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This action is funded by the European Union

ANNEX 1

of the Commission Decision on the Annual Action Programme 2016 for Uganda
to be financed from the 11th European Development Fund

Action Document for the Development initiative for Northern Uganda

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| 1. Title/basic act/ CRIS number | Development initiative for Northern Uganda (DINU) - CRIS number: FED/2015/38781 financed under the 11 th European Development Fund (EDF) | |
| 2. Zone benefiting from the action/location | Uganda The action shall be carried out in Northern Uganda, in the following sub- regions: Karamoja, Lango, West Nile, Acholi, Teso. | |
| 3. Programming document | Uganda - 11 th EDF – National Indicative Programme (NIP) 2014-2020 | |
| 4. Sector of concentration/ thematic area | 1) Transport Infrastructure; 2) Food Security and Agriculture; 3) Good Governance | DEV. Aid: YES-¹ |
| 5. Amounts concerned | Total estimated cost: EUR 150 632 542 Total amount of EDF contribution EUR 132 800 000 This action is co-financed in joint co-financing by: <ul style="list-style-type: none">• The Government of Uganda for an amount of EUR 11 953 840;• The United Nations Capital Development Fund (UNCDF) for an amount of EUR 352 174;• The United Nations Children's Fund (UNICEF) for an amount of EUR 1 056 528;• The Gesellschaft für Internationale Zusammenarbeit (GIZ) for an amount of EUR 1 800 000;• The UK Department For International Development (DFID) for an amount of EUR 2 670 000; This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 3 000 000. | |
| 6. Aid modalities and implementation modalities | Project Modality: <ul style="list-style-type: none">• Indirect management with the Government of Uganda• Indirect management with the UNCDF• Indirect management with the UNICEF• Indirect management with GIZ• Indirect management with the DFID | |

¹ Official Development Aid is administered with the promotion of the economic development and welfare of
developing countries as its main objective.

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|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 7. DAC code(s) | 43040 – Rural development - 100%; 31120 – Agricultural development - 18%; 31130 – Agricultural land resources - 6%; 31140 – Agricultural water resources - 3%; 31150 – Agricultural inputs - 4% ; 31161 – Food crop production - 9%; 31162 – Industrial crops/export crops - 4%; 31163 – Livestock - 4%; 31166 – Agricultural extension - 4%; 23630 – Electric power transmission and distribution - 3%; 12240 – Basic nutrition - 4%; 13030 – Family planning - 3%; 15112 – Decentralisation and support to subnational government - 7%; 15150 – Democratic participation and civil society - 1%; 21020 – Road transport - 48%; 21061 – Storage - 2%; | | | |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |
| | Participation development/good governance | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Aid to environment | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Gender equality (including Women In Development) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Trade Development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Reproductive, Maternal, New born and child health | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | RIO Convention markers | Not targeted | Significant objective | Main objective |
| | Biological diversity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Combat desertification | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Climate change mitigation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Climate change adaptation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | 9. Global Public Goods and Challenges | n/a | | |
| 10. Sustainable Development Goals (SDGs) | SDG 1 "End poverty in all its forms everywhere" SDG 2 "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture" | | | |

SUMMARY

Northern Uganda, which has been suffering from the combined effects of long and violent conflicts, extreme weather conditions and insecurity, is still lagging behind the rest of the country in terms of most human development indicators, with women being disproportionately affected. Poverty indicators are still among the worst on the continent, at 43.7% (twice the national average), while stunting rates of children under five are around 37% in Karamoja.² Conflict drivers, such as land rights, youth unemployment and access to land and water are still threatening the consolidation of the post-conflict recovery. Despite the high potential of agriculture in the region, the contribution of the sector to poverty reduction and improved nutrition has been disappointing, notably as a result of poor nutrition knowledge, malfunctioning value

² Data from Uganda Demographic Health Survey – source: <http://www.ubos.org/onlinefiles/uploads/ubos/UDHS/UDHS2011.pdf>

chains, poor transport infrastructures (despite its proximity to major export markets in the region, the North only accounts for 4.5% of Uganda's exports) and lack of capacities of local governments, who are only to a limited extent capable of fulfilling their mandates (both core mandate and broad general mandate), which hampers their ability to respond to local needs and capacity to deliver quality services to its citizens.

The programme aims to steer a paradigm shift from a sector-oriented support to an integrated territorial approach, and 'connect the dots' between key sectors and areas for an inclusive and sustainable socio-economic development of the region, by supporting a selection of relevant value-chains (taking into account the respective agro-ecological zone types of the sub-regions), addressing notably the identified bottlenecks, and working with local private sector. This will not be possible without a crucial facilitating role played by local authorities who will be specifically supported to better fulfil their core and broad mandates (notably in relation to the other sectors targeted by this programme) and better respond to local needs and deliver quality services to its citizens, improving upwards and downwards accountability mechanisms. Local authorities are responsible for local economic development. They are thus expected to play a key role in planning and overseeing the implementation of programme activities, as the programme adopts an integrated, place-based approach to development planning and implementation and operationalises it through the formulation of jurisdiction-specific territorial development strategies, developing both vertical partnerships (local authorities-central state) and horizontal partnerships (local authorities - local private, non-profit and community-based organisation), and leveraging place-specific resources. This will be complemented by activities aimed at unlocking trade within the region, within the country, and with neighbouring countries through the improvement of transport infrastructures. These activities will contribute to the reaching of the objectives of the Economic Partnership Agreement (EPA)³ signed by the East African Countries (EAC) block and the EU in July 2016, and notably those relating to regional integration and economic cooperation in the EAC and the structural transformation of Uganda economy and its diversification and competitiveness.

Furthermore, the programme will address the root causes of irregular migration and instability, contributing to the development of sustainable livelihood of poor communities living in the north, building their resilience to climate change through improved farming techniques and promoting the economic and social integration of current refugee communities living the northern region.⁴

In terms of geographic focus, there is a first set of four districts (Amudat, Adjumani, Abim, Moyo), which were selected for their agriculture potential but limited access to the market, in accordance with the outcome of the scoping studies and prioritised by the Government's master plan for rehabilitation and upgrading of community access roads. Overall the objective is to focus the integrated interventions in approximately fifteen districts. In addition, the district of Gulu had already been selected by the Government for the construction of a logistic hub that will facilitate the shipping of cargo to/from Northern Uganda, and seven districts of Karamoja had been identified to benefit in priority from support to police forces. The choice of connecting roads has also been made to unlock the whole West Nile region.

As mentioned, West Nile is one of the sub-regions targeted. This is also where the project funded by the EU Trust-Fund that aims at reducing irregular migration strengthening the resilience of refugee and host communities is implemented. Synergies potential include fostering economic exchanges and trade between refugee and host communities, supporting farmers groups to ensure that they are able to benefit from the increased demand for food products triggered by the influx of South Sudanese refugees in the North and by the transition from food to cash distribution; furthermore, transport infrastructures that will be built in the framework of this programme – notably the logistic hub in Gulu - will greatly facilitate the shipping of products and equipment to refugee settlements located in the districts of Adjumani, Arua and Kiryandongo, leading to important savings for development partners.

³ Listed in Article 2 of the agreement

⁴ By early November 2015, Uganda was hosting more than 507,000 refugees and asylum-seekers, the majority of whom were from the Democratic Republic of Congo (DRC) and South Sudan

The general objective of the programme is to consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development. It will focus on the sub-region of West Nile, Acholi, Lango, Teso⁵ and Karamoja. Adopting a multi-sectorial approach, support will be provided in the three focal sectors identified in the NIP.

The programme will also take into account that (1) women have a key role in the socio-economic sphere in Northern Uganda, both as potential entrepreneurs, and as key drivers in addressing food insecurity and poor nutrition; (2) natural resources constitute the primary source of livelihood for the majority of Ugandans; (3) Northern Uganda's population is set to double by 2040, presenting a massive poverty reduction and job creation challenges. Youth will be targeted whenever possible.

The programme will thus aim to support environmentally sustainable/climate-smart practices and value-chains development selected for their combined potential (1) to improve food security and nutrition of targeted communities; (2) to foster rural economic diversification and transformation; to create inclusive and sustainable jobs; (3) to improve livelihoods; (4) to tap into the Green Economy potential (in terms of new opportunities of income-generating activities).

This programme is building on past political economy analysis and a recent Integrated Decentralisation Diagnostic Framework diagnostic.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Uganda is striving to become a middle income country by 2020, and overall indicators show significant progress during the last two decades. Reduction in the absolute number of poor people is marginal due to population growth, and hides substantial spatial variation (with Northern Uganda still lagging behind) and rising inequality. Northern Uganda, which has been suffering from the combined effects of conflicts, extreme weather conditions and insecurity, is still lagging behind the rest of the country in terms of most human development indicators (notably poverty and the number of undernourished children has increased), with women being disproportionately affected. While the potential of the agriculture sector in terms of poverty reduction is important, this is still largely untapped.

1.1.1 Public Policy Assessment and EU Policy Framework

Public Policy Assessment

At national level, the *Uganda's Vision 2040* describes long term policy objectives for the country and envisions a transformed society from a predominantly peasant and low income country to a competitive upper middle income country. The 2nd *National Development Plan 2015/16 – 2019/20* is the overarching planning guide for Uganda and provides strategic direction to the sectors so that they can contribute to “*propel the country towards middle income status by 2020*”. Other relevant frameworks and policies include the *Public Finance Management Act⁶ (PFMA) 2015*, the *National Gender Policy (2007)* and *National Action Plan on Women (NAPW)⁷*, the *National Climate Change Policy⁸ (2014)*.

⁵ Districts of Katakwi and Amuria

⁶ The Public Finance Management Act 2015 provides for public financial management and macroeconomic management embracing Gender Responsive Budgeting (GRB) while mandating all the Budget Framework Paper and the Policy Statement to be certified with a Gender and Equity Certificate. By this Act, all ministries, agencies and local governments are required to ensure that their plans and budgets are gender and equity responsive and specify measures taken to equalise opportunities for women, men, persons with disabilities and other marginalised groups

⁷ It guides at all levels planning, resource allocation and implementation of development programmes how to integrate a gender perspective

⁸ The National Climate Change Policy aims at to mainstreaming climate change adaptation and mitigation measures in all government acts and policies, and guides planning at central and local level towards an environmental and climate-sensitive approach of formulation and implementation of programmes and activities.

At regional level, the main policy for reconstruction of Northern Uganda is the 3rd *Peace Recovery and Development Plan* which provides a strategic framework against which the Government of Uganda, Development Partners, Civil Society Organisations and the Private Sector can prioritise and align their action to increase coordination and maximise impact for the region⁹. *At sub-regional level*, the 2nd *Karamoja Integrated Development Plan* is a medium-term development framework specifically tailored to address the unique context and development challenges faced in Karamoja in the period 2015-2020.

EU Policy Framework

The overarching policy framework is the 2011 *Agenda for change* which supports pro-poor and inclusive socio-economic development with sustainable practices, including the safeguarding of ecosystem services giving priority to locally-developed practices. Relevant Communications include: the 2012 *Communication on Resilience*; the 2013 *Communication on Local Authorities*; the 2012 *Communication on Civil Society*; the 2010 *Communication on Food Security*;¹⁰ the 2013 *Communication on Maternal and Child Nutrition*; the 2014 *Communication on private sector*,¹¹ the *Communication on the State of Play of Implementation of the Priority Actions under the European Agenda on Migration*. The programme is also in line with the recent (June 2016) *Communication on establishing a new Partnership Framework with third countries under the European Agenda on Migration*. Relevant Action Plans include: the *Nutrition Action Plan*,¹² the *Gender Action Plan 2016-2020*.

1.1.2 Stakeholder analysis

The programme will target vulnerable households in the sub-regions of West Nile, Acholi, Lango, Teso¹³ and Karamoja. Particular priority will be given to women recognising their role in the agricultural sector and their potential to influence nutrition within the household. Children below 5 years old will be specifically targeted considering the importance of good nutrition during the first years of life, while youth, given the nature of the age pyramid in the region and their potential in terms of socio-economic development, will be the main target of activities aimed at increasing skills development, job opportunities and reproductive health.

The key stakeholders include: *National and sub-national authorities* - the Office of the Prime Minister is the main counterpart for this action, together with the local governments at district and sub-county levels and all relevant line ministries/agencies at national level; *Civil society organisations* - especially non-governmental, community-based organisations and women and youth-led organisations to mobilise and empower communities to participate in planning, implementation and monitoring of project activities and to participate in local governance; *Citizens of Northern Uganda*; *Private sector/private sector-based organisations* - input and service providers, business associations, traders upstream and downstream the value chain, financial institutions both formal and informal and farmer based organisations.

⁹ All the districts targeted under this programme are all included in the zone covered by Peace, Recovery and Development Plan for Northern Uganda

¹⁰ Which aims to contribute to increased availability of food, improved access to food, nutritional adequacy of food intake, and enhanced crisis prevention and management.

¹¹ Which sets out key role of private sector at the forefront of international development in its partner countries

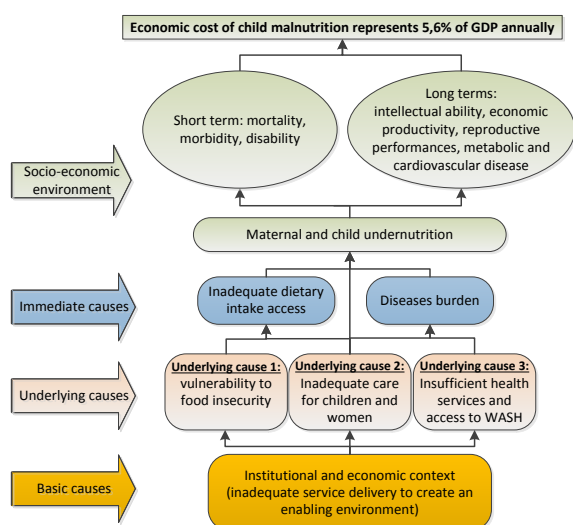
¹² Which outlines how the Commission plans to reach its commitment to reduce Child Nutrition highlighting the need to increase support in the areas of governance, scaled up interventions and research.

¹³ Districts of Katakwi and Amuria.

1.1.3 Priority areas for support/problem analysis

A. Problem analysis

Fighting under-nutrition and poverty in Northern Uganda is a complex task calling for changes in food production and consumption patterns and multi-dimensional efforts to promote sustainable development. The United Nations Children's Fund (UNICEF) conceptual framework described in the figure adjacent describes the multi-layered causes of malnutrition and poverty in Northern Uganda. It highlights the interactions between malnutrition and poverty – poverty being a cause of malnutrition through the food security/health pathway, and malnutrition being a major contributor to poverty through its impact on the labour forces; and articulates the role of various type agents (private and institutional) in fighting causes of undernutrition and promoting poverty reduction.



Despite a relatively high growth rate of the national gross domestic product (GDP), the performance of the agriculture sector in the North has been disappointing over the past. The shift from subsistence to commercial agriculture that has been experienced at national level over the past ten years has been insufficient in the North, notably in Karamoja and did not enable small-scale farming household to break out of the reinforcing circle linking under-nutrition to poverty. As a result, together with other factors, under-nutrition remains high and is seen as a major obstacle to sustained economic development for the region.¹⁴ Poverty and chronic under-nutrition¹⁵ indicators have evolved in parallel; whilst progresses have been experience in relative terms for both poverty indicator¹⁶ and under-nutrition,¹⁷ progresses were insufficient in view of the high growth of the population.¹⁸ Besides stunting, micro-nutrient deficiency¹⁹ is

¹⁴ A study conducted by the World Food Programme showed that the cost of children under-nutrition alone is equivalent to 5.6% of Uganda's Gross domestic product, as a result of loss of potential of labour and skills due to poor cognitive development of children – sources: http://npa.ug/wp-content/themes/npatheme/documents/Publications/Cost%20of%20Hunger%20report%20summary%20version_Final%20Edition.pdf

¹⁵ Referred as stunting.

¹⁶ 73,5% of the population living in the North were poor in 1993, 43.7% in 2013; for the East figures are 58.8% in 1993 and 24.5% in 2013 – source: http://www.finance.go.ug/index.php?option=com_docman&task=doc_details&gid=423&Itemid=7

¹⁷ Stunting rates went from 44% in 1995 to 37% in 2016 in the North, figures for the East are 46% for 1995 and 40% for 2016 north – source: http://www.fantaproject.org/sites/default/files/resources/Uganda_NSA_May2010.pdf

¹⁸ Over the past decades the number of people living below the poverty line has increased and in the same manner, children under five affected by undernutrition are expected to rise by a quarter million by 2025 if no further effort is provided.

¹⁹ lack of vitamins and minerals, also known as “hidden-hunger”.

also high²⁰ and forecasts do not show hopes of significant improvement in the near future. Women have been disproportionately affected by these phenomena.²¹

In Uganda disease burden and inadequate dietary intake are the immediate causes of malnutrition in children under 5. Diseases such as malaria,²² Diarrhoeal disease and Acute Respiratory Infections²³ pose an immediate threat to nutrition outcomes among pregnant women and children. Beside, inadequate dietary intake remains an important problem. Across all sub-regions, children tend not to be fed on any food other than that eaten by other family members. This is linked to issues related to inadequate care for children and women empowerment further developed below.

The underlying causes of under-nutrition are diverse and inter-linked and include:

Vulnerability to food insecurity: food insecurity in Northern Uganda is triggered by poor agricultural production, insufficient income at household level,²⁴ and inappropriate food utilisation/consumption. Despite the favourable agro-ecological conditions in the region, the potential of the agriculture sector to alleviate food and nutrition insecurity in the region remains largely untapped. This can notably be explained by a number of challenges and bottlenecks encountered at various levels of agricultural value chains.

Inadequate care for children and women: Only 7% of the children in Northern Uganda are benefitting from infant and young child feeding standards. Whilst breastfeeding is nearly universal, exclusive breastfeeding tapers off rapidly over the initial six months. Many children are weaned too early. This happens most frequently among mothers who conceive within six months of a delivery and believe that the pregnancy/unborn child will affect the health of the breastfeeding baby. Complementary feeding of children from 6 to 23 months falls well below the minimum standards for a nutritious diet.

Insufficient health services and access to Water, Sanitation and Hygiene: Community-based and community-led nutrition promotion interventions are weak and their scope too limited to bridge the gap between communities and health facilities, which results in poor nutrition awareness of mothers and children, notably on issues related to child spacing²⁵ and family planning.²⁶ Besides, the limited access to safe water and hygiene in Northern Uganda remains an important factor to under-nutrition.²⁷

Basic causes for under-nutrition can be traced back from the inadequate institutional environment and the failure of local governments to ensure a minimum level of service delivery to tackle underlying causes listed above.

Inadequate service delivery is prevalent across the entire spectrum of local government's mandate. Nutrition governance and support to agriculture is fragmented and needs to be fully integrated and better coordinated across different services. Basic resources such as water, land and infrastructures are not adequately managed to maximise economic development.

²⁰ With one in two children and one in four women suffering from iron-deficiency anaemia, and one in five children and women of reproductive age are deficient in vitamin A.

²¹ The poverty status report for 2014 found that 43% of Ugandan's are at risk to return to poverty during economic shocks or other natural emergencies such as droughts and floods, with higher risk for female-headed households living in Northern Uganda - UDHS 2011 and Situation of Women Report, chapter 4 and 5, Uganda Ministry of Gender, Labour and Social Development 2014.

²² 88% of the population is exposed to moderate to very high malaria transmission.

²³ Prevalence of diarrhoea and ARI symptoms in young children are at respectively 21/36% in the North, 6/22 in West Nile, 19/29 in Karamoja,

²⁴ Although there is no regional statics for Northern Uganda, studies conducted at national level – which can provide a proxy of phenomena - show that 66% of households are net buyers of food and rely on the market for over 25 percent of the value of the food they consume, even in rural areas – sources: <http://ebrary.ifpri.org/cdm/ref/collection/p15738coll2/id/129164>

²⁵ The nutrition statute of children and mothers is greatly affected by the high fertility rate in rural Uganda estimated at 7.1 children per women - Data from UDHS 2011: <http://dhsprogram.com/publications/publication-FR264-DHS-Final-Reports.cfm>

²⁶ According to a study commissioned by the EUD, 76.3% of married women aged 15-49 living in Karamoja, North and West Nile sub-regions were not using any contraceptive method; non-usage was highest in Karamoja and West Nile sub-regions (Karamoja 92.2%, West Nile 85.4%) - Data from the Health Management Information Systems (not available online).

²⁷ Karamoja and West Nile are among the worst performing sub-regions as regard to water access; most district in Karamoja and West Nile have less than 50% of inhabitant living within 1km of an improved water source, while national average is 65%. As regards to sanitation and hygiene, Karamoja and Acholi scores the worst in terms of latrine coverage; most districts in Karamoja and Acholi have a latrine coverage of [0-40%] while national average is at 69% - data from the Ministry of Water and Environment: <http://www.rural-water-supply.net/ressources/documents/default/1-627-34-1413793157.pdf>

The proliferation of new districts and the absence of mechanisms to mutualise resources have jeopardised the financial sustainability of decentralised structures of government. With own source revenues dwindling, local governments have increasingly had to rely on central government grants, which in turn have become complex and unpredictable.

This resulting poor performance, exacerbated by the deterioration in both internal and external accountability systems, has resulted in a fragmentary and often dysfunctional triangular relationship between local stakeholders, local government and central government. Local communities have little involvement in local planning decisions, which leads to weak demand for accountability and therefore poor compliance. Local authorities lack the capacity to keep pace with reforms – notably those that lead to a decrease of their revenue - and are unable to meet their statutory requirements to central government and national accountability agencies. Central government is unable to properly measure and assess performance, and lacks suitable control mechanisms and centralises decision making.

B. Areas for support

The programme aims to steer a paradigm shift from a sector-oriented support to an integrated territorial approach, and 'connect the dots' between key sectors and areas for an inclusive and sustainable socio-economic development of the region, by supporting a selection of relevant value-chains (taking into account the respective agro-ecological zone types of the sub-regions), addressing notably the identified bottlenecks, and working with local private sector. This will not be possible without a crucial facilitating role played by local authorities who will be specifically supported to better fulfil their core and broad mandates (notably in relation to the other sectors targeted by this programme) and better respond to local needs and deliver quality services to its citizens, improving upwards and downwards accountability mechanisms. Local authorities are responsible for local economic development. They are thus expected to play a key role in planning and overseeing the implementation of programme activities, as the programme adopts an integrated, place-based approach to development planning and implementation and operationalises it through the formulation of jurisdiction-specific territorial development strategies, developing both vertical and horizontal partnerships, and leveraging place-specific resources. This will be complemented by activities aimed at unlocking trade within the region, within the country, and with neighbouring countries through the improvement of transport infrastructures.

1. Food security and nutrition: the programme will respond to the above-mentioned problem analysis using value chain development as an entry point to improve under-nutrition. Private operators will be incentivised to work with small scale farmers. Support to agriculture will be complemented by a set of nutrition-specific interventions implemented at community level. Research conducted in Uganda has provided evidence that agriculture affects nutrition and poverty through three main pathways:²⁸

- *Diverse food production leading to increased food access for household consumption as well as the availability of a range of foods at competitive prices in local markets:* the programme will seek to reduce under-nutrition by (i) promoting a range of food and animal products that contribute to a more nutritious diet; and (ii) supporting distribution strategies that allow poor consumers access to more diverse and nutritious foods including biofortified varieties.
- *Agricultural income for expenditure on nutritious food and non-food items:* the programme will aim at increasing the income of small-scale farming households, facilitating their interactions with market players and strengthening their ability to secure profitable commercial relationships with other operators.

²⁸ The study “Leveraging Agriculture for Nutrition in East Africa” led by the International Food Policy Research Institute (IFPRI) provides a systematic literature review aligning research studies to agriculture-nutrition pathways, for Uganda, Ethiopia and Kenya – source: <http://ebrary.ifpri.org/cdm/ref/collection/p15738coll2/id/129164>

Recognising that the pathway linking increased income to better nutrition is not automatic,²⁹ attention will be paid to the potential negative side effects of promoting commercial agriculture.³⁰

- *Women's empowerment as a trigger for improved nutrition:* studies show the importance of promoting gender equality in the agriculture sector as a mean of strengthening food and nutrition security.³¹ The programme will seek to empower women on various dimensions³² and will notably target women for a number of nutrition-specific activities,³³ notably on issues relating to young child feeding practices, hygiene and sanitation for children, knowledge and access to family planning methods which will both address nutrition and unsustainable population growth issues.

2. Transport infrastructures: this component will facilitate the transport of commodities in and out of the region, providing farmers with the opportunity of accessing regional, national and international markets,³⁴ and facilitating the importation of agriculture inputs and other consumer goods. It will be complemented by support provided to relevant levels of governments ensuring the sustainability of the investment. The programme will respond to three identified gaps that restrict access to markets:

Absence of reliable carriage ways connecting rural communities with local/regional markets: the programme will support the rehabilitation of district and community access roads, aiming at ensuring all weather accessibility to services and markets for population and commodities.³⁵

Limited connectivity of a number of Northern districts to the national road network: the programme will support the rehabilitation and construction of the road Atiak-Laropi connecting western districts to the national network and ensuring a stable, all weather connection with the rest of the country.

The absence of logistics platforms and cargo distribution systems: the programme will support the construction and operation of a logistic hub in Gulu, strategically located along the Tororo-Gulu-Nimule-Juba corridor, which will facilitate the handling of cargo including humanitarian food from the World Food Programme, leading to a reduction of cost of transport.

3. Local governance: improvements in the above levels of service provision will ultimately depend on the capacity of local governments to carry out their core processes. Interventions on public finance management will focus on compliance with government regulations. Local revenue mobilisation plans will be developed in cooperation with local communities, creating a compact on revenue generation linked to improved service delivery. Looking to the future, structured partnerships will be established between local government associations and central government departments, for research and advocacy on institutional and policy reforms relating to their core mandates.

Improved performance of local governments requires both internal and external monitoring, and support will be given to 'Upward Accountability' – local government interactions with national accountability institutions and line ministries; revitalisation and implementation of the annual performance system; and the provision of EU funded performance based 'top up grants', aiming to incentivise local authorities and to stimulate community involvement. 'Downward Accountability' of local authorities - to their constituents, civil society, media and other relevant stakeholders - is of equal if not more importance. The programme

²⁹ Limits of this pathway has been described in a study conducted by the World Bank : source :

<http://siteresources.worldbank.org/INTARD/825826-1111134598204/21608903/January2008Final.pdf>

³⁰ Notably through a shift from staple to cash crops, increased workload of women, decrease of women's control over income, access to natural resources etc.

³¹ A statistical correlation between women's relative decision making power and child weight-for-age in Uganda has notably been established in the framework of the study "The Importance of Women's Status for Child Nutrition in Developing countries" – source IFPRI:

<http://ageconsearch.umn.edu/bitstream/16526/1/rr030131.pdf>

³² Including increase their influence on household decisions about agricultural production, increase their access over productive resources - notably land, credit and technology, increase their control over use of income and ensure adequate allocation of their time to productive and domestic tasks.

³³ Though not exclusive, men will be involved too.

³⁴ Imports for neighbouring countries are on the rise : +70% for South Sudan from 2011-2016; +38% for DRC over the same period - source African Economic Outlook: <http://www.africaneconomicoutlook.org/en/country-notes/>

³⁵ Within 4 targeted districts - Adjumani, Moyo, Amudat and Abim - selected for their agriculture potential but limited access to the market.

will aim to enhance transparency, consultation and participation, and emphasise periodic monitoring of public expenditure and service delivery performance by non-state actors.

In parallel, interventions will aim at supporting the capacities of local government structures to deliver efficient and accountable services in selected sectors. This support will focus on the sectors of interventions tackled in the framework of the other programme components – production, nutrition, road maintenance, water and land governance - where local governments have the mandate to deliver services. Although not directly under the administration of district governments, support will be provided to local police forces in Karamoja to ensure minimum presence. Though peace has been brought through a successful government disarmament process initiated in 2012 and the signature of a cease fire with the Lord Resistance Army, this remains fragile, particularly in Karamoja where police presence is very limited.³⁶

2 RISKS AND ASSUMPTIONS

| Risks | Risk level | Mitigating measures |
|---|------------|--|
| Worsening of security situation and insecurity in the region | Low | Mitigation measures will include continued support to Uganda Police Force in the region and mainstreaming of community based conflict resolution systems. |
| Climate/environment deteriorates | Medium | Foster the adoption of sustainable farming practices (climate smart, water-scarce, etc.) that also contribute to the resilience of agro-ecosystems, and efficient water and energy management techniques. |
| Local elites capture project results | High | Reinforce downward accountability through grassroots community-based gender-responsive organisations. |
| Lack of complementary funding from the government of Uganda: staffing, running costs, maintenance, etc. | High | Mitigating measure will include relying on low maintenance designs, increased resource generation for local governments, seek local Private-Public Partnerships models when appropriate, and ensure close collaboration with the Office of the Prime Minister and the Ministry of Finance, Planning and Economic Development. |
| Emphasis on production and productivity for commercial purposes may compromise nutritional outputs | Low | Use nutrition-sensitive indicators at all levels to ensure that project activities are nutrition-sensitive and that measures to mitigate negative impacts of commercial agriculture (shift from staple to cash crops, use of pesticides, increased workload of women, decrease of women’s control over income, pressure on natural resources etc.) are identified and implemented. |
| Lack of transparency / mismanagement in procurement / financial management by local governments | High | Upward and downward accountability and monitoring systems will be strengthened increasing community pressure on non performing local governments. Strong technical assistance component of the project and strong monitoring system |

³⁶ A number of districts have only one police station with limited transport.

| | | |
|---|--------|--|
| Unfavourable and insufficient collaboration/coordination among the participating partners and project components | Medium | Strengthen coordination at national, district and community levels to build linkages. The supervising/coordination role of the Office of the Prime Minister and the political support of the Prime Minister are confirmed. |
| Lack of support of men and women in activities aimed at fighting harmful cultural practices targeting women and girls compromising minimum standards of Infant and Young Child Feeding | Medium | Nutrition specific interventions will be jointly organised with other types of activities which may raise more interest from small-scale farmers. |
| Assumptions | | |
| <ul style="list-style-type: none"> • Conflict in South Sudan will not intensify and will not lead to a new wave of refugees which could possibly increase tensions in West Nile. • Northern Uganda will not experience extreme weather events which could possibly undermine programme results in the agriculture/livestock sectors. • Private sector value chain champions will find the financial support framework sufficiently attractive to submit concept papers and full proposals for the private sector funding scheme. • Government policies and strategies will continue encouraging trade and agriculture development in Northern Uganda. | | |

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons learnt in the area of Local Governance: (i) Lack of accountability of decentralised structures of government calls for the adoption of different approaches to ensure accountability relying on established national procedures³⁷ and on a combination of external upward accountability mechanisms³⁸ and downwards control;³⁹ (ii) Strengthening the technical capacities of sectorial team at local governments level will not lead to improved service delivery should the ability of district council to undertake core processes in not improved (participatory planning and budgeting, issuing of ordinances and bylaws, procurement, reporting etc.).

Lessons learnt in the area of agriculture and food security/nutrition: (i) Climate change jeopardies the entire economic agricultural model in Northern Uganda and requires the adoption of climate smart, water-scarce sustainable farming practices; (ii) farmers in Northern Uganda are able to engage with market players when adequately supported along the whole value chain to improve quality and quantity of production; (iii) considering the lack of security of land tenures and related land conflicts, long term growth of the agricultural sector in the target region remains fragile, and conflict drivers such as land grabbing and archaic traditional practices which deny women the right to own land, have to be adequately addressed; (iv) women are key agents of change and women empowerment will lead to increased agricultural productivity and improved nutrition.

Lessons learnt in the area of transport infrastructures: (i) new technologies such as low cost sealing can reduce the cost of road maintenance; (ii) inadequate funding of preparatory studies has expensive technical

³⁷ Such as PPDA - The Public Procurement and Disposal of Public Assets.

³⁸ Office of the Auditor General, MoLG, external technical assistance and auditors, NGOs.

³⁹ Community control through initiatives such as barazas up to SMS/social networks based applications.

and legal repercussions at the projects implementation stage; **(iii)** inadequate funding and delays in the implementation of the resettlements action plans and delayed acquisition of the Right of Way slows down, leads to obstruction of construction works and delays implementation of the projects.

3.2 Complementarity, synergy and donor coordination

Development partners operating in the region are: the United Kingdom Department for International Development, Irish Aid, United States Agency for International Development, Deutsche Gesellschaft für Internationale Zusammenarbeit, Danish International Development Agency, Embassy of the Kingdom of the Netherlands, Japan International Cooperation Agency, Swedish International Development Agency, United Nations agencies and the World Bank.

The Office of the Prime Minister has the mandate to lead and coordinate the activities in Northern Uganda, at both political level (the Minister for Karamoja and the Ministers of State for Karamoja, Northern Uganda Affairs and Teso Affairs) and technical level, through the teams in the field. An important role of the Office of the Prime minister is to coordinate the interventions of the Development Partners, to create coherence and synergies between programmes all the way from the design to the implementation phase.

The programme's coordination at national level will be achieved through the extended Steering Committee and through various donor coordination platforms that include: 1) Northern Uganda Group; 2) Karamoja Development Partners Group; 3) Nutrition Development Partners Group; 4) Agriculture Development Partners Group; 5) Karamoja Integrated Development Plan –Technical Working Group; 6) Peace Recovery and Development Plan -Technical Working Group; 7) Transport Development Partners' Group chaired by the EU; 8) Environment and Natural Resources Development Partners' Group; 9) Gender development Partners' Group, 10) Land Development Partner's Group chaired by the EU.

At local level, the main elements of coordination will be the District Development Plans. In each District, the project management will ensure that the requested support will be included in the District Development Plans, alongside with all main complementary programmes.

The project will look for synergies and complementarities especially with the following actions:

- The EU Trust Fund-funded *Support programme to the refugee settlements and host communities in Northern Uganda*, which will support livelihoods and increase income for refugees and host communities in Adjumani, Arua and Kiryandongo.
- The *Financial Management and Accountability Programme (FINMAP III)* is a Multi-donor funded Government of Uganda's flagship framework for the implementation of its public financial management *reform* strategy (July 2014 - June 2018) with the aim of achieving effective, efficient and accountable use of public resources as a basis for improved service delivery, and target, *inter alia*, external oversight and public finance management in local governments.
- The World Bank funded *Uganda Support to Municipal Infrastructure Development Programme*, aims to enhance institutional capacity of selected municipalities to address urban service delivery gaps, and *Fiscal Decentralisation, Governance, and Service Delivery Development Policy Operations* targets implementation of policy reforms aiming at enhancement of fiscal decentralisation framework and improving selected dimensions of governance and service delivery.
- The *Democratic Governance Facility*, co-funded by the EU and several EU Members States which aims at creating a more pluralistic, representative and accountable governance based on democratic values, institutions and processes in Uganda.
- The EU-funded *Civil Society in Uganda Support Programme (CUSP)*, which aims at strengthening the capacity and efficiency of civil society in Uganda, and the Government of Uganda – civil society organisations (CSOs) engagement in support of Uganda's national development goals. Whilst CUSP's scope is broader than the engagement with CSOs foreseen under this action. CUSP focus will be on

targeted capacity building of CSO platforms and members, as well as the policy and legal environment in which they operate.

- The United States Agency for International Development funded programme *Community Connector*, which aims at reducing poverty, food insecurity and under-nutrition through a comprehensive and multi-sectoral approach, and *Strengthening Governance, Accountability, Participation and Performance*, which supports the creation of more equitable, efficient and effective service delivery.
- FAO/Ministry of local government *Programme for Restoration of Livelihoods in the North*, which aims at increasing sustainable production, productivity and climate resilience of small holder farmers with increased and profitable access to domestic and export markets.
- United Kingdom Department for International Development's *Enhancing Resilience in Karamoja*, which aims at increasing resilience in Karamoja through strengthening nutrition programmes, livelihoods and food security, and *Northern Uganda: Transforming the Economy through Climate Smart Agribusiness* which aims at increase the resilience to climate change of poor farmers in Northern Uganda.
- United Nations Food and Agricultural Organisation/World Bank/Ministry of Agriculture Animal Industries and Fisheries *Regional Pastoral Livelihoods Resilience Project*, which aims at increase resilience of pastoral communities.
- World Bank/Office of the Prime Minister programme *Northern Uganda Social Action Plan III*, which seeks to improve access to income-earning opportunities and better socio-economic services in Northern Uganda.
- The *Information for Nutrition Food Security and Resilience for Decision Making* programme will contribute to strengthening resilience to withstand food crises as a result of human-induced and natural disasters. Providing regular, timely and evidence-based information to decision-makers is one of the means to achieve this goal.
- Regional programmes under the Intergovernmental Authority on Development (*IGAD*) *Drought Resilience and Sustainability Initiative* (IDDRSI) Strategy which is aiming at addressing the effects of drought and related shocks in the IGAD region in a sustainable and holistic manner.
- Danish International Development Agency's *Rural Transport infrastructure project*, which aims at rehabilitating district and community access roads, supporting the Ministry of Works and Transport in planning and monitoring roads maintenance at district level and training of district staff and contractors through the Mount Elgon Labour Based Training Centre.

3.3 Cross-cutting and other issues

The strengthening of **peaceful dispute resolution mechanisms** is key to promoting harmonised development in a region that has experienced violent conflicts, leaving an important share of its inhabitants traumatised. Promoting peaceful resolution of notably land-related conflicts, which are widespread in the region and often leads to physical violence and gender injustice, is key to ensuring social cohesion and promoting economic development. While the recent influx of South Sudanese in West Nile provides large opportunities for farmers in terms of increased demand for food products,⁴⁰ it has tremendously modified the demography of some districts,⁴¹ causing frictions with host communities over resources.

The programme, which aims at reducing poverty and improving nutrition through the agriculture sector, will have a strong **gender dimension** and this for three reasons: the workforce involved in agriculture in Northern Uganda is largely female; poverty rates are higher for women and girls and they are most affected

⁴⁰ Around 100 000 South Sudanese refugees live in refugee settlement Northern Uganda, and cash distribution is gradually replacing food distribution.

⁴¹ In Adjumani, refugees now account for 30% of the district population.

by under-nutrition and food insecurity; gender inequality is a root cause of persistent poverty and food insecurity in Uganda and women's empowerment is a strong pathway to improved child under-nutrition. In the targeted region, social culture underlies a number of prevailing norms and values creating and then dictating differential rights, responsibilities and privileges between women and men, which shape societal expectations of women and men. According to the Uganda Social Institutions and Gender Index Country Report, women experience very high levels of discrimination across many fronts (including, in particular, in terms of land rights)⁴². Gender equity will therefore be mainstreamed in all programme activities ensuring that transport infrastructures are responsive to women and girls' rights, decentralised structures of government are able to deliver gender-sensitive services; women and girls have a fair access to productive assets; women and girls have increased control over the decision making process within households and at community level; women and girls have access to gender-specific services, are not denied of their sexual rights and are respected in their physical integrity.

Climate change adaptation and mitigation through the promotion of climate-smart and environmentally-sustainable practices, sectors that are central to efforts aimed at alleviating poverty in Northern Uganda and strengthening resilience of farming households. Uganda is highly vulnerable to climate change and variability – its economy and the wellbeing of its people are tightly bound to climate. Human-induced climate change (mostly through massive deforestation, mining practices, misuse of land, etc.) has the potential to halt or reverse the country's development trajectory. Climate change hazards such as prolonged droughts and floods have the potential to radically increase food insecurity, under-nutrition and poverty levels. It will be the poor and vulnerable who feel these impacts the hardest. Project activities will be implemented following the guidelines on the Integration of Environment and Climate Change in Development Cooperation and will aim at supporting the development of climate-smart/water-efficient practices (including through pilots). Regarding the infrastructure component, Environmental Impact Assessments for all roads will be conducted, as per national and EU regulations/guidelines, to identify and mitigate environmental risks caused by the construction activities of the proposed infrastructure such as environmental degradation of borrow areas, pollution (noise, air, and water), etc. In addition, climate proofing of the designed infrastructure, to cater for the flash floods in Northern Uganda, will be central in the preparation of the detailed designs.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of SDG 2 'End hunger, achieve food security and improved nutrition, and promote sustainable agriculture' but also promotes progress towards SDG 1 'End poverty in all its forms everywhere'. This does not imply a commitment by the Republic of Uganda

This territorial programme cuts across the three focal sectors identified in the National Indicative Programme.

The **general objective** of the programme is to consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development.

Under this general objective, **three specific interlinked objectives**:

⁴² Including Discriminatory family code, Restricted physical integrity, Son preference, Restricted resources and assets, Restricted civil liberties – source: <https://www.oecd.org/countries/uganda/The%20Uganda%20SIGI%20Country%20Study.pdf>

Specific objective 1: to increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.

Result 1.1: increased production of diversified food; **Result 1.2:** increase market accessibility; **Result 1.3:** nutrition-specific interventions.

Specific objective 2: to increase trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport infrastructures.

Result 2.1: transport infrastructures in the regions are improved and climate-resilient; **Result 2.2:** Cargo distribution system and storage capacities are improved in Northern Uganda.

Specific objective 3: to strengthen capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.

Result 3.1: Capacities of Local governments to manage core public financial processes is strengthened to improve service delivery and local development; **Result 3.2:** Upward accountability of Local Governments increased; **Result 3.3:** Downward accountability of Local Governments to its constituents is strengthened by empowering citizens, civil society, media, NSAs, private sectors in their interaction with Local Government; **Result 3.4:** capacities of local government to deliver services to communities strengthened.

4.2 Main activities

Specific objective 1: to increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment”

Result 1.1: increased production of diversified food

- **Activity 1.1.1-facilitate the adoption and production of diverse food crops and animal products** through training, and through linkages of farmers organisations with other extension services (public – single spine national extension service, private – notably through long term contractual arrangements such as contract farming, Civil Society Organisations (CSOs): increasing the use of appropriate crop mixes and agro-silvo-pastoral systems⁴³ and practices, promoting the adoption of relevant biofortified crops, encouraging effective nutrient cycling over space and time and promoting soil and water conservation measures and other methods such as livestock diet intensification. Traditional women’s agriculture activities such as the production of vegetables as well as small husbandry production (poultry and goat) will be promoted to increase availability and access to nutritious food at the household level, and increase income that women can access from off-farm sales.
- **Activity 1.1.2-facilitate access to key inputs and output markets for women and men small-scale farmers** including improved drought, pest and disease tolerant crop varieties of nutritious value, agro-ecology practices, low-input practices trainings, improved livestock breeds, animal drugs and medicated feeds; this will be achieved by building the capacity of agro-input dealers and increase their access to farmers, sensitisation and training in use of the inputs, in low-input and agro-ecological practices, and supporting pest, disease and vector control.

⁴³ Such as Banana-coffee intercropping which can contribute to mitigation through storing an additional 15–30 t of carbon per ha in the soil, reduce incidence of coffee leaf rust and increase incomes.

- **Activity 1.1.3-train farmer groups and other small market operators along the value chain in community saving and credit schemes** (business action planning, financial literacy, record keeping, and savings mobilisation, business development training), support the registration of mature Village Savings and Loan Associations (VSLA) groups under local government, facilitate partnership building between VSLAs and other economic operators notably financial service providers and/or existing agricultural and rural finance projects and ensure the full participation of women through the schemes and on governance structures.
- **Activity 1.1.4-support vocational training institutes**, to train disadvantaged youth in the skills needed to find employment opportunities; and encourage cooperation between vocational training institutes and the private sector to increase the relevance of curriculum taught as well as facilitating placements of graduates at the end of training programmes.
- **Activity 1.1.5-Sustainable climate proofed water infrastructure built in Karamoja**: the programme will increase the availability of water for production through the construction of strategic water reservoirs (valley tanks, dams, wind-powered water systems, etc.) to better use seasonal water for crop irrigation and livestock production and through the rehabilitate water points (catchment/river works).
- **Activity 1.1.6 - support the land registration of Communal Land**: stimulate demand for Certificate of Customary Ownership registration and provide support to farming communities in going through the process of registration and insuring that women have a fair access to land.

Result 1.2: increase market accessibility

- **Activity 1.2.1-foster linkages between smallholder farmers, agro-processors and market operators**: provide training to farmers groups in efficient processing, storage, packaging and handling techniques and facilitate value-addition activities and support entrepreneurs – notably women and youth - with business development and incubation services (development of business plans, marketing strategy, financial and organisational management, corporate relationships and strategic planning). Also support to access innovative market information systems and market linkages and provide market infrastructure such as abattoirs, slaughter slabs, cattle markets, produce markets, etc.
- **Activity 1.2.2-Providing seed capital to incubation projects**: design and implement a mechanism for providing Business Development Services and seed capital in the form of loans, grants and reimbursable grants to promising projects. Women and youth will be deliberately targeted, and projects that aim at reducing environmental risks and ecological scarcities (green economy) will be promoted.
- **Activity 1.2.3-support the private sector in developing decentralised rural electrification projects** to increase the number of households and businesses having access to electricity in 15 villages or clusters of village in the Electricity Northern Territory (especially in Lamwo and Kaabong districts). The activity will consist in providing technical assistance to the Ministry of Energy and Mineral Development, Electricity Regulatory Authority (ERA) and the Rural Electrification Authority (REA) to develop an off-grid Electrification Strategy, develop instruments to select and license eligible concessionaires for the implementation and operation of decentralised mini-grid based on the use of photovoltaic panels; support the ERA and the REA in licensing, concessioning and supervising the private operator who will build and operate the decentralised mini-grid (mini-grid will be financed by REA and the power plant co-financed by the private developer in a public-private-partnership mechanism) ; and maximising the benefits of the electrification in promoting productive uses of electricity.
- **Activity 1.2.4-assess and identify market opportunities and product niches** along the stages of the value chain and facilitate market exchanges and contractual agreements between farmer organisations and processors/bulk buyers through contract farming systems, collective marketing (increasing

bargaining power) and assist to sell in non-local markets (where demand is higher and therefore easier to achieve higher prices).

Result 1.3: improved nutritional status

- **Activity 1.3.1-Developing and promoting community based nutrition initiatives including micro nutrient supplementation & deworming, promotion of maternal and young child feeding practices, hygiene and sanitation and child care.** This will be done conducting knowledge attitude and practice surveys aimed at complementing our understanding of region-specific barriers and solutions to improving child care practices, providing training and capacity building of existing community extension workers and conducting behaviour change communication campaigns.
- **Activity 1.3.2-Increase the use of effective family planning methods with the aim of decreasing the number of teenage pregnancies and increasing child spacing which address both nutrition and population growth issues.** This will notably be done increasing awareness and knowledge of family planning and sexual and reproductive health-care services at the individual, household and community levels, and provision of family planning products in health centres.

Specific objective 2: To increase trade of commodities within the region, within the country, and with neighbouring country through improved transport and logistic infrastructures

Result 2.1: transport infrastructures in the regions are improved

- **Activity 2.1.1-Rehabilitation and construction of selected roads connecting remote and disadvantaged districts to the main road network (connecting roads):** rehabilitation and upgrading to the bituminous standard of the Atiak- Adjumani- Moyo- South Sudan Border Road, Atiak- Laropi section (Km 65,8). In addition, the following activities need to be implemented by the Government of Uganda as a pre-condition for the procurement and signature of works contract for " connecting roads" component:
 - The Government of Uganda shall ensure sufficient budget and timely implementation of the Resettlement Action Plan (RAP) necessary for this component.
 - No procurement for works shall commence before the RAP implementation process has started and no works contract shall be signed without evident advanced progress of RAP implementation, thus allowing the contractor to work in an economic way according to the work programme."
- **Activity 2.1.2-Rehabilitation and upgrading of selected numbers of priority districts and community access roads within 4 priority districts (Amudat, Adjumani, Abim, Moyo):** as part of the preparatory activities for the programme, the preliminary studies⁴⁴ are expected to start in July 2016 and finalised in January 2017.⁴⁵ The activity will then consist of: i) organise a participatory process⁴⁶ led by district councils to identify the final selection of roads to be rehabilitated within the 4 priority districts, ii) technical assistance (TA) in the implementation of the districts works rehabilitation

⁴⁴ Identification, feasibility and preliminary design study.

⁴⁵ It will notably confirm the preliminary list of the roads to be subject of studies in each selected district, assess for each preselected road the scope of the rehabilitation requirements by section, and methods to be used, including, where adequate, the labour based methods and low cost sealing; and where available, the alternatives for treatments, iii) proceed with the preliminary environmental and social impact assessment of the proposed activities, iv) proceed with the preliminary designs and provide the preliminary cost estimations, propose the optimal set of the roads and road type improvement to be included within rehabilitation program for each district.

⁴⁶ Notably involving sub-counties and parishes.

component,⁴⁷ iii) realisation of the districts` by the districts of their road works rehabilitation implementation programs with TA support.

Result 2.2: cargo distribution system and storage capacities are improved in Northern Uganda

- **Activity 2.2.1-Construction of a logistic hub in Gulu:**⁴⁸ the logistic hub will be utilised by local processors of agricultural products, regional and local manufacturers and will also serve transporters and traders moving cargo to and from south Sudan and eastern democratic Republic of Congo. A prefeasibility study has been conducted by Trade Mark East Africa (TMEA) with DFID financing. Final design carried under the same arrangement will be completed by December 2016, TMEA working as an implementing partner. Available land closed to Gulu railway station has been identified by the Ministry of Work and Transport (MoWT) and the Uganda Railway Corporation with very limited encroachment. This will be done through the support to the multi-sectoral task force for the development of the business model, the implementation and the operation of the facility under a PPP mechanism (MoWT, Rift Valley railway, Uganda Railway Corporation, Apex Freight Forwarders Association, Apex Transport Associations and the private sector etc), and the support to the construction of the facility and the supervision of the works.

Specific objective 3: To strengthen capacity, gender-responsive good governance and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.

Result 3.1: Capacities of Local governments to manage core public financial processes is strengthened to improve service delivery and local development

- **Activity 3.1.1 - Strengthen capacities of Local Governments**⁴⁹ in public financial management; provide capacity building to local government units, ⁵⁰ leaders⁵¹ and other actors to identify service delivery deficits, plan⁵², budget,⁵³ implement and monitor public programmes in a gender-responsive manner and in compliance with the legal requirements notably in terms of procurement and internal audit functions.⁵⁴
- **Activity 3.1.2: Strengthen capacities of mandated local government units to efficiently mobilise and equitably allocate and utilise local revenue and resources:** support will be provided to initiatives aimed at enhancing revenue mobilisation by local governments and facilitate the transition of funds to lower local governments efficiently and in a timely manner. The will include the establishment of functional asset registers, partnership building with national agencies⁵⁵ or other local authorities that have been more successful at local revenue generation.⁵⁶
- **Activity 3.1.3-Structured partnership with Associations of Local Authorities and key relevant institutions for research and advocacy on institutional and policy reforms relating to core mandates of local governments.** Through structured partnerships aimed at strengthening the capacity

⁴⁷ Formulation of their rehabilitation program at each district level, assistance in the detailed designs, tender documents preparation, tendering process and supervision of works, monitoring activities.

⁴⁸ Inland container depot – Rail/Road-Road/Road port and inland deposit.

⁴⁹ Targeting both the higher and lower local governments.

⁵⁰ Through peer-to-peer placements, twinning, coaching or structured courses by training institutions such as Uganda Management Institute or Civil Service College, technical support etc.

⁵¹ Both political and technical.

⁵² The 4th African Peer Review Mechanism (APRM) draft report (2015, p.47) recommended an increase in resources to facilitate building of capacity for participatory district planning and strengthening of links between centralised and decentralised planning.

⁵³ Including gender-responsive budgeting as stipulated in the Public Finance Management Act (2015).

⁵⁴ Overall, the intervention under the sub-component will involve collaboration with key institutions including Ministry of Local Government, National Planning Authority, Equal Opportunities Commission, Local Government Finance Commission.

⁵⁵ Such as Uganda Revenue Authority, business registration bureau.

⁵⁶ Such as the Kampala Capital City Authority.

associations of local authorities and Ministries, Departments and Agencies (MDAs),⁵⁷ the programme will also support research and advocacy on policy and institution reforms aimed at strengthening decentralisation by protecting and promoting local government financing, enhancing orderliness and control in the management of inter-government fiscal relations and increasing discretion in local government decision making. In addition, implementation of key recommendations from the local government forums will be supported.

Result 3.2: Upward accountability of Local Governments increased:

- **Activity 3.2.1-support and strengthen local governments' accountability institutions in their interaction with line ministries and national accountability institutions.** While reinforcing interventions in Activity 1.1.1, the programme will support adherence by relevant units of local government to national procurement and accountability standards and requirements as well as local government accountability structures. Particular emphasis will be placed on timely and full implementation of recommendations of Office of Auditor General, Public Procurement and Disposal of Public Assets Authority, Local Governments Account Committees or other accountability institutions, and the capacity of local governments to enforce sanctions and recovery of funds in cases of breaches of the applicable regulations and standards.
- **Activity 3.2.2 – support the reform and pilot implementation of the Government of Uganda's own annual performance assessment framework for local governments** on key indicators such as stakeholders participation in planning and budgeting, local revenue mobilisation and compliance with Public Financial Management (PFM) related rules and regulation.
- **Activity 3.2.3-incentivise performance of local governments and to stimulate community involvement** through provision of top-up grants based on a reformed performance assessment and aligned to the intergovernmental transfer and grants system.

Result 3.3: Downward accountability of Local Governments to its constituents is strengthened by empowering citizens, civil society, media, NSAs, private sectors in their interaction with Local Government

- **Activity 3.3.1-Increase downward accountability mechanisms** through strengthening the role of CSOs, media, and other local actors (media, private sector etc) in local governance⁵⁸ and promotion of accountable and, responsive services delivery.⁵⁹
- **Activity 3.3.2-Support initiatives Office of Prime Ministers' Baraza⁶⁰ as complemented by public expenditure tracking and budget transparency initiatives of Ministry of Finance, Planning and Economic Development** aimed at fostering accountability and transparency in service delivery and management of public finances.
- **Activity 3.3.3-Foster the oversight role of CSOs (and other actors) by strengthening their collaboration with local governments** to undertake local governments' performance assessments and coordinated approaches to monitoring of service delivery and implementation of local government plans or national programmes.

Result 3.4: capacities of local government to deliver services to communities strengthened

⁵⁷ Such as The Ministry of Finance, Planning and Economic Development, Ministry of Local Government, the Local Government Finance Commission.

⁵⁸ Including in planning and budgeting processes, revenue mobilisation and implementation of local government programmes.

⁵⁹ Interventions will be complementary to the baraza or budget transparency initiatives as well as platforms for real-time monitoring on development projects (including road works) and the state of the local infrastructure.

⁶⁰ This may include procurement barazas in collaboration with PPDA.

- **Activity 3.4.1-strengthen the capacities of Uganda Police Forces and other Justice, Law and Order institutions to consolidate peace and security in Karamoja:** support the deployment of Uganda Police Force in the Karamoja sub-region through the constructing of police posts in selected districts and sub-counties and provide trainings including in community policing, human rights, etc.
- **Activity 3.4.2-support nutrition governance at decentralised level:** build the capacity of decentralised multisectoral structures to effectively plan, monitor and coordinate the scale up of multisectoral nutrition-specific and nutrition-sensitive interventions (notable support information systems on food and nutrition security; integrate nutrition into district development planning; enhance coordination of nutrition response across different, relevant sectors; and integrate nutrition into monitoring and evaluation (M&E) frameworks); strengthen system in the form of capacity building of sectoral service providers in terms of training, supervision and provision of tools and equipment to adequately manage under-nutrition according to the national nutrition protocol and the community based nutrition programme
- **Activity 3.4.3-support districts and communities in road maintenance:** provide support to district authorities to improve their capacities to plan investment and maintenance programmes, identify and implement appropriate technologies and approaches such as low cost sealing and labour based methods, draft appropriate technical specifications and prepare designs and manage road assets.
- **Activity 3.4.4-Strengthen integrated catchment-based planning, management and development of water resources in Karamoja:** strengthen catchment management structures through technical advisory support at national, zonal, and local level and support the implementation of water conservation activities such as restoration of the river banks by re-vegetating and establishing new vegetation cover through planting of drought resistant trees and up-scaling.
- **Activity 3.4.5-improve land governance and facilitate the registration of Certificate of Customary Ownership:** provide infrastructures and equipment to the relevant authorities to implement and facilitate the registration Certificate of Customary Ownership (office space, equipment, IT equipment, maps, laws, etc.) and provide capacity building to relevant local land governance structures in the use of alternative dispute resolution and mediation mechanisms to resolve land conflicts faster.
- **Activity 3.4.6-Build Capacity of Production Departments in Local Government at District and Sub-County levels:** provision of technical and logistic support and training to District and Sub-County production departments for project implementation, coordination, monitoring and supervision.

4.3 Intervention logic

This programme is rooted in the multi-sectoral and multi-stakeholders dimensions of the interrelated phenomenon of poverty and under-nutrition, which call for a holistic approach aims at changing food production and consumption patterns to promote a sustainable and inclusive socio-economic development in Northern Uganda. It will promote systemic change through a territorial approach involving all stakeholders under the leadership of national and decentralised structures in line with the respective mandate of each layer of government.

The broad and diverse list of activities in the preceding paragraph (4.2) provides an illustration of the multi-sectoral scope of the programme. It also suggests the involvement of multiple actors, including central and local government agencies operating at various tiers of the Uganda public sector administrations. This raises critical issues of programme management, as the often competing objectives of optimum coordination, and efficient execution, of specific activities will need to be pursued simultaneously. To this end the programme will adopt a balanced approach.

The programme is logically structured around three sectoral components of the NIP, which are interconnected and should complement each other.

Based on lessons from fragmented sector interventions in the past, this programme will adopt an integrative *territorial approach*, through which interventions of implementing organisations across multiple sectors will be planned and coordinated for maximum synergy through a series of place-based strategies for food security and agriculture development to be developed for all participating territorial jurisdictions. Coordinating the preparation and overseeing the implementation of such strategies will be the responsibility of the concerned local authorities, and a major opportunity for building their capacity and helping them comply with the broad mandate for promotion of ‘local economic development’ (LED) that the Uganda national decentralisation policy has recently and explicitly assigned to them.

The preparation of the place-based strategies, through a broad based local deliberative process, will be informed by a detailed assessment conducted at sub-regional level at inception during which the specific challenges and opportunities of all participating jurisdictions will be identified taking into consideration their economic, social, political and agro-ecological environment. The diagnostic assessment will have a dual focus.

First, it will take the form of detailed value chain analysis which will identify specific bottlenecks that are constraining the development of the agriculture and livestock sector in Northern Uganda. This is to help leverage the interface between value chain and territorial development, recognising, as noted in a recent study conducted by the International Fund for Agricultural Development (IFAD), that value chains development is “*one of the most promising drivers of successful territorial approaches*” but also that “*often the value chain approaches that have been adopted have not been informed by territorial considerations and in some cases this has led to the financing of value chains that are productive, but that can also extract value from local territories with negative implications for food security and nutrition*”.⁶¹

Second, the assessment should also provide a comprehensive diagnostic of the functioning of local government structures whose capacities and needs are extremely diverse across the targeted regions, to determine the extent to which, beyond their planning coordination and oversight role, local authorities can also take responsibility for delivering specific sector interventions, consistently with their mandates and either by their own initiative or under contractual delegation arrangements with concerned national agencies. This is to ensure the institutional sustainability of the programme by both placing local authorities at the centre of its management and making them operate effectively as part of a multi-level governance system.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.

⁶¹ See IFAD (2016), Territorial approaches, rural-urban linkages and inclusive rural transformation <https://www.ifad.org/documents/10180/36a5e671-b321-4ba9-9d60-49b3cee1c0d2>

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.4 Implementation modalities

Implementing partners have been identified according to their specific added-value, existing (successful) partnerships with the relevant line ministries and ability to foster synergies among different components.

5.4.1 Indirect management with Gesellschaft für Internationale Zusammenarbeit (GIZ)

A part of this action may be implemented in indirect management with Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails the creation of Mini-grids in Northern Uganda (activity 1.2.3). This implementation is justified by the long experience of GIZ working with relevant ministries and agencies (Ministry for Energy and Mineral Development, the Electricity Regulatory Authority and the Rural Electrification Agency) and by their technical expertise and understanding of challenges and opportunities present in the Ugandan context in the sector electricity and especially their long involvement in the promotion of electricity off-grid systems in Uganda.

The entrusted entity would carry out the following budget-implementation tasks: notably launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible as of 01/07/2016. This is justified considering that preparatory activities for the implementation of the co-financing (e.g. site analyses and feasibility studies) shall be conducted.

5.4.2 Indirect management with Gesellschaft für Internationale Zusammenarbeit (GIZ)

A part of this action may be implemented in indirect management with Gesellschaft für Internationale Zusammenarbeit (GIZ) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails the support to the water governance structures and to oversee the implementation of water infrastructures in Karamoja sub-region (activities 1.1.5 and 3.4.4). This implementation is justified by the long experience of GIZ working with relevant ministries and agencies (Ministry for Water and Environment), and by their technical expertise and understanding of challenges and opportunities present in the Ugandan context in the sector of water.

The entrusted entity would carry out the following budget-implementation tasks: notably launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

5.4.3 Indirect management with the UK Department for International Development (DFID)

A part of this action may be implemented in indirect management with the UK Department For International Development (DFID) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails providing EU funds to DFID for the development of the Gulu Logistic Hub managed by Trade Mark East Africa (Activity 2.2.1). This implementation is justified because DFID has a long experience working with Trade mark East Africa (TMEA) in Uganda on trade development through inter alia actions in the

transport and logistic sector. DFID has provided £ 37 200 000 to TMEA under TMEA strategy 1 (2010-2016) and considers funding a Strategy 2 (2017-2024) with £ 27 000 000. USD 3 000 000 have been earmarked for the development of the Gulu Logistic Hub: funding the pre-feasibility study (completed), the full design and Environmental and Social Impact assessment and co-financing the construction. More funds could be provided by DFID in case of increase of the cost after feasibility study.

The entrusted entity would carry out the following budget-implementation tasks: notably launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

The Commission authorises that the costs incurred by the entrusted entity may be recognised as eligible as of 01/01/2016 because the cofinancing provided by DFID to TMEA covers also the preparatory studies which started in January 2016.

5.4.4 *Indirect management with the United Nations Children's Fund - UNICEF*

A part of this action may be implemented in indirect management with United Nations Children's Fund (UNICEF) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails strengthening nutrition governance and supporting decentralised systems that have the capacity to prevent, identify, and manage under-nutrition among children under-five and pregnant and lactating women (activity 3.4.2). This implementation is justified because of the core expertise and mandate of the organisation, their relationship with national and decentralised structure of government, and their wide coverage/outreach in the targeted region.

The entrusted entity would carry out the following budget-implementation tasks: notably launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

5.4.5 *Indirect management with United Nations Capital Development Fund – UNCDF*

A part of this action may be implemented in indirect management with United Nations Capital Development Fund (UNCDF) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails UNCDF to strengthen capacities of local governments in selected districts; improving their accountability to national institutions as well their ability to deliver services in a number of sectors (activities 1.2.2, 2.1.2, 3.1.1, 3.1.2, 3.1.3, 3.2.1, 3.2.2, 3.2.3, 3.4.3 and 3.4.5). This implementation is justified because i) through the District Development Programmes (1997 – 2007), UNCDF was among partners who pioneered support to Uganda's then newly created decentralisation framework and as such, it has established relationship with key government entities such as Ministry of Local Government, Local Government Finance Commission, Associations of Local Authorities, ii) through its interventions in successive years in decentralisation, food security, climate change adaptation, women's empowerment, local economic development, UNCDF has strong technical competencies in DINU's areas as focus; and consequently iii) its role would foster internal programme coherence as well as increase likelihood of successful implementation.

The entrusted entity would carry out the following budget-implementation tasks: notably launching calls for tenders and for proposals; definition of eligibility, selection and award criteria; evaluation of tenders and proposals; award of grants, contracts and financial instruments; acting as contracting authority concluding, monitoring and managing contracts, carrying out payments, and recovering moneys due.

5.4.6 *Indirect management with the Government of Uganda*

A part of this action with the objective of implementing Activity 1.1.1, Activity 1.1.2, Activity 1.1.3, Activity 1.1.6, Activity 1.2.1, Activity 1.2.4, Activity 1.3.1, Activity 1.3.2, Activity 3.3.1, Activity 3.3.3, Activity 1.1.4, Activity 3.4.1, Activity 3.3.2, Activity 3.4.6, Activity 2.1.1 may be implemented in indirect management with the Government of Uganda in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The partner country will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 100 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold. The Commission will control ex ante the grant procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution covers, for an amount of EUR 1 287 500, the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the partner country.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

| Activities | EU contribution (amount in EUR) | Indicative third party contribution in currency identified ⁶² |
|--|---------------------------------|--|
| 5.4.1 Indirect management with GIZ | | |
| Activity 1.2.3 | 3 000 000 | 800 000 |
| 5.4.2 Indirect management with GIZ | | |
| Activity 1.1.5, Activity 3.4.4 | 4 000 000 | 1 000 000 |
| 5.4.3 Indirect management with DFID | | |
| Activity 2.2.1 | 5 000 000 | 2 670 000 |
| 5.4.4 Indirect management with UNICEF | | |
| Activity 3.4.2 | 5 000 000 | 1 056 528 |
| 5.4.5 Indirect management with UNCDF | | |
| Activity 1.2.2, Activity 2.1.2, Activity 3.1.1, Activity 3.1.2, Activity 3.1.3, Activity 3.2.1, Activity 3.2.2, Activity 3.2.3 Activity 3.4.3, Activity 3.4.5 | 25 500 000 | 352 174 |
| 5.4.6 Indirect management with the Government of Uganda through: | | |
| Call for proposals (indirect management) Activity 1.1.1, Activity 1.1.2, Activity 1.1.3, Activity 1.1.6, Activity 1.2.1, Activity 1.2.4, Activity 1.3.1, Activity 1.3.2, Activity 3.3.1, Activity 3.3.3 | 27 000 000 | - |
| Programme Estimate (indirect management) Activity 1.1.4, Activity 3.4.1, Activity 3.3.2, Activity 3.4.6 | 5 150 000 | - |
| Work and service contracts (indirect management) Activity 2.1.1 | 50 000 000 | 11 953 840 |
| One service contract (indirect management) TA to the Supervising authority | 7 500 000 | - |
| 5.9 Evaluation – 5.10 Audit | 550 000 | - |
| 5.11 Communication | 100 000 | - |
| Totals | 132 800 000 | 17 832 542 |

5.7 Organisational set-up and responsibilities

For the components implemented in indirect management with the partner country, the contracting authority shall be the National Authorising Office for Ugandan (the Ministry of Finance and Economic Development) and the Office of the Prime Minister shall act as the programme supervisor in view of its mandate to coordinate the implementation of the Peace, Recovery and Development Plan (PRDP) for Northern Uganda).

⁶² Some of the pledges were made in foreign currencies, the info euro conversation rate of May 2016 was used.

A Programme Steering Committee shall be set up to oversee and validate the overall direction and policy of the programme. It will notably have the following responsibilities: Review and validate work plans, budgets, programme performance of the programme in terms of the foreseen targets; Ensure overall coherence amongst the different components and implementing agencies; Inform the programme about relevant and complementary activities implemented in the framework of other donor-funded programme or government initiatives. The Steering Committee will meet at least twice a year (quarterly during the first year of implementation), will be chaired by a representative from the Office of the Prime Minister and will be comprised of a representative of the Head of the EU Delegation to Uganda, a representative of the Ministry of Finance and Economic Development, a representative from the Uganda Local Government Association; relevant agencies, donors/international organisations and representatives from the civil society can be invited to attend steering committee meetings as deemed necessary by the full members of the Steering Committee.

Multi-stakeholders technical committees will be set-up and coordination platforms at district level sought. This will aim to foster dialogue between all stakeholders, facilitate the learning curve of actors concerned by the horizontal and vertical partnerships, reflect, identify policy and institutional impediments, and feed the policy level with lessons learnt 'from the ground' and good practices.

The Programme Management Unit, hosted within the supervising authority (the Office of the Prime Minister), will be in charge of the overall coordination of the programme activities. It will ensure a technical and financial monitoring of commitments signed in indirect management and for those signed outside the imprest account of the Programme Estimate, will advise the National Authorising Officer in decisions related to contract management (award, report approval, payment, closure), and will act as a convener supporting districts in coordinating the action of the various implementing partners (notably M&E), and act as a learning platform promoting the exchange of good practice. The Programme Management Unit will be assisted by a Technical Assistance Team recruited through a service contract signed in indirect management mode by the National Authorising Officer. The Technical Assistance Team will assist the supervising authority (Office of the Prime Minister) in the implementation of the project, including the provision of technical advice and prepare all the necessary operational documentation, such as operational plans, M&E guidelines and framework.

5.8 Performance monitoring and reporting

Programme performance monitoring will be aligned as much as possible to national reporting systems.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews - results-oriented monitoring (ROM) (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the importance and nature of the action, a mid-term and a final evaluation will be carried out for this action or its components contracted by the Commission.

The mid-term evaluation will be carried out for problem solving, learning purposes, in particular with respect to the manner implementing partners, including decentralised level of governments, are performing.

A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the manner programme components have reinforced each-other.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract, one is expected to be signed at mid-term, the other one at completion.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, six contracts for audit services shall be concluded under a framework contract toward the end of the first year of implementation of the Programme Estimate. Four financial audits will be conducted on the programme estimate, while a technical audits will focused on the connecting road and the District, Urban and Community Access Roads components.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

One specific service contract will be signed through the use of the framework contract beneficiary to provide communication and visibility services, under direct management. The overall budget allocation will be EUR 100 000, and the contract will be tentatively launched during the first semester of the programme.

APPENDIX – LOGFRAME⁶³

| | Intervention logic | Indicators | Baselines (incl. reference year) | Targets (incl. reference year) | Sources and means of verification | Assumptions |
|----------------------------------|---|---|--|--|--|--|
| Overall objective: Impact | To consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for sustainable development | 1.% reduction in poverty rates in targeted regions** 2.% change in the prevalence of stunting amongst children under five years of age or change in the number of children under five years of age affected by stunting (this better conforms to the WHA targets)** | Poverty Status report 2014: 1.1.Karamoja: 74.2% 1.2.West Nile: 42.3% 1.3.North (Acholi & Lango): 35.2% 1.4.Eastern (including Teso): 24.7% Demographic Health Survey (DHS) 2011: ⁶⁴ 2.1. Karamoja: 36.7% 2.2. West Nile: 31% 2.3. North (Acholi & Lango): 19.6% 2.4. Eastern (including Teso): 21.7% | Realistic targets will be drawn from the upcoming Peace Recovery and Development Plan 3 and Karamoja Integrated Development Plan 3 and National Development Plan 2 | 1.Poverty Status Report, 2.Demographic Health Surveys | Northern Uganda will remain an important area for the government and no major conflict or extreme weather events will affect programme activities. |
| Specific objective 1: | To change food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment | 1.Change in agricultural value added per hectare** 2.Evolution of incomes in targeted villages 3.Evolution of the Women’s Empowerment in Agriculture Index 4.% of women that consume food from five or more of the ten food groups during the last 24 hours (MDD-W) ⁶⁵ 5.% of children 6-23 months of age who receive foods from four or more food groups during the | Data from baseline surveys conducted by grantees will be used for indicator 1-5 DHS 2011 (women/children): ⁶⁷ 6.1. Karamoja: (43.3%/69.5%) 6.2. West Nile: (32.3%/64.4%) 6.3. North (Acholi & Lango): (13,1%/34%) 6.4. Eastern (including Teso): (27.9%/57.6%) | Realistic target will be drawn at inception for indicator 1-6 | 1.Uganda Bureau of Statistics / Office of the Prime Minister annual reporting and UNICEF/World Food Programme /United Nations Food and Agriculture Organisation reports Indicators 1-6: • Programme reporting documents • Surveys by grantees | No major conflict or extreme weather event will trigger a food and nutrition crisis at regional level. Electricity as well as promotion of productive uses stimulate economic growth by creating new business opportunities, improving livelihoods and adding value to goods and services already existing in the |

⁶³ The indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision.

⁶⁴ Data will be updated with the figure from the 2016 DHS

⁶⁵ Minimum Dietary Diversity in women

| | | | | | | |
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| | | previous day (MDD-6 to 23 months) ⁶⁶ 6. Prevalence of anaemia in children aged 6-59 months and women | | | (agriculture call – cf heading 5.4.16) | market |
| Result 1.1 | Production of nutritious food increased | 1. % of farmers (Sex disaggregated) supported by programme participating to saving scheme 2. Amount of Certificate of Customary Ownership registered with programme support | Data from baseline surveys conducted by grantees will be used for indicator 1-2 | Realistic target will be drawn at inception for indicator 1-2 | Indicators 1-2: • Programme reporting documents • Surveys by grantees (agriculture call – cf heading 5.4.16) | Authorities at various levels (MDA at national level and local governments) support the creation of an enabling environment in targeted region. |
| Result 1.2 | Increase market accessibility | 1. % of farmers (Sex disaggregated) supported by programme providing value addition to their products 2. % of entrepreneurs that received seed capital still in business at programme completion 3. Number of rural households and businesses supplied with electricity in districts selected (Kaabong and Lamwo) ** 4. Energy generated from private sector-operated renewable energy based mini-grid** | 1. Data from baseline surveys conducted by grantees 2. Zero 3. Census 2014 Kaabong and Lamwo districts: 2121 HH 4. 2016: zero | Realistic target will be drawn at inception for indicator 1-2 3. End of 2018, up to 1200 HH and businesses connected or 6000 beneficiaries 4. Up to 450 KWc (or 1387 MWh per year) (2019) | Indicators 1-2: • Programme reporting documents • Surveys by grantees (agriculture call – cf heading 5.4.16) Indicators 2-3: • Rural Electrification Authority and Electricity Regulatory Authority report | Customers adopt as quickly as possible new technology, compared to old subsistence type activities thanks to affordable tariffs and the promotion of productive uses of electricity |
| Result 1.3 | Nutrition-specific interventions | 1. Number of women of reproductive age and children under 5 benefiting from nutrition-specific interventions** 2. Total demand for family planning (sum of total unmet need plus total contraceptive use) | 1. Zero DHS 2011: ⁶⁸ 2.1. Karamoja: 28.3% 2.2. West Nile: 57.5% 2.3. North (Acholi & Lango): 66.4% 2.4. Eastern (including Teso): 73.8% | Realistic target will be drawn at inception for indicator 1-2 | Indicators 1-2: • Demographic Health Survey | |

⁶⁷ Data will be updated with the figure from the 2016 DHS

⁶⁶ Minimum Dietary Diversity in children

⁶⁸ Data will be updated with the figure from the 2016 DHS

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| <p style="text-align: center;">Specific objective 2:</p> | <p>Increase trade of commodities within the region, within the country, and with neighbouring country as well service delivery at the local and national governments level through improved transport infrastructures</p> | <ol style="list-style-type: none"> 1. Change in OPD utilisation ratio⁶⁹ 2. Change in primary and secondary school education enrolment, in particular girls, in project's districts** 3. Trade costs on the Northern Corridor Mombasa – Juba section and Kampala –Juba section (USD per 20" container) (% change)* 4. Road Service Level - Travel Time on National Roads improved (minutes/ km)* | <p>District Local Government Statistical Abstracts 2012/2013, Heath Sector Annual Performance Review Report 212/2013:</p> <ol style="list-style-type: none"> 1.1. Abim: 2.9 1.2. Adjumani: 1.3 1.3. Amudat: 0.4 1.4. Moyo: 0.82 <p>District Local Government Statistical abstracts 2012/2013:</p> <ol style="list-style-type: none"> 2.1. Abim: primary school 28 418 (50% girls), secondary school: 3110 (44% girls) 2.2. Adjumani: primary school 43 948 (54% girls); secondary school: 3 397 (% girls: no data) 2.3. Amudat: primary school 22 900 (girls: 42.7%) secondary school: 221 (girls: 27.6%) 2.4. Moyo: primary school: 31 280 (49.1 % girls), secondary school: 1 492 (36.3% girls) <ol style="list-style-type: none"> 3. Baseline 2015: Kampala-Juba: USD 3200; Mombasa-Juba: USD 5030 4. Annual Sector Performance Report - MoWT 2014/2015: 1.15 | <p>Realistic target will be drawn at inception for indicator 1-2</p> <ol style="list-style-type: none"> 3. 10% reduction of trade costs 4. 2021: 1.05 (minutes/km) | <p>Indicators 1-2: National statistics (UBOS), Annual Sector Performance Reports of Sector Ministers, Districts departments of planning, engineering, agriculture, education and health reports.</p> <ol style="list-style-type: none"> 3. Observatory of the Northern Corridor Transit and Transport Coordination Authority (quarterly updated data) TMEA⁷⁰ monitoring reports. 4. Annual Sector Performance Report. MoWT | <p>Demand for commodities remains stable in neighbouring countries</p> |
|---|---|--|--|--|---|--|

⁶⁹ OPD – Outpatient Department Utilisation -measures the usage of health services in both government and non-government health facilities by the population. It is used as proxy for access to health care services

⁷⁰ Trademark East Africa

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|-----------------------|---|--|--|---|--|--|
| Output 2.1 | Transport infrastructures in the regions are improved | <ol style="list-style-type: none"> 1. Number of kilometre of connecting roads upgraded to paved standard** 2. Number of kilometre of District Community Access Roads rehabilitated using labour intensive methods and low cost sealing methods** 3. Change of districts and community priority access roads in fair and good condition in selected project districts. * 4. Change in number of rural population living within 2 km of all-weather road** | <ol style="list-style-type: none"> 1. : 0 km 2. : 0 km <p>Geographical Information Systems Based Intervention Prioritisation Analysis for Abim, Adjumani, Amudat and Moyo Districts – 2015:</p> <ol style="list-style-type: none"> 3.1. Abim:52.7% 3.2. Amudat: 82.48% 3.3. Adjumani:78.2% 3.4. Moyo: 50.7% <p>4. Annual Sector Performance Report MoWT - 2014/2015: Baseline: 83%</p> | <ol style="list-style-type: none"> 1. 2021: 65.8 km of the rehabilitated and upgraded to the bituminous standard of Atiak-Adjumani- Moyo-South Sudan Border Road (Atiak Laropi section) <p>Realistic target will be drawn at inception for indicator 2-4</p> | <ol style="list-style-type: none"> 1. Uganda National Roads Authority reports. 2. Programme reporting documents 3. Programme reporting documents 4. Ministry of Works and Transport Annual Sector Performance Report | Central Government timely and sufficiently releases funds for local government related to the roads maintenance and rehabilitation |
| Output 2.2 | Cargo distribution system and storage capacities are improved in Northern Uganda | <ol style="list-style-type: none"> 1. Change in cargo shipped in/out of the region 2. Change in use of containers for cargo transportation in the region* 3. Change in break-bulk goods transferred to South Sudan. | Data from baseline surveys conducted by grantees will be used for indicator 1-3 | Realistic target will be drawn at inception for indicator 1-3 | Indicators 1-3: • Surveys by grantees (TMEA) | Freight forwarder, traders, trucks owners use the facility |
| Specific objective 3: | Strengthen capacity, gender-responsive good governance and rule of law at the level of local governments, and empower communities to participate in improved local service delivery | <ol style="list-style-type: none"> 1. Quality of service delivery and consultative processes at local level 2. Level of satisfaction of community-based organisations – including women's rights and empowerment organisations - that are consulted by Local Authorities while planning, budgeting, implementing and monitoring 3. Level of local revenues and autonomy of local governments | <ol style="list-style-type: none"> 1. General levels of satisfaction with service delivery 2. Weak accountability of Local Governments 3. Low locally generated revenue base and limited fiscal autonomy of Local Governments | <ol style="list-style-type: none"> 1. Improved service delivery and local development 2. Increased accountability of and transparency in Local Governments 3. Increased locally generated revenue and increased fiscal autonomy of Local Governments | Indicators 1-3: • Programme reporting documents, • Reports of Relevant bodies (Office of the Prime Minister, Ministry of Local Government,, The Ministry of Finance, Planning and Economic Development, Office of the Auditor General , CSOs etc) | The Government will keep the commitment to involve more civil society organisations in the governance process at local level |

| | | | | | | |
|------------|--|--|--|--|---|---|
| Output 3.1 | Local governments in targeted districts are strengthened in their ability to manage core processes | <ol style="list-style-type: none"> 1. % of budget framework papers in targeted sub-regions issued with gender and equity certificate in compliance with the provisions of the PFMA 2. % of budget framework papers in targeted sub-regions issued with NPA's certificate on compliance with the provisions of the PFMA 3. % of local own source revenue (projected and collected) as a ratio of transfers from central government | <p>Baseline values for indicator 1-2 will be proposed during the inception phase</p> <p>3.3-5% (2015) are locally generated</p> | <p>Realistic target will be drawn at inception for indicator 1-3</p> <p>3.10-15% (2019) of Local Governments' revenues are locally generated</p> | <p>Indicators 1-3:</p> <ul style="list-style-type: none"> • Budget performance analysis and reports of MoFPED⁷¹ and the Ministry of Local Government • Reports of the Equal Opportunities Commission and National Planning Authority | Central Governments releases funds for local government, respecting the principle of additionally of the Peace Recovery and Development funding plan |
| Output 3.2 | Upward accountability mechanisms are strengthened through improved interactions between local government and national accountability institutions | <ol style="list-style-type: none"> 1. % of compliance with accountability regulations governing local governments 2. % of implementation of recommendations mandated accountability institutions governments | <p>Baseline values for indicator 1 will be proposed during the inception phase</p> <p>2.56% (2015) of Uganda Procurement, Disposal of Public Assets (PPDA) recommendations are implemented</p> | <p>Realistic target will be drawn at inception for indicator 1</p> <p>2.80% of annual recommendations of PPDA⁷² and OAG are implemented</p> | <p>Indicators 1-2:</p> <ul style="list-style-type: none"> • Ministry of Local Government's Assessments, OAG⁷³ Reports • PPDA⁷⁴ Reports including Integrity Surveys | Local Governments have the capacity to effectively execute their mandate Local Governments are responsive to statutory ,reporting and assessment requirements |
| Output 3.3 | Downward accountability mechanisms are strengthened by supporting civil society, media and other non-state actors including private sector in their interaction with local government, and complementary national initiatives aimed at fostering accountability to the citizenry | <ol style="list-style-type: none"> 1. % of citizens' (sex disaggregated) satisfaction with delivery of public services, accountability and governance, disaggregated by sex 2. Number of public reviews of the budget, financial performance and implementation of programmes 3. Level of stakeholder participation in planning, budgeting and monitoring local government programmes | <p>Baseline values for indicator 1-3 will be proposed during the inception phase</p> | <p>Realistic target will be drawn at inception for indicator 1-3</p> | <p>Indicators 1-3:</p> <ul style="list-style-type: none"> • Local Government Council Scorecard Assessments • Service Delivery Surveys | Local Governments will embrace the oversight role of NSA and are willing to create conducive environment for their operation and partner with them Interest of local stakeholders in local governance is reinvigorated |

⁷¹ The Ministry of Finance, Planning and Economic Development

⁷² Public Procurement And Disposal of Public Assets Authority

⁷³ Office of the Auditor General

⁷⁴ Public Procurement And Disposal of Public Assets Authority

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| Output 3.4 | Capacities of local government to deliver services to communities strengthened | 1. Quality of service delivery and consultative processes at local level, | 1. General dissatisfaction with service delivery | 1. Improved service delivery and local development | Programme reporting documents, | The Government will keep the commitment to involve more civil society organisations in the governance process at local level |
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