



BTC UGANDA



FINAL REPORT 2009- 2013

KASESE DISTRICT POVERTY REDUCTION PROGRAMME

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Acronyms



BMU	Beach management Unit
BTC	Belgian Technical Cooperation
BTVET	Business, Technical and Vocational Education Training
CAO	Chief Administrative Officer
CBO	Community Based Organisation
CBT	Community Based Trainer
CDO	Community Development Officer
CFO	Chief Financial Officer
DCDO	District community development officer
DDF	District Development Fund
DDP	District Development Plan
DEC	District Executive Committee
DLG	District Local Government
DPAC	District Public Accounts Committee
DSC	district service commission
DTPC	District Technical Planning Committee
FAL	Functional Adult Literacy
FIEFOC	Farm Income Enhancement and Forest Conservation Project
FIT	Financial Information Tool
FY	Financial Year
GFS	Gravity Flow Scheme
GoU	Government of Uganda
G-Tax	Graduated Tax
HLG	Higher Local Government
HoD	Head of Department
HPI	Heifer Project International
IPF	Indicative Planning Figure
JA	Junior Assistant
JARD	Joint Annual Review of Decentralisation
JLCB	Joint Local Consultative Body/Steering Committee
KADUPEDI	Umbrella organisation PWD in Kasese
KDLG	Kasese District Local Government
KDPRP	Kasese District Poverty Reduction Programme
KIL	Kilembe Investment Limited
KMC	Kasese Municipality Council
LC	Local Council
LC5	District Chairperson
LDF	Local Development Fund
LED	local economic development
LG	Local Government
LGMSD	Local Government Management of Service Delivery
LGSIP	Local Government Sector Investment Plan

LLG	Lower Local Government
LOGICS	local government information and communication system
LST	Local Service Tax
M&E	Monitoring and Evaluation
MoES	Ministry of Education and Sports
MoLG	Ministry of Local Government
MoPS	Ministry of Public service
MTR	Mid-term Review
NAADS	National Agriculture Advisory Services
NDP	National Development Plan
NPA	National Planning Authority
O&M	Operation and Maintenance
OAG	Office of the Auditor General
OBT	Output Budgeting Tool
OVC	Orphans and vulnerable children
PACA	Participatory Appraisal of Competitive Advantage
PDC	Parish Development Committee
PDU	Procurement and Disposal Unit
PFAA	Public Finance and Accountability Act
PFM	Public Financial Management
PMT	Programme Management Team
PPDA	Public procurement and Disposal of Assets
PPO	Principal personnel officer
PPP	Public Private Partnership
PWD	People with Disability
REA	Rural Electrification Agency
RR	resident representative
SACCO	Savings and Credit Cooperative
SC	Steering Committee
SC	Sub County
SFG	School Facilities Grant
SMART	Specific Measurable Achievable Relevant Time-bound
SMC	School Management Committee
TA	technical adviser
TC	Town Clerk/Council
TFF	Technical and Financial File
ToT	Training of Trainers
UBOS	Uganda Bureau of Statistics
ULGA	Uganda Local Government Association
VFM	Value for Money

Intervention form

Project name	Kasese District Poverty Reduction Programme
Project Code	UGA 0601011
Location	Uganda / Western Region/ Kasese District
Budget	4,042,715 euro or approx 11.5 billion Ush (3,071,200 euro co management + 971,515 euro “regie”)
Key persons	CAO Kasese - Kanyesigye William 0772 424 623 TA KDPRP – Steven Hollevoet 077 999 28 94
Partner Institution	national partner institution Ministry of Local Government implementation agency: Kasese District Local Government
Date of implementation Agreement	11 th January 2009
Duration (months)	60 months (54 for implementation and 6 for phasing out)
Period covered by final report	February 2009 – September 2013
Target groups	Local government structures (district, sub counties and town councils), community based organisations, population in Kasese.
Global Objective	Incomes of the population especially the most disadvantaged improved in a sustainable manner.
Specific Objective	The Kasese Local Authorities’ Capacities for Improved Service Delivery and Local Economic Development Strengthened.
Results	<p>The Kasese District Local Government capacity for improved service delivery and local economic development is strengthened through 4 results:</p> <ul style="list-style-type: none"> • Result 1: Prioritized investments in the District and Lower Local Government Development Plans are implemented by block grants to the District and LLGs which are flexible but emphasize local economic development and poverty focused activities • Result 2: Local revenue generation and collection improved in a sustainable manner that balances the need for local economic development with the need for resources required to meet service delivery standards • Result 3: The district capacity to deliver improved incomes and poverty alleviation strengthened while improving democracy and accountability in the district local government • Result 4: The lower local government capacity to deliver improved incomes and poverty alleviation strengthened while improving democracy and accountability in their respective jurisdictions

Global appreciation

Describe your global appreciation of the intervention (max 200 words):	Describe your global appreciation of the intervention (max 200 words):
	<p>From an open ended technical and financial file with a wide coverage, KDPRP developed in the end a clear priority setting in function of tangible infrastructure (expansion electricity grid, construction bridges, markets, municipality abattoir , irrigation and district social hall) and piloting new economic activities (coffee wet processing, intensification fish farming, targeting pastoralists). The KDPRP legacy will be especially in the infrastructure sector that reduced the cost of doing business and provided a more enabling environment for private sector investment and social service delivery. In the broader LG context, KDPRP developed a menu option for LED interventions.</p> <p>KDPRP has demonstrated a high level of integrity of the use of public funds in a complex LG procurement context. Good to reasonable value for money was obtained and standards were set in the district. Less progress was booked while developing district LED strategy, structures and monitoring systems.</p> <p>Achievements for poverty alleviation are an extended district poverty profiling, vocational training of vulnerable children, functional adult literacy, water gravity schemes, and staff houses to reduce teachers' absenteeism in poor areas. These interventions require stronger follow-up in order to become fully operational and have medium term impact.</p> <p>In an original context of patronage and donor dependency, KDPRP strongly spearheaded local contribution as a tool to build community ownership and ensure proper priority setting. This is probably best reflected in the arch bridges.</p> <p>The increased stock of economic infrastructure coupled technical and managerial capacity building are a basis for KDLG to enhance LED and poverty alleviation services.</p>
Score your global appreciation of the intervention ¹ :	Score your global appreciation of the intervention ² :
	satisfactory
National execution official ³	BTC execution official ⁴
 Kanyesigye William Chief Administrative Officer KDLG	 Steven Hollevoet Technical adviser KDPRP – BTC

¹ Very satisfactory - Satisfactory - Non satisfactory, in spite of some positive elements - Non satisfactory

² Very satisfactory - Satisfactory - Non satisfactory, in spite of some positive elements - Non satisfactory

³ Name and Signature

⁴ Name and Signature

PART 1: Results achieved and lessons learned

1 Assessing the intervention strategy

1.1 Context

1.1.1 General context

Economic context

The project period of 2009-2013 was marked by economic ups and downs. 2009 and 2013 were years of drought. 2012 had excellent rainfall but also with many floods destroying infrastructure. Both cotton (1.200 Ush/ kg seed cotton) and coffee (3.000 Ush/ kg druga) production were up but prices were down. There was a bumper crop of maize in 2012. The privatisation of Kilembe Mines has been driven forward by the presidency. KCCL however closed down in 2013 as no additional tailings are made available for extracting cobalt. The rehabilitation of the Mubuku irrigation scheme is being finalised. The connection to the grid of the Bujagali hydropower scheme (250 MW) terminated most of the load shedding. Uganda expects a lot from the ongoing oil exploration around Lake Albert. Commercial production is expected to start in 2018.

Fiscal policy and euro exchange rate

In the election aftermath, there was a high inflation rate in 2011 that affected the profits of the contractors and the implementation of works contracts. However inflation has steadily stabilised since 2012. The exchange rate was extremely volatile in 2012 affecting budgeting. In 2012-Q1 during the height of the Greek crisis, the devaluation of the euro (down to 2.800 Ush/ euro) caused concern about the ability of the programme to finish its strategic infrastructure. In 2013-Q1, the Ush devaluated to about 3.400 Ush/ euro reducing the pressure on the KDPRP budget.

Decentralisation

The creation of more local governments in Uganda remains controversial but is still being considered by parliament. The split of the district has been submitted to parliament but was halted due to insufficient funding. There is no empiric evidence that increasing sub-counties leads to better service provision. Stronger output oriented budgeting processes (OBT) and performance contracts of key district staff are further pursued to boost the efficiency of districts. The regional tier government level was abandoned.

Exposed high levels of corruption lead to donor aid suspension to Uganda in 2013. As a consequence, the disbursements from the centre to the local government have met delays. The percentage of local revenue towards the average district budget remains low at 1-2%. The government has reintroduced the “force account” principle for road works and all districts received Chinese road equipment. The crucial Kasese works department continues to struggle with good government issues. Next to NAADS, KDPRP was the biggest donor of development activities in the district. The support of the Belgian Government was very much appreciated by the district leadership and councillors given the tangible implementation at electorate level.

Demography

The strong population growth of 3.6% creates market demand but also out-competes service delivery efforts of the government. It has increased poverty levels due to land shortage and a lack of employment opportunities. The strong demographic growth induces an over-exploitation of natural resources, destroying the resource base of many rural households.

1.1.2 Institutional context

KDPRP is embedded as an area based programme in the Kasese District Local Government structure.

Strengths

1. Excellent starting point for future sustainability, as local governments will remain for some time to come.
2. The local government has well laid down procedures and a strong organisational setting that provide guidance for interfacing with the community and the implementation of development activities.
3. The local government has checks and balances that hinge on the interaction of the civil servants and the elected representatives of the population.
4. The district offers a large outreach area and a potential leverage for successful development concepts through the sub counties and parishes.

Weaknesses

1. The LG context has many actors and interest groups, leading to fragmented plans and budgets with reduced impact in the short term and slow decision making. Political and geographical equity and adherence to procedures are more important considerations than impact, efficiency and value for money.
2. The general problems related to LG human resource management (recruitment, remuneration, induction & on the job backstopping, supervision, performance review and career development).
3. As public institutions, District LG and the programme are bound to follow procurement regulations which involve lengthy procedures, increase costs and have no provisions for co-funding by the community or the collaboration with NGOs and CBOs.
4. Apart from the steering committee, there is no linkage with the Ministry of Local Government as KDPRP is an area based programme. An embedding of KDPRP in a broader national programme would have formalised feedback linkages and allowed for a policy dialogue.
5. The LG planning cycle emphasizes a lot planning/ budgeting; but fewer resources are allocated for the actual implementation during the financial year.
6. The ultimate target groups of the programme's overall goal i.e. the poor and business communities are not directly reached but only through the intermediate of the local (lower) government.

1.1.3 Management context: execution modalities

There is a mix of “co-management” and “regie” interventions. The co-management emphasises alignment with LG procedures. The regie interventions allow for flexibility and piloting. Funds have not been decentralised to the LLGs given the risks involved and the weak capacity of some sub counties. This was criticised by the MTR but justified by the poor LLG financial track record as documented by audit reports. The project management team was created as a subcommittee of the district technical planning committee to enhance ownership by front line departments and strengthen monitoring. A major constraint is the long public procurement process that delays the implementation of the activities. It absorbs valuable human resources for capacity building and monitoring. Due to the nature of public procurement regulations, contracts are often awarded to brief case companies that are compliant with PPDA regulations but lack the expertise and financial modalities. Due to these constraints, some activities (irrigation, arch bridges, coffee processing) were transferred to regie.

1.1.4 Harmo-context

Harmonisation with other donors

The KDPRP coordinated with other donors and development actors in Kasese -see table below.

TFF result area	Interaction other actors/ alignment
Local economic development	<ol style="list-style-type: none"> 1. Co-funding with Rural Electrification Agency and alignment with the national electrification programme. 2. co-funding and implementation for livestock production with Heifer International, a leading NGO in this field 3. collaboration with directorate of fisheries for piloting fish farming 4. Interaction with NAADS – the national agricultural programme- should be strengthened. 5. Collaboration with Oxfam GB on coffee value chain development – expertise sub sector mapping and market linkage models 6. Microfinance; alignment with CARE international VSLA methodology for promotion of access to financial services among the poor; implemented in partnership local CBOs
Poverty alleviation	<ol style="list-style-type: none"> 1. collaboration with the UBOS was tried for the poverty survey but later abandoned due to important delays 2. adoption construction standards of the Ministry of Education for the staff houses 3. involvement of Kadupedi (local umbrella organisation for people with disabilities) for selection trainees vocational training 4. Streamlining vocational training with the Save the Children/ MasterCard programme.
LG capacity building	<ol style="list-style-type: none"> 1. strong support LG planning & budgeting cycle (funding participatory planning, budget framework conference, DEC session for review plan & budget etc) 2. strong support for the roll out and mentoring of the annual assessment of MoLG 3. strong support for the roll out of LG personnel performance assessment of MoLG 4. Scholarships: alignment with the LG procedures for career development. 5. Involvement district executive committee for monitoring infrastructure projects 6. Alignment with LG procurement.

There are different approaches by NAADS and FAO e.g. distribution of free inputs, payment of facilitation allowances to district staff.

Ownership

See paragraph – 3.1.2.

Alignment

KDPRP was anchored in the district and alignment was strived for. Activities were selected through the relevant local governments. Main activities were core priorities in the national development plan 2010-15: electrification, enhancing the road network, value addition of agricultural products, alternatives for overfishing of natural fish stocks, staff houses to accommodate teachers, improved safe water coverage of the population. The majority of procurement was made according to PPDA regulations. It was only when this system got stuck that purchases were made under regie. Annual assessment and internal audits were supported as part of the local government capacity building. The accounting system was reorganised in function of the local government cost centres and accounting votes.

Management for results

KDPRP has been conscious about achieving tangible results at the grassroots. Before KDPRP funding approval, the relevance and feasibility of the proposed project was outlined in concept papers. Procurement and contract management was strengthened to get good value for money for the infrastructure works. Staff commitment and flexibility in procurement contributed further to obtaining results. Competition in LG tenders was actively promoted. Regular field monitoring was done to ascertain the quality and speed of implementation. Next to the relevant department, the district political wing and communities were involved in progress monitoring. From mid-2011 onwards, the chief administrative officer was instrumental for the mobilisation of district human resources and their performance. From time to time, the project management team reviewed the progress and during the budget framework conference the overall progress was presented to the various district stakeholders. The steering committee readily managed the progress and financial turn-over. Audits (auditor general and Belgian court of audit) contributed to the compliance with financial regulations. The collaboration with main players in crucial sectors (REA for rural electrification and Heifer International for the dairy value chain) was looked for and funding and expertise leverage obtained beyond the KDPRP budget. A flexible approach to decentralisation was taken: the cautious risk analysis of the KDLG financial management prevented accountability problems and contributed to the tangible infrastructure on the ground. An effort was made to ensure that all the activities selected contribute to the achievement of indicators and outcomes. Overall the interventions contribute to increased private sector investment and increased institutional capacity of the district and LLGs. Through the regular project management team meetings and field visits major constraints to realisation of results were identified and corrective measures taken at management. Challenges beyond the mandate of the project management team were referred to steering committee. The implementation team also ensured regular interface with the district council standing committees to generate buy-in for the major outputs/results and appraise them on progress. In order to hold district accountable for the realisation of the results, KDPRP targets /activities were included in the LG staff performance contracts

Mutual accountability.

There was an effort to make accounts and procurement transparent. The CAO and internal audit had access to the accounts at any time. The steering committee (with its local members) received quarterly financial reports. KDPRP funds were channelled through the district general account. Contractors were paid after a joint team (relevant department, DEC member and KDPRP staff) assessed the progress and payment requisition on the ground. External audit reports were discussed with all stakeholders. Budgets per financial year were printed for all departments and sub counties. MoUs outlined the cost of the activities and provision to display essential information. Sub counties and service CBOs were urged to display the funding and activities at their notice boards. NGOs and CBOs were requested to include KDPRP funding in their comprehensive annual plans and budgets. The district internal audit was requested to review KDPRP accounts on a quarterly basis. Important activities and their cost were announced on the local FM radio stations. The principle of local contribution enhanced the transparency and communication with the target group.

1.2 Important changes in intervention strategy

Centralised KDPRP financial management at district level

At the start of the programme, lower local governments strongly advocated that KDPRP funding should be decentralised to LLG level in line with NAADS and CDD. The technical and financial file encouraged cautious financial decentralisation to the best sub counties. However, based on the capacity needs assessment for the finance department, the steering committee decided not to delegate the financial management and procurement but to centralise it at district level and KDPRP. After the implementation of the programme, with the benefit of hindsight, this decision avoided that many accountability problems occurred as systematically outlined in LLG audit reports and as experienced with the collection of electrification of the community contribution by sub counties. While it was not in line with the decentralisation policy and reduced capacity building opportunities for the sub counties, it pre-empted important risks and contributed to the efficiency of the programme.

Multi sectoral approach reviewed by MTR

The technical and financial file had an open ended approach covering broad sectors of poverty alleviation, local economic development, revenue enhancement and local government capacity building. With the many stakeholders at district level, this resulted in a complex programme. The mid tern review recommended to focus the remaining time and resources on local economic development.

Strong focus on infrastructure

The new district leadership requested to focus KDPRP on strategic infrastructure and not on capacity building. KDLG felt that software activities can be funded in by other routine district programmes. However, it would be difficult for KDLG to obtain funding for strategic infrastructure in the future. The request of the senior district leadership was approved by the steering committee. For instance, software revenue enhancement was phased out completely in favour of the construction of the social hall as a long term capital project.

Regie procurement

Tenders that had little progress under co-management (no local suppliers or expertise, non performing contractors) were moved to regie in order to speed up implementation and get results given the limited remaining time. It should be stressed that these were less than 10% of the tenders and that PPDA procurement remained the dominant system.

Extensive district poverty profiling

The initial in house poverty base line was halted and replaced by an extended poverty profiling of the district with funding of the Belgo-Ugandan Study Fund. Due to the procurement process and the alignment with the Ugandan Bureau of Statistics the study delayed 3 years and could not be used as a KDPRP baseline survey. However the study became the most extensive district poverty study in Uganda with 9500 households interviewed.

“Force on account” opened opportunities for community projects of arch bridges

In 2011, the government changed the policy for the implementation of road works. Districts were again encouraged to implement themselves the works rather than contracting a construction firm. This policy shift created new opportunities for the construction of stone arch bridges. In this context, it was possible to train and keep a specialised team of masons and to allow for community contribution. In the end, the stone arch bridge pilot became a big success in the district due to considerable cost reduction (>70%), fast implementation (< 2months) and strong community ownership.

Call for proposals

In line with the TFF, a call for proposals was organised to fund innovative projects of the private and civil sector. Good collaboration was achieved for micro-finance however other sectors lacked innovation and tangible results. The MTR recommended phasing out call for proposals as they are not part of the regular way local governments operate. The final evaluation encouraged more call for proposals in order to stronger engage the private sector.

2 Results achieved

2.1 Monitoring matrix

Results / indicators	Baseline Value (2008/9)	End Target (2012/13)	End Value obtained (2011/13)	Comments
IMPACT: Incomes of the population especially the most disadvantaged improved in a sustainable manner				
The percentage of the district population below the poverty level reduced from 48.5% to 44% by 2014;	48.5%	44%	52.2%	Source; Kasese district poverty profiling and mapping (2012). Study parameters different from those of UBOS; complicates comparison.
10% increase of locally generated revenue in LGs through pay of direct taxes and revenue generating ventures	518,072,920 Ush	10%	3% increase from base value to 535,368,733 Ush in 2011/12	The most increase was largely due to increase of LST tax arising from recent recruitment of health and education staff
OUTCOME: <i>The Kasese Local Authorities' Capacities for Improved Service Delivery and Local Economic Development Strengthened</i>				
40% of sampled businesses perceive an improvement in LED extension & support services	20%	40%	Forestry (8.8%) Fisheries (8.5%) Livestock (8.5%)	Source; poverty profiling and mapping (2012)
District & 50% LLGs consistently receive a reward during the annual assessment	26% LLGs received rewards	District + 50% LLGs	District +72% LLGs received rewards	annual assessment reports + LLG filled forms
Growth of private sector investments as measured by pay of Local Service Tax (LST) in Kasese District should increase by 20% per annum	LST was at 68,589,567 Ush	20% per annum	LST increased by 59% to 109,252,500 Ush in 2010/11 and by 46% to 159,497,856 Ush in 2011/12	Increase largely due to increased staffing by district. Given the existing inefficiencies in collection of revenue from private sector, LST not a good proxy for increased private sector investment
Productivity (as measured by output/input) in supported LED subsectors ¹ increased by 10% by end of project	Coffee- 150kg green beans/acre Dairy -1.7 lts/cow/day Fisheries -1.4kg/ catfish, 7 months	10%	Coffee - 200kg/acre (33%) Dairy- 5 lts/cow/day (194%) Fisheries - 1.5 kg catfish/7 months (7%)	Data from model farmers that have adopted a few of the best practices. Full scale adoption still limited for all the sub sectors. For example dairy cattle still reared extensively instead of paddocks and young one allowed to suckle adlib.

¹ Dairy, coffee, fish, tourism, woodlots

Results / indicators	Baseline Value (2009/10)	End Target (2012/13)	End Value obtained (2012/13)	Comments
OUTPUT 1: Prioritized investments in the District and Lower Local Government Development Plans are implemented by block grants to the District and LLGs which are flexible but emphasize local economic development and poverty focused activities				
10% of LG annual work plans developed and implemented with a minimum of 15% of funds allocated for and spent on marginalized groups ² , 15% for environment protection and 40% for LED-	0% of LLGs allocated more than 15% on marginalised groups, 15% on environment and 40% on LED	10%	0% of LLGs spent a minimum of 15% on marginalised, 4% spent >15% on environment & 96% spent more than 15% on LED	The high spending on LED is boosted by conditional grants to LLGs from NAADS & road fund.
10 economic infrastructure projects ³ designed & constructed with upfront indication of viability & operation & maintenance measures	0	10	23 economic infrastructure projects ⁴	
1000 households/businesses connected to the national electricity grid by end of project	0	1450 connections	206 connections cluster 1 (cluster 11 to connect 1224);138 km lines, 27 trading centres	cluster 1 finished February 2012 Cluster 11 to be finalised April 2014;
10,000 businesses provided technical/business training & extension services	0	10,000	11,957 business owners ⁵	Partnership with private sectors (PPP) increased outreach of the services
10 pro-poor LED initiatives for marginalized supported by the project ⁶	0	10	9 pro-poor LED initiatives ⁷	Marginalised engage in gainful economic activities
100 hectares of trees planted on bare hills, water catchments and private/public land with survival rate over 70%	0	100 ha	92 hectares (230 acres)	Average survival rate at 78%. 460 farmers involved
2 towns have physical development plans approved & implemented	0	2	2 physical plans approved	Implementation of the plans constrained by land tenure
Over 10,000 people benefit from 3 well protected water schemes constructed in hard to reach areas	0	10,000 people	13,000 people accessing water	Measures for catchment protection need further strengthening by the community
30 staff houses constructed in hard to reach areas and used by end of project	0	30	30 staff houses constructed	27 already occupied
OUTPUT 2. Local revenue generation and collection improved in a sustainable manner that balances the need for local economic development with the need for resources required to meet service delivery standards				
50% LLGs with locally generated revenue as a share of LG budgets (<i>revenue</i>) increasing by 10% per annum.	5%	50%	7%	Steering committee meeting halted KDPRP funding revenue software activities (see minutes 6/12/2011). Activities funded by district.
15% LLGs with tax collection costs as a percentage of actual revenue of 5% or less	9%	15%	26%	
10% of LLGs invest at least 15% of locally generated revenue in LED promotion investments in order to sustain revenue collection by end of project	0	10%	12%	Largely limited to co-funding for NAADS.
20%LLGs have developed and operationalised local revenue enhancement strategies	10%	20%	43%	Tax collection remains very inefficient
15% LLGs consistently meet the national criteria on local revenue performance starting 2010	9%	15%	84% (22 out of 26)	National annual assessment

² Women, youth, orphans, disabled, elderly, minority

³ Bridges, markets, abattoirs, irrigation schemes

⁴ 4 traditional bridges, 9 Stone arch bridges, & 4 stone arch culverts, 1 border market, 1 market stall, 1 abattoir, 1 social hall, 1 irrigation scheme, 1 electricity

⁵ 995 dairy, 294 commerce, 5300 coffee, 2,717 VSLA, 1,833 SACCOs, 30 tourism, 514 woodlots, 274 fisheries)

⁶ Pro-poor LED initiatives: vocational training, micro-finance, pastoralists, women initiatives

⁷ 3 VSLA projects, 1 vocational skills OVC & disabled, 1 dormitory disabled children, 1 loan fund to pensioners's SACCO), FAL, dairy & Boer goats, youth fish cages

Results / indicators	Baseline Value (2008/9)	End Target (2012/13)	End Value obtained (2012/13)	Comments
OUTPUT 3: “District capacity to deliver improved services and poverty alleviation strengthened while improving democracy and accountability in the district local government”.				
District Capacity Building Plans meet the national assessment criteria (Indicator 3.4, LGSIP, admin decentralisation, adjusted for relevance)	0	1	1	
A Comprehensive District LED strategy by June 2013 and existing PPP strategy revised by the end of December 2012	0	1	1	Draft strategy yet to be approved
35 (26 BTC and 9 district) district staff awarded scholarships to undertake bonded capacity development courses	0 KDPRP	35 26 KDPRP	KDPRP 14	Health and internal audit staff got multiple year scholarships
25 pilot Public Private Partnership projects designed and implemented in accordance with district PPP strategy	0	28 projects	25 projects	call for proposals halted in 2011
OUTPUT 4: “The lower local government capacity to deliver improved services and poverty alleviation strengthened while improving democracy and accountability in the LLGs”.				
65% of LLGs consistently meet national LG assessment criteria	reward 26%	Reward 65%	Reward 72%	annual report
30% LLGs have mainstreamed & implemented LED, gender and environment activities	0	30%	85%	
80 (26 BTC and 54 district) LLG staff mentored or awarded bonded capacity development scholarships	KDPRP 0	80 26 KDPRP	KDPRP 31	Health and internal audit staff got multiple year scholarships
70% LLG submit final accounts in time	60%	70%	96%	Source of data annual assessment report
20 mentored parish development committees have quality development plans	5	20	48 (30%) out of the 161 PDCs	The figure includes those from Kasese Municipality
65% of LLGs meet minimum audit standards	10%	65%	5%	Financial management at LLGs remains a perennial challenge

2.2 Analysis of results

2.2.1 To what extent will the intervention contribute to the impact⁸ (potential impact)?

Impact “Incomes of the population especially the most disadvantaged improved in a sustainable manner”

It is too early to measure the impact as the majority of activities have only been recently finalised. The following observations are based on initial trends on the ground and LED linkage assumptions.

Through enhancing a number of basic requirements, KDPRP helped the district to improve its economic competitiveness. If sustained, these efforts are expected to trickle down to house hold level in the future. The extension of the electricity grid will create new business opportunities and reduce the operational cost of existing businesses in 11 sub counties. Bridges enhance access to markets and social services. The border market provides for an improved trade platform with Congo contributing to the income of small traders. The irrigation scheme in Muhokya offers off season horticultural production. Adherence to the developed operation and maintenance arrangements is an important pre-condition for the functionality of the infrastructure. Increased stock of infrastructure increases capacity of district and LLG to deliver economic and social services to the population.

The enterprise development interventions (business & technical training & extension services, value addition, financial services, access to inputs, market linkages and entrepreneurship development) particularly in the tourism, fisheries, dairy, coffee and timber value chains are anticipated to result into increased investment in technology and improved productivity and by so doing help generate employment, raise house incomes and create additional business opportunities for MSMEs. Apart from micro finance, most enterprise development interventions were pilots at a small to medium scale. They need to be sustained and rolled out after programme closure in order to significantly impact on private sector investment, local revenues and household incomes.

With proper operation and maintenance, improved water and sanitation (gravity schemes and abattoir) will impact on the health status of the population and on the productive time in the respective areas. Staff houses in poor & remote areas are the pre-condition to help school management committees to reduce teachers' absenteeism contributing to a better educated workforce in the district.

Next to provision of targeted social services, specific enterprise development projects have been designed for the marginalised groups (ethnic minority, elderly, women, youth, disabled etc). Village loan and saving associations helped women to mobilise local resources for the start of small business and the acquisition of productive household assets. The provision of exotic dairy and Boer goats to pastoralist women under “pass on gift” mechanism coupled with training in animal husbandry, food security and hygiene have enabled women to generate income, improve household nutrition and improve their social status. On a small scale, the vocational training of orphans and people with disabilities provided for the opportunity to start a business.

The district LED strategy emphasises business friendly regulations, feasibility and support to the 4 livelihoods in Kasese District. The private public partnership paper and call for proposals gave the district experience to further fine-tune the collaboration with the private sector.

It should be noted that the TFF was too optimistic about the direct causal link between district capacity and improved income of the population in the short term. LG capacity building is a complex and long term process focused on administration. It has only indirectly an impact on house hold income.

⁸ Terminology : Impact = General Objective ; Outcome = Specific Objective; Outputs = Expected Result

2.2.2 To what extent has the outcome been achieved? Explain

Outcome: “The Kasese Local Authorities’ Capacities for Improved Service Delivery and Local Economic Development Strengthened”

The capacity of the local government is a long term and incremental process that depends much on the quality of leadership and human resource management on which a donor programme has limited leverage. The capacity of the district was boosted with the new senior district leadership from mid-2011 onwards. This created also an enabling environment and synergy in which KDPRP support became meaningful.

The KDPRP capacity building efforts have contributed to an improved annual assessment of the lower local governments and LG planning & budgeting cycle. The district poverty profiling provided the baseline and entry points for future pro poor planning. The developed internal audit score systems allows for a systematic tracking of LLG performance in financial management.

Training on LG financial regulations was organised for all finance staff. The capacity needs assessment and internal audits were a mentoring opportunity for lower local governments. However, due to inadequate supervision, widespread absenteeism, poor qualifications, no follow-up of audit queries, the average LLG audit score dropped from 40% in FY 2009-10 to 27% in FY 2012-13 (with only 1 LLG with a higher score than 50%). This leaves a pretty bleak picture of the LLG financial capacity and stresses that capacity building activities are only effective if reinforced by strict senior management oversight.

KDPRP has contributed to the district hardware capacity in terms of road; markets and power infrastructure lower the cost for business and social service delivery. Through “action learning”, the involved sub counties have been enabled to deal directly with REA and Kilembe Investments for the expansion of their electricity grid. They are now aware about the procedures, costs and design requirements. Where stone arch bridges were constructed, sub counties and communities have internalised this appropriate technology. Given the strength and cost saving, they intend to build more in Maliba, Kyarumba and Munkunyu sub counties relying on their own funding (road fund and coffee bonus payments). The in depth design of the border market and rigorous supervision of the contractor has given the district an example how to deal with future challenges of market construction. With the education department school management committees are able to monitor construction works and report back to the district when there are problems.

In a perspective of limited resources versus large development needs, KDPRP has backstopped the works department and PDU to introduce a system of cost efficient management and enhanced transparency/ competition in public procurement. Higher quality standards were introduced for contractors, consultants and LG staff. For procurement and contract management, KDPRP is now referred to as a quality standard in the district. Councillors request that the works and procurement department maintain these standards also for activities not funded by BTC. As a consequence higher quality demands are put on the works department. The arch bridge technology was internalised by the district and some CBOs. CAAIP and the Road Fund consider adopting the technology. It will allow the construction of bridges based on local resources and a much lower cost (70% saving).

In an original patronage and donor dependency context, KDPRP has put a lot of emphasis on local contribution of the beneficiaries as a tool to identify genuine priorities, improve communication with the grassroots and contribute to improved local ownership and sustainability. This groundwork will help future development programmes and the district.

KDPRP has initiated a number of important LED innovations. KDPRP has also tested a “LED menu option” that can guide other local governments in the future. In response to the efforts of KDPRP, local programs like NAADS and local CBOs have appreciated value chain development, public private partnerships and business development services as sustainable and effective approaches to enterprise development.

The KDPRP contribution to capacity enhancement for revenue collection will be limited to long term capital generating ventures (social hall, urban markets, and municipality abattoir). The low local revenue is very much affected by national policy decisions that are beyond the mandate of a donor programme such as KDPRP.

With the new district leadership, the negotiating power with the centre increased and 564 million Ush were obtained for VAT liabilities of KDPRP funded projects. This is in stark contrast with phase 1 when URA seized 750 million Ush of district development funds because of non-tax compliance.

2.2.3 To what extent have outputs been achieved? Explain

Output 1: “Prioritized investments in the District & LLGs Development Plans are implemented by block grants to the District and LLGs which are flexible but emphasize local economic development & poverty focused activities”.

The KDPRP grant has been integrated in the district development plan and budget. The funding was channelled through the district general account to a special KDPRP account. Next to NAADs, KDPRP funding has been the most important contribution to the district development budget – about 35 - 40% during the project intervention. The capacity of the district was strengthened for transparent & accountable planning.

Local economic development

The strategic infrastructure was the core focus of the district senior leadership. The very tangible infrastructure helped to build the political and administrative credibility of the district amongst the electorate.

- In collaboration with REA, electrification of 27 trading centres and 11 sub counties. The capacity to deal with the electricity agencies and the understanding of the cost and procedures has been mainstreamed in the sub counties.
- The construction of the international border market and the abattoir of the municipality.
- The design of 7 strategic bridges and the construction of 4. The strong management of the procurement and contract management was an on the job training exercise for the works department and PDU and set new construction standards in the district.
- The piloting of arch bridges with community contribution became a success beyond expectations. In 1.5 years, 12 structures were built. If the arch bridges were started in 2009, KDPRP would have constructed all important bridges of a span up to 15 metres in the district. National government agencies (road fund, CAIP, Mt Elgon training institute for labour intensive works) are looking to incorporate stone arch bridges in their programmes.
- The construction of the Muhokya irrigation scheme with 100 ha under irrigation and enhanced income through the production of maize and sunflower seed in collaboration with the seed company NASECO.
- The town planning of 2 fast growing trading centres.

Operation and maintenance guidelines were established with the respective entity. Their further fine-tuning and enforcement are crucial for the long term viability of the structures.

The KDPRP funding provided for an action learning opportunity – a refreshing alternative to the usual workshop approach. LED has had a very strong practical focus and is firmly anchored in the development priorities of the district. The infrastructure will be long term and have a strong impact on business and employment creation. There is however still a need for stronger institutionalisation of the LED concepts and processes to ensure sustainability. KDPRP has initiated a number of important LED innovations: emphasis on feasibility studies and maintenance, piloting fish farming to halt the declining fish stocks of the lakes, piloting wet processing equipment for Arabica coffee in the Rwenzori Mountains, dairy value chain, tourism marketing and tangible public private partnerships. KDPRP has tested a “LED menu option” that can guide other local governments in the future. In response to the efforts of KDPRP, local programs like NAADS and local CBOs have fully appreciated value chain development and business development services as sustainable and effective approaches to enterprise development.

Poverty reduction

The practical impact of KDPRP on poverty reduction will be limited to the water supply (13,000 people in 3 schemes) and teachers and health staff houses (120 staffs- 78% increase of the housing units) in poor areas that are a pre-condition to reduce staff absenteeism – a first step to improve public service delivery.

In addition, specific enterprise development projects have been designed for the marginalised groups (minority, elderly, women, youth, disabled etc). For example, village loan and saving associations help 371 women to mobilise local resources for the start of small business and the acquisition of productive household assets. The provision of exotic dairy and Boer goats to pastoralist women under “pass on gift” mechanism coupled with training in animal husbandry, food security and hygiene have enabled women to join generate income, improve household nutrition and improve their social status. Vocational training and the provision of starter kits to 89 vulnerable children and people with disabilities was an attempt to provide equity. There is a need to improve the standard of vocational training and develop a business attitude in order that the instruction translates into self-employment.

179 community based trainers for functional adult literacy underwent refresher courses to instil villagers with skills, knowledge and information to participate in development and economic activities. Some community classes were transformed into saving groups.

The Kinyamaseke primary school was supported with technical assistance, a parent's survey, teachers training on sign language, carpentry toolkits for vocational training and the construction of a dormitory. This will enable the school to become a learning centre for pupils with disabilities and provide for more meaningful PWD education.

Mechanisms were developed for affirmative funding of poorer sub counties. Unfortunately, the quality of the vocational training for orphans and people with disabilities has been inadequate to make a meaningful contribution to their economic empowerment.

Due to the delay, the poverty profiling of Kasese could not be used as a baseline to assess the impact of KDPRP. However, it was the first in depth survey of its kind in Uganda. The sample size (9400 households) and a combination of quantitative and qualitative techniques make it unique. The survey is an important input for future pro-poor planning of the district and sub counties.

Output 2: "Local revenue generation and collection improved in a sustainable manner that balances the need for local economic development with the need for resources required to meet service delivery standards".

Based on MTR recommendations, local revenue enhancement was phased out as it rendered the programme too fragmented. Only the construction of the social hall remained as a strategic investment for future revenue generation (about 30 million Ush net per year or 8% of the overall local revenue in FY 2012-13). The district also felt that precious donor funds should not be spent on routine software activities but on lasting capital projects. The revenue sharing for the border market between the town council and the district remains a controversial issue.

Other economic infrastructure (border market – 110 million Ush/ year, abattoir – 40 million Ush/ year) will boost town council revenue. Although the Congo border market expansion will still need investments for the coming 10 years. The creation of new enterprises with the electricity grid expansion and the increased investment in commercial and residential properties will increase the amount of revenue generated from trade licenses and property tax in urban centres. Enumeration has not contributed to increased revenue due to weak contract management by the sub counties and an increasing number of town councils with the best revenue centres. Cess tax (albeit it's potential of 60 million Ush per year) met with hurdles of double taxation by the local government and the respective crop boards. The district has an excellent district revenue enhancement plan which outlines solid strategies to improve enumeration, assessment, collection and supervision but funding for implementation is the limiting factor.

The revenue of sub counties and the district has an overall stagnant or dropping trend. The modest recent improvements are due to: more committed KDLG senior management to plug the loopholes, introduction of a fee on loan recommendation forms for KDLG staff, re-allocation of royalties from lime and cement works, stronger follow-up of fish landing site revenue and the employment of a large new contingency of teachers and health workers which boosted the district local service tax. As with other districts, the local revenue is a small and declining share of the overall KDLG budget. Its share declined to about 2%. This low percentage is common in many districts in Uganda: central government funding increases (more staff & development) while revenue is lost to town councils.

General decline of local revenue is due to:

- Creation of town councils leads to the loss of the most profitable revenue sources (lime royalties, border market, parking fees, local hotel tax, ...)
- Salt works at Katwe – although legal ruling revenue sharing with the town council remains difficult. The good rainfall in 2012 prevented salt extraction as water levels remained high.
- The depletion of the fish stocks in the lakes is lead to a considerable drop in fishery taxes.
- Banana bacterial wilt and cassava mosaic virus caused widespread yield reduction with less produce being sold and taxed.

Other factors that contribute to the deterioration:

- Inefficiencies in local revenue mobilisation and collection.
- National political pronouncements that affect local revenues negatively.
- Inadequate link between the payment of taxes and service delivery.

Output 3: “District capacity to deliver improved services and poverty alleviation strengthened while improving democracy and accountability in the district local government”.

KDPRP funding of development activities provided an on the job training opportunity for core departments. Many activities have been implemented and capacity improvement in the form of improved work performance, exposure to new concepts & best practices and better quality infrastructure has been observed. The demand driven approach has contributed to well adapted support and district ownership.

The capacity building efforts that are mainstreamed in the LG processes (district capacity building plan, annual assessment, internal audits, LG planning and budgeting, career development) are highly relevant and appreciated by the district and sub counties alike. The HRD department carried out the capacity need assessment (functional and institutional gaps) in all LLGs on the basis of which a comprehensive capacity building plan was prepared and approved by council. This was co-funded by KDPRP and LGMSDP. During the annual assessment, this was one of the criteria where the district scored high: 9/10. The KDPRP capacity building efforts maintained the national scoring of the district. Systems of internal and national assessments have continued. The use of these assessments by KDPRP grant has been effective instrument setting priorities for CB interventions.

Participatory planning system through HPPG and other instruments leading up to District Development Plans has been strengthened by KDPRP support. Support on LG planning and budgeting cycle focused on establishing a district core planning team, training all PDCs, facilitating the planning of the departments and the budget framework conference. The aim was to have more inclusive and accountable planning and improve budget formulation through concept papers and feasibility analysis. Criteria matrixes (costs versus budget, operation & maintenance, people benefiting, available local contribution...) for the funding allocation of infrastructure were established for more rational decision making. It was a challenge to introduce LED and pro-poor planning while respecting the harmonised participatory planning guidelines. Others are the planning fatigue and the high cost of rolling out participatory planning district wide.

For the piloting of some LED concepts, new systems were tested (co-funding NGOs/ CBOs, community trainers). They have a direct tangible impact for the population but are not embedded in existing LG regulations & systems. The process of preparation of LED strategy enhanced the capacity of district staff in LED project analysis, design and implementation while the district will be able to tap into the resources of other development partners using the strategy. Through PPP, the expertise, knowledge and resources of private sector actors were shared with the district thereby increasing capacity.

Procurement was rigorously managed to set a proper example. Value for money and competition were actively promoted. Attention was given to improved filing of tender documents. The PPDA audit of 2012 appreciated the KDPRP capacity building for the district and the improved compliance with PPDA regulations.

Retooling provided assistance for IT equipment, vehicle operation and maintenance. Adherence to government transport pool regulations was demonstrated. A map with distances to sub counties and a chart with the average fuel use helped to rationalise the fuel request and transport pool management.

17 annual scholarships were provided. Staffs appreciated them very much as a career building opportunity. They addressed areas like financial management, audit and environment. The allocation was streamlined through the district training committee and based on transparent criteria. KDPRP provided 78% of the overall district scholarships for the period under review.

Several consultancies were funded (gender, review vocational training, electrification, design of markets, bridges and water schemes, quality control works, construction, town planning, financial management, internal audit, poverty profiling, coffee processing) to backstop the district departments. Two long term BTC staffs were attached to the works and production department respectively. The works department was a special focus of capacity strengthening given the large budgets, the strategic importance and the strong need for capacity building.

BTC junior assistants were twinned with the works, planning and production (irrigation, coffee & fishery) departments. The interaction provided a two way learning opportunities and skill training (GIS, monitoring, computer literacy) for departments.

KDPRP adhered to the BTC reporting formats. IF KDPRP had adopted the government OBT formats, the programme would have been stronger aligned and a much bigger capacity strengthening of the departments would have been realised for this new IT based reporting and planning tool.

Throughout the work in the district and interaction with various stakeholders, accountability, value for money and transparency were promoted as outlined by the activities below:

Support government accountability systems

- Support of LG planning and budgeting cycle: the process aims at being inclusive and transparent while deciding on priorities for resource allocation.
- Support the LG annual assessment as the main tool for sub county performance tracking.
- Co-funding the roll-out anti-corruption strategy of the central government (2010) in Kasese District.
- Funding sub county quarterly audits by the internal audit department so that the status of the level of financial management is known to the senior management of the district and sub counties for follow-up.
- Adherence to PPDA rules and going the extra mile: not just formally but also actively promote the spirit of competition, transparency, value for money and equity. Stop the contract and blacklist non performing contractors.
- Involvement of grassroots structures and political representatives in payment processes of infrastructure contracts – school committees played an important role in monitoring the contractors and they were trained for that purpose.

Training political representatives, staffs and grassroots structures

- Training of all (newly) elected councillors on their roles and responsibilities after 2011 elections.
- Training new district executive on their roles and responsibilities.
- Training all finance staff of district and LLGs on LG financial regulations 2007.
- Training internal audit on procedures, audit tools and value for money audits.
- Training new district contracts committee chairperson on PPDA regulations.

Tools

- Concept papers to make the link between budget requisitions, feasibility, outputs and performance.
- Transparent allocation of resources for which sub counties and communities can equally apply. Technical criteria for allocation of investment (benefiting population, corresponding actual need, feasibility, costs, operations and maintenance, local contribution,...) rather than reinforcing political patronage.
- Spearheading local contribution as a means to build accountability. Local contribution is a powerful tool to enhance communication between the grassroots and local government and build mutual accountability

Improved communication for transparency

- Publication of budgets, costs and investments on sub county display boards and via FM radio announcements. Issuing of financial year budgets to all sub counties and departments (hard and soft copy).
- Memorandum of understanding to agree and document the responsibilities of stakeholders, the cost and time frame of the activities for mutual accountability and proper monitoring.

Influencing LG organizational and staff attitudes

- Walk the talk: ensuring high level of KDPRP staff integrity, own proper use of project assets, transparent recruitment staff based on merits, allocation scholarships, procurement, zero tolerance corruption & embezzlement and high accountability standards to set standards in LG context.
- Systematic emphasis on value for money and cost effectiveness in order to account for entrusted public funds.
- Strict demand of performance of contractors before payment: enforce adherence to technical specifications, payment in function implemented works.
- Systematic follow-up of embezzlement of public assets or funds.

Output 4: “The lower local government capacity to deliver improved services and poverty alleviation strengthened while improving democracy and accountability in the LLGs”.

KDPRP supported the LG annual assessment as the main tool for sub county performance tracking and accountability. The results of the LG annual assessment have been consistently improving with 69% rewarded LLGs up from 40% in FY 2008-9. KDPRP assistance for the LG annual assessment improved the score of the sub counties considerably and as a consequence more LGMSD funding was received. There is a need that the progressive benchmarks are set over time and that the annual assessment is aligned with audit results.

Internal audit was supported as the main LG accountability system and as a financial management mentoring exercise. According to the internal audit the financial management of the sub counties dropped considerably from an average score of 41% in FY 2009-10 to 27% in FY 2012-13. The internal audit score system achieved a fast assessment of overall trends and a performance comparison between the LLGs. Three critical issues of financial management emerged: local revenue collection, advances and follow-up of audit recommendations. Other items that require intensive follow-up are: financial reporting, asset management & procurement (including monitoring of projects up to full conclusion). The conclusion is that LLG financial management is extremely weak with little will to improve it.

KDPRP funded value for money audits which provided important feedback to the senior management about a variety of projects including NAADS, CDD and local revenue. The important human resource audit of sub counties, schools and health centres was budgeted but never implemented.

Direct procurement by PDU/ KDPRP was done on behalf of the sub counties but based on their needs. This was not in line with the decentralisation principle of devolving planning, procurement and accountability functions to LLGs. However, it contained drastically the risks of financial management as outlined by the audits and experienced in other decentralisation programmes. Rather than being embroiled in accountability problems of sub counties, this approach allowed KDPRP to delivery results to the satisfaction of the sub county leadership and population. At the same time, through participatory planning, the systematic use of MoUs with the benefiting community and tangible results on the ground, KDPRP created a large degree of ownership at sub county level.

The training of all PDCs and the follow-up of participatory planning in 26 LLG was supported. Few embraced the practice for all PDCs and villages due to a lack of funds and skills. Templates for poverty focus, LED and environment should be customised in the participatory planning manual. Given the relative high cost of the planning exercise, it is unlikely that this effort can be sustained without donor assistance.

LLG retooling which focused on furniture, generators and IT equipment. IT equipment while very popular had only a limited contribution to the administrative performance of sub counties. On average, only 1 document is produced per week. About 60% of the sub counties report to use the IT equipment for their accounts. The purchase of a patrol boat curbed the illegal fishing drastically until it was burnt by poachers.

Scholarships have improved the career perspectives of staff. KDPRP trained 4 medical doctors who were in serious shortage at the district. KDPRP provided 79% of the LLGs scholarships for the period 2009-2013. Lower local governments received 74% of the scholarships. This is a marked departure from the past when scholarships focused on district headquarter staff only. Scholarships were given to LLGs staff in remote areas. However, the bonding principle did not work well to retain them there as other administrative consideration were overruling. On request of the district executive the capacity building grant was reduced to fund strategic infrastructure in the district. The district felt that it will have more funding for capacity building in the future but not for large infrastructure works.

On the job learning and backstopping remained an important capacity building tool especially in the sectors of production and works.

Next to support to local government capacity building systems, the special efforts were paid to:

- Funding training & elections of beach management committees which play core role in management public fish resource.
- Training school management committees on roles & responsibilities and monitoring construction works

2.2.4 To what extent did outputs contribute to the achievement of the outcome

Local economic development

Through the implementation of practical development activities, KDPRP has contributed to the capacity building of Kasese District. Emphasis has been on local economic development through the introduction of innovations and partnerships with the private sector. From the district perspective, the core legacy of KDPRP will be the expansion of the electricity grid in 11 additional rural sub counties and 27 trading centres, the construction of the Congo border market in Lhubiriha, the Muhokya irrigation scheme and the improvement of the transport network (70% more district road bridges constructed). In the long term, the improved infrastructure will contribute to an enabling business environment.

Through “action learning”, the involved sub counties have been enabled to deal directly with REA and Kilembe Investments for the expansion of their electricity grid. They are now aware about the procedures, costs and design requirements. Where stone arch bridges were constructed, sub counties and communities have internalised this appropriate technology. Given the strength and cost saving, they intend to build more in Maliba, Kyarumba and Munkunyu sub counties relying on their own funding (road fund and coffee bonus payments).

Contrary to the previous mindset where district leadership focus was only on delivery of social services, there is now a strong appreciation of the role of LED and poverty focused activities in transforming localities. Full functionality of economic infrastructure, implementation of physical plans and adoption of best practices by the business community will provide encouragement and motivation for increased investment in LED and poverty focused activities.

Poverty alleviation

The increase of 79% of the housing units for teachers in remote schools provides the pre-condition so that school management committees can now reduce teachers’ absenteeism. This will enhance the access of the poor to better education. The 3 constructed water gravity schemes supply drinking water for 13.000 people. The established principle of community contribution emphasises self-help rather than waiting for donor and government handouts only. The extended district poverty profiling involved strongly all sub counties and provide Maintenance and operation and catchment protection of water schemes are essential for the future functionality of the social infrastructure. This was highlighted during trainings and in the MoUs.

Revenue enhancement

In the current fiscal context, it is highly unlikely that Kasese District can generate the required local revenue to maintain and operate investments/ services and fund discretionary development priorities. As with most other LGs in Uganda, the contribution of local revenue to the overall district budget has steadily declined to <2%. This is hardly enough to settle outstanding debts and operational costs. The link between local economic development and local revenue enhancement has been weakened given the fiscal legislation (taxation commercial farmers is yet to be approved by the president) and the proliferation of local governments which increases administrative costs drastically. The weakest aspect of Uganda’s decentralisation remains the low local revenue generation with weak electorate accountability link as a consequence. This is further aggravated by the proliferation of local governments and town councils. Nevertheless, KDPRP has contributed to the LG financial capacity through the construction of capital projects that raise revenue: the border and Hima market, the municipality abattoir and the district social hall.

District and lower local government capacity building.

KDPRP provided a large range of capacity building activities from support to national systems to individual on the job backstopping that contributed to capacity building.

In order to have lasting capacity reinforcement, 2 areas will need sustained support and supervision by the district:

- Financial management has not improved and needs to be addressed in a disciplinary way to yield results.
- Employment of qualified staff in the works department and building the professional ethics while dealing with procurement and contracts management.

In general it takes longer time for institutional development in LGs to obtain sustained change of civil servants to become more service and development oriented. Evidence is found that individual performance has improved even though more on the job training is needed to obtain sustainable impact on the general performance of the LG district administration. The overall LG human resource management (remuneration, selection, TOR, induction, on the job training, supervision, and monitoring) remains an important challenge. The new LC5 and CAO emphasised proper performance by department. In line with LG regulations, performance agreements were signed and KDPRP funded activities included in the relevant documents.

2.2.5 Assess the most important influencing factors. What were major issues encountered? How were they addressed by the intervention?⁹

1. The new district leadership in mid-2011 (elections and appointment new CAO) was a real boost. The new senior district management created an enabling environment through demanding increased accountability and performance from the staff. It is only in this new setting that donor assistance such as KDPRP could play a meaningful role.
2. There have been mixed signals from government on policy of decentralisation and service delivery. More functions have been brought back to the centre. Line ministries have increased the de-concentrated mode of service delivery. The LGs managed proportion of the national budget has been further reduced leaving a funding gap reflected for instance in no funding for maintenance.
3. The overall LG human resource management (remuneration, selection, TOR, induction, on the job training, supervision, and monitoring) remained an important challenge. The new district leadership enhanced the capacity building of the lower local governments by better supervision. After years of indifference, poor performing sub county chiefs were suspended, inducing a more output related work attitude of LLGs staff.
4. The creation of new lower local governments further aggravated their staffing and funding gaps.
5. There is a strong competition for local revenue between the district and newly created town councils which was manifest for royalties for lime / cement and the border market. While the lime royalties were settled in court, the revenue sharing for the border market remains a contentious issue.
6. The works department has been affected by leadership and professional ethics issues. As a consequence, the opportunity of “on the job” training of staff for bridges and buildings was not fully seized by the department.
7. Public procurement required strong follow-up with a need of often directly addressing day-to-day management issues to move on. Competition for tenders had to be actively promoted. The slow process of public procurement resulted in low budget turn-over during the initial years.
8. The majority of local contractors did not have the minimum quality (financial resources, equipment and technical expertise). Their contract management required a lot of backstopping to meet minimum quality standards. Given the substandard work, it was necessary the retender the irrigation and social hall works and the consultancy of the district poverty profiling study.
9. The community contributions for the electrification were managed by the sub counties. There are a number of embezzlement cases that are under investigation. They affected the credibility of the sub county leadership and outlined the risks of financial decentralisation to sub county level when minimum requirements are not in place.
10. Inadequate quality of vocational training provided by the informal and formal sectors. This led to the phasing out of the vocational training programme.
11. Slow pace of adoption of genetic and herd improvement practices among pastoralist communities degraded the feasibility of investment in milk cooling facilities and negatively affected financial turn over for the project.
12. Encroachment of water catchment areas and destruction of the vegetation cover (charcoal burning) areas has resulted in a drop of spring yields in almost all water schemes in the district.
13. Land encroachment has a serious problem for construction works (social hall, staff houses, abattoir, and electricity) and LG have been advised to formalise their title deeds.
14. The heavy rainfall in 2012-Q3 resulted in the delay of works (irrigation, staff houses, bridges) and additional cost for erosion protection and flood damage. However it provided as well for bumper crop yields in the lowlands.
15. KDPRP operated in a very volatile environment of exchange rate fluctuations (euro crisis) and inflation. A cautious budgetary and expenditure approach was followed to cushion potential negative impacts. Contracts were without price variations shifting inflation problems to the tenderers.
16. For call for proposals, more innovative projects were expected from the private sector and civil society. Unfortunately this did not happen and no new ideas were introduced for up-scaling.
17. The strong population growth of 3.6% offsets many of the development efforts of the government and donor community. Much bigger financial flows will be required to sustain the existing public service delivery indicators. KDPRP highlighted the impact of demographic growth in planning meetings and the budget framework conference.

⁹ Only mention elements that aren't included 1.1 (Context), if any.

2.2.6 Assess the unexpected results, both negative and positive ones

1. Due to the strict quality control and expertise, the district started using the project engineer for works not funded by BTC.
2. NASECO, a local seed company has entered an agreement with Muhokya Irrigation Farmer Association to undertake the production of irrigated hybrid maize seed on contract basis. This will enable the farmers improve land and labour productivity and invest in the maintenance of the scheme.
3. Bukonzo Joint increased investment in coffee warehousing, hulling and roasting machines in response to extension of electricity, technical assistance washed coffee feasibility funded by KDPRP and export market orders from USA & UK.
4. The MasterCard – Save the Children vocational programme is large scale (14.000 trainees) and was the motivation to phase out KDPRP assistance in this sector. The program partners have prioritised sub counties where KDPRP is implementing strategic economic infrastructure projects for their vocational skills development interventions.
5. Through the lobbying by the tourism information centre, Uganda Wild Life Authority has officially opened an additional tourism circuit (Buraro) in the Rwenzori Mountains.

2.2.7 Assess the Integration of crosscutting themes in the intervention strategy

Gender

A training “Mainstreaming gender analysis in planning, implementation & monitoring of development activities” was organised for 40 community development officers / sub county planners and focal gender persons of the departments. The training aimed at making participants familiar with best practices for gender analysis and at applying main gender concepts and tools to the daily working environment.

The Village Savings and Loan Association methodology specifically targets marginalised and resource poor women – over 80% of beneficiaries are women. Over 90 women groups (with a total membership of over 2,717) are organised into groups and taught how to save, borrow, invest in productive venture or meet emergency needs. The model is highly appreciated for enabling women to access affordable capital to invest in economic ventures and buy household assets. Beyond the financial literacy and business skills women acquire community leadership and social skills that they use to influence decision making in their homes and communities.

Under the pastoralist dairy value chain project, over 314 women benefited from original Boer and Dairy goats under a “pass on gift” mechanism that has been designed to ensure that as many women as possible benefit from the program. This intended to address the ownership and control over economic resources. Women are also taught kitchen gardening for better food security.

Gender parity was respected for the selection of vocational trainees (60% female), functional adult literacy trainers (48% female), and scholarships (20% female while women constitute a smaller percentage of LG workforce).

The poverty profiling collected aggregated gender data and the situation of women and female headed households was assessed. Gender analysis was done at the inception of the Congo border market and the support to pastoralist communities. Gender was also mainstreamed in the poverty profiling of the district. In 2011, the gender analysis was carried out for some economic activities: irrigation scheme, woodlots, coffee production and processing, fish farming and micro finance.

Social economy

There has been an effective utilisation of actors and interventions that are neither strictly public sector nor private sector in nature. Aspects such as community contribution for construction projects, providing a buffer to the poor through utilisation of cooperatives, SACCOs, VLSAs, farmer associations, user committees, local artisans and NGOs to complement the public sector investments. Irrigation, water supply schemes and coffee processing are implemented through CBOs. A call for proposals was launched to select innovative LED investments in collaboration with the private sector and CBOs.

Environmental issues

KDPRP mainstreamed the environment component in its activities. There have been strong inter linkages between environment and LED and major infrastructure works. Capacity building in environment focused on environmental impact assessment, strengthening grassroots institutions for the management of natural resources and developing templates for environmental planning of LLGs. The adoption of those issues varied a lot. The following gives a brief overview of the environment relevant activities:

Environment specific
1. Revision of the state of the district environment report
1. Training natural resource staff on environmental impact assessment
2. Conducting environmental assessments for all major infrastructure and economic activities.
3. Integrating environmental issues in the MoU with community based organisations such as school management committees and beach management committees and irrigation associations
4. Soil & water conservation in highlands (coffee farmers) and lowlands (cotton farmers & Muhokya irrigation)
5. Range land management and sustainable agriculture were integrated in the dairy value chain project
6. Protection of water catchment and lobbying for a regulated water distribution through a basin authority.
7. Urban plans for 2 major town boards in order to enhance organised development – Kinyamaseke/ Rugendabara.
8. Practical pilot on the feasibility of plastic bottle recycling in Kasese Municipality.
9. Reduction illegal fishing on Lake George and Edward: patrol boat & BMU support
10. Afforestation through 400 acres woodlots for schools, churches and CBOs.
11. Promotion of community tourism to enhance the local support for national parks
Environment – institutional
1. Training of sub county environmental focus person in 2011
2. Sustainable water distribution regulation through a basin authority in 2012.
3. Reduction illegal fishing through effective beach management units 2010-13
Environment – responsive at level programme management
1. Reduction electricity & fuel consumption , proper garbage disposal & avoidance
2. Promote arch bridges which require less energy consuming cement
3. Extension of electricity line rural areas based on hydro power

Children's rights

The right of children to quality education has been addressed through responding to teacher absenteeism occasioned by lack of teachers' housing in remote and poor areas. KDPRP invested in teachers' housing to accommodate at least four teachers in 27 selected hard-to-reach schools. In addition, KDPRP invested in training of special needs coordinators in all primary schools to meet the education needs of children with disabilities. Efforts were done (planning, parents survey, dormitory & training sign language) was done so that Kinyamaseke primary school has the start to become a learning centre for disabled children. Under community development, 60 vulnerable children are undergoing vocational training in the informal sector.

HIV – AIDS

KDPRP did not put any emphasis on HIV-AIDS as there are more relevant bodies in the district with specialised expertise, the mandate and funding.

2.2.8 To what extent have M&E, backstopping activities and/or audits contributed to the attainment of results? How were recommendations dealt with?

See section 1.1.4 – management for results.

The KDPRP monitoring & evaluation framework was developed based on the TFF, logical framework and consultations with stakeholders. It included indicators and performance measures for purpose, results and output/deliverables. Socio-economic baseline data were collected from other external sources. The framework formed the basis for monitoring and reporting but the tracking of performance indicators proved to be difficult given the wide range of activities / outputs and reliance on LLGs for data collection. In addition, there was a disparity between the TFF emphasis on LGSIP decentralisation process indicators and the strong request of the district for tangible infrastructure on the ground.

Joint monitoring exercises provided an on the job training opportunity for departments and the executive. The persistent weak financial management by sub counties identified during the regular internal audits and capacity needs assessment of the finance department, contributed to the decision that KDPRP should not be decentralised to LLGs level. The majority of the MTR recommendations were implemented. Audit queries were resolved immediately.

The steering committee, the district council and project management team meetings were the major monitoring structures for KDPRP. On regular basis these structured reviewed the performance of the program and approved work plans. The decisions and guidance given by the above structures influenced the course and pace of attainment of results.

3 Sustainability

3.1.1 What is the economic and financial viability of the results of the intervention? What are potential risks? What measures were taken?

From the start, economic viability was highlighted through concept papers and where possible a low cost approach was followed. High risk projects or projects with huge maintenance requirements (earth works roads) were not supported. Community activities were aligned as much as possible with the informal sector. KDPRP emphasised local contribution as indicator for economic viability. For instance, REA outlined that lines in Kasese (with local contribution) have immediately large demand for meters and connections while others built by government without local contribution take many years to be utilised.

Economic infrastructure projects

The major economic infrastructure projects (irrigation scheme, electricity, bridges) have a catalytic effect on the local economy. For example, the 16 bridges will enable hundreds of buyers and processors to access raw materials cost effectively and producers to get fair prices. A number of trading centres will spring up in the hitherto inaccessible communities to facilitate the bulking and aggregation of commodities. The program has invested over 1.5 billion Ush in these bridges. In return, the district will earn tax and non-tax revenue from business establishments that will come up in these communities. In addition, the district LG will achieve significant cost savings in form of reduced fuel costs associated with field trips, refrigeration of medical facilities, lighting schools, and travel to urban centres to access secretarial services.

In 27 trading centres where electricity is being extended, over 1000 businesses that were previously not possible are expected to come up. These businesses are expected to add value to locally available resources through agricultural processing (coffee, maize, cotton and cassava), refrigeration, carpentry, metal fabrication, bars and hotels, education. Cost of doing business for businesses (e.g. coffee processing) and shops that were previously relying on expensive fuel for power and lighting has reduced significantly. In addition, school children can read longer and theatres and vaccine flask at health centres can now operate because of accessing stable and affordable electricity. The electricity consumers will pay for connection and user fees to a local electricity distribution company. The money generated will be enough to meet maintenance and recurrent operational costs. The creation of new businesses coupled with increased sales from existing businesses will enable the district and urban councils earn more tax and non-tax revenues.

Muhokya irrigation will enable over 100 farmers to produce crops all year round and attain higher crop yields. In addition availability of water has presented new opportunities like contract seed production that were not previously possible. By producing off-season the beneficiary farmers are able to bargain for higher prices for their produce. The total investment cost for the Muhokya Irrigation is over 170 million Ush. Through commissions on sale of produce, water user fees and membership fees to the Muhokya Irrigation Farmers Association, the scheme will be able to cover the operational costs and meet infrastructure maintenance and expansion requirements.

Government run economic ventures

The program has invested over 2 billion shillings in infrastructure projects (including the Border market, Hima Market stalls, Municipality abattoir and district social hall) aimed at improving business environment and enabling the district and lower local governments to generate more revenue. These infrastructure projects will directly benefit over 15,000 businesses including those engaged in agricultural commodities, tourism, education, health etc. By having organised premises with a better working environment, the businesses will register increased productivity, visibility and competitiveness and at the same reducing product losses and costs. This will enable them increase sales and profits.

Through collection of trading licenses, market dues, ground rent, permits and other taxes, the town councils and district will generate adequate revenue to meet operational and maintenance and have surplus for investment into expansion and delivery of other social and economic services. For example the border market will generate a profit of over 80 million shilling per year at least 65% of which will be set aside for market improvements and expansion.

Physical planning

The program has invested 30 Ush into preparation of physical plans for Rugendabara and Kinyamaseke Town Boards. Implementation of the plans will facilitate planned settlement, provide a conducive physical environment for private investment and enable the district to provide services to over 10,000 residents of these town boards cost effectively. Planned settlement will enhance the beauty of these towns and make them attractive to visitor and potential investors. After implementing the plans, private sector investment in these towns is expected to grow by over 30% in the next 5 years while population will increase by over 5% per year.

Enterprise development projects

Over 1bn shillings was invested in tourism, dairy, timber, coffee and fisheries sub sectors. All the enterprises (washed coffee station, coffee/tree nurseries, coffee growing, fish cages, fish hatcheries, craft shops, microcredit groups, goat and cattle farms, woodlots BDS providers etc) supported were analysed and found financially viable. Over 11,957 SMEs engaged in the various enterprises within the above mentioned sub sectors directly benefited from the program. By facilitating the increased adoption of productivity enhancing technologies and practices, the support provided by the program is expected to enable these businesses these businesses to register increased yields/efficiency, produce better products, access more lucrative markets and by so doing generate more sales, employ more workers and earn more incomes. The spill-over effects of these interventions are in form of increased consumption of other services and productivity produced from within and outside the district, enhanced nutrition and health and increased access to quality education, all of which will contribute significantly to the socio-economic development of the district.

Potential risks	Measures taken
The irrigation infrastructure risks being eroded by floods and siltation	The irrigation association received basic training in irrigation management. More capacity building is needed in the area of resource mobilisation, financial management, leadership, operation and maintenance and general management.
The limited availability of modern fish feeds might make Rwenzori Hatchery Fish Farms grind to a halt. This will make fish fingerlings inaccessible and expensive thus derail the gains so far made in pond fish production.	District fisheries and the hatchery conducted trials on cost effective methods of producing fish feeds locally. Research on fish feed pelleting is ongoing. In the meantime, hatchery management advised to keep a tab on its inventory management practices to ensure full time availability of fish feeds.
Lack of consensus between the district and the urban council on management and operation of the border market is a threat to future expansion plans.	High level discussion about management arrangements were initiated by the district leadership. Further guidance from the central government on how to manage the investment is anticipated soon.
There is a danger that the tourism information centre will continue to generate lacklustre interest among local tourism service providers. The absence of an impartial value chain facilitator makes this threat even bigger.	The USAID funded STAR project has supported the formation of Friends of Queen, a loose association of tourism service providers in the district. Through the regular campaigns by local tour operator, appreciation of the need for information centre by the stakeholders will increase.

3.1.2 What is the level of ownership of the intervention by target groups and will it continue after the end of external support? What are potential risks? What measures were taken?

The ownership of the target group was good to excellent for tangible development activities. Implemented activities were selected by the sub counties and the departments. They feature usually high on the community priority list. Flexible participatory planning and involvement in the implementation stages enhanced local ownership by the target group. A memorandum outlined the roles and responsibilities of different stakeholders prior to the implementation. Operation and maintenance as potential risks were emphasised in the MoU and local funding mechanism suggested.

Key interventions (electricity, water supply, staff houses, small bridges, coffee processing) required an important community contribution. Local contribution was a powerful - but sometimes cumbersome - tool to enhance community ownership and improve communication with the grassroots. The involvement of the district political wing in planning and monitoring contributed as well to ownership. FM radio station broadcasts informed the public about major activities. Outsourcing of some interventions to local CBOs enabled the district to tap into private sector financial and human resources and networks. This further enhanced the direct participation and involvement of communities in designing, implementation and monitoring of project activities.

Ownership by individual departments has varied in function of link with TFF results, commitment, staff availability, professional commitment and allowance expectations. From mid-2011 onwards, the new and proactive senior district management took full ownership of the programme. While KDPRP is aligned with the district structures but has some special features (financial management, the prominent role of the TA and the steering committee). KDPRP is strongly perceived as a district project by the councillors because of the tangible results at the level of the electorate during a period when central government funding was limited.

3.1.3 What was the level of policy support provided and the degree of interaction between intervention and policy level? What are potential risks? What measures were taken?

All major infrastructure works (electrification, markets, irrigation), the value addition of agricultural production, the intensification of fisheries and the construction of teachers staff houses are core sector priorities in the national development plan 2010-15.

Value chain development, business development services and public private partnership are the major approaches enshrined in the national Local Economic Development strategy for Uganda (MOLG, 2005). The approaches have been piloted in the district by KDPRP specifically through the dairy, coffee, tourism, timber and fish value chains. The district leadership has gained adequate exposure to these new approaches and this will further enrich the implementation of LED policy.

The program played an example role on the need and relevance of local contribution in raising resources for development projects, increasing ownership and ensuring sustainability. Borrowing from the lessons learnt, the district has adopted local contribution as a policy. Every first Thursday of the month is now set aside as a community self-help day to help marshal resources for maintenance of existing projects or contribution for planned projects.

The need to rationalise the creation of new urban councils in function of impact on local revenue for the district and contribution to LED promotion has been brought to the attention of the district and central government (through steering committee). The central government has for now halted the creation of new LGs pending further analysis of the implications.

On the other hand, some best practices developed warrant up-scaling and national policy support:

- Stone arch bridges as a low cost but reliable technology to improve rural road networks.
- Internal audit assessment matrix for tracking the performance of sub counties
- Guidelines for community electrification projects

KDPRP interaction with national policy levels was limited to the line ministries presented in the steering committee. The programme sought actively the policy dialogue for arch bridges (CAIP, Crossroads, Road Fund) and participated in the further fine-tuning of the LED strategy.

3.1.4 How well has the intervention contributed to institutional and management capacity? What are potential risks? What measures were taken?

See chapter 2.2.2 – achievement of outcome. The institutional and management capacity depends in the first place on the quality of the LG human resources management for which the programme had no direct mandate. Key departments (works, production) were backstopped with long term technical assistance and other departments were twinned with junior assistants.

On the Local Economic Development front, the district LED forum was constituted and oriented. Its linkage with the district investment committee was also harmonised. LLGs received equipment to enable performs some of their functions cost-effectively. The investments in revenue generating ventures (markets, abattoir, and social hall) will help increase the financial capacity of the district and LLGs to deliver LED services. A number of district staff access post graduate training and management and administration. In addition through the regular interface with program team basic management practices prioritisation of project based on concept papers, development of beneficiary selection criteria, preparation of MOUs and transport management were learnt.

Financial and technical support was given to over 30 CBOs to increment their capacity provide business development services in a wide range of value chains. Technical support was given in areas of business planning, record keeping and Governance. Following the acquisition of knowledge and skills in basic business management practices like business plan preparation, marketing and record keeping, some of the CBOs have been able to start income generating ventures. For example Friends of Nature is dealing in renewable energy while Foundation for Urban and Rural Advancement has started a micro-finance company. Other organisations like Ikongo, Bukonzo Joint and Mubuku Integrated Farmers have also been able to attract more funding to provide business development services.

The identified risk of beneficiaries of failing to honour their commitments was addressed through careful selection and verification, MOUs for private partner organisations and regular supervision. High staff turn-over was addressed through employment bonding of up to 3 years.

4 Learning

4.1 Lessons learned and recommendations.

Lessons learnt	Target audience
Decentralisation	
1. The TFF highlights the importance of capacity building of the lower local governments. In line with NAADS and CDD, there has been a strong demand for full financial decentralisation to the LLGs. However, many sub counties do not meet the minimum criteria of sound financial management and there is an increased risk of fragmented budgets with little impact. A balance has to be struck between the “political correct” local ownership and capacity building on one side and the efficiency & impact of development programmes and risk management on the other. Further mentoring, capacity building and a menu of standard development packages can help to mitigate the shortcomings. It is recommended to have a customised approach in function of the existing capacity of local lower governments and to allow for a larger autonomy of the well performing LLGs. Further support to the internal audits and assessment are anticipated.	MoLG donors District LGs Sub Counties
2. There is no automatism that decentralisation as such will enhance public service delivery. Much depends on the already existing management capacity. Entities that are doing well will do better with increased delegation. Entities that are managed poorly will further deteriorate. Much depends on the quality of leadership in place which is difficult to address with external assistance. While convenient from a local political perspective, the creation of more local governments aggravates the existing gaps of human resources (engineering & accounting staff), local revenue and development funding. Advantages of scale are lost.	MoLG
3. Outsourcing of LED services to private sector and the civic society only results into quality implementation where significant business orientation, expertise and institutional capacity exist. Projects implemented by NGOs/ CBOs had the same success rate as those implemented by the local government. Close supervision is required in order to attain quality results.	KDLG BTC & other donors
4. The procurement of NGOs or companies for PPP projects through call for proposals is very labour intensive. The process of documentation, advertising, evaluation, selection, verification and award takes a lot of time, Call for proposals are best carried out in 2 steps. The first step should just involve a brief description of the idea and summary budget. Only shortlisted proposals should then be selected on a more detailed budget and elaborated concept paper.	KDLG BTC
5. Limits to participatory planning & budgeting: costs, economies of scale and planning fatigue. If done according to the requirements, the LG planning and budgeting cycle is very resource intensive. Funding is usually not available to carry out the exercise at village and parish level. The newly adopted 5 year development plan helps to reduce planning transaction costs. Planning fatigue is widespread as many grassroots proposals are not included in the budget due to funding constraints. Another constraint is that only micro projects are addressed and large district or regional projects are left out. The planning guidelines should acknowledge the funding constraints and give recommendations how to deal with the situation in practice.	MoLG NPA
6. Under retooling for lower local governments, IT equipment, generators and photocopiers are popular items requested. An important criterion for the allocation is the operation and maintenance ability as many sub counties have resource constraints. IT equipment was found not to be effective for professional work as on average only 3 documents/ week were produced.	MoLG KDLG
Fiscal decentralisation, local revenue and local contribution	
7. There is a competing relationship between LLGs and the district for local revenue. The impact of the creation of new town councils on the finances of the district and remaining rural sub counties should be considered. For the central government, it might be appropriate to review the relevant legislation and allow for revenue sharing between urban councils and districts.	MoLG MoFPED
8. Local contribution is an essential tool for building local ownership, improved communication between the different LG levels and local resource mobilisation for development. Given the resource constraints and the overwhelming development challenges/demand for services, it is recommended to promote the principle of local contribution. The allocation of development funds based on effective community contribution is a more just principle than electoral campaign considerations. At the same time, it is acknowledged that local contribution will usually slow down implementation and will require additional monitoring efforts.	MoLG councillors

Lessons learnt	Target audience
Public procurement & consultancies	
9. The alignment with LG public procurement is required for legal and capacity building purposes. However, it comes at a cost of reduced efficiency, delayed implementation and heavy investment of human resources in the procurement process. In order to get value for money through public procurement, the process has to be managed rigorously. Competition is limited as many genuine businesses fear canvassing, late payments, heavy taxation and corruption. During a limited time-span of the 4-5 years of the average development programme, it is difficult to implement 2 full procurement cycles (design and actual construction). It is recommended to procure the design under regie to allow for sufficient implementation time of the actual works.	BTC & other donors
10. Consultants are often seen as a quick fix. However – much work has to be invested in the TOR, the procurement and quality control of their work. Quite some consultants are not performing up to standard. They are overstretched and work is delegated to junior staff without quality control. Many departments lack the time and expertise to verify the quality of the work of the consultant. As with construction contracts, design contracts should have retention money that is paid once the structure designed is finally constructed.	KDLG BTC
LED interventions & infrastructure	
11. Electricity supply is crucial for business creation and social service delivery. However, the standard costs of 15.000 US\$/km electricity line is prohibitive even if co-funded by REA. It is recommended to remove the VAT taxation and to open up the electricity market in Uganda to increase competition and reduce costs. To reduce risks and enhance efficiency, sub counties need stronger regulations and supervision for the design of the grid (minimum standards to promote feasibility), respect available resources and the collection of community contributions.	MoFPED REA
12. Arch bridges are a strong and cost efficient technology for rural roads. While relying on local resources, cost savings of >75% as compared to reinforced concrete structures are obtained. It is recommended that arch bridges are included in the packages for Community Access Roads and the technology is promoted country wide to have a major improvement of rural transport.	MoLG Min Works donors crossroads
13. Addressing maintenance in sustainable way through user contributions remains a big challenge especially in rural communities. In line with the TFF, the approach of only funding infrastructure works when maintenance modalities are in place should be sustained. Where projects are implemented on private land, evidence of ownership transfer can help safeguard the public investment from encroachment. LGs & beneficiaries should commit to set up a fund to handle the operation and maintenance costs.	KDLG MoLG
14. The budgets of district works departments are typically 3-4 billion Ush per financial year. They are the highest for development funding but involve also the highest risks. As a consequence, capacity building should focus on works staff in order to strengthen technical expertise, procurement and professional ethics of engineering staff. Districts are struggling to employ qualified technicians as there is heavy competition from the private sector. The requirement that the head of department should be a fully registered engineer is overstressing the capacity of the local governments.	MoLG Mo Works
15. Districts with a large fishery sector should consider promoting commercial fish farming to reduce the pressure on the fish stocks of the lakes. Major limitations are the donor-dependency (fully subsidized fry and feed in the past) and technical backstopping. NAADS can play a role through the piloting of low cost locally-formulated feeds, cage fish farming, community-based extension services and the technical assistance to fry hatcheries. The focus should be on tilapia culture (herbivore, fast production cycle and easier multiplication).	NAADS fishery department
16. Institutionalisation of LED into LGs can only be successful if accompanied by the necessary reforms aimed at improving the delivery of commercial services at district and LLG levels. Whereas the commerce office is expected to guide all the departments (including production) in appraising, planning and implementing LED investments and attracting and facilitating investors, the fact that it is still a section within production and marketing limits its mandate, staffing and facilitation. The LED planning process (participatory appraisal of competitive advantage, Local Economy and Business Assessment and preparation of the district LED strategy) exist parallel to the district planning process while the LED forum executive exists side by side with the District Investment Committee facilitated by Uganda Investment Authority. The district and central government should undertake the necessary reforms to improve the functionality of commerce office and further integrate LED into existing LG processes and systems.	MOLG, Public Service, KDLG
17. Addressing major constraints along the whole commodity value chain is a more effective approach as compared to the traditional one-off delivery of extension services and inputs to farmers. Well targeted value chain development interventions -for example those that improve access to inputs or markets or finance – improve efficiency and competitiveness for the different actors, unlock economic potentials and create ripple effects to the whole economy.	KDLG –NAADS
Lessons learnt	Target audience

18. The business development service approach promoted under LED is at variance with the NAADS approach of providing free inputs to farmers under the food security, market oriented and commercialisation farmer fund. Provision of hand-outs by some government and development partner projects distort business development services markets and reduce the willingness of SMEs (more especially farmers), to pay for services. In the end, in absence of an efficient BDS market, sustainable and affordable access delivery of services by the private sector usually gets compromised.	MOLG, KDLG, NGOs
19. Next to the traditional design studies and quality supervision of works, rigorous economic and financial analysis of LED investment projects, proactive clarification and documentation of management arrangements and intensive management capacity building of the management teams are necessary for enhanced efficiency and sustainability of strategic infrastructure projects.	KDLG, ,BTC, Urban Councils, Ministry of works
20. The goat pass on gift mechanism and the village savings and loan methodology have demonstrated that, with the right interventions and delivery mechanism, the poor and marginalised (pastoralist, women, youth etc) can also meaningfully participate in economic activities. With the issues of land ownership rights, cultural beliefs, inferiority complex and limited exposure addressed, the marginalised and poor are able to save and invest in small businesses that enable them increase savings, investments and earning potential.	KDLG, NAADS
21. The current level of vocational training (both formal and informal) is ineffective to combat poverty. The low quality of the technical training, the lack of entrepreneurial skills training and market saturation of the same trades are the main constraints. Innovation, stronger selection of the trainees on business attitude, links with leading successful enterprises to lift the standard of teaching are required to prepare trainees for the job market. Linkages with microfinance institutions and pre-selection of trainees on entrepreneurial attitude and viable trades are crucial considerations to enhance the start of their own business.	KDLG
LG Capacity building	
22. A conducive human resource policy (staff selection, TOR, on the job backstopping, supervision, remuneration, career promotion, and evaluation) is required for an efficient LG civil service so that capacity building efforts translate into improved service delivery.	MoLG civil service district service commission
23. Investment in LG assessment mentoring pays off as sub counties are able to access additional funding. Criteria set out in the LG annual assessment should evolve over years. The current criteria are minimum criteria. In order to step up public service delivery, those criteria need to be strengthened to avoid that the assessment becomes a ticking exercise. The LG financial assessment should be streamlined with the audit reports as sometimes they are contradicting. The link between performance contracts and LG assessment should be established. In order to keep the motivation, reward sub counties should effectively get a higher budget allocation and the staff of sub-counties that are penalised should be automatically reprimanded.	MoLG donors KDLG
24. Regular involvement of political leadership and other key stakeholders in the project activities is critical to ensure ownership, sustainability and effectiveness of interventions. On the other hand, impartiality and non-partisanship are required to avoid that development programmes are taken over for electoral purposes.	MoLG donors
Intervention models : area based & open ended programmes	
25. In early 2000, area based programmes were seen as an outdated intervention model. However, with the high level corruption scandals of sector support in Uganda, local governments call for their direct funding by donors. Donor agencies should consider combining sector support with the implementation at district level to test and develop policies and aid modalities and get a direct feedback from the grassroots.	BTC MoLG
26. KDPRP was designed as an open ended programme as a reaction of the tight defined activities of phase 1. The open ended nature left room for opportunities such as electrification & the border market which were not identified during the formulation. On the other hand the vast programme thematic coverage (capacity building, revenue enhancement, LED, poverty reduction) reduced efficiency and impact. Given the large number of stakeholders, clear priority setting is difficult and trade-offs are reducing efficiency. It is recommended to have a limited menu option from which departments and lower local governments can choose. This allows for specialisation, capacity building, economies of scale and impact.	BTC MoLG
Context factors – demography	
27. The population growth off sets the development efforts. The population factor is not sufficiently acknowledged in the context of Kasese. Although all the government and donor efforts, development indicators for water, health and education are dropping. There is a need to address the population growth for sustainable development more prominently in policies and the district development plan.	KDLG central government

PART 2: Synthesis of (operational) monitoring

1 Follow-up of decisions by the JLCB

Decisions	Follow-up
1. Albeit strong political demands for road grading during election campaigning, maintenance and operations should be in place before road earth works can be funded under KDPRP.	Implemented. Guidelines were developed for sub counties and the works department. However due to an insufficient maintenance budget, KDPRP funding shifted to bridges which require less maintenance and are complementary to the existing government funding in the road sector. In the end, no road earth works were funded under KDPRP.
2. Decentralised funding of LLGs was not approved because of the insufficient financial management capacity and to avoid that KDPRP funding is seen as acquired right without link to performance and development relevance.	Implemented. LLG funding allocation table was reviewed. 50% was allocated based on poverty, population and size criteria while the remainder was kept for district wide programmes such as the dairy value chain improvement, electrification, the border market and bridges.
3. The low cost staff house design (developed to maximise the number of benefiting schools) was not approved. Instead KDPRP should adhere to the standard design of the ministry of education.	Implemented. 30 standard design houses were constructed accommodating 120 staffs instead of 90 low cost houses.
4. Approval collaboration with third parties: Heifer International for the pastoralist programme. Rural Electrification Agency for power supply and competitive call for proposals for NGOs and CBOs in Kasese District.	Implemented. Even a no objection of PPDA was obtained. Heifer contributed 150.000 US\$ to the joint project. REA contributed more than 6.5 billion Ush to the new grid in Kasese.
5. With the aim of speeding up the implementation, the steering committee overruled the decision of the CAO to block the procurement of the bridge design on the grounds that no companies of Kasese were involved and that the budget for the design was too small.	Implemented. The cost of the design was within the limits of 10% of the construction budget. The number of designed bridges was reduced from 10 to 7.
6. Approval MTR report and recommendations, notably with the reduction activities and focus primarily on LED and not on revenue enhancement and poverty alleviation.	Implemented. Only the construction of the social hall remained under revenue enhancement. No new poverty reduction activities were added after the MTR.
7. Appointment of KDPRP financial administrative officer.	Implemented.
8. Approval reviewed log frame.	Implemented.
9. Demand for price adjustment by contractors in order to cope with high running inflation in 2011 was not approved.	Inflation remains a major challenge that requires mitigation efforts. It is a nationwide problem. Feedback from BTC lawyer was obtained but remained general. PPDA does not encourage contracts with price variations given widespread abuse. LG / Contractors are advised by PPDA to include the inflation risk in their tender price. This is emphasised during pre-bid qualifications.
10. Regarding the revenue sharing from border market, negotiations between the town council and district were encouraged in order to come to amicable solution.	Pending. Meetings were organised between CAO and TC but difference remain.
11. Resolving the VAT liabilities (notably abattoir, border market, social hall, retooling) at MoFPED as BTC funds cannot be used for taxes in Uganda and as LG has no capacity to pay them.	Implemented. CAO obtained VAT of 654 million Ush from MoFPED in 2012.

Decisions	Follow-up
12. Reduction of number of KDPRP funded activities in order to increase impact, consolidate experience and enhance implementation – also recommendation MTR	Implemented albeit with delay. Call for proposals were stopped. Not performing department activities were phased out (horticulture, goats, heifer in Mahango, environmental report, human resource audit support Celak,...) but there is still a tendency to propose new activities during planning sessions and to carry forward activities that were not implemented in the previous FY. The MTR stressed again the need to reduce activities.
13. More flexible stand regarding the co-management / regie budget allocations: long outstanding procurements and contracts with poorly performing contractors should be shifted to regie.	Implemented for: remainder irrigation scheme, arch bridges, procurement of coffee processing equipment abroad and quality control of construction works.
14. Management arrangements for economic infrastructure (market, abattoir, irrigation scheme, coffee processing, social hall)	Partly implemented: draft documents were developed in collaboration with respective entity. The full implementation of the management agreements needs more follow-up.
15. District tender tax not to be applied for KDPRP funded activities	Implemented from the date of the decision of the steering committee.
16. Increased funding allocation for quality control of works as a BTC instruction.	Implemented: clerks of works and an independent civil engineering consultant were employed.
17. Extended poverty profiling with request for funding by Belgian Study Fund.	Implemented. The Belgian Study Fund contributed 300 million Ush to the most extensive poverty profiling survey in Uganda – 9500 households were interviewed.
18. Speed up programme implementation <ul style="list-style-type: none"> • Negotiation with the bidders for the design of the Lhubiriha market and bridges in order to finalise the procurement process. • Need for the introduction and adherence to penalties for contractors and consultants so that tenders are implemented according to the schedule. • Follow-up REA procurement design and construction electricity lines for cluster I & II 	<ul style="list-style-type: none"> • Through the reduction of the scope of works and VAT, the contract value was adjusted in line with the resolution of the steering committee. • No penalties have been applied yet. Given high inflation rate. • CAO and RR visited TA weekly communication with REA to remind tasks. Contractor selected Dec 2011 and contract signing pending auditor general's approval. Nevertheless, the long procurement process is a constraint for implementation of cluster II sub counties.

2 Expenses till August 2013 (see annex 1)

3 Disbursement rate of the intervention

Source of financing	Cumulated budget euro	Cumulated expenses euro	Cumulated disbursement rate 31/08/2013	Comments and remarks
Direct Belgian Contribution	4,042,715	3,705,959.89	92%	Execution as at 31/8/2013. Implementation continues until 30/9/2013. Retention on some projects is expected to be paid in Q4 of 2014 by which time the project will have closed
Contribution of the Partner Country	197,461.83	165,431.49	84%	Contribution for VAT on Projects and procurements. VAT was stopped after BTC policy required not to mix BTC funds with other funds
Other source		12,824.24		This is interest earned on bank account that was not budgeted for.
VAT funds and interest earned on account was received in UGX. Exchange rate used per Euro is UGX 3,300				

4 Personnel of the intervention

Personnel (title and name)	Gender	Duration of recruitment
National personnel put at disposal by the Partner Country: Mr. Nkundizana John – Programme Accountant Mr. Tibasiima R. Edward – Assistant Accountant Mr Katswamba Alphonse – assistant project engineer	M M M	1 st July 2009 to 14 th April 2012 1 st July 2011 to 30 th Sept 2013 1 st Feb 2012 – 30 th Sept 2013
Support personnel, locally recruited by BTC: Mr. Mugabi Christopher KAYONGA - Programme Accountant Mr. Baluku Ivan – Programme Driver Mr. Rubongya George - Programme Driver	M M M	15 th April 2012 to 31 st Oct 2013 19 th March 2009 to 18 th Sept 2010 25 th October 2010 to 30 th Sept 2013
Training personnel, locally recruited: Mr. Peter Kutesa Sebaduka Hannington – NPA Mr. Agambe Giles Albert – LED Advisor Mr. Geoffrey Ssozzi Ssekimpi – Programme Engineer	M M M	18 th March 2009 to 1 st July 2009 14 th January 2010 to 30 th Sept 2013 15 th February 2010 to 30 th Sept 2013
International experts (BTC): Steven Hollevoet	M	25 th January 2009 to 30 th Sept 2013
BTC junior assistants Pierre Bruwier – planning office Koen Sneyers – production irrigation Sophie Grigoletto – works department Xavier Tezzo – production fisheries & communication Jonas Geeroms – production coffee & soil / water conservation	M M F M M	16/2/2010- 15/2/2012 11/10/2011- 15/6/2013 3/8/2010- 2/8/2012 11/1/2011 – 15/6/2012 11/10/2011 – 23/4/2013

5 **Public procurement** – see excel spreadsheet in annex 2

6 **Public agreements** – see excel spreadsheet in annex 3

7 **Equipment** – see excel spreadsheet in annex

8 Original Logical Framework from TFF:

Hierarchy of objectives	Key performance indicators	Means of verification	Critical assumptions
General			
Incomes of the population especially the most disadvantaged improved in a sustainable manner	Poverty profiling reveals reduced vulnerability in the general population the population satisfaction with LG services as defined by IGG survey increased by 5% per annum (indicator 1.2, LGSIP, Service Delivery) Ratio of households below the poverty level Food security situation in the district: ratio of people undernourished (PEAP indicator) Average household expenditures % increase of locally generated revenue in LGs through pay of direct taxes and revenue generating ventures (indicator 5.2, LGSIP LED)	Periodic poverty profiling reports IGG integrity survey District aggregated poverty indicators Poll/survey Household Budget Survey Poverty Status Reports National annual performance monitoring of local governments	Security prevails in and around the district & national economic growth continues IGG survey implemented as planned
Specific			
The Kasese Local Authorities' Capacities for Improved Service Delivery and Local Economic Development Strengthened	% LG meeting service delivery standards (indicator 1.1, LGSIP service delivery) Increased access to public services (LED, water, health etc.) District and LLG DPs execution rate Implementation ratio of the investment component of the budget	District and LLG plans and budgets Quarterly progress reports Project evaluations National annual performance monitoring of local governments	Service delivery standards are developed at national level Continuous fiscal transfers from central government to Kasese district Regional peace and security Continued central government support for decentralization Adequate guidelines are disseminated by MoLG to facilitate the collection of meaningful local revenue as per Bill No. 16, Local Government (Amendment) Bill 2007". (This bill was disseminated in May 2008.)

Results			
<p>Result 1: Prioritized investments in the District and Lower Local Government Development Plans are implemented by block grants to the District and LLGs which are flexible but emphasize local economic development and poverty focused activities</p>	<p>District and LLG annual work plans developed and implemented with a minimum of 15% of funds allocated for, and spent on marginalized groups, 15% for environmental protection and 40% for LED Growth of private sector investments in Kasese District should increase by 20% per annum (Indicator 6.3, LGSIP, and LED. Progress per annum adjusted Increase of % of local revenue relative to investments Gender and environment integrated into 100% of HLG and LLG plans and Budget Framework Papers</p>	<p>District and LLG plans and budgets Progress reports including financial reports Private sector growth surveys/Uganda Investment Authority National annual performance monitoring of local governments</p>	<p>Timely central government fiscal transfers to the district in same or higher proportions Definitions of LED and marginalised are functional in planning and reporting</p>
<p>Result 2: Local revenue generation and collection improved in a sustainable manner that balances the need for local economic development with the need for resources required to meet service delivery standards</p>	<p>Locally generated revenue as a share of LG budget increased by 10% per annum. (Indicator 6.3, LGSIP, Fiscal Decentralization) Adequate support measures that promote sustainable revenue generation are in place</p>	<p>Internal revenue departmental reports Final accounts/LOGFIAS (LGFC) Interviews with revenue generating sources</p>	<p>National policies on revenue generation are conducive to increasing the revenue base at district and LLG level</p>
<p>Result 3: The district capacity to deliver improved incomes and poverty alleviation strengthened while improving democracy and accountability in the district local government</p>	<p>A comprehensive HRD strategy and plan developed and integrated into DDPs Improved extension & support services in LED sectors Kasese District Capacity Building Plans meets the national assessment criteria (Indicator 3.4, LGSIP, Admin Decent., adjusted for relevance) % of LGs in Kasese District that have ratified applied and is implementing the Charter on Accountability and Code of Conduct (Indicator 5.8, LGSIP). Good Governance Increased public accountability of resource allocation and expenditures at all levels</p>	<p>CSO reports on Poverty Resource Monitoring LLG and district progress reports Specific reports on capacity building Community satisfaction score cards National annual performance monitoring of local governments</p>	<p>Central government support to decentralization continues – guidelines, capacity building etc Central government ban on staff recruitment is eased.</p>
<p>Result 4: The lower local government capacity to deliver improved incomes and poverty alleviation strengthened while improving democracy and accountability in their respective jurisdictions</p>			
Inputs			
<p>Support for District Development Plans Support Lower Local Government Development Plans</p>	<p>35% of total budget & includes the costs for results 2,3 and 4 65% of total programme budget</p>	<p>Transfer remittances to the district & LLGs Annual financial reports</p>	

9 Tools and products

Documents

1. Kasese District Poverty Profiling 2011
2. Brochure KDPRP interventions
3. Kasese District LED strategy
4. Manual stone arch bridge construction 2012
5. Excel spreadsheet for BOQ and cost calculation of roman arch bridges.
6. Design of 7 strategic bridges in Kasese District
7. Design Lhubiriha border market phase 1 & 2
8. Feasibility study of Lhubiriha border market.
9. Design Muhokya irrigation scheme
10. Guidelines for community electrification projects in Uganda
11. Soil analysis and fertilisation recommendations in Kasese District.
12. Extension leaflet soil and water conservation
13. Extension leaflet fish feed formulation
14. LED menu for local governments
15. Capacity needs assessment of the KDL finance department 2009
16. Training guidelines on monitoring school construction for school management committees.
17. Excel spreadsheet for the internal audit and capacity tracking of sub counties.

Videos

1. KDPRP interventions in general
2. Fish farming
3. Staff houses
4. Construction arch bridges
5. Junior assistant abroad – example Kasese District Poverty Reduction Programme

Maps

1. Tourism map Kasese
2. Structure plan of Kinyamaseke town board and guidelines.
3. Structure plan of Rugendabara town board and guidelines.
4. Road network and distances in Kasese District and fuel allocation chart for district transport pool management.
5. Infrastructure constructed by KDPRP in Kasese District.