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Annex 1: Detailed priority research areas in the Research Guide ..............................................................46
The Government of Uganda is committed to the eradication of mass poverty in the country within the next 15-20 years through strategic interventions that are embedded in the Poverty Eradication Action Plan (PEAP). The PEAP is the national framework guiding public action aimed at eradicating poverty. It has long been recognized that achieving the desired goals and outcomes in the PEAP requires a sound understanding and interpretation of the conditions and challenges facing the poor so that the most relevant and feasible policy options and interventions are put in place.

Some of the factors and conditions that affect the poor are well understood and there is no doubt about the policy actions that are required while many others are poorly understood. This is the reason why the demand from government for policy-oriented poverty research is gradually increasing. Through rigorous application of existing knowledge about poverty in Uganda, policy makers have increased the quality and relevance of the policy strategies in the PEAP and sector and district plans for the ultimate benefit of the poor. But given the changing policy environment and poverty conditions, there is need to constantly review the policy processes to increase their effectiveness and relevance, hence the emphasis being placed on evidence-based policy making.

This Research Guide represents an effort to support research and policy analysis that systematically consolidates what is known and investigates the unknown. The Research Guide sets a fairly general menu of priority research topics that interested institutions can select from and through its structures will attempt to bring greater coordination to research work on poverty eradication in Uganda. The research topics will be periodically reviewed and updated to address key emerging policy issues.

It is hoped that the resulting policy research findings will provide new data and insights about poverty and the most appropriate interventions to address specific policy challenges in Uganda. This should constantly push forward the debates and thinking about poverty reduction towards achieving the PEAP goals and objectives.

Gerald M. Ssendaula
Minister of Finance, Planning and Economic Development
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<tr>
<th>ACRONYMS</th>
<th>Full Form</th>
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<tr>
<td>CBR</td>
<td>Centre for Basic Research</td>
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<tr>
<td>CSOs</td>
<td>Civil Society Organisations</td>
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<tr>
<td>EDP R&amp;D</td>
<td>Economic Development Policy and Research Department</td>
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<td>EPRC</td>
<td>Economic Policy Research Centre</td>
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<td>ENR</td>
<td>Environment and Natural Resource</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GPT</td>
<td>Graduated Personal Tax</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MFIs</td>
<td>Micro Finance Institutions</td>
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<td>MFPED</td>
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<td>MISR</td>
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<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
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<td>NIMES</td>
<td>National Integrated Monitoring and Evaluation Strategy</td>
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<td>NURRU</td>
<td>Network of Ugandan Researchers and Research Users</td>
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<td>PEAP</td>
<td>Poverty Eradication Action Plan</td>
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<td>PEWG</td>
<td>Poverty Eradication Working Group</td>
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<td>PHC</td>
<td>Primary Health Care</td>
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<tr>
<td>PMA</td>
<td>Plan for Modernization of Agriculture</td>
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<td>PMAU</td>
<td>Poverty Monitoring and Analysis Unit</td>
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<td>PMES</td>
<td>Poverty Monitoring and Evaluation Strategy</td>
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<td>PMN</td>
<td>Poverty Monitoring Network</td>
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<td>PMS</td>
<td>Poverty Monitoring System</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>LSSP</td>
<td>Land Strategic Sector Plan</td>
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<tr>
<td>RA</td>
<td>Research Agenda</td>
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<tr>
<td>SIA</td>
<td>Social Impact Analysis</td>
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<td>SWG</td>
<td>Sector Working Group</td>
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<td>SWAPs</td>
<td>Sector-wide Approaches to Planning and Investment</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UPE</td>
<td>Universal Primary Education</td>
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<tr>
<td>UPPAP</td>
<td>Uganda Participatory Poverty Assessment Project</td>
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<tr>
<td>URA</td>
<td>Uganda Revenue Authority</td>
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CHAPTER 1: GUIDING PRINCIPLES

The Research Guide (RG) is a government initiative offering guidance on major information needs that are either not well researched or analysed but are priority in guiding decision making in policy planning and public expenditure in the short to medium term. The programme contributes to the fulfillment of part of Ministry of Finance, Planning and Economic Development (MFPED) mandate of formulating, implementing and monitoring national policies, strategies and programmes. The RG serves three key purposes: setting a fairly general menu of research topics which interested institutions can select from, proposing specific pieces of work that are to be commissioned by the Poverty Eradication Action Plan (PEAP) Secretariat in MFPED and bringing greater coordination to research work on poverty eradication in Uganda. This section gives the rationale for the Research Guide, its intended objectives and the types of research to be supported.

1.1 Introduction

It is the Government of Uganda’s intention to eradicate mass poverty, as clearly stated in the Poverty Eradication Action Plan (PEAP), which provides an over-arching framework guiding public action in eradicating poverty. Implementation of this poverty strategy is already underway within the context of the sector-wide approaches to planning and investment, decentralization and the medium term expenditure framework (MTEF). However, Uganda’s ability to achieve the desired outcome targets and other medium term objectives in the PEAP is dependent upon a number of critical factors and assumptions: continued fast and equitable economic growth, maintenance of macroeconomic stability, increased levels of peace and security, good governance, improvements in health and education, and structural transformation of the rural economy.

Each of these factors depends on other conditions. Some of these are well understood, so that there is no doubt about the policy actions that are needed, while many others are poorly understood. Improving the policy framework of the PEAP therefore involves constantly consolidating what is known about the crucial intermediate steps that need to be taken in order to reach poverty-reduction goals, and systematically investigating what is still not known or understood in a pro-active rather than reactive manner. It is a known fact that effective poverty programmes require policy decisions that are based on sound empirical evidence, particularly addressing the grey areas. That implies a key role for both regular monitoring and evaluation, and well-designed research – the essential tools of evidence-based policy making.

The demand from government for policy-oriented poverty research is gradually increasing. However, there is some way to go before the collaboration between researchers and policy makers/implementers is close enough for evidence-based policy making and implementation to become a reality. The capacity of the main Ugandan research institutions and Universities to deliver appropriate, high-quality research in a timely fashion is also subject to a number of constraints. Addressing these issues
poses a major challenge to policy makers and researchers alike and hence the need for support mechanisms for policy research in the country.

This Research Guide is a timely and strategic intervention for the annual, medium and long-term decision-making process that is in many instances characterized by disjointed decisions or political choices due to lack of appropriate and relevant information. This initiative is conceived at a time when the priority intervention areas in the PEAP have just undergone a major revision through a highly consultative process that has also highlighted a number of areas that still require further research. The Research Guide will be regularly reviewed and updated to reflect emerging challenges highlighted by ongoing poverty monitoring and evaluation processes within the PEAP context. In this regard, the Research Guide is a key input in the Poverty Monitoring and Evaluation Strategy (PMES) and ultimately the National Integrated Monitoring and Evaluation Strategy.

1.2 Programme Objectives

The purpose of the Research Guide is to enable more informed policy choices and more effective policy implementation and monitoring through research and capacity building. This is to be achieved through the following four core objectives:

1. Initiate, commission or encourage targeted analytical work on specific PEAP issues of interest to policy makers and implementers mainly focusing on the unknown.

2. Stimulate dialogue on research priorities between research institutions, universities and research users, particularly those concerned with medium-term planning, budgeting, implementation and monitoring within Government.

3. Promote more effective coordination, dissemination and advocacy of research results among policy makers and implementers and the general public.

4. Reduce the funding and human-resource constraints affecting the design and conduct of research in support of the eradication of poverty in Uganda.

Effective implementation and monitoring of these objectives will require that the inherent research process should be able to facilitate greater linkage between researchers and policy makers or implementers. It is not intended for the Research Guide to be the only mechanism for supporting poverty-relevant research in Uganda,

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1 The second PEAP Revision Process that commenced in Dec 2002 has culminated into the production of the PEAP 2004/05-2007/8. The first revision of the PEAP was undertaken in 2000.
2 PMES is an overarching plan for poverty monitoring and evaluation within the context of the PEAP/PRSP.
3 NIMES is a coordination framework that integrates all the existing government M&E systems so as to align the data generated with the information needs in policy making and implementation, reduce duplication of effort and improve quality and timeliness of the data.
or to displace any existing programmes. However, it aims to inject a stronger sense of direction into national research efforts, both by directly commissioning stock-taking, research and research-dissemination activities. It is of paramount importance that any chosen research piece should be able to contribute to better policy outcomes with a possibility that it influences budget decisions and policy directions. For maximum impact, the key audiences for the research must be identified early enough.

1.3 Types of research to be promoted

The type of research that will be promoted under the Programme must not only be fit for the purpose of informing policy choices and improving effectiveness in implementation but also fall within the priority research areas that are specified in Chapter 2 of this document. The research that is to be promoted is likely to include:

- **Preliminary stock-taking exercises** to assess and consolidate current knowledge for a variety of purposes, including rapid a) ex-ante poverty and social impact assessments (PSIA), and b) formative evaluations, of particular policies; as well as c) the preparation of terms of reference for targeted pieces of research. Poverty and social impact analysis (PSIA) refers to analysis of the intended and unintended consequences of policy interventions on the well-being of different social groups, with a special focus on the vulnerable and the poor.

- **Secondary analysis** of existing statistical data sets, survey findings (especially panel data), case-study evidence and other outputs of social-science research with a view to clarifying key linkages for poverty reduction and bringing out their relevance to policy.

- **Primary research** of an appropriate quantitative or qualitative kind, carefully designed to illuminate questions that currently concern, or ought to concern policy makers and implementers, and which cannot be answered on the basis of existing evidence and analysis. Both mini-surveys and participatory approaches are likely to be needed; integration of complementary approaches will be welcome.

- **Policy analysis** focused on the strengths and weaknesses of current thinking and practice in particular PEAP areas, drawing on the results of primary and secondary research.

It is important to note that a lot of research has already been conducted in Uganda although not well documented or publicized. An attempt has been made by the MFPED to produce an inventory of poverty related research studies that is regularly updated and should be referred to prior venturing into any research to avoid resource

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4 For example, the NURRU Phase II research strategy, the current research programmes of EPRC, MISR and CBR, or the funding available to institutions for policy analysis and poverty monitoring under UNDP’s 2001-05 Country Cooperation Framework.

waste through duplication of what already exists or is well researched. Rich data sets exist for the Uganda National Household Surveys (UNHS) that have been conducted by the Uganda Bureau of Statistics since 1992, Uganda Demographic Health Surveys, Population and Housing Census, 2 Uganda Participatory Poverty Assessments and other surveys that should be further explored whenever possible as they are largely representative. As far as possible, the research should be empowering and not duplicative.

Whatever the type of research to be conducted, it is preferable that it is conducted by a multidisciplinary team from a reknown research and/or academic institution or consultants hired by the relevant ministry in Uganda. Individuals who have a track record in excellent research and analytical skills may qualify under special circumstances.

1.4 Support to the Research Guide

For sustainability, funding for the Research Guide will come mainly from the research fund within the national budget supplemented by resources from interested development partners, universities and research institutions. At the time of initiating this programme, there is no research fund in the government budget from which resources can be drawn. It is the role of the Coordination Secretariat for the Research Guide to lobby for this modality to be set up in the interest of self-sustenance of the programme and set minimum standards for its access and use.

Technical support will be solicited from re-known local and international research and academic institutions as well as universities. Donor agencies may also undertake some of the proposed studies to complement Government efforts. Some institutions already have funding for poverty research and all they need is technical support and a prioritized research agenda. The programme will also interest other research institutions to focus on some of the identified priority research areas.
CHAPTER 2: PRIORITY RESEARCH THEMES

2.1 Overview

The priority issues and topics suggested in this section flow from consultations with stakeholders in ministries, research and academic institutions, sector analysis particularly during the 2003/04 PEAP revision process and discussions around the Budget Framework Papers for different sectors. Issues raised by poor people during the 2001/2002 participatory poverty assessment (PPII) have also informed the selection of research priorities as well as the Poverty Social Impact Assessment studies and the various discussion papers by MFPED.

The need to undertake policy research that is relevant to the poverty reduction agenda in Uganda has necessitated the adaptation of the research areas to the five-pillar structure of the 2004 PEAP. The Government priority interventions for poverty eradication in the medium term that the Research Programme seeks to inform are structured around five pillars namely: Economic Management; Enhancing Production, Competitiveness and Incomes; Security, Conflict Resolution and Disaster Management; Good Governance and Poverty; and Human Development.

Effective implementation of these pillars through the sectorwide approach and decentralized planning aims at furthering the government’s strategy of transforming the economy through private investment, industrialization and export-led growth and addressing the major challenges arising from the PEAP implementation. Key among these is the need to restore security and deal with consequences of conflict in some parts of the country, improving regional equity, improving the poor’s incomes, stepping up human development and using public resources more transparently and efficiently to eradicate poverty. The chosen research themes in this Research Programme are greatly informed by the need to provide information to help the policy makers and implementers address these core challenges and implement the PEAP in an efficient and equitable manner.

The research topics will be regularly reviewed and refreshed as part of a process of learning from the budget process and experiences in PEAP/PRSP implementation, monitoring and evaluation. Nothing that follows is therefore non-negotiable. A summary of the priority themes is given in Table 1. Annex 1 provides a synopsis of the research areas within the priority themes and the details are provided in the rest of this chapter.
<table>
<thead>
<tr>
<th>PEAP Goal</th>
<th>Priority research themes</th>
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</table>
| **Economic Management** | i) Economic growth  
ii) Public Expenditure  
iii) Fiscal Deficit  
iv) Labour market dynamics  
v) Income inequality |
| **Enhancing Production, Competitiveness and Incomes** | i) Agricultural productivity  
ii) Agricultural Advisory Services  
iii) Small and Medium Scale Enterprises  
iv) Land tenure and utilization  
v) Strategic Exports  
vii) Pastoralism |
| **Security, Conflict Resolution and Disaster Management** | i) Causal factors underlying conflict  
ii) Cost of service delivery  
iii) Internal displacement |
| **Good Governance and Poverty** | i) Institutional proliferation  
ii) Decentralization  
iii) Taxation  
iv) Efficiency and effectiveness in service delivery  
v) Transparency and accountability |
| **Human Development** | i) Infant and maternal mortality  
ii) Service provisioning  
iii) Population |
| **Broader thematic issues** | i) Gender  
ii) Vulnerability and Social Protection  
iii) Chronic poverty  
v) HIV/AIDS |

2.2 Economic Management

The central objectives of Uganda’s macroeconomic management are inflation control and private sector-led growth. It is Government’s intention to restrict public expenditure to a level that is compatible with the existing fiscal policies by controlling the fiscal deficit. Having a well-designed tax system capable of financing the desired levels of government spending in the most efficient and equitable manner is one of the crucial elements for supporting Uganda’s economic growth and poverty reduction agenda. Private sector development will necessitate financial deepening, infrastructure development and improvement in the investment and trade environment as precursors to export growth and diversification in a manner that is competitive. Several
challenges still remain that require further analysis to improve implementation of this strategy as detailed below (Box 1).

**Box 1: Priority Research Areas for Economic Management**

- Economic Growth
- Public Expenditure
- Fiscal Deficit
- Labour market
- Income inequality

### 2.2.1 Economic Growth

Uganda’s economy has expanded rapidly over the 1990s with the real GDP growth at market prices averaging 6.7 percent per annum. Growth has been highest in the industrial production and services sectors and slowest in agriculture. The main determinants of this positive trend in growth have been identified to include improved security, restoration of macroeconomic stability, removal of economic distortions and an improvement in the terms of trade. However, there are signs of slowdown in growth and structural transformation in the recent period and growth has been regionally imbalanced and inequitable with the better off benefiting more.

The Lawson et al, 2003 study shows that there are core number of households, estimated at 19 percent of the total population, that have remained in poverty during 1992-1999. Another 10 percent moved into poverty over the same period. Moreover, the benefits from growth have not been equally distributed with some regions lagging behind others, particularly the North and East. This is confirmed by the 2002/03 Household survey that suggests that poverty trends seem to be on the increase in the country and particularly in these two regions due to effects of insecurity and displacement.

It is within this context that further research and analytical work is required on the following two issues:

1. **Pattern of economic growth**: more analysis is required on the pattern of economic growth in recent years:
   - The pattern and main sources of growth by region, district, sub-sectors or socio-economic category need to be analysed. For example, what proportion of growth is due to Eastern Uganda as opposed to Northern Uganda?
   - What are the other ways of enhancing economic growth and private sector development?

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• The role of smallholder agriculture in economic growth and poverty reduction needs to be properly analysed.

2. Assumptions: The underlying assumptions underpinning the growth patterns as they relate to poverty reduction need to be questioned and the scope for making growth more pro-poor analysed:

• To what extent do the underlying assumptions for growth contribute to poverty reduction and the achievement of the Millennium Development Goals (MDGs)?

• What kind of redistributive mechanisms are required to make economic growth more decisively pro-poor and equitable?

• Removal of barriers to investment, improving infrastructure and utilities, agricultural modernization, increased access to rural finance, environmental sustainability and restoring security are identified in the 2004 PEAP as the actions required to boost Uganda’s growth rate to 7%. An in-depth analysis of the interplay between these factors, the underlying assumptions and their potential to generate the desired growth will improve the actions that focus on boosting Uganda’s growth rates in the medium term.

3. Determinants: How have movements in the following factors contributed to the observed growth, poverty and inequality trends and what are the likely future trends? What policy measures are required to minimize the negative effects of these factors?

• Insecurity and population movements
• Gender inequality
• International and domestic commodity price changes
• Labour market dynamics
• Movements in the credit and financial markets
• Environmental changes

4. Sustainability of economic growth: Uganda has a nature-based economy that is largely dependent on the direct extraction and utilization of natural resources. In recent years, there is evidence of fast environmental degradation matching the positive trends in economic activities nationwide. The current PEAP does not seem to provide adequate policy guidance for linking economic growth to the sustainable management of the environment and natural resources (ENR)\(^8\).

• Work under this topic should focus on analyzing the sustainability of current/higher economic growth trends in light of the observed changes in the environment.
• What measures are needed to enhance the quality of the ENR to ensure that the economic growth trends are sustainable and pro-poor?

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8 ENR-SWG, 2003. Proposals and Actions for Greening the Revised PEAP.
2.2.2 Public Expenditure

The achievement of pro-poor growth cannot be separated from the need for equitable public expenditure: expenditure that redistributes the benefits of growth to all categories of Ugandans including the poor. Public expenditure has expanded considerably since the 1990s, with major increases in funding going towards the delivery of basic services including construction and maintenance of roads, primary health care, rural water supply, primary education and adult literacy. Notably, however, despite these high expenditures, inequality has increased within regions, sectors and occupational groups.

1. **Beneficiary Assessment**: There is need for in-depth analysis of the distributional effects or impacts of the current public expenditure pattern to assess its poverty focus in terms of returns on investment.
   - An analysis of the primary beneficiaries of public resources needs to be undertaken for the key spending sectors from a poverty and gender perspective.

2. **Sector Ceilings**: The extent to which the underlying assumptions under the MTEF and LTEF lead to sustainable growth and poverty reduction should be assessed.
   - The appropriateness of the current sector ceilings as regards the PEAP priorities and expected outcomes needs further review. This would involve an analysis of returns to alternative expenditures and the implications to achieving the desired poverty reduction targets. What incentives are required to enable efficient and appropriate resource allocation within and between the various sectors?

3. **Equity in Public Expenditure**: what are the most feasible options for equalizing resources to benefit the poor people and poor or less endowed geographical areas?

4. **Financing modalities**: It has been suggested in the most recent PEAP that there should be a degree of flexibility in financing modalities for areas affected by conflict. For a start, the Northern Uganda Social Action approach is being used in Northern Uganda to address the costs of post-conflict reconstruction, with funds being targeted at community level. Complaints are already emerging from district leaders about the efficacy of investing at community level.
   - The merits of funding capital investment through the social fund modality need to be compared with other modalities, particularly LGDP where decisions regarding financing are decentralized to local governments and central conditional grant approach. This would involve assessing and comparing the key capacity issues and the ability to/pace of reducing poverty by either modalities.
2.2.3 Fiscal Deficit

The Government remains committed to reducing the fiscal deficit excluding grants, to enable further scope for private sector development. The fiscal deficit widened sharply between the mid 1990s and 2001/02 mainly as a result of an expansion of Government expenditure that was not matched by increased domestic revenues. Government expenditure rose by seven percentage points of GDP to 24 percent of GDP between 1995/96 and 2001/02, whereas domestic revenue increased by less than two percentage points of GDP to 12.2 percent of GDP. This expansion in Government expenditure was mainly financed by increased donor aid inflows going towards sectors including health, education and rural water supply.

It is estimated in the Long Term Expenditure Framework (LTEF) that reducing the fiscal deficit to 6.5% of GDP by 2009/10 and keeping it constant thereafter, is compatible with a rise in private sector investment to 21% of GDP by 2013/14, and a rise in exports from 12.6% of GDP to 16.1% of GDP\(^9\). Three key areas of research are identified to inform these estimations.

1. What are the consequences of running a fiscal deficit, both positive and negative? What are the macroeconomic impacts?

2. In light of this analysis, what is the optimal balance for the fiscal deficit? What are the different options for managing the deficit and the tension that exists between the squeeze on the budget caused by the reduction of the deficit on one hand, and the achievement of the PEAP targets and MDGs on the other?

3. An exploration of the major policy options for financing the budget deficits needs to be undertaken:

   - The government may consider it less painful to the population to reduce public expenditure than to impose tax increases as a mechanism for addressing the budget deficit. Budgetary cuts however may cripple the functioning of a government and deepen poverty if not strategically carried out in order to distribute the impacts. On the other hand, tax increases are risky where the redistributive mechanisms are not well designed. The efficacy of such policy options needs further analysis.

   - The implications of demographic shifts – such as the age structure of the population, the number of people supported by social security systems and pension schemes – and the cost of delivering basic services on deficit management in the medium and long-term need to be analysed. How to bring down the cost of service delivery is a key factor in reducing the fiscal deficit.

2.2.4 Labour market dynamics

The 2002/03 Labour Force Survey by the Uganda Bureau of Statistics provides us with fresh insights into the status of Uganda’s labour market. The country’s labour force is growing at a rate of 3.4 percent per annum adding approximately 380,000 new entrants to the working age bracket (15-64) annually. Only 14 percent of people in employment in Uganda are in wage employment, the rest (86 percent) being self-employed. Underemployment is widespread with the labour force being characterized by a low educational profile.

A particular lacuna in understanding past and projecting future growth patterns is the relatively weak understanding that exists of the functioning of labour markets, both in the rural and urban areas and the role that minimum wages plays in improving working conditions and increasing/decreasing employment opportunities. Further analysis of the labour modules and other key data sources is required to improve the understanding of the labour market including:

1. **Labour force characteristics**: Structure of the labour market and characteristics of the labour force in the formal and informal sectors of the economy.

2. The **private returns to education** – the pattern of incomes/expenditures across educational groups over time, and particularly for vocational education. What is the reservation wage for different levels of education? This requires proper econometric investigation building on existing work.

3. **Minimum wage**: Assessing the potential impact of establishing a minimum wage or working conditions for estate workers and proposing potential scenarios of implementation in the current policy context.

4. **Youth unemployment**: Analysing the magnitude of the problem of youth unemployment and suggesting ways in which the economic opportunities of young people can be enhanced.

5. How to enhance productivity growth of the human capital base in Uganda remains a major challenge that requires prioritized recommendations arising from policy analysis.

6. Determining the extent to which labour is inefficiently allocated between males and females in agricultural households and proposing ways in which these inequalities can be dwelt with.

2.2.5 Income inequality

According to Ssewanyana et al. (2004), income inequality increased by 18% between 1992/93 and 2002/03, and 23% between 1997 and 2002/03. As a result, with a Gini coefficient of 0.428, Uganda’s country status is moving away from low- towards high-
income inequality. In addition, despite a significant decline from 52% to 44% of total income between 1997 and 1999/00, crop farming remains the main source of income among Ugandan households. This evidence is matched by the fact that ‘other sources’ of income registered a significant increase in contribution to total household income: from 13% to 18% both at the national level, and among the rural population. Government policies have been partly behind such an increasing reliance on non-farm incomes in the rural sector.

1. It is perturbing to see that the increasing income poverty and inequality has coincided with the period when Uganda experienced reasonably strong economic growth. What are the main factors behind the widening inequality among regions, social groups and the rural and urban areas and what policy measures are required to reverse of mitigate these trends?

2. Poverty in Eastern Uganda: While poverty rose in almost all regions of the country in the past three years, the rise was most marked in the Eastern region with the proportion of people below the poverty line increasing from 35% in 1999/2000 to 46% in 2002/3. It has been hypothesized that the increase in poverty in the East is partly a result of internal displacement as a result of insecurity. This has however been disapproved by a recent World Bank study which suggests that the rise in poverty is due to poor terms of trade, particularly low prices for agricultural commodities.

The PPA findings suggest that poverty in the East is largely a function of anti-smuggling measures that have resulted in reduced border trade, declining agricultural productivity, among other factors. The lack of concrete direction on the main causal factors for the increase in poverty in the East necessitates further research and analysis on this issue.

3. Ssewanyana et al. (2004) suggest that non-farm income increases income inequality, whereas farm income reduces income inequality. Whether the fact that non-farm income is inequality increasing is harmful to the rural sector also requires further analysis.

2.3 Enhancing Production, Competitiveness and Incomes

In order to raise household incomes, emphasis has been placed on improving agricultural growth and increasing non-farm employment in the rural areas where most poor people live. However, the performance of the agricultural sector in recent years has been rather disappointing as a result of the declining terms of trade, soil infertility, the high prevalence of pests and diseases and the slower provision of public goods needed to support agricultural production.

These deficiencies have led to stagnation in technology adoption, inadequate exploitation of market opportunities and serious environmental degradation, ultimately leading to a large proportion of the farmers being below the poverty line. The 2002/03

UNHS indicates that 50 percent of the crop farmers were below the poverty line compared to 39 percent in 1999/2000. The PEAP 2004 notes that ‘…In the past, some initiatives to support production have been less well planned than initiatives to enhance human development. A more coherent and consistent approach to delivering services in the production sector to support economic growth is now needed’. The Plan for Modernization (PMA) is a multi-sectoral framework that seeks to address several of these challenges through its seven pillars.\textsuperscript{12}

While further research is not necessarily the means to solving these difficulties, it may go a long way in explaining some of the gaps in knowledge in designing the most appropriate agricultural policies that enhance production, household incomes and competitiveness of the agricultural sector. The priority research areas under this pillar are summarized in Box 2.

### Box 2: Priority Research Areas for Enhancing Production, Competitiveness and Incomes

- Agricultural productivity
- Agricultural advisory services
- Small and Medium Scale Enterprises
- Land tenure and utilization
- Strategic Exports
- Pastoralism

#### 2.3.1 Enhancing agricultural productivity

The successful implementation of the Plan for Modernization will most certainly come from technological progress at farm level. Enhancing agricultural productivity is considered to be one of the major options for ensuring higher incomes at household and national level. Presently, while Uganda is not short of improved technologies, the rate of technology adoption remains low and consequently farm output is corresponding low.

Slow technological adoption is an area that is not well researched but some existing information suggests that this problem is attributed to lack of information on new technology, inappropriateness of some technologies, cost and distance barriers, lack of market opportunities and gender inequalities. The effective delivery of extension through the NAADS programme and research through the National Agricultural Research System (NARS) is expected to address some of these challenges in the medium term. All these efforts need to be informed by further analysis in the following priority areas:

\textsuperscript{12} The seven priority intervention areas for the PMA are: Research and Technology Development, National Agricultural Advisory Service, Agricultural Education, Rural Finance, Agro Processing and Marketing, Natural Resource Utilization and Management and Physical Infrastructure.
1. **Technological progress**: the major factors promoting or hindering technological progress in Uganda need further investigation taking into account geographical and cultural diversities, access to assets and income levels of the various socio-economic categories. For example, a distinction should be made in factors affecting technology adoption by:
   - Subsistence or smallholder farmers vs commercial farmers
   - men vs women vs youth
   - crop farmers vs livestock farmers
   - fishermen
   - pastoralists
   - Richer vs poorer areas

2. **Farmer organizations**: The role of farmer’s organisations or cooperatives in enhancing agricultural production, productivity, value addition and marketing needs to be established within the context of the various sub-components of the PMA and particularly the NAADS. Such analysis would recommend the nature of support that Government should extend to farmer organizations to complement government efforts in stepping up agricultural productivity and performance.

3. **Gender inequalities**: In the 2001/02 participatory poverty assessment, women pointed out that their overburden with reproductive and productive roles and men’s time-wasting reduces agricultural productivity. Other research for MFPED\(^{13}\) suggests that non-cooperative gender relations in agriculture are also likely to reduce the effectiveness of efforts to stimulate new export-oriented production. The impact of gender inequalities on agricultural production and export levels in Uganda needs indepth analysis to generate concrete evidence on the key issues that should inform policy.

4. **Water harvesting technologies**: Many parts of Uganda are fertile but lack water for production, a situation that can be corrected by use of appropriate water harvesting technologies. A comparative analysis is needed of the cost-effectiveness of *on-farm small-scale irrigation and water harvesting technologies*.

5. **Disease prevention**: the high incidence of pests and diseases in Uganda for both crops and livestock has been identified as a major cause of low agricultural production and productivity and ultimately poverty. The government has registered minimal progress addressing this problem under the current PMA framework. A systematic assessment of the disease incidence in the country needs to be undertaken and suggestions made on the most appropriate and cost-effective measures and institutional framework for preventing and controlling pests and diseases.

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2.3.2 Agricultural Advisory Services

For structural transformation to occur in Uganda, all sectors of the economy must necessarily transform to face the challenge of regional and international competitiveness with a globalized environment. A key sector of the economy that has hitherto remained under exploited is that of smallholder agriculture. Studies in Uganda suggest that the key constraints to smallholder agriculture include information, organization of marketing, infrastructure, access to and depletion of assets, environmental degradation, financing and the invisibility of the public sector programmes in extension.

One of the mechanisms under the PMA through which the Government is responding to these challenges is the National Agricultural Advisory Services (NAADS). The NAADS aims to increase farmer access to information, knowledge and technology through a decentralized, farmer owned and private sector serviced extension delivery system. A rapid assessment in Mukono district suggests that the poorest still remain largely excluded from the NAADS programmes, which targets the economically active poor\textsuperscript{14}. The appropriateness of the NAADS approach in addressing poverty and gender concerns needs to be investigated.

The following are priority areas of research under this theme:

1. **NAADS responsiveness**: The extent to which the NAADS programme is responsive to the constraints faced by smallholder farmers and helps them in moving from subsistence to a market oriented farming that promotes competitiveness needs to be investigated. An assessment of the farmers’ and private sector institutions’ adaptability to the NAADS programme needs to be done. What are the key bottlenecks and challenges to rapid institutionalization of the NAADS programme in the context of smallholder agriculture?

2. **NAADS poverty and gender focus**: the extent to which the NAADS interventions are poverty and gender focused needs to be analysed. In particular, the following issues require indepth analysis:
   
   - The appropriateness of the advisory services to different categories of the poor. For example, the relevance and usability of information.
   - Factors hindering the poor from accessing and utilizing NAADS services. For example, what implicit costs are involved in participating in the NAADS programmes? Issues of affordability?
   - Investigating and suggesting ways in which NAADS can enhance market access and technological adoption by smallholder farmers.

3. **Role of smallholder agriculture**: there are studies that seem to imply that smallholder agriculture has a negligible role in economic growth and poverty reduction and that the way to go is to focus on commercialized agriculture\textsuperscript{15}.

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\textsuperscript{14} PMA Gender Technical Sub-committee, 2004. Poverty and Gender in NAADS: Mukono Case Study.

• The current and potential role of smallholder agriculture in economic growth and poverty reduction needs to be thoroughly analysed.

• The factors that have a high potential for speeding up the rate at which smallholder agriculture in Uganda can supply high quality and reliable raw materials to large-scale agricultural and processing ventures need to be identified and priorities for funding determined. An analysis of the institutional roles and responsibilities for implementing these priority areas should be undertaken.

2.3.3 Small and Medium Scale Enterprises

The slowdown in agricultural performance during 2000-2003 significantly contributed to the increasing inequalities and low household incomes in Uganda that have made this sector unattractive for poor people. As a result, households throughout Uganda are diversifying into a wider range of activities. The proportion of households whose head is mainly employed in agriculture fell from 71% in 2000 to 58% in 2003 while there is a corresponding increase in the proportion of those who are self employed outside agriculture from 12% to 25% in the same period. Poverty is much lower among those in the non-agricultural self-employment (21%) than those who depend on agriculture, implying that the former is considered to be a major way out of poverty.16

A significant number of households within the non-agricultural sector are engaged in small and medium scale enterprises that remain under-exploited and are considered to be an important way out of poverty. Recent evidence however suggests that prices and incomes per capita in this sector appear to have fallen during 2000-2003. Studies show that SMEs are constrained by lack of entrepreneurial skills, access and cost of business development services, a poor regulatory environment, poor access to market information and many other challenges.

In absence of a clear policy on SMEs, some efforts are being undertaken to address some of these challenges through the broader framework of the Medium Term Competitiveness Strategy (MTCS) for private sector. Other countries in the region have in place policies on SMEs, a step that Uganda should quickly move to in the near future. In the interim, there are a number of grey areas that require further analytical work to inform strategic interventions in the SME sector and ultimately lead to the development of an appropriate policy.

1. Nature of SMEs: Some work has been undertaken by the MFPED to generate a database on SMEs in Uganda that needs to be further explored analytically to throw light on the nature, scope and priority challenges faced by SMEs in the different parts and regions of Uganda. For comprehensiveness, the database may need to be complemented with specialized studies. This analysis will help Government in understanding how the needs of MSEs can be met.

2. **Institutional and regulatory framework**: Due to the absence of an agreed policy, it is not clear what kind of institutional and regulatory framework is most appropriate for managing the affairs of SMEs in an effective and efficient manner. Work in this area would include documenting examples of existing legal and institutional frameworks in the region for running SMEs from which lessons on best practices.

3. **Micro-finance impact**: The development of the micro-finance industry is intended to service SMEs that in most cases find it difficult to access financing from the formal banking sector. The microfinance industry in Uganda has grown considerably in recent years mainly serving the non-agricultural enterprises.

   - Up to date, it is not clear the extent of access to micro-finance by SMEs and the use made of the acquired finance. For the SMEs that have accessed microfinance, the nature of impact on the businesses needs to be established.
   - The extent to which MFIs address poverty concerns in Uganda need further analysis.
   - Further analysis of the implications of new regulations in the microfinance industry on poverty reduction, particularly the transitioning of MFIs into banking.

4. The **appropriateness of technologies** that are being used by SMEs and their availability needs to be established. Appropriateness here may include capacity, adequacy of inputs such as spare parts for equipment, cost-effectiveness within the sector and availability of tasks. For example, it has been suggested that tractors are ideal for enterprise development in camps for the internally displaced. Are the tractors the appropriate technology or ox-ploughs?

5. **Incentives for innovation** in the SME sector need to be established. Presently, there is lack of innovation and invention in the business world such that most enterprises are formed without any prior understanding of their appropriateness and contribution to development. Most entrepreneurs just replicate what already exists in the market, which leads to low profits in the sector. Research needs to be undertaken to establish the nature of incentives that will promote innovation and invention within the SME sector.

6. **Gender and SMEs**:
   - A gender-sensitive study of the commercial justice needs of small and medium scale entrepreneurs.
   - The women’s needs in the informal sector need to be analysed and documented. It is this sector that provides real opportunities for diversification as a means to increasing women’s incomes in Uganda.
• Identifying the most important determinants and barriers for female participation in non-agricultural work in rural and urban areas. In particular, the role of credit access, family obligations and labour market discrimination should be carefully assessed.

2.3.4 Land tenure and utilization

Although Uganda is considered to have abundant land and all citizens are said to have access land, it has been reported in the 2001/02 participatory assessment that shortage of land was the most frequently cited cause of poverty after health. Many poor people are landless as land increasingly concentrates in the hands of the better off and large industrial complexes. Distress sales, large families, evictions, commercial farming and high rental value are other key explanatory factors for the widespread landless particularly among the poor. The gravity of this problem is not yet known and it is not clear which categories of the poor are most affected.

Land is a key asset for the rural and urban poor therefore it is critical that policy actions that improve both efficiency and equity in the use of this important resource are in place as a precondition for poverty reduction. In 1998, Uganda passed a Land Act and has since been implementing a Land Sector Reform programme within the overall guiding framework in the Land Sector Strategic Plan (2001-2010). The implementation of the land Act has been rather slow due to resource and capacity constraints. It is proposed that a Land Fund is to be established to assist occupants to acquire tenancy and to help the landless acquire land.

In the meantime, evidence suggests that land disputes have increased in recent years except in areas where systematic titling has been applied; gender inequalities in access to and control over land are a major disincentive to agricultural production and are a major cause of food insecurity. The link between land reform to poverty reduction strategies in Uganda remains weak and unclear especially as the poorest areas of the country are not necessarily the ones suffering from land scarcity. The nature of the tenure system in any given part of the country has a lot to do with land utilization and the effects on poverty reduction.

1. Landlessness: The gravity of the problem of landlessness in Uganda needs to be assessed to determine how widespread it is, which categories of the poor are most affected, the key determinants of landlessness and the most appropriate policy actions and institutional framework for targeting landless people. In addition we need to investigate impacts on poverty due to major changes in the policy and regulatory regimes – in particular the appropriateness of the Land Act to poverty reduction and economic development, the impacts due to liberation and privatization and the links between landlessness and the emerging market for land.

2. **Land Policy PSIA:** Further ex-ante analysis is needed to prioritise actions in the land sector depending on the likely magnitude of benefits and costs in terms of ensuring efficiency and equity and meeting the poverty reduction goals. There is need to establish more clearly which objectives – resettlement of the landless, purchase and redistribution of land, facilitation of land readjustment in mailo areas to enhance productivity – will be achieved by which aspects of land reform and the associated benefits and costs.

3. **Land Fund utilisation:** The most appropriate mechanisms of operationalising the Land Fund need to be studied outlining the priority areas for investment as a means of reducing poverty of the landless. Prioritisation is required for the use of the Land Fund for either compensating people who have been evicted from government owned land, enabling people to register land, enabling tenants on mailo land to buy out owners or enabling the poor landless to acquire land.

4. **Enhancing agricultural performance:** Further analytical work is needed to establish the links between the various land tenure systems in Uganda, investment in agriculture and increased production and productivity at farm level. This should entail studying the various forms of land utilization to look for scope of improving agricultural productivity and household incomes within the framework of the Plan for Modernization of Agriculture.

5. **Land and gender:** Determining the extent to which security of tenure and greater control over cash proceeds affects the decision of female farmers to adopt cash crops and particularly non-traditional export crops.

### 2.3.5 Strategic Exports

In September 2001, Government launched the Strategic Exports Programme (STRATEX) aimed at stimulating value addition investments in selected sectors and speeding up export growth. The selected sectors include coffee, cotton, fish, tea, livestock, horticulture, Irish potatoes and Information Communications Technology (ICT). Investments have included distribution of coffee and tea seedlings, cotton seeds and fish fry to farmers; importation of improved livestock breeds, farmer training and importation of processing equipment for coffee and cotton. It is too early to determine impact of these interventions. Nevertheless, concerns have been raised on the overall design of this programme, its ability to meet the intended goals and its likely impact on poverty reduction.

Available evidence suggests that the government’s policy on STRATEX does not address the micro-level incentive issues upon which supply response depends. That the interventions mainly focus on enhancing competitiveness and efficiency in marketing chains ignoring the transmission mechanisms that drive export-promoting efforts to having poverty reducing outcomes. Areas that are not given sufficient attention include the incentives and constraints facing different categories of producers; intra-household relationships and distribution mechanisms that enhance
incomes and welfare for all household members and the production structure\textsuperscript{19}. The lack of knowledge on many of these issues is a major contributory factor to the consistent lack of carefully integrating them in the various interventions.

A review of the STRATEX recommended the need to rationalize some of the activities in the context of the PMA, supporting the identification of interventions with analytical work along the entire market chain, minimizing production bias in the current activities, greater private sector involvement and ensuring that expenditures more poverty and gender sensitive\textsuperscript{20}.

1. **Poverty and gender impacts**: There is need to conduct a cost-benefit analysis of each of the proposed strategic interventions to gauge the likely poverty and gender impacts arising from increasing market and export-oriented activities. There is a possibility that export promotion might be effective in reducing income poverty but may not led to an improvement in welfare of household members due to gender inequalities. The analysis should consider the long-term prospects and viability of these interventions and also consider alternatives of commodities that can be grown successfully by the farmers.

2. **Supply response factors**: The micro-level supply response factors that are likely to influence success in promoting and rebuilding export capacities in Uganda need to be identified, properly analysed and recommendations derived on how they can be addressed in a sequential and cost-effective manner. This would involve an analysis of the incentives and constraints facing different categories of producers – large and small scale farmers, women and men, wage labourers, – that influence and determine the supply response at the micro level.

3. **Private sector involvement**: The role and capacity of private sector to participate in the implementation of the STRATEX needs to be assessed and recommendations made on appropriate areas of support and incentives by Government to enhance private sector involvement.

2.3.6 Pastoralism

Pastoralism is a livelihood system that is associated with people deriving more than half of their livelihood and income from livestock keeping. Pastoralism in Uganda is practiced along the cattle corridor extending diagonally from the North Eastern part of the Uganda to the South Western tip of the country traversing more than 16 districts. This is a livelihood system that is not well understood yet with modest targeted public investment it could contribute significantly to the growth of the economy and the poverty reduction goals. Pastoralists especially in Karamoja form a significant part of the poorest people in Uganda.

\textsuperscript{20} PEAP, 2004.
It has been noted that poverty among pastoral communities in Uganda reflects poor provisioning of basic services. Service delivery in the country is based on sedentarisation models that limit the pastoralists access to basic services such as water, education and health. Inappropriate policies have not supported the use of shared natural resources resulting in escalation of conflict and insecurity in pastoral areas\(^{21}\). Close to 36% of the total land area in Karamoja is presently gazetted as protected areas for a national park, wildlife and forest reserves\(^{22}\). Grazing, settlement and cultivation is generally prohibited in these areas resulting into increased pressure on the remaining grazing areas. Increasingly, pastoral households are being affected by privatization of critical pastoral resources especially land and water.

1. **Water provisioning**: The most appropriate and cost-effective options for providing water for production and domestic use in the semi-arid areas of Karamoja need to be identified. Some people have argued that it is better to train communities in water harvesting than to build valley dams, options that have to be critically accessed for viability and cost-effectiveness.

2. **Environment and natural resource management**: contested rights to land and natural resources are a very significant element in the dynamics of conflict in the Karamoja region. The complex links between conflict and access to natural resources by the poor in pastoral areas needs critical examination. Some of the key areas of analysis would include land ownership patterns, law and policy, population displacement as a result of inter-ethnic clashes, the rights of women and sustainability of land management as they relate to conflict and poverty reduction.

3. **Livelihood development**: It is Government’s intention to support livelihood development in pastoral areas as a means to reducing the prevailing high poverty levels. Analytical work is required to prioritise the most appropriate, feasible and cost-effective means of achieving this objective within the context of the various categories of livestock producers, some more commercialized than others. Key areas for research would include how to balance investment in subsistence pastoralism as opposed to commercialized and commoditised livestock production; articulating aspects of investment by the private and public sector; nature of incentives and institutional setup that would promote livelihood development in pastoral areas.

### 2.4 Security, Conflict Resolution and Disaster Management

Different parts of Uganda have experienced conflict and insurgency at one point in time or another. The Western region and the Teso region were greatly affected during the 1980s and early 1990s. Parts of Northern Uganda region continue to suffer from ravages of war and civil strife, which started in the mid-1980s. Karamoja is impoverished by the ongoing cattle rustling in parts of this region. Nationally, over 5% of the population has been internally displaced and many children abducted by the


rebels, although others have been rescued or have voluntarily returned home. The poor living conditions in the camps for the internally displaced and the presence of refugees in the country pose major challenges to the country.

Recent evidence from the national household surveys suggests that the widening inequality in the country since 1997 and the increase in poverty since 2000 are partly the result of persistent insecurity in the North and Eastern parts of the country. Considerable effort, time and resources have been channeled towards conflict resolution and restoration of peace by Government but with mixed results. The impact created and the quality of all these efforts is not yet clear.

Extensive literature exists on the conflicts in Uganda and the conditions of the poor in the affected areas but not much is said about the underlying causal factors, the role played by various actors and networks in perpetuating conflict, the capacity of local governments to deliver service and the cost of service delivery in conflict and post-conflict situations. The priority research areas under this pillar are shown in Box 3.

**Box 3: Priority Research Areas for Security, Conflict Resolution and Disaster Management**

- Causal factors underlying conflict
- Cost of service delivery
- Internal displacement

2.4.1 Causal factors underlying conflict

The reasons why conflict persists in parts of Northern Uganda are complex and are not well understood yet they hold the key to ending insurgency now and preventing future occurrences elsewhere in the country. Several studies seem to suggest that the ongoing conflict in Northern Uganda has been fuelled by a combination of factors including resistance to the NRM government, support from external forces, the proliferation of guns in the region, poverty, imbalances to access in economic opportunities and in Karamoja, the need to accumulate wealth. Other sources seem to indicate that different groups benefit from and perpetuate conflict yet others show that there is deep-seated hatred among various ethnic groupings that fuel conflict.

1. **Priority causal factors**: further analytical work on the underlying factors and the main actors fueling conflict in the various sub-regions that are affected by conflict in Uganda needs to be undertaken to inform the prioritization of interventions.

2. **Conflict resolution and prevention**: The most effective means for conflict prevention and resolution in each of the sub-regions that are affected by

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conflict in Uganda need to be identified and prioritized and the alternatives costed. Such work should draw comparisons and best practices from similar situations elsewhere in the world.

2.4.2 Cost of service delivery

Under conditions of armed conflict, the cost of service delivery is said to be higher as local authorities have to incur extra costs of protecting the service providers and buying commodities at inflated prices. At the same time, it has been reported that local power structures in the conflict affected parts of Northern Uganda are often corrupt, unaccountable, inefficient and with limited transparency\(^{24}\). Unsubstantiated concerns over the low absorptive capacity of local governments in conflict areas have been raised. It is not immediately clear what aspects of service delivery require special conditions in financing modalities, an issue that requires further investigation.

1. **The cost of service delivery** in conflict and post-conflict areas needs to be concretely established as compared to other areas that are at peace elsewhere in the country. What aspects of service delivery are most affected and what financing and implementation modalities should be adopted in the different conflict and post-conflict situations?

2. **Local capacity:** the cost of service delivery is highly correlated to the capacities within the various local governments to deliver services effectively and efficiently in conflict situations. Further work is required to access the existing capacities within the various local governments in conflict-affected areas to effectively and efficiently expedite their roles and responsibilities in a transparent manner and suggest ways of improving these capacities.

2.4.3 Internal displacement

It is estimated that over 1.5 million Ugandans are internally displaced in Northern Uganda and parts of the East mainly as a result of war and conflict since the mid 1980s. Internal displacement is not a new phenomenon in Uganda past records showing that over 2m people were internally displaced by the 1979 liberation war and 800,000 were displaced during the early 1980s as a result of the NRA/UNLA war\(^{25}\). However, of concern is the fact that a large proportion of the internally displaced persons (IDPs) are residing in Northern and Eastern Uganda unlike in the past when they were spread all over the country.

This has negative implications for future development and welfare of the affected areas as the human resource base is either lost, or rendered non-functional, dislocated, unable to produce and exposed to disease while migrating. An IDP policy is in advanced stages of finalization that commits Government to ensure freedom of movement for the IDPs and provision of basic services. Most of the humanitarian assistance to IDPs is provided by international agencies and is treated off-budget.


1. **Service delivery**: A more in-depth assessment of the health and service conditions in the IDP camps in the various parts of the affected districts needs to be made and suggestions made on how to improve service delivery in a decentralized context. The appropriateness of the financing and implementation modalities of public investments for service delivery in IDP camps needs further examination.

2. **Humanitarian aid**: The nature and volume of humanitarian aid to the internally displaced needs to be quantified and options suggested on how to improve coordination with delivery of other services by the Government.

3. **Population movement**: The effects and implications of population migration due to conflict to poverty eradication efforts need to be properly analysed. The recent rise in poverty in the Eastern region from 35% in 1999/2000 to 46% in 2002/03 is partly attributed to distress migration from disturbed parts of the North, but the dynamics at play are not well understood. Scanty evidence suggests that conflict and internal displacement has fuelled the spread of HIV/AIDS in northern Uganda, particularly among the youth. All these issues require indepth analysis focusing on the implications of population movement for poverty reduction and the remedial measures.

4. **Resettlement**: While it is Government’s intention to facilitate resettlement and rehabilitation of the IDPs, it is not immediately clear what strategies are to be taken in the different circumstances – areas where conflict still prevails versus where peace has been restored; camps that are becoming permanent urban centers or may in future serve as nucleus farms. What are the most appropriate alternative policy options for resettling and rehabilitating IDPs in Uganda?

6. **Gender audit**: review the gender responsiveness of the implementation of the Amnesty Act 2000 and the draft IDP Policy.

### 2.5 Good Governance and Poverty

Good governance encompasses democracy, respect for human rights, accessible legal system, a well-functioning public service, peace and security, transparency, efficiency and accountability, among other elements. Uganda has made significant progress in democratization, decentralization and restoration of the structures of Government. The core priorities in the medium term are to ensure respect for human rights, pursuing democratization, making Government affordable, transparent and efficient and providing a good judicial system. These areas suggest a challenging research agenda, not all of which will be most effectively covered by the RPSEP.

It is proposed that the Research Programme should concentrate on a few major challenges, calling for prompt policy responses, that have emerged from PEAP-implementation experience to date. Some of the emerging challenges relate to the high and unaffordable administrative costs of running Government due to the large number
of local governments and political institutions, the need to curb corruption and evolve tax systems that are equitable and efficient, and ensuring that local governments are able to execute government programmes in an effective and efficient manner. Box 4 provides the priority research areas under this pillar.

Box 4: Priority Research Areas for Good Governance

- Institutional proliferation
- Decentralization
- Taxation
- Efficiency and effectiveness in service delivery
- Transparency and accountability

2.5.1 Institutional proliferation

Uganda still faces a major challenge of ensuring that the political and administrative governance structures managing Government business are affordable and efficient. In the recent years, districts have been created without any systematic assessment of their affordability. There are quite a large number of autonomous agencies performing public sector functions and a substantial number of political appointees, advisors and central government representatives in the districts. Cabinet and Parliament have both increased in size over time.

All these institutions have put an extra strain on public resources leaving less for service delivery. Moreover, the pay scales in these institutions compared to mainstream public service departments are unjustifiably high creating distortions and disincentives in the labour market. In a country where public expenditure constitutes over 20% of GDP, it is of major importance for development that resources are used well. The Government is committed to managing the public sector efficiently, transparently and affordably. It is necessary that savings be made to release additional resources for poverty reduction programmes.

1. **Cost of administration**: A comparative analysis of the cost of running the various governance structures in Uganda needs to be undertaken, drawing lessons from international best practice. For example, on average what is the cost of running a district or maintaining an Parliamentarian or Minister?

2. **Cost savings**: A major review of the political and administrative structures in Uganda needs to be undertaken with a view to identify cost saving strategies through either merging or reduction of the number and size of institutions in a justifiable manner that does not jeopardize government’s ability to function effectively. The impact that such proposed changes on the medium term expenditure framework and long-term expenditure framework should be analysed.
2.5.2 Decentralization

Funding of basic services in Uganda is through decentralization, which has been operational for over 10 years with the local governments having the responsibility of delivering most of the basic services that Government provides. Significant progress has been registered in improving service delivery under decentralization, which is being implemented simultaneously with the sectorwide approach to planning and investment. The Fiscal Decentralization Strategy (FDS) is being piloted in selected local governments (LGs) aimed at strengthening the process of decentralization Uganda through increasing local governments autonomy, widening local participation in decision making and streamlining the fiscal transfer modalities to LGs.

Major challenges exist relating to capacity constraints, corruption, non-compliance with reporting requirements, the large cost of administration, fiscal decentralization and the difficult of implementing decentralized programmes in situation where decision making also occurs at the sectoral level.

Amidst all these constraints is the recent public outcry in particular regions of the country, notably Buganda Kingdom to introduce federalism in Uganda to work alongside decentralized governance. It is suggested that work under this large and important heading might be focused in five ways that are outlined below:

1. **An assessment of the implications of the simultaneous development of decentralized systems and sector-wide approaches** in Uganda. Work on this topic should begin with available documentation on international experience in implementation of sector-wide approaches. Examples of best practice need to be absorbed, but with a particular focus on how to reconcile the potential conflicts between common-basket funding that is focused sectorally or on a non-sectoral “area” and devolution of funding and decision making to districts and sub-counties.

2. **Decentralization and poverty reduction**: the theory behind decentralization is that services are brought nearer to the people for whom poverty reduces as access increases. In reality, while many services have been decentralized and access has increased substantially, poverty has not reduced at the same pace and in recent years has increased. The question therefore is: to what extent and through what mechanisms does decentralization promote economic growth and poverty reduction? How can these mechanisms be enhanced?

3. **Fiscal Decentralization**: The FDS has been introduced to improve the effectiveness in the implementation of Government programmes through strengthening the effectiveness, transparency and accountability of local government expenditures. There is need to continuously keep track of the extent to which the FDS modality enhances autonomy and transparency and accountability in the use of public resources.

4. **Politics and Service delivery**: One of the key factors that was identified by district leaders and the poor in the second participatory assessment as leading
to poor quality and inequitable service delivery in most districts is political interference. This was said to occur in different forms by political leaders at the central and local government level interfering in the taxation process, electoral process and resource and service allocation. Up to now the nature and magnitude of this problem is not well understood as it has not been analysed.

- The interaction between politics, decentralization and poverty reduction needs to be thoroughly analysed. How do political actors interact with the delivery of poverty reduction initiatives?
- What is the nature and implications of politicians’ influence on planning, resource allocations and service delivery within the local governments?

5. **Federalism**: The implications of introducing federal states in parts of Uganda need to be thoroughly analysed in the context of decentralization, the sectorwide approach and centralized planning and investment, drawing lessons from best practices elsewhere in the world. This would include an analysis of the implications of federalism to resource and political sharing between various governance structures and institutional reform.

6. **Participatory planning**: To what extent do existing structures and mechanisms under decentralization promote participatory planning? How can participatory planning be promoted in a cost-effective and effective manner to become inclusive? The politics of participatory planning need be analysed.

### 2.5.3 Taxation

Uganda has one of the lowest revenue to GDP ratios in Sub-Saharan Africa estimated at 12.1% in 2002/03. During the mid 1990s, the rapid growth in the economy’s formal sector provided strong impetus for revenue growth which has slowed down over the years as the major tax reforms to income tax and VAT have been fully implemented. Major challenges to revenue mobilization include the large size of the informal sector that reduces the efficiency gains from such taxes as personal income tax and VAT; the absence of reliable data on revenue activities; low compliance by tax payers and the uneven income distribution within the population. All these problems constrain the country’s ability to fund public services.

There is need for the country to ensure that a well-designed tax policy is in place comprising a tax system that is capable of financing the desired levels of government spending in the most efficient and equitable manner. Several of the existing challenges in tax administration are currently being tackled by the Uganda Revenue Authority. Reforms have been undertaken to remove distortions and protectionism and improve competitiveness, export incentives and taxpayer compliance. However, improvements in tax administration alone are unlikely to generate sufficient resources hence choices have to be made on how to raise additional revenue and improve compliance.

1. **VAT**: since it came into force in 1996 the Value Added Tax has been maintained at 17%, a rate that is lower than elsewhere in the region yet
compliance by tax payers remains below expectation. Research needs to be undertaken to improve the understanding on why compliance remains low and which categories of tax-payers. What needs to be done to ensure compliance and that this tax is fair and promotes development?

2. **Alternative tax measures**: New tax measures that are efficient and equitable and stimulate private sector development need to be identified as a means of widening Uganda’s narrow tax base. For example, the implications of introducing the land tax and expanding property taxes into rural areas need to be fully analysed.

3. **Graduated Tax**: Although fundamentally useful for boosting local government revenues, graduated tax administration is considered to be regressive and not performing well. Confusing signals have been given to the public by the politicians that payment of GPT is optional and will in the immediate future be abolished. A cost/benefit analysis of scrapping GPT needs to be undertaken, the implications to local government revenue generation potential analysed and alternatives suggested for replacing GPT.

### 2.5.4 Efficiency and effectiveness in service delivery

The scarcity of resources in a developing country like Uganda necessitates the proper management of public resources in order to deliver services in an efficient and transparent manner that benefits the population and particularly the poor and disadvantaged. Given the fact that the available resources fall short of the demands for public expenditure, the Government must prioritise its resources to focus on the priorities for poverty reduction as indicated in the PEAP and ensure value for money in the chosen interventions.

A number of measures have been introduced and are at varying stages of implementation for enhancing efficiency and effectiveness as well as accountability in public service delivery. Sectoral strategies and programmes have been developed that prioritise resources and enhance intersectoral linkages in order to reduce duplication of responsibilities; the government is in the process of establishing clear output and outcome indicators and targets at sectoral and district level; financial tracking studies have been implemented in a number of sectors; other measures include the Results Oriented Management (ROM), Outcome-Oriented Budgeting (OOB) and the Commitment Control System.

Overall, public expenditure management has improved and progress has been made in improving efficiency and effectiveness of service delivery. However, the rapid growth in public spending during the late 1990s outstripped the implementation capacity in the public sector resulting in unexpectedly high costs and low quality service in a number of sectors. Corruption remains widespread and targeting still needs to improve as a number of sectors are still grappling with the issue of meeting the needs of the poor. Improvements are still required in intra and inter-sectoral allocations to enhance the poverty reduction focus of public interventions. Two research areas are
identified that necessitate the use of qualitative and quantitative approaches to data collection and analysis.

1. **Reach of public services**: An assessment of the extent of reach of major public services among the different categories of the poor needs to be undertaken. Which groups among the poor face specific problems of exclusion from access to services in key sectors such as agriculture, health, water, education and justice? What are the main explanatory factors for constrained access and what policy options, incentives and strategies are necessary for addressing the needs of the excluded?

2. **Inter and intra-sectoral allocations**: A critical analysis of the budgetary allocations within and between sectors is necessary to gauge the extent to which public expenditure is focused towards tackling the core challenges for poverty reduction in the short and medium term including income growth and reduction in inequalities, human development, support to the conflict affected areas, agricultural growth and industrialization.

3. **Value for money**: Periodical assessment of the value for money in service delivery in the major spending sectors and ministries should be undertaken. Analysis would include review of unit costs or expenditure across types of input and performance indicators such as outputs and outcomes achieved per unit expenditure.

### 2.5.5 Transparency and accountability

The government has put a number of measures in place to enhance transparency and accountability in the use of public funds in programme implementation. Within the framework of the anti-corruption plan, such measures include the strengthening of monitoring and financial controls, publicizing of resource disbursements, improvement of the legal and regulatory framework for fighting corruption and tightening of public procurement. Progress in reducing the incidence of corruption was recorded during the Second National Integrity Survey carried out in 2003.\(^{26}\)

Despite the anti-corruption measures and the progress registered so far, corruption continues to be a major problem in Uganda. In the second PPA poor people reported that corruption in government bodies, especially in the tendering process, impacts negatively on service delivery and communities find it difficult to hold their leaders accountable.\(^{27}\) A lot of data exists on corruption and its cost. However, the nature of corruption changes over time as different anti-corruption measures are implemented. Further work is required on the following issues:

1. **Nature of corruption**: more analytical works needs to be undertaken to

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understand the evolution and nature of corruption today and ways to mitigate it. Why corruption continues to be a major challenge despite the anti-corruption measures and existing knowledge on the problem?

2. **Adequacy of policy measures**: The adequacy and appropriateness of the anti-corruption measures need to be analysed.

### 2.6 Human Development

Under this PEAP pillar, the policy focus is to ensure that Uganda’s population is healthy and well-educated with the appropriate skills for the labour market, is protected from abuse and neglect and has access to public information. Enhancing human development necessitates improvement in nutrition, sanitation, HIV/AIDS and fertility indicators all of which require active participation of the community.

As part of the poverty reduction strategy, the Government of Uganda has since the late 1990s focused investments on the provision of basic services such as the health, reducing infant and child mortality, raising the levels of education, and providing safe and accessible water and sanitation. As a consequence, steady progress has been realized in the provision of facilities in the social sectors and increased access to social services by the poor. In particular, enormous numbers of children have been enrolled under the Universal Primary Education (UPE), access to health care has improved as a result of provision of more health centers and abolition of cost-sharing and rural water coverage has expanded.

Despite the registered progress, major concerns have been raised over both quality and continued poor access to basic services by the poor. In the education sector, the transition rate of pupils from primary to post-primary level is still low and improvements are required in pupil retention and the quality of education. Infant and child health outcomes have stagnated and worsened in some instances, nutritional indicators remain poor while functionality of water sources is below standard in some rural areas. For instance, in 2001, 30-40% of the boreholes in Uganda were said to be non-operational\(^{28}\). All these problematic areas provide a rich menu for research as a means of improving the policy focus under this pillar. The priority areas for research are provided in Box 5.

#### Box 5: Priority Research Areas for Human Development

- Infant and maternal mortality
- Service provisioning
- Population

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\(^{28}\) PRSP Progress Report 2002.
2.6.1 Infant and maternal mortality

Health outcomes in Uganda have stagnated implying that there are distortions in the market and that vigorous public action is needed. Of much concern are the mortality rates in the country that remain significantly high. Between 1995 and 2000, infant mortality increased from 81 to 88 deaths per 1,000 births, under-five mortality increased from 147 to 152 deaths per 1,000 births while maternal mortality fell marginally from 527 to 505 per 100,000 live births\(^29\).

The Government recently put in place a Task Force that came up with Strategy for dealing with Infant and Maternal Mortality in Uganda. It is now agreed that sustained health outcomes are not necessarily the responsibility of the Health Sector but require a series of coordinated, multi-sectoral interventions that are appropriately sequenced. The factors that cause mortality are generally known although not well prioritized from existing studies. There is evidence that shows a weak link between total public spending on health and health outcomes\(^30\). The richest 20% of households spend almost ten times as much on health care as the poorest 10%\(^31\). Spending on the right priorities is the most important action.

1. **Health reform impacts**: The is need to establish the extent to which the existing and proposed health sector reforms translate or influence major health outcomes, particularly infant and maternal mortality rates with proposals on how to enhance impact. To what extent has the improved access to and utilization of the Minimum Health Care Package impacted on mortality rates in Uganda?

2. **Causal factors**: Further prioritization of the underlying causal factors for the high mortality rates in Uganda should be done, with specific policy options on how to improve each of the identified factors.

3. **Malaria**: The high mortality rates in Uganda are partly a result of the high disease burden in the country, malaria being the number one killer disease. Despite the various interventions focusing on reducing the incidence and prevalence of this disease, malaria continues to be the leading cause of morbidity in Uganda.

   - Effects of malaria on key economic activities particularly farm and off-farm activities, taking into account the gender differences.
   - An assessment of the effectiveness of the current interventions to control malaria needs to be undertaken and priority and cost-effective interventions identified to prevent malaria especially among

4. **Sanitation**: In the late 1960’s, construction and use of household latrines were enforced by law, and coverage rates averaged between 90% and 95%. During

\(^{31}\) PEAP, 2004.
the years of political turmoil that followed, however, coverage dropped steadily until the mid-1980s, when it started registering a gradual, yet tame, increase.

- To date, sanitation remains very poor. Why?

- Notably, over the years, sanitary practices have not received the attention that they deserve. Co-ordinated government intervention is limited by the fact that institutional responsibility is spread over three different sectors, namely health, education and water. The roles of each institution remain unclear, and inter-sectoral collaboration far from developed. All three sectors highlight sanitation targets as a high priority in their respective policy documents, but in practice, sanitation is given a very low funding priority.

Performance monitoring of environmental sanitation is also hampered by diverging targets between sectors. The Health Sector Strategic Plan 2000/01-2004/05 aims to “increase safe waste disposal, including human excreta, in 60% of households and institutions in Uganda by end of 2004”. The Water Sector Strategic Plan, on the other hand, aims “to ensure sustainable access to safe water and sanitation facilities for 65% of the rural population, and 80% of the urban population, by 2005”. Further research must address these inconsistencies and set clear targets for both rural and urban areas.

- In 2001, the Ministry of Health, the Ministry of Water, Lands and Environment, and the Ministry of Education and Sports signed a Memorandum of Understanding in order to clarify institutional roles and responsibilities. As a result, the Ministry of Health is committed to promote household sanitation; the Ministry of Water, Lands and Environment is committed to provide public and institutional sanitation, in small towns and rural growth centres (DWD), and formal sewerage (NWSC); and the Ministry of Education and Sports is committed to provide access to safe sanitation in educational institutions.

While the Memorandum of Understanding represents a step forward, there is a need to investigate whether the current institutional arrangement is desirable in the long run, especially in the light of the undergoing process of decentralisation. The current agreement relies on a very optimistic assumption about the effectiveness of inter-ministerial, and inter-departmental cooperation. Evidence suggests that this cooperation is not working satisfactorily, and it begs for a re-evaluation of institutional responsibilities.

5. **Community Development Workers**: Community Development Workers (CDWs) in Local Governments act as the interface, and as such bridge the gap, between technical service providers and local service consumers. The significance of this role is well demonstrated by the recent move in a number of sectors to implement community based programmes, by putting in place alternative measures to fill the gap created by the malfunctioning of community
development institutions under local government. In this regard, some sectors have attempted to recruit social workers on their programmes, while others have created budget lines for community mobilization, which they use to finance community mobilization services. This has led to much fragmentation and overlap of mobilization efforts/activities, resulting in wastage of limited resources through duplication and inefficiency.

In response to the national outcry for this lack of effective community mobilization for service delivery and development interventions, through the Ministry of Gender, Labour and Social Development (MGLSD), government has since FY 2000/01 embarked on a rigorous process to revitalize and strengthen the Community Development functions within Local Governments. This programme is aimed at supporting Local Governments to revive and improve the functionality of Community Development institutions.

To this date, it is not clear whether the CDWs lived up to their expectations. In spite of their central role in the Task Force’s recommendations to reduce Infant and Maternal Mortality, no evidence has been provided in their favour. This is an area that requires further quantitative and qualitative investigation.

6. **Health Sector Support Programme and Gender:** In the face of the increasing trends in child and infant mortality, there is need to assess the gender responsiveness of the HSSP and the various health strategies.

### 2.6.2 Service provisioning

Over the past few years, Uganda has registered rapid progress in service provisioning particularly in the health, water, agriculture and education sectors that have direct impact on poverty reduction. By so doing, the Government has met its targets of increasing enrollment in primary schools, expanding water coverage and improving access to and utilization of the Minimum Health Care Package as well as agricultural advisory services. Several constraints remain relating to the need to improve efficiency, effectiveness and quality of service, areas that provide a rich menu for research as a means to enhance the strategic focus of the various interventions in some of the major spending sectors.

1. **Pupil retention:** The poor retention of children in schools remains a major challenge that requires further investigation and suggested strategic actions to address the inherent problems. Out of the 2,159,850 pupils enrolled in P.1 in 1997, only about 33% reached P6 by 2002 and 22% reached P7 in 2003. The underlying factors behind this poor performance need vigorous analysis from a gender and poverty perspective.

2. **Water privatization:** There is need to establish the potential impact and policy implications to the poor of privatizing urban water sources.
2.6.3 Population

The 2002 Population and Housing Census indicated that Uganda had a total population of 24.7 million persons. This means that there was an increase of 8 million persons over a period of about 10 years, yielding an average annual growth rate of 3.4% between 1991 and 2002, and making Uganda one of the fastest growing countries in the world. As a result, there is a need to shed light on the reasons behind Uganda’s unprecedented increase in population, and (ii) to assess the impact of population growth on the Ugandan economy.

Further research is required in the areas of population growth and economic growth, the environment, the labour market, and human development.

2.7 Broader Thematic Issues

There are a number of thematic issues that do not necessarily lend themselves to the five-pillar structure of the PEAP but have important influence and are key determinants of the poverty trends in Uganda. Some of these issues are crosscutting in nature while others are much broader than either pillars. These broader thematic issues are dwelt with in this chapter.

2.7.1 Gender

Gender analysis and mainstreaming is essential if poverty impacts of the PEAP are to be adequately anticipated and appropriate adjustments made. Although Government has tried to ensure that gender issues are addressed through various programmes and interventions, overall gender responsiveness remains poor. Evidence\(^{32}\) shows that women lack incentives to adopt and plant cash crops because they do not control income resulting from production. At the same time, overall agricultural production and productivity is reduced because women are overburdened by the reproductive duties.

It is critical that consideration should be given to women and men’s specific interests, needs, opportunities, obligations and rights at all levels of planning and budgeting. Priority areas for research into how this can be best achieved include:

1. **Time-use burdens**: Deeper insights on how gender division of labour as well as the attendant time poverty particularly faced by women militates against poverty eradication strategies and make proposals on how to address time-use as a poverty issue.

   - Further analysis to establish the implications of gender inequalities at the household, community and national level to commercialization and export growth. What implications do unequal gender relations have on the realization of the strategic exports’ targets?

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A study on the effects and impacts on gender relations at household and community levels of women’s participation in water use committees and in operations and maintenance.

Implications of community based health care on women’s time poverty.

2. **Gender analysis of census data**: Data and information are critical for planning. The recent 2002/03 population and housing census produced a fresh data-base on population issues.

- As a key foundation for gender responsive planning, production of gender/sex disaggregated census data is critical.
- An investigation of the gendered structure of rural productive activities.
- Further analysis of the intra-household allocation and control over resources.

3. **Growth linkages**: The gender-growth linkages need to be further studied.

4. **Taxation**: Recent work indicates that different types of taxation systems tend to have both positive and negative impacts on the poor who engage in diverse livelihood activities that are structured by gender.

- In-depth analysis is required of the varied impact of different forms of taxation on the livelihood activities of the poor rural and urban women, men and youth, on gender relations and the ability of the poor to escape from poverty.

5. **Technology advancement and agriculture**: Poor men and women have often been sidelined in technology development and accessing agricultural advisory services, consequently leading to low adoption of technologies and production.

- An analysis of the factors/conditions that limit poor men and women’s access and utilization of improved technology especially in the context of the PMA and NAADS is overdue. What proportion of poor men and women are accessing improved technology?

- The gender dimensions of land access and utilization need to be further investigated to analyse the gender biases in rights and entitlements that limit increased agricultural productivity in light of opportunities like restocking.

- Action-oriented policy review to identify ways in which Uganda’s policies on commercialization of agricultural production, trade expansion and private sector development can be made more deliberately pro-poor, more socially inclusive and more supportive of gender equality.

6. **Service Provision**

- Document gendered barriers to service demand and utilization
- Analyzing the impact of Universal Primary Education on gender inequality in Uganda. Prima facie evidence presented here suggests that under the
UPE programme, the Government has been remarkably successful in reducing gender inequality in education at the primary and secondary level. Allowing for quality, drop-out rate and once the backlog of children has worked its way through the system, it is not clear that gender equality has been attained in primary schools.

- Policy research on gender, law and culture as part of law reform. For example, document the customary practices that undermine the status of human dignity of women.

- Determining the extent to which female bargaining power and control over earnings affects household spending priorities, particularly spending on alcohol versus spending on health and education.

- Assessing the linkages and effects of female education on marriage and child bearing, earnings within agriculture, non-agricultural employment and earnings, fertility and investment in children. The effects of these factors on female education should also be investigated.

- A gender review of civil and criminal laws to inform the ongoing law reforms.

2.7.2 Vulnerability and Social Protection

Social protection is a relatively new area in poverty policy in Uganda that may be defined as ‘interventions, both public and private that assist critically poor and vulnerable individuals, households and communities to reduce their vulnerabilities by better managing the risks’. The essence of social protection is to enable the poor avoid risk (risk reduction), offsetting negative consequences of future actions (risk mitigation) or reducing the impact of shocks (risk coping).

A lot of work has been done, led by the Ministry of Gender, Labour and Social Development (MGLSD), to identify who are the most vulnerable in Uganda and the nature and causes of their vulnerabilities. There is need to unpack the various social protection instruments in order to analyse their effectiveness in managing risk and vulnerability. Two key areas still remain relatively unresearched:

1. **Vulnerability and risk:** "According to Holzmann and Jorgensen (2000), within the framework of poverty eradication, vulnerability is the ex-ante risk that a household will, if currently non-poor, fall below the poverty line, or, if currently poor, remain in poverty. Defined in this way, the notion of vulnerability is usefully distinguished from the concept of poverty, which is an ex-post measure of a household’s well-being – or lack thereof (Chaudhuri, 2002). It follows that poverty is a stochastic phenomenon, and the current poverty level of a household may not necessarily be a good guide to the household’s expected poverty in the future."
• In order to promote appropriate forward-looking anti-poverty interventions, the critical need then is to go beyond cataloguing of who is currently poor and who is not, to an assessment of households’ vulnerability to poverty”.

The degree or extent of vulnerability and the main sources of risk need to be analysed.

2. **Policy adequacy**: To what extent do current policies and implementation mechanisms result into or contribute to an increase in the number of vulnerable people and the risks they face? What measures need to be taken to offset and minimize these negative consequences?

3. **School feeding**: Under the UPE programme, hunger has been identified in poverty assessments as major contributory factor to students’ inability to concentrate in class and absenteeism leading to low performance levels. A targeted school feeding programme has been designed and is to be implemented in selected areas. An ex-ante evaluation of the likely impact of the school feeding programme on school retention and educational performance needs to be undertaken.

4. **Estate workers conditions**: Deeper analysis of the impact of the poor working conditions on workers livelihood especially in plantation agriculture.

### 2.7.3 Chronic poverty

The chronically poor have been identified as those people who experience poverty intensely over an extended period and for whom emergence from poverty is most difficult as they are not easily reached by development interventions. Using household survey data for 1992 and 1999, Lawson, Mckay and Okidi (2003)³³ find that there are a core number of households that remain in chronic poverty and a substantial number that move back into poverty within the 8 year period.

- Further rigorous analysis is required to concretely establish the factors that cause households to stay in poverty for extended periods or fall back into and out of poverty.
- There is need to establish the magnitude of chronically poor people in the country and identify strategies to deal with this problem.
- To what extent do current interventions reach out to the chronically poor?
- An analysis of the relationship between gender, health and chronic poverty. Do the existing health services reach the chronically poor? How can good health be promoted and maintained at the household level?


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2.7.4 HIV/AIDS

AIDS is responsible for 12% of annual deaths and is the leading cause of death among those aged 15-49. According to the U.N. Population Division,\(^{34}\) AIDS has already increased the number of deaths in Uganda by 23%.

Poverty aggravates HIV/AIDS and HIV/AIDS aggravates poverty. An enormous resource is therefore needed to avert this potential crisis. The resources have to be managed carefully to fight the epidemic while at the same time promoting sustainable economic development for poverty eradication.

1. **Socioeconomic impact:** Lack of reliable data makes it very difficult to quantify the socio-economic impact of HIV/AIDS. Although Uganda’s life expectancy is projected to increase, HIV/AIDS will continue to jeopardize the government’s efforts to improve the quality of life for all Ugandans. Moreover, the Ugandan Ministry of Finance, Planning, and Economic Development notes that despite declining HIV prevalence, Uganda has lost and will continue to lose a substantial portion of the most productive segment of the labour force. These areas require further investigation.

2. **Antiretroviral drugs:** In addition, during the last 20 years the Ugandan Ministry of Health in collaboration with WHO, UNAIDS and other local and international partners has established a comprehensive care programme for HIV infected people. This programme until recently has not significantly addressed the use of antiretroviral drugs (ARVs) because of their high cost even though the drugs have been found to be effective in improving the quality and quantity of life. Fortunately, with the introduction of generic (as opposed to brand) drugs the cost of ART is coming down and there is a positive international response and desire to make them more accessible in resource-limited countries like Uganda. Nevertheless, it remains unclear how such drugs ought to be provided, managed, monitored and administered within the existing health infrastructure.

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CHAPTER 3: IMPLEMENTATION FRAMEWORK

The implementation and management framework for the Research Guide is deliberately kept simple to give room for gradual evolution and refinement as the programme matures over the coming few years. As a general principle, the effective implementation of the Research Guide will necessitate that all the relevant stakeholders are involved in the process of adopting and adjusting research priorities and commissioning/reviewing specific pieces of research.

3.1. Institutional arrangement

The research programme will be managed through a two-tier structure that not only promotes improvements in research quality and results utilization but also brings together researchers and research users, particularly the policy makers, analysts and implementers. For resource use efficiency, this programme will utilize already existing bodies and avoid creating new ones. The two main components of the implementation structure are (see Figure 1):

i) A Coordinating Secretariat
ii) Technical Committee

![Figure 1: Implementation Framework for the Research Guide](image_url)
The supreme body governing the process of implementing the Research Guide is the Coordination Secretariat that will be situated in the Economic Development Policy and Research Department (EDP&RD) of the Ministry of Finance, Planning and Economic Development. The Secretariat will work closely on a day-to-day basis with the Technical Committee whose core membership is derived from the Poverty Eradication Working Group (PEWG).

In setting out this institutional framework, it is recognized that the Office of the Prime Minister has a similar arrangement under the National Integrated Monitoring and Evaluation Strategy (NIMES) in the form of Research and Evaluation Coordination Committee. As much as possible the Coordination Secretariat for the Research Guide will work closely with the NIMES arrangement to ensure complementarity between the two processes. This will necessitate that the PEWG will have as part of its membership some members from the Research and Evaluation Coordination Committee of the NIMES. As a higher level M&E coordination framework, the NIMES will play an advisory role to the Coordination Secretariat for the Research Guide.

Collaborative linkages will also be established with other key stakeholders such as the National Planning Authority (NPA) and the National Council of Science and Technology (NCST).

### 3.2 Principle roles

In this section, general guidelines are given on the key roles and responsibilities of the two main components within the implementation framework. Upon commencement of this programme, more detailed and refined terms of reference will be worked out by the Coordination Secretariat for the various implementing agencies and stakeholders.

#### 3.2.1 Coordination Secretariat

The Coordination Secretariat located in the MFPED will be responsible for coordinating the day-to-day implementation of the programme and ensuring that all the relevant stakeholders are brought on board.

Specific functions include:

1. Coordinating and monitoring the overall process of implementing the Research Guide
2. Overseeing and guiding the work of the Technical Committee
3. Promoting the researcher-research user linkages
4. Promoting the dissemination and use of research results by policy makers and implementers
5. Strengthening linkages with local and international universities, CSOs and other bodies that are involved in policy advocacy and capacity building.
6. Coordinating periodic reviews of the priority research areas within the Research Guide.
vii) Determining the periodicity of revising the Research Guide priorities.

viii) Lobby for and efficiently manage the use of available research funds for the programme. This would involve setting minimum standards and criteria for accessing and using the research fund. For example, decisions will have to be made on whether to decentralize the research fund or not in time.

ix) Putting in place any other arrangements that are necessary to expediting and fulfilling the key objectives of the Research Guide.

3.2.2 Technical Committee

The Technical Committee will provide technical oversight and strategic direction to the implementation of the Research Guide and will manage the various steps of the research process. It will be composed of a multidisciplinary team of between 10-15 people with the key competences required for analyzing and advising on key policy issues drawn from government, CSOs and research and academic institutions and development partners.

Specific functions include:

i) Providing policy and technical oversight

ii) Managing the overall research process

iii) Putting in place and enforcing quality control measures

iv) Encouraging the use of results

v) Spearheading the process of reviewing the research priorities within the Research Guide.

vi) Advising the Coordination Secretariat on major areas for improving the implementation of the Research Guide.
## Annex 1: Detailed priority research areas in the Research Guide

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