and the situation in Eastern Congo, which could threaten Uganda's oil interests, and political rivalry with Rwanda.

Dialogue

Various forums for political dialogue (EU-article 8, Partners for Democracy and Governance (PDG), JBSF) exist. On a technical level in the sectors, dialogue with Uganda Government representatives in JLOS and education has been constructive and fruitful. Experience shows that informal political dialogue focused on specific issues and conducted in a non-confrontational setting is often more productive than the formalised dialogue.

2.2. Results achieved and lessons learnt in the sectors and cross-cutting issues

JLOS

Working in JLOS over the past years has shown a need to distinguish between the technical and the political level, but also between longer term goals and short term achievements. Whereas an overlap of interest between Uganda and the Netherlands continues to exist at the technical level, at the political level a divergence of interests has emerged in recent years as a result of the governance situation. For example, some JLOS institutions, such as the police, are increasingly being politicised.

This distinction is also demonstrated by good and constructive dialogue between donors and the Government of Uganda (GoU) on a technical level where there is an increased willingness to discuss the 'difficult' issues of accountability, professionalism, performance based management, etc. The political dialogue in this area has proven to be less fruitful. However, recent experience with informal political dialogue in a non-confrontational setting shows more potential for obtaining results.

EKN has learnt that improving professionalism and accountability, especially of the police, is a long-winded matter and that it is difficult to demonstrate results in the short term. Yet, the Judiciary on several occasions has demonstrated its impartiality and professionalism. This strengthens the assumption underlying the previous MASP that investing in professionalism in the long term contributes to better governance and enhances capacity to achieve development results.

Next to this significant lesson learnt, examples of results on a technical level in JLOS can be listed: reduction of the case backlog, reduction of people in prison on remand, improvement of the human rights situation in prisons, independence of judiciary upheld in many instances, enhanced access to justice for the poor and vulnerable by decentralizing JLOS institutions, especially to districts in the north, and establishing District Chainlinked Committees in which JLOS institutions at the district level are represented. In addition, important laws such as the Female Genital Mutilation Act, the Domestic Violence Act and some important legal reforms in the area of commercial justice have been prioritised. Support to Civil Society Organisations (CSOs) in the field of human rights has proven to be very useful as countervailing measures to develop alternative centres of influence, though weak capacity of CSOs remains a challenge.

Though JLOS has prioritised land justice, in reality results have not met expectations. Land issues are the root cause of many civil disputes and criminality (trespassing, murder) and hamper access to economic resources and livelihoods. However, due to the complexity of land tenure and the Government institutions involved, JLOS has not managed to make significant progress on the issue.

Abovementioned lessons will be taken into account when formulating EKN's future interventions in the area of security and rule of law.

Education

The previous MASP aimed at improving the quality of Universal Primary Education (UPE). Uganda re-adopted a policy of free UPE in 1997. Since then, access to primary education has vastly improved, especially for girls and the poorest groups. Unfortunately these groups have also been overly represented in the high dropout rates, currently at 40%.

As chair of the Education Development Partners group (EDP) from 2009 to 2011, EKN played a key role in setting up the JBSF, designed to link (sector) budget support to clear result indicators and targets. This framework provides a good roadmap for achieving better quality education and will be of lasting value. However, the annual assessments of the result framework have shown that the actual results established so far are suboptimal. Although general targets for numeracy, literacy (partly) and exam pass rates have been achieved, these have been set so modestly that Millennium Development

Goal (MDG) 2 will certainly not be met in 2015. Indicators for e.g. teacher absenteeism show that the trend is negative; teachers in 2010 spent less time in the classroom than in 2009.

Faced with these results, EKN undertook the initiative to do a system and political economy analysis of the UPE sector. The study indicates responsibility for the delivery of UPE is scattered over a myriad of national and district level stakeholders, who – in Uganda’s political economy system – have many other incentives than the urge to deliver quality education. As a result, absenteeism is prevalent among all stakeholders: (Head-) teachers, pupils, local Governments, and parents all fail to take up their proper roles. Room for improvement in this situation is currently limited due to the political economy situation.

Northern Uganda

Peace, reconstruction and economic recovery have significantly benefitted the North and its population. Poverty reduction has been most successful in Northern Uganda: poverty fell from 63% in 2002/03 to 46.2% in 2009/2010. The comprehensive approach EKN has taken (supporting war victims to play a more active role in the reconciliation process - including coming out of the bush - and at the same time helping them play a more active role in economic development through the Acholi Bursary Scheme for example) has contributed positively towards a normalisation of the situation.

Peace, Reconstruction and Development Plan (PRDP) contribution to the North for JLOS has enabled a swift transfer of law enforcement responsibilities (previously carried out by the Uganda People’s Defence Force - UPDF) back to civilian police officers. That support also enabled strengthening civilian police presence in Karamoja, albeit with less impact on the reduction of the army presence than in the rest of the North. PRDP contribution to Education has led to quick start of the rehabilitation of schools and teacher houses. Progress on construction of buildings in both JLOS and Education has been slower than expected as a result of the choice of the involved institutions and Ministries, and weak capacity to implement such large scale projects from the centre. The early contribution of EKN has encouraged others to follow suit; substantial resources for reconstruction have become available.

Notwithstanding this considerable progress, poverty in Northern Uganda still is much higher than in the rest of Uganda. Specific challenges remain, for example in the area of land rights, transitional justice and food security.

Accountability

Overall progress in EKN’s interventions for accountability has been limited due to the political context. A special anti-corruption court was established with JLOS support, delivering more successful prosecutions and recoveries of misappropriated funds. In general, action to follow through on the government’s stated policy of zero tolerance on corruption has however been limited, both in response to petty corruption as well as to high profile cases.

EKN has supported the implementation of procurement reforms and to some extent implementation of the procurement strategy. The Inspectorate General of Government (Ombudsman IGG) and Office of the Auditor General (OAG) are improving their performance, but the impact of their work remains constrained because of limited follow up and action on their recommendations as well as a general lack of resources.

2.3 MFO complementarity

In the 2008-2011 MASP period, dialogue with Civil Society Organisations that received funding under the Cofinancing system (MFS I and II) has been strengthened. Yearly, general meetings were organised, in cooperation with BBO Platform Uganda, and an education platform LEARN that brought together all Dutch organisations working in the area of education. The interaction proved useful in the way of giving CSOs the opportunity to inform about their projects in regions, while EKN could provide its services as an interlocutor towards the central Government. A good example of such interaction is the campaign that was started after the tabling of the anti-homosexuality bill. The regionalisation of some of the MFOs (ICCO, HIVOS, and in the near future CORDAID) has had a positive impact on the interaction between EKN and MFOs. Interaction with AgriProFocus has been intensified in the run-up to this MASP.

CHAPTER 3 COUNTRY ANALYSIS

New Dutch development and foreign affairs policy as well as lessons learnt from the previous MASP have given rise to a revision of the Netherlands' policy towards Uganda. Below, the country analysis shall be summarised, giving an overview of the context and binding constraints and its consequences for new Dutch policy as well as a summary of the problem analysis of new spearheads.

3.1 Context and binding constraints analyses

There are many achievements and opportunities for further development..

Uganda has achieved impressive growth rates in the past 20 years, even during the global financial crisis of 2008/2009 and significant poverty reduction during the same years. In the period 2005-2010 national poverty has been brought down from 31% to 24.5%; in absolute numbers from 8.4 million in 2005 to 7.5 million in 2010. Even in rural areas the number of poor people decreased from 7.8 million people in 2005 to 7.1 million in 2010.

Despite waning macroeconomic discipline in FY 2010/2011 and inflationary pressures from rising food and fuel prices, economic analysts expect that prudent macroeconomic management and monetary policy will be re-established and that economic growth can be expected to be high in the coming years. The Economist Intelligence Unit forecasts that real Gross Domestic Product (GDP) growth will increase to 6.3% in 2011 and 6.8% in 2012, owing to higher investment and external demand. The discovery of oil provides both opportunities and threats for growth and stability.

The ruling party has over the years developed a strong vested interest in national stability. While previously powerful individuals were served by allowing protracted struggles to continue, nowadays a desire to maintain investor confidence, electoral support and international support prevails for the interest of peace and security. Institutions in the Justice Law and Order sector have an important role to play in ensuring that rule of law will be further strengthened, also contributing to a strengthening of the business and investment climate.

Private sector is thriving in Uganda In the Doing Business indicators 2011 for Uganda, marked improvements were recorded in 4 of the 10 categories, including employing workers, registering property, paying taxes, and enforcing contracts. In the past years, Foreign Direct Investment (FDI) has been increasing annually (in 2009 FDI inflow of USD 800 million). The private sector benefits from efforts within the framework of the East African Community (EAC) to reduce barriers to trade. These have resulted in a growth of Ugandan export to other EAC member countries of 457% between 2001 and 2009

The discovery of oil and the gradual process from investment and exploitation phase of oil reserves will in time not only diminish donor dependency (30% of budget is currently contributed by Development Partners - DPs), but will create further opportunities for investment and enterprise in the near future, not only in the petrochemical industry itself but also in markets linked to this industry, as well as in infrastructure. The agricultural sector also provides opportunities for increase of trade and investment. Dutch companies are already major players in the horticultural sector. The service sector has already attracted some Dutch investors for example in tourism, a sector that is at its infant stage in Uganda compared to those of Kenya and Tanzania.

Uganda also has a vested interest in maintaining and promoting peace and security in the region, crucial for its stability, international image and economic growth through exports. Through its geographical position it is part of the relatively stable EAC, of the Great Lakes Region and bordering South Sudan. Uganda has played a constructive role in the region during the past years. The UPDF is one of the most professional armed forces in the region and their interventions in the Great Lakes area (LRA) and the Horn of Africa (AMISOM), are of importance for the regional stability.

Although poor infrastructure in the region hampers the development of trade, trade flows within the region have flourished in recent years. Regional trade accounts for more than half of Uganda's total exports. Joining the EAC has significantly decreased high trade costs for Uganda and has boosted trade with EAC countries. The formal and informal re-export business with its inland neighbours South Sudan and DRC probably accounts for around two-thirds of Uganda's total exports, and is an indication

of its growing links with the economies of those countries. Food products form an important part of Uganda's exports.

But many challenges remain...

Behind the impressive growth figures and positive aggregate poverty figures, inequality is increasing (GINI coefficient is rising), between rural and urban areas and between regions as well; poverty in Northern Uganda remains substantially higher than the national average (38% vs. 24.5% national average) and 7.5 million people still live in absolute poverty.

The governance situation as such presents many challenges. Though Uganda has good policies and plans and substantial capacity in place for most of the challenges it faces, patronage politics provide an explanation for the apparent paradox of Uganda underachieving on its development potential. The way in which Uganda is able to manage its governance challenges is crucial for maintaining the stability the National Resistance Movement (NRM) Government has consolidated in recent decades.

To achieve middle income status in 15-20 years Uganda also has to address the following issues.

At 3.2% growth per year, Uganda has one of the fastest growing populations in the world. Uganda's population is projected to reach 38 million by 2015 and close to 100 million by 2050, from 30 million currently. This will have serious implications for national and regional stability, livelihoods, food security and the environment. Providing social services such as education and healthcare to a rapidly growing population will put enormous strains on both households and the public purse. More than 50% of the population is under the age of 15. Youth unemployment in Uganda is one of the highest in the world. Population growth limits the scope for inclusive economic growth and poverty reduction for the future. However, this issue remains very sensitive with religious and political leaders.

Increased economic growth and rapid job creation are required to further reduce poverty and address the implications of population growth. This means that the binding constraints for growth, poor transport infrastructure and insufficient supply of energy need to be tackled. The Government recognises this; the National Development Plan projects a large increase in infrastructure spending for improvement and development of key transport routes and rail connections and the construction of new hydro power plants, an oil refinery and an oil distribution network. The budget for the fiscal year 2011/2012 contains almost EUR 700 million for projects in these areas.

Furthermore, a transformation of the agricultural sector is needed as agriculture is a fundamental instrument for sustainable development and poverty reduction. Agricultural growth can be a powerful means for reducing inequalities especially given the fact that 75% of the Ugandan population is involved in it for its livelihood. The sector, however, has stagnated for the past five years due to government bureaucracy and a lack of access to quality inputs, finance, markets and skills education. Vocational training institutes for agriculture are few, underfinanced and in some regions (like the North) virtually non-existent. The Government strategy for agricultural and food security (Development Strategy and Investment Plan - DSIP) provides a useful basis for addressing challenges in the future, but capacity and tools for its implementation are lacking.

Further growth and poverty reduction can only be reached with a healthy and educated workforce. Uganda needs to accelerate progress towards achieving the Millennium Development Goals for health and education. However, service delivery is poor and perspectives for its improvement in the short and medium term are not positive because of systemic failures and patronage politics.

Corruption is widespread and heavily weighs on the Ugandan state and society. Uganda has good laws and regulations and even an anti-corruption court in place but because of patronage politics it is unlikely that structural enforcement of those can be expected in the coming years.

Domestic revenue mobilisation is still significantly below the average for sub-Saharan Africa. Uganda has a tax to GDP ratio of 13%. In 2010, 30% of the budget was financed by donors. The low tax to GDP ratio can be attributed to the many tax exemptions and a small tax base, which are a result of political economy. It is therefore unlikely that big changes in this regard can be expected in the coming years; the prospects of oil revenues will probably further diminish the sense of urgency for reform in this area.

3.2 Justification and general directions for Dutch involvement in Uganda

There are several reasons for the Netherlands participating in continued international engagement with Uganda:

- As elaborated in the subsequent paragraphs, Uganda provides promising potential for implementation of Netherlands priority spearheads in the areas of Security and Rule of Law and Food Security.
- Synergy is to be expected from having selected several countries in the region (Rwanda, Kenya, Burundi, Uganda, South-Sudan), cooperating through a regional programme managed by the Embassy in Kigali and promoting cross-border cooperation between bilateral programmes in economic development, food security and security and rule of law.
- The Netherlands have a direct interest in a stable and prosperous Uganda, to prevent further instability in the Great Lakes and Horn of Africa regions (DRC, Sudan, Somalia) in view of the direct negative effects this has on the Netherlands (refugee flows, illegal immigration, piracy on shipping routes, and terrorism).
- Netherlands' support to Uganda over the previous decades has generated a tremendous amount of goodwill that through continued engagement will be further developed for future exploitation (for either political or economic purposes).
- Looking at Uganda's prospering economy there will be growing potential for Netherlands trade and investment linkages, mutually benefitting both countries' economies
- Uganda has been selected as one of the partner countries by the Netherlands Government, which was subsequently endorsed by the Dutch Parliament.

This strategic review on the basis of the context analysis, lessons learnt and new Dutch policy goals, has led to the following conclusions:

- EKN will not address those binding constraints for which there is too little common ground (control population growth, raise taxes, improved service delivery in health and education, tackle corruption) or those that receive priority (funding) from Government (infrastructure, energy supply) and for which centrally funded programmes and funds are available.
- Instead it will aim at mitigating the impact of identified negative trends (rising inequality, population growth) that threaten the prospects for Uganda's stability and self-reliance and at laying a foundation for a positive turn-around if the governance situation in Uganda would change.
- EKN's programme will be reoriented to reflect new priority themes of Dutch development cooperation. Support to primary education will be phased out, support to the promotion of the rule of law will be continued and support to enhanced food security will be initiated. Gender and youth will be important cross-cutting issues to be addressed.
- Modest efforts to promote regional peace and security through multilateral frameworks will also be initiated.
- There will be a different choice of modality; budget support will be dropped as a modality in favour of programme or project support. There will be a greater focus on mitigation of risks within EKN programmes and projects and stronger focus on contributions from the private sector.
- At the same time, the underlying assumptions of the current strategy continue to be relevant: strengthening of professionalism of middle management, further strengthening of civil society and demand accountability, intensive cooperation with like-minded donors, active public diplomacy on governance and human rights.

3.3 Problem analysis new themes

In the run up to the publication of new Dutch policy, the potential of new policy themes in Uganda was investigated. On the basis of resulting analyses, a choice was made for the spearheads Security and Rule of Law and Food Security. This choice was based on the potential for increase of income and employment (Food Security), contribution to conditions for stability (both spearheads), added value of the Netherlands (both spearheads) and the prospects for an effective programme within the current governance context (both spearheads). Below the summary of problem analysis of both spearheads is included.

3.3.1 Problem Analysis Security and Rule of Law

Promoting security and rule of law is an essential precondition for achieving the MDGs for protecting human rights, for regional security and for enhancing the business climate¹. Three conclusions are leading for the identification of EKN's future interventions for the spearhead Security and Rule of Law: 1) the technical progress made in the JLOS on the one hand, and the support to strengthening civil society actors on the other; 2) the transitional phase Uganda is still in after decades of war; and 3) the stabilizing role Uganda plays in the region.

There is room for further technical progress and professionalization of middle management in JLOS...
The JLOS is one of the more advanced justice sector programmes of the region, and it is often referred to as a best practice.² It is important to make a clear distinction between progress at the political level, where opportunities will be limited, and progress at the technical level, where EKN can build on the achievements of the Strategic Investment Plan II. In the Strategic Investment Plan III that is currently being designed, it is proposed to focus on improving the legal and policy framework, enhancing access to JLOS services, and on promoting human rights and accountability. Focus will be on increasing access to justice through a functioning legal aid system and through encouraging performance based management that will address problems of absenteeism, low productivity and corruption.

JLOS has made some significant steps in improving the business climate in Uganda, by reforming commercial laws and by reducing lead times for key JLOS services. In the coming years, focus should be on reducing on procedures, time and money that is needed to start a business.

but because of political constraints...

Most of the JLOS institutions have mandates which are political in nature. This manifests itself in the appointment process of officials, the establishment of extra-constitutional agencies and military control over civilian institutions and responsibilities. Such political influences put pressure on the neutrality and professionalism of institutions and officials.

...it is important to focus on strengthening a pluralistic civil society...

Ensuring security and rule of law is a core task of the Government, so for a Rule of Law programme, there are no alternatives to working through the Government systems. However, while focusing on professionalization of JLOS personnel and increase of access to justice, it is equally important to nurture a vibrant civil society where organisations demand accountability from the Government and are vocal on human rights violations. Open democratic debate and democratic processes can allow for conflict mitigation. Furthermore, there are governance and human rights issues where the international community could play an advocacy role like Human Rights Defenders (HRD), death penalty, and the electoral framework. The recent development of a multi-donor Democratic Governance Facility (DGF) provides opportunities to mitigate the risks emanating from governance trends.

Meanwhile, after decades of conflict and five years of relative peace, Uganda is still a country in transition...

Contrary to other transitional justice systems³, the end of conflicts in Uganda did not lead to a political transition; political transformation was concluded long before all conflict was ended. Even though Uganda is no longer considered a post-conflict country as such, it is still in a transitional phase. Though reconstruction of the North is on-going and progress has been made in establishing mechanisms for the formal justice system, processes of transitional justice, truth telling and reconciliation have not started yet.

Experience from the past has shown that the LRA war should not be addressed in an isolated way, because of a wider legacy of the more than 30 different rebel groups that has afflicted Uganda as a

¹ 'Strategic Note Security and Rule of Law, Ministry of Foreign Affairs, 2011.

² E.g. Note Promotion of Rule of Law in the Dutch Development Cooperation Policy, Centre for International Legal Cooperation (CILC)/ Van Vollenhoven Institute (VVI), that mentions Uganda as a good example of a coordinated approach to justice, law and order

³ Most definitions of Transitional Justice, e.g. as used by the Nederlands Instituut voor Oorlogsdocumentatie (NIOD), include a component of political transformation.

whole since independence. Any reconciliation process should therefore be inclusive, and should go hand in hand with further professionalizing the JLOS.

...though it continues to play a stabilizing role in the region.

As mentioned above Uganda plays an important stabilizing role in the region, e.g. through its large contribution to the AU mission in Somalia and UPDF operations in the Great Lakes area. Renewed conflict in South Sudan or Eastern Congo would impact negatively on Uganda (refugee flows, loss of important export markets, return of negative forces). Uganda's role in Somalia has also put it at the forefront of counter-terrorism efforts, due to the threats the country is facing. Although UPDF is seen as one of the most professional armed forces in the region, it could benefit from further strengthening of its professionalism.

The Netherlands can make use of its position as a long term development partner to Uganda, its experience in the JLOS, its 3-D approach and the Dutch security network that has been built up in the region in the past years to contribute to further strengthening of UPDF's professionalism in regional operations. Multilateral frameworks exist to channel such contributions.

So there is a clear case for continuation of Dutch interventions to strengthen Security and Rule of Law
The Netherlands policy framework to strengthen peace and security⁴ matches the potential and needs of JLOS. EKN and the Netherlands as a whole have a comparative advantage given the years of involvement in JLOS, through EKN's lead role in the donor community, through capacity building programmes carried out by Netherlands organisation for international cooperation in higher education (NUFFIC), through internationally recognised experts and expert institutions on transitional justice processes that are based in the 'international legal capital' of The Hague, and through co-financing organisations such as Oxfam Novib, ICCO, and IKV Pax Christi, with whom EKN shares some important objectives in the area of human rights and peace and reconciliation. Also, EKN has been a long-standing partner of the GoU in supporting the normalisation of the situation in Northern Uganda. EKN has played a key role in the development of DGF in support of Ugandan governance initiatives.

...while also focusing on land governance to achieve the planned outcomes in both spearheads

Land tenure governance is identified as a binding constraint for achieving the planned outcomes with respect to food security, while it is also constraining the peace and stability in especially Northern Uganda, while unresolved land disputes, widespread in Uganda and affecting up to 50% of the landholders, are hampering the delivery of justice. As 75-80% of land is under customary ownership, combined with malfunctioning Ugandan land tenure institutions, citizens and investors cannot fully utilise all the assets of the land. Women and (orphaned) children are specifically vulnerable to land grabbing. Given EKN's involvement in the JLOS, it can encourage the JLOS to further prioritise land justice within the new JLOS Strategic Investment Plan (SIP) III, by harmonising methods of formal and informal justice, while also piloting land recording systems in specific areas.⁵

3.3.2 Problem Analysis Food Security

Uganda produces enough food...

Uganda is in principle a food secure country, producing enough to feed its population (2211 kCal pppd available versus an estimated need of 2061 kCal pppd, FAO, 2011). The resource potential for agricultural production is impressive: it is estimated that Uganda could easily feed seven times its current population, and twice the population of East Africa (USAID, Feed the Future, 2010). Regional markets provide an important potential to boost the Ugandan agricultural sector. Especially opportunities in South Sudan are worth mentioning, but also regional trade with DRC, Rwanda and Kenya.

...but faces challenges with regard to food and nutrition security now and in the future

With 21% of the population classified as undernourished, and 38% of children malnourished (FAO, 2011) there exists a food security problem, which mainly seems a distribution problem in terms of

⁴ 'Strategic Note 'Veiligheid en Rechtsorde' (Security and Rule of Law), Ministry of Foreign Affairs, 2011.

⁵ The before mentioned study by CILC and VVI suggests to provide assistance to Uganda in the area of law reform and implementing capacity.

socio-economic groups and in terms of geographical areas. Whereas 77% of the Ugandan population finds a living in farming and grow their own food, 60% of these are net food buyers and are thus affected by national food deficits and increasing prices. Unbalanced markets in terms of supply and demand determine food insecurity in terms of access to food. On top of that the expected population increase (estimated 38 million in 2015 as compared to 31 million in 2011) will pose a huge challenge in regard to the current production levels.

Agricultural growth is stagnant despite the sector's potential

Agricultural growth rates are stagnant, current productivity levels are extremely low, due to ineffective public agricultural policies and a lack of access to quality inputs and agri-finance, weak functioning of markets, low labour productivity and a poorly skilled labour force. Where the real growth rate in agriculture at the beginning of this century was 7.9%, this stagnated to 0.1% in 2005/06. Although since then there has been a slight recovery of the real growth rate to 2.6%, this achievement still falls short of the National Development Plan's target of 5.6%.

Agriculture's contribution to GDP is around one fifth, while the sector remains the main source of livelihood for a majority of Ugandans (75% depend on agriculture for a living, especially the rural poor). Food production is the primary activity: food crops account for 65% of agricultural output, with livestock products making the next largest contribution. Export crops (traditionally coffee, cotton, tea and tobacco, increasingly supplemented by vanilla, flowers and cacao) represent about 10% of agricultural production. There has been no significant development of either major export crops or food crops in the last few years (Agribusiness Initiative (aBi) programme document 2010).

The agricultural sector mainly focuses on primary production; (post-harvest) processing and value adding are little developed. Structural problems include land insecurity, weak supply markets, weak or absent financial services, weak producer organisations, infrastructure bottlenecks, and low private investments. Although the sector is the best hope for the massively unemployed rural youth (85%), the low level of agricultural skills impedes their successful engagement in agriculture. Extension and research services underperform. Several DPs are active in the agricultural sector, but this engagement has not produced convincing results yet.

So all four binding constraints for achieving food security as presented in the MASP concept note apply in Uganda: low agricultural productivity, weak market functioning, limited access to high quality food as a result of limited production of high quality food products, low demand, low income and high unemployment and an unfavourable business climate.

Government acknowledges the importance of the sector

In the NDP and the Development Strategy and Investment Plan (DSIP) which is in line with the Comprehensive Africa Agriculture Development Programme, the Ugandan Government acknowledges the potential of the sector that, through a growth in productivity, could contribute to increased incomes and improved livelihoods, permitting more citizens to turn to skilled labour, entrepreneurship, and other productive sectors as the source of their livelihoods. It is, however, uncertain when and how proposed measures in the sector will actually be implemented. The Government capacity is generally weak and the political economy situation further undermines effectiveness. Private enterprises are the main agents of agricultural development, from farmers and micro-entrepreneurs to local manufacturing companies and multinational enterprises.

Production and commercialisation of small holders are promising entry points contributing to food security and inclusive economic growth...

Uganda can enhance its agricultural production through increased land and labour productivity. In the past, growth in agriculture mainly came from area expansion, which has continued to account for more than half of experienced growth. However, there are limits to sustainable area expansion in most parts of Uganda. Future growth will have to come from more intensive agriculture, with a continuous improvement in both land and labour productivity. Both Ugandan Government and DPs see a value chain/cluster approach as the most suited to address production and commercialisation issues at the same time, as it has the potential to accelerate the transformation of the rural economy into a more dynamic system, able to absorb productive employment and generate higher wages.

Investment in food security has considerable potential

The economic dominance of the agricultural sector combined with the importance of food production in the livelihood strategies of the poor, highlights the importance of growth in the agricultural sector for poverty reduction and economic growth. Productivity growth for the country's farms can increase incomes and improve livelihoods, permitting more citizens to turn to entrepreneurship, and other productive sectors to secure their livelihoods. As such, investing in food security provides opportunities to mitigate the impact of increasing inequality and population growth.

At the same time, production growth of Uganda's agriculture could contribute to addressing food shortages for other countries in the region (South Sudan, Somalia, Northern Kenya).

The Netherlands policy framework to strengthen food security and the interest of the Dutch private sector match the potential and needs of the Ugandan agricultural sector. There is room for a donor that can provide linkages and leadership in areas of the DSIP that have not been developed yet (certain value chains, financial services, seeds, skills).

The Netherlands has the linkages and policies to become engaged as a significant partner in agricultural development and food security. The Dutch agri-knowledge network AgriProFocus, Dutch NGOs and knowledge institutions are already active in Uganda and acknowledge the role food security and agribusiness development can play to further inclusive development. There are options for increasing Dutch private sector involvement; Uganda provides similar opportunities in this respect as the other East African markets. Regional synergy of Dutch food security programmes in East Africa might be achieved as well.

The core group of donors that support the integral implementation of DSIP (World Bank, EU, Denmark and USAID) and the Ministry of Agriculture, Animal Industry and Fisheries therefore welcome the involvement of EKN in the sector.

There are concrete options for Dutch involvement

Production and commercialisation through value chains will form the entry point for EKN's interventions in food security. In coordination and collaboration with other donors, EKN will focus on value chains where Dutch entrepreneurs, knowledge institutions and NGOs have or can have an added value. EKN will not address the nutrition element of food security directly as this would require a multidisciplinary approach including interventions in the health and water sector, sectors that can already count on the support of many other DPs and CSOs.

There are some value chain ascending constraints in the general enabling environment for agribusiness that hamper productivity and commercialisation, such as the lack of availability of financial services, an inadequate policy and regulatory framework for the seed sector that hampers the provision of quality seed, low development of agricultural skills and barriers in regional trade. The Netherlands is in a good position to address these issues because of knowledge and experience from Dutch organisations in Uganda and other countries in the region.

CHAPTER 4 OBJECTIVES, RESULTS, ACTIVITIES AND RISK MITIGATING MEASURES 2012-2015

4.1 Security and Rule of Law

4.1.1 GoU's objectives and outcomes

The overall rationale behind the proposed interventions is that enhancement of security and rule of law is a crucial condition for any sustainable development, for protection of human rights, and for regional security.⁶ The JLOS has been identified as one of the 'enabling sectors' that contribute to Uganda's overall objective of growth, employment and prosperity for all.⁷ The overall strategic objective underpinning the new 5-year JLOS SIP III is to promote the rule of law. In the draft SIP III, three outcomes are identified: 1) Strengthened legislative, regulatory and policy environment to promote rule of law and national development; 2) Access to JLOS Services enhanced; and 3) Human Rights and Accountability promoted.

For transitional justice, reconciliation and peace dividend, GoU wants to increase service delivery in the North through implementation of PRDP/Karamoja Integrated Disarmament and Development Programme (KIDDP). Also, it wants to develop and implement an inclusive transitional justice policy that covers formal justice, traditional justice, and truth telling and reconciliation. In the National Development Plan, the GoU commits itself to actively participate in international and regional organisations to promote peace. It will continue to contribute to peace keeping missions.

4.1.2 GoU and EKN's Outputs

Output 1: Rule of law / An increasingly pluralistic society; Politics increasingly pluralistic and tolerant; Elected leaders are more responsive and accountable; Improved integrity of democratic processes; Promotion and protection of human rights strengthened; Accountability networks strengthened; Citizen influence over service delivery enhanced; Improved accountability over oil management.⁸

EKN will critically engage with Ugandan stakeholders in the area of democratic governance, accountability and human rights. EKN will ensure that DGF remains responsive to Ugandan initiatives and needs. EKN will promote and protect the work of HRDs, including journalists, anti-corruption activists, and human rights campaigners.

Output 2: Rule of Law / Improved JLOS service delivery; Increased public confidence in the justice system; A legal aid policy developed and implemented; Legal aid services provided by both state and non-state actors. Reduction of transaction lead times for all major JLOS services, e.g. birth and death registration, time spent on remand, time needed for mediation in commercial justice cases. Decrease in perceptions of corruption of JLOS personnel. The doing business climate will be further strengthened through simplifications in JLOS procedures and efficient handling of cases both in and outside court.

EKN, in its policy dialogue, will pay specific attention to an increase in accountability, to performance based management, and to specific JLOS practices that violate the constitutional rights, e.g. trying of civilians through court martial, juveniles and mentally disabled people in prisons, etc. EKN will promote and protect the work of HRDs, including journalists, anti-corruption activists, and human rights campaigners.

Output 3: An inclusive process of transitional justice, including reconciliation and truth telling. A comprehensive transitional justice policy developed, adopted and implemented, covering formal justice and traditional justice mechanisms; A nationwide truth telling and reconciliation process

⁶ 'Strategische Notitie Veiligheid en Rechtsorde, Ministry of Foreign Affairs, 2011

⁷ National Development Plan 2010/11 – 2014/15

⁸ As much as EKN is aware of the ambitiousness of these outputs, and it admits that some of them – especially on accountability of elected leaders, and a tolerant and pluralistic political climate - might be unrealistic even in the long run, EKN will stay aligned with its objectives and outputs to the DGF and JLOS Monitoring & Evaluation (M&E) systems.

started; Peace and reconciliation promoted throughout the country, by GoU as well as by civil society; Trust by war affected (Acholi) communities in both formal and informal transitional justice process increased; Conflicts between and within Acholi communities decreased; Peace dividend is obtained through increased service delivery by GoU.

EKN is committed to keep transitional justice on the GoU's agenda, and will lobby for an inclusive dialogue on amnesty, leading to policy and legal reforms. It will also promote JLOS service delivery to ensure 'peace dividend' through full implementation of the (Dutch funded) JLOS PRDP/KIDDP programme and the Emergency Humanitarian Action Plan (EHAP)/Uganda Police Force (UPF) programme.

Output 4: GoU's capacity for peace keeping missions will increase, through training of UPDF personnel in the context of Africa Contingency Operations Training and Assistance (ACOTA) and through active promoting of participation in Dutch courses (through Ministry of Defence).

Output 5: Tenure security for land under customary ownership improved; through prioritizing in JLOS SIP III, leading to a clear hierarchy and mandate of land justice mechanisms, both traditional and formal; through piloting of land registration systems; through increased awareness of land rights in relation to natural resource management; and through increased access to legal aid in case of land conflicts.

EKN will implement a programme that focuses on the greater North as land grabbing and conflicts are identified as an immediate threat to peace and stability. This output will also contribute to the outcomes under the spearhead Food Security. It will pilot a community-driven land demarcation system; promote the issuing of Certificates for Customary Ownership, and explore possibilities of securing communal grazing land titles; Increase coordination between donors, potentially through the establishment of a Development Partners Group on Land.

Key assumptions to be monitored: political climate remains conducive for donor involvement in JLOS and in the field of democratic governance. Operating space for NGOs is not further restricted. Domestic armed conflict does not emerge. The image of the police and other security forces will not be negatively affected by their approach to maintaining law and order. Uganda will remain committed to playing a positive security role in the region.

4.1.3 Activities

Under this spearhead, there will be two main financial interventions. Support to the JLOS, which will include the transitional justice policy, on the one hand, and to the DGF, a joint donor programme, on the other.

Support to JLOS will be channelled through the Sector Wide Approach (SWAP) fund, towards the implementation of the SIP III. As such it will be fully aligned to GoU policies. Preferably, JLOS donors who now use mixed modalities (SBS, and projects and programme support to specific institutions) will further align their future support through for example entering into a Joint Financing Agreement. If the trend of withdrawing from SBS continues there would potentially be more donors supporting the SWAP fund directly.

This support will be accompanied by a robust dialogue with JLOS and its institutions; EKN has the ambition to continue to be a lead donor in JLOS.

Secondly, the DGF finances civil society organisations as well as Government institutions and will cover three main areas: Deepening Democracy, Rights, Justice and Peace Voice and Accountability. Through DGF steering committee and working groups, EKN will push for results on the specific EKN outputs like transitional justice, land and human rights. This will also provide opportunities to contribute to cross-cutting issues, such as Sexual and Reproductive Health and Rights (SRHR) and to target focus groups such as women and youth. Also here, policy dialogue will require a substantial part of the personnel capacity within EKN.

In addition to support of the JLOS SWAP fund, capacity and professionalism of selected JOS institutions will be supported through Netherlands Initiative for Capacity development in Higher

Education (NICHE) interventions from NUFFIC. EKN will continue to closely follow these interventions so that synergy with its programme will be assured.

EKN will further strengthen its network with political actors, human rights organisations, human rights defenders, civil society action groups and other critical voices in Uganda society, such as journalists, and activists in the field of land justice, human rights, accountability and sexual minorities.

EKN will continue its dialogue with both Ugandan and Dutch civil society working in the area of political governance, rule of law and will play an advocacy role towards Government if needed. It will work on stronger coordination with the co-financing organisations active in the area of human rights, governance and peace and reconciliation.

4.1.4 Risks modality mix and risk mitigating measures

First of all, involvement with the JLOS comes with political risks. As there is no alternative for strengthening the rule of law than working with Government institutions, EKN will as risk mitigating measures focus on informal high level political dialogue, on strengthening professionalism of JLOS personnel, specifically the middle management, further strengthening of civil society and demand accountability, cooperation with like-minded donors and public diplomacy on governance and human rights. Those considerations have also defined the proposed modality mix of support to the JLOS SWAP fund (fully aligned) and support to DGF.

The sector furthermore is faced with corruption in the institutions as well as weak capacity for implementation of infrastructural projects, especially in remote areas, that form a central element in improving access to justice on the ground. As a risk mitigation measure EKN will in its policy dialogue insist on speedy implementation of the anti-corruption strategy (which JLOS has already developed), and focus on accountability and performance management. EKN will also increase its monitoring efforts to ensure infrastructural projects are fully implemented and consider supplementing support to the JLOS SWAP fund with technical assistance in order to address the capacity gap on the central and local levels.

For support to the DGF, there is the risk of unintended politicisation of specific interventions. For this reason membership of the board is politically balanced.

4.1.5 Cross-cutting issues

Governance as a cross-cutting issue lies at the very heart of this spearhead. Moreover, EKN sees it as a priority to ensure that the poor and vulnerable benefit from access to justice. EKN will therefore assess JLOS policies and reform progress specifically on its impact on women and youth, in close cooperation with UNWOMEN and UNICEF who have intervention strategies on access to justice for women and youth respectively. The JLOS will continue to prioritise the fight against domestic and sexual violence against women. In the context of a NUFFIC/Niche programme, capacity to gather forensic evidence will be built, which will hopefully lead to increased prosecutions of rapists. In the DGF, gender is integrated as a cross-cutting issue, for example by promoting the implementation of the Resolution 1325 action plan for women affected by conflict, by promoting reproductive rights, and combatting domestic violence. EKN will furthermore focus on sustainable land tenure which has been identified as one of the biggest challenges for both women and the youth. **Environment and climate change** will be addressed in relation to natural resource management. This will be a point of attention in the proposed programme on land governance and the oil management activities under DGF. Moreover concern over deforestation (Mabira forest) has been a focal point for effective civil society action in Uganda. Support to the accountability and advocacy roles of a pluralistic civil and political society under DGF will thus contribute to these cross-cutting themes.

4.1.6 Monitoring of the programme

Progress in the implementation of the JLOS SIP is monitored through submission of semi-annual reports and during semi-annual review meetings. The JLOS secretariat will oversee the implementation of the SIP II. At least twice a year, joint GoU/DP M&E visits will be organised. JLOS and its institutions also provide regular reports to the Office of the Prime Minister, the Ministry of Finance, Planning and Economic Development, Parliament and the Office of the Auditor General (OAG) following the Budget Law. DGF has a robust management structure. DGF will submit regular reports to the steering committee (in which EKN has a seat) for approval. Progress in implementation of the DGF will furthermore be monitored through M&E missions and annual review meetings.

4.2 Food security (FS)

4.2.1 Goals

The overriding goal of EKN's programme for this theme is increasing food security through stimulating sustainable production and the efficient functioning of markets and the creation of an enabling environment for agribusiness development, including skills development for women and youth and improved land governance. Greater income security as well as increased access to healthy food will be positive side effects of EKN's intervention.

This is aligned with GoU policy on agriculture and food security that is presented in the DSIP 2010/11-2014/15. With its programme, EKN will contribute to the following GoU outcomes: Rural incomes and livelihoods increased; and Household food and nutrition security improved. This implies the following GoU outputs:

- 1: Factor productivity (land, labour, capital) in crops, livestock, and fisheries sustainably enhanced.
- 2: Markets for primary and secondary agricultural products within Uganda, the region and beyond, developed and sustained.
- 3: Favourable legal, policy and institutional frameworks that facilitate private sector expansion and increased profitability along the entire value chain developed.

4.2.2 EKN Outputs

The results to be achieved by EKN Kampala by the end of 2015 are identified as follows:

EKN Output 1: Improved performance of selected agro-food value chains and actors. In two or three value chains (commodities to be chosen in 2012), farmers will be linked to value chain actors, resulting in increased productivity and more efficient markets for both agricultural outputs and inputs. EKN will join existing multidonor programs and set up dedicated bilateral programs with Dutch involvement. EKN will also consider a subnational focus as this will allow for targeting specific challenges and opportunities.

The main target groups will be small market-oriented farmers and farmer organisations (the smallholder investors in the terminology used by the OXFAM report 'Who will feed the world').

EKN Output 2: Enabling environment is conducive for agribusiness in general and the selected agro-food value chains. EKN will develop interventions and/or activities, including for the integrated seed sector development, skills development for rural women and youth, increased access to financing, improved land tenure security (see output under 4.1) and enhanced regional trade. If possible, interventions in these areas will also be linked to selected value chains (link with output 1). Another part of this output aims at realising a conducive policy environment for the functioning of agribusiness.

EKN Output 3: Dutch trade and investment promotion in the area of food security is enhanced. The Embassy will facilitate trade relations between Dutch and Ugandan private sector representatives in the selected value chains (link with output 1) as well as broader in the food security area (link with output 2). This includes promoting relationships between Dutch investors in Uganda and other countries in the region (Kenya in particular), facilitating of trade missions in the region, using Kenya

as a first point of entry in East Africa. EKN will also facilitate in particular the exchange of information/consultative processes in the area of agribusiness.

Key assumptions to be monitored: Prevailing stability in Uganda. Value chains that EKN invests in prove to be feasible and are relatively neutral in political terms. Youth attitude towards agriculture becomes more positive and women and youth obtain and apply adequate skills to contribute to agricultural development. Binding infrastructural constraints that limit access to markets have been taken away. Institutional constraints that limit the functioning of markets are mitigated.

EKN outputs 1, 2 and 3 will feed into **DSIP GoU output 1**. All 3 EKN outputs will also feed into **DSIP GoU output 2**. EKN output 2 and 3 will feed into **DSIP GoU output 3**.

Key assumptions to be monitored: Prevailing stability in Uganda. Political Economy of Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is supportive.

4.2.3 Process

EKN is a new-comer in the area of agriculture and agribusiness and therefore proposes to have a start-up phase of one year. This inception year will be used to build up a network in the country and explore possibilities for other investments than the ones already identified. The first year (2012) will have concrete outputs in the form of implementation plans for the DSIP. The value chains EKN will work in during the coming years, and a regional focus, will be decided upon in 2012. Support to those through the multi-donor aBi and the (to be developed) Catalyst programme for Uganda will already be started up in 2012. Meanwhile, other potential investments that transcend value chains and will contribute to a conducive environment for agribusiness (like development of policy and regulatory framework for integrated seed systems, agricultural skills programme, access to finances, land tenure security) will be further assessed on potential and if applicable a programme in those areas will be developed. For land tenure security and skills development, feasibility studies will already be conducted in 2011. New investment opportunities, including those related to the implementation plans in the DSIP framework and partnerships with the Dutch private sector, will be identified as well in 2012. The Embassy will present an updated strategy and programme with its annual plan for 2013.

Key assumptions to be monitored: Engagement with GoU/DSIP and Agribusiness Initiative (aBi) will result in an articulated role of the Netherlands in terms of specific involvement in commodities and regional priorities. Dutch private sector actors are interested to invest.

4.2.4 Activities

The following activities will be developed:

- Financially supporting programmes and projects, both on-going joint donor programmes (aBi for support of value chains and elements of enabling environment like financial services) as well as (to be developed) bilateral ones (a.o. Uganda Catalyst, integrated seeds sector programme, skills development programme for women and youth policy advocacy to address policy environment, market failures, regulatory improvements, allocation of state budget and strategic Dutch investments;
- Developing consultative mechanisms and brokering partnerships between the private sector, NGOs, DPs and State;
- Pro-actively brokering linkages between Dutch and Ugandan companies, answering trade/investment enquiries, facilitating (regional) trade missions and strategic Dutch investments;
- Facilitating access to Dutch central funds: Private Sector Investment Programme (PSI)/Match Making Facility (MMF), Facility for Infrastructure Development (ORIO), Entrepreneurial Development Bank (FMO), CBI and PUM and creating synergy among those and the Embassy programme;
- Creating cross-border synergy between food security programmes of Dutch Embassies in neighbouring countries;
- Following regional programmes/instruments with Dutch funding: Trade Mark East Africa, Africa Enterprise Challenge Fund and the Africa Agribusiness Academy;
- Creating synergy with SNV and MFS-II programmes, such as AgriProFocus network;

- Monitoring complementary programmes funded by other donors, such as Denmark, World Bank, African Development Bank, EU, USAID and creating synergy with those.

4.2.5 Cross-cutting issues

Interventions will be prioritised by growth and employment creation potential for (rural) women and youth. Skills development will be targeted towards female and young entrepreneurs and will contribute to SHRH. Interventions will be documented with gender disaggregated data. Efforts will be made towards the provision of youth disaggregated data.

Support to agriculture and agribusinesses will be subject to a positive environmental screening by EKN and any major investment will be subject to environmental impact assessment in accordance with the requirements of the National Environmental Management Authority. A skills development programme will include environmental friendly farmer's skills.

The role of MAAIF will be addressed through support of DSIP implementation in order to enhance governance of the sector. EKN will promote good governance in agriculture and agribusinesses including supporting governance and leadership training for farmers, workers and entrepreneurs.

4.2.6 Risks, modality mix and risk mitigating measures

Governance deficits pose a challenge for involvement. This has led to the conclusion that the main focus for EKN's interventions lies with the demand side, i.e. private sector development, while at the same time a modest investment will be made in enhancing public sector capacity.

Interventions will be aligned with the DSIP of the Government as explained above. However, given the fact that private sector development will be the main focus, they will not be fully aligned. EKN will choose a mix of already existing joint donor programmes and bilateral projects to achieve its outputs. The joint programmes might lead to quick results as they are running already, have impact on a bigger scale and will lead to a stronger position in the dialogue with the Government. Bilateral programmes allow for tailor-made interventions that also maximise the options for involvement of Dutch organisations and companies. When choosing value chains and regions for future involvement EKN will take into account political economy aspects of the value chains and regions in order to minimise risks.

As further risk mitigating measures EKN will invest in building up a strong bilateral network and dialogue with MAAIF. It will set up a dialogue with other Ministries (Ministry of Trade and Cooperatives, Ministry of Education for skills development) involved in issues relevant for EKN's interventions and promote inter-ministerial coordination as well. Corruption and environmental risks will be targeted in the specific interventions. To mitigate risks of fraud and corruption in bilateral projects, strong institutional arrangements and strict audit procedures will be set up.

4.2.7 Monitoring of the food security programme

The monitoring function of the FS programme intends to check if results are achieved and contribute to the Netherlands FS policy, provide early warning if progress is different and monitor internal risks and external risks which are beyond the scope and mandate of the EKN but could have an influence on the programme. A first set of indicators is identified in the result chain at outcome and output levels that produce cost effective, user friendly management information against the selected results. In the inception year, these will be further aligned with FS partners. Joined monitoring of key indicators will provide opportunities to analyse and discuss FS changes, opportunities and priorities. This includes the joined establishment of baselines against which to monitor progress and agreement on data sources. The priority is to use existing Ugandan data sources. Within DSIP, data collection is the responsibility of the MAAIF Statistics Section, the Uganda Bureau of Statistics and the district administrations. This should be complemented by regular field visits of EKN staff and external mid-term reviews and evaluations conducted by independent evaluators for all FS components of the programme, following regular Ministry of Foreign Affairs (Directorate-General for International Cooperation - DGIS) procedures.

CHAPTER 5 OTHER INSTRUMENTS OF FOREIGN POLICY

From the previous chapters it is clear that synergy can be created from the combined use of other foreign policy instruments. Both human rights and economic diplomacy outputs will be integrated into the result frameworks for EKN's development cooperation. Instruments like political dialogue, public diplomacy, press and culture activities, the fellowships programme, consular operations will all be used as supplementary measures to support Dutch goals in Uganda.

- The strategy pursued under the Security and Rule of Law theme also contains a focus on **human rights (HR)**. Support to HR-organisations (through DGF) as well as a public dialogue on governance and human rights will continue to be part of the programme. This will mitigate risks of Dutch involvement with Government institutions in JLOS, and also aim to improve the human rights situation in general.
- **Economic diplomacy:** as described in chapter 3, economic developments in Uganda and the pro-business stance of the Government provide opportunities to increase economic ties between both countries. An Embassy output to increase Dutch trade and investment has been included in the food security result chain, in order to strengthen private sector development in Uganda with input from Dutch companies. EKN will also explore possibilities to enhance consultation and cooperation in the area of economic diplomacy and trade and investment enhancement in food security with other Embassies in the region. For its non-food security economic diplomacy EKN will apply the new Ministry of Economic Affairs, Agriculture and Innovation (ELI) guidelines. EKN will continue its regular consultations with Dutch and Ugandan business communities and increasingly use new media as a means for interacting with them. **Trade policy:** Although responsibility for trade policy lies with the European Union (EU) commission, EKN will follow EU Economic Partnership Agreement (EPA)-negotiations with the EAC, in cooperation with other Embassies in the region. EKN will participate in the steering committee that is responsible for the Ugandan part of the Dutch co-financed Trademark East Africa programme that aims at taking away practical impediments for regional trade.
- **Netherlands Fellowship Programme (NFP):** This programme will be aligned with the MASP spearheads. This means that candidates applying for a scholarship in one of the new thematic areas will be given higher scoring during the assessment of applications by the Embassy. NFP will also be used by the Embassy to prioritise applications in those areas that link with cross-cutting issues, such as environment and sustainable agriculture, gender, and private sector development. Capacity building in Northern Uganda will, as before, remain an important focus for the programme.
- **Public diplomacy and press and culture:** The public diplomacy and communication policy of the Embassy will present the Netherlands as a critically engaged partner of the people of Uganda. It will show-case Dutch development and business investments in Uganda. Communication on Dutch investments will be balanced by messaging on governance or human rights concerns; jointly where possible, bilaterally when needed. Interviews with local media, press releases and transparency on decision making are tools in this public diplomacy policy. Cultural activities to be financed from the small projects programme (PKP)-non Official Development Assistance (ODA) also contribute to this policy. These will aim to reflect Dutch values of openness, innovation and tolerance.
- **Consular services:** It is not unlikely that violent incidents and demonstrations might occur again in the near future. EKN will therefore continue its vigilance of the security situation and will keep its facilities under the crisis plan active, in order to keep the Dutch community, safe in an emergency situation. This is also relevant with regard to the terrorist threat Uganda continues to face.
- Due to regionalisation of the consular back office to Pretoria, the processing time for visa and passport applications is expected to increase. The Embassy will continue and possibly expand its orange carpet treatment, with minimal checking of visa applicants with a bonafide profile, thus making more time available for extensive

screening of visa applicants with a less bonafide profile, in order to prevent illegal migration and human trafficking.

- **Exit education sector:**

on the basis of the lessons learnt and new Dutch policy, EKN has decided to phase out its programme for primary education. The main modality used until 2009/2010 was SBS, provided within the JBSF. Within that framework, a roadmap of the main impediments in, among others, the Primary Education sub-sector has been identified, as well as actions to be undertaken and targets to measure progress on key performance indicators, mainly related to improving the quality of basic education. Because of the governance situation the release of budget support to Uganda has been subject to a yearly political decision by the Minister. In 2011, EKN pulled out of this modality as the conditions for budget support were no longer in place. The financial impact has been limited as EKN's SBS represented a limited percentage of the budget of the more than one trillion UGX budget of the Ministry of Education. Furthermore, in September 2011 Uganda qualified for support from the centrally supported Global Partnership for Education (formerly known as EFA-FTI) and it is expected to receive a support package of roughly USD 50 million for 2012-2014. This will ensure a continued similar or even higher level of inflow of external resources for basic education.

As mentioned before, the Results Framework for the education sector developed within the JBSF, to which EKN has importantly contributed, will be of lasting value. It is fully integrated in the Ministry of Education's policy and guides both budget support donors as well as other DPs. In addition, EKN agreed with the Ugandan Government that in its phase out of education, EKN would identify projects that aim to achieve progress on Joint Assessment Framework (JAF) indicators through a bottom up approach. Against this background, two new projects were identified. Implementation by UNICEF and SNV started in July 2011. One project supports the improvement of quality education in districts by providing technical support to teachers and school management. This will positively impact on quality of teaching, as well as on reducing teacher absenteeism. The other project aims at improving community participation as well as agricultural skills of children and parents through the introduction of school gardens. These projects will be ending in 2013 and June 2014 respectively, after which the support to the primary education sector will have been fully phased out.

The support program to the education part of the PRDP is still on-going and has greatly contributed to the availability of class rooms, teacher houses and textbooks in the Northern districts. Though there are no more outstanding payments, EKN will keep monitoring the final implementation phase. Other programmes supplementing SBS like Acholi Bursary Scheme and Community Re Ownership West Nile Schools (CROWNS) programme in West Nile and the support to the Uganda National Teachers Union (UNATU) will be responsibly phased out in either 2011 or 2012, as those activities come to their natural end.

EKN will continue to work with the Education sector in the area of skills development, under the new Food Security theme, specifically aiming at providing (agricultural) skills to the ever increasing number of rural women and youth. Lessons learned from previous programs like CROWNS and the Acholi Bursary Scheme (like the multi-faceted value of promoting Functional Adult Literacy) will be incorporated in the new program for Skills Development.

CHAPTER 6 FINANCIAL IMPLICATIONS

Financial ODA implications 2012-2015 in € (Policy area, budget-code, description)

1.2 Human rights	275,000
2.5 Security, good governance and rule of law	40,332,000
4.1 Food security	46,500,000
4.2 Effectiveness policy on poverty reduction	200,000
4.3 Private sector development	2,600,000
5.1 Education and research	8,000,000
5.3 Equal rights and opportunities for women	199,000
total budget 2012-2015	98,106,000