



EC Aid in Uganda

EC development cooperation

Taken alone, the European Community ranks as the world's fifth largest aid donor accounting for 9% of global ODA. This equals net disbursements of € 7.5 billion in 2005.

The objective of EC aid is the eradication of poverty in the context of sustainable development in line with the Millennium Development Goals (MDGs).

EC aid is guided by the following policy documents:

- The European Consensus on development
- The revised Cotonou Agreement
- The Development Cooperation Instrument

These documents reveal several common trends:

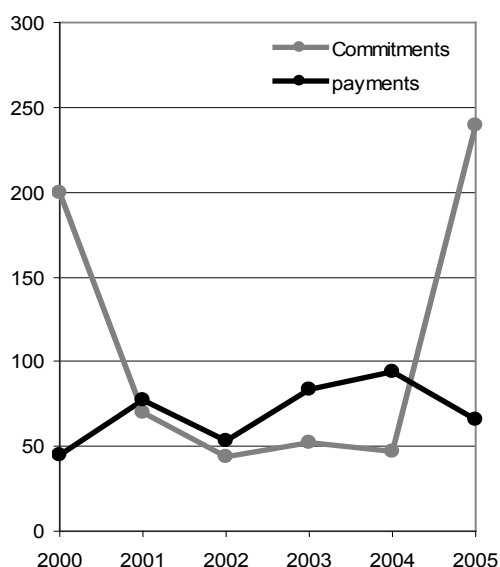
- Increased budget support (target: 50% of EC aid),
- Decreased disbursement of aid through programs and projects,
- Commitment to involve Civil Society

The largest share of EC aid goes to African, Caribbean and Pacific (ACP) countries. Country Strategy Papers (CSP) guide the implementation of the above mentioned policies. They are drafted for a period of seven years.

Aggregated information on how EC policies are implemented is scarce. These fast facts help to better understand the reality of EC ODA in the field and its implication for funding for Sexual and Reproductive Health and Rights (SRHR).

This case study is based on meetings held with the Ugandan Ministry of Health, the Ministry of Finance, representatives of the European Commission's delegation to Uganda and the EC's annual reports on external aid.

EC development aid to Uganda in million €



Source: EC annual reports

Country Strategy Papers

The EC relies on CSPs to identify the priorities for its development assistance. They are proposed by the partner country's national government and negotiated with the EC. Each country is allowed two focal priority areas plus non-focal areas that also can receive some funding.

The current strategy paper will direct funding from 2008-2013 with a mid-term review in 2010. In principle, the CSPs can be readjusted during the mid-term review: new objectives can be introduced to reflect changing conditions in the country and funding can be re-allocated.

The final draft of the Uganda CSP is in the hands of the Uganda Ministry of Finance and is expected to be finalized in October 2007.



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Focal areas of Uganda's CSPs

From 2002 to 2007:

- Transport (102.41 € million).
- Rural development (€ 40 million).

From 2008 to 2013:

- Post-election planning & democratic governance
- Conflict resolution in northern Uganda, post-conflict community rehabilitation
- Infrastructure: roads & water (assisted by an energy budget line), especially in rural areas

Funding for Civil Society in Uganda

Uganda has a Civil Society Steering Committee, a coalition of eleven civil society organisations (CSOs), formed with the objective of engaging in the opportunities availed to civil society in the Cotonou Agreement. Members of the CSSC are all network organisations, seated on the CSSC in order to represent as wide a grouping of civil society as possible.

The Civil Society capacity building programme in Uganda has given € 5 million in grant funds to civil society organizations in recent years, including to help build the capacity of the Uganda government to work with non-governmental organizations (NGOs).

The EC delegation recognizes a need for Civil Society Organizations (CSOs) to have strengthened advocacy capacity and to increase participation in local, regional and national discussions on generalized development approaches.

The EC perceives Ugandan civil society to be generally stronger in education and health, but only one organization focused on sexual and reproductive health or HIV/AIDS is known to participate in the Uganda national NGO Forum. The national NGO forum is a membership Organisation that includes Community-Based Citizens' Organisations, District Forums, National, Regional and

Civil Society involvement in creating Uganda's CSP

The revised Cotonou Agreement strengthens the EC commitment to involve civil society in the development process. It requires the government and the EC to consult non-state actors when drafting CSPs.

Was Uganda's civil society involved?

The Uganda EC delegation conducted several in-house inter-departmental consultations between summer 2006 and spring 2007. Local NGOs from the EC's Civil Society Steering Committee were invited to provide input. This Steering Committee came to be as a result from a previous EC program to support NGOs. The Committee includes those NGOs receiving EC funding. Sectoral inputs were provided by the government's sectoral working groups which include some NGOs. European NGOs were not invited to contribute. It appears that no reproductive health NGOs were involved.

International NGOs, and Networks. It was established in 1997 to bring together NGOs working in areas of Advocacy and Lobbying to effectively engage on public policies.

It is expected that the European delegation will issue one civil society call for proposals in 2008.



Steering Committee members with EC Head of Delegation Iling in March 2006. (Source: Civil Society Capacity Building Programme)



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Budget support in Uganda

Budget support is intended to be implemented consistent with Uganda's poverty reduction strategy paper, called PEAP for Poverty Eradication Action Plan, and its implementation by the Uganda government.

Budget support has a fixed and variable payment.

a) The EC provides the fixed tranche depending on IMF ratings; progress in implementing public financial management reforms; submission of the auditor general's report and budget performance reviews and dialogue with the EC delegation.

b) The amount of the variable tranche is tied to 11 performance indicators. Three address questions of accountability and effectiveness of public sector financial management. Four address health issues:

- Outpatient department use per capita per year, in public and private facilities.
- % of children < 1 years old receiving DPT immunization
- % of births taking place in public and/or private facilities
- % of established health posts held by qualified staff.

Four address education issues (such as the % of children ages 6-12 enrolled in school and dropout/completion rate).

How much of the committed amounts are finally disbursed, depends on the government's performance on these indicators. Out of a total score of 11, each indicator is scored as follows: (a) one point if the target for the indicator is met; (b) ½ point if there is progress toward the indicator; and (3) zero points if there is no progress. Last year, there was decreased performance on the health target for % of childbirth deliveries in public or private health facilities and on one of the public sector financial management targets. As a result of this performance, the Uganda government lost € 4 million of a total € 75 million that would have been possible.

The EC is not able to dictate or trace the allocation of its contribution to general budget support. Sometimes the EC attempts to notionally earmark certain budget support, e.g. for agriculture. However there is no mechanism to monitor this.

Regardless of EC policies, there is no *de facto* connection between budget support and the MDGs.

Uganda's national budget and SRHR

The health sector is guided by the second Health Sector Strategic Plan (HSSP II). In order to deliver the minimum health care package it needs estimated 40 USD per capita. In 2005/06 per capita expenditures were 15 USD. The Ministry of Finance, Planning and economic development makes the allocations to sectors. The Ministry of Health top management allocates funds to programs within the sector.

- Health funding peaked in 2001 and has been decreasing since then. In the financial year 2004/05, 11.2% of national budget was allocated to health. In 2005/06 this decreased to 8.9%.
- In 2005/06 reproductive health got 24-30% of the health budget, ie 2.75% of the national budget. But only 1% was actually disbursed for RH.
- Total budgetary allocation was 508.66 billion UGX (€ 239 million*) of which only 240.28 billion UGX came from the Ugandan government and the rest from international donors. This is a ratio of 47:53.

Donors funding HSSP II priorities:

1. UNICEF	10. UNFPA
2. USAID/PEPFAR	11. DANIDA
3. DFID	12. Sweden
4. DCI	13. Netherlands
5. WHO	14. AfDB
6. Italy	15. GAVI
7. Germany	16. GFATM
8. Japan	17. Consolidated Appeal Process (CAP)
9. World Bank	

Source: Ugandan Ministry of Health

* exchange rate: 2131.51 UGX/€



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