



Review of the Uganda Country Strategy 2010–2015

EXECUTIVE SUMMARY

27 March 2015



(In association with Conrad Consulting and Africa Services Group)

ACKNOWLEDGEMENTS

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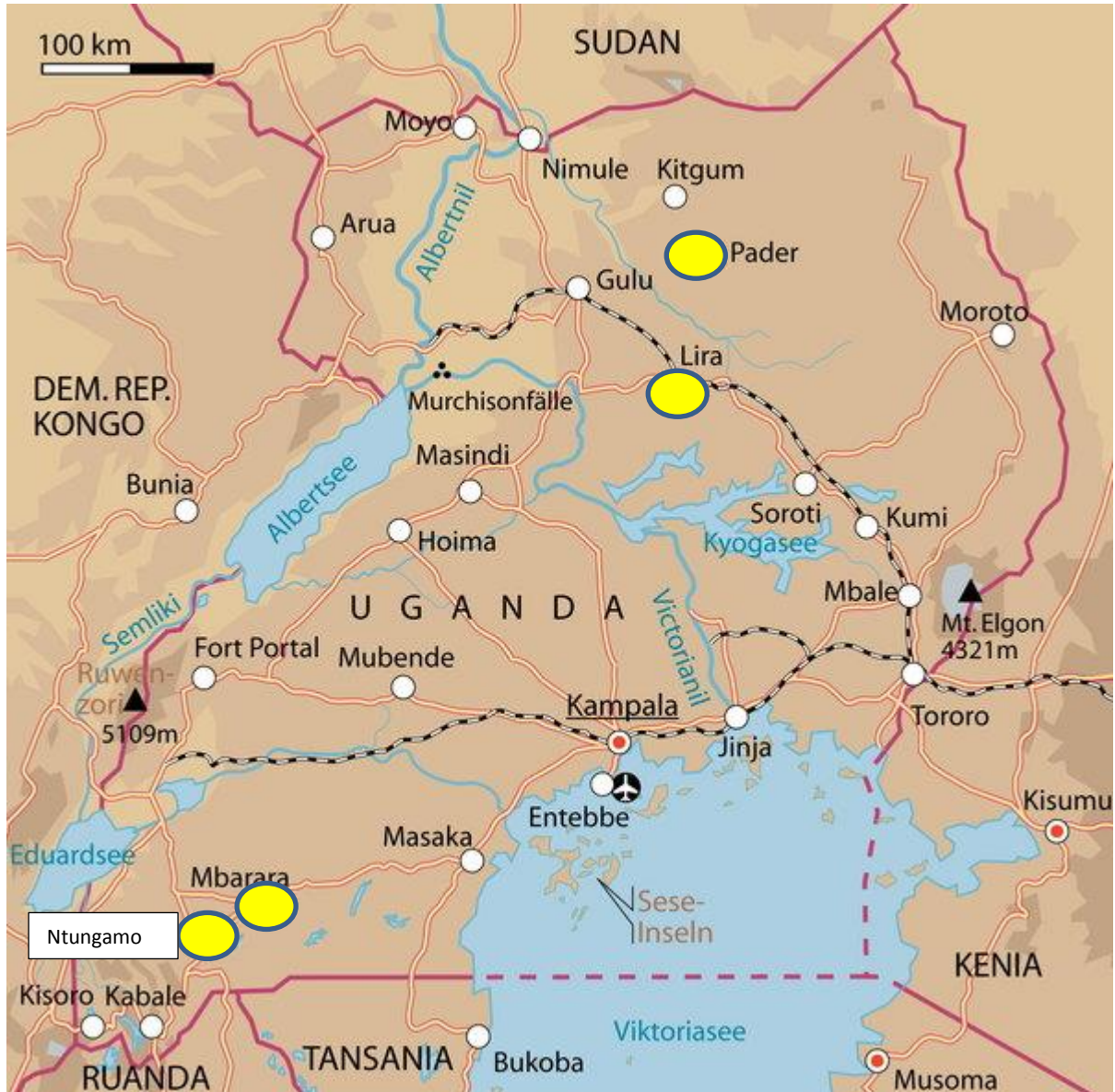
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The views and opinions expressed in this report are those of the review team and do not in any way necessarily reflect those of MFA, ADA, ADC CCO or any other stakeholder consulted. The review team regrets and takes full responsibility for all inadvertent errors and omissions in the report.

MAP OF UGANDA SHOWING DISTRICTS VISITED



Key

 Districts visited

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ACRONYMS

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
ADR	Alternative Dispute Resolution
AEFC	Austrian Export Finance Credit
AfDB	African Development Bank
AG	Attorney General
AHA	Anti-Homosexuality Act
AIDS	Acquired Immune Deficiency Syndrome
APPEAR	Austrian Partnership Programme in Higher Education
ASPRs	Annual Sector Performance Reports
AVP	African Vernetzungsplattform
BP	Business Partnerships
CARE	Care International
CCO	Country Coordination Office
CGIAR	Consultative Group on International Agricultural Research
CS 2010-15	Country Strategy 2010-2015
CSO	Civil Society Organisations
DAC	Development Assistance Committee
DGF	Democratic Governance Facility
DP	Development Partner
DPG	Development Partner Group
DPP	Director of Public Prosecutions
DWRM	Department for Water Resource Management
EAC	East African Community
EACRE	Regional Centre for Renewable Energy and Efficiency
EC	European Commission
ECOWAS	Economic Community of West African States
EU	European Union
FIDA	Women's Lawyers Association
GIZ	German International Cooperation
HORIZONT 3000	Horizont 3000
HIV	Human Immuno-Deficiency Virus
HQ	Head Quarters
HPM	Hand Pump Mechanic
HPMA	Hand Pump Mechanic Association
HR	Human Rights
HRD	Human Rights Defenders
HURINET	Human Rights Network
ICT	Information and Communications Technology
ICTJ	International Centre for Transitional Justice

ICM	Indirect Centralised Management
IFIs	Institutional Financial Institutions
IPs	Implementing Partners
IUCN	International Union for Conservation of Nature
JLOS	Justice, Law and Order Sector
JPF	Joint Partnership Fund
LAP	Legal Aid Project
LDPG	Local Development Partner Group
LG	Local Government
MDG	Millennium Development Goals
MFA	Federal Ministry for Europe, Integration and Foreign Affairs
MfDR	Management for Development Results
MoF	Ministry of Finance
MoIA	Ministry of Internal Affairs
MoWE	Ministry of Water and Environment
NDP	National Development Plan
NWSC	National Water and Sewerage Corporation
OECD	Organisation for Economic Cooperation and Development
ODA	Official Development Assistance
OeEB	Österreichische Entwicklungsbank/ Development Bank of Austria
OeKB	Oesterreichische Kontrollbank
O&M	Operation and Maintenance
OC	Officer In-Charge
OPM	Office of the Prime Minister
PAS	Paralegal Advisory Services
PD	Paris Declaration
PIDG	Private Infrastructure Development Bank
PRDP	Peace, Recovery and Development Plan
RGC	Rural Growth Centre
RJP	Rights, Justice and Peace
SADC	Southern African Development Community
SBS	Sector Budget Support
SEVAL	Schweizerische Evaluationsgesellschaft
SGBV	Sexual and Gender Based Violence
SIP	Sector Investment Plan
SWAp	Sector Wide Approach
SWOT	Strengths, Weaknesses, Opportunities, Threats
TA	Technical Assistance
TJ	Transitional Justice
ToR	Terms of Reference
UBoS	Uganda Bureau of Statistics
UGC	Urban Growth Centre
ULS	Uganda Law Society

UNIDO	United Nations Industrial Development Organisation
UO	Umbrella Organisation
UPS	Uganda Prisons Service
UWASNET	Uganda Water and Sanitation Network
UWONET	Uganda Women's Network
W&S	Water and Sanitation
WG	Working Group
WIPA	Business Partnerships (of ADC)
WMZs	Water Management Zones
WRM	Water Resource Management
WSDF	Water and Sanitation Development Facility
WSSB	Water Supply and Sanitation Board
WUC	Water User Committee

EXECUTIVE SUMMARY

A. INTRODUCTION

This report presents results of the Review of the Uganda Country Strategy of the Austrian Development Cooperation, which covers the period 2010-2015. The purpose of the review is to assess the relevance of the Country Strategy, likely impact and the effectiveness of its strategic focus, as well as its efficiency and the sustainability of its implementation. The recommendations by the reviewers are expected to feed into the design of the up-coming Country Strategy for Uganda taking into consideration that it might align to the European Union joint programming exercise. The report has 12 Chapters the first four of which are introductory. Chapters 5 to 9 assess the current Country Strategy using the OECD criteria of relevance, efficiency, effectiveness, impact and sustainability while Chapter 10 presents lessons learnt. Chapters 11 and 12 present the main conclusions and recommendations.

B. OBJECTIVES

This review is both summative and formative in its nature. The overall objective is to analyse strengths and weaknesses of the current Country Strategy. According to the Terms of Reference the review has three specific objectives, namely:

- i. the assessment of the relevance, impact and effectiveness of the **strategic focus** of the Austrian Development Cooperation;
- ii. the analysis of the efficiency and sustainability of the Country Strategy 2010-2015 **implementation**; and
- iii. the **capitalization of experiences** which might support the elaboration of the next Country Strategy for Uganda in the context of the European Union Joint Programming exercise.

C. CONCEPTUAL FRAMEWORK

The review is at the strategic level in contrast to a programme review which focuses more on operational performance issues. An analytical matrix detailing the evaluation questions, evidence and judgment criteria was developed to guide preparation of interview checklists and sampling of interviewees both in Austria and Uganda. It was the basis of the analysis of the evidence, and guided report writing. Available principles and criteria for evaluation from the Organization for Economic Cooperation and Development's Development Assistance Committee (1998) and the Swiss Evaluation Society (2002) were considered to the extent possible.

D. METHODOLOGY

The review was conducted in four phases in line with the requirements of the Terms of Reference. These were: 1) visits to Austria by the Team Leader and the Official Development Assistance expert for a briefing on the review by the Austrian Development Agency and the Federal Ministry for Europe, Integration and Foreign Affairs; 2) a country visit to Uganda for interviews with Government of Uganda officials, development partners and Civil Society

Organisations and complemented by additional consultations in Austria; 3) presentation of preliminary findings for validation by Ugandan stakeholders and the local Austria embassy staff; and 4) elaboration of the draft and final reports.

E. MAIN FINDINGS

E.1 Findings on Relevance

Sector choice: The support of the Austrian Development Cooperation to Uganda during the period 2010-2015, was mainly targeted at two focal areas:

- Water and Sanitation in the Water and Environment Sector; and
- Rights, Justice and Peace in the Justice, Law and Order Sector.

This engagement is complemented by supporting activities from Austrian and Ugandan non-governmental organizations. Furthermore, the Austrian Partnership Programme in Higher Education and Research for Development as well as the CGIAR (formerly known as Consultative Group on International Agricultural Research) are part of the Austrian engagement.

The review finds the Austrian support in these sectors strongly aligned to the Millennium Development Goals, especially targets No. 10 and 11 (in relation to Water & Sanitation) and No. 2 (in relation to strengthening human rights), as well as Uganda's priorities articulated in the National Development Plan I (2010-2015). It is supported by Austria's technical strengths, and the importance of continuing¹ the existing support to the two sectors. Improving access to improved water sources remains high on the Post-MDG agenda. Furthermore, the two focal areas will continue to be critical areas of investment enabling planned health and other outcomes of the National Development Plan II (2015-2020).

Thematic areas: Within these sectors, Austria's support was carefully designed to correspond with its capacities and comparative advantages as a "small donor". In Water and Sanitation the focus was put on improving access to safe drinking water in rural areas (including small towns/rural growth centres), improved sanitation (in the same areas in rural areas), water resource management, policy reforms and institutional strengthening for decentralised water and sanitation service provision. Under Rights, Justice and Peace the focus was put on access to justice, gender and human rights standards, and promotion of alternative conflict resolution (transitional justice) mechanisms. These focal areas were well aligned to the Uganda Country Strategy 2010-2015 as well as Austria's policy on development cooperation and priorities in the respective 3 Year Programmes.

In addition, the results achieved and the **strong reputation Austria has gained from its partners**, in Uganda indicates that Austria invested in areas of its technical strength and experience. Nonetheless, in the focal area of Water and Sanitation, sanitation and hygiene promotion for point water systems is urgently needed, so is the integration of water supply with small-scale livelihoods interventions that could boost nutrition outcomes in a country where stunting prevalence remains high.

¹ According to one of the DPs interviewed, "the logic of donor division of labour in Uganda is to continue in sectors where DPs already enjoy a strong partnership with the Government".

Geographical focus: The geographical focus of the Austrian Development Cooperation on Northern Uganda was appropriate from poverty, human rights and conflict prevention lenses. This should be maintained, but can be broadened to include other regions of need (such as West Nile, Central and Eastern Regions). Geographical targeting of the instruments of the Austrian Official Development Assistance should be coordinated for synergy. It is important for Austria to maintain support to South Western Uganda to sustain the innovation which it tested in this region and is being replicated countrywide. The South Western small towns where Austria tested new concepts like the Water and Sanitation Development Facility and Umbrella Organization remain the **laboratory** where these innovations will be perfected attending to sustainability.

Choice of financial instruments: The findings confirm that Austria's aid modalities in the period under review (e.g. Sector Budget Support, Basket Funds, Technical Assistance Facility, and Project Financing) were complementary and Austria should continue with this mix. Sector Budget Support in the Justice, Law and Order Sector is appreciated by the JLOS Secretariat and other key institutions in the JLOS sector for strengthening the entire system of justice administration and delivery. In the focal area of Water and Sanitation, Sector Budget Support from Austria is topping up government allocations to the district conditional grants which are used to expand rural water and sanitation coverage. Un-earmarked basket funding to Water and Sanitation is considered to be the **"oil of the system"** enabling the Ministry of Water and Environment to address critical institutional bottlenecks and create capacity to implement interventions of other Development Partners some of whom have higher budgets than the Austrian Development Cooperation. The funding availed by the EU and managed by Austria through Indirect Centralised Management (ICM) is enabling Austria to strengthen its involvement in the water and sanitation focal area. ICM funding is strengthening Water and Sanitation Development Facilities (Eastern and South Western Regions) which are part of the decentralised system of service provision now actively promoted by the Government of Uganda in the Water and Environment Sector. However, a proper strategy to systematically harness synergy between interventions funded by the selected instruments is needed. It would be beneficial for the Austrian Development Agency and the Country Coordination Office of the Austrian Development Cooperation to have strategic technical oversight and coordination responsibilities over the Austrian whole of government interventions in Uganda. At the same time the current mix of financial instruments should be maintained in both sectors and this would need Austria to maintain the Uganda Budget-line at the same or higher funding levels.

Comparative advantage: Areas of comparative advantage include: strong institutional knowledge of the two sectors; technological and institutional innovations in the Water and Sanitation sector; strong partnership with the Government of Uganda earning a reputation of "trusted donor". "Flexibility", "focus on poverty and human rights", "quality", "capacity to coordinate other donors" and willingness to "listen to others" were among the notable areas of Austria's strength cited by development partners, the Government of Uganda and civil society organizations.

Principles and cross-cutting issues of the Austrian Development Cooperation: Principles and issues like poverty reduction, human rights, conflict prevention, gender, environment, good governance, and children and people with disabilities have been systematically integrated in the portfolio of the Austrian Development Cooperation. Mainstreaming of a human rights based approach was the strongest while HIV/AIDS mainstreaming was the weakest and needs a clear strategy.

Contribution to realisation of the National Development Plan goals: Various Ugandan government institutions that were interviewed rate the contribution of Austria to realisation of Uganda's National Development Plan goals as "significant". In both sectors most sector investment programme indicators have improved due to policy reforms, institutional strengthening for decentralised service delivery, capacity building on managing for development results, technical assistance provision, and financial resources to supplement government allocations for development expenditure.

E.2 Findings on Efficiency

Elaboration of the CS: The Uganda Country Strategy 2010-2015 drew from Austria's policies for development cooperation, which were developed through wide stakeholder consultations in Austria, but elaboration of the Uganda Country Strategy was more of an internal back and forth process between the Austria Development Agency, the Country Coordination Office and Federal Ministry for Europe, Integration and Foreign Affairs with little benefit from a wider consultation of stakeholders in both Austria and Uganda. Although Austria narrowed down the focus to two sectors based on a donor division of labour, and withdrew from the private sector, in the remaining two sectors, the Country Strategy was more of a retrofitting of what Austria was already doing well in Uganda, than a fresh strategy arising from an intensive debate on thematic priorities and instruments with specific policy guidance on how to do this prioritisation. The nature of the process did not lead to wide stakeholder awareness and ownership (either in Austria or in Uganda) and compromised complementarity of interventions funded through Austrian whole of government approach in Uganda (but excluding those demand-driven and ordinarily not possible to plan in advance such as some of the NGO work, projects funded by the Development Bank of Austria and economic partnerships).

A coordinated and harmonized approach between Federal Ministry for Europe, Integration and Foreign Affairs, the Austrian Ministry of Finance and the Development Bank of Austria is needed. These actors should jointly be involved in the development of the next Country Strategy as well as coordination of the interventions they fund. A common understanding of what a Country Strategy is and what it should do is paramount in strengthening coordination of the various elements of Austrian Official Development Assistance to Uganda.

Quality of the Country Strategy: Whilst the Country Strategy narrative is of high quality, it does not challenge the status-quo through elaborate criteria for deciding on sector, thematic and aid modality choices and strategies for ensuring coherence of the entire Austrian Official Development Assistance portfolio in Uganda. It mainly guides the interventions funded by the budget-line managed by the Austrian Development Agency and not those funded by other Austrian government agencies, some of which are clearly off-strategy. In addition, it provides sector targets, but is silent on how Austria will measure its specific contribution (added-value)². It does not outline clearly the monitoring and oversight functions, the performance accountability system, the feedback loops at a strategic level, and the division of labour between the Austrian Development Agency, the Country Coordination Office and the Federal Ministry for Europe, Integration and Foreign Affairs. The Federal Ministry for Europe, Integration and Foreign Affairs

² Results in the CS are sector aggregates and measure the effectiveness of all support to the sector from all stakeholders. Austria's contribution to sector processes and the theory of change underpinning the CS are not articulated clearly.

needs to steer a process of defining these together with other key stakeholders in Austria. No impact indicators were defined nor were the chosen ones gender-sensitive.

Implementation efficiency: The review concludes that implementation efficiency of the Country Strategy in both sectors is high, with the Country Coordination Office using its technical capacity and reputation as “trusted partner” to convince the Government of Uganda to allocate additional resources to the focal sectors. The Austrian Development Cooperation initiated a Joint Financial Performance Assessment, with an understanding of the importance of efficient financial management in improving the accountability and efficiency of services as well as results achieved. This Assessment analyses audit reports and follows up on findings but needs to be complemented by a resource tracking system. The Country Coordination Office’s technical and financial oversight of interventions in Uganda has been good but needs to be reinforced to monitor the Austrian whole of government approach in this focus country. In the same light, the Austrian Development Agency could be strategically mandated by the Austrian Government to play an important future role as “service centre” for the whole of Austrian government approach in Uganda as well as other focus countries. This role needs to be defined and clarified by the Austrian Government taking into consideration the reality that some of the Austrian Official Development Assistance (work of non-governmental organisations, projects funded by the Development Bank of Austria and economic partnerships) is demand-driven and can hardly be planned years in advance.

Many among the development partners and civil society organizations interviewed considered the exceptional skills and dedication of the current Country Coordination Office leadership and staff as a “special gift” to Uganda.

Nexus: This is relatively a novel concept and as such not yet systematically integrated into the Austrian Development Cooperation interventions in Uganda nor ever discussed in sector or donor coordination meetings. It introduces additional costs in more comprehensive programming to take advantage of multiple opportunities presented by integrated programming. Hence the nexus approach should ideally be promoted through integration of the concept into policy so that the Government of Uganda, development partners and civil society organizations can address nexus issues more holistically.

E.3 Findings on Effectiveness

Achievement of objectives: On an OECD rating scale of “A” to “D” where **A** is Very Good and **D** is Very Poor, achievement of the stated CS objectives has been very good on 5 of the 13 sub-objectives, namely water quality (urban), sanitation coverage (rural/urban), conflict prevention, access to justice for all, and management for development results. It is satisfactory (rating B=Good) for 3 sub-objectives (namely, water availability (rural), functionality of Water and Sanitation committees, and prevention of Sexual and Gender Based Violence/ access to justice for victims. Performance has been rather weak (rating C=Poor) for two sub-objectives (namely, reduced vulnerability to climate change through protection of catchments and transitional justice framework). It has been very weak (very poor) for hygiene promotion in both rural and urban areas and water quality (especially that of rural point water supply systems).

The good results achieved in both sectors are linked to: i) the well-organised institutional structures in the sectors; ii) strong donor coordination; iii) a long period of consistent capacity

building which has strengthened service delivery institutions; and iv) an enabling and growing macro-economic and governance environment³.

Although the total population with access to safe water has increased in rural areas, it has stagnated at 64% as resources are inadequate to expand coverage in a country with a high population growth rate of 3% per annum. Austria's support to Water and Sanitation has contributed to preventing a decline in water access coverage in rural areas. In Rights, Justice and Peace, progress in policy development has been slow, especially regarding the approval of the *transitional justice* policy as well as that on *legal aid*. The development of the two policies was through a very consultative process. The delayed approval is a matter that requires political will which in future could be triggered by strengthening the voice of victims to demand their rights.

Interventions outside the focal areas of Water and Sanitation and Rights, Justice and Peace have been too fragmented and too small and uncoordinated in nature to have measurable, consolidated outcomes at the macro-level. In addition, synergies between the focal area interventions and other financial instruments have been limited with the exception of those with NGO Co-financing while treatment of the Principles and Cross-Cutting Issues of the Austrian Development Cooperation has been strong except for HIV /AIDS which seems to lack a clear strategy. Synergies could be enhanced with greater involvement of the Austrian Development Agency and the Country Coordination Office in managing the other interventions supported by the Austrian whole-of-government approach in Uganda.

E.4 Findings on Impact

Outcomes: The review of the Uganda Country Strategy concludes that outcomes achieved in both sectors are significant and there is a logical link between Austria's intervention strategy and the results achieved. Service coverage has improved in both Water and Sanitation and Rights, Justice and Peace focal areas, and the poor and vulnerable populations have also been reached and their livelihoods strengthened. The target for water access coverage in urban areas has been exceeded, so has that for the proportion of the public with access to justice services, especially in Northern Uganda. Justice administration and service delivery institutions have been capacitated and de-concentrated to deliver better services in previously underserved areas. These services now increasingly mainstream a human rights approach. Citizen satisfaction with these services has improved.

Impacts: A rigorous impact assessment was outside the scope of the review. However, reviewers found encouraging anecdotal evidence of improvements in the quality of lives of populations reached by the Country Strategy interventions across the board. The impacts range from improved quality of health status (reduction in water borne diseases) to improvements in livelihood options through time savings for people who now have closer access to safe drinking water (i.e. within 1 km for rural and 0.2 km for urban households). This time is being invested in farming and other livelihood activities which are generating more income. In Rights, Justice and Peace, large numbers of poor and vulnerable people have been facilitated to access justice and have been freed from prisons, and living conditions of prisoners and those on remand have also improved through decongestion, improvement in sanitation facilities, better quality diets and respect for the human rights of offenders.

³ Which has expanded the revenue base of government, and has seen the share of ODA in government expenditure decline over time

Women in Northern Uganda have been empowered legally, economically and politically to participate in local leadership as well as politics. Children's rights to food and nutrition security, basic education and health services, vocational training and to live in a safe and "parented" home have been secured in the targeted areas. Water sources have been rehabilitated thus contributing to ecosystem protection and sustainability. Land and other conflicts have been resolved through alternative dispute resolution mechanisms thus enabling local populations to proceed freely with their farming and other livelihood activities. Slowly but surely Uganda's investment climate is improving and is contributing to sustained economic growth but much more still needs to be done.

Contribution of Austria: More strictly, however, impact attribution to Austria in quantitative terms is not statistically feasible in any of the sectors of intervention in Uganda given the nature of aid modalities used (e.g. Sector Budget Support, Basket Funding, Joint Programme Approach, Technical Assistance and small fragmented projects), and the indicators of performance which focus on macro- and outcome-level performance of the sector as a whole and (by definition) the contribution of all actors in the sector (not only Austria's specific added-value). In both sectors, indicative attribution could be inferred based on the value added by technical assistance from Austria to policy reform dialogue, innovation and institutional capacity building, as well as the share of the Austrian Development Coordination budget in total expenditure, but the latter is not sufficient without closer budget tracking. Absence of impact indicators in the Country Strategy, and the weak link with the Office of the Prime Minister for sector impact assessment constrains the ability of Austria to ascertain its own contribution in concrete statistical terms, but does not preclude qualitative assessment of the contribution through technical assistance and policy influencing. Stronger collaboration with the Office of the Prime Minister is clearly needed in the next Country Strategy for quantitative impact assessments in the focal sectors of ADC funding. The focus would be to develop cost-effective impact assessment methodologies and good practice approaches that could be replicated by government and other development partners in Austria's non-focal sectors.

E.5 Findings on Sustainability

Sustainability of water supply systems: The review concludes that there is mixed evidence on sustainability. Sustainability of water supply is almost guaranteed within the design lifespan of the infrastructure as operation and maintenance mechanisms put in place are well-functioning. Most schemes generate sufficient revenue to cover routine operations and maintenance costs and a proportion is reserved for future repairs and extensions. However, sustainability beyond the design lifespan of schemes is not guaranteed as there is no provision for reinvestment costs in the determination of user fees, nor does government policy encourage this. At the same time resources are too limited to allow the Government of Uganda to take care of both a) new investments (new water supply schemes) to expand coverage to previously unreached populations (36% of the rural population has no access to improved water sources and it is growing at 3% per annum), and b) reinvestment through rehabilitation or reconstruction of old schemes to sustain water supply in already served areas. With this dilemma, Austria's innovation in the South Western towns may require continued investment (**to sustain the laboratory**) but this time focusing more on developing innovative community-driven initiatives for financing reinvestment costs.

In terms of sanitation, the infrastructure is of good quality. Peer influence, integration with livelihoods and early health benefits of improved sanitation are likely to encourage more investment.

Sustainability of results in Rights, Justice and Peace: Mainstreaming of a human-rights based approach and awareness promotion for Management for Development Results has led to a sustainable positive change in service culture in the administration and delivery of justice (through the various Justice, Law and Order Sector institutions), especially at the senior management level. However, whilst service culture and customer service attitudes are often still poor and need to be further improved through continued sensitisation and training, the main challenge now is donor attrition which is likely to lead to a reversal in gains made in the sector in the areas of enhancing access to justice for the poor and marginalised, case backlog reduction, prison de-congestion, de-concentration of service points, and promoting human rights observance in key institutions (such as the police, judiciary and the prison service) and the public in general.

F. MAIN RECOMMENDATIONS

F1. Formulation process and stakeholder consultation

1. The Federal Ministry for Europe, Integration and Foreign Affairs should provide a concrete **Technical and Policy Guidance Paper** on the process to be followed in preparing the next Country Strategy for Uganda and the content of the document. The process should include “how” and “when” to involve relevant stakeholders, the content of the Country Strategy, the roles and responsibilities for drafting the strategy, quality assurance process, validation and official approval steps, as well as the dissemination plan for the final document (in Austria and Uganda).
2. The Federal Ministry for Europe, Integration and Foreign Affairs should ensure that the Technical and Policy Guidance Paper provides criteria for sector, thematic and geographical focus as well as instrument choice. This could include inclusion and exclusion criteria which would allow systematic screening and prioritization.
3. To enhance ownership and ensure that the Uganda Country Strategy contributes to strengthening of visibility and relations between Austria and Uganda, the Federal Ministry for Europe, Integration and Foreign Affairs should ensure that the formulation process involves all critical stakeholders in Austria and Uganda and the final Country Strategy document is disseminated widely, including to implementing partners.
4. The Federal Ministry for Europe, Integration and Foreign Affairs should ensure that the Uganda Country Strategy is a guiding document for the whole of **Austria’s Government** and is complemented by a policy instrument to promote information-sharing and coordination to maximize synergy and impact from the whole of Austrian Official Development Assistance to Uganda. The Federal Ministry for Europe, Integration and Foreign Affairs should sensitise key stakeholders accordingly.

5. In keeping with the ideals of the aid effectiveness agenda, the Federal Ministry for Europe, Integration and Foreign Affairs, **the Austrian Development Agency and the Country Coordination Office of the Austrian Development Cooperation**, should take full advantage of the joint European Union programming exercise in developing the next Uganda Country Strategy, while ensuring that the process does not increase transaction costs but adds-value to existing donor coordination efforts of the Local Development Partners Group.
6. The Federal Ministry for Europe, Integration and Foreign Affairs should ensure that the next Country Strategy for Uganda identifies intermediate “process indicators” for measuring Austria’s specific added-value, in addition to the outcome indicators aligned to the Sector Investment Plans (e.g., golden indicators) for assessing broader sector performance. The indicators should be gender-sensitive and also cover the added-value of Austria’s technical assistance in terms of institutional strengthening, innovation and policy reform.

F2. Choice of Sectors

7. The Federal Ministry for Europe, Integration and Foreign Affairs, **the Austrian Development Agency and the Country Coordination Office**, together with other members of the wider Austrian Government intending to invest in Uganda during the period 2016-2020, should (notwithstanding **Recommendations 1 and 2** above) choose one of two options pertaining to sector choice:

Option 1: Continue with what is working: Under this option, the sector choice would be to continue in Water and Sanitation and Justice, Law and Order sectors provided the budget supports a sustained internal technical and financial capacity at current or higher level. Both sectors remain critical for achievement of outcomes in the Human Capital Development Priority Area of National Development Plan II (2015-2020), and are enablers of inclusive growth.

Option 2: Re-programme afresh: Under this option, the sector choice would include those areas crucial for National Development Plan II success, but have limited or no Development Partner support. These include: Environment; Capacity Development for successful implementation, monitoring and evaluation of National Development Plan II; Women’s Economic Empowerment; Private Sector Development; Land Registration; and complementary provisions of the Land Policy. Austria could also consider supporting software aspects of agriculture and nutrition (e.g., market linkages and nutrition behaviour change) which are critical for food and nutrition security and stability (especially, in former conflict regions). The sectors would be selected transparently using the process and criteria elaborated in the Technical Policy and Guidance Paper.

8. **Keep some room for innovation:** In addition to Option 1 or 2 above, **the Austrian Government**, as a whole, would consider other additional interventions of limited

financial size, that respond to new/urgent priorities/requests, meet pockets of need, or test innovative ideas, on a case-by-case basis, from a “*whole-of-government approach*”, provided technical capacity exists within the Austrian Development Agency and the Country Coordination Office to support implementation on the ground.

F3. Choice of Thematic Areas

9. Under Scenario 1, the Federal Ministry for Europe, Integration and Foreign Affairs should ensure that the thematic areas of focus within the Water and Sanitation Sector are broadened to encompass the following:
 - Operation and maintenance: institutional strengthening for rural point water supply systems;
 - improved sanitation and hygiene at rural point water supply sources;
 - hygiene promotion in rural and urban areas, schools and health facilities;
 - integration of nutrition and livelihoods for poor and vulnerable groups (e.g., small scale irrigated horticulture production for the urban market);
 - mechanisms for financing reinvestment to sustain water supply coverage at schemes beyond their design lifespan;
 - integration of nexus approach, lessons and good practices into sector policy; and
 - strengthening cross-sectoral linkages and synergies (e.g., Rights, Justice and Peace and Water and Sanitation).

10. For Rights, Justice and Peace, the Federal Ministry for Europe, Integration and Foreign Affairs should continue/emphasise support to the following critical areas:
 - institutional strengthening for administration and delivery of justice⁴;
 - mainstreaming human rights based approach and gender into justice delivery system⁵;
 - facilitating access to justice for the poor and vulnerable groups⁶;
 - strengthening policy reform initiatives (e.g., transitional justice and legal aid policies);
 - implementation of alternative dispute resolution mechanisms;
 - strengthening accountability of duty bearers;
 - improving service culture and service delivery;
 - fighting corruption;
 - implementation of land policy;
 - strengthening results culture of Justice, Law and Order Sector ; and
 - strengthening cross-sectoral linkages and synergies.

⁴ Focus will be on enhancing service standards, physical de-concentration of JLOS service delivery points, staff housing for police and magistrates in hard to reach rural areas, improved sanitation in prisons

⁵ Includes strengthening of Human Rights Commission

⁶ This includes provision of legal aid services and creation of a witness support fund (WSF)

F4. Choice of Instruments (Aid Modalities)

11. The Federal Ministry for Europe, Integration and Foreign Affairs , **the Austrian Development Agency and the Country Coordination Office** , together with other members of the wider Austrian Government intending to invest in Uganda during the period 2016-2020, should (notwithstanding **Recommendations 1 and 2** above) choose one of the following two options pertaining to financial instruments/aid modalities:
- **Option 1: Preserve the “trusted-donor” reputation of Austria** by continuing with Sector Budget Support in both sectors, and cultivate a culture of restoring donor confidence in the use of government systems. Under this arrangement Austria would take-over a leadership role in coordinating the Development Partner Group in the sector of Justice, Law and Order (filling the gap left by Sweden, Ireland, Denmark and the Netherlands). The **advantages** of this option for Austria are sector leadership and control, improved relations with the Government of Uganda, permanent policy influencing space, and the potential to contribute to the rebuilding of donor confidence in national systems. The main **risks** associated with this option are higher transaction costs for Austria in the short-term and side-lining of Austria by other development partners. The **pre-conditions** for taking this option would be a positive risk assessment, or adequate mitigation potential, and commitment by the Federal Ministry for Europe, Integration and Foreign Affairs and the Headquarter of the Austrian Development Agency that the Country Coordination Office will not downsize.
 - **Option 2: Re-programme and jointly provide support with other Development Partners parallel to national systems.** The **advantages** of this option reside in the potential for intervening with a larger programme together with other development partners, low fiduciary risk, and critical mass of voice for policy leverage. The main **risks** are higher transaction costs, loss of momentum, damaging the good reputation of Austria with the Government of Uganda which was earned over 2 decades of cooperation, and unguaranteed policy space when the Government mistrusts donor intentions. The **pre-conditions** for taking this option are: a) Government of Uganda’s willingness to continue with donor engagement and participate in joint programme steering; b) development partners’ willingness to joint programme with Austria; c) Austria’s ability to earmark support to its priorities; and d) ability of Austria to leverage policy influencing space as an “equal partner” with the other development partners.
12. The Federal Ministry for Europe, Integration and Foreign Affairs, the Austrian Development Agency and the Country Coordination Office, together with other members of the wider Austrian Government should chose an instrument mix that diversifies risk by providing balanced support to Government, the United Nations, Civil Society

Organizations and the private sector as they play complementary roles. The support should not encourage competition for resources between these players but reinforce mutual existence, collaboration and synergy. More specifically, the support to civil society organizations should strengthen their crucial roles in:

- Community capacity development for sustainability;
- Service delivery in hard to reach areas;
- Innovations for replication;
- Monitoring and research; and
- Demanding accountability from the state and development partners.

F5. Strengthen Country Strategy Execution and Effectiveness

- 13. The Federal Ministry for Europe, Integration and Foreign Affairs and the Austrian Development Agency** should ensure that the institutional arrangements and processes for decision-making to improve the intervention strategy, the quality of implementation and effectiveness of the investments made under the Uganda Country Strategy are written down and clearly understood by the stakeholders in the Austrian Development Agency and the Ministry. Mechanisms to hold stakeholders to account for performance (e.g. rewards and sanctions) should be documented and evident in the way that monitoring and evaluation outputs are used.
- 14.** For Austria to maintain its current added-value in Uganda, **the Federal Ministry for Europe, Integration and Foreign Affairs and the Austrian Development Agency** should ensure that both the latter and the Country Coordination Office continue to have adequate numbers of qualified and experienced staff, who are committed and trustworthy, and working conditions continue to promote loyalty and continuity.
- 15. The Federal Ministry for Europe, Integration and Foreign Affairs and the Austrian Development Agency** should ensure that the joint monitoring and oversight functions of the Africa Unit in the Ministry, and Senior Management and the Uganda Desk in the Austrian Development Agency are spelt out in the Country Strategy in as clear a manner as done for the joint oversight role and activities defined for the Country Coordination Office, the Office of the Prime Minister and the Ministry of Finance, Planning and Economic Development at national level.
- 16.** The **Austrian Parliament** should ensure that a high level inter-ministerial coordination structure is set up to facilitate coordination of all Official Development Assistance to focus regions and countries. This can be chaired by the Federal Ministry for Europe, Integration and Foreign Affairs or by the Ministry of Finance (or by both on a rotational basis).
- 17. The Federal Ministry for Europe, Integration and Foreign Affairs** should ensure that interventions in sectors of choice for Austria in Uganda are subjected to rigorous financial performance and impact assessment in line with Government of Uganda Policy on Monitoring and Evaluation. To this end, the **Federal Ministry for Europe, Integration and Foreign Affairs** should ensure that the Austrian Development Agency forges a stronger collaboration with the Monitoring and Evaluation Unit of the Office of

the Prime Minister in Uganda and supporting it both technically and financially for this oversight function. The **Office of the Prime Minister** should ensure that sectors are held to account on the basis of the results of these assessments.

F6. Strengthen Communication and Visibility of Austrian Official Development Assistance to Uganda

18. **The Federal Ministry for Europe, Integration and Foreign Affairs** should spearhead the development of a stronger **communications and visibility strategy** for Austrian Official Development Assistance (with special attention to raising the profile of results achieved by country strategies). The Communication and Visibility Strategy should spell out clear objectives, results to be achieved, targeted audiences (in Austria, Uganda, etc), communication strategies, activities, a Monitoring and Evaluation plan, and an institutional champion to drive this mandate.
19. **The Federal Ministry for Europe, Integration and Foreign Affairs** should ensure that staff numbers, technical qualifications, commitment and continuity along with financial resources are sufficient to operationalise the Communication and Visibility Strategy.
20. **The Federal Ministry for Europe, Integration and Foreign Affairs** (with support from the **Austrian Development Agency** and the **Country Coordination Office**) should ensure that the experience being gained, development results achieved, lessons learnt and good practices emerging from Austrian Official Development Assistance to Uganda are more **systematically captured, documented and shared** to trigger a learning culture and add to the quality and impact of the entire Austrian portfolio.