

A stylized world map in a light blue color, positioned in the upper right background of the title area.

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Strengthening Capacity for Monitoring and Evaluation In Uganda:

A Results Based Management Perspective

Arild Hauge





WORLD BANK OPERATIONS EVALUATION DEPARTMENT



Improving monitoring and evaluation systems in Uganda would help the government to translate its public sector reforms into greater poverty reduction. Planning, budgeting, and incentives would be strengthened by a focus on poverty outcomes, impacts, and goals rather than on recording inputs, activities, or immediate outputs.

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FOREWORD

The Operations Evaluation Department (OED) of the World Bank has a long-standing program of support to strengthen monitoring and evaluation (M&E) capacities in developing countries, as an important part of sound governance. In providing this support, OED works closely with the Bank's operational areas, with governments and with other donors. African countries assisted under this program in recent years include Ghana and Benin.

This report on Uganda has been prepared in response to a request from the national authorities that the World Bank assist in reviewing opportunities for strengthening of M&E functions. The government appreciates that strengthening its systems for M&E will assist its preparation of Poverty Reduction Strategies and its budget decision-making and prioritization processes. It will also strengthen management of government activities within ministries and in local governments, and will support accountability relationships with civil society, the parliament and others.

With the strong support of the Bank's Africa Region, two missions to Uganda were undertaken, in April and October 2000, during which workshops and meetings were held with a number of senior officials, NGOs, academics and donors. A draft version of this report was presented to a brainstorming workshop for senior officials, and to a separate workshop for civil society. These workshops provided a valuable opportunity for feedback and further refinement of the analysis and priority actions identified for strengthening M&E functions.

The analysis in this report is intended to provide a strategic framework for GOU to address and debate, in a holistic and systemic manner, the entire range of decision making processes and institutional responsibilities from which M&E requirements and practices emanate. Development efforts ultimately only work when founded on local needs, perceptions and institutional realities. The development of M&E needs to encompass the views, experiences and perspectives of senior GOU officials and other stakeholders, including civil society, the private sector and other donors.

The report was prepared by Arild Hauge, and the task manager was Keith Mackay (OED). The strong support of Ritva Reinikka and Denyse Morin, of the Bank's Africa region, has been very valuable.

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ABBREVIATIONS

ACBF	- African Capacity Building Foundation	MPS	- Ministry of Public Service
AfDB	- African Development Bank	MTEF	- Medium Term Expenditure Framework
AG	- Auditor General	MWHC	- Ministry of Works, Housing and Communications
AIDS	- Acquired Immune Deficiency Syndrome	NAT	- National Assessment Teams
BFP	- Budget Framework Paper	NEMA	- National Environmental Management Authority
CAO	- Chief Administrative Officer	NGO	- Non Government Organization
CAS	- (World Bank) country assistance strategy	NHDR	- National Human Development Report
CBMIS	- Community-based Management Information System	NIS	- National Integrity Survey
CCS	- Commitment Control System	NIVES	- National Integrity Values and Ethical Standards
CDF	- Comprehensive Development Framework	NPA	- National Planning Authority
CG	- Consultative Group	NSDS	- National Service Delivery Survey
CIDA	- Canadian International Development Agency	OAG	- Office of the Auditor General
DAC	- Development Assistance Committee of OECD	OECD	- Organisation for Economic Co-operation and Development
DDP	- District Development Plan	OED	- Operations Evaluation Department
DREPS	- District resource endowment profiles	OOB	- Output oriented budgeting
ECD	- Evaluation capacity development	OP	- Office of the President
EPRC	- Economic Policy Research Centre	OPM	- Office of the Prime Minister
ESIP	- Education Strategic Investment Programme	OVP	- Office of the Vice President
EU	- European Union	PAC	- Public Accounts Committee
FMS	- Financial Management System	PAF	- Poverty Action Fund
FY	- Fiscal year	PEAP	- Poverty Eradication Action Plan
GOU	- Government of Uganda	PHC	- Primary Health Care
HDR	- Human Development Report	PFP	- Policy Framework Paper
HIPC	- Highly Indebted Poor Country	PIP	- Public Investment Programme
IDA	- International Development Association	PMAU	- Poverty Monitoring and Analysis Unit
IGG	- Inspector General of Government	PPA	- Priority Programme Areas
IMF	- International Monetary Fund	PRSC	- Poverty Reduction Support Credit
IMR	- Infant Mortality Rate	PRSP	- Poverty reduction strategy paper
LG	- Local Government	PS	- Permanent Secretary
LGDP	- Local Government Development Programme	PSC	- Public Service Commission
LGBFP	- Local Government Budget Framework Paper	PSRCC	- Public Service Reform Coordinating Committee
LGFC	- Local Government Finance Commission	PSRRC	- Public Service Review and Reorganization Commission
LTEF	- Long term expenditure framework	PSRP	- Public sector reform programme
MAAIF	- Ministry of Agriculture, Animal Industry And Fisheries	RBM	- Results-based Management
M&E	- Monitoring and evaluation	ROM	- Results oriented management
MECD	- Monitoring & evaluation capacity development	SDC	- Swiss Development Cooperation
MEI	- Ministry of Ethics and Integrity	SDU	- Service Delivery Unit
MAAIF	- Ministry of Agriculture, Animal Husbandry and Fisheries	SIDA	- Swedish International Development Agency
MEI	- Ministry of Ethics and Integrity	SWG	- Sector working group
MES	- Ministry of Education and Sports	TA	- Technical assistance
MFPEd	- Ministry of Finance, Economic Planning and Development	UBOS	- Uganda Bureau of Statistics
MGLSD	- Ministry of Gender, Labour and Social Development	UDN	- Uganda Debt Network
MIS	- Management Information System	ULAA	- Uganda Local Authorities Association
MISR	- Makerere Institute of Social Research	UPE	- Universal primary education
MLWE	- Ministry of Lands, Water and Environment	UPPA	- Uganda Participatory Poverty Assessment
MMR	- Maternal Mortality Rate	USAID	- U.S. Agency for International Development
MLG	- Ministry of Local Government	Ushs	- Uganda Shillings
		WB	- World Bank
		WBI	- World Bank Institute

EXECUTIVE SUMMARY

This report has been prepared as part of an ongoing effort by the Government of Uganda to strengthen the contribution of monitoring and evaluation (M&E) in the process of enhancing effectiveness of national budget execution and public service delivery. In conjunction with this effort, and with the support of the World Bank's Operations Evaluation Department (OED), a series of workshops and individual consultations have been held with key Government and non-government managers in Uganda. Particularly important inputs to the current report were provided by participants at a workshop of senior officials that was held in Kampala in October 2000.

Uganda has implemented an impressive set of economic and budgetary management reforms. The immediate challenge for national development management, as a whole, is to translate success in the macro-economic arena into greater success in poverty reduction. Value for money in expenditures, quality of budget execution – or effectiveness of public service delivery, are serious concerns. From an M&E perspective the major problem is that both information management and decision making is focused on the administrative process of expenditures and activities rather than on the poverty outcomes, impacts and goals that are being pursued. Planning, budgeting and incentives are geared towards tracking inputs, activities and, recently, immediate outputs. Recurrent and development expenditures are reviewed separately, rather than for their combined impact in achieving overall goals. Monitoring and evaluation remain overly centred on compliance with government requirements and regulations rather than end-results of policy, program and project efforts. Civil servants get rewarded for doing paperwork well rather than making a difference in people's lives.

Monitoring and evaluation in Uganda are fragmented, with multiple government and donor planning and progress reporting formats. Policy formulation, work planning and budgeting are undertaken as separate exercises at the sector and district levels. With a proliferation of different funding arrangements, officials are burdened with a large volume of reporting but have little systematic information about effectiveness of actual public service delivery.

GOU has recognized the importance of improving results orientation and has defined the effectiveness of public service delivery as its highest priority. Ongoing initiatives to introduce “output oriented budgeting”, “results oriented management” and pay reform deal with improving the quality of government. However, these initiatives have often been approached from the perspective of narrow departmental responsibilities rather than comprehensive goals and government-wide ownership. There is a need for much closer alignment and coordination, particularly in respect of reform of the MTEF budget format, public service conditions and decentralization efforts. A summary of the strategic M&E issues and challenges facing Uganda, and possible actions to address them, is presented in the table on page x.

With the Poverty Eradication Action Plan (PEAP), Uganda has set a course of policy action to address the national development objective of reducing absolute poverty to 10% by 2017. A three-year rolling budget framework, incorporating sectoral and district planning, represents the bridge between poverty-reduction goals and operational activities. The role of M&E is to help keep track of, and continuously learn from, progress towards the PEAP/PRSP goals and targets. The starting point for M&E's contribution is clarity about what poverty eradication success looks like. In this respect, there is a need for agreeing on a clear, coherent and meaningful set of PEAP goals and targets for a more operational medium term timeframe. If the goals and targets of the PEAP were to systematically cascade through the national development management system, this would help to ensure that all managers are pulling in the same direction.

The *practice and use* of M&E as part of the decision-making process is more important than formal requirements for M&E. The real product of M&E is not reports or facts *per se*, but a higher quality of decision making. Critically, M&E needs to provide a continuous flow of actionable information about the interrelationship between operational activities — especially those of government — and the reality of poverty on the ground. M&E should provide a means for managers to know which programmes have any

discernable impact upon poverty and those that don't; monitor changes in the environmental or non-programme factors that also have a bearing upon poverty; and help guide changes in programme strategy or design of new interventions.

In Uganda, social and economic change is currently monitored by a range of institutions and methodologies, without sufficient attention to the link between public service delivery efforts on the one hand and poverty eradication outcomes on the other. The establishment of a poverty monitoring network and steering committee, and the drafting of a national poverty monitoring strategy, represents an important step towards coordination and focus in poverty monitoring. Harmonization of different project progress reporting formats has also been initiated, and represents a potentially substantial resource saving for GOU. Under the Poverty Action Fund, there are eleven separate work planning and reporting schemes under formulation. A wide range of institutions is involved in inspection and audit, but there is insufficient coordination of visits, reporting and follow-up.

A major challenge of institutional and human resource capacity development remains for Uganda to implement its decentralization programme. Responsibility for service delivery is gradually being decentralized to districts and frontline service providers, but the center still consumes the bulk of resources and retains control of expenditure patterns. The current modus operandi of the poverty action fund, under which strong central control is exercised over conditional grants to the districts, undermines the ability of decentralized service providers to tailor their actions to the nature of local demands. The devolution of managerial responsibility needs to be accompanied by establishment of M&E capacities at the district, sub-district and frontline service provider levels.

With clarity and consensus about goals and expectations as its starting point, M&E can be a vehicle for building partnerships within Government and between Government, civil society and external cooperation partners. M&E can improve stakeholder communication and can help in building agreement on desirable poverty reduction outcomes and strategies. Uganda has taken a number of commendable steps to increase transparency and consultation in the budget process. The sector working groups that prepare budget framework papers bring together central and line ministries, civil society and donors. Decisions about funding allocations are widely disseminated, including use of the media and public notice boards. However, much remains in stimulating transparency in terms of feedback from public service users. Ministerial management information systems still cannot provide systematic service delivery records. There is also an opportunity to harness Uganda's pilot status within the CDF initiative to elicit donor support for closer alignment of their activities to the PEAP and for development of a unified, national M&E system.

GOU has recognized the importance of strengthening of M&E. Making headway will necessarily be an ongoing and long-term process of awareness building, institutional liaison, systems adjustment and skills formation. It will require policy consultations and operational action on several fronts. The most critical short-term actions that can help in developing M&E would include:

Refinement of PEAP goals and targets: Sectoral planning and management efforts need to be guided by a clear and consistent set of medium-term goals and targets. PEAP's long-term (year 2017) goal should be broken down to measures of poverty eradication success in e.g. 2002, 2005 and 2010.

Continuous monitoring of service delivery: It is critical that the current national service delivery survey not be approached as "yet another study" primarily to be digested by academics. Rather, the survey findings must be utilized to establish a base line, goals and targets for service reach and client satisfaction that are, in turn, used to inform work planning, budgeting and managerial performance assessment.

Expand scope of reporting harmonization: The mandate for current efforts to define a uniform format for project progress reporting should be expanded to encompass harmonization of reporting pertaining to broader sector and poverty programmes. A further item of harmonization would be donor M&E arrangements, as articulated in the proposed CDF/PEAP partnership principles.

Finalization of poverty monitoring strategy: Ongoing efforts to draft a national poverty monitoring strategy represent an important opportunity for bringing closure to existing uncertainties regarding the

objectives, roles and responsibilities for M&E. MFPED appears as the logical champion of the necessary task of bringing alignment, coherence and synergy to Uganda's approach to results management and M&E initiatives and activities.

Identification and dissemination of “good practice” approaches to M&E: Uganda already has a number of activities and initiatives that broadly address the M&E concerns raised by this report. It would be useful to actively seek out and promote individual practices and instruments, among those that exist at the sector, district and facility levels, that appear to best fit Uganda's overall development management needs.

Summary of Strategic Issues, Challenges and Possible Actions

Overall M&E Task	Monitor & provide feedback on progress in poverty alleviation						
Strategic M&E Issues	1. Coordination and harmonization	2. Development goals, targets and performance indicators	3. Incentives for contribution to results	4. Devolution of managerial autonomy	5. Role of civil society in enforcing transparency and accountability	6. PEAP partnerships principles	7. M&E skills training
Positive elements in Uganda	<ul style="list-style-type: none"> * Draft Poverty Monitoring Strategy * Sector Working Groups (SWG) as nexus of planning, budgeting * Efforts to harmonize project progress reporting * Earmarking of 5% of PAF funds for 'monitoring & accountability' 	<ul style="list-style-type: none"> * PEAP/PRSP as overall framework of poverty priorities * Training in ROM (results oriented management) being piloted * "Indicator retreat" as part of budget cycle 	<ul style="list-style-type: none"> * Recognition of service delivery effectiveness as imperative of public management * National Service Delivery Survey 2000 	<ul style="list-style-type: none"> * Decentralized responsibility for service delivery * Introduction of output oriented budgeting (OOB) * Comprehensive district plans * LGDP capacity development 	<ul style="list-style-type: none"> * Consultative nature of PEAP process * Transparency of budget process * Practice of public notices * Significant capacity of NGO's * Government/ civil society dialogue at central level 	<ul style="list-style-type: none"> * Draft/CDF partnership principles * Trend towards budget support * Consultative group meeting being scheduled as part of budget cycle 	<ul style="list-style-type: none"> * Awareness of M&E importance * Availability of local researchers; local academic and training traditions
Some challenges being encountered	<ul style="list-style-type: none"> * Separate planning and reporting formats for different funding sources * Sector/district policies, budgets workplans approached as separate exercises * Alignment and coordination of different results management initiatives * 1/3 of ODA is TA outside of Government budget 	<ul style="list-style-type: none"> * Inconsistency in clarity of goals at sector level * PEAP goals correspond to ministerial activities rather than poverty outcomes * Few goals are defined with measurable timeframe, baseline and targets * Weak linkage between sectoral and district goals 	<ul style="list-style-type: none"> * Performance assessed in terms of expenditure and bureaucratic activity * Weak linkage between resource allocation and performance * Rewards geared to good paper-work * Inconsistent enforcement of sanctions for poor performance * corruption largely unpunished? 	<ul style="list-style-type: none"> * Generally weak management capacities at local levels * Prescribed spending ratios of conditional grant scheme gives little flexibility for managers to adapt to local needs * Number and level of posts directed from the center 	<ul style="list-style-type: none"> * Need for improved stakeholder consultation in priority-setting * 1/3 of ODA is TA outside of Government budgets and M&E practices * GOU/NGO dialogue at center not mirrored at local levels 	<ul style="list-style-type: none"> * 1/3 of ODA is TA outside of Government budgets and M&E * Nearly 300 stand-alone projects remain * Twenty separate annual programme reviews * Local donors cannot depart from corporate M&E guidelines 	<ul style="list-style-type: none"> * Weak management skills at LG levels * Likely increase in demand for management and conduct of M&E dealing with inter-relationship between service delivery and poverty outcomes
Possible actions to address challenges	<ul style="list-style-type: none"> * Identification of an M&E champion ministry/agency * Establishment of 'core M&E' arrangements (such as via a formal M&E framework), harmonization of terminology, reporting formats and periodicity * Improved coordination between inspection and audit agencies 	<ul style="list-style-type: none"> * Cascading of PEAP goals and targets through planning, budgeting and work planning at sector, district and facility levels * LTEF focus on defining medium-term PEAP goals & targets 	<ul style="list-style-type: none"> * Introduction of <i>reach</i> and outcomes as yardstick of success and performance reward * Use of NSDS as barometer of client satisfaction improvements * Introduce value for money concerns in Finance Act * introduction of client service charters 	<ul style="list-style-type: none"> * Allow greater local autonomy over recruitment, salaries and non-wage expenditures * Ensure stronger local oversight as the quid pro quo * Introduction of participatory M&E practices as key management function 	<ul style="list-style-type: none"> * Extend transparency practice from allocation to execution * Client 'Reportcards' as complement to NSDS * Make NGO's eligible for PAF 'monitoring & accountability' funding * introduction of client service charters 	<ul style="list-style-type: none"> * Leverage of donor support for CDF and PEAP to increase synergy in planning, reporting & review * PRSC policy matrix as joint planning & review mechanism 	<ul style="list-style-type: none"> * Strengthen local capacity for programme evaluation skills training, e.g. via training-of-trainers at national institutions * Coordinated use of funding earmarked for M&E under PAF, LGDP and EFMPII * Establishment of national evaluation association

1. INTRODUCTION: DEFINING THE CONCEPTUAL PERSPECTIVE

The results based management perspective to national monitoring and evaluation capacity development builds upon four key principles:

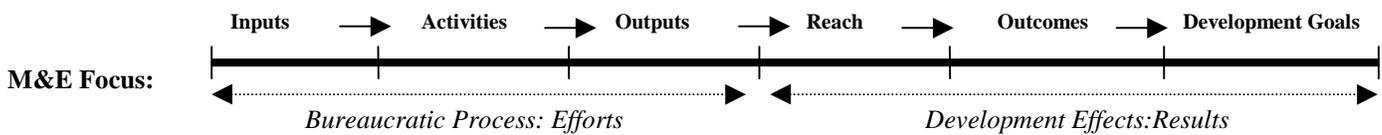
(i) *Good M&E reaches beyond the bureaucratic process to downstream results, outcomes*

The purpose of all development activity is to improve some aspect of the human, social or economic condition of an identified or implied group of people. A results based management (RBM¹) approach to M&E puts emphasis on downstream results – the social or economic progress that any policy, programme or project aims at (whether explicitly or only implicitly expressed).

Outputs represent the immediate product or *completion* of administrative activity – for which managers can be held objectively accountable, such as completion of boreholes or classroom construction or distribution of medicines to health facilities.

The concept of reach provides a gauge of the extent to which government efforts meet the needs of clients/beneficiaries, usually expressed in terms of relative coverage, access to or use of programmes, services or facilities. This concept also encompasses the degree of client/beneficiary *satisfaction* with these outputs and services.

Outcomes represent the intermediate change or response that follows from outputs and their reach. Outcomes are desirable and necessary changes along the road to intended ultimate developmental goals – e.g. the creation of skills and employment opportunities as one means to achieve poverty eradication.



Although managers routinely need information about many administrative details surrounding their area of responsibility (inputs, activities and outputs), indications of effort or bureaucratic progress *per se* are not evidence of the end results that are to be achieved. It is therefore crucial that they also keep their eyes on how their efforts translate into improvements in actual service delivery and progress with the outcomes that society expects.

The establishment of quantifiable targets and the measurement of change at the reach and outcomes levels can help bridge the gap between bureaucratic action on the one hand and the tracking of progress with long-term developmental goals on the other.

If the focus of M&E only covers intentions and efforts, there is no guarantee that the data collected will guide managers towards actually making a difference. M&E must therefore extend beyond tracking levels of expenditure, bureaucratic activities and adherence to administrative requirements and procedures, but also to progress with actual results on the ground.

Monitoring embodies the continuous tracking of different inputs, activities, outputs *and* reach and outcomes. The most critical role of evaluation is to improve understanding of the *interrelationship* between

¹ The 1999 OED Annual Review of Development Effectiveness, Annex 6, “Managing for results” makes a presentation of RBM in a development management context.

service delivery efforts (i.e. inputs, activities and outputs) on the one hand and reach and poverty outcomes on the other.

(ii) The M&E function is inextricably linked to clarity of goals on the one hand and M&E information use on the other

M&E cannot be addressed from the narrow perspective of progress reporting, seen in isolation from its foundation of purpose and the reality of its use.

Firstly and above all, M&E is intended to support the process of *creating* development results. When well conceived and practiced, M&E guides managers towards achieving their goals – whether their responsibilities are at the policy, programme or project levels. M&E lets managers, together with their respective constituency of stakeholders, know whether progress is being made – knowing which strategies work and which don't. The starting point for meaningful M&E is then clarity about the goals and objectives, or outcomes, which are being pursued.

Secondly, the formal rules and regulations that surround M&E (often expressed as requirements of programme design and progress reporting) or the act of producing M&E information are less important than how the function of M&E is actually being *used* – e.g. in the processes of policy analysis, resource allocation, work planning and daily operational management. The real product of M&E is not reports or facts *per se*, but a higher quality of decision making.



In addition to the importance of M&E's accountability function, a results based management approach recognizes its role as a learning function – helping managers and stakeholders act on the basis of understanding what really works and what doesn't. Reach and outcomes provide a direction for managerial *orientation* that can help improve effectiveness of service delivery ("keeping one's eyes on the ball"). The act of identifying, tracking and analyzing outcomes lends focus to stakeholder dialogue and helps in ascertaining the relevance of intermediate resource and activity planning.

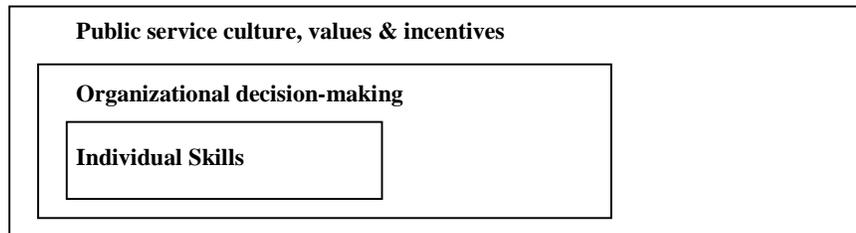
Information about what poverty actions are effective and what are not, needs to be incorporated into systems and incentives for feedback, learning, sanctions and reward. Otherwise there is no guarantee that actions follow the goals that have been set.

(iii) Capacity development requires a 'systems' approach

Capacity expresses the ability to effectively, efficiently and sustainably perform functions, solve problems and set and achieve objectives. Capacity is the *power* of something (a system, an organization, or a person - individually or collectively) to perform or to produce. However, a single person possessing the power to perform or produce only reflects the capacity of that person, and not necessarily a capacity on the part of an institution or system.

Capacity does need skills, staff, logistical resources – but this is not enough. Existence of physical facilities or development of technical skills does not lead to capacities if addressed in isolation from the essential managerial processes of any given organization. If individual abilities do not fit into the patterns and processes of decision making, the skills acquired from training may be unused. Capacity development, irrespective of field, is therefore not synonymous with technical training of individuals. Moreover, individual organizations do not function in a vacuum either – they operate within a wider set of values and

systems, and are dependent on a complex and organic policy and institutional environment. Any one government ministry or agency, for example, is part of a broader system of institutional liaison within the public service, with which it has a shared mission and some common characteristics of culture and incentives.



Successful capacity development therefore needs a ‘systems’ approach, whereby skills are seen within a broader context of organizational mandates, patterns of decision making and institutional liaison, and the prevailing managerial culture, values and incentives.

(iv) *Learning from international experience; generic success factors*

The realities, opportunities and constraints facing any particular country will in many ways be unique. Efforts to strengthen M&E functions must therefore be tailored carefully according to country circumstances – political, institutional, social and cultural – if they are to be successful. However, some common and generic features of M&E success exist. Successful M&E capacity development efforts have been identified by OED as often including the following characteristics:

- Forms part of a public sector management reform program
- Promotes a results orientation and a poverty reduction and growth focus
- Connects oversight of public expenditures at central, sector and regional level
- Involves civil society, NGOs, private sector
- Supports parallel initiatives by other development assistance agencies
- Develops and implements a customized training program for ECD
- Establishes linkages with financial management and accountability programs
- Develops linkages with statistical system improvements
- Establishes linkages with research initiatives
- Contributes to improved M&E for country/sector assistance strategies and Bank financed projects

M&E is, above all, a good management *practice*. The results based M&E prism brings impetus to some of the concerns that are frequently raised from alternative angles to analysis of national development management:

- *Accountability*: Value for money; follow-up to malpractice and audit
- *Governance*: Participation; transparency
- *Public sector management*: Policy implementation; performance management
- *Financial management*: Budget execution; expenditure quality

2.0 OVERVIEW OF EXISTING M&E ARRANGEMENTS

2.1 Context of development planning and management²

Uganda has undertaken comprehensive reforms in economic management, and has within the last decade achieved stabilization of its public finances. The average real rate of GDP growth has been 6.9 percent per annum since 1990/91, resulting in an annual 3.7 percent increase in real GDP per capita and a 20 percent decline in poverty (headcount index) from 1992 to 1997. On the social front, important progress has been made in respect of e.g. primary school enrollment and in reduction of HIV/AIDS prevalence.

With national aspirations and directions for long-term development having been brought into focus through the Vision 2025 exercise, the Poverty Eradication Action Plan (PEAP) has guided the formulation of Government policy in Uganda since its inception in 1997. PEAP has been coordinated by the Ministry of Finance, Planning and Economic Development (MFPED) and represents Uganda's response to the Comprehensive Development Framework (CDF) initiative, and has been revised into the format of the World Bank/IMF Poverty Reduction Strategy Paper (PRSP).

The overall objective of the PEAP is to reduce the incidence of absolute poverty from 44% in 1996/97 to 10% by 2017. Uganda's current MTEF three year rolling budget system represents the interface between PEAP goals and operational management. A consultative process drawing on the activities of sector working groups (SWG) culminates in agreed sectoral Budget Framework Papers (BFP) that are normally completed by end of April. The SWGs bring together key central ministries, the respective technical agencies, NGO's and the donor community in the process of preparing sectoral BFP's. PEAP is buttressed by the Poverty Action Fund (PAF), which has been established as a vehicle for channeling incremental resources made available through HIPC into the Priority Programme Areas (PPA) of primary health, primary education, water and sanitation, agricultural extension and rural roads.

The budget process in Uganda is characterized by relative transparency and openness, with MFPED having introduced a number of measures to keep the public informed and involved throughout the cycle, including an annual retreat with civil society and donor stakeholders to review experiences from the previous budget cycle. To further strengthen results orientation within the MTEF process, MFPED is introducing output oriented budgeting (OOB). As part of its effort to further improve expenditure management, the Government has embarked on the modernization of its fiscal systems. It plans to commence this process with a fiscal management study (FMS) under IDA Economic and Financial Management Programme (EFMPPII³). The FMS will provide a roadmap for the computerization of GOU's fiscal systems beginning with the budgeting and accounting processes at central and local levels. EFMPPII also addresses harmonization of the central and local government planning processes and institutionalization of the preparation of local government BFP's.

GOU's policy of decentralization⁴ is founded on the devolution of responsibility for planning, resource management and service delivery to 45 districts with further administrative units at the county, sub-county, parish and village levels. While the local governments (LG's) in Uganda are autonomous corporate entities, the Ministry of Local Government (MLG) and its decentralization secretariat exercises broad oversight of their performance, and functions as coordinators of policy and central support facilities for the decentralization work.

The bulk of transfers to LG, currently 78%, are *conditional grants*, which are negotiated between line ministries and individual LG's. There are currently 23 different conditional grant schemes, of which 11 are funded through the PAF. Individual LG's prepare separate "activity based" workplans for *each* of the eleven PAF conditional grants schemes. The basic conditionality of the conditional grants is associated

² Further details of the policy and institutional context are provided in Annex 1.

³ World Bank, October 1999, "Second Economic and Financial Management Project", Project Appraisal Document, Washington D.C.

⁴ The system of local government in Uganda is provided for in the 1995 Constitution and the 1997 Local Government Act.

with adherence to very detailed controls over the types of expenditure allowed. District managers need central authority approval for any re-allocations in excess of 10% of resources. Releases of PAF funds are contingent upon compliance with the reporting requirements. The IDA-supported local government development project (LGDP⁵) will provide technical and financial resources to enable the development, testing and application of a range of participatory planning, budgeting and resource allocation procedures and programme management systems in a sub-set of LGs.

Uganda is in the middle range of developing countries' aid dependence, with OECD/DAC estimating⁶ total ODA to Uganda equivalent to 12.1% and 7.1% of GNP in 1997 and 1998, respectively. An increasing share, currently 19%, of external assistance is being channeled into budget support, either in the form of general PAF support or earmarked for specific sectors, in particular for the health and education sectors, which is then subject to monitoring and review with donor involvement in the SWG process.

Government has recognized the need to enhance the integrity and accountability of its institutions by (i) increasing public oversight through increased transparency, education and awareness, (ii) promoting capacity building; and (iii) strengthening enforcement of laws and penalties. To this end, the 'Government Strategy and Plan of Action to Fight Corruption and Build Ethics and Integrity in Public Office' has been prepared by the Ministry of Ethics and Integrity (DEI)⁷ and was launched by H.E. The President in July 2000.

An innovative way of introducing accountability is represented by the existing stipulation that districts post mandatory public notices for every conditional grant under PAF each quarter – giving details of workplans, their costs and funds released.

The Ministry of Public Service (MPS) is host to the Public Service Commission (PSC), which guides appointments, service conditions and government payroll; as well as the 1997—2002 Public Sector Reform Programme (PSRP), which is overseen by the Public Service Reform Coordinating Committee (PSRCC)⁸ — one goal is to achieve a smaller, better paid and better performing public service. To inform the development of a Pay Reform Strategy⁹ being formulated by MPS, studies have recently been completed on job evaluation and market comparators. A new performance appraisal scheme, to enable individuals to be assessed against jointly agreed performance targets that are clear, measurable and related to Government objectives, is being piloted for introduction from the beginning of year 2001. *Performance contracts* have been introduced at the level of Permanent Secretaries, but not yet at other levels of management. A results oriented management scheme (ROM) was initiated back in 1995, and Cabinet has now approved a plan for its introduction to all ministries and districts. The ROM, which is coordinated by MPS, introduces a logframe approach to definition of goals and objectives.

⁵ World Bank, October 1999, "Local Government Development Program", Project Appraisal Document, Washington D.C.

⁶ <http://www.oecd.org/dac/images/AidRecipient/uga.gif>

⁷ MEI's predecessor, the Department of Ethics and Integrity (DEI), in the Office of the President, was (reportedly) established as a result of a previous (donor) evaluation of the government's anti-corruption strategy (1998).

⁸ Chaired by the Vice President, and attended by the Permanent Secretaries of the Ministries of Education, Public Service, Justice and Constitutional Affairs, Finance, Planning and Economic Development, and Local Government.

⁹ MPS, August 2000, "(Draft) Proposed Pay Reform Strategy for the Public Service"

Table 1: Overview of selected policy and reform initiatives in Uganda

Policy or Reform Initiative	Coordinating responsibility	Performance Orientation	Critical Practical Focus	Target Group or Sector	Primary M&E Opportunity
PEAP/ PRSP	Task Force + MFPED	medium to long term national development goals and targets	participatory and consultative definition and review of priorities	health, education, water, roads, agriculture	refinement of medium term outcomes and progress indicators
PRSC	Task Force + MFPED	strengthening of cross-cutting reform initiatives	procurement; pay reform; financial accountability; M&E	central agencies + health, education, water	use of health, education, water ministries as pilots for M&E
MTEF/ OOB	MFPED	expenditure allocation which aligns resource realities with development goals	unit costing; linkage between activities and outputs	all budget applicants: ministries, central agencies, local government	introduction of <i>reach</i> and <i>outcomes</i> as benchmarks of success
ROM*)	MPS, Commissioner for Inspection	establishment of clarity in results expectations	workshops introducing logframe results definition	* sector ministries * 45 district administrations	strengthened linkage to budgeting and performance assessment
Pay reform*)	PSRCC + MPS, PSC	effectiveness of public service delivery; Smaller, better paid and better performing civil service	job classification, pay comparators,	civil servants at large	linkage between performance and contribution to development goals
Performance Appraisal*)	MPS, PSC	assessment of individuals' performance (pilot approach)	establishment of jointly agreed performance targets	civil servants at large	linkage between performance and pay
Decentralization	MLG, Decentralization Secretariat	devolution of responsibility for planning, resource management and service delivery	establishment of logistical facilities and management capacities at local level	* MLG * districts and local governments	introduction of participatory M&E practices as key management function
"Integrity/ Anti-Corruption Action Plan"	MEI, Office of the President	strengthened accountability, oversight and enforcement	anti-corruption advocacy; establishment of Act on "national integrity values and ethical standards".	* public at large * accountability institutions * all civil servants	improved decision-making transparency; coordination between accountability institutions

*) Components of the public sector reform programme, PSRP

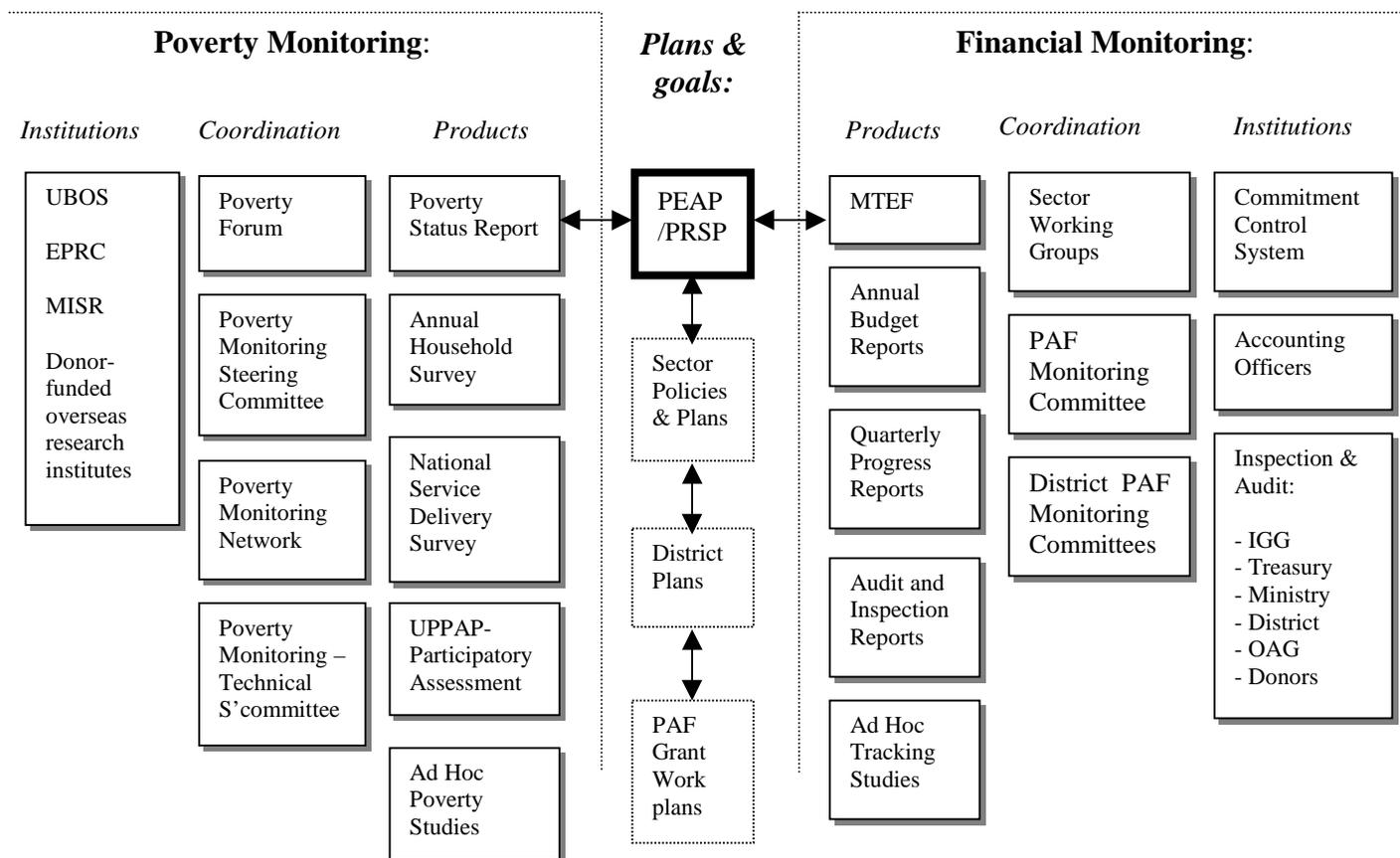
2.2 Overall M&E coordination

The most obvious characteristic of the PEAP M&E regime is the separation of poverty monitoring and resource monitoring, albeit both coordinated by MFPED. The two strands of M&E have separate actors, reports and use different criteria of assessment. Financial resource monitoring is associated with inputs, activities and, increasingly, outputs, whereas poverty monitoring is based on analyzing overall poverty outcomes.

MFPED is not the sole coordinator of M&E activities. The Office of the President (OP) has as part of its role "to ensure performance of government policy/decisions on economy and that appropriate measures are taken to solve any operational problems". Similarly, the Office of the Prime Minister (OPM) has the function of "ensuring that all government projects are harmonized and coordinated to avoid duplication".¹⁰ OPM coordinates progress reporting on development expenditure projects, but compliance with reporting requirements is low. Instead, it is the respective donors who finance most PIP projects who stipulate M&E requirements and who coordinate M&E activity. MFPED collects financial records. Fortunately OP, OPM and MFPED, together with the Ministries of Education and Agriculture, have recently formed a sub-committee to address harmonization of project progress reporting (further discussed below).

¹⁰ Definition of functions from documents prepared by "Sub-committee on Harmonization of Project Reporting". We understand that there is no Parliamentary Act or regulation which unequivocally spells out ministerial responsibilities.

Separation of poverty and financial monitoring



Coordination is additionally complicated by plans recently being made¹¹ for establishment of a National Planning Authority (NPA), as provided for in Uganda’s 1995 Constitution. The establishment of NPA would clearly impact on the dynamic of national development planning and management – by virtue of the actual responsibilities, functions and manpower capacities that were vested in a new institution¹². It is critical that the eventual establishment of the national planning agency, NPA, does not lead to a further dispersment and blurring of M&E responsibilities.

It is clear that the SWG process has been a useful mechanism for M&E at the sector level. However, not all sectors have adopted the comprehensive planning approach. Also, the approach to M&E varies between the sectors that do. The education SWG has an M&E sub-group¹³, whilst the health SWG has a “monitoring and supervision” sub-group. The emphasis placed on the review function is commendable, but their workplans and reports suggest that there has been little attempt to coordinate the format or direction of their respective work.

¹¹ We understand that a Cabinet decision was made in September 2000 to the effect of proceeding with the establishment of NPA. An allocation of Ushs 50mn was provided in 1999/200 budget estimates.

¹² The Constitution only provides for NPA’s establishment, with a mandate to be prescribed at a later date by Parliament.

¹³ Which, inter alia, has drafted its own comprehensive M&E framework.

Consideration should be given to providing SWG's with a mandate for agenda-setting in respect of research and evaluation, allowing sector stakeholders to jointly synthesize what has come out of the entire range of consultations, reports and review instruments – and then to demonstrate how the lessons drawn relate to proposals for the future. The initiative would have an important effect in terms of establishing transparency to future learning intentions.

It is crucial that the decentralization effort is not accompanied by a proliferation of disparate review mechanisms at the district level. Development of a comprehensive district review mechanism has the potential to provide synergy and scale economy in comparison to the alternative of conducting stand-alone evaluations and reviews for the many different projects, funding schemes and cooperative agencies that are active within a district.

2.3 Overall PEAP goals and targets

The PEAP/PRSP itself will be revised every two years, based on findings and recommendations of the *Poverty Status Report (PSR)*, which was first prepared in 1999 and will next be repeated in 2001. Intentions are, in fact, that the PSR itself will constitute the updated PRSP.

GOU intends that the monitoring of PEAP/PRSP should be built on continuous two-way flows of information between beneficiaries, service providers and policy makers – in order for design and implementation strategies to be continually modified from knowledge about what works and what doesn't. However, in the PEAP the treatment of monitoring is frequently expressed as an option or aspiration rather than as a definite intention. For example, there are several passages where it is said that a specific measure “...should be” or “...could be” rather than *will be* monitored. The danger is that compliance with monitoring and reporting requirements will not be enforced because it matters little if one does or not.

The overall goal of PEAP is to reduce headcount poverty to 10% by year 2017. Under the PEAP pillars, a total of 46 sub-objectives have been defined. Targets have been established for twelve of these, whereas 34 have associated monitoring indicators without targets having been identified. The PEAP goals, sub-goals, targets and monitoring indicators are attached in Annex 2a. Within the *PRSP* document, on the other hand, a sub-set of eight targets and associated monitoring indicators has been highlighted (see Annex 2b).

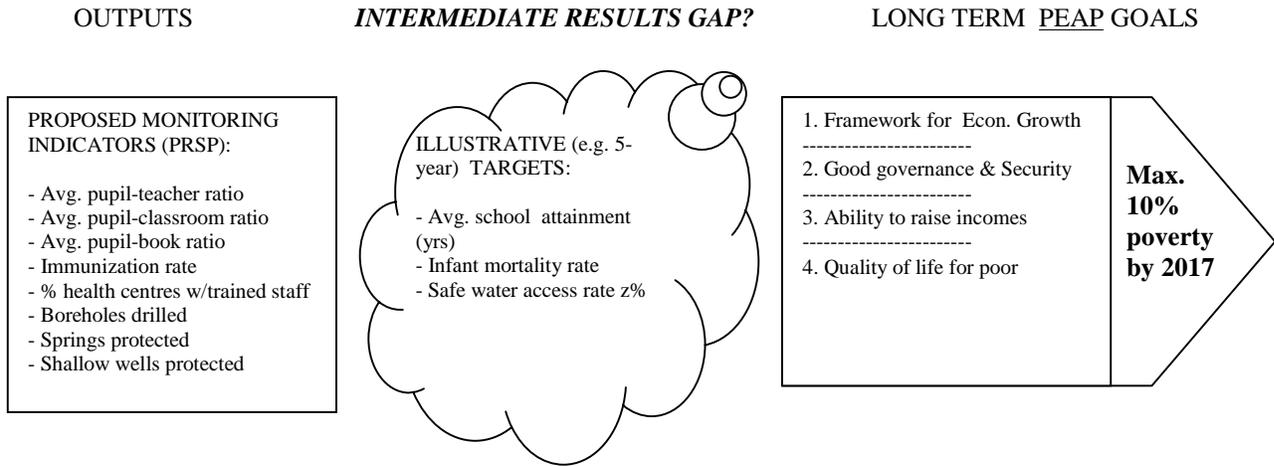
A general observation about the PEAP/PRSP structure is that there is a gap between its single, very long-term overall goal on the one hand and the many short-term operational strategies and plans on the other. More broadly, the lack of clarity in the structure of PEAP goals and targets translates into insufficient coherence in operational planning. Medium-term *expenditure* plans, as reflected in BFP's, do not always mirror PEAP goals or have clear expectations about results on the ground. The terminology used to describe results is often confused: for example, the concept of outcomes is often used interchangeably with outputs. The preparation of sector and district policies, budgets and activity plans is undertaken as work exercises separate from each other. More technical issues that arise from review of the PEAP goals, targets and monitoring indicators include:

1. The subgoals primarily correspond to areas of ministerial activity, rather than overriding or cross-cutting poverty outcomes.
2. For most of the PEAP subgoals no targets have been established.
3. Not all targets are clear or time-bound.
4. Few of the monitoring indicators have a baseline.
5. Responsibility and methodology for monitoring indicators is not clear.

In recognition of the need for improved clarity in the PEAP structure of goals and targets, a retreat with sector ministries has been included in the current budget process, at which sectoral performance indicators will be discussed. In addition to clarification of goals, it will be necessary to agree on a common results and performance terminology, e.g. for what to associate with terms like targets, benchmarks, milestones, indicators, baseline, goals, reach, outcomes and outputs.

DOES A GAP IN THE PEAP LEAD TO UNCLEAR SECTOR PLANS?

The PEAP itself has a clear long-term goal, reducing headcount poverty to 10% of the population by the year 2017, as well as four qualitative policy “pillars” or goals. However, between these on the one hand and the detailed operational plans that are being laid on the other, there seems to be a gap at the level of intermediate results expectations.:



Maybe as a result, some of the BFP’s, e.g. education, also display a combination of vague long-term development goals on the one hand, and detailed short-term inputs and activities on the other. Having achieved near-full school enrollment, the most critical challenge currently facing the education sector is quality. This was confirmed by the ESIP review. But the education BFP is framed almost entirely in terms of how much money it has managed to spend in the past and the *categories* of proposed expenditure. Goals are expressed as increases in the pupil:teacher/classroom/book ratios. There is little discussion, and no targets, pertaining to critical dimensions of the quality issue: such as drop-out rates, years of educational completion or examination attainment standards. One is left with no answer to the question: what difference would we like improvements in the pupil:teacher/classroom/book ratios to make, in terms of educational quality? And would improvements in these ratios be the most cost-effective means to improve educational quality?

With output-based performance orientation there is a risk that managers become motivated to establish goals they know they can attain, with little regard for whether they make a difference on the ground or contribute to longer-term goals.

2.4 Poverty monitoring

In order to improve clarity of focus and responsibilities for poverty monitoring, the poverty monitoring and analysis unit (PMAU) in MFPED has facilitated the establishment of a *poverty monitoring network*, comprising government and civil society representatives with key monitoring functions. The network will be overseen by a PS-level *poverty monitoring steering committee*. To support the network in its technical review of performance indicators, a further *technical sub-committee* has been established.

A draft *poverty monitoring strategy* appropriately sets as its objective to “determine whether development policies and programmes of Government and its development partners are actually reducing poverty”. The aim is thus to help bridge the gap between bureaucratic process monitoring and poverty outcomes.

Poverty monitoring currently involves a large number of institutions including the Poverty Monitoring and Analysis Unit (PMAU) in MFPED, the Uganda Bureau of Statistics (UBOS), and the Uganda Participatory Poverty Assessment (UPPAP) project. Other national institutions that conduct social and economic policy research include the Economic Policy Research Centre (EPRC), the Centre for Basic Research (CBR) and the Makerere Institute of Social Research (MISR) – all affiliated with Makerere University in Kampala.

UBOS household surveys are conducted on an annual basis, and are being used to prepare estimates of trends in poverty and its demographic composition. It is clear that there is scope for studies such as these to be more widely used e.g. for more detailed analysis of trends and determinants of poverty and service delivery at the sectoral and local levels. Demographic and Health Surveys are conducted in a 5-year cycle, whereas a Census is undertaken decennially – next in 2002. Finally, UBOS maintains the district resource endowment profiles (DREPS) database, comprising information about e.g. topographical characteristics, natural resources and land use in the districts.

The data collection for an updated national service delivery survey (NSDS) was completed in 3Q/00, with the report expected in 1Q/01. The NSDS represents a comprehensive set of data¹⁴ covering household-level perceptions of access, use and satisfaction in the areas of crime/justice/law & order; transport services; good governance; water and sanitation; health services; education; agricultural and veterinary extension services. MPS and MFPED have agreed that UBOS will take over responsibility for coordinating future NSDS surveys, which are planned to be conducted on an annual basis, eventually in conjunction with the annual household surveys.

The NSDS is an initiative of significant systemic importance – not in terms of being a study, but as a potential instrument for operational management. The NSDS can be adopted as a dynamic barometer of government service reach, being used for target-setting and performance assessment pertaining to improvements in levels of service delivery and client satisfaction. Client satisfaction data have the advantage of offering some comparability across sectors, districts and over time. An additional operational use of the NSDS would be the articulation of “client service charters” – commitments to departmental and facility-level performance. If the concept of client service, or *reach*, is truly embraced by national decision makers, by committing to gear systems and practices to it, not just of M&E but also of work planning, budgeting and performance incentives –it could lead to a material improvement in effectiveness of government service delivery.

Qualitative and participatory approaches to poverty monitoring are used by the Uganda Participatory Poverty Assessment (UPPAP) project. Such work has already been an input to the Spring 2000 PEAP/PRSP revision and has had a direct influence on national policy in terms of budgetary allocations to water supply and the priority given to improving security.

2.5 PAF monitoring

Basic government-wide expenditure control is exercised through the Commitment Control System (CCS). The introduction of the CCS has helped reign in over-commitments and the build-up of domestic arrears.

The PAF monitoring committee, which reviews policies and operations, meets quarterly under MFPED coordination, and includes donor, line ministry and civil society participation. District PAF monitoring meetings are coordinated by a civil society organization, the Uganda Debt Network.

General PAF conditional grant work planning and reporting guidelines¹⁵ have been prepared by MFPED, whilst eleven grant-specific guidelines are being prepared by the respective sector ministries, for finalization by January 2001. LG’s plan and report *separately* for the individual PAF and other conditional grants.

The PAF guidelines include work planning and progress reporting based on review of:

- National objective of the grant
- District priorities and needs
- Strategies to achieve objectives

¹⁴ Drawing on a sample of 15,000 respondents in 1,350 villages and all 45 districts.

¹⁵ “Poverty Action Fund: 2000-2001 General Guidelines for the Planning and Operation of Conditional Grants”, MFPED, April 2000.

- Quantifiable activities
- Cost of activities

PAF workplans form the basis of a “Letter of Understanding” with the respective line ministries and are, ultimately, consolidated into the LGBFP. Guidance and technical assistance on drawing up the workplans is given at the Regional Budget Framework Meetings and independently by the respective sector ministries.

The PAF guidelines apply to the non-wage component of expenditures. The fact that the major development and recurrent expenditures are reviewed as separate issues undermines the objective of comprehensive results planning and management.

The central instrument for more operational M&E is the review and inspection pertaining to quarterly and annual progress reporting, which itself forms part of the work planning and budget cycles. According to the PAF guidelines, progress reporting is complemented by monitoring through a system of *physical visits*:

- Quarterly visits by Districts (to service facilities)
- Quarterly visits by MFPED Treasury Inspectorate
- Quarterly visits by Line Ministries
- Half-yearly value for money audits by Auditor General
- Ad hoc visits by MLG and IGG

Monitoring visits have a reporting format that encompasses:

- Verification of progress as reported
- Identification of problems in implementation and give recommendations for their solution
- Outline of issues needing follow up
- Outline of progress in resolving issues raised in previous monitoring reports

The priority issue for inspection and monitoring visits appears to be maintenance of financial accountability. However, indications are that few of the agencies involved have been able to maintain the intended inspection frequency and coverage, due mainly to a lack of manpower resources.

More evaluative and reflective perspectives have been provided by value-for-money audits and expenditure tracking studies. A total of three such studies have been undertaken to date, two in education, in 1996 and 2000 and one in health in 2000, through use of private sector consultants.

5% of PAF funds, equivalent to US\$ 2-4 million p.a., are earmarked for “Monitoring and Accountability” (Table 2).

Clear criteria need to be established for the allocation of PAF monitoring and accountability funds. It is important that these funds are not simply co-opted as incremental funding for basic operations of Uganda’s accountability institutions.

A further PAF grant, i.e. additional to the overall allocation of 5% of PAF, for district monitoring and accountability, is being introduced from f.y. 2001/2002.

Table 2: Allocation of PAF Monitoring and Accountability Funds

	1998/99	1999/00	2000/01 Proposed	
	Outturn	Budget	Ushs Bn.	US\$ mn ¹⁶
Inspector General of Government	1.40	1.95	2.21	1.47
Auditor General	0.00	0.91	1.14	0.76
Directorate of Accounts	0.11	0.19	0.23	0.15
Districts	0.05	1.75	3.64	2.42
Line Ministries	1.17	1.32	1.66	1.10
Other Accountability Institutions	1.44	1.16	1.46	0.97
MFPED	0.03	0.49	0.56	0.37
Total	4.20	7.76	10.90	7.26

Source: MFPED, Background to the Budget 2000/01, p.48.

2.6 Civil society role

The transparency measures and consultative efforts that have been introduced as part of the GOU budget process are in many ways unique and have undoubtedly given a boost to government credibility with the public. Civil society is informed through basic transparency, such as publication of the “citizens’ guide to the budget process”, but more importantly it influences the annual budget decision making process through its participation in stakeholder reflection workshops, the forum on the Uganda economy, and the sector working groups (see following chart).

MFPED continues its efforts to seek active participation of members of Parliament in the budget process.

Each year, the Makerere Institute of Social Research (MISR) convenes the national Poverty Forum , bringing together government and civil society for discussion of national poverty priorities and strategies.

A particularly positive and noteworthy practice in Uganda is the posting of notices of UPE grant funding allocations in the school districts¹⁷. This forces transparency and accountability into administrators’ dialogue with their constituency of clients or end users. People appear at school administrators’ door demanding to know what has happened to “their” funds. The new PAF guidelines makes public notices mandatory for *all* PAF workplans and funds.

The Uganda Debt Network (UDN) coordinates civil society monitoring of PAF activity in the districts, and presents a quarterly report on behalf of civil society to the national PAF monitoring committee. UDN also conveys its monitoring results to broader civil society through published reports, PAF briefing papers, newsletters, radio and TV talk shows and a web site on the internet.

Civil society clearly has an important role to play in the fight against corruption by demanding greater transparency and accountability from government. To facilitate this Government intends to review the Official Secrets Act in the light of international best practice and replace it with modern access to government information and whistleblower protection laws.

¹⁶ Based on Ushs/US\$ exchange rate = 1.500/1

¹⁷ This followed a public expenditure tracking survey conducted in 1996 which found substantial diversion and ‘leakage’ of government funds in the education sector.

BUDGET CYCLE MILESTONES (Abbreviated)	O	N	D	J	F	M	A	M	J	J	A	S
	C	O	E	A	E	A	P	A	U	U	U	E
	T	V	C	N	B	R	R	Y	N	L	G	P
The first budget consultative workshop												
Sector working groups discuss and prepare sector budget reports												
The second budget consultative meeting with Local Govts.												
Discussions of between MOF and other Ministers												
Preparation and presentation of Budget framework paper to cabinet for approval												
Submission and discussion of estimates from the ministries												
Presentation of Budget speech												
Parliament discusses and approves budget												
Release and monitoring of money												

CIVIL SOCIETY INVOLVEMENT IN BUDGET PROCESS
Stakeholder workshop to reflect on previous budget cycle
“Citizens guide to the budget process” published
Forum on the Uganda economy
Participation in Sector and Local Government Working Groups
“Background to the budget” published
Budget documentation available on MFPED website
Funding notices publicised in media and on notice boards
Reports on abuse

An aspect of responsiveness and accountability to the public, so far underutilized in Uganda, is the introduction of user charges for such public services as vehicle registrations and issuance of passports. As a result, non-tax revenues account for less than one per cent of GDP – in contrast to a regional average of 3.5%. Because clients are only willing to pay for services that are useful and which represent value for money, user charges represent an important mechanism for introducing accountability towards the end user of government services. In addition, of course, it opens the possibility of financing incremental services.

Although no central records exist, Ugandan and international NGO’s are thought to have a considerable presence and capacity in a number of districts and communities. NGO’s do take part as direct providers of services in the health and education sectors. The WB, in cooperation with the Office of the Prime Minister, is currently planning a survey of the presence and activities of NGO’s throughout the country.

Approximately one third of ODA value of external assistance to Uganda is technical assistance provided directly to non-government and civil society institutions. These funds therefore do not pass through the national systems and processes of planning, budgeting and review. The move towards government budget support is viewed by many within the NGO community as a possible threat to the sustainability of their funding.

2.7 Donor Monitoring and Evaluation activities

Strong donor-government dialogue mechanisms exist in terms of overall coordination through the Consultative Group (CG) mechanism and at the sector level, including the private sector, rural development, health, education, and the legal sector. Co-ordination is also good in the areas of anti-corruption, poverty monitoring, civil service reform, and decentralization. Water and sanitation, financial accountability, and procurement, by comparison, have weaker dialogue mechanisms. The last two CG negotiations have been held in Kampala, and Uganda is a pilot country within the CDF initiative. The next CG has been scheduled as part of the MTEF budget preparation process.

Uganda’s historical experience with project-level M&E emanates largely from the requirements associated with donor-financed activities. Nearly 300 donor-financed stand-alone projects are currently recorded in Uganda’s PIP. Although no central record exists of what is traditionally termed “evaluation”, a reduction in volume of donor project-level evaluations and reviews is expected to accompany the move towards general PAF and sector budget support.

The many different donor requirements for M&E place a severe burden on the limited GOU capacities for M&E. Budget support and the SWG mechanism has reduced need for compliance with these requirements, in particular in the health, education and agriculture sectors. However, for those officials involved with the remaining project-level donor activities, compliance with M&E requirements constitute a considerable portion of work.

A total of 24 project evaluation abstracts from Uganda have been recorded by DAC¹⁸, with the latest in 1997. In addition, the World Bank has conducted 51 evaluations during the 1989-1997 period.

Table 3: Donor-funded project evaluations, 1989-1997

Sector	AfDB	CIDA	Denmark	SDC	SIDA	USAID	EU	Finland	WB	Total
Econ. Mngt., Dev. Finance	4					1			18	23
Integrated Area Dev.		1							7	8
NGO, Community Dev.					1	2		1		4
Education									3	3
Health	1	3		1		1			5	11
Agriculture	2		1			1	1		12	17
Water				1	1				2	4
Roads	1								4	5
Total	8	4	1	2	2	5	1	1	51	75

In addition to project-level evaluations, Uganda has annual country programme review meetings with twenty donors, under coordination of the Commissioner, Aid Liaison Department, MFPED. Uganda is also regularly subject to study in thematic and regional programme evaluations sponsored by donors.

2.8 M&E training and capacity development

A tradition of solid economic and social policy research has been established at Makerere University, encompassing:

- Economic Policy Research Centre (EPRC)
- Makerere Institute of Social Research (MISR), and
- Centre for Basic Research (CBR).

Social and economic research is also, of course, conducted by the Uganda Bureau of Statistics (UBOS). All these institutions are assisted by donors, either through general capacity development efforts (such as ACBF support for EPRC or UBOS twinning with Statistics Denmark), or through cooperation in respect of ad hoc surveys and research projects. More managerial and vocational training is provided by the Uganda Management Institute (UMI). UMI offers, as part of its regular training schedule, a number of M&E-relevant training courses (see box).

M&E-relevant training at UMI:

- Project Planning and Management (from 2 weeks up to Certificate, Diploma)
- Project Monitoring and Evaluation (1 week)
- Results Oriented Management (ROM) (2 weeks)
- ROM and Performance Improvement for Local Government (2 weeks)
- Logical Framework Approach for Project Planning, M&E (1 week)
- Research Project Formulation and Management (2 weeks)
- Participatory Appraisal Techniques (1 week)
- Transparency and Accountability Seminar (3 days)

(Uganda Management Institute Prospectus 2000/2001)

¹⁸ Recorded in DAC Inventory of Evaluation Abstracts (<http://minweb.idrc.ca/cida/dacloge.htm>). Gross search yield for Uganda is 50 abstracts. Reported number of evaluations has been adjusted for multiple entries and mis-classifications. DAC notes that its database has not been updated since February 1998. It is likely that there are further evaluations that have been conducted, but which have not been entered into the DAC database.

M&E skills and capacities constitute a *component* of several assistance projects and programmes funded by CDF partners – e.g. in support of ministerial planning and management objectives. In other projects, there are M&E skills and capacity development activities that cater to the projects themselves.

Donor sponsored capacity development activities relevant to the broader M&E skills environment include:

DFID: DFID, most broadly, has been a supporter of public sector management and reform in Uganda. An important current project is the *Financial Accountability and Decentralization Support Project*, which *inter alia* aims at “mitigating the fiduciary risk in public expenditure management, for both taxpayers and donors; maximizing value for money, efficiency and effectiveness in the use of public funds; and enhancing transparency and accountability”. The objectives of this project are clearly congruent with WB support both for financial management and decentralization, which underlines the need for close coordination in this area.

UN: Both UNDP and UNICEF consider poverty monitoring as part of their strategic concentration areas. Ongoing and planned assistance includes support for the Poverty Forum, UPPAP, PMAU/MFPED, NHDR (UNDP) and the community based management information system (CBMIS) programme (UNICEF).

DANIDA: Denmark provides support for UBOS, as well as planning and M&E activities in the agriculture and water sectors.

WB: M&E is of relevance to the goals and objectives of WB-funded programmes in support of central and local government management, including EFMPII, LGDP and PRSC.

Under the LGDP, a draft M&E manual for district management is to be developed, with training to operationalize it. Tentative provisions include funds for training of 600 heads of departments from districts and municipal LG’s. It is important that MFPED and MLG jointly ensure that this effort be coordinated in terms of national M&E imperatives rather than narrow project interests.

Analytical and evaluative activity, at current levels of demand, does not seem to have been constrained by the availability of Ugandan economists, statisticians or social scientists with the technical qualifications to conduct surveys, evaluations and other social research. There are many professionals, albeit mainly based in Kampala, from the academic, NGO and private sector consulting communities, who are ready for such work and who have the requisite facilities for data processing, reporting and presentation. However, there is a general need for strengthening of management and planning capacities, both at the central and district levels.

3.0 STRATEGIC DIRECTIONS FOR M&E DEVELOPMENT

The government of Uganda (GOU) has committed itself to effective public service delivery in support of its poverty-reduction priorities. The recognition of service delivery effectiveness as an imperative of national development management is strong evidence of commitment to results, which is also evident in several of the public management priorities and activities that are currently ongoing.

Uganda's overall M&E challenge is to keep track of – and continuously learn from, progress with poverty-reduction efforts via the PEAP/PRSP. M&E cannot be isolated from the decision making practices and incentives that underpin national development systems and processes.

To help accelerate GOU's efforts to develop a results-oriented public sector, there are seven major strategic issues which are explored in this report

- Coordination and harmonization
- Development goals, targets and performance indicators
- Incentives for contribution to results
- Devolution of managerial autonomy
- Role of civil society in enforcing transparency and accountability
- PEAP partnerships principles
- Skills and training

These are the “big issues” of how M&E can maximize its contribution to improving the effectiveness of public service delivery. A summary of the analysis is provided in Table 4, at the end of this section (page 23).

These issues are overlapping and cannot be addressed in isolation. The move forward ultimately requires a holistic approach to the role of M&E within the broad framework of public sector management reform.

3.1 Coordination and harmonization

The assignment of responsibilities and resources to NPA will in reality follow from national political debate at the highest level. We nevertheless caution against establishment of new, large scale planning structures. Since the time when the Uganda Constitution was drafted, the trend, in terms of international public sector management practice and debate, seems to be away from operational “master” planning as a distinct and independent government function. On the other hand, a broad oversight responsibility that includes coordination of external or independent *evaluation* of operational activity at different managerial levels may itself represent a viable focus for NPA.

Planners and managers at the sector, district and facility levels currently have to relate, separately, to the several different M&E arrangements that have been established in respect of the different conditional grants, national funding schemes and a host of different donor requirements. Familiarization and compliance with the panoply of guidelines and reporting formats places a major workload on managers, accounting officers and planners. Also, information that flows from different M&E streams cannot easily be aggregated or compared for purposes of broader, cross-sectoral policy analysis.

Substantial savings can be had from rationalization of M&E requirements and activities that differ in terms of criteria, format and periodicity. In particular, it will be important that there is congruence and synergy in the individual PAF conditional grant guidelines that are currently being formulated by line ministries. The development of a common terminology and reporting periodicity would be a practical point of departure for coordination and harmonization.

The recent establishment of an interministerial committee for harmonization of project progress reporting is an important initiative. However, it is crucial that coordination not be approached merely to the level of projects and the function of progress reporting. There are several initiatives of GOU that rest upon concepts of results based management that are broadly similar in objective but which have so far been uncoordinated in their approach; e.g. OOB, pay reform and ROM. Participants at the M&E workshop that was held in Kampala in conjunction with the PRSC pre-appraisal mission in October 2000¹⁹, recognized the need for establishment of a high-level interministerial committee with responsibility for coordination of overall national M&E issues. The structures that have been formed for preparation of a poverty monitoring strategy, *overseen by a permanent secretary level steering committee*, may represent the forum that is most suitable for such coordination.

In conjunction with an increasing emphasis on results and M&E, experience in other countries suggests the value of having a designated ministry, and a senior official within it, as an anchor for coordination, advocacy and capacity-building. With its central role in the PEAP/PRSP and budget processes, MFPED appears as a logical champion of M&E in Uganda.

3.2 Clarity of development goals, targets and performance indicators

The PEAP has an unequivocal poverty goal for year 2017, but is not clear about what progress will be needed or the outcomes that are desirable by e.g. 2002, 2005 and 2010. Without a clear and common set of first order goals and targets cascading through a national development management system, it is not given that there is congruence between planning and management activity or that everybody is pulling in the same direction (see graph):

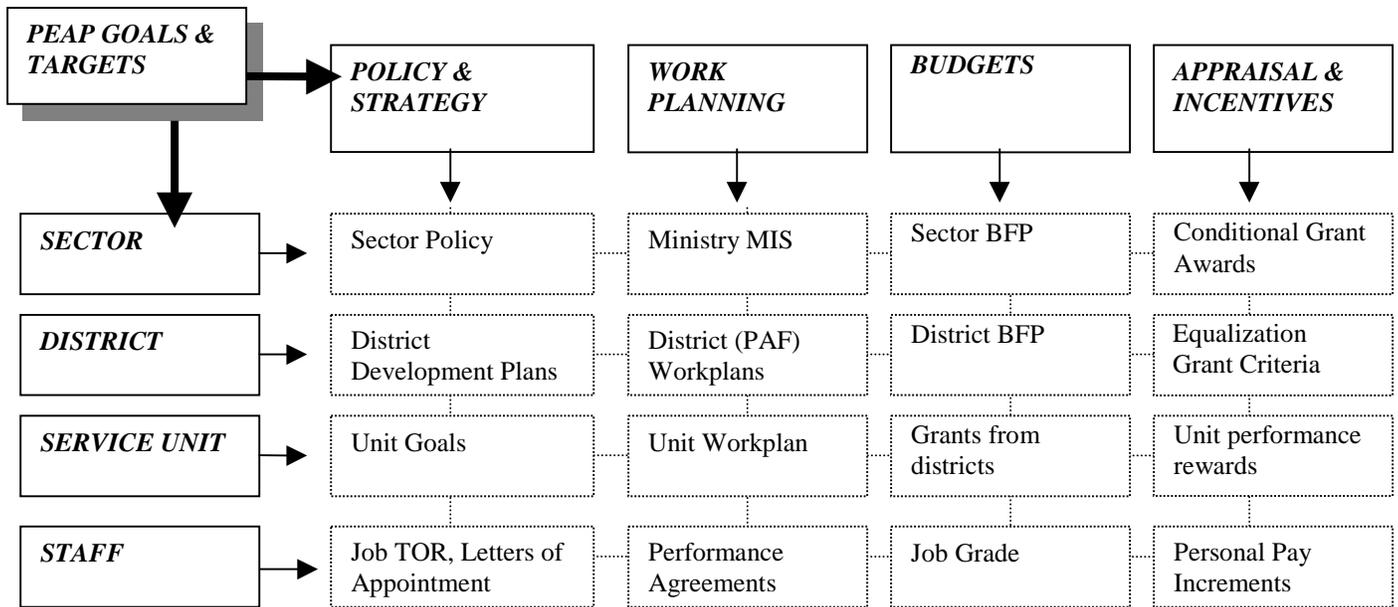
Horizontally: between poverty-reduction policies, strategies, workplans, budgets and performance assessment

Vertically: between central, sectoral, district and unit management levels.

The absence of development goals that permeate different levels of the system can lead to significant inefficiencies in planning, monitoring, review and evaluation activity. The end result can be an unnecessary paper-filling workload as well as overlap in operations. The assessment of performance becomes subjective – sometimes opaque.

MFPED should therefore coordinate an effort to revisit the PEAP in order to extract clear and consistent development goals, targets and performance indicators. Sectoral and corresponding district policies, work plans and budgets should then be expressed in terms of contribution to agreed PEAP/PRSP objectives.

¹⁹ Held on 19 October, with participants from MFPED, MLG, MEI, MWHC, MES, MAAIF; Office of the President; Office of the Prime Minister; IGG; Moroto and Gulu district administrations, UBOS, MISR.



MFPEd’s plans to formulate a long term expenditure framework (LTEF) represents an opportunity for establishment of a clear and coherent set of PEAP goals, targets and performance indicators.

A further opportunity will be to utilize the forthcoming results of the national service delivery surveys to express service delivery and client satisfaction improvement goals as a proxy measure of development objectives.

3.3 Incentives for contribution to results

The best way of ascertaining that managers are motivated to achieve results is the alignment of incentives to those results.

The principles of equity are deeply embedded in Uganda’s civil service culture. Grading of jobs, rather than individual performance, and across-the-board salary increases remain key features of MPS’s approach to public service reform. There is weak enforcement of sanctions for malpractice or poor performance. Dismissal from the civil service is extremely rare.

In budget discussions, performance is still discussed in terms of money spent or “absorptive capacity” rather than contributions to poverty reduction. There is little difference between indicative and final sector budget ceilings, suggesting that review of progress with goals matters little in the allocation process. Similarly, the release of funds under the conditional grants system has reportedly become an almost automatic operation — divorced from considerations of contribution to actual frontline results.

Where funding is dependent on compliance with progress reporting requirements in its own right, managers and programs are effectively rewarded for doing the paperwork well instead of making a difference in clients' lives.

Strong central coordination needs to be applied to setting of standards for outputs and unit costs within the MTEF reform process. An inherent risk with output oriented budgeting is that if managers define their own performance indicators they tend to choose those that can easily be measured rather than those that are important. Completing a number of workshops or producing booklets may well be outputs, but they are of the lowest order.

To strengthen the attention of civil servants on poverty-reduction outcomes, the definition of goals, performance and implementation success should be broadened from an emphasis on processes and outputs to encompass achievements in contributing to outcomes. An immediate step would be to broaden the focus on physical outputs to encompass measures of reach: service facility access, coverage, use and client satisfaction.

The introduction of reward for contribution to PEAP outcomes²⁰ or service delivery improvements — as a determinant of resource allocation and individual performance assessment — would provide a strong incentive to maximize effectiveness of poverty reduction efforts. A weakness of the ROM initiative to date has been that its activities focus on the conduct of workshops that develop skills pertaining to *formulation of results statements* – without clear linkages to the core operational realities of budgeting, work planning or performance assessment. Seen in isolation, what is learned may be the verbose language of grand intentions, often far removed from what is practically possible. Success with ROM is not reached at the end of a workshop or even when everyone knows what it is about; it only works when everyone changes the way they *act* in their daily business. In recognition of the need to tie ROM more closely to the operational processes, MFPED efforts are underway for closer alignment with the OOB initiative.

Adoption of service delivery reach and client satisfaction as a key focus for departmental, district and facility level goal definition and target-setting would provide a barometer for measurement of improvements in effectiveness of poverty reduction efforts.

3.4 Devolution of managerial autonomy

Even though responsibility for delivery of all major public services has been transferred to local government, the bulk of budget resources and professional staff remain with central agencies.

One of the shortcomings of the current MTEF process is that the wage bill is largely outside the expenditure allocation process carried out by the sector working groups. This is because the staffing levels are typically taken as given and any pay increase is allocated across the board. As a result, a key part of total expenditures is effectively ring-fenced in sector working groups' expenditure allocations. It would be useful to provide a greater role for the sector working groups to make explicit recommendations with respect to staffing and pay levels and possible pay increases by categories when such increases relate to improved service delivery.

The PAF underlines the contradiction between on the one hand ambitions to decentralize and on the other increased central influence over resource allocation. Both Government and donors acknowledge that the conditional grant system limits the ability of LGs to budget for local needs. LG's are, for example, not permitted to pay salaries that are sufficient to attract and retain appropriately qualified personnel. In some areas the lack of flexibility concerning the optimal mix and means and ways to provide the services has compromised optimal service provision²¹. If districts are to deliver services efficiently, they need to be equipped with information and greater authority to make trade-offs between wage, non-wage recurrent, and capital expenditures.

²⁰ Outcomes and Accountability: The obvious problem with development outcomes is attribution – that change usually emanates from the collective efforts of many different managers, programmes or institutions. Their *separate* contribution can rarely be objectively determined. Mechanical measurement of change in outcome indicators is therefore usually not satisfactory as an exclusive basis for individual performance assessment or enforcement of accountability. What managers can and should be held accountable for is “keeping their eyes on the ball” - by:

- (i) identifying outcomes upon which they aim to have an influence.
- (ii) ascertaining that outcome-level change is monitored.
- (iii) explaining how the activities and outputs they are responsible for make a difference to the outcomes that are being pursued.

Assessment of contribution to outcomes is ultimately qualitative. But, at the end of the day, it is better to have approximate information about important issues than to have precise information about what might be irrelevant.

²¹ NORAD, SIDA and Danida, October 2000, “Public Financial Management Issues in Uganda”, Joint Review.

3.5 Role of civil society in enforcing transparency and accountability

The importance of mobilizing public service users themselves as monitors of public service delivery has been recognized by GOU. At a recent WB workshop²² in Kampala, held in conjunction with the preparation of the current report, a number of NGO's and parliamentarians affirmed the role of civil society in assessing public sector performance and in enforcing accountability.

The success that has been had with the practice of public notices should be exploited and expanded to its fullest. It can be replicated in a broad range of sectoral and local planning and management operations. The posting of notices could be applied not just for resource allocations, but also for other aspects of public sector operations such as appointments and promotions, work planning and decision making criteria.

To facilitate the practice, it is recommended that *all* operating units be requested to designate an appropriate space for posting of notices. A practice of placing notices in newspapers and through radio broadcasts would give additional thrust. Failure to facilitate appropriate public notices can be made a sanctionable managerial responsibility, with NGO's involved in monitoring compliance.

Instant mini-surveys or client 'reportcards' - where service users upon exit from a facility rate different aspects of facility service provision, should be considered as a mechanism for direct end user feedback on service facility quality²³. Reportcards can be used to monitor aspects of client satisfaction on a daily basis, can be tailored to individual service facilities, and can be fed directly into frontline operational decision making. Reportcards complement the NSDS by being an ongoing practice rather than sporadic 'snapshot' exercise. Report cards can be used to monitor performance relative to national standards established through NSDS or relative to commitments made in client charters established by individual ministries or the service providers themselves.

The Community Based Management Information System (CBMIS) initiative, which aims to help communities articulate their development needs and priorities, as well as MGLSD efforts to mobilize communities in the local development planning and management process, can be harnessed in strengthening transparency and participation in the M&E function.

In order to maintain the credibility that initial transparency initiatives has created, it will be important that government is seen to *act* upon cases of malpractice that surface through civil society monitoring of public services.

3.6 PEAP partnerships principles

It is recommended that donors, in the spirit of their support for the CDF initiative, should be requested to help ascertain that all domestic development efforts are fully aligned with national policy priorities and M&E practices. The PEAP partnership principles²⁴ should be vigorously promoted.

CDF partners can, moreover, be requested to support the pooling of project and programme-level management and M&E skills/training components and activities into a coordinated, civil-service wide capacity development effort. Although locally based donor agencies may have little autonomy over their agency policies, Uganda's pilot status within the HIPC and CDF initiatives may be leveraged for medium-term change in practices.

²² "Assessing public sector performance – a role for civil society", held in Kampala 16 October 2000.

²³ The practice of "suggestion boxes" is widespread, but responses are reportedly not systematically analysed or acted upon. Suggestions boxes are, in any case, highly vulnerable to biased sampling errors.

²⁴ Original set of principles identified at CDF-sponsored Stockholm Conference "Making Partnership Work on the Ground", August 1999. Quoted in Revised PEAP (Vol. I) Draft 3, July 2000.

Through its focus on clarity and consensus about development goals and targets, the process of planning and conducting M&E can improve communication between policy and programme stakeholders, can help in building agreement on desirable outcomes and programme strategies, and can help in identifying overlaps in operational responsibility. M&E can thus be a vehicle for building partnerships within Government and between Government, civil society and external cooperative partners.

Proposed PEAP partnership principles:

Shared Commitment: Donor support will only be sought/provided for programmes that are in the PEAP

In addition Government will.....

1. Continue with increased focus on poverty eradication (at minimum PAF funded programmes as a share of total budget will remain constant)
2. Continue with increased tax revenue effort
3. Assume full leadership in donor coordination process
4. Decline any offers of stand-alone donor projects
5. Strengthen monitoring and accountability (including value for money evaluations)
6. Continue to improve transparency and combat corruption
7. Continue to strengthen district capacity
8. Develop comprehensive, costed and prioritised sector wide programmes eventually covering the whole budget
9. Further develop participation and coordination of all stakeholders (including Parliamentarians)
10. Strengthen capacity to coordinate across Government (so it speaks with one voice)

In addition donors will.....

1. Jointly undertake all analytical work, appraisals and reviews
2. Jointly set output/outcome indicators
3. Develop uniform disbursement rules
4. Develop uniform and stronger accountability rules
5. Ensure all support is fully integrated into sector wide programmes and is fully consistent with each sector programme's priorities
6. Continue to increase level of untied sector support
7. Increase level of delegation to country offices
8. Abolish topping up of individual project staff salaries
9. End individual, parallel country programmes and stand-alone projects
10. Progressively reduce tying of procurement

3.7 Skills and training

The strengthening of M&E cannot be encapsulated by technical training in any one kind of skill. M&E ultimately draws on a broad range of technical fields, including economics, accountancy, social science research methodology, contract administration, information management, general management and “process facilitation” or consulting skills. Uganda has a fairly well developed infrastructure for training in these fields, and although an exhaustive review of human resource development needs is beyond the scope of this review there are undoubtedly shortcomings and needs for institutional strengthening. Skills are needed in central government, in the district administrative apparatus, and at the level of frontline service facilities.

Technical skills and training are a necessary, albeit not sufficient, precondition of capacity development. Technical skills deficiencies, *per se*, do not appear to constitute the major impediment to effectiveness of policy implementation. Rather, it is the structure of incentives and the dynamic and culture of decision-making. M&E will only flourish where there is a policy level and management demand for what is produced through M&E; where its practice follows as a consequence of the incentives embedded in public service systems; where rewards and sanctions are guided by achievement of results; and where managers collectively perceive of a self-interest in adopting tools of continuous assessment and learning.

With the ongoing gradual shift in GOU emphasis towards downstream results, there will be a need for M&E activity that goes beyond mechanical monitoring of expenditures and bureaucratic activity. It is expected that there will be a corresponding increase in demand for use of evaluative approaches that can

help improve knowledge about interrelationships between operational programmes and service delivery on the one hand and the reality of poverty or development changes on the other. Amongst the training that is on offer in Uganda, a noteworthy absence is planning and conduct of *programme evaluation*. Another area of skills for which a demand may emerge, will be the planning and conduct of client satisfaction surveys and scorecards – in particular at the district and service provider facility levels.

Under both the LGDP and EFMPII IDA projects there are funding opportunities that are relevant to M&E capacity and skills development²⁵. In addition, part of the 5% of PAF earmarking for “monitoring and accountability” should be considered as a funding source for evaluation skills development.

M&E skills can be placed on the agenda of the Government Training Policy Framework that is currently being prepared, as well the district management capacity development efforts that are being planned under the LGDP.

A further element of skills and capacity development would be the establishment of a national evaluation association, a proposal that was made by participants at the M&E workshop organized by MFPED in Kampala in October 2000.

²⁵ Component 4 of LGDP, valued at US\$ 12.7m, is aimed at supporting the management, monitoring and evaluation functions within the context of Uganda’s decentralization programme.

Table 4: Summary of Strategic Issues, Challenges and Possible Actions

Overall M&E Task	Monitor & provide feedback on progress in poverty alleviation						
Strategic M&E Issues	1. Coordination and harmonization	2. Development goals, targets and performance indicators	3. Incentives for contribution to results	4. Devolution of managerial autonomy	5. Role of civil society in enforcing transparency and accountability	6. PEAP partnerships principles	7. M&E skills training
Positive elements in Uganda	<ul style="list-style-type: none"> * Draft Poverty Monitoring Strategy * Sector Working Groups (SWG) as nexus of planning, budgeting * Efforts to harmonize project progress reporting * Earmarking of 5% of PAF funds for 'monitoring & accountability' 	<ul style="list-style-type: none"> * PEAP/PRSP as overall framework of poverty priorities * Training in ROM (results oriented management) being piloted * "Indicator retreat" as part of budget cycle 	<ul style="list-style-type: none"> * Recognition of service delivery effectiveness as imperative of public management * National Service Delivery Survey 2000 	<ul style="list-style-type: none"> * Decentralized responsibility for service delivery * Introduction of output oriented budgeting (OOB) * Comprehensive district plans * LGDP capacity development 	<ul style="list-style-type: none"> * Consultative nature of PEAP process * Transparency of budget process * Practice of public notices * Significant capacity of NGO's * Government/ civil society dialogue at central level 	<ul style="list-style-type: none"> * Draft/CDF partnership principles * Trend towards budget support * Consultative group meeting being scheduled as part of budget cycle 	<ul style="list-style-type: none"> * Awareness of M&E importance * Availability of local researchers; local academic and training traditions
Some challenges being encountered	<ul style="list-style-type: none"> * Separate planning and reporting formats for different funding sources * Sector/district policies, budgets workplans approached as separate exercises * Alignment and coordination of different results management initiatives * 1/3 of ODA is TA outside of Government budget 	<ul style="list-style-type: none"> * Inconsistency in clarity of goals at sector level * PEAP goals correspond to ministerial activities rather than poverty outcomes * Few goals are defined with measurable timeframe, baseline and targets * Weak linkage between sectoral and district goals 	<ul style="list-style-type: none"> * Performance assessed in terms of expenditure and bureaucratic activity * Weak linkage between resource allocation and performance * Rewards geared to good paper-work * Inconsistent enforcement of sanctions for poor performance *Corruption largely unpunished? 	<ul style="list-style-type: none"> * Generally weak management capacities at local levels * Prescribed spending ratios of conditional grant scheme gives little flexibility for managers to adapt to local needs * Number and level of posts directed from the center 	<ul style="list-style-type: none"> * Need for improved stakeholder consultation in priority-setting * 1/3 of ODA is TA outside of Government budgets and M&E practices * GOU/NGO dialogue at center not mirrored at local levels 	<ul style="list-style-type: none"> * 1/3 of ODA is TA outside of Government budgets and M&E * Nearly 300 stand-alone projects remain * Twenty separate annual programme reviews * Local donors cannot depart from corporate M&E guidelines 	<ul style="list-style-type: none"> * Weak management skills at LG levels * Likely increase in demand for management and conduct of M&E dealing with inter-relationship between service delivery and poverty outcomes
Possible actions to address challenges	<ul style="list-style-type: none"> * Identification of an M&E champion ministry/agency * Establishment of 'core M&E' arrangements (such as via a formal M&E framework), harmonization of terminology, reporting formats and periodicity * Improved coordination between inspection and audit agencies 	<ul style="list-style-type: none"> * Cascading of PEAP goals and targets through planning, budgeting and work planning at sector, district and facility levels * LTEF focus on defining medium-term PEAP goals & targets 	<ul style="list-style-type: none"> * Introduction of <i>reach</i> and outcomes as yardstick of success and performance reward * Use of NSDS as barometer of client satisfaction improvements * Introduce value for money concerns in Finance Act *Introduction of client service charters 	<ul style="list-style-type: none"> * Allow greater local autonomy over recruitment, salaries and non-wage expenditures *Ensure stronger local oversight as the quid pro quo *Introduction of participatory M&E practices as key management function 	<ul style="list-style-type: none"> * Extend transparency practice from allocation to execution * Client 'Reportcards' as complement to NSDS * Make NGO's eligible for PAF 'monitoring & accountability' funding *introduction of client service charters 	<ul style="list-style-type: none"> * Leverage of donor support for CDF and PEAP to increase synergy in planning, reporting & review * PRSC policy matrix as joint planning & review mechanism 	<ul style="list-style-type: none"> * Strengthen local capacity for programme evaluation skills training * Availability of M&E funding within PAF, LGDP and EFMPII * Establishment of national evaluation association

4.0 NEXT STEPS

Ugandan authorities have recognized the importance of instilling an orientation towards real results in their poverty eradication efforts. Effectiveness of public service delivery has been defined as the current theme of development management and reform. A number of actions and initiatives, which relate to the imperative of results orientation, are underway. The major problem with e.g. PEAP formulation, OOB, ROM, pay reform, local government capacity development, poverty and service delivery monitoring has been that these efforts have been dealt with as separate and compartmentalized issues.

From an M&E perspective, the overall challenge for government is then coordination; to bring alignment, coherence and synergy to the order of development goals, poverty eradication progress measures, work planning instruments, managerial incentives, programme review and performance assessment practices. MFPED has proven its ability to bring consultation and coordination to multi-sectoral national tasks, such as formulation of the PEAP and economic management reform. With its inevitable responsibility for the resource component of the decision making equation, MFPED is logical champion of the coordination task at hand.

The previous section sought to highlight some of the major strategic areas in which improvements, as seen from an M&E perspective, can be made. These will require policy consultations and operational action on several fronts. The strengthening of results orientation and M&E is necessarily an ongoing and long-term process of advocacy and awareness building, institutional liaison, systems adjustment and skills formation. GOU is encouraged to explicitly recognise and work to strengthen it within the PEAP/PRSP and CAS/PRSC frameworks. The policy matrix being prepared for the PRSC appropriately defines M&E as a cross-cutting public sector reform issue within a results management context.

This report highlights some strategic issues that seem critical in the specific context of Uganda. However, it is for GOU to validate and prioritise among the many possible avenues for addressing the issues raised. The immediate priority would be to establish a more detailed action plan and timetable for coordination, technical reviews and assignment of responsibilities. In the following section, a small number of specific short-term actions critical to making headway with M&E and results orientation are proposed.

4.1 Refinement of PEAP goals and targets

In the current budget cycle and ongoing revision of the PEAP, emphasis must be placed on distillation of clear and consistent poverty goals, targets and performance indicators pertaining to the reach and outcome levels of change – covering a medium term timeframe such as 2, 5 and 10 years. If the process of identifying performance indicators is left entirely to ministries themselves they are likely to respond with measures that primarily reflect efforts and processes. Central coordination and civil society involvement will therefore be required to ensure that measures identified will represent a comprehensive and coherent reflection of real progress with poverty eradication.

4.2 Continuous monitoring of service delivery

The 2000 national service delivery survey, the results of which will be available shortly, represents an immediate opportunity for operationalising service reach and client satisfaction. It is critical that the NSDS not be approached as “just yet another study”, but rather as an instrument for establishing goals and targets in respect of client service improvements and standards for performance assessment — via an instrument such as client service charters. In this regard, it will be important that the regular conduct of the NSDS is assured and that service delivery data be integrated with ministerial MIS systems.

4.3 Expand scope of reporting harmonization

The mandate for current efforts to define a uniform format for project progress reporting should be expanded to encompass harmonization of reporting pertaining to broader sector and poverty programmes. It would be useful to establish an inventory of the entire body of domestic M&E and reporting guidelines in order to establish a “core set” of M&E arrangements common to all funding schemes, expenditure types, sectors, and administrative levels. An immediate concern would be review of the sector-specific PAF guidelines that are under preparation by line ministries. A further item of harmonization would be donor M&E arrangements, as articulated in the proposed CDF/PEAP partnership principles.

4.4 Finalization of poverty monitoring strategy

Ongoing efforts, coordinated by MFPED, to draft a national poverty monitoring strategy represent an important opportunity for bringing closure to existing uncertainties regarding the objectives, roles and responsibilities for M&E. The national poverty forum, the poverty monitoring steering committee and the poverty monitoring network are forums that bring together the appropriate senior and technical level officials from government and from civil society. These structures can be brought to bear on the needs identified above for refining PEAP results indicators and for harmonization of reporting. The poverty monitoring strategy should comprise more than a technical review of PEAP monitoring indicators. The strategy should seek establish the linkage between the two currently separate streams of poverty and resource monitoring.

4.5 Identify and disseminate “good practice” approaches to M&E

Uganda already has a number of activities and initiatives that broadly relate to the M&E concerns raised by this report. The overall opportunity is to bring alignment, coherence and synergy to what exists. This will also require economy and prioritization among the diverse approaches and methodologies at hand. We believe that it would be useful to actively seek out and promote individual practices and instruments, among those that exist at the sector, district and facility levels, that appear to best fit Uganda’s overall development management needs. The issue is not one of imposing a uniform system of M&E onto the responsibilities of already overburdened managers, but rather for GOU to take a holistic stance on what represents a sensible balance between the ideal and the practical.

ANNEX 1: CONTEXT OF DEVELOPMENT PLANNING AND MANAGEMENT

Uganda has undertaken comprehensive reforms in economic management, and has within the last decade achieved stabilization of its public finances. The average real rate of GDP growth has been 6.9 percent per annum since 1990/91, resulting in an annual 3.7 percent increase in real GDP per capita and a 20 percent decline in poverty (headcount index) from 1992 to 1997. On the social front, important progress has been made in respect of e.g. primary school enrollment and in reduction of HIV/AIDS prevalence. Uganda's human development index, a composite measure of incomes, longevity and literacy rates, has improved from 0.329 in 1992 to .509 in 1999²⁶. However, although the proportion of Ugandans living in consumption poverty fell from 56% in 1992 to 44% in 1997, wide disparities remain in the rate of welfare gain.

External acclaim for Uganda's recent development management efforts is evidenced by her advanced position within the highly indebted poor country (HIPC) initiative, being the first country to qualify for *enhanced* HIPC relief, as well as the trend towards programmatic aid entrusted to national authorities.

A: PEAP as national development framework

With national aspirations and directions for long-term development having been brought into focus through the Vision 2025 exercise, the Poverty Eradication Action Plan (PEAP) has guided the formulation of Government policy in Uganda since its inception in 1997.

PEAP has emanated from a broad process of analysis, reflection and consultation – drawing on local communities, civil society, the donor community and the government. The formulation of PEAP has been coordinated by the Ministry of Finance, Planning and Economic Development (MFPED).

The PEAP represents Uganda's response to the Comprehensive Development Framework (CDF) initiative, and has been revised into the format of the World Bank/IMF Poverty Reduction Strategy Paper (PRSP).

The overall objective of the PEAP is to reduce the incidence of absolute poverty from 44% in 1996/97 to 10% by 2017.

The PEAP is established on four major pillars:

- Creating a framework for economic growth and transformation
- Ensuring good governance and security
- Directly increasing the ability of the poor to raise their incomes
- Directly increasing the quality of life for the poor

B: Budget process

Uganda's current MTEF three year rolling budget system represents the interface between PEAP goals and operational management. The fiscal year is July—June, and the annual budget cycle starts in October with an inter-ministerial workshop at which tentative budget ceilings are announced by MFPED. A consultative process drawing on the activities of the sector working groups (SWGs — discussed below) follows this and culminates in agreed sectoral Budget Framework Papers (BFP) that are normally completed by end of

²⁶ "Uganda National Human Development Report 2000", UNDP, Kampala, forthcoming

April. In parallel, but commencing in November, a similar process is undertaken with the 45 districts under the coordination of the Ministry of Local Government (MLG). As an input to their BFP preparation, most districts prepare a District Development Plan (DDP). The sector and district BFP's are ultimately consolidated into the MTEF. MFPED conducts its review of the MTEF process through the series of BFP consultative meetings and has established a unit for Budget Policy and Evaluation, headed by a Commissioner.

The budget process in Uganda is characterized by relative transparency and openness, with MFPED having introduced a number of measures to keep the public informed and involved throughout the cycle²⁷, including an annual retreat with civil society and donor stakeholders to review experiences from the previous budget cycle²⁸.

Both ministries and districts have planning units with officers responsible for coordinating strategy planning, budget preparation, monitoring and reporting. Accounting Officers have responsibility for accounts management, expenditure control and liaison with the audit functions. Each administrative unit has a Chief Administrative Officer (CAO) – in Ministries this is the Permanent Secretary (PS).

PEAP is buttressed by the Poverty Action Fund (PAF), which has been established as a vehicle for channeling incremental resources made available through HIPC into the Priority Programme Areas (PPA) of primary health, primary education, water and sanitation, agricultural extension and rural roads. In addition to HIPC, the PAF includes budget support funds pledged by external donors. PAF spending is projected to increase by 35 percent in 2000/01; 10 percent in 2001/02 and 17 percent in 2002/03. PAF spending will increase, as a share of GOU expenditures, from 22.7 percent in 1998/99 to 32.5 percent in 2002/03.

The MTEF budget format has been important in introducing a planning horizon that extends beyond individual projects and financial years. To further extend the resource planning horizon, a long-term expenditure framework (LTEF), covering a 10-year period, is being considered.

The resource constrained budget system helps induce realism in sector planning. To further strengthen results orientation within the MTEF process, MFPED is introducing output oriented budgeting (OOB). The approach is based on unit costing, yet to be established, whereby types of outputs are given a standard value against which budget proposals and performance can be assessed. Our recommendation is that strong central coordination be applied to setting of standards for outputs and unit costs. An inherent risk with output oriented budgeting is that if managers define their own performance indicators they tend to choose those that can easily be measured rather than those that are important. Completing a number of workshops or producing booklets may well be outputs, but they are of the lowest order.

As part of its effort to further improve expenditure management, the Government has embarked on the modernization of its fiscal systems. It plans to commence this process with a fiscal management study (FMS) under IDA Economic and Financial Management Programme (EFMP II²⁹). The FMS will provide a roadmap for the computerization of GOU's fiscal systems beginning with the budgeting and accounting processes at central and local levels. EFMP II also addresses harmonization of the central and local government planning processes and institutionalization of the preparation of local government BFP's.

²⁷ MFPED, "Improving Budget Transparency in Uganda: Informing stakeholders and including them in the budget process", Phase I Report. See also Gariyo, Zie, May 2000, "Citizen involvement in the budgetary process in Uganda", Uganda Debt Network, Glasgow (<http://www.worldbank.org/participation/ugandabudget.htm>).

²⁸ MFPED, October 2000, "(Draft) Report on Forum on Stakeholder's Reflection on the Previous (FY1999/01) Budget Process".

²⁹ World Bank, October 1999, "Second Economic and Financial Management Project", Project Appraisal Document, Washington D.C.

C: Sector planning

PEAP provides a reference framework for sectoral and district plans and investment programmes.

Sector plans for implementing PEAP:

<i>Roads</i>	10 year Main Road Sector Development Plan (1996); Separate plans for rural and urban feeder roads under preparation
<i>Rural Development:</i>	Plan for the Modernization of Agriculture (Draft April 2000)
<i>Education:</i>	Education Sector Investment Plan (Nov 1998)
<i>Health:</i>	Health Sector Strategic Plan (Oct 1999)
<i>Water:</i>	Separate plans for rural and urban water under preparation
<i>Land:</i>	Land Act Implementation Plan under preparation by MoWLE
<i>Social Development:</i>	Under preparation by MGLSD
<i>Environment:</i>	Under preparation by NEMA
<i>Justice/Law and Order:</i>	Separate draft plans for Commercial and Criminal Justice System Reform (July 2000)

The annual cycle of work planning and budget preparation starts with MFPED resource ceilings and is coordinated by line ministries with the support of Sector Working Groups (SWG). Terms of reference for the SWG deliberations are issued by MFPED at the beginning of the annual budget planning cycle (Sept./Oct.)³⁰.

The SWGs bring together key central ministries, the respective technical agencies, NGO's and the donor community in the process of preparing sectoral BFP's. Discussions between MFPED and the SWG's are aimed at identifying implementation bottlenecks, inefficiencies in existing operations and potentially unsustainable imbalances in the relative size of the recurrent and development programmes. The discussions also take account of any upcoming policy initiatives in order to ensure that all new policies are comprehensively costed to reveal the full extent of their fiscal implications.

The SWG's are increasingly becoming the nexus of the sectoral planning process, and also of stakeholder consultation and coordination. The sector BFP's encompass the following items:

1. Statement of the mission, overall goals and objectives of the sector/ministry
2. Analysis and evaluation (sic) of outputs and services delivered over the (previous) financial year
3. Analysis of the implications of policy reforms and issues for sector performance
4. Planning outputs, activities and resource allocations for the MTEF

To guide their planning, technical management and advisory efforts, several ministries are currently in the process of developing Management Information Systems (MIS). However, there are, as of yet, no standards for aggregation or comparison of data. There is a multiplicity of stand-alone micro-systems that are generally not compatible or designed to exchange data.

Consideration should be given to providing SWG's with a mandate for agenda-setting in respect of research and evaluation, allowing sector stakeholders to jointly synthesize what has come out of the entire range of consultations, reports and review instruments – and then to demonstrate how the lessons drawn relate to proposals for the future. The initiative would have an important effect in terms of establishing transparency to future learning intentions.

³⁰ MFPED, 1999, "Budget Framework Paper 2000/01-2002/03: Sector Working Group Discussions – Terms of Reference".

D: Decentralized service delivery

GOU's policy of decentralization³¹ is founded on the devolution of responsibility for planning, resource management and service delivery to 45 districts with further administrative units at the county, sub-county, parish and village levels. While the LG's in Uganda are autonomous corporate entities, the Ministry of Local Government (MLG) and its decentralization secretariat exercises broad oversight of their performance, and functions as coordinators of policy and central support facilities for the decentralization work. The Local Government Finance Commission (LGFC) supports MLG and LG's in practicing accountability and transparency, and is empowered to monitor LG budgets to ascertain their alignment with GOU priorities.

At the district level, elected District Councils (DC) perform oversight of operations. Councilors are non-executive, but receive sitting allowances. District Service Commissions (DSC) are gradually taking on appointment and payroll responsibilities that have hitherto been handled from the center. According to the Local Government Act 1997, the line ministries have an obligation to offer the LGs advice, support, supervision and training within their respective sectors. Further support for LG and community development is provided by the Ministry of Gender, Labour and Social Development (MGLSD).

Management committees have been introduced at the level of individual service facilities in the health and education sectors. These serve as constituency representatives and provide both strategic and operational guidance to facility managers.

The primary district planning instruments being introduced are:

- Local Government Budget Framework Paper (LGBFP)
- District Development Plans (DDP)
- District PAF Workplans

The LGBFP is a single document consolidated by MLG. DDP's have currently been produced by approximately half the districts.

The bulk of transfers to local governments (LG), currently 78%, are *conditional grants*, which are negotiated between line ministries and individual LG's. Additionally, *unconditional* grants are minimum grants paid to LG's to run decentralized services and to be supplemented by LG's own income, and *equalization* grants are paid for giving subsidies or making special provisions for the least developed districts, and are to be based on the degree to which a LG unit is lagging behind the national average standard for a particular service.

There are currently 23 different conditional grant schemes, of which 11 are funded through the PAF. Individual LG's prepare separate "activity based" workplans for *each* of the eleven PAF conditional grants schemes (see box).

PAF Conditional Grants:

- Rural Roads;
- Agricultural Extension;
- Primary Healthcare;
- NGO Primary Healthcare;
- Lunch Allowance for District Health Units;
- District & Urban Water;
- District Water Development;
- Primary Education;
- Primary Education Development;
- Primary Teachers Salaries;
- Monitoring and Accountability.

³¹ The system of local government in Uganda is provided for in the 1995 Constitution and the 1997 Local Government Act.

The basic conditionality of the conditional grants is associated with adherence to very detailed controls over the types of expenditure allowed (see box for example of *school facilities grant*). District managers need central authority approval for any re-allocations in excess of 10% of resources. Releases of PAF funds are contingent upon compliance with the reporting requirements.

Both Government and donors acknowledge that the conditional grants place burdensome reporting requirements on districts, in addition to limiting their ability to budget for local needs. LG's must hold separate banking and record-keeping accounts for the different conditional grants, as well as for different donor projects. Consequently, some LG's have to maintain more than 50 different bank accounts.

The IDA-supported local government development project (LGDP³²) will provide technical and financial resources to enable the development, testing and application of a range of participatory planning, budgeting and resource allocation procedures and programme management systems in a sub-set of LGs.

E: External assistance

Uganda is in the middle range of developing countries' aid dependence, with OECD/DAC estimating³³ total ODA to Uganda equivalent to 12.1% and 7.1% of GNP in 1997 and 1998, respectively. Total external assistance translates into approximately 85% of Uganda's development budget or public investment plan (PIP). The PIP³⁴ lists a total of 46 donors, of which 19 multilateral, 21 bilateral and 6 NGO's, with projected overall disbursements of US\$995m for the 1999/00-2001/02 period. MFPED projections for aid disbursement, by donor, is attached as Annex 2.

An increasing share, currently 19%, of external assistance is being channeled into budget support, either in the form of general PAF support or earmarked for specific sectors, in particular for the health and education sectors, which is then subject to monitoring and review with donor involvement in the SWG process.

The forthcoming WB Country Assistance Strategy (CAS) proposes a shift in IDA's aid modalities from project aid to budget support for poverty reduction efforts. To support further reform in the public sector, IDA is considering developing a line of Poverty Reduction Support Credits (PRSC). The main objective of this operation would be to contribute to GOU's efforts to improve service delivery across the board in the context of the PEAP/PRSP and the MTEF. Actions would be taken within the cross-cutting reform issues of M&E, procurement, public sector employment and pay reform, financial management, transparency/accountability and anti-corruption as well as measures to enhance quality and cost efficiency of public service delivery.

School facilities grant conditions:

i) For new classrooms, the % of work for each stage is fixed at:

* Mobilization (Advance Payment):	8%
* Foundations/sub-structure:	22%
* Walling including beams and gables:	25%
* Roofing including roof sheets:	25%
* Finishing (plastering, flooring, carpentry):	15%
* Retention for defects period (6 months):	5%

ii) For completion of classrooms, the % for each stage is fixed at:

* Mobilization:	8%
* Ring beam:	22%
* Roofing:	35%
* Finishes including floor slab and screed:	30%
* Retention:	5%

iii) For Latrines, the % of work for each stage is fixed at:

* Foundation/sub-structure:	20%
* Walling:	30%
* Roofing:	25%
* Finishing (flooring, carpentry):	20%
* Retention:	5%

(Excerpt from "School Facilities Grant for Primary Schools: Planning and Implementation Guidelines for District and Urban Councils", Ministry of Education and Sports, January 2000)

³² World Bank, October 1999, "Local Government Development Program", Project Appraisal Document, Washington D.C.

³³ <http://www.oecd.org/dac/images/AidRecipient/uga.gif>

³⁴ MFPED, August 1999, "Public Investment Plan, incorporating the PEAP volume II 1999/2000-2001/02 priority projects".

Poverty Action Fund resources 1999/00 (Ushs Mn, US\$ '000)

	1999/00 Budget	
	Ushs Mn.	US\$ '000
Government own resources	47,750	31,833
HIPC and debt buyback (Austria)	70,100	46,733
General PAF Donor Support (Sweden, Netherlands)	12,190	8,126
Earmarked Donor Budget Support	63,940	42,626
<i>Of which:</i>		
<i>Netherlands (Primary Education, District Dev't)</i>		
<i>Sweden (General, Accountability, Health)</i>	9,440	6,293
<i>UK (Primary Education, Health)</i>	6,180	4,120
<i>Belgium (Primary Healthcare)</i>	17,000	11,333
<i>Republic of Ireland (Primary Education, Health)</i>	6,000	4,000
<i>EU (Primary Education)</i>	5,110	3,406
<i>USAID (Primary Education)</i>	12,220	8,146
	8,000	5,333
Total Poverty Action Fund Resources	193,980	129,320

Source: MFPED: Background to the Budget, June 2000. Based on Ushs/US\$ = 1,500

The proposed PRSC requires agreement on key indicators and benchmarks to be monitored in the health, education and water sectors. To coordinate eventual implementation, an interministerial PRSC Task Force, chaired by the PS, MFPED has been established. Several donors might be prepared to provide medium-term indications of predictable resource flows to the budget (DFID, Ireland Aid, SIDA, European Commission, AfDB) in parallel to the PRSC.

F: Accountability institutions

The 1998 National Integrity Survey found that four out of ten public service clients reported having to pay a bribe to obtain service. In the health sector, one study found that close to 80% of drugs and supplies disappeared from the health units. A recent study of the Ugandan commercial sector found a majority of firms perceiving of corruption as an important impediment to expansion.

The most critical accountability institutions in Uganda currently include:

Anti-corruption	Inspection	Audit
<i>Ministry of Ethics and Integrity</i>	<i>Inspectorate General of Government; Treasury Inspectorate; Sector ministry Inspectorates; District Inspectorates</i>	<i>Public Accounts Committee of Parliament; Office of the Auditor General; Sector ministry internal audit; Local public accounts committees, District internal audit; External donor audits</i>

Government has recognized the need to enhance the integrity and accountability of its institutions by (i) increasing public oversight through increased transparency, education and awareness, (ii) promoting capacity building; and (iii) strengthening enforcement of laws and penalties. To this end, the 'Government Strategy and Plan of Action to Fight Corruption and Build Ethics and Integrity in Public Office' has been

prepared by the Ministry of Ethics and Integrity (DEI)³⁵ and was launched by H.E. The President in July 2000.

Several constraints to the implementation of the plan of action remain, e.g., lack of resources, both human and financial, low public sector salaries, weak information management, and social, historical and cultural factors contributing to elevating informal rules over the formal ones.

There is clearly room for accountability institutions and ministry inspectorates to improve the coordination of their visits, selection of districts and review of follow up to earlier inspection findings and recommendations. A further concern with accountability arrangements is that the 1964 Public Finance Act does not compel accounting officers to obtain value for money nor for the Auditor General to examine and validate for this. Considerable uncertainty therefore remains in obtaining comfort that value for money has been achieved in budget execution. In line with the recent draft country financial accountability assessment³⁶, we recommend that this issue be addressed in the revision of the Act.

An innovative way of introducing accountability is represented by the existing stipulation that districts post mandatory public notices for every conditional grant under PAF each quarter – giving details of workplans, their costs and funds released.

G: Public service management and reform initiatives

The 1989 Public Service Review and Reorganization Commission (PSRRC) found that the Uganda Public Service was marked by a bloated structure, inefficiency and poor performance. Problems identified were a dysfunctional organization, poor management skills, inadequate pay, moonlighting, corruption and a lack of discipline.

The number of staff employed by the Public Service has been cut from over 320,000 in 1990 to 157,000 in 1997. The number of Ministries has been reduced from 38 in 1992 to 14 in 1998.

The Ministry of Public Service (MPS) is host to the Public Service Commission (PSC), which guides appointments, service conditions and government payroll; as well as the 1997–2002 Public Sector Reform Programme (PSRP), which is overseen by the Public Service Reform Coordinating Committee (PSRCC)³⁷.

An overall goal of government reform is to achieve a smaller, better paid and better performing public service. Some categories of public servants have had their pay increased almost tenfold over the 1993–97 period. MPS estimates that, on average, Public Service pay is still only 42% of the salaries for comparable jobs in the private sector. The pay differential is greater at senior management levels, but smaller within certain professions such as teaching and nursing. A small number of staff working within the civil service enjoy relative prosperity in donor funded pay enclaves. Although the average rate of staff turnover is only 4.2% p.a., low pay remains a constraint to motivation for many civil servants.

To inform the development of a Pay Reform Strategy³⁸ being formulated by MPS, studies have recently been completed on job evaluation and market comparators. GOU has recognized that improvements in pay will not automatically result in better motivated staff or improved performance. Staff are unlikely to perform to their potential unless they are clear about the standard of conduct and performance required of them, and that there are differentiated sanctions and rewards. Moving pay closer to private sector levels must therefore be accompanied by a fundamental shift in management attitudes, and the establishment of a different work culture.

³⁵ MEI's predecessor, the Department of Ethics and Integrity (DEI), in the Office of the President, was (reportedly) established as a result of a previous (donor) evaluation of the government's anti-corruption strategy (1998).

³⁶ World Bank, September 2000, "First Draft: Republic of Uganda Country Financial Accountability Assessment", Washington D.C.

³⁷ Chaired by the Vice President, and attended by the Permanent Secretaries of the Ministries of Education, Public Service, Justice and Constitutional Affairs, Finance, Planning and Economic Development, and Local Government.

³⁸ MPS, August 2000, "(Draft) Proposed Pay Reform Strategy for the Public Service".

A results oriented management scheme (ROM) was initiated back in 1995, and Cabinet has now approved a plan for its introduction to all ministries and districts. The ROM, which is coordinated by MPS, introduces a logframe approach to definition of goals and objectives. A weakness of the ROM initiative to date has been that its activities focus on the conduct of workshops that develop skills pertaining to *formulation of results statements* – without clear linkages to the core operational realities of budgeting, work planning or performance assessment. Seen in isolation, what is learned is the verbose language of grand intentions, often far removed from what is practically possible. Success with ROM is not reached at the end of a workshop or even when everyone knows what it is about; it only works when everyone changes the way they *act* in their daily business. In recognition of the need to tie ROM more closely to the operational processes, MFPED efforts are underway for closer alignment with the OOB initiative.

A new performance appraisal scheme, to enable individuals to be assessed against jointly agreed performance targets that are clear, measurable and related to Government objectives, is being piloted for introduction from the beginning of year 2001. *Performance contracts* have been introduced at the level of Permanent Secretaries, but not yet at other levels of management.

ANNEX 2: PEAP GOALS AND TARGETS

a) PEAP goals, targets and monitoring indicators

PEAP GOAL ³⁹	TARGET	MONITORING INDICATORS
1. Creating a framework for economic growth and transformation		
1.1 Sustaining economic growth	7% GDP growth	Real consumption per capita; Real GDP/GNP per capita; Investment/GDP; Savings/GDP; Real output by sector; 'Green' national accounts; Investor/business confidence
1.2 Macroeconomic stability and incentives	5% inflation	Inflation; Real exchange rate misalignment; Effective rates of protection by sector
1.3 Efficient and equitable tax system	A higher ratio of tax to GDP in the medium term	Tax/GDP ratio; Share of taxes in expenditure
1.4 Debt strategy		Debt/GDP; Debt service/exports; Net inflows to public sector on debt and in total
1.5 Poverty focus of public expenditure		Share of directly poverty-reducing service delivery in (a) government (b) total public spending; Incidence of benefits of public expenditure by income group, gender region
1.6 Financial sector reform		Real volume and sectoral composition of credit to the private sector
1.7.3 Main roads		Condition of roads; Length of roads improved
1.8 Commercial sector law reform		Popular perception of quality of judiciary; Investor perception of functioning of legal system
1.10 Tertiary education	Enrollment increased to 50,000 by 2003 8000 students at Makerere 30% improvement in completion 90% post-qualification employment rate	Total enrollment; Enrollment by socio-economic group, district; Completion rates; Post-qualification employment
2. Good governance and security		
2.1 Overall sector goals and human rights		Public awareness about rights
2.2 Security		Casualties from military conflict; Number of people displaced by conflict; Living conditions in protected villages
2.4 Transparent, efficient and poverty-focussed public expenditure		Proportion of high-level corruption cases prosecuted; Public perception of corruption; Incidence of misappropriation of public funds
2.5 Delivering efficient and honest public services		Proportion of service users paying illegal charges
2.6 Law and order		Crime rates; Size of remand population; Average length of time spent on remand
2.6.1 Criminal Judiciary and prosecution		Number of cases completed; Size of case backlog; Average delay in bringing cases to court

³⁹ Excludes PEAP/PRSP sub-goals for which neither targets nor monitoring indicators have been defined.

2.6.2 Prisons		Living conditions including overcrowding, death rates, illness; Spending per prisoner
2.6.3 Police		Case clear-up rate; Public experience of service delivery
2.6.4 Rehabilitation		Re-offense rates
2.7 Public information		Awareness of human rights and legislation; Awareness of health information; Awareness of entitlements and roles in service delivery
2.8. Empowering vulnerable groups		Access of disabled people to necessary equipment; Economic activity of disabled people to earn a living; Number and living conditions of child-headed households
3. Actions which directly increase the ability of the poor to raise their incomes		
3.1 Poverty outcomes	10% headcount poverty rate by 2017	Poverty headcount; Per capita consumption of poorest 20%; Proportion of households suffering severe income shocks
3.2.1 Rural Roads	District roads fully repaired and maintained by 2006	Km of roads in good repair; Proportion of districts with more than 50% of roads in poor condition; Average household distance from road in good condition
3.3 Land	Implementation of structures in Land Act	Poor households with no access to land
3.5 Agriculture, livestock, forestry, fisheries, food security		Agricultural incomes; Real food expenditures; Crop yields; Proportion of farmers with access to advisory services; Compliance with environmental standards
3.7 Rural energy	12% rural electrification by 2010	Use of electricity at home; Access to businesses using electricity
3.9 Employment and labour, vocational education	850 polytechnics and 100.000 trained by 2003	Enrolments and completion; Employment of graduates
3.10 Micro- and small-scale enterprises		Access of entrepreneurs to advisory services
3.11 Microfinance services		Proportion of households using microcredit; Proportion of households with bank a/c; Monetization of economy
4. Quality of life		
4.1 Overall sectoral indicators		Life expectancy; Child and infant mortality; Maternal mortality
4.2 Health care services		Immunization coverage; Proportion of HC's with staffing norms; Proportion without stockouts; Utilization; Perception of service delivery; Prevalence of HIV and malaria
4.4 AIDS	25% drop in prevalence	HIV prevalence
4.5 Water and sanitation	10% maximum feasible access to safe water by 2015	Access to improved water source; Forms of sanitation used by households; Sanitary facilities in schools and markets; Quality of water sources
4.6 Primary and secondary education	Net enrollment approaching 100% by 2003 Pupil/teacher ration 41 by 2009 Teacher/classroom ratio at 1.6 in 2003/4	Net and gross primary enrolment; Pupil-textbook and teacher ratios; Public perception of quality; Estimates of quality from NAPE
4.7 Adult literacy	85% literacy after 5-year programme	Literacy rates by gender
4.9 Housing		Proportion thatched

b) PRSP Goals and Targets

Sector	1998/99	1999/00	2000/01	2001/02	2002/03
<i>Education:</i>					
Avg. pupil-teacher ratio	68	58	48	45	45
Avg. pupil-classroom ratio	131	118	99	88	79
Avg. pupil-book ratio	6	6	4	3	3
<i>Health:</i>					
Immunisation rate (DPT3)	35%	45%	60%	70%	80%
% of health centers with trained staff	33%	55%	61%	63%	65%
<i>Water:</i>					
Boreholes drilled		1060	1100	1280	1500
Springs protected		900	900	800	700
Shallow wells protected		1000	1100	1420	1700

**ANNEX 3: EXTERNAL ASSISTANCE — PROJECTED AID
DISBURSEMENTS BY TOP 20 DONORS, 1999/00-2001/02
(Total, US\$m)**

Donor	1999/00-2001/02, US\$m
IDA	328.0
Denmark	162.3
European Union	100.6
ADF + ADB	59.2
Germany	49.8
USAID	34.0
UNICEF	27.2
Italy	24.0
Japan	23.4
GEF	22.7
United Kingdom	17.7
UNDP	16.9
Egypt	13.9
Austria	11.5
Sweden	11.1
IFAD	10.9
Netherlands	10.9
WFP	10.8
Norway	8.5
China	7.3
Total for top 20 donors	950.7
Total for 26 other donors	44.8
Overall projection for 1999/00- 2001/02	995.5

Source: Public Investment Plan, 1999/00-2001/02, Annex 2, MFPED August 1999.

ANNEX 4: NOTE ON METHODOLOGY AND PEOPLE MET

The OED “Diagnostic Guide and Action Framework for Evaluation Capacity Development” has served as an analytical reference source for the work; providing a conceptual framework, detailed checklists of issues relating to incentives, roles and responsibilities, plus a menu of options to strengthen demand and supply of M&E.

The collection of data for this report was undertaken through a series of interviews and through review of documents during a visit to the World Bank in Washington in March 2000 and two missions to Uganda in April and October 2000, respectively. During the latter mission a one-day M&E seminar was held in conjunction with MFPED. During the two missions to Uganda we also participated in meetings of:

- * PERC/PRSC Task Force
- * Education Sector Working Group, M&E subcommittee
- * M&E harmonization committee
- * Country financial accountability seminar
- * Monthly donor meeting
- * Civil Society seminar on “Assessing Government Performance”
- * Pay reform workshop

People met during Uganda country visits, 2-17 April and 4-20 October 2000

<i>Ainebyona P.</i>	Economist MFPED
<i>Delius Asimwe</i>	Research Fellow, Makerere Institute of Social Research
<i>Benedict Baraza</i>	District Salaries Officer, Mubende
<i>Robert Barungi</i>	Deputy Headteacher, Kasambiya School
<i>Lawrence Bategeka</i>	Economist, UNDP
<i>Moses Bekabye</i>	Director, Parliamentary Budget Office
<i>Bella Bird</i>	Social Development Advisor, DFID
<i>Bisamala</i>	EAR, Office of the Prime Minister
<i>Albert K. Byagumisha</i>	Assistant Commissioner Education Planning, MES
<i>John I.K. Byaruhanga</i>	Economist, MFPED
<i>Candirn Florence</i>	PAS, Inspectorate General of Government
<i>Noah K. Davis</i>	Country Director, WFP
<i>Kari Egge</i>	Deputy Representative, UNICEF
<i>Joseph Ellor</i>	M&E Officer, EPD, MES
<i>Grace Ekudu</i>	Programme Planning Officer, UNICEF
<i>Okello Francis</i>	AFO, Moroto District
<i>Dr. Kim Forss</i>	Evaluation Consultant, Sweden
<i>R. Greenhill</i>	SE/BPED, MFPED
<i>Guzu D.</i>	NCDIP, NUDIPU
<i>Morten Heide</i>	First Secretary, Royal Norwegian Embassy
<i>David Igulu</i>	M&E Officer, UNICEF
<i>E.C. Jjuuko</i>	Reporter, Uganda Confidential
<i>Alain Joaris</i>	Economic Advisor, EC Delegation
<i>Mohammed Kabaale</i>	Economist, MFPED
<i>Kabanu Kabonanukye</i>	Researcher, MISR
<i>Rose Kafeero</i>	Commissioner, Public Service Inspection, MPS
<i>James Kahoza</i>	Auditor General

<i>Brenda Kafuko Malinga</i>	Deputy Director/MSS, Ministry of Ethics & Integrity
<i>Margaret Kakande</i>	Poverty Analyst, Poverty Monitoring Unit, MFPED
<i>Hamzah Kakooza</i>	Reporter, Radio Star
<i>James K. Kalebo</i>	Director, Uganda Management Institute
<i>Julius Kapwepwe</i>	PA, UWONET
<i>Harald Karlsnes</i>	Counsellor, Norwegian Embassy
<i>Norah Katumba</i>	Senior Economist, MFPED
<i>Sylvia Keera</i>	M & E Advisor, Decentralisation Secretariat, MLG
<i>Dr. J. Kiyaga-Nsubuga</i>	Deputy Director, Uganda Management Institute
<i>Britt Hilde Kjoelaas</i>	First Secretary, Norwegian Embassy
<i>Florence Kuteesa</i>	Commissioner, Budget Policy and Evaluation, MFPED
<i>Paul Kyama</i>	Programme Officer, MLG
<i>John Kyewalabye</i>	Clinical Officer, Kasambya Health Clinic
<i>Eric Lakidi,</i>	Reporter, New Vision
<i>Philippe Loop</i>	Economic Advisor, EC Delegation
<i>Dr. Lwasampijjaf</i>	District Health Officer, Mubende District
<i>Magona J.M.</i>	AC/SS, MFPED
<i>Sirage Makumbi</i>	R.P, East African
<i>Philip Mangeni</i>	C/TI, MFPED
<i>Speciosa Mankabirwa</i>	Registered Midwife, Kasambya Health Clinic
<i>Phillip W. Marugeni</i>	Commissioner, MFPED
<i>A. Mayanja</i>	Director, Audit Dept.
<i>Laban Mbulamuko</i>	S. Economist MFPED
<i>Lars Moeller</i>	PMDU, MFPED
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<i>Mary Muduli</i>	Director, Budget Dept, MFPED
<i>Jane Musika</i>	Ag. Chief of Div, Decentralization Secretariat, MOLG
<i>Andrew Musoke</i>	District Planning Officer, Mubende District
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<i>Robert Okudi</i>	Principal Economist, MFPED
<i>Martin Onyach-Olaa</i>	Coordinator, Programme Management Unit, MOLG
<i>Jimmy Orombit</i>	Radio Uganda
<i>George A.Otim</i>	A/Commissioner, MAAIF
<i>Steve Rice</i>	Economist, MFPED
<i>J. Ruhweza</i>	FO, MFPED
<i>John Rudman</i>	Advisor to Director Budget, MFPED
<i>Yosuke Shimamura</i>	Social Sector Economist, MFPED

<i>Michel Sidibe</i>	Representative, UNICEF
<i>B.O. Simonsen</i>	CS/Advisor, UBOS
<i>Fredrick Ssemogerere</i>	District Service Commission Secretary, Mubende District
<i>George Sserungogi</i>	PF, MFPED
<i>Moses Ssonko</i>	Finance Officer, MFPED
<i>Daouda Toure</i>	Resident Representative, UNDP
<i>Prof. Sam Tulya-Muhika</i>	Chairman, International Development Consultants
<i>F. Tumuheirwe</i>	C/MEP, MFPED
<i>Mr. E. Tumusiime-Mutebile</i>	Principal Secretary, MFPED
<i>Stephen Tumutegyeize</i>	Information Systems Officer, MOLG
<i>Gerald Twijukye</i>	Researcher, Uganda Debt Network
<i>Francis X.K. Wagaba</i>	Chief, Planning Div., Decentralization Secretariat, MOLG
<i>Dr. Brian Wall</i>	Chief Project Analyst, Evaluation & Audit, Ireland Aid
<i>Edward Walugembe</i>	Principal Statistician, MES
<i>Mr. Michael Wamibu</i>	Principal Economist, MFPED
<i>S. Wenkere-Kisembu</i>	Director, Decentralization Secretariat, MOLG
<i>Alan Whitworth</i>	Policy Advisor, MFPED
<i>Tim Williams</i>	Governance Advisor, DFID
<i>George Yigga</i>	Special Needs Teacher, Kasambiya School
<i>Kharim Ziwa</i>	Power FM

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