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profile

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Republic of Uganda
Country Strategy and Programme Evaluation (CSPE)

The Independent Office of Evaluation of IFAD conducted its second CSPE of Uganda in 2020, covering the period 2013-2020. Since 2013, IFAD has supported nine investment projects in Uganda for a total cost of US$1.4 billion, of which IFAD financed US$430 million, representing 76 per cent of IFAD's total financing in the country since operations began in 1981. The CSPE's objectives were to assess the results and performance of the IFAD country programme and to generate findings and recommendations for IFAD's future partnership with the Government.

Uganda's economy has grown slowly in the past decade, and poverty has worsened, with high inequality especially in rural areas. The economy has gradually shifted from agriculture to manufacturing and services, and agriculture's contribution to the gross domestic product declined from 53 to 25 per cent between 1990 and 2018. Agricultural growth is challenged by poor infrastructure and the predominance of smallholder farmers practicing rain-fed, low-yielding agriculture.

Main findings

The lending portfolio's objectives aligned well with IFAD strategies and national policy frameworks, in particular its focus on regional poverty dimensions in the north and east as well as value chain approaches. However, the portfolio reflected a tension around delivering on poverty reduction objectives while focusing on a more commercial growth strategy. Over time, the increasing complexity and scale of design has brought higher risks and implementation challenges.

The move towards more commercial value chains, versus broader community development, allowed the portfolio to shift away from the Government's focus on state-led extension services and the provision of subsidized inputs. Yet the level of outreach decreased over time from 8 million people collectively among the earlier projects to 4 million from recent projects. This was somewhat offset by household mentoring and food security grants that successfully targeted poorer households (including households headed by women and youth), though their coverage was limited.

Improved market access for smallholders was achieved by constructing community access roads and supporting agroprocessing, although with varied success in the provision of market infrastructure. Support for oil palm and oil seed value chains improved access to markets and strengthened smallholders' bargaining power. Sustainable land use management was notable in achieving targets, and local climate change adaptation was effective.

IFAD-funded projects have contributed to improved household incomes and assets as well as food security, driven by increased use of improved technologies and greater market access. Grassroots institutions, including production and credit-based groups, have also been strengthened.

In contrast, the IFAD country programme's ambitions to deliver policy influence and build partnerships were curbed by the lack of a documented knowledge management strategy and resources. Limited staffing in the IFAD Country Office made partnership-building challenging, especially when the country director moved to Nairobi in 2018. While IFAD is a respected partner in the agriculture development partners group, most partners have limited knowledge of IFAD's full country programme.

Overall, the country programme's strategic objectives were pursued through a series of follow-up projects aligned to the themes of market access, rural finance, agricultural production and community development rather than a programmatic approach. As a result, cross-fertilization among projects was limited. Poverty targeting was well addressed, especially by investing in northern Uganda. However, efforts to meet the specific needs of youth and transform the role of women were modest. IFAD successfully built private sector partnerships, although in projects focused on value chains, beneficiary outreach (particularly to vulnerable groups) was lower than in earlier community-focused interventions. Resilience to climate change was strengthened within the communities reached, but the achievements were modest when set against the environmental challenges facing Uganda.

UGANDA AT A GLANCE

Population[a]: **42.7 million (2018)**

Rural population[a]: **76% (2018)**

Gross domestic product growth[a]: **6.2% (2018), 6.9% (2019)**

Population below poverty line: **[2016][a]: 21.4% (national poverty line); 41.5% (extreme poverty line)**

Income inequality (Gini coefficient)[a]: **42.8 (2016)**

Life expectancy at birth[a]: **63 years (2018)**

Human development index[b]: **0.528 (2018), in the low human development category (ranked at 159 out of 189 countries and territories)**

Number of IFAD loans approved (1981-2019)[c]: **18**

IFAD investment financing approved (1981-2019)[c]: **US$562 million**

Sources: [a] World Bank, [b] United Nations Development Programme, [c] IFAD

Key recommendations

1. **Expand IFAD's effective value chain approach to other commodities with greater beneficiary outreach potential.** IFAD should: (i) identify opportunities for small-scale producers to improve income diversity around production and processing; (ii) enhance access to reliable markets and raise product quality; (iii) expand mechanisms such as the Yield Fund to help build private sector capacity; and (iv) strengthen synergies between the programmes, where relevant and practical.

2. **Mainstream climate change more directly in the new Country strategic opportunities programme (COSOP), given the growing urgency for Uganda.** IFAD should: (') build stronger support for its social, environmental and climate assessment procedures, including social and environmental safeguards; (ii) partner with the most appropriate government, non-government and donor partners to undertake climate mitigation and adaptation measures around supported value chains.

3. **Deliver more transformative approaches and interventions tailored to the specific needs of women and youth.** This could be pursued by: (i) including strategies and targets regarding women and youth in the new COSOP; (ii) scaling up proven methods such as the Gender Action Learning Systems and household mentoring; (iii) pursuing greater cross-project learning and identifying opportunities around constraints such as land and ownership norms; (iv) strengthening staffing in project management units to support the work of service providers; and (v) ensuring the Environment, Climate, Gender and Social Inclusion Division provides better and more consistent technical oversight on issues pertaining to gender and youth.

4. **Develop a non-lending strategy that systematizes knowledge management, partnerships and country policy engagement and provide the necessary resources for its implementation.** This requires: (i) a documented strategy and a stronger in-country presence that includes the country director; and (ii) greater coordination within IFAD, using relevant divisions from IFAD headquarters as well as the regional hub in Nairobi.

5. **Strengthen monitoring and evaluation (M&E), reporting and financial management for greater governance and anti-corruption and better assessment of results.** Relevant IFAD divisions should ensure risk mitigation around procurement, staff advances and related areas of financial management. The IFAD Country Office requires a knowledge management/M&E officer to: (i) strengthen M&E systems in projects to improve governance and anti-corruption measures; (ii) aggregate results across the portfolio and share them with partners; (iii) use global and regional grants for capacity development; (iv) support stronger design and analysis of impact studies; and (v) extend the use of new methods such as web-based systems and drone monitoring, among others.

Further information:

Republic of Uganda, Country Strategic and Programme Evaluation, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 00142 Rome, Italy | www.ifad.org/evaluation | e-mail: evaluation@ifad.org | www.twitter.com/IFADeval | www.youtube.com/IFADevaluation