



Mid-Term Evaluation UNCDF Component of the Development Initiative for Northern Uganda



Conducted by



Acknowledgements

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The team has done its best to reflect and accurately present the information, opinions, and recommendations of all stakeholders met. However, the findings and recommendations in this report ultimately represent the views of the team and should be subject to further review and discussions among all stakeholders.

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About

The UN Capital Development Fund (UNCDF) **makes public and private finance work for the poor in the world's 46 least developed countries (LDCs).**

UNCDF offers “last mile” finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial eco-systems that catalyse participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.

PROGRAMME DATA SHEET

Country:	<i>Uganda</i>
Programme Title	<i>Development Initiative for Northern Uganda</i>
Programme Atlas Code (by donor)	<i>EU Cris no: DANumber: FED/2017/387048 Atlas code:</i>

Financial Breakdown

Commitments	As per Pro. doc (EUR)	Actual project budget (EUR) ¹
UNCDF	352,174	352,174
EU	25,500,000	25,500,000
Government	In kind	In kind
District Local Governments	In kind	In kind and contributions to activities
Total	25,852,174	25,852,174

¹ The table contains the direct contribution from UNCDF and the EU to the programme. Information about contributions from other projects and partners is not available except from the contributions from 10 districts to investments from the Local Government Excellence Fund (about EUR 420,000).

Delivery to date (USD)

Year	2018	2019	2020	2021	Total
Total	1,658,950	4,145,638	5,781,196	7,053,271	18,639,055

Project implementation

Executing Agency	UNCDF/EU
Implementing Agency	UNCDF (delegated agreement with the European Union)
Key Project Partners	Office of the Prime Minister, Ministry of Local Government, District Local Governments, Local Government Finance Committee, Ministry of Work and Transport, Ministry of Lands Housing and Urban Development, Uganda Development Bank Limited, Private Sector Foundation of Uganda, Uganda Local Government Association and Urban Authorities Association of Uganda
Approval Date of Project	28 July 2017 (signature by the EU)
Project Duration as per Project Document	Five years (15 December 2017 to 15 June 2022)
Project Amendment	18 August 2020
Evaluation Date	November 2021-February 2022

Project context

Other current UNCDF projects in-country	Local Global Finance Initiative; the Local Climate Adapting Living Facility (LoCAL); Inclusive Digital Economies, Municipal Investment Finance (Ground Water Finance Framework Development for Uganda, Namibia and Senegal; Financing Durable Solutions Initiative for Forcibly Displaced People in Uganda (FDS Initiative Uganda); Programme on Integrated Local Finances for Sustainable Urban Development in the Greater Kampala Metropolitan Area (PIFUD)); the Clean Start facility; Public Financial Management and Local Economic Development Advanced International training Programme supported by the Swedish International Centre for Local Democracy ² . Sustainable solutions for forcefully displaced persons and IncluCity.
Previous UNCDF projects	District Development Programs 1, 2 and 3. The Global Local Finance Initiative (LFI). Building Sustainable Peace in Karamoja (joint) and Gender Equality and Women's Empowerment (UN joint Programme).

² See also <https://www.uncdf.org/uganda> and Annex 6, table 2.

Key personnel for the evaluation

UNCDF Evaluation UNIT

Andrew Fyfe, Head of Evaluation

Christophe Legrand, Evaluation Specialist

EVALUATION TEAM

Philip Bottern	Team Leader and LG Expert
Raymond Mutyaba	Local LG PFM Expert
Ssebugga-Kimeze	Local Roads Engineer
Mariangela Pensa	MSME Finance Expert
John F. Clifton	Advisor, Roads
Irene Among	Gender, Youth and Human Rights
<i>Supported by:</i>	
Irene Mercader	Project Manager
Jordi Montagud	Quality Control Expert

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Acronyms and abbreviations

AD	Action Document
BoQs	Bills of Quantities
C	Component
CAO	Chief Administrative Officer
CSOs	Civil Society Organisations
DDP	District Development Plan
DLG	District Local Government
DINU	Development Initiative for Northern Uganda
DP	Development Partner
DRRF	District Road Rehabilitation Fund
DUCAR	District, urban and community roads
EOC	Equal Opportunities Commission
EU	European Union
EUD	European Union Delegation
FAO	Food and Agriculture Organization (UN) FSP
FSP	Financial Service Providers
GE	Gender Equality
GoU	Government of Uganda
ICT	Information and Communications Technology
IRAS	Integrated Revenue Administration System
LGA	Local Government Associations
LoCAL	Local Climate Adapting Living Facility
LED	Local Economic Development
LDC	Less Developed Countries
LFI	Local Finance Initiative
LG	Local Government
LGA	Local Government Association
LGFC	Local Government Finance Commission
LGEF	Local Government Excellence Fund
LLC	Limited Liability Company
LL LG	Lower-Level Local Government
LDFP	Local Development Finance Practice
LTFP	Local Transformative Finance Practice
HR	Human Right
IFC	International Finance Corporation
IL	Intervention Logic
IMF	International Monetary Fund
MDAs	Ministries, Department and Agencies

MELTC	Mount Elgon Labour based Training Centre
MoWENR	Ministry of Water, Environment and Natural Resources
MoFPED	Ministry of Finance, Planning and Economic Development
MoLG	Ministry of Local Government
MoLHUD	Ministry of Lands, Housing and Urban Development
MoWT	Ministry of Works and Transport
MSME	Micro- Small and Medium-sized Enterprises
MTE	Mid-Term Evaluation
NDP	National Development Plan
NPA	National Planning Authority
NPL	Non-Performing Loan
OPM	Office of the Prime Minister
PDC	Parish Development Committee
PDM	Parish Development Model
PFM	Public Financial Management
PIP	Performance Improvement Plan
PIU	Project Implementation Unit
PRDP	Peace Recovery and Development Plan
PSFU	Private Sector Foundation of Uganda
RAMPS	Rehabilitation and Maintenance Planning System
SDGs	Sustainable Development Goals
SF	Strategic Framework
START	Support to Agricultural Revitalisation and Transformation
SME	Small and Medium Sized Enterprise
TADAT	Tax Administration Diagnostic Assessment Tool
ToR	Terms of Reference
UBOS	Uganda Bureau of Statistics
UAAU	Urban Authorities Association of Uganda
UDBL	Uganda Development Bank Limited
ULGA	Uganda Local Government Association
UNCDF	United Nations Capital Development Fund
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNRA	Uganda National Roads Authority
UGX	Uganda Shilling (1 EUR = 4,000 UGX)
URF	Uganda Road Fund

Executive Summary

The Mid-Term Evaluation of the United Nations Capital Development Fund (UNCDF) component of the Development Initiative for Northern Uganda (DINU) programme was commissioned by UNCDF on 27 September 2021. The key objective of the Evaluation was to allow UNCDF to meet its **accountability and learning objectives** towards its key partners (notably the Government of Uganda and the principal funder – the European Union) regarding implementation of the current programme. This included assessing results achieved, drawing lessons, providing conclusions and recommendations, and helping UNCDF to better position itself in line with the objectives of its Strategic Frameworks alongside key government and development partners in Uganda. The Evaluation has assessed results from early 2018 up to late January 2022 and likely achievements **to the end of June 2022**, when the programme implementation ends.

The targeted recipients of the Evaluation are UNCDF, the EU, other DINU implementing partners, Uganda Government Institutions including the Office of the Prime Minister (OPM), civil society organisations (CSOs), other UN organisations, private sector organisations, Small and Medium sized Enterprises (SMEs), researchers, and academics.

The Evaluation covers the UNCDF-designated component of the broader DINU programme with a budget of EUR 26 million (plus indirect contributions from other projects and beneficiaries). The broad DINU programme (with funding of EUR 130 million) is managed by the Office of the Prime Minister.

The evaluation applies a theory-based systems-thinking approach to systematically assess the relevance and performance of the programme's three components to date, which have been implemented simultaneously to achieve their respective outputs and overall outcomes, as synthesised in its Theory of Change:

DINU UNCDF: Theory of Change: With provision of capital, technical assistance (TA) and training, the capacities to engage in investment activities are enhanced among Local Governments (LG) and SMEs in the agricultural sector. With better capacity and funding opportunities, more funds are leveraged from SMEs' own contributions and locally collected district revenues. This creates business development, which is strengthened by better access to markets through road upgrading; and better LG service provision, followed by job creation and improved living standards, including better nutrition, for the population.

The DINU UNCDF intervention deploys the approaches and **tools of UNCDF's Local Development Finance Practice** (now called the Local Transformative Finance Practice) building on lessons learnt in local government finance and UNCDF's broader experience as an active UN agency working in Uganda.

The objective of the overall DINU and the UNCDF component is: *To consolidate stability in Northern Uganda, eradicate poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio- economic development*

Implementation Status:

Overall, the implementation of DINU UNCDF had reached 64% (EUR 16.5 million) of the budget by January 2022. The three components are rather autonomous from each other in

their implementation, each relying on a different set of solid partnerships with several competent national institutions and organisations.

The objective of Component 1 (C1): **Providing seed capital to incubation projects (SME Finance)** is to *Improve access to finance for SMEs engaged in agricultural value addition through a dedicated facility for business development services and blended finance*. This component is implemented through the **Support to Agricultural Revitalization and Transformation (START)** with the support of two partners, the **Private Sector Foundation of Uganda (PSFU)** and **Uganda Development Bank Limited (UDBL)** in a three-step process³ from identification of eligible SMEs through an application and screening process to project preparation and development and finally approvals of loan and disbursements to SMEs.

The START Facility has provided a pipeline of 29 investments, with 13 financed so far. This corresponds to **budget execution of EUR 1.3 million (or 34%)**. More proposals (about 150) are in a pipeline of potential investments. The intended result was that 80% of SMEs that received finance would still be in business by the end of the programme. This is still to be achieved.

The objective of Component 2 (C2): **Road Upgrading and Maintenance Systems** is to *improve the stock and quality of the district road assets through a district road rehabilitation fund and dedicated technical assistance and improve local service delivery for road assets*. The C2 supports the upgrading of district and community access roads in 5 districts and **upgrading of 405 km of roads is almost completed, except from certain more complex sections**. The component is implemented by the District Local Governments (DLGs), the Ministry of Works and Transport (MoWT), and KOM Consult Ltd as supervising engineer. Ten companies have been contracted to undertake the works. Budget execution was 58% by the end of 2021. More than 80% of the training for road maintenance was carried out in 2018 and 2019. Thereafter, **the training was interrupted by COVID-19 for almost two years**. The remaining training activities are now planned for the rest of 2022.

The objective of Component 3 (C3): **District PFM, Service Delivery and Governance** is to *increase local fiscal space and improve local service delivery through a discretionary grant mechanism and technical assistance to core government functions, including customary land tenure systems*. The component **is covering support for several key areas within districts' PFM, revenue enhancement, asset management and upward accountability**. It is Implemented with Government Institutions led by the Minister of Local Government, the Local Government Finance Commission and the 18 district local governments. The **budget execution reached 68% by the end of 2021, which corresponds to roughly 55% of the planned activities**.

Summary of assessment per Evaluation Criteria:

Relevance: The DINU UNCDF programme is highly relevant and aligned with Government of Uganda priorities. The need for financing of SMEs, road upgrading, and better districts PFM and governance is evident, as expressed in the Government's strategies (mainly the National Development Plan). The relevance of activities is confirmed by the beneficiaries (districts and communities) and Ministries involved in the implementation and design of the programme. Gender and youth are mainstreamed well into the programme formulation but an approach for **specific actions for SME Finance for women-owned SMEs and marginalized groups is missing**. Climate change is mainstreamed into the programme, namely through the

³See also Annex 10 with a more extensive presentation of the START Facility and five SMEs met by the Evaluation.

establishment of specific conditions for accessibility to finance for SMEs and district investments. The programme is designed to target SDGs 1 and 2.

Coherence: DINU UNCDF has a high degree of coherence with its design fitting well into the broad DINU programme and other development initiatives in the region. It is also coherent with UN and UNDP programmes working within the One UN Approach. During implementation cooperation and synergies with other interventions within the overall DINU and other UN agencies could have been stronger, such as working with localization of SDGs with UNDP. Some synergies were found with other major interventions from other Development Partners such as the World Bank and USAID. UNCDF's added-value is clear as demonstrated by the pipeline of SME proposals for financing and management of district investments. Other UNCDF initiatives and regional programmes are presented and promoted by UNCDF but not yet applied by the beneficiaries.

Efficiency: Implementation started quickly for C3 (District PFM and Governance), while it took more time for C2 (Road Upgrading and Maintenance), with a long, but correct, procurement process. For C1 (SME Finance and Governance) the implementation was also slow as it took time to set up the START Facility and adjust procedures with UDBL for the approval of projects for financing.

The implementation across the programme was **delayed by the various COVID-19 lockdowns**: Most importantly, follow-up training, monitoring of road upgrading and handling of application for finance for SMEs and the LGEF could not be fully conducted. The programme has been quick and efficient in reallocating some budgets such as additional needs for road upgrading. Programme governance is good, with an active DINU Board, which focuses, however, more on operative rather than strategic decision-making.

The **UNCDF DINU monitoring system is working well** with relevant and measurable indicators, but monitoring suffers from the lack of a yearly updates of the overall DINU indicators from the Office of the Prime Minister (OPM).

Effectiveness: Outputs for C1 (SME Finance) and C3 (District PFM and Governance) are **emerging or re-emerging after the COVID-19 lockdowns**. For C2 (Road Upgrading) the roads are **almost completed**. In general, capacities are higher in the district administrations, SMEs and the partner organisations. With 13 SMEs financed and 14 almost approved for finance, and a well-functioning START Facility, it can be expected that C1 will contribute to increased finance for SMEs. For C2, the upgraded roads cover 14% of the estimated total district and community access road network, so the stock of quality roads is increasing in the 5 districts, with a solid contribution from the programme. For C3, the potential exists for the creation of increased local fiscal space, and the Local Government Excellence Fund is contributing to some improved local service delivery and local economic development.

Some capacity for gender equality and inclusiveness has been created in the Programme and women amount to about 40 % of beneficiaries, but only a few women-owned SMEs are included for financing. Likewise, people who cannot use English do not have full access to the START Facility.

Impact: It is still early to judge the likelihood of a broader level impact of UNCDF DINU as the targeted organisations have not yet begun fully operating with their new capacities. It seems, however, that potential exists for the emerging results under the DINU UNCDF outcomes to contribute to the overall DINU objectives. The SME proposals in the pipeline for financing have the potential to improve the economic fabric and increase, in particular, *food*

security, if more financial institutions are willing to provide SME financing for the pipeline; the START Facility continues and the upgraded roads are maintained in good shape for transportation. The upgrading of roads, and also the establishment of some markets financed by the Programme, have also led to some *trade* beginning to emerge, including with neighbour countries.

The support provided to increase participation, better accountability, service delivery and better governance in the 18 core districts may provide a contribution to *gender-responsive good governance, rule of law and empowered communities to participate in improved local service delivery*, but it depends highly on follow up activities by the implementing Government Institutions.

Sustainability: DINU UNCDF has in-built sustainability with the support provided to national partners who are implementing the programme's activities as a part of their mandates and normal roles. Their mandated activities are most likely to continue without DINU UNCDF support, although likely at a lower intensity. The Private Sector Foundation of Uganda and the UDBL are also well established and will likely continue their work.

Capacities and infrastructures are, however, fragile and may not be durable, so continued capacity development support to the districts will be needed, as well as support to SMEs to develop business proposals for a pipeline to continue to be created. For the upgraded road network in the five districts, the situation is critical with hardly any funds being available for maintenance, and asset management not completed.

In conclusion, the three components of DINU UNCDF are highly relevant and, in general terms, are being implemented relatively well. The COVID-19 pandemic clearly delayed the attainment of a good share of the outputs against planned timelines and, overall, the results observed by the Evaluation correspond to what was planned in the Programme Document to have been achieved by the end of Year 3 (late 2020). The three components are working well **together** in the effort to build up an administrative and organisational system that can support economic development, job creation, income generation and service delivery.

C1 (SME Finance) actions were delayed because of the slow set up of the START Facility and the time needed to achieve a smooth approval and disbursement process for UDBL. For C2 (Road Upgrading and Maintenance), the procurement processes for upgrading the 405km of roads took a long time and the actual upgrading of roads has been delayed mainly due to capacity constraints of the contractors. C3 (District PMF and Governance) started quickly and achieved some early results and suffered later from COVID-19 restrictions, but it is also performing rather well, with 7 outputs and many sub-outputs already achieved. This said, C3 was probably overambitious and could have been more focused and phased.

Under the SME finance component, a lesson learnt is **that the combination of business development and finance services can work if appropriately designed**. Providing services that cover both aspects improves the chances of SMEs succeeding. The START Facility can indeed contribute to improving access to finance, if it is adequately combined with support services to SMEs over the long term. The START Facility would work better if it partnered with more financial institutions to complement the financing needs of targeted SMEs. Another lesson is that **the programme's revolving emergency fund for SMEs under COVID-19 worked well**, since funds were partially re-paid (46%), which gave time for the funded SMEs to consolidate during COVID-19 and survive. A third lesson is that **it is possible over time to change the culture of support for SMEs from receiving grants to concessional loans as the SMEs began to understand that the period of 'free' grants was over and UDBL would instead be providing 'repayable' loans**.

For the road upgrading, a lesson learnt is that sustainability for road upgrading projects cannot be reached without a clear design for future funding for maintenance. The future condition of the upgraded roads is now uncertain and likely risks premature deterioration. Support to central Government in line with their responsibilities for maintenance of such district projects and their funding is needed. Another lesson for road upgrading is that **contracts with road contractor should take into account the contractors' actual capacity constraints and be seen as a means to enhance their capacity** as part of a broader national network of contractors.

A final lesson is that the resistance to payment and collection of local government own source revenues in Uganda is enormous. Systems are now better, but resistance and obstacles will remain, unless strong political support is provided, and local tax collection is enforced.

The main recommendations for the Evaluation are the following:

Recommendation 1: The implementation period of selected activities within DINU UNCDF should be extended in cooperation with the partners. The most critically actions are: i) to follow the pipeline of SMEs proposals to UDBL to ensure disbursement and provide post-disbursement business development support, ii) follow up on the unfinished roads for upgrading, iii) follow up with the LGEF investments to ensure the existence of a business plan with budgets, revenue streams, expenditures, maintenance plan etc.

Recommendation 2: Continue support provided to the districts for improving the collection of local revenues. The main activities are to help districts in a strategy that focuses on high yielding revenues and how to move from registration of revenues to effective revenue collection.

Recommendation 3. In alignment with UNCDF's Strategic Framework 2022 to 2025, consider approving a second phase of the START Facility that would fully integrate UNCDF's investment continuum concept. This would include: i) disbursement of grants and possible concessional loans or guarantees from UNCDF balance sheet, ii) partnering with local financial institutions, banks and non-bank financial institutions alongside UDBL, iii) exploiting linkages with international funds such as UNCDF's BUILD Facility to accompany SMEs throughout growth process.

Recommendation 4: Establish a stronger link between the support to LG Finance and Local Economic Development (LED) on one side and SME Finance on the other by i) sharing of experiences and advice from the business approaches under the START Facility with the District Commercial Officers to improve planning of district investments in terms of the developing of commercial aspects, ii) better promotion of the START Facility carried out by the District Commercial Officers, and iii) implementation of joint activities to promote LED.

Recommendation 5: The future design of support actions directed at LGs should have a narrower focus and concentrate on fewer actions that contribute to the objectives of the relevant programme and are within the capacities of the beneficiary LGs. For this, a key action would be to undertake a more detailed assessment of the capacities of LGs for absorption of programme activities for a more realistic design.

Recommendation 6. Scaling up a START Facility to the national level should include a clear focus rather than overly ambitious objectives. A nationwide facility should maintain a narrow sector focus, rather than opening up to all sectors, considering the priorities of the GoU but also the expertise developed at UNCDF in Uganda. It should also address women and youth specifically or climate change-related investments by SMEs.

Recommendation 7: In future programming, Gender equality and Human Rights mainstreaming could be improved, leading to actions that complement the existing structures and with a more complete approach to the empowerment of women.

1. Scope and Objectives of the Evaluation

Objective

The Mid-Term Evaluation (MTE) of the United Nations Capital Development Fund (UNCDF) component of the Development Initiative for Northern Uganda (DINU) programme was commissioned by UNCDF on 27 September 2021.

Evaluation purpose and scope: The Evaluation had the two-fold purpose of supporting both accountability and learning towards informing interventions or approaches of UNCDF, the European Union (EU) and other DINU related partners. The MTE has assessed DINU UNCDF results from 2018 up to late January 2022 and likely achievements up to 15th June 2022, when the programme implementation ends⁴. **As the evaluation is taking place late – after 4 years of implementation, it was agreed during the inception phase that the evaluators would focus more on results, achievements, and learning than is normally done in an MTE, while still assessing the implementation approaches in the programme to provide guidance for the last six months of the programme, as well as future programming.** The evaluation team (hereafter the Evaluation) has analysed the validity of the programme’s Theory of Change (ToC), the functioning of the Intervention Logic (IL), processes and project operations that impact the quality of outputs and the likelihood of reaching project outcomes and objectives.

The expectations of UNCDF and the European Union Delegation in Uganda (EUD) included receiving lessons learnt and recommendations to: Inform UNCDF future programming, suggest specific intervention areas for a successor DINU programme (considering the EU 2021-2027 framework) and help position UNCDF with regards to a broad range of partners – particularly the EU. More specifically, the Evaluation was requested to try to address issues such as (i.e.): the scaling up of some parts of the intervention; how positive or negative external factors could be mitigated or exploited further; how the broader policy environment remains conducive to the replication of the lessons learned from the programme; and the appropriateness of the monitoring and reporting tools.

The audience for the evaluation is UNCDF, other DINU implementing partners, key stakeholders such as the EU, Ugandan Ministries, Departments and Agencies (MDA), involved Local Governments (LG) and their associations, the Office of Prime Minister (OPM), the National Authorizing Office (NAO), NGOs, UN organizations, private sector organisations, Small and Medium sized Enterprises (SMEs), researchers, and academics.

Methodology

The evaluation applies a systems-thinking approach to systematically assess the three components (SME Finance, Roads Upgrading and Local Government PFM), which are implemented simultaneously to achieve their respective outputs and overall outcomes. Each component has been assessed separately, while understanding their interactions, effects, and complementarities in the local context towards the achievement of the overall programme’s goals. The integration of

⁴ Please refer to the ToR in Annex 1 for further details

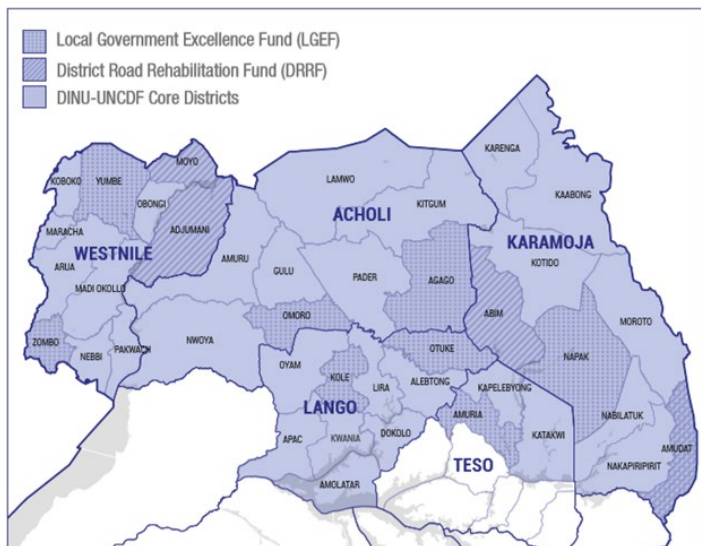
cross-cutting issues such as gender equality, climate change mitigation, inclusion, disability, human rights and peace issues have been assessed.

The overall methodology⁵ is organized following a ToC approach, framed by the UN/OECD DAC six evaluation criteria (relevance, coherence, efficiency, effectiveness, impact, and sustainability) and draws upon a mixed method approach with both quantitative and qualitative data collection and analysis from a number of stakeholders and sources of information at macro (national) level, meso (district) level, and micro (community, individual) levels. This was intended to capture direct programme results as well as likely potential contributions to consolidate stability in Northern Uganda, reduce poverty, undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development. The programme’s approach to gender equality and other cross-cutting issues have been addressed at all three levels - in particular, at micro level by assessing programme activities’ results for different groups during meetings with benefitting community groups.

Timing and coverage

The Evaluation covers UNCDF’s designated component of the broader Development Initiative for Northern Uganda (DINU). Its implementation **started on 15 December 2017 and ends in 30 June 2022. The evaluation is therefore taking place after 4 years of implementation.** The broad DINU and the DINU UNCDF are implemented in **40 districts** in Northern Uganda with **18 core districts**, where district councils are targeted to support and build a more efficient use of local and national resources. **Five (5) districts** are supported with **road upgrading**, nine (9) districts with the **Local Government Excellence Fund (LGEF)**, while the **blended finance facility** for value addition in the agricultural sector is available in all **40 districts**, upon applications from the SMEs following calls for proposals (CfPs).

Figure 1: DINU UNCDF Intervention Areas



Women and youth are target beneficiaries for all three components. The Evaluation has validated women, youth, refugees, and other vulnerable groups were targeted in the programme, in order to “leave no one behind”. Approaches and results for climate change mitigation and Human Rights issues have also been assessed.

⁵ Please refer to Section 3 and Annex 4 for the detailed methodology used in this evaluation

2. Programme Profile:

2.1 PROGRAMME DESCRIPTION, STRATEGY AND BACKGROUND

The DINU UNCDF intervention deploys the methodologies and tools of UNCDF's Local Development Finance Practice (LDFF), now called the Local Transformative Finance Practice (LTFP), building on lessons learned and UNCDF's long standing experience as an active UN agency working in Uganda. UNCDF's programme (DINU UNCDF) is an integrated part of a broader DINU intervention, a large EU-funded Programme⁶ implemented by the Office of the Prime Minister (OPM). The overall DINU programme has one general and three specific objectives as presented in the table below. DINU UNCDF has three adjusted objectives to be achieved via three targeted components. Other actions from DINU are implemented by GIZ, Trademark, UNICEF and UNRA (Uganda National Roads Authority), following the same three overall objectives and implementing structure of DINU. Nine other entities⁷ (mainly Consortiums of Civil Society Organisations, CSOs) were also granted finance for a total of EUR 27 million after approval of their concept notes by the EU Delegation. These financing agreements with grantees were all signed with the EU in January 2020.

Table 1 Relation between DINU and DINU UNCDF objectives

DINU		DINU UNCDF
General	To consolidate stability in Northern Uganda, eradicate poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development.	
Obj. 1	To increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.	Improve access to finance for SMEs engaged in agricultural value addition through a dedicated facility for business development services and blended finance.
Obj. 2	To increase trade of commodities within the region, within the country and with neighbouring countries through the improvement of transport and logistic infrastructures.	Improve the stock and quality of the district road assets through a district road rehabilitation fund and dedicated technical assistance and improve local service delivery for road assets.
Obj. 3	To strengthen capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.	Increase local fiscal space and improve local service delivery through a discretionary grant mechanism and technical assistance to core government functions, including customary land tenure systems.

Source: Logframe for DINU and Result and Resources Framework (DINU UNCDF Project Document p. 49)

⁶ Reference of EU action; Development initiative for Northern Uganda (DINU)-CRIS number: FED/2015/38781 financed under the 11th European Development Fund (EDF)

⁷ CARITAS Switzerland; International Institute of Tropical Agriculture (IITA); the National Agricultural Research Organisation (NARO), Lutheran World Federation (LWF), CARE-Denmark, Konrad-Adenauer-Stiftung (KAS), Centre for Health, Human Rights and Development (CEHURD), ADOL Health Care Initiative and DIAKONIA-Sweden

The UNCDF specific elements of the overall DINU have been assigned (delegated) by the EU Delegation to UNCDF in line with UNCDF’s technical competencies in SME finance (Component 2) and Local Government PFM/LED (Component 3). Component 2 on road upgrading/rehabilitation was also assigned to UNCDF as the component fits into the programme with the road upgrading’s importance for connectivity, trade, access to markets, local government (LG) service delivery, and as road maintenance is a district function.

The EU Action Document (AD) specifies the results expected for each objective, with the four results presented in Table 2 below, included in the UNCDF component.

Table 2 UNCDF outputs DINU Result areas and.

DINU Output		DINU Result Areas delegated to UNCDF
Comp 1	1.1 Providing seed capital to incubation projects	1.2. Increase market accessibility
Comp 2	2.1 Rehabilitation and upgrading of priority districts and community access roads 2.2. Support districts and communities in road maintenance	2.1. Transport infrastructure in the region is improved and climate-resilient
Comp 3	3.1. Strengthen capacities of Local government in public financial management 3.2. Strengthen capacities of mandated LG units to efficiently mobilize and equitably allocate and utilize local revenue resources 3.3. Structured partnership with Associations of Local Governments 3.4. Support and strengthen LG’s upward accountability 3.5. Support the reform and pilot implementation of Government of Uganda’s own annual performance assessment framework for LGs 3.6. Incentivize performance of LG to stimulate community involvement 3.7. Improve land governance and facilitate the registration of certificate of customary ownership	3.1. Capacities of Local governments to manage core public financial processes is strengthened to improve service delivery and local development 3.2. Upward accountability of Local Governments increased 3.4: Capacities of local government to deliver services to communities strengthened

Source: Action Document for the Development initiative for Northern Uganda and UNCDF Project Document, (EU, 2017)

The Programme Document (PD) also specifies the importance of climate change adaptation, mitigation, and improved resilience, as well as the empowerment of refugee and host communities where appropriate. The evaluation team finds that the **Overall Theory of Change (ToC)** for the DINU UNCDF project is formulated as:

Textbox 1. DINU UNCDF ToC and Assumptions

Theory of Change: With provision of capital, TA and training, the capacities to engage in investment activities are enhanced among Local Governments and SMEs in the agricultural sector. With better capacity and funding opportunities, more funds are leveraged from SMEs’ own contributions and locally collected district revenues. This creates business development, which is strengthened by better access to markets through road upgrading; and better LG service provision followed by job creation and improved living standards, including better nutrition, for the population.

The underlying, and critical, **assumptions** for the ToC are:

- SMEs are willing to take risks through leverage of own funds for investments,
- Uganda Development Bank Limited (UDBL) and commercial banks take interest in financing SMEs business proposals,
- After the upgrade, the districts invest in road maintenance using their own resources,
- Trained staff will help in disseminating information on good road asset management,
- Citizens are willing to contribute with local taxes and fees,
- Districts are incentivized with performance-based grants, and improve the effectiveness of public investments to expand the local fiscal space, and
- No discrimination exists in the provision of funding and access to services.

This overall **Intervention Logic** (IL) for the Programme, as reconstructed by the Evaluation following the Programme Document, is presented under methodology in Annex 4. It is also important to understand the intervention logic for each of the three components, which can be formulated as presented below:

Component 1: A blended finance facility provides technical assistance and seed capital to small and medium-size value-adding agribusinesses, which results in improved access to finance and expanded operations, thereby contributing to the development of sustainable value chains and overall economic growth, to retain economic benefits in the region and reduce food imports and to improve food security and nutrition. In the medium term, the facility will capitalize to scale up operations and reach national coverage.

Component 2: By providing technical assistance and funding to district administrations to rehabilitate and upgrade priority district/community access roads as well as capacity development to districts for road planning and maintenance, the quality and extent of the road network is improved over time. The upgrading should allow for better access to markets and service delivery, which in turn will enhance economic development and job creation.

Component 3: TA, Capacity Development (CD) and seed capital are provided to 18 district administrations within core PFM areas (revenue management and enhancement, audit performance, asset management and road maintenance), which result in improved local government performance, organization and increased local fiscal space. In parallel, the national framework is improved through partnerships with Ministries, Departments and Agencies (MDAs) and advocacy from LG Associations (LGAs). With better organization and accountability, more revenues are collected, and better PFM achieved followed by improved LG services and investments for economic development.

Project Monitoring

DINU UNCDF monitoring follows the results framework of the overall DINU programme, with five specific results areas in the UNCDF component (see Table 2). For these five results, the DINU UNCDF Programme Implementation Unit (PIU) is monitoring results against indicators at output level in the yearly progress reports. This data is delivered to the DINU management for overall monitoring. The national annual Local Government Performance Assessment (LG PA) provides several indicators that are applicable to DINU targets, which provided additional information to the DINU monitoring and evaluation process. As the LG PA is delivered annually under the OPM, this is an efficient set up with official national data that is available from the online sources and facilitates trend analysis since results of several years are available. The programme is also producing quarterly and yearly progress reports, mostly focused on activities and outputs following each of the three components. DINU UNCDF indicators are updated on a yearly basis.

2.2. CONTEXT

The Development Initiative Northern Uganda (DINU) is implemented against a backdrop of two decades (1986-2006) of armed conflict in Northern Uganda. The conflict prevented the development of the economy and social infrastructure and resulted in increased poverty levels and diminished administrative capacity relative to other regions in Uganda. The North hosts close to 800,000 refugees, mainly from South Sudan and the Democratic Republic of Congo (mainly in the Western part of the region), which adds pressure on the already insufficient levels of social service delivery. Since the restoration of peace in 2007, development has been slower compared to the rest of the country due to poor infrastructure. More than 90% of the districts in the Northern region have been categorized by the Government of Uganda (GoU) as “hard-to-reach”.

The region also shows poor social development indicators compared to the rest of the country. According to the recent Uganda National Household Survey (UBOS 2021 presentation), the proportion of the population living in poverty is highest in Northern Uganda, at 67.7% in the Acholi sub region, 65.7% in Karamoja, 23.4% in Lango, 21.9% in Teso and 16.9% in West Nile. The region contributes 34.5% to the national burden of poverty (Ibid.) From a gender perspective, for the country as a whole, women’s incomes are lower than those of men. Women contribute 47% of agricultural labour compared to men (31%). Social norms limit women’s ownership of assets such as land and affect their access to finance due to lack of collateral. The agriculture sector in Northern Uganda is underperforming leading to a strong dependence on food imports. According to the Uganda’s National Financial Inclusion Strategy 2017-2022⁸, access to finance remains a key challenge for SMEs, exacerbated by high borrowing costs, immovable assets requirement as collateral and lack of awareness among business owners about the benefits of formalization. The proportion of private sector credit to GDP is substantially lower than the average in other Sub-Saharan countries and lending to the agriculture sector represent only 8% of banks’ loan portfolios.

The Development Initiative for Northern Uganda seeks to bring the stagnating levels of development in Northern Uganda up to those of the rest of the country. The core development problem relates to the fact that the agriculture sector in the North is only changing slowly from subsistence to commercial agriculture and small-scale farming households are not breaking out of the reinforcing circle of under-nutrition and poverty. The agricultural sector is not diversified for value addition activities and finance for small and medium agribusinesses is limited. The market development is harmed by the inadequate transport infrastructure, which is not enabling economic development. The connectivity of rural communities to local/regional markets is low, which hampers the transport of commodities in and out of the region, and prevent farmers from accessing regional, national and international markets. Finally local governance, which should facilitate economic and social development, is weak and demands are high for improved delivery of services including for better functioning local road systems. The capacity of district local governments (DLGs) to carry out their key mandates is weak, including for financial and asset management, thus DLGs are not able to fulfil their responsibilities within the division of public sector tasks, including for commercial development.

The North is affected by climate changes with a risk for deterioration of capital investments, harvests, and production unless proper adaptation and mitigation techniques are applied such as routine maintenance for gravel roads, drainage, and management of water (flooding etc). **DINU follows in the footsteps of a series of reconstruction programs implemented by the GoU since the mid-2010s**, such as the Northern Uganda Social Action Fund and the Peace, Recovery and Development Plan (PRDP 1,2,3). The PRDP was launched in October 2007, with four objectives: (1) consolidation of

⁸ Bank of Uganda, Ministry of Finance, Planning and Economic Development, October 2017

state authority; (2) rebuilding and empowering communities; (3) revitalization of the northern economy; and (4) peace building and reconciliation.

DINU provides an integrated initiative, which was needed in the North to strengthen District PFM and Service Delivery, transport infrastructure and SMEs with investments and funds leverage for all sectors.

The overall decentralization framework of Uganda is presented in the box below:

Textbox 2: Uganda's Decentralization Framework

Uganda's decentralization policy framework was born out of the desire to make LGs effective centres of local and democratic decision making for planning, implementation, and management of development services. The policy intentions and processes are legally and institutionally well anchored, supported by a strong legal framework, especially the 1995 Constitution of the Republic of Uganda and the Local Government Act (Cap 243).

The decentralization policy was based on the devolution principle, transferring responsibilities for decision making and services delivery to the LGs which elect their own councils, and grant them with autonomy in investment decisions. The policy was intended to achieve two goals: a) Promotion of popular participation, empowering local people to make own decisions and enhancing accountability and responsibility; b) Introducing effectiveness and efficiency in resources generation and management as well as service delivery.

The existing legal provisions places LGs at the centre of service delivery while the Central Government institutions are responsible for formulating policies, setting standards, issuing guidelines, sector coordination and technical supervision and backstopping. These rights are derived from Article 189 of the Constitution which stipulates that district councils shall have responsibility for any functions and services not specified in the 6th schedule of the Constitution.

The decentralization structure follows a LG system with 135 districts at the highest tier together with 10 cities and 31 municipalities (2021), which are jointly referred to as higher LGs. Lower-Level LGs comprise 20 city divisions and 89 municipal divisions, 580 town councils, 2,184 sub counties, 10,595 parishes and 70, 626 villages.

The Ministry of Local Government (MoLG) is in charge of the overall development of the LG system, while the Ministry of Land, Housing and Urban Development (MoLHUD) and other ministries such as Ministry of Works and Transport, the Ministry of Water & Environment, the Ministry of Finance, Planning and Economic Development (MoFPED), the Office of the Auditor General, the National Environment Management Authority the Public Procurement and the LG Finance Commission (LGFC) are involved in other relevant areas, i.e. sectors, planning, finance etc.

2.3. PROGRAMME IMPLEMENTATION STATUS

The programme is financed by the EU to the amount of EUR 25.5 million with some core funding (1,1 %, EUR 352,174) from UNCDF.

As can be seen in the Table below, by the end of Q4 2021, 64% of the overall budget has been implementation with only 6 months (11%) of the program remaining. The main delays in budget execution have been related to C1 (SME Finance) and the C2 (Road Upgrading) with execution of respectively 34% and 58% by the end of 2021. Staff expenditure is over 100% of its initial budget allocation.

Table 3: Budget Execution as of 31 December 2021 (preliminary)⁹

	Budget EUR	Expenditures EUR	Variation EUR	Execution %
1 Project Staff	3,042,460	3,175,317	-132,857	104%
2 Local office costs, equipment, and Supplies	507,200	292,058	215,142	58%
3 Grants and transfers to partners	19,270,000	10,998,773		57%
Comp 1. SME Finance	3,851,250	1,320,506	2,530,744	34%
Comp 2: Road upgrading	8,243,750	4,765,625	3,478,125	58%
Comp 3: PFM and service delivery	7,175,000	4,912,641	2,262,359	68%
4 Project Equipment and supplies	722,000	663,789	58,211	92%
5 Other costs	175,000	142,507	32,493	81%
6 Total eligible costs	23,716,660	15,272,444	8,444,216	64%
7 Indirect costs, contingency	2,135,514	1,191,523	943,991	56%
Total	25,852,174	16,463,967	9,388,207	64%

Source: Interim financial report: period 01/01/2021 to 31/12/2021, DINU UNCDF, Jan 2022

The programme has been subject to substantial budget changes. The largest change was the redefinition of the land component, which in the Programme Document (PD) was expected to be delegated to the Food and Agriculture Organization (FAO) from DINU UNCDF. The component was however downscaled and implemented by MoLHUD (through an agreement with UNCDF) instead. With a budget for the land component of EUR 0.4 million, instead of EUR 2,4 million several additional adjustments and budget lines for the other components were added as can be seen in Annex 5, Table 2.

Implementation of Components

Component 1: Providing seed capital to incubation projects (SME Finance)

The objective of C1 is to *improve access to finance for SMEs engaged in agricultural value addition through a dedicated facility for business development services and blended finance*. The intended result (as set out in the Programme Document (PD)), was that 80% of SMEs financed would still be in business by the end of the programme. The START Facility Management Unit set an indicative internal target of a EUR 2 million portfolio, equal to an average loan size of EUR 50,000 to 40 SMEs.

This component (C1) is implemented through the **Support to Agricultural Revitalization and Transformation (START)** Facility, a blended finance facility which provides reimbursable grants and concessional loans to SMEs to finance value chain addition projects in agriculture and intends to leverage domestic capital by attracting farmers' savings, concessional and regular finance and guarantees from financial institutions and private firms. The Facility operates through three business

⁹ The final programme expenditures for 2021 (provided to the Evaluation in June 2022) includes about the same implementation rate.

lines: Business Development Services (BDS), Project Development and Structuring Services and Financial Services to SMEs along the agriculture value chain.

C1 is implemented with the support of two main partners, **Private Sector Foundation of Uganda (PSFU)** and **Uganda Development Bank Limited (UDBL)** in a three-step process¹⁰:

1. Identification of eligible SMEs and first screening with a longlisting of SMEs (PSFU)
2. Second screening and project preparation and development (UNCDF)
3. Assessment of applications, loan approval and disbursement (UDBL)

The roles and responsibilities of the three implementing partners are the following:

1. PSFU: Awareness and information dissemination, support in preparation of applications, first screening of applications, legal support, and technical and management training.
2. UNCDF, START Facilitation Management Unit: Strategic and operational management of the Facility, quality assurance; second screening of applications, review of business plan and development of financial model, structuring of transactions, approval, and submission to UDBL. This includes project proposal preparation, full due diligence process of SMEs and approved process by the START management board during quarterly meetings. Thereafter proposals are managed by the UDBL following the standard process of the Bank.
3. UDBL: Credit analysis, due diligence, preparation of the term sheet and loan agreement, security perfection, monitoring and management of loan servicing and repayment, identification of loan payment issues and their referral to UNCDF or PSFU.

Table 4: Implementation status for C1, SME Finance

Output	Indicators	Target	Achievement end 2021	Status
Output 1.1 1.1 Providing seed capital to incubation projects (DINU Output)	Total % of entrepreneurs that received seed capital still in business (per gender)	At least 80% at programme completion.	8 SMEs, with disbursements as of December 2021, all still in business.	
1.1.1. BDS	% of submitted business proposals accepted for 2 nd screening (per gender)	70% (Year 1)	CfP1: 14% (3 of 342 owned by women)	
		80% (Year 2)	CfP2: 69% (20 SMEs of 144 owned by women)	
		90% (Years 3-4)	CfP3: 69%	
	1.1.1. Business Development Services implemented PSFU EUR 400,000 (reduced from EUR 800,000)	EUR 400,000	EUR 371,847	

¹⁰See also Annex 10 with a more extensive presentation of the START Facility and five SMEs met by the Evaluation.

1.1.2. Project preparation and development	Total number and % of businesses making it to (a) financial closure and (b) financial disbursement, disaggregated by (per gender)	70% (Year 1)	CfP1: 35% (2 SMEs of 17 owned by women)	
		75% (Year 2)	CfP2: 75% (12 SMEs of 100 owned by women)	
		80% (Years 3-4)	CfP3: 76% A: Financial closure: 29 (4.7% of all applicants) submitted to UDBL for approval B) full financial disbursement: 7 SMEs	
1.1.3 Financial Services	Total amount of SME finance (incl. leverage) & non-performing loan (NPL) ratio, disaggregated by finance to female-led businesses	10% (Year 1)	NPL ratio: 0%	
		7% (Year 2)	NPL ratio: 0%	
		5% (Years 3-4)	NPL ratio: 0%	
		EUR 1 million per year in grants, reimbursable grants, loans, and equity: includes total expenditure under the START Facility.	EUR 1.3 million in total from 2018 to 2021 out of EUR 3,9 million (34%)	
	1.1.3. Financial Services UDBL	EUR 2 million	EUR 0.6 million	

Note: Red colour: Not achieved; yellow: On track/almost achieved; green: Achieved.

The total amount allocated under the Facility is EUR 3.9 million, including EUR 2 million grant to UDBL for disbursement to SMEs as well as business development support and project preparation. The total number of approved projects by UDBL represents a total project value of EUR 3,9 million with funding expected from the START facility of EUR 1.1 million, which will leverage EUR 2.4 million in owner contributions and EUR 0.4 million from UDBL and Local Finance Initiative (LFI).

The START Management Board has approved and submitted to UDBL 29 proposals of which 13 had been approved by the UDBL by January 2022. Table 5, below provides the details of the approved and submitted SME proposals:

Table 5: SME Proposals submitted to UDBL for Approval and Disbursement,

	Number of SMEs	START Facility 1,000 EUR
Fully Disbursed	6	404
Partially Disbursed	2	200
Approved & undergoing contracting	5	513
Undergoing appraisal by UDBL	14	937
Rejected / opted out	2	152
Total	29	2,207
Average Loan Amount		76



The Kweyo Cooperative's Board opted out for a loan because the demand for its quality peanut butter diminished during the COVID-19 lockdown in 2020 and it was afraid to take the risk.

Finance for eight proposals have been partly or fully disbursed, while five are under contracting In total the START Facility has provided a pipeline of 29 investments with an average loan amount of EUR 76,000. The START Facility Management Unit expects that 14, which are undergoing appraisal by UDBL will be financed, so the target of EUR 2 million will be reached.

The budget execution presented below reflects the accomplishment of activities under Component 1:

Table 6: Budget execution Component 1 – SME Finance.

	Budget 1,000 EUR	Expenditures by end 2021 1,000 EUR	Budget execution %	Remaining 1,000 EUR
3.1.1 PSFU for START facility	400	372	93%	28
3.1.2 UDBL for START facility	2,000	475	24%	1,525
3.1.3 START project development & seed capital grants to companies				
3.1.3 a) START Project Pre Investment including training of Members of Cooperatives	420	181	43%	239
3.1.3 b) - START Project Post Investment BDS	181	14	7%	168
3.1.3.1 - Partial Credit Guarantee	450	107	24%	343
3.1.3.2 - Micro Grants to SMEs in form of Technical Assistance + Small Business recovery Fund	400	172	43%	228
Total	3,851	1,321	34%	2,531

Support provided by the PSFU for START Facility: 93% budget execution (EUR 0.4 million). Three Calls for Proposals (CfPs) were launched. The table below shows the total number of applications and a breakdown of longlisted, shortlisted and disbursed for each CfP.

Table 7: Applications for SME Finance

	CfP1 (May 2018)	CfP2 (2019)	CfP3 (2020)
N. Applications	342	143	131
N. Longlisted	49	100	90
Shortlisted	17	75	68
Disbursed		8	

START project Pre-Investment, including training of members of cooperatives: 43% budget execution (EUR 0.2 million). After projects are longlisted by PSFU, they are submitted to UNCDF for the second step of the process for shortlisting, project proposal preparation and development with on-site due diligence of SMEs, submission, and approval from the START Board during quarterly meetings and final submission to UDBL.

UDBL for START facility: 24% budget execution (EUR 0.5 million). The third step of the process takes place after project proposals are submitted to UDBL. The bank conducts their own assessment according to their processes and procedures facilitated by the background work carried out by UNCDF. This has been a lengthy process including to set up the procedures, so the budget execution is still low.

Partial Credit Guarantee: 24% budget execution (EUR 0.1 million). The partial credit guarantee was originally envisaged for SMEs which had been shortlisted but were either unable to meet collateral requirements or requested a loan above the maximum EUR 100,000 amount allowed under the facility. After the initial implementation phase and through negotiation with UNCDF, UDBL agreed to relax their standard procedures by reducing their collateral requirement from 120% to 50% and by changing what constitutes collateral and accepting a certificate of customary ownership instead of a full land title. In addition, the UDBL agreed to finance loans in excess of EUR 100,000 using their own funds. With these two adjustments, the need for partial guarantees significantly decreased and became less relevant.

START Project Post Investment BDS (UNCDF): 7% budget execution (EUR 0.014 million). As resources under this budget component are dedicated to SMEs that have already received financing, the funds have largely remained unutilized as only 8 SMEs have completed the process and received a loan.

Micro Grants to SMEs in form of Technical Assistance + Small Business recovery Fund (UNCDF): 43% budget execution (EUR 0.2 million). Beneficiaries are SMES which have already received financing. With a limited utilization ratio due to the implementation of the component, part of the funds was reallocated during the COVID-19 crisis to create the Small Business Recovery Fund (SBRF) which has provided emergency liquidity reimbursable grants to selected SMEs in distress. Funds are disbursed directly from UNCDF and, as they are repaid, they go back into the Technical Assistance envelope and will be utilized again for their original purpose.

Number of SMEs	Amount Disbursed (EUR)	Amount Repaid (EUR)
10	100,000	45,500

Component 2. Road Upgrading and Maintenance Systems

The objective of C2 is to *improve the stock and quality of the district road assets through a district road rehabilitation fund and dedicated technical assistance and improve local service delivery for road assets.*

C2 supports the upgrading of district and Community access roads in 5 districts. **A total of 33 road sections for a total of 405 km were selected by the then four districts¹¹**, who were working in 2017 with an international consultant (ARS Progetti hired by the EUD), to select the roads for upgrading. The 405km represent approximately 14% of the 2,900 km district and community roads in the five districts. The roads were packaged into 11 contract lots, seven lots in West Nile (Adjumani, Moyo and Obongi districts), and four lots in Karamoja (Abim and Amudat districts). Each DLG carried out procurement of lots under their jurisdiction following national procurement rules. Only one company won two lots.

The component is implemented by the District Local Governments (DLGs), the Ministry of Works and Transport (MoWT), KOM Consult Ltd as supervising engineer and the 10 contractors for their respective lots (one company won two lots in different districts).

The DLGs are responsible for the contractual work for the road upgrading and are the employers and project managers of the contracts.



The MoWT oversees the technical standards and specifications for the roads, including the approval process and work certification. The MoWT is providing oversight, guidance and support to the districts and the supervising engineer to monitor road works and ensure compliance with national specifications. The MoWT is also approving payments for the executed work, checking that the Interim Payment Certificates (IPCs) are in accordance with the contract documentation, including Bills of Quantities (BoQs).

KOM Consult Ltd is contracted by UNCDF and acts as the project manager's representative, under the management of the district engineers. On behalf of the MoWT, it monitors the conformity to technical specifications with the districts. The implementation status is provided in Table 8 below with 58% of the budget spent.

¹¹ Obongi district was separated from Moyo.

Table 8: C2 Road Upgrading and Maintenance

Component 2		Rehabilitation and upgrading of priority district and community access roads in five districts		
	Indicator	Target	Achievement end 2021	Status
Output 2.1	Rehabilitation and upgrading of priority district and community access roads			
2.1.1 Provision of Technical Assistance for implementation of district road rehabilitation and improvement programmes.	% Upgraded roads issued with Works Completion Certificate without a need for defects rectification.	80%	0%. (Average physical progress is about 80% but no certification)	
2.1.2 Implementation of district road rehabilitation and improvement programmes	% DRRF utilization by districts	90% Utilization (Years 3-4) ¹²	60%. Submission of Interim Payment Certificates (IPC) delayed by contractors.	
Output 2.2¹³	Support districts and communities in road assets maintenance			
2.2.1 Training programme	Number and % of relevant stakeholders (technical/non-technical staff, managers, and community representatives) improving their expertise in road maintenance disaggregated by gender	100%	85% - 271 out of the planned 317.	
2.2.2: Integration of the road rehabilitation and maintenance component in the LG annual and mid-term planning, budgeting, and implementation framework.	% of districts with the road rehabilitation and maintenance component integrated in plans and budget	18	18 (100 %) ¹⁴ – all thought budgets are likely insufficient to cover routine maintenance needs	

Note: Red colour: Not achieved; yellow: On track/partly achieved; green: Achieved.

The original feasibility studies, detailed engineering designs, estimation of quantities and costs of road rehabilitation were undertaken in 2017. Subsequently, it was found that increased quantities of work were necessary for some roads and the budget was increased by EUR 700,000.

¹² This target is as stated in the UNCDF DINU Prodoc pp26-27. In DINU Annual Report 2021, the target of 100% (Year 4) is used

¹³ The MTE has kept output 2.1. under C2, while the progress reports have moved it to a new output 8 under C3. The MTE finds however that logically it belongs under C2 as part of the road component.

¹⁴ This is also a requirement for DLGs to access the road fund money (road fund grant is used in maintenance of the roads)

Table 9: Physical progress for all contracts by January 2022:

Physical Work Progress								
District	Work /Contract Name/Ref./Contractor	Start Date	Report Date	Unit	Qty	Cum.Progress Percent	Time Progress	
Abim	LOT 1; Contract Ref: ABIM573/WRKS/19-20/00001 M/S JB United Civil Engineering and Building Contractor Ltd	20-Jul-20	31-Jan-22	Km	48.822	99.5%	100%	
Abim	LOT 2; Contract Ref: ABIM573/WRKS/19-20/00002 M.S Hands Uganda Ltd	20-Jul-20	31-Jan-22	Km	44.757	87.0%	100%	
Adjumani	LOT 1; Contract Ref: ADJU504/WRKS/2019-2020/00015 NORASA Technical Services Ltd	25-Aug-20	31-Jan-22	Km	29.839	70%	100%	
Adjumani	LOT 2; Contract Ref: ADJU504/WRKS/2019-2020/00016 M/S Kesika Enterprise Ltd	28-Jul-20	31-Jan-22	km	32.363	50%	100%	
Adjumani	LOT3; Contract Ref: ADJU504/WRKS/2019-2020/00017 M/S Nambale Enterprise Ltd	28-Jul-20	31-Jan-22	km	30.873	80%	100%	
Adjumani	LOT4; Contract Ref: ADJU504/WRKS/2019-2020/00018 M/S Kenfields Capital Investments Ltd	28-Jul-20	31-Jan-22	km	26.889	80%	100%	
Amudat	LOT 1; Contract Ref: AMUD581/WRKS/2019-2020/00018 M/S CUBEROOT Limited	17-Jul-20	31-Jan-22	km	16.241	65%	100%	
Amudat	LOT 2; Contract Ref: AMUD581/WRKS/2019-2020/00019 M/S JB United Civil Engineering and Building Contractor Ltd	17-Jul-20	31-Jan-22	km	31.734	85%	100%	
Moyo	LOT 1; Contract Ref: MOYO539/WRKS/19-20/00040 M/S Lisma Investment Ltd	17-Jul-20	31-Jan-22	Km	42.673	60%	93%	
Moyo	LOT 2; Contract Ref: MOYO539/WRKS/19-20/00041 M/S Sans Limited Consults Ltd	17-Jul-20	31-Jan-22	km	54.61	93%	93%	
Moyo	LOT 3; Contract Ref: MOYO539/WRKS/21-22/00012 M/S Beem Family Ltd	15-May-21	31-Jan-22	km	46.15	16%	86%	

Source: KOM CONSULT Progress Reports.

Progress in road upgrading ranges from 16% for one delayed lot in Moyo (due to re-procurement) to between 50% and 99% for the other 10 lots. By January 2022 (100% Time progress) eight contracts should have been completed as the 8 contracts were signed in July 2020 with a duration of nine Months. Only 2 completion certificates have been issued (although there are some defects still to correct before the defect liability period begins) and no-cost time extensions are being arranged for the other contracts.

COVID-19 has affected contract progress as restrictions on movement constrained on-site presence of technical personnel and limited availability of construction materials, fuel, and spares.

More than 80% of the training for road maintenance was carried out, mostly as classroom training in 2018 and 2019. Thereafter, **the training was interrupted by COVID-19 for almost two years** because of a total lockdown of the Mount Elgon Labour Based Training Centre (MELTC). The remaining training activities are now planned in early 2022.

MoWT and MoLG have also provided TA to all 18 districts to apply the new technical skills and expertise acquired through the MELTC training to annual and medium-term planning and budgeting of local road rehabilitation and maintenance programmes at district level.

Component 3: District PFM, Service Delivery and Governance

The objective of C3 is to *increase local fiscal space and improve local service delivery through a discretionary grant mechanism and technical assistance to core government functions, including customary land tenure systems*. **C3 is covering support for several key areas within districts' PFM, revenue enhancement, asset management and upward accountability**. It is Implemented with Ministries, Departments and Agencies (MDAs), other partners and the core 18 district partners as presented in the table below:

Table 10: Partner under Component 3 and Implementation Areas

Government and other Partners	Main Involvement
Office of the Prime Minister (OPM)	Executive of the overall DINU, responsible for Local Government Performance Assessment, (LGPA), and the SDG Localisation.
The Ministry of Local Government (MoLG)	DLG planning, the LGPA, mock assessment, performance improvements plans (PIP), support to LED, investments (LGEF), and upwards accountability
District Local Governments	Beneficiaries and implementers
The Local Government Finance Commission (LGFC)	Revenue enhancement activities
The LGAs: ULGA and UAAU	Advocacy work and research in LG issues
The Ministry of Water, Environment and Natural Resources (MoWENR)	Climate change actions in DLG planning Taxation of natural resources (with LGFC)
The Equal Opportunities Commission (EOC)	Integration of gender and youth issues in DLG planning
Ministry of Land, Housing and Urban Development (MoLHUD)	Customary land titling (from 2020)
MoFPED	Asset management system for DLGs
The World Bank, EU	Rolling out the revenue system, IRAS with LGFC
United Nations Department of Economic and Social Affairs (UNDESA)	Development of asset management training modules (with MOFPED)
TADAT Secretariat of the International Monetary Fund (IMF)	Tax Administration Diagnosis Assessment (TADAT)
The Public Accounts Committee, MoFPED	Improving the active auditing and follow-up
Uganda Revenue Authority (URA)	Revenue administration and management training
Uganda Bureau of statistics	LG SDG Open data platform
Makerere University	Rapid and Action oriented studies

The budget execution for C3 has reached 68% by the end of 2021. Originally, a comprehensive land component was to be delegated for implementation by FAO. This was, however, not confirmed, leading to a reduction in the budget of EUR 2,480,000. Thereafter, a more reasonable budget for the certification of customary ownership implemented by MoLHUD at EUR 435,000 emerged with more funding for the LGEF and several critical activities under Component 1 (SME Finance) and Two (Road Upgrading - see also Annex 5, Table 2 with budget changes). The agreement with FAO could not be reached due to challenges with UN policies on cost recovery, so the DINU Board decided in January 2019 to cancel the land governance component that had been earmarked for FAO. Later, EUR 435,000 was reallocated to MoLHUD to implement a scaled-down land component facilitating registration of customary certificate of ownership of land (Output 7) in the table below.

The Evaluation has estimated the implementation of actual activities under C3 to be 55% of the planned activities as presented in the table below. This is based on a detailed analysis as provided in Annex 9, Table 1. Details on the activities under each output can also be found in Annex 9.

Table 11: Summary status of attainment of planned activities under C3.

Output	# of activities	Implemented by the end of 2021 (%)	Not implemented (%)
1 Strengthening capacity of LGs in PFM	10	40 %	60 %
2 Strengthening capacities of mandated LG units to efficiently mobilize and equitably allocate and utilize local revenue resources	17	88 %	12 %
3 Partnerships with Associations of LGs and key relevant institutions	21	43%	57 %
4 Support and strengthen LG's upward accountability	5	40 %	60 %
5 Support the reform and pilot implementation of LG PA	9	44 %	56 %
6 Incentivise performance of LGs to stimulate community involvement	16	56 %	44 %
7 Improve land governance and facilitate registration of certificate of customary ownership	26	12 %	88 %
Total	104	45 %	55 %

The findings on the activities are also supported by the indicators for C3, which are presented below (Table 12). Almost all the statuses as presented in the by the end of 2021 are below the targets.

Table 12: Status of Indicators for Component 3.

Output/partners	Indicator	DINU UNCDF Target	Achievement by December 2020	Status
Output 3.1: Strengthen capacities of LGs in PFM	LG performance score for crosscutting performance measures in LGPA	80 %	21 %	Red
	% of BFP in the targeted sub-regions issued with NPA's certificate on compliance with the provisions for the PFMA	70 %	56 %	Red
	% of BFP in the targeted sub-regions issued with gender and equity certificate in compliance with the provisions for the PFMA	70 %	63 %	Yellow
Output 3.2; Revenue mobilization	% of identifiable taxable base covered in the local revenue database	90 %	100%	Green
	% of local revenue as a ratio of transfers from CG	10 %	1.3 %	Red
Output 3.3: Structured partnerships with associations of LG authorities and key relevant institutions	# of policy briefs produced on key policy issues disaggregated by briefs addressing gender issues	2-4 annually	2 in 2020. 2 in 2021.	Green
	# of evidence-based research studies completed and # of advocacy actions on behalf of LGs	2 and 2 annually	4 and 4 in total	Green
	% of target LGs assisted in key performance activities e.g., bi-annual monitoring of implementation, semi-annual and annual performance reviews and assessments	100	100 %	Green
Output 3.4: Support and strengthen LG upward accountability	% of compliance with accountability regulations governing LG	80 points	About 60	Yellow
	% of LGs with unqualified audit rating	80 %	88 % ¹⁵	Green
	% of implementation of recommendations mandated accountability institutions government	90 %	59 % ¹⁶	Red
Output 3.5: Support the reform and pilot implementation of GoU's own annual performance assessment framework	% of LGs that conduct internal 'mock' assessments to determining their compliance with assessment requirement.	60 %	0 in 2021	Red
	% of LGs that have functioning SDG localization tool	100 %	0	Red
	Total amount of SDG fund disbursed and leveraged ration, disaggregated by finance to female led firms	EUR 50.000	0	Red
	#of bankable innovative SDG business proposal developed and financed	2	2 (not financed)	Green
Output 3.6: Incentivise performance of LGs and to stimulate	Level of stakeholder participation in planning, budgeting and monitoring of LG programmes disaggregated by sex	100 %	100 % and 78 %	Green
	LG performance score for crosscutting performance measures	80 %	45 %	Red

¹⁵ Report of the auditor General to Parliament for the FY that ended 30th June 2021.

¹⁶ LG Management of Service Delivery Performance assessment – 2020. Results of 2021 not disseminated by the time of compiling this report.

community involvement	Amount of discretionary grants availed and # of LGs receiving the grant	EUR 1 million	EUR 2.2 million	Green
	# of business facilitated by LGEF infrastructure projects	700	720 vendors (71% women) and 750 farmers	Green
	No of Jobs created and/or improved due to LGEF infrastructure investments	500	About 931 (50 % women)	Green
Output 3.7 Improve land governance and facilitate registration of certificate of customary ownership	# of CCOs issues (% of CCOs with women and children, % of women headed households, % of youth, % of disabled and vulnerable individuals) in target districts	3,000	0	Red
	# of districts that have an inclusive and affordable system in place for customary rights registration and management	3 districts	0	Red
	# of land disputes addressed through the mechanism	50	41	Yellow
	% of infrastructures and equipment delivered against the approved plan	100 %	0	Red

Source: UNCDF – Draft DINU Annual Progress Report Jan to Dec 2021. Results of the 2021 LG PA are not disseminated yet.

Note: Red colour: Not achieved; yellow: On track/partly achieved; green: Achieved.

3. Evaluation Approach and Methodology

This section presents an overview of the methodology for the Evaluation with additional details provided in Annex 4.

TOC and UN/OECD DAC

Given the complexity of the programme, wherein different Components (One: SME Finance, Two: Road Upgrading, and Three: District PFM, Service Delivery and Governance) are implemented simultaneously to achieve respective outputs and overall outcome, **the evaluation adopted a systems-thinking¹⁷ approach to systematically assess each component separately, while understanding their interactions, effect, and complementarities in the local context towards the achievement of the overall goal.**

The methodology is organized following a Theory of Change (ToC) approach, framed by the UN/OECD DAC evaluation criteria, and draws upon mixed methods to capture direct programme results as well as likely contributions to consolidate stability in Northern Uganda, reduce poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development.

In line with good practice in evaluating this complex-system, change-focused intervention, the overall methodology is based on three concrete pillars:

1. the programme's **Theory of Change** (ToC) and the way this has been operationalized into a set of concrete expected results at different levels of the DINU UNCDF component's results chain,
2. the **Evaluation Matrix** (EM) grouping key evaluation questions and sub-questions by broad UN/OECD DAC evaluation criterion allowing analysis of programme results again at different levels of its results chain,
3. a data collection toolkit for the evaluation, describing the **quantitative and qualitative primary and secondary data** collection tools deployed to collect and analyse data to answer the evaluation questions, including impact questions around current or likely changes to people's lives at the level of the beneficiary communities.

The methodology applies a contribution analysis constructed around these elements and uses a mixed-methods approach with both quantitative and qualitative analysis and with several stakeholders and sources of information at three levels: **macro level**: GoU, Ministries, Departments, Agencies (MDAs), UNCDF, EUD, National Associations of LGs and other development partners; **meso level**: Local Governments, SMEs, cooperatives, farmer groups and civil society organizations; and **micro level**: individuals, especially LG officials and population in the districts covered by DINU.

¹⁷ A Systems Approach to Evolution - Applications of Systems theory and Systems thinking in Evaluations Paper prepared for the 4th EES Conference October 12 – 14 2000 Lausanne By Richard Hummelbrunner, ÖAR Regionalberatung. https://www.evaluationcanada.ca/distribution/20001012_hummelbrunner_richard.pdf

The Evaluation Matrix¹⁸ (EM) is the key tool for the Evaluation to ensure that evaluation questions are answered systematically, and data is collected transparently, with aggregation and synthetic analysis in mind. The full EM is presented in Annex 3 following the six OECD/DAC criteria, the Evaluation Questions (EQs), indicators and information sources. The EM ensures that the evaluation criteria are operationalized through EQs at different level of the ToC and the Intervention Logic. The EM includes sub-questions and indicators to ensure the coverage of gender, youth, vulnerable groups such as refugees and disabled, environment and climate change and non-exclusive approaches and results under relevance and effectiveness in specific EQs. The EM follows details on means of verification including GoU documents, progress reports, other documentation and key informants that were identified during the inception.

Data Collection

The Evaluation **utilized a mixed methods approach for data collection.** With the large number of districts under the DINU UNCDF component, the Evaluation applied a two-level approach by initially and as far as possible focusing on the whole project and all participating districts according to activities under each of the three components. This was done by reviewing available documentation and interviews at national level. The second level was at the district level, to assess the implementation of the programme further with deeper dives into five districts, carried out with more focused approach for conduction of in-depth interviews, meet and observe beneficiaries and investments or their planned locations. The interactions at district level were important to answer EQs, in particular in terms of effectiveness and efficiency. **Financial data** was provided by the programme to understand the implementation status of different activities under each component and how resources have been spent.

The mixed methods design included quantitative and qualitative methods in a complementary way for interrogation of several types of evidence about the context, performance, and partial results of the DINU UNCDF's. Particular focus was provided on crosscutting elements such as gender, human rights issues, climate change mitigation and inclusion of all groups during document reviews and meetings with stakeholders. Additionally, for Component 2, the team assessed whether specified standards or specifications were complied with, more specifically those referred for road construction and testing of materials.

The Evaluation collected information and data that served as a basis for the formulation of sound and realistic judgments to answer the EQs.

The applied **data collection tools** included: document reviews, quantitative data (such as financial data, km of roads upgraded and statistics on beneficiaries for investments), case studies with deep dives, individual and group interviews, observation of group dynamics (e.g. at sites with Management Committees or local leaders or during presentations in the districts visited), consultations and discussions with stakeholders, site visits and a questionnaire. See Annex 4 for more details on the tools.

The Evaluation took care to take into account the dangers posed by the COVID-19 pandemic during the data collection process. Some remote interviews took place before and after the field visit by the Evaluation team. Some interviews were also conducted online with the national stakeholders, in particular with the OPM due to COVID-19 restrictions (see also Annex 10 and 12, which list all interviewed people and presents the mission plan).

¹⁸ Please refer to Annex 3 for the full Evaluation Matrix

Approach to Data aggregation analysis and generation of findings

The objective behind the data collection was to ensure a solid evidence base for the Evaluation's findings, and all information was triangulated (e.g., from a progress report, a site visit and an interview). The data collection strategy worked to gather information in an incremental process: First data from an existing available documentation (secondary data) was used, thereafter initial findings and hypothesis were developed to understand what is needed for confirmation through direct interviews with national and local stakeholders (primary data). This way the quality and the coverage of the data improved gradually throughout the Evaluation. Findings, hypothesis, and interviews with stakeholders were annotated continuously during the Evaluation.

Data was collected from all available documentation provided by the PIU, other stakeholders, and beneficiaries and other sources. Data was critically assessed continuously for validity, bias caused by the interviewees' positions in the three subsystems for the Evaluation, to understand stakeholders' incentives and interest in the answers they provide. Financial and other quantitative data was checked by validity calculations to assess if figures add up and are accurate and realistic compared to other similar sources and projects. All interviews were conducted in at least pair of interviewers with prepared interview protocols to ensure better quality and validation of the interviewees' answers.

The data aggregation process for all three components started with findings from documents as the first layer of data. Thereafter interviews with national stakeholders followed by district officials and other individuals. At the district level successive interviews were carried out with stakeholders and beneficiaries for additional information as the next layers of data. The addition of data continued in the following districts with continuous aggregations and critical assessments.

With an increasing amount of evidence, hypothesis was drawn and tested with stakeholders continuously through-out the Evaluation to test the data and hypotheses and conclusions.

The Team Leader accompanied the component leaders throughout the whole data gathering and aggregation process for each component of the intervention. With the contributions from each component, the Team Leader aggregated conclusions for the Evaluation as a whole, organised per criteria and following the EM. It was ensured that conclusions are coherent and compatible and that they are elaborated based on the evaluation framework and responding to the EQs as defined and detailed in the EM.

The data collected enabled the Evaluation to answer the EQs from various sources at national and sub national level in successive steps as illustrated below:

Sampling Strategy

The Evaluation initially collected data from the 40 districts at the overall level to get a complete overview on the project. In terms of sampling, the strategy was **a combination of geographical and thematic approaches to cover the three components**, Ugandan regions, and the sub-activities as broadly as possible. To understand specific issues better a smaller number of districts were selected according to the coverage of different activities within the three components five districts were selected as case studies and for deep dive visits.

Table 13: Districts for the field phase

DLG	Rationale
Amudat	Represents the Karamoja sub-region, one of the poorest performing sub-regions in Uganda One of the districts that has benefited most in C 2 & 3 Completed LGEF project (Cattle Market) and Honey Processing in progress Local revenue enhancement grant Two roads for upgrading (C3) – 4 road sections
Gulu	Selected for C 1 with several START Facility projects submitted to UDBL and benefiting from SBRF Centrally located, provides connection to a) two other districts with START Facility, and b) Omoro selected under C 3
Omoro	Represents Acholi, the best performing region in the great North Close to Gulu, which enables the team to collect information for C1 (in Gulu) and C3 (in Omoro) It has averagely benefited from C3 interventions including LGEF (market, cooperative)
Western Nile DLGs	Yumbe; core district, beneficiary of C3 with completed projects in LGEF and several START Facility groups Moyo; core LG, beneficiary in C2 with three Lots (12 road sections) for upgrading The two districts are in the closest proximity among the LGs in West Nile. It allowed interaction with Yumbe for C3.

The SMEs shown in the table below have been selected based on being relatively advanced in the three step procedures to receive financing from UDBL.

Table 14: SMEs Selected for Field Interviews during the Evaluation

Company Name	Value Chain	Status	Project Value	Owner Contribution	UDB+Partners (LFI)	START Facility
			EUR	EUR	EUR	EUR
Kana Grain Millers	Maize Processing	Disbursed	159,000	41,361	-	117,639
Lakwat Rachers	Livestock	Disbursed	566,191	450,000	16,191	100,000
Adonyo Ltd	Rice Processing	Approved	894,833	650,000	144,833	100,000
Stella Keitirima	Maize, Sorghum, Cassava	Approved	139,855	36,582	3,273	100,000
Talian Company	Sunflower seed processing	Approved	708,925	462,500	146,425	100,000
TOTAL			2,468,803	1,640,443	310,721	517,639

Risks and limitations

The Evaluation identified some risks during inception which did not materialize during the field mission as detailed in the following table:

Table 15: Risks

Risks	Assessment
Access to and willingness of key stakeholders to meet with the Evaluation	The Evaluation met the expected number of national and local stakeholders at macro, meso and micro level. All were willing to meet and discuss with the team.
Availability of key stakeholders for meetings during field visits	In some case, long introductions to DLGs, and unexpected circumstances limited the planned interaction with community groups. In Omoro, one community group was not met due to delays.
Security in the North for team moving	The Evaluation could move around as expected, including in Karamoja.
Uncertainties linked to the COVID-19 may affect field visits and data collection on site	The meeting with the OPM was held online due to COVID-19 restrictions, with some challenges due to intermittent internet connection. The poor communication limited some exchange of information though follow up was conducted later on with the CTA, as agreed with the OPM. Similarly, the meeting with EOC was held online with some limitations linked to the poor internet connection with one of the participants.

The **evaluation encountered some limitations during the Evaluation** assessed and managed by the team as detailed in Table 16: Limitations.

Table 16: Limitations

Limitation	Assessment
Limited coverage of districts: The project is implemented in 40 districts of which 18 are core districts. Due to time constraints, it was possible to cover a smaller number of districts during the field phase. Thus, the results from the selected districts may not be representative.	The Evaluation focused on districts where several outputs and sub-activities are implemented taking into account challenges related to long transportation time. The districts visited provided good information on implementation and demonstrated some variation in absorption capacity. A total of five districts was covered during the field phase. Before the field visits the overall progress, reports were reviewed for a balanced assessments and to include other districts as far as possible.
Limited number of SMEs with finance disbursed. While it was expected by the programme that 40 SMEs would have been approved by June 2022, only 8 SMEs have received funding from UDBL, while many proposals are in the pipeline for approval.	The Evaluation met with 5 SMEs to assess their viability and proposals. As the SMEs are only starting with the proposals, it is still early for a full assessment, it will be possible when more have started their investments.
Access to documentation. The draft progress report for 2021 was only provided to the team on 10 February 2022. Only some indicators for 2021 were included. The yearly status of the overall indicators (three objectives) for DINU is not provided by OPM, only the baseline and targets.	The preparation for the field mission was based on the progress report 2020 and the quarterly reports from 2021. It was therefore a challenge to assess the results for 2021 for all core districts. However, the draft progress 2022 report has been applied after the field visits to adjust findings as appropriate. It is not possible to assess the progress of the overall DINU towards its objective, so the contribution analysis for EQ 4 and 5 could only use the output indicators provided by DINU UNCDF.
COVID-19. Due to lockdowns, the implementation of the programme has not been regular and smooth.	It is a challenge to pinpoint exactly how severe the lockdowns have affected programme implementation and how quickly implementation and results have picked up in 2021.
DLGs selected for field visits and progress reports might be providing a too positive representation of programme results	The Evaluation asked critical questions during the DLGs' presentations and triangulated the information provided by conducting visits and asking opinions from beneficiaries such as cooperatives, community members and markets users. The functioning of asset and revenue registers and the Integrated Revenue Administration System (IRAS) have also been observed at locations.

4. Evaluation Findings

4.1 RELEVANCE

SUMMARY OF FINDINGS ON RELEVANCE

The DINU UNCDF programme is highly relevant and aligned with GoU priorities as expressed in the Uganda Vision 2040, in the current and previous version of the National Development Plan (NDP) and in the Peace Recovery Development Plan. The need for financing of SMEs, road upgrading, and better PFM and governance at the district level is evident, as expressed in GoU strategies including the reform of public financial management systems. The relevance of activities, including the 405 km roads selected for upgrading, are confirmed by the beneficiaries and Ministries involved in implementation and design of actions. Gender and youth are mainstreamed well into the programme formulation but an implementation approach for specific action for finance for women-owned enterprises and marginalized groups is missing. Climate change is mainstreamed into the programme, namely through the establishment of specific conditions for accessibility to finance for SMEs and district investments. The programme is designed to follow the NDP II targeting SDGs 1 and 2.

EQ1.1

How relevant and how well designed is the UNCDF component's approach to the priorities of the GoU, and key stakeholders, considering the programme's intended support to consolidate stability in Northern Uganda, reduce poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development?

The DINU UNCDF is aligned with the priorities of the GoU in Northern Uganda and its design follows the national public administrative structure with the district local councils (DLGs) (and SMEs) as the main beneficiaries and anchors for the support. Implementation is carried out by national institutions and organisations for all the three components to apply national systems.

Overall, the programme is in line with Uganda's development framework as described in the Vision 2040 "A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years" and the National Development Plan II (2016-2020) and the current NDP III (2021-2025).

Textbox 3: NDP II goal and objectives.

Goal: to attain middle income status by 2020 through strengthening the country's competitiveness for sustainable wealth creation, employment, and inclusive growth.

Four objectives: 1. Increase sustainable production, productivity, and value addition in key growth opportunities, 2. Increase the stock and quality of strategic infrastructure to accelerate the country's competitiveness, 3. Enhance human capital development, and 4. Strengthen mechanisms for quality, effective and efficient service delivery

Source: NDP II p. 101

In Annex 6, a full overview is provided of the relevance and the coherence (EQ 2) of the DINU UNCDF component in relation to NPDII, Vision 2030, UNDAF (2016-2020), UNCDF's Strategy 2016-2020 and the 2030 agenda. It illustrates a solid alignment between all the strategies and programmes with DINU UNCDF.

The three components of DINU UNCDF follow the four objectives of the National Development Plan. C1 (SME Finance) is aligned to NDP Obj 1: Increase sustainable production, productivity, and value addition in key growth opportunities (incl. agriculture); and C3 (District PFM etc.) to Obj 4: Strengthen mechanisms for quality, effective and efficient service delivery (incl. LGs). The road sector is also a priority in the NDP II under Obj. 2 as indicated in Textbox 3.

As for SDG alignment, the Program is designed to support the Government of Uganda (GoU) in achieving national targets for SDG 1 "End poverty" and SDG 2 "Zero hunger" following the NPDII (PD p. 13). While the NDP has a substantive SDG framework, the DINU UNCDF is not following an SDGs framework in its monitoring system or yearly progress report – this is left to the overall DINU management in the Office of the Prime-Minister, which is also dealing with the NDP monitoring.

The DINU UNCDF is also aligned with the Peace Recovery Development Plan 3 for Northern Uganda (2015-2021), which contains four strategic objectives: i) consolidating state authority, ii) rebuilding and empowering communities, iii) revitalization of the economy, iv) and peace building and reconciliation.

The Program approach under C2 and C3 fits within the overall decentralization framework of Uganda (as presented in Textbox 2 in Section 2.2) and the needs after peace was restored. Specific attention is needed in the North as i) the governance and service delivery capacity are lower than in other regions in Uganda; ii) systems for asset management and collection of local revenues are not implemented, iii) maintenance and upgrading of the road network was neglected during the conflict due to lack of resources, and iv) attention to human rights issues and gender equality has not been paid during the conflict.

EQ1.2

How relevant is the support provided by the UNCDF component, including LG capacity building for increased fiscal space and improved service delivery; improved access to finance for SMEs engaged in agricultural value addition and improved stock and quality of district roads assets?

The support provided by the three components is highly relevant to the strategies laid out in NPDII. The implementation set up with DLGs, MoLG, LGFC, MoWT and other government agencies as beneficiaries, implementers and change agents with a high involvement of the lower-level local governments and communities provide a solid approach to ensure application of the national administrative system for C2 (Road Upgrading and Maintenance) and C3 (District PFM and Service Delivery) with a potential link from District Commercial Officers to local economic development (LED) under C1.

For C1 the START Facility and the concessional loans provided by UDBL brings in a relevant modality to support the very weak commercial sector with business support and finance, which were otherwise not provided.

C1 (SME Finance) responds to **the needs of beneficiary SMEs, smallholder farmers**, and provides a contribution to the development of agriculture value addition, which is particularly significant in a region where subsistence agriculture still accounts for the bulk of production, and which strongly relies on food imports. The NDPII emphasizes commercialization of agriculture to increase production and productivity along the value chains. This includes agro-processing and marketing as a launch path to more industrialization with value addition to agricultural products. The need to address the critical gaps in production, transport, post-harvest handling, processing, and marketing of agricultural products is highlighted so as to maximise the benefits from the agriculture value chains such as Cotton, Coffee, Tea, Maize, Rice, Cassava, Beans, Fish, Beef, Milk, Citrus and Bananas (ibid p. 26). **The SMEs need access to flexible finance schemes to move from subsistence to commercial production**, and therefore the model with business development support, grants, reimbursable grants, technical assistance, and concessional loans is highly appropriate. As presented in Section 2.3 the demand for the services have been high, which confirms its relevance.

The **NDP II emphasizes the need for better road networks to facilitate economic development** through access to market and service delivery. The selection of the roads for upgrading had already been carried out with the communities before the signing of the agreement between UNCDF and the EUD. The PIU and all other interviewed stakeholders, including Moyo and Amudat DLGs and community leaders confirm the relevance of improved roads for internal and external connectivity in the 5 districts. **The 405km targeted represent 14 % of the roads in the five districts**, which the DLGs were unable to upgrade within their own budget or the transfers they receive through the Uganda Road Fund (URF).

C3 (District PFM etc.) is in line with Uganda’s Public Financial Management updated reform strategy 2022/23. The reform goal is **“To enhance resource mobilization, improve planning and public investment management, and strengthen accountability for quality, effective and efficient service delivery”**¹⁹. The seven outputs under C3 contribute to the achievement of LG needs from supporting financial management (Output 3.1), mobilization of resources (Output 3.2), support to accountability systems (Output 3.4), and strengthening external oversight under Output 3.5. The support to the two LG associations (Output 3.3) is a relevant innovation for LG advocacy to follow the PFM reform process and improve the local fiscal space.

EQ1.3

To what extent does the UNCDF component design incorporate gender equality (GE), human rights (HR) and other crosscutting issues such as climate change? How relevant is it to the needs and interests of all stakeholder groups? Does it offer good quality information on the underlying causes of inequality and discrimination to inform the program ?

Overall gender and social inclusion considerations were only partially mainstreamed in the design and implementation of the programme interventions. In particular for C3 (District

¹⁹ Uganda Public Finance Management Reform Strategy (July 2018-to June 2023).

PFM and Service Delivery), women, youth, refugees, and other disadvantaged groups are targeted recipients of support. For C1 (SME Finance) and C2 (Road Upgrading) gender equality (GE) and human rights (HR) could have been incorporated by running a more thorough analysis of the context in the Programme Document (PD) to **articulate the gender and social exclusion issues in the “Development Challenge.”** Although the poverty situation in Northern Uganda is described with statistics, figures are not disaggregated by gender to elaborate on how poverty is experienced differently by women, youth, people with disabilities and other disadvantaged groups. The development challenge section provides an analysis of the refugee situation, albeit without including intersectionality with other confounders of the exclusion of refugees (disability, gender, age). Similarly, the PD does not analyse conflict issues as such – conflicts are only mentioned as a minor risk in the risk assessment. It should be acknowledged that at design stage in 2016, Northern Uganda was in a situation of relative peace.

The main gender analysis in the PD is about the linkage between the weak position of women, and the stagnation of agriculture, and a broader analysis could have provided a basis for addressing gender inequality and social exclusion better, particularly under C1 (SME Finance). An analysis should have considered more about **the specific characteristics of women and women-owned businesses**, as the latter face a number of additional challenges to start and later on develop a business, compared to their male counterparts.

Textbox 4: Barriers for Women Entrepreneur

While no formal legal barriers exist for women to start or own a business in Uganda, social, and cultural norms often affect their ability to participate in the economy. This includes discriminating legal environments, unwritten social norms, lack of awareness and business skills. Business is typically a male-dominated sector, women lack collaterals and land is traditionally passed on as inheritance to male children. Women have also limited involvement in decision-making (with the exception of widows). Additionally, women mostly own small and informal businesses, which will often be assessed as more risky and less attractive for investors. From the supply side, barriers concern the design and provision of financial services from financial institutions and their misconceptions about women. For instance, services, products, and distribution mechanisms may not be tailored to women’s needs; or Loan Officers can be biased in the credit approval process; or lenders can prefer economic activities in which women-owned enterprises are underrepresented.

While the START Facility did put a preference on women-owned businesses in the screening criteria, i.e. SMEs with >50% female ownership and/or significant proportion of female employees, it did not allocate specific resources to address gender issues. The lack of a specific strategy towards women-owned SMEs is evidenced also by the absence of appropriate indicators (the existing are limited to providing a disaggregation by sex). Such a strategy could have targeted women owned enterprises directly by a specific (sub) component.

Gender Equality (GE) and Human Right (HR) issues were not included in C2 (Road Upgrading and Maintenance). The PD mentioned labour intensive techniques to road upgrading, which can create employment for low-income groups. However, the chosen technique for the upgrading was based on machinery to ensure a better quality of the gravel roads, which need to be compressed to last. For C3, cross-cutting issues are included in the design and include several inclusive approaches such as support to research on gender issues, as well as ensuring that districts get unqualified audits which requires aspects of at least two cross-cutting issues (gender being one of them).

Gender, disability, and youth inclusion are also emphasized in the activity related to improved customary land ownership to ensure access to land. An innovative cooperation with the Equal Opportunities Commission (EOC) started in 2019 to develop the capacities of the DLGs to comply with Uganda’s Public Financial Management (PFM) Act’s requirements for inclusion of GE and youth in the District Development Plans (DDPs) as well as budget papers. The expectation in the PD was that challenges of climate change would be addressed specifically by the SMEs and their providers in the agriculture sector under Component 1 with in particular investments in solar panels and other green technologies. Under the Local Government Excellence Fund (LGEF), one of the selection criteria is that the project selected is addressing consequences of climate change. LED strategies and responsiveness to the climate change challenge should be included in the DDPs based on the national Climate Vulnerability and Risk Assessments, which conduction is supported by the DINU UNCDF.

4.2 COHERENCE

SUMMARY OF FINDINGS ON COHERENCE

Coherence: DINU UNCDF has a high degree of coherence with its design fitting well into the overall DINU programme and other development initiatives in the North of Uganda. It is also coherent with UN and UNDP programmes working within the One UN Approach. During implementation, cooperation and synergies with other interventions within the overall DINU and other UN agencies could have been stronger, such as working with localization of SDGs with UNDP. On the other hand, no particular overlaps were identified by the Evaluation and some synergies were found with other major interventions from other Development Partners such as the World Bank and USAID. UNCDF’s added- value is clear as demonstrated by the pipeline of SME proposals for financing and management of LG investments, **which UNCDF has helped bringing to life**. Other UNCDF initiatives and regional programmes are promoted by UNCDF but not yet applied by the beneficiaries, maybe because the initiatives are more relevant for more advanced local governments.

EQ2.1

How distinct/complementary is DINU (UNCDF component) approach to the overall DINU programme as well as other initiatives implemented in Uganda by government and/or key development partners (DPs) such as UNDAF, with similar objectives?

EQ2.2

How well does the UNCDF component align with the existing structures (National structures and strategies, UN and UNDP Country Programs, SDGs, etc.). What is the added value and what are the synergies of DINU (UNCDF component)?

DINU UNCDF is internally and externally coherent with other development initiative implemented by the GoU and other Development Partners including the UN family. The high involvement of

national stakeholders as beneficiaries and implementers, assures coherence with national government structures and programmes.

"DINU is the first integrated programme in the North... where all have come together" (MoLG official)

As for external coherence, the strategic focus areas of the DINU UNCDF components 1 and 3 are clearly **in line with UNCDF's broader strategy (*making (public and private) finance work for the poor, supporting SMEs and LGs*)** and the areas under the UNDAF (2016 to 2020) (*governance and sustainable inclusive economic development*). On the contrary the second component on road upgrading/rehabilitation, is not a sector traditionally supported by UNCDF, so it is not particularly coherent with UNCDF strategies.

The coverage of the SDGs is also coherent with DINU, NDP, UNDAF and with UNCDF's Strategy focusing on the overall SDGs 1 (End Poverty) and 2 (Zero Hunger), as presented in the beforementioned Annex 6.

The Office of the Prime Minister (OPM) has supported the internal and external coherence of DINU with the GoU and with development partners (DPs). According to MoLG and LGFC, C3 on district PFM was carefully designed in communication with MoLG and LGFC officials to ensure coherence with other DPs and government programmes (as well as their relevance).

DINU's internal coherence was challenged mainly due to the level of fragmentation of the implementation of the overall programme; with five delegation agreements signed by the EUD: (UNCDF, DfID/Trademark, GIZ, UNCDF, and UNICEF), two agreements in indirect management (OPM, Uganda National Road Authority UNRA) and nine grantees, which are consortia of CSOs that applied for funding at the EUD (see also Annex 6, Table 2, with an overview of all agreements signed under DINU). This was however mitigated and overcome through a well prepared and detailed results framework designed by the OPM and the EU Delegation. According to the EUD, OPM and PIU, it was challenging to insert all the agreements into a coherent structure, each with their corresponding result frameworks. In the EUD DINU document (Description of the Action), **a very detailed framework is outlined with results areas and specific activities**, and the DINU UNCDF components, their outputs and activities, follow this framework, thus ensuring that the complementarity with other DINU agreements works. This was also confirmed through interviews conducted with districts officials (Moyo, Amudat, Omoro), and overlaps are not observed between DINU and other interventions from the GoU or other DPs.

The added value of DINU UNCDF is that it is fitting well within the overall DINU Framework in areas that are not covered by other interventions, and that **C1 and C3 are clearly within UNCDF's focus areas of SME Finance, business development service (BDS) and specific support to district governance and PFM**. An example of this is that UNCDF expertise has been used to build a pipeline of potential early-stage SMEs investments, that would not have been built by UDBL alone.

The visits to DLGs or review of documents, **did not reveal any particular overlaps nor strong synergies with other DINU interventions. Rather it seems like the design of DINU has clearly defined the areas where DINU UNCDF is providing added value and complementarity**. Specific synergies mostly take place within the agricultural sector, where projects are being implemented as part of the overall DINU, but also by other actors. The Evaluation observed a good coordination with other DPs such as the World Bank and USAID on revenue collection systems – specifically the Integrated Revenue Administration System (IRAS) with the Support to Municipal Infrastructure Development (USMID) programme- co-funding of LGEF investments, and support to LED, where GIZ had covered 2 of the 18 DINU core districts.

UNCDF is working within the 'One UN' approach and participating in coordination fora at different levels under the UN Resident Coordinator Office. DINU UNCDF is implemented in alignment with UNDP's Programme, which supported the development of the National Development Plans II and III, including its alignment with the 2030 Agenda. Localization of SDGs is an activity under C3, which could have possibly benefitted from a stronger cooperation with UNDP as UNDP is leading the SDG Agenda Globally.

Some cooperation took place between DINU UNCDF and UNDP in the form of a joint road map to SDG localisation in 2018 and joint support to the SDG Secretariate under the Office of the Prime-Minister (OPM). It was discussed to implement the SDG localisation tool with UNDP, but the costs were too high, thus the SDG Secretariat and MoLG were selected as partners instead. **Work has also started with support to an SDG private sector platform.**

Some other relevant regional UNCDF initiatives with potential synergies with DINU UNCDF are present in Uganda such as the Clean Start Facility, the Local Finance Initiative and Mobile Money for the Poor (see also Annex 6, Table 2). Some cooperation took place on solar energy to power local governments. Apart from this, no application of other UNCDF products was seen among the DINU DLGs, possibly because the other UNCDF initiatives are more relevant for more advanced LGs with a higher capacity such as the Municipal Investment Finance that could benefit the larger municipalities and the new cities in Uganda. LoCAL is just starting in 2021/22 in three, non-DINU, pilot DLGs.

Important synergies have been established with **the United Nations Department of Economic and Social Affairs (UNDESA) to support better asset management in the districts.** The programme has also partnered with the TADAT Secretariat in the International Monetary Fund (IMF)- and the Uganda Revenue Authority (URA) to support training of Local Governments and central government staff in Tax Administration Diagnosis Assessment (TADAT).

4.3 EFFICIENCY

SUMMARY OF FINDINGS ON EFFICIENCY

Implementation started quickly for Component 3 (District PFM etc.), while it took more time for C2 (Road Upgrading) to start, with a long, but well-executed, procurement process. For C1 (SME Finance) the implementation was also relatively slow as it took time to set up the START Facility and adjust procedures with UDBL for the approval of financing for projects.

The Programme's budget execution reached 64% by the end of 2021 with only 11 % of programme time left (15 June 2022) with most delays occurring for Component 1 (SME Finance) 34% execution, while the road upgrading will be finished before programme closure. The implementation of Component 3 (District PFM etc.) is at 68% and will not be finalised before road closure. The solid involvement of competent national actors (MoLG, LGFC, PSFU, UDBL, MoWT, DLGs, MoLHUD, MoFPED, EOC etc.) in the implementation of the intervention brought with it contextual knowledge, national ownership, and integration into the national system.

The implementation across the programme was delayed by the various COVID-19 lockdowns: Most important activities that could not be fully conducted were follow-up trainings, monitoring of road upgrading and handling of application for finance for SMEs and the LGEF.

Some budgets have been reallocated (e.g., a 10% increase for road upgrading), the costs of which were initially underestimated. Programme governance is good, with an active DINU Board, which focuses more on operative rather than strategic decision-making.

The UNCDF DINU monitoring system is working well with relevant and measurable indicators, but it suffers from the lack of a yearly updates of the overall DINU indicators by the Office of the Prime Minister (OPM). Targeted SDGs 1 and 2 are not monitored by the OPM, nor other relevant SDG targets. Apart from the budget provided to the Equal Opportunity Commission, no particular budget is allocated for gender and youth –those budgets are integrated into the specific activities under the programme.

EQ3.1

How well has the UNCDF component delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities? How well are the key implementation partnerships functioning (between UNCDF and other implementing partners of DINU, and between UNCDF and the national/ local government and national/ local authorities)?

EQ3.2

What is the quality of outputs (deliverables) provided to date? How appropriate is the programme monitoring system to track direct programme results and its broader contribution to the overall objectives?

The availability of funds for the programme has been sufficient and only 64% of EUR 25.8 million has been used by the end of 2021 (see also section 2.3, Table 6 and Annex 5). The only major expenditure item overspent is programme staff, for which funds are more than exhausted (104% execution).

As a geographically focused programme, the interventions within all three components of DINU UNCDF have worked internally and supported each other **with some economies of scale across the 40 districts such as training events, TA approaches, and application procedures to the START Facility and for the LGEF funding.** Efforts have focused on specific DLGs, such as the Local Government Excellence Fund (LGEF) with 10 DLGs, the road upgrading in 5 districts, and SME Finance in districts with many SMEs. C1 followed a demand-driven approach with SMEs responding to Calls for Proposals (CfPs), which enhanced efficiently.

The high degree of involvement of national institutions and organisations for implementation assures that the approaches are tailor-made to the beneficiaries. Some examples of this are SME investment training, training for road maintenance, and revenue collection. The main implementing partners' (MoLG, LGFC, LG Associations and PSFU) share of the programme budget amounts to 12% (EUR 3,2 million), so funding was also available for their activities. More than 75% of programme funds are budgeted for grants and transfers to beneficiaries and partners including funds for investments (Road, LGEF etc.).

Some important changes were made to the programme's budget which led to a better allocation within the same total budget envelope. More funds were allocated to C1 (SME Finance, pre and post investment training and the Small Business Recovery Fund); for improving the road upgrading, and for the expansion of the Local Government Excellence Fund to 10 DLGs. Much of this funding became available with the reduction by EUR 2 million of some initial resources of the land component, which has initially been assigned to the Food and Agriculture Organization (FAO) but was later downscaled and implemented by MoLHUD.

Class-based, in-person training approaches was the most used training modality for road maintenance. More on the job training and practical demonstrations in the districts could have been useful. Obviously the COVID-19 lock downs and the time-consuming travel from Kampala to the North limited these activities.

The quality of the support provided to reach the 10 outputs under the programme is in general good, albeit with different levels of performance, as further detailed below.

Component 1: SME Finance.

The total expenditures under this component amount to only 34% (EUR 1.3 million) of the budget available as of December 2021. The highest utilization is to PSFU for START Facility through Business Development Service (BDS) with 93% execution, followed by START Project Pre-investment carried out by UNCDF START Management Unit with 43%. The process from the moment of proposal submission to UDBL for approval and disbursement has been inefficient with a mere 24% of the budget executed.

Despite the limited number of SMEs financed to date, the START Facility has been very cost efficient; the functioning of the Facility has shown progress and improvement throughout implementation through a learning-by-doing process and for UNCDF with respect to the potential extension and scalability of the Facility and to the replication of similar initiatives in other countries with other relevant partners taking into account the UNCDF Strategic Framework 2022-2025 (SF 2022-2025).

According to the Project Implementation Unit (PIU), the component has leveraged support from different partners, which has improved efficiency and enhanced activities and results. Of the EUR 3.9 million approved for projects by UDBL, EUR 2.4 has been leveraged by owner contributions and EUR 0.4 million from UDBL and the Local finance Initiative (LFI) programme of UNCDF. Funding expected from the START Facility amounts to EUR 1.1 million.

Each partner (UDBL, PSFU) was selected based on its core competencies and expertise in order to streamline and facilitate the process. In terms of structure and partnerships, PSFU and UDBL expressed high appreciation towards the START Facility and the programme in general.

In general, the COVID-19 pandemic had a clear impact on the execution of the Component 1 and contributed to the delays in the implementation. After a difficult and inefficient inception phase and very limited progress in 2020, the component took on momentum in 2021 reaching a total of 29 approved project proposals from the START Management Board.

Component 2: Road Upgrading and Maintenance

C2 on road upgrading and maintenance has also been subject to delays with 58% of the budget implemented, but there is clear expectation that all will be spent before programme closure. While contracts were supposed to be implemented within nine months (six months of construction and three months of Defect Liability Period from July 2020), none had been completed fully by January 2022, so the delays for contract implementation are substantial.

The procurement process was appropriate, and it allowed a wide participation of national companies, and bidders were free to bid for any lots. If procedures were not strictly followed, the process was terminated and the bidding process repeated as happened in Moyo for Lot 3.

Procurement took place at the district level and involved 11 contract lots for 33 road sections. Discussions with Procurement Officers in Amudat and Moyo confirmed that contract awards were made after thorough bid evaluations following national procurement - 32 and 33 bids were received respectively in the two DLGs. Awards were made on the basis of technical capacity to carry out the works and price. The Procurement Officers met by the Evaluation demonstrated ownership and control of the process to select cost-effective solutions. In Moyo, one of the procurements showed some irregularities which required a new Call for which only 9 bids were received. 10 contracts were awarded in July 2020 and one in May 2021.

The contract value, approx. USD 26,000/km is reasonable compared to similar projects in Uganda, which are approx. USD 30,000/ km, according to Kom Consult²⁰. This was also confirmed by unit rates for major items for works according to KOM Consult²¹. Contractors often quoted relatively low rates to win bids, while lacking adequate equipment to implement according to the timing and quality they offered.

The PIU has expeditiously disbursed funds to DLGs to pay contractors. The payment process involves the districts, the Ministry of Work and Transport (MOWT) and UNCDF. MOWT confirms that interim payment certificates (IPCs) are consistent with contract documentation, especially the Bills of Quantities (BOQs) and contract unit rates. UNCDF disburses funds to districts to settle payments with the contractors once the three implementing partners (MoWT, Kom Consult and

²⁰ As supervising engineer Kom Consult for the road upgrading Kom Consult could have an interest in justifying the costs/km, On the other hand Kom Consult did not participate in the contracting of the lots

²¹ Gravel was quoted at an average of about UGX 25,000 per cubic metre for supply, transport and placement which is low by comparison with similar works projects at about UGX 28,000. Culvert pipes of 900mm diameter were quoted at about UGX 300,000 per metre for supply and installation which is low with similar work at about UGX 360,000.

districts) have approved the IPCs. During visits on-site, sometimes with District engineers, MoWT monitored the progress and performance of the road component, which has ensured some follow up.

It is important to note that the selected designs with gravel roads are an appropriate and cost-effective solution for lightly trafficked rural areas. Nevertheless, these roads are essentially ‘weak’ and particularly susceptible to rapid deterioration due to surface water attrition (especially if combined with over-loaded heavy trucks), unless prompt and adequate routine maintenance (and emergency response) takes place.

The quality of the approaches to road rehabilitation work (output 2.1.) executed to date is good, and in accordance with MoWT technical standards and specifications. Quality control includes site quality tests carried out by Kom Consult to ascertain that works meet contract specifications before approving the contractors’ Interim Payment Certificates (IPCs). For instance, materials excavated from borrow pits (gravel, etc.) were tested before being approved as sources for road surfacing or fill. Likewise, pipes were tested and approved before being installed, and compaction tests were carried out to ascertain that compaction of the road pavement is adequate and other key materials were tested to ascertain they met specifications before they were incorporated into the works.

Some issues were observed by the Evaluation (see photos below) including use of coarse/oversized gravel material on the road surface in some sections, inadequate drainage (open side drains, off-shoots/mitre drains and cross culverts) to discharge storm water and erosion of some sections of road surface was observed in Amudat and Moyo districts. Some of these issues were new to the district officials (engineers) that accompanied the Evaluation during the field visits.



A critical issue observed in Amudat was that drainage would only be installed after the road upgrading was almost completed, as also expressed by the Chairperson of Amudat LCIII Sub-County, who requested for more drainage provisions on the roads “so that the investment is protected”.

The Evaluation also observed in Amudat and Moyo **that the involvement on the upgrading of the roads of the district engineering departments in supervision and monitoring varied according to the availability of technical staff**, transportation facilities and general priority of the road projects in the daily work routine. According to the division of labour under DINU, the DLGs should play the role of employer and project manager, follow the oversight of Kom Consult on the awarded contracts, approve changes, notably the increase in scope of work and the certification and settlement of contractors' Interim Payment Certificates (IPCs). In Amudat, the district engineer was not always involved in work supervision and therefore not fully updated on the progress of the road upgrading. On the other hand, in Moyo, Kom Consult worked with the district engineer and the staff which helped the district to be aware of the progress and challenges on the road upgrading contracts.

While bidding documents stipulated that the contractors should make available adequate and appropriate equipment/plant, such as graders, wheeled loader, compactors, etc., some contractors had issues with equipment as most needed to hire it from third parties which would normally request partial upfront payment. Some contractors had their own equipment, but it was often older and poorly maintained. **This lack or inadequacy of equipment clearly showed a potential problem for the efficiency and effectiveness of road upgrading and maintenance.**

The implementation of the road upgrading component, has to a large extent been delegated to MoWT, Kom Consult as supervising engineer, contractors and DLGs, while the PIU mainly followed the initial contracting by overseeing and managing the payment of the contractors and supporting procurement. The EU Delegation also demonstrated some concerns about the implementation of the whole road upgrading component, which was confirmed by the evaluation, observing some lack of general oversight and control visits from the MoWT, Kom Consult and the UNCDF PIU. The low capacity in the District Engineering Department and the observed delays, described in the Kom Consult's progress report, could have been mitigated through better oversight and monitoring by the PIU. This could have facilitated a faster implementation of the road upgrading and implementation of corrective actions where needed.

As for the strengthening of districts and communities in **road assets maintenance (Output 2.2)** the training delivered by the Mount Elgon Labour based Training Centre (MELTC) has been of good quality. Five out of six planned training activities took place in 2018 and 2019, while the last one was delayed to January 2022 due to COVID-19. The district staff and policy makers met by the Evaluation in Moyo and Amudat appreciated the training provided by MELTC on road maintenance, options of technologies that can be applied in road maintenance (equipment vs labour-based methods), importance of key cross-cutting issues (environment and social), and the roles for various players in road maintenance. **The approach of the training suffered however from lack of follow up during 2020 and 2021 and would have benefitted from more practical and on the job training.**

Component 3: District PFM, Service Delivery and Governance

The implementation of C3 works on strengthening public financial management systems at district level started quickly in 2018 and some outputs targets were achieved before the COVID-19 lockdowns in early 2020 which substantially delayed the implementation of the component. The total expenditures under the component amount to 68% (EUR 4.9 million) of the budget available as of December 2021.

The high involvement of Ministries, Agencies and Departments in the preparation and implementation of the component has increased efficiency and kept costs down. MoLG and in particular, the Local Government Finance Commission (LGFC) and the Local Government Associations have utilised a high proportion of their allocated budgets under the DINU UNCDF (respectively 80%, 94% and 97%). The Evaluation noted however that about 45 % of the planned activities under C3 had not been implemented by early 2022, though the delay is more due to a rather ambitious plan, which included more than 100 activities. COVID-19 lockdowns are obviously also an important factor on these delays.

The partners coordination of the component has been successful in avoiding duplication and overlaps, as well as realizing some synergies. UNCDF is a member of a number of high-level committees which bring key stakeholders from the GoU and DPs together for oversight of the implementation of the PFM reforms in the country. These includes *the PFM and Accountability Development Partner Group; the Urban Development Partner Group; and the LG PFM for Service Delivery Committee of the Public Expenditure Management Committee.* An example of successful coordination is the discussions within the *Urban Development Partner Group*, which led to the adoption of the Integrated Revenue Administration System (IRAS) as a unified system for local revenue management, which facilitated the roll out of a harmonized single system.

As programme activities are implemented through the existing government system both at national and local level, **structures and legal mandates are already in place, The partner organisations (Ministries, Department and Agencies) are staffed with experienced personnel** remunerated by the GoU. Hence, a significant amount of financial resources that would have been spent on programme staff recruitment has been saved, with the exception of one technical staff in charge of C3 within the PIU supported by focal points in all DLGs.

Implementation of activities under this component from Government Partners has been efficient thanks to the allocation of a specific budget, which tops up core funding from GoU. Most noticeably, several MoLG Departments were involved in the preparation of the mock assessment to support districts' readiness for the yearly Local Government Performance Assessment (LG PA) and the Performance Improvement Plan (PIP). Activities are in general coordinated with MoLG including the design of activities. The Local Government Finance Commission (LGFC) led activities related to the collection and allocation of local revenues and resources based on its long-time experience including revenue registers and the implementation of the IRAS. The Local Government Associations led the process to advocate for better LG conditions and more adequate legislation, supported by positive experiences from member LGs. Similarly, other Government Institutions implemented activities including the Equal Opportunity Commissions with its huge experience for gender and youth etc.

Delays in the implementation of some activities, can be partially explained by competing emerging obligations faced by government structures, challenging sometimes the swift implementation of programme activities despite the existence of a clear plan.

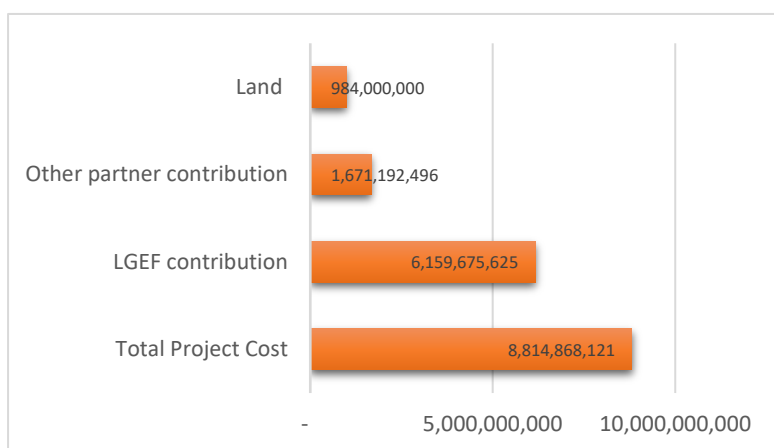
Several partners have been brought on board to contribute to the implementation process for C3, i.e., United Nations Department of Economic and Social Affairs (UNDESA) to support the development of the Handbook for Assets Management and to organize online courses on assets management. This has benefited over 410 staff drawn from the core LGs as well as 10 of the new cities and representatives from MDAs.

Regarding partnerships, **the main challenge has been the delay to set up effective arrangements.** This was an issue when adopting the IRAS with the World Bank and USAID, which

took several months before an agreement was reached in April 2021. Therefore, the LGFC is still in the process of rolling IRAS out and many challenges have not yet been solved. Among the three districts visited by the Evaluation, Amudat did not have IRAS yet and Moyo and Omoro districts had several serious challenges. This includes network challenges, inadequate equipment, and cost of operations (specifically use of data on smartphones). **Sometimes it is not acknowledged that a discrepancy exists between facilities available in urban and rural areas such as the existence of very unstable telecommunication network in the North.** In Omoro, Revenue Officers have gradually returned to a former manual system to overcome these systemic challenges. For instance, in Lalogi Sub-County Omoro district, where only UGX400,000 had been collected using IRAS in 2021/2022, the sub-accountant met by the Evaluation did not have the needed smart phone to facilitate revenue collection and reporting. Consequently, he did not show much enthusiasm in using the system. Parish chief (collectors) had difficulties in opening the IRAS App and connecting online to the system.

The C3 has leveraged funds under the Local Government Excellence Fund in several ways: Co-financing from beneficiaries and partners, participation of communities from identification of investments from the LGEF, provision of land for investments, and in contracting, monitoring, and supervising the on-going investments through management and user committees.

Figure 2: LGEF contributions (UGX)



This reduced costs as (i) co-funding drastically reduced project costs, i.e., land contribution was 11% and other partners contribution 19% of the total cost of LGEF projects, and (ii) the participation of communities in identifying, monitoring and supervising projects. For the Kuru Market in Yumbe district, for example, the anomalies in the height of the

stalls were quickly identified and adjusted.

The *land governance and facilitation of registration of certificate of customary ownership (output 7)* started in 2020 after the re-structuring and downscaling from FAO to MoLHUD. So far, the processes to mobilize and register communities, to map their parcels and designs for construction into the land registry are ongoing and promising. Once completed it will greatly help community member to regularize and obtain ownership of the land at highly subsidized rates (UGX 10,000) and reduce land conflicts in the area.

Monitoring of UNCDF DINU

The **M&E system for DINU UNCDF is well established with a clear description of indicators and targets relating to all outputs.** It is providing valuable information on programme progress. Status of indicators are provided by annual progress reports. The LG PA is providing several indicators for C3, while indicators for C1 and C2 are provided from the PIU, UDBL, PSFU, Kom Consult and contractors. It is valuable that information on increases in employment (including gender) and income are gathered directly through interviews with SMEs, contractors, and others, although this information is likely on the high side.

DINU UNCDF is a part of the overall DINU's complex M&E system, where 16 programmes/projects (See Annex 6, Table 2) are integrated into a global result framework, and each one of these interventions is supposed to deliver yearly status updates on their respective indicators (16 result frameworks). The DINU UNCDF PIU is providing indicators at output level as part of its yearly progress reports and the progress reports are available at www.OPM.go.ug. This is however the only information available under DINU as information about the other 15 projects' implementation or current status of the indicators in the DINU result framework is not available. In the PD, some gender equality indicators are provided in the log-frame for C1 and C3, but not for all outputs under C3. For C2 only specific gender statistic are provided for training activities.

For Component 1 (SME Finance) the START Facility did not establish specific targets or indicators to track progress in terms of human rights (HR) and gender equality (GE), but the programme is collecting gender disaggregated data, which gives an opportunity to track distribution by gender: SME ownership, employment (direct and indirect), impact on the wider community (how many women and youth are linked to the SMEs).

In terms of the portfolio quality, the non-performing loan (NPL) ratio stood obviously at 0% as of December 2021 indicating a positive signal on the quality of the loans, but real information is only meaningful over the medium to long term. The first loan was only disbursed in 2019 with a 12-month grace period, so the performance to date cannot be fully assessed yet.

The monitoring and reporting system for the road upgrading (including detailed progress reports) of contract implementation progress (physical and financial) is conventional for such road rehabilitation works and is considered appropriate in terms of concept, coverage, and timeliness of reporting.

It was a challenge for the Evaluation to obtain information for 2021. As it transpired, **the OPM, which is responsible for providing the status of the overall indicators for DINU's three objectives, could only provide baseline and target data, or the status for previous years.** The lack of this information complicates the PIU's, the Board's (as well as the present Evaluation's) ability to understand the progress of DINU UNCDF, and its contribution to the overall DINU.

At the PIU level, it also seems like the information for M&E could be better organized as it took some time for the PIU to deliver some specific information to the Evaluation:

- For the START Facility, several excel sheets exist with information on the various activities such as CfPs, START concessional loans, SBRF reimbursable grants, etc.,
- The information on the allocation of the LGEF could only be provided in two separate spreadsheets - one with the original and a second with the additional beneficiary districts,
- a spreadsheet with M&E could not be provided to the Evaluation rather it was provided in the yearly progress reports, and

- a general spreadsheet on gender and youth indicators could not be provided, rather the gender statistic had to be gathered from various sources and documents.

Therefore, increased efficiency may have been achieved with a single file system, where all the information is gathered allowing easy tracking of indicators to monitor results.

In terms of SDG monitoring, according to the PD, the Programme aims to: SDG 1 "End poverty" and SDG 2 "End hunger", (directly linked to the DINU objective "To consolidate stability in Northern Uganda, eradicate poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development"). There is however no monitoring of these or any other relevant SDGs and SDG indicators in the progress reports. As stated above the OPM is not providing any updates of the overall DINU indicator including those related to SDG1 and SDG2.

EQ3.3

How well is the programme being governed, through the involvement and contributions of key partners such as the EU and the Government counterpart?

The DINU UNCDF Boards meets annually (latest 2 March 2021) to discuss the overall progress and coordination. It is mostly playing an operational role as the meetings' items are mostly Q&A on the progress reports, and discussions on operational issues. As far as the Evaluation could establish, more strategic issues are not discussed such as synergies, general progress of the overall DINU programme, and its alignment with other GoU initiatives. The Evaluation's interaction with partners, the OPM and the DINU Board - in a lively debriefing session - demonstrated a high degree of involvement and knowledge from all the implementing partners on the DINU UNCDF operations. Also, the EU Delegation managed several critical details on the road upgrading and other issues mentioned in the present report.

Overall management by the OPM is affected by the complexity of working with 16 implementers and three implementation modalities (delegated agreements, in direct management and nine grantees), and the multiplicity of results frameworks. Subsequently the OPM has not enough time to follow up on specific aspects in each operation and support facilitation of synergies and cooperation between components and other development initiatives. Considering the importance of DINU, the OPM homepage (<https://opm.go.ug>) has very limited information on the DINU programme – it only contains the latest progress reports from UNCDF DINU, and a brief document presenting the other programmes under DINU.

One of the critical functions of the OPM should be **to follow, monitor and oversee the overall DINU progress, which would include yearly progress updates of the overall indicators for the DINU.** These indicators are however not available – only the baseline and the targets indicators are provided. The DINU UNCDF and the other implementers are required to provide updated indicators yearly, which is a complicated and time-consuming exercise.

For Component 1, in terms of governance, the START Facility Management Board is the body that oversees the implementation of the programme and is responsible for project approval for submission to UDBL. The Board includes members from the EU, UNCDF, PSFU and UDBL as well as two independent members selected for a two-year mandate based on their competencies related to SME finance. According to the Board Minutes almost all discussions are dealing with operational issues - an exception is a discussion on the future development of the START Facility.

The Board meets on a quarterly basis²², which is adequate for general oversight though may lead to inefficiency for project approval. In general, depending on the flow of requests, the committee in charge of approval (usually a credit committee) should meet with the frequency required to ensure that transactions proposed by the investment team are processed at a most efficient pace.

Q3.4

How well are resources (financial, time, people) allocated to integrate Human Rights (HR) & Gender Equality (GE) in the implementation of UNCDF component, and to what extent are HR & GE a priority in the overall intervention budget? To what extent are such resources being used efficiently?

Gender and youth are mainstreamed in the programme as cross-cutting issues. No specific budget lines are provided to gender equity or youth, rather all this is mainstreamed into specific activities during the programme implementation.

A specific activity within gender equality under C3, is the programme partnership **with the Equal Opportunity Commission (EOC) for financial and human resource support to integrate gender and equity in the annual budget framework papers.**

Budget resources are in general allocated for women and youth but only indirectly, as they benefit and are included in the programme activities as regular staff in the DLGs or for construction work. For example, under C2 about 14% of all the contractors' labour force are women, and 31% (four women out of 14 workers) of the supervision positions are occupied by women. Out of the eight SMEs financed as of December 2022, one is owned by a woman (12%).

The Evaluation notes that in terms of budgeting for gender equity, the programme did not draw lessons from the support instruments applied at the district level on gender and budgeting under C3. This could potentially have ensured that a proper analysis was carried out to inform budgeting and that funds are actually released and traceable to gender equity interventions. Currently, it is not possible to provide a gender-oriented budgetary analysis of the entire project.

EQ3.5

To what extent has the COVID-19 influenced the resources and activities of the UNCDF component

The programme implementation has been highly affected by the COVID-19 pandemic with various lockdowns for several months from March 2020 to November 2021, although with intermittent relaxations of restrictions. The lockdowns impeded movement of all the stakeholders and transportation of goods were restricted and government offices were closed, so activities could not be implemented by the programme partners as anticipated. According to the UNCDF PIU, it caused a delay of 6 months for the programme implementation. In the Evaluation's view the effect was likely more severe as many preliminary results are lost, because follow up activities, which built on the first results, were cancelled during the pandemic such as study visits,

²²With a provision to organize ad-hoc meetings when required.

on the job training at construction sites, or peer 2 peer training at district offices in revenue management.

COVID-19 restrictions and imposed lockdowns effectively impeded the provision of training activities, TA and advisory services from all the implementing partners (UNCDF, PSFU, UDBL, MELTEC, MoLG, LGFC, EOC, OPM etc). These restrictions were progressively lifted until totally eliminated by the end of 2021.

For instance, technical support to the LGs for the mock assessment and the PIPs (Performance Improvement Plans) were not provided, which, according to interviewed sources, led to poor performance of the DLGs in the following LG PA; and local revenue collection efforts in the DLGs were affected by the general economic setback, and the inability of the parish chiefs to move around and collect revenues.

For C1 (SME finance) the launch of Cfp3 was delayed and Cfp4 cancelled, and the appraisal of shortlisted SMEs was postponed as the START team was unable to travel to Northern Uganda and conduct due diligences.

For C2 (Road Upgrading) the road upgrading contracts were signed, so the work started. However, the performance of contractors was affected by restrictions on movement, which hampered access and delivery of materials, supplies and spare parts and personnel to repair and operate equipment and plant. Likewise, the restrictions restricted the movement of the supervision consultant Kom Consult, district engineers and MoWT, which affected the quality of the work.

To address the above challenges, the programme took some actions.

1) It resorted to online delivery of some of the activities, for example the PEFA preparatory training, training on assets management and training on road maintenance. The online interaction platforms did however not work efficiently, which was revealed during interviews with stakeholders such as the MoLG, LGFC, OIPM and officials from Amudat, Moyo and Omoro, due to bad connections and lack of equipment.

"Ahh, we did something on Zoom." a district officer said after several minutes

2) The programme reallocating resources from the micro grants to SMEs **to create the Small Business Recovery Fund, SBRF to support SMEs affected by the pandemic. The facility supports SMEs in distress through reimbursable grants**, i.e., liquidity bridge loans at 0% interest rate. The funds are disbursed and monitored directly by UNCDF and when repaid returned to the micro grants to SMEs in form of Technical Assistance envelope. The SMEs that received the bridge financing were selected based on the probability that they would be approved for a loan from UDBL.

"We responded to the Cfp advertised in the newspaper in 2019, went through the entire process and our proposal has been approved by UDBL and awaiting disbursement. We have not yet received the loan but START provided us with the liquidity facility which helped us to complete the construction of our storage. We have started paying back, as business is gradually picking up." SME

The SBRF disbursed a total of EUR 100,000 to 10 SMEs throughout 2020 with a repayment rate of 46% as of December 2021. The initiative was highly relevant with the following learnings and recommendations:

- Reimbursable grants have a 12-month maturity which may be too short for a business to recover and generate sufficient cash flow to meet repayment schedules. In optimal circumstances, a facility should take into account that a crisis may have long term effects which could take over 12 months to recover thereby requiring a longer maturity, and
- As a liquidity facility, the purpose of the loan should be clearly stated and explained to SMEs so that funds would be used to meet short term liquidity gaps rather than long term capital expenditure, i.e., equipment, etc.

4.4 EFFECTIVENESS

SUMMARY OF FINDINGS ON EFFECTIVENESS

Outputs for Components 1 (SME Finance) and 3 (District PFM, governance etc.) are emerging or re-emerging after the COVID-19 lockdowns in 2020 and 2021, so it is early to assess if the outputs have led to the expected outcomes in the result chain of the Programme. In general, capacities are higher in the district administrations and SMEs, and this is reflected in the achievement of results. For Component 2 (Road Upgrading) the roads are almost completed, so the stock of quality roads is increasing in the 5 districts, with a solid contribution from the programme. The upgraded roads cover 14% of the estimated total district and community access road network in the 5 districts. With 13 SMEs financed and 14 almost approved for finance, leveraged funds and a well-functioning START Facility, it can also be expected that C1 will contribute to increased access to finance for SMEs. For C3, the potential exists for the creation of increased local fiscal space, and the LGEF is indeed contributing to some improved local service delivery and Local Economic Development. Some capacity for gender equality and inclusiveness has been created in the Programme and women amount to about 40 % of beneficiaries. It has, however, been difficult to support women specifically among the SMEs, as only a few women-owned SMEs are included. Likewise, people who cannot use English do not have full access to the Start Facility.

EQ4.1

To what extent are UNCDF activities contributing to the achievement of expected Outcome 1 - the improved capacity and access to finance for SMEs engaged in agricultural value addition?

The START Facility has a clear role in the improvement of access to finance for SMEs and contribution to reinforcing SMEs' capacity.

According to a study conducted by the International Finance Corporation (IFC)²³ and published in November 2021, which is based on a survey across sectors (not limited to agriculture), “*the estimated demand for credit by MSMEs in Uganda is approximately UGX31.4 trillion (USD 8.8 billion).*”

Considering the figures presented in the study, which show a clear and large unmet demand for credit by SMEs the START Facility has the potential to contribute to improved capacity and increased access to finance for SMEs in the agriculture value addition sector.

While the START Facility has yet not achieved expected results in terms of **number of SMEs financed**²⁴, the blended structure has the potential to induce additional private sector investments for SMEs in the agriculture sector as well as improved the capacity of entrepreneurs to manage viable businesses which should contribute to improving financial inclusion and ultimately to enhancing local economic development.

Based on the meetings by the Evaluation, all SMEs expressed appreciation towards the support provided by the programme to develop bankable project proposals and to build capacity to understand and improve their business.

“We received a lot of support with projections to clearly identify expenditures, expected revenues and to understand whether the project made economic sense. We received help to understand our business model, where we needed resources, how the farm would benefit the community through improving the quality of our stock and marketing our bulls.” Lakwat Ranchers

The process from the moment of **application submission to disbursement has however been lengthy**: the process, including disbursement, has taken thus far over a year for most SMEs. The SMEs met by the Evaluation (see Annex 7) expressed concerns about this and especially at UDBL level.

*“The feedback we have from stakeholders is that the path from CfP to disbursement is a long and tedious process, an inefficient business process. With a delay of one year or more to access a loan from UDBL when all requirements have been fulfilled, SMEs may lose interest, or their need of funds may change.”*OPM official

The long process has probably affected the disbursement process as some SMEs withdraw before the process was completed, as has been the case for two applicants, which had passed all steps in the application process. Secondly, during the-time lag between the assessment of an SME and disbursement, business opportunities may have passed by the SME, so the proposal is less relevant.

The set-up of the START Facility took time and, the START Management Unit was not yet staffed and internal processes and procedures not yet fully in place, when the first CfP was launched in May 2018. The START Facility Manager only joined in October 2018, so the first CfP was managed by a Senior Investment Officer from UNCDF’s Local Finance Initiative. In the process of setting up the Facility, UNCDF worked closely with the implementing partners to improve the quality of services provided and to speed up the process as detailed in the following:

²³ IFC (2021). Market Bite Uganda. Challenges and Opportunities for MSME finance in the time of COVID-19.

²⁴ Please refer to Annex 7 with more information in component 1

The first Call for Proposals (CfP1) resulted in a low proportion of longlisted applications mainly due to poor understanding of the START Facility criteria and requirements, lack of registration documents, weak financial planning, and limited commercial viability. In addition, the misconception that the Facility would be providing grants rather than concessional loans, also led a high number of ineligible SMEs to submit applications

UNCDF and PSFU responded by introducing a series of changes which significantly improved the quality of subsequent calls as well as of resulting projects, including: i) Improved information through smaller meetings at district level with few participants, ii) Expanding the criteria of the core value chains to all value chains, while continuing to give priority to the 10 established in the project design; and iii) Softer criteria on commercial viability and financial planning and iv) provision of support during the due diligence and project proposal preparation process reliable financial model.

Thereafter, **the quality of proposals under CfP2 and CfP3 showed a clear improvement.**

In addition, PSFU provided feedback to all rejected SMEs to explain the reasons for the rejection and to provide capacity building for readiness to submit a better application later.

“We heard about START through the newspaper, we thought we met the requirements. The first time we submitted our application late and waited a year for the next CfP. PSFU kept in touch with us all along to provide information and training on how to prepare for the CfP. In CfP2, We were accepted for full proposal preparation.” Lakwat Ranchers

At UNCDF: The background work carried out by UNCDF to develop and prepare project proposals removed many of the challenges of assessing SMEs, which may otherwise be rejected by UDBL. The approach through the START Facility allows an increased number of SMEs to access sources of finance from the formal financial sector. Thanks to the due diligence work and investment proposal preparation by UNCDF Investment Officers, UDBL receives complete and detailed investment memoranda that, though further assessed by the bank, allow to increase the number of bankable²⁵ projects.

In addition, **the START Management Unit has played an important role working in close collaboration with UDBL** and following up with SMEs to ensure that they fulfil the requirements from the UDBL. As part of the effort, the repayment culture has been supported by ensuring that UDBL is directly involved with the SMEs, **which now take the UDBL and their repayment of loans more seriously.**

“START is different as it offers a blended solution with technical support to SMEs. It is a holistic approach that allows UDBL to serve clients that we would otherwise not be able to reach. The quality of applications sent by UNCDF is high and, thanks to the work that has been dedicated to prepare them, the bank is able to work with SMEs which would otherwise not qualify.” UDBL

UNCDF also worked with UDBL to relax some of their requirements²⁶ to ensure that an increased number of SMEs, green or brownfield, have access to loans to finance their business. In particular:

²⁵ A project is considered bankable if financial institutions are willing to finance it.

²⁶ As UDBL is a state-owned bank and does not have profit and financial returns as primary objectives, they have accepted to include these exceptions.

- *Collateral value:* As per standard UDBL procedure, the market value of assets used to secure a loan should be 120% of the transaction. For START projects, the requirement was reduced to 50%. In addition, the 25% contribution from the promoter can be represented by the value of these assets which are used as collateral.
- *Flexibility on type of collateral:* In consideration of the fact that only 10% of the land is titled in Uganda, UDBL agreed to accept land purchase agreements without land title and Certification of Customary Ownership issued at district level.

Overall, the investment proposals submitted by UNCDF are thorough and complete and include well-structured financial models. They also consider key risks and include some stress testing both of which could be enhanced and expanded in a more conservative approach that would ultimately contribute to improve portfolio quality and reduce the risk of default.

Meetings during the Evaluation showed that the **DLGs could play a stronger supporting role to speed up the implementation of the Start Facility. The District Commercial Officers could have a role as the entry point into the DLG for the identification of eligible SMEs**, the dissemination of information and the support in the organization of meetings, handing out of material, etc. According to PSFU, the collaboration with District Commercial Officers have contributed actively to support their activities:

Nevertheless, the District Commercial Officers in Omoro and Amudat districts and Gulu City did not mention any direct collaboration with PSFU or the START Facility. They demonstrated a solid knowledge of the agriculture sector, farmers' groups and cooperatives, and SMEs and they could be an active support through an enhanced collaboration with the START Facility.

It should be noted that the SMEs met during the Evaluation are inherently medium to high risk enterprises due to the macroeconomic context, local instability and uncertainty, sector (agriculture and Agri-processing) and stage of development (start up and early stage)²⁷. Nevertheless, the selection process and assessment conducted by the implementing partners ensures that the SMEs that ultimately go through to financing should receive capacity building support and follow-up that will reduce risk.

The average SME mortality rate during the first 5 years of operations in Uganda is approx. 70-75% (National Small Business Survey of Uganda, 2015) so the attention should be on the quality of the process which ultimately should be viewed as a long-term contribution to improved SME access to finance and enhanced capacity to develop and manage value addition projects both of which will have a positive impact on local economic development.

The SMEs Lakwat Ranchers and Kana Grain Millers, which have received financing, expressed their confidence with a positive outlook for their businesses based, among others, on the large unmet demand in the region. The START Facility had helped them to prepare proposals that were acceptable for the UDBL.

²⁷ See Annex for additional details on the individual SME



In terms of portfolio quality, while the non-performing loan (NPL) ratio remains at 0%, two SMEs requested a rescheduling of their loan.

Kana Millers received their loan at the end of 2019 to purchase equipment for their processing plant, including silos for storage. With the COVID-19 pandemic, the company experienced severe delays in receiving and installing the silos thereby affecting their production capacity and their business projections. The company seemed to

have bounced back from these difficulties with most of the equipment now fully installed, though a rescheduling of repayments is in discussion with UDBL to help the business fully recover.

A positive long-term effect that will contribute to improve access to finance is the role that the **facility can play in North Uganda in the transition process from dependence on grants to commercial loans, albeit on concessional terms**. As explained by UDBL, the bank made losses with the first loans they provided to clients in North Uganda before DINU UNCDF, as they were largely accustomed to grants and donations. The process to educate people and to create an adequate repayment culture can only be developed and built through time and the programme helped in making progress in the right direction, but more time is needed. With the effort made to date and the accomplishment in terms of changing mindset and culture, the effect should be visible over the long term, also provided that the facility can continue to operate and provide similar services.

The programme did not consider the opportunity cost of providing a grant to UDBL for the specific case of management of the START Facility, which was designed to partner exclusively with the UDBL. While UDBL has funds to disburse to SMEs, it lacks the capacity to build a pipeline of early-stage SMEs, so support from UNCDF could have brought value addition to the process by focusing on identifying, assessing, and submitting financial and transformative projects to UDBL, or to a pool of Finance Service Providers (FSPs). UNCDF could have opted to allocate the EUR 2 million of the grant towards activities that generate actual added value such as pipeline building and support services to SMEs.

With regards to a potential crowding-in effect²⁸, the facility has to date leveraged a limited amount of funds only from the implementing partner UDBL and from the Local Finance Initiative (LFI). In line with UNCDF Strategic Framework, **the blended finance approach should aim at building a pipeline of bankable projects that could potentially attract funding from other financial institutions**. To date, the START Facility did not show any evidence that other players may be interested in co-investing on the back of the programme experience. The implementation period is, however, still too short to produce a crowding-in effect and it is unknown if other investors could be attracted by the concessional terms. Finally, based on the evidence gathered by the

²⁸ By crowding-in effect is meant an increase in private loans following the blended finance provided by the Programme such as financing of proposals in the pipeline including bankable.

Evaluation, no effort has been dedicated yet to promoting the facility and opening up to other players in the financial sector.

In terms of contribution to Outcome 1 related to local development, based on secondary information provided during the Evaluation and on primary sources during meetings, the programme has thus far the potential to:

- Contribute to increase the capacity of smallholder farmers who have the opportunity to cultivate crops which will be purchased by SMEs,
- Contribute to increase income to an estimated 105,000 farmers thanks to their relationship with SMEs included in the pipeline of investments submitted to UDBL,
- Reduce post-harvest losses by an estimated 5-10%,
- Increase trade in locally produced food improving access to market for SMEs.

EQ4.2

To what extent are DINU (UNCDF component) activities under Outcome 2 contributing to Improved stock and quality of the district road assets?

Road upgrading is providing an important contribution to the quality of the road network in the 5 districts targeted for road upgrading. The 405 km of road network undergoing rehabilitation represents **about 14% of the estimated total district and community access road network** in the 5 districts²⁹. A future contribution to improving of the road network in the other districts can be expected with the integration of road construction and rehabilitation in the DDPs, but this is still at an early stage, as the roads are not yet included in other planning instrument (asset register and RAMPS, Rehabilitation and Maintenance Planning System).

Table 17 Road Network in Districts by Category

District	District Roads (km)	Community Access Roads (km)	Town Council Roads (km)	Total Network Length (km)	Roads under Rehabilitation (Km)	% of total network
Abim	190.8	236.9	33.9	462	93.6	21
Adjumani	494.4	455.0	44.8	994	120	12
Amudat	374.0	235.0	30.0	639	48	7.5
Moyo (including Obongi)	264.0	619.2	34.5	918	143.4	16
TOTAL	1323.2	1546.1	143.2	3012	405	14

It is important to recall that **the roads selected were identified at district levels as top priorities in by the then four districts**, which were confirmed by DLG officials and community members met by the Evaluation in Moyo and Amudat.

Although the DLGs have committed to maintain the rehabilitated roads in good condition, maintenance is a serious issue. Routine maintenance works should commence once the roads are

²⁹ Progress of rehabilitation contracts as of January 2022 is tabulated in 2.4 Current Programme Implementation Status

handed over to the DLGs using resources to be committed by the Uganda Road Fund. These resources are very limited unless the DLGs start generating more revenues for road maintenance.

Capacity has been created for road assets maintenance by the training delivered by the Mount Elgon Labour based Training Centre, but the training suffers from **lack of follow up during 2020 and 2021** and more practical and on the job training, so the capacity is still not adequate, and some positions are vacant in the district administrations. Practical learning by doing is needed and difficult without funding for concrete maintenance projects.

Several rehabilitation interventions and improvements on district, urban and community access roads have been executed, but lack of adequate financing, human resources and institutional set-ups for subsequent maintenance, has led to premature loss of investments. Funds from Uganda Road Fund are expected to remain inadequate in the short to medium term.

“We need to engage DPs for support in road maintenance” (Ministry of Works and Transport)

EQ4.3

To what extent are DINU (UNCDF component) activities under Outcome 3 contributing to increased local fiscal space and improved local service delivery by local governments?

The achievement under C3 District PFM of an improved general capacity at the district level implies a potential contribution to increase the fiscal space and local service delivery, although this has not yet been observed. Component has picked up again in 2021 after COVID 19 lock-downs and some Outputs are starting to (re) emerge in terms of increased capacity at the district level under the seven outputs as presented in the recent 2021 draft progress report and observed by the Evaluation during visits to DLGs.

With higher capacity and better PFM systems, the potential exists for a continuation of reform in the coming years. The beneficiaries met during the Evaluation and those who responded to the Evaluation’s questionnaire (see Annex 14) expressed satisfaction with C3 and its interventions, and therefore a continuation of their involvement and interest can be expected.

“The project has helped us achieve the 5 Rs. i.e. Return, re-integration, rehabilitation, recovery and regeneration. The project has contributed to mindset change from dependence to self-sustenance.”

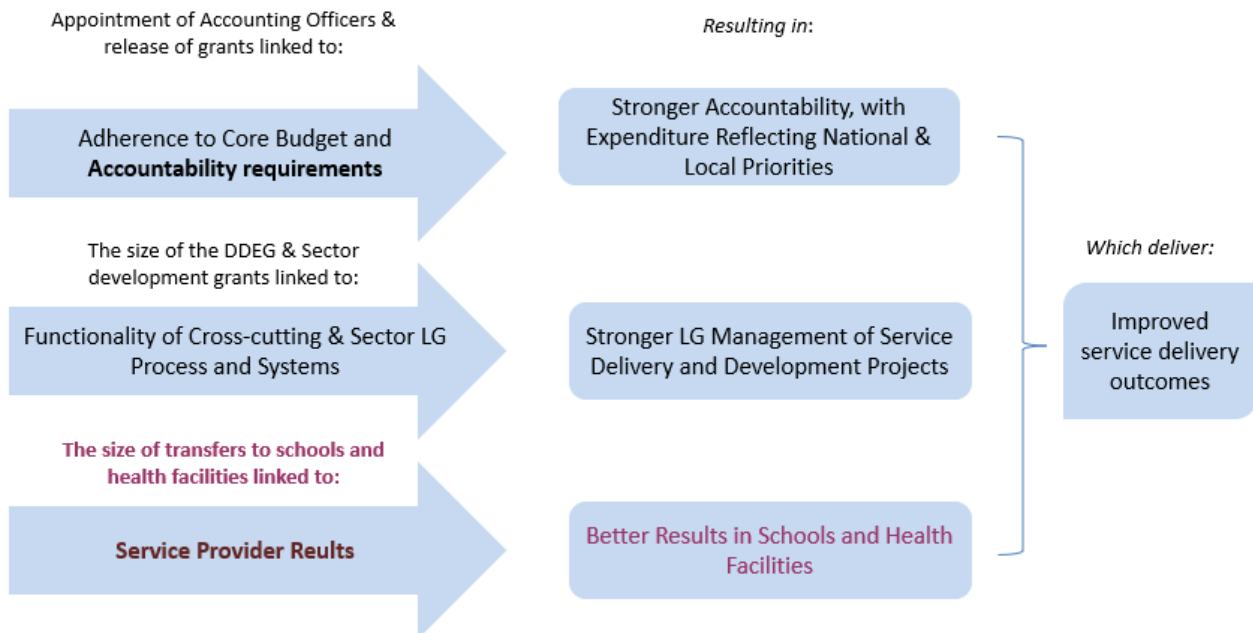
(DLG Chairperson)

The programme’s interventions have contributed to a higher capacity for public financial management with better systems for revenue collection and asset management; general better conditions coursed by advocacy work of the LG Associations; improved, upwards accountability with strengthened Public Accounts Committee; specific improvements following the performance improvement plan (PIP) after the LG PA; and more community involvement and local economic development. Most noticeable and important is a different attitude at the district level.

Meanwhile, the SDG localization was not successful, as the training (mainly delivered to the Parish Development Committees (PDC), was carried out **after the DLGs had prepared the new DDPs. The districts visited did not demonstrate capacity to use the SDG localization tool in the development and monitoring of the Annual Work Plans,** but the localisation can however be

improved at a later stage. The potential contribution from the programme is also coming from the implementation of the Local Government Performance Assessment (LG PA), which has been found to contribute to the improvement in the management of resources for service delivery in the LGs in Uganda. The figure below presents the linkage between LG PA and improved service delivery.

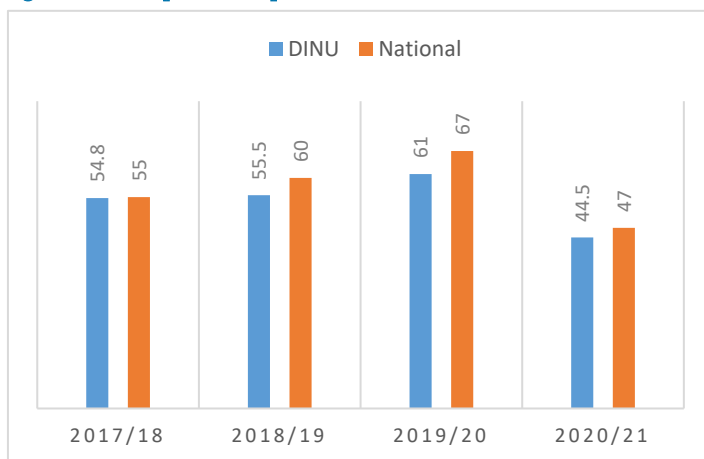
Figure 3: Linkage of LG performance assessment and improved service delivery.



Source: LG PA Training material by OPM.

Overall, some improvements of DINU DLGs performance in the LG PA can be confirmed, as shown in the figure below.

Figure 4: Comparative performance of LGs in the LG Performance assessment.



The implementation of C3 has contributed to the improved performance by the DINU DLGs, as reflected in the improvement from 2018/19 to 2019/2020. This contributed to improving the capacities for the management of resources for service delivery in the beneficiary DLGs³⁰. In 2017/2018 the performance of the DINU-supported DLGs was slightly below the national

average (55%), while the performance gradually increased to 56% in 2018/19 and peaked at 61% in 2019/20³¹.

The local revenue collection has increased by 8%, from UGX 5,6 million³² in FY 2016/17 to UGX 6,1 million collected in 2020/21³³ with a high degree of variation among the districts (see Annex 9 Table 4). This is a very limited increase (2% annually on average) and is best illustrated by the ratio of local revenue contribution to the LG budget, which was only 1.2% of the CG transfers to the DLGs. Only 3 of the DLGs had a contribution of more than 2% as presented in the table below. This performance is significantly below the programme target of the UNCDF DINU of 10% and way below the National target for LG own source revenue as a percentage of the total budget of 11% for rural LGs³⁴.

Table 18 LG own source revenue as a percentage of the CG transfers to the LGs.

Ratio (OSR/Transfer	Number of districts
0-1 %	7
1-2 %	8
2-3 %	2
Above 3 %	1

The Evaluation also notes **that increasing LG OSR has always been a challenge in Uganda and therefore serious (political) support is needed** so funds are not wasted on districts building up sophisticated systems that are not used. Furthermore, the programme provided training to LG staff in tax administration for improved local revenue performance. This included 38 staff from the 18 core DLGs and 124 staff from other LGs and MDLs. 54% of these are now TADAT certified. The revenue collectors and administrators at the collection levels (town, sub-county, parish level) were not trained. These could have been trained by developing other simplified modules from the main TADAT one, suitable for local revenue collectors. The certified TADAT staff could then be supported to train the revenue collectors and administrators using these simplified modules. Finally, the support to the IRAS system in remote areas was not adequate as the system does not work without access to a network, smartphones, and data. In the Lower Local Governments visited some Officers (Parish Chiefs) were gradually returning to a manual system to overcome these systemic challenges³⁵.

The IRAS (Integrated Revenue Administration System) is being used in 14 districts and the revenue data bases in 18 districts. The approach could, however, encompass a better understanding of the local situation. For instance, it would have been better to focus on a strategy that focuses on the high yielding own source revenues (OSRs), such as the property rates, and provides immediate support for coverage of the rates in Omoro.

³¹ The data for the LG PA during DINU implementation has unfortunately some limitations: The performance declined to 44.5% below the National average of 47% in 2020/21, which can be attributed to i) introduction of a new assessment process and indicators, and b) COVID-19 as the DINU supported districts were hit most because of their remote locations and cuts of expected support. Secondly data is not available yet for 2021/2022, so the only period that can be measured with some credibility is 2018/19-2019/20.

³² Refer to LGFC (2018) Mapping and Evaluation of Local Revenue Sources, Management and Administrative systems in DINU pilot districts

³³ Refer to the 2012/21 Annual Budget Performance Reports of the beneficiary districts

³⁴ Refer to the Uganda PFM reform strategy July 2018-June 2023.

The contribution to increased fiscal space can also be realized from other activities such as the higher capacity for assets management in the DLGs, which have a potential to contribute to the overall PFM process in the DLGs. So far, the programme focus has mainly been on improvements in infrastructure assets management practices specifically legalization of the land owned by the DLGs, and introduction of controls in use of vehicles, motorcycles, and ICT. This has helped ensure that there is security of the LGs assets and reduction in fuel wastages.

The investments in LGEF projects have created more capacity in all phases of the project cycle and it may also contribute to increased revenues to the beneficiaries both the direct beneficiaries working in the markets and cooperatives and the secondary beneficiaries, for example, the supplies of products to the market. Most importantly these markets and other investments will contribute to increased local revenues for the DLGs. In Karita Cattle Market (Amudat) for example, qualitative inquiries with the Management Committees of the market revealed that with the construction of the market, the Town Council is able to collect about UGX 600,000 weekly. Furthermore, economic growth in areas surrounding the markets is accelerating and getting more organised with some areas for example Karita being officially gazetted as a Town Council.

It is a major improvement that the selection criteria for the LGEF investments follows mainly LED priorities (with inclusion of women and youth, climate adaptation etc). The UNCDF PIU and MoLG have pushed for this important change. Most community members and LG officials met by the Evaluation were however not aware of this as they all said that the investments had been selected by traditional participatory planning process.

The selection process of LGEF investments has however not facilitated prioritisation of investments in climate change adaptation, while gender and youth have been prioritised. Finally, two (of three) Market Committees met by the Evaluation exhibited inadequate preparation and abilities to run projects in a commercially and sustainable manner once completed. This may be because the standard project proposal format for LGEF has no section on how to run the investments *after its completion* in term of expenditures for its operation, revenue streams and reinvestments in maintenance etc.

“Although the DLGs are primarily responsible for preparing and implementing the LGEF projects, regular backstopping by the MoLG and UNCDF is critical for achieving high-quality outputs. There seem to still be challenges in LGs in designing projects”. (DINU Annual Report, 2020)

The SDG localisation is still work in progress and need to be continued including the support to the Open Data Platform with the Uganda Bureau of Statistics (UBOS).

EQ4.4

To what extent is DINU (UNCDF component) on track towards progress on HR & GE? To what degree are the results achieved equitably distributed among the targeted stakeholder groups?

Based on the available information on the number of beneficiaries and the conducted activities, the result of DINU UNCDF so far **shows roughly that 40% of the beneficiaries are women**. In general, the capacities of the benefitting DLGs on GE and youth have increased with inclusion of approaches to bring women and youth among the beneficiary of activities. An example is the involvement of the EOC to work with the improvement of DDPs and another is the focus on women and youth for the LGEF investments. On the downside is the START Facility and the few SMEs owned by women.

Textbox 5: Some Gender Statistics from the Programme

<ul style="list-style-type: none">• Under C1 work has been created for farmer groups with a high proportion of women (105,000 farmers, 42% women.), while only a few female owned SMEs are in the pipeline.
<ul style="list-style-type: none">• Under C2, women have had an increased but still limited participation during implementation of the rehabilitation of roads as contractors have employed women in execution of the (traditionally heavily male-dominated) rehabilitation works. By November 2021, the number of women employed was 31 out of 217 workers – one female to six males, while the national target is 1/3 (procurement regulations).
<ul style="list-style-type: none">• Women have participated more substantially in the supervision of road rehabilitation works (31%).
<ul style="list-style-type: none">• 51% of the 931 jobs created for market vendors at the LGEF investments are women.

It should however be noted that the number of women beneficiaries is a result linked to the existing structure of the population and labour force rather than the intended outcome based on a progressive programme design. An exception is the activity with EOC, where at least 17 of the DLGs were guided on how to integrate gender and equity into their planning with a general improvement in performance over the years. According to EOC districts BFPs for the FY2021/2022, has on average grown from 42.5 % in 2019/20, to 58.1 % in 2020/21 and the 64.5 % in 2021/22, while the average score for 17 DINU districts in 2021/22 was 61.9 %. The DINU target was 70 %.

Also, the LGEF investments selected and implemented tend to favour women entrepreneurs: **79% are markets and the others were cooperatives with a high proportion of women entrepreneurs** for example soya bean and groundnut shellers. As presented in the text box, these kinds of investments have a high importance for women and youth.

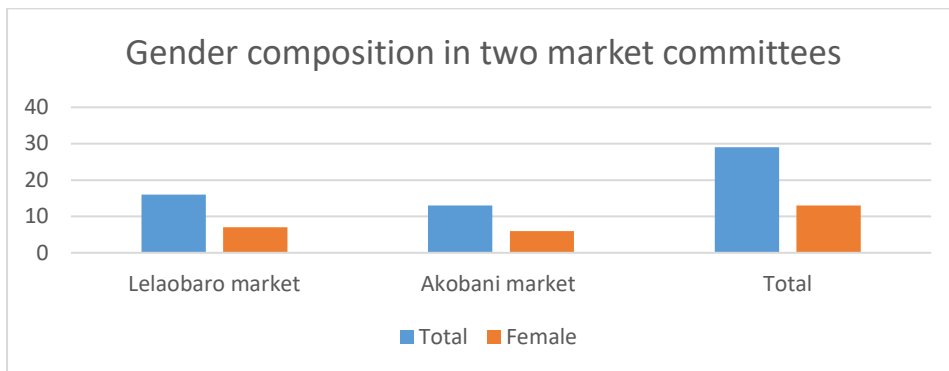
Textbox 6: Uganda National Household Survey Findings on entrepreneurship in Uganda

<ul style="list-style-type: none">• Overall, female constitute 54% of the HH enterprise operators, the percentage increases to 62% in rural areas• The youth (18-30 years) constitute 32% of the ownership of HH enterprises• The main enterprise engaged in by the female household members is trade (51.3%) and 46.7% of the youth engage in trade• There are more female with enterprises in market stalls (16.2%) compared to male (7.1%), similarly 12.5% of youth enterprises are found in market stalls

Source: Uganda NHS Year 2019/2020

The market management committees visited by the Evaluation had a high proportion of female representatives: as observed below in the table:

Figure 5: Gender composition in two market committees



It should however be noted that **more participation of women is not by default an empowerment**. The increase in income of female farmers under CI is for instance not likely to be conducive to enhanced women economic empowerment, taking into consideration that women often bear a double burden of work resulting from responsibilities linked to household tasks in addition to their work in the field.



Childcare facility at Karita Cattle Market

A double burden of work might also be the case for vendors in the market, such as women with small children, which is mitigated by the programme design³⁶. The markets financed by the LGEF in Amudat, Omoro, Moyo and Yumbe all have or plan an infrastructure provision for women and child friendly services. The Karita market for example had a children play centre, similarly the markets in Okubani and the cattle market Lelaobaro had a women breast-feeding area and children playground in the design.

In terms of human rights, the outreach of the START Facility has not been uniform throughout all 40 districts. Particularly, **Karamoja has remained (almost) excluded from the Facility with only one SME approved for the Facility in 2021**. By design, the START Facility provides little access for people who cannot prepare solid proposals in English, an issue that particularly affects the Karamoja region as also mentioned by DLG officials met by the Evaluation. Based on the information obtained during the Evaluation, PSFU covered all districts equally in terms of information dissemination though the number of proposals that made it through to the shortlist is disproportionately low in Karamoja. The reasons for the exclusion are also linked to the fact that districts in North Uganda are not equally developed.

“It is not encouraging that UNCDF has not taken direct action to work in these districts (Acholi and Karamoja) to actively promote investment in SMEs and support their development.”OPM

³⁶ In Amudat the women met did not fully agree on the need for the extra facilities for women.

4.5 LIKELY IMPACT

SUMMARY OF FINDINGS FOR LIKELY IMPACT

As stated under EQ4 and EQ3, it is still early to judge the likelihood of a broader level impact of the UNCDF DINU component as the targeted organisations (DLGs, SMEs etc) have not yet begun fully operating with their new capacities (with the exception of upgraded road under Component 2). It seems, however, that the potential exists for that, with the emerging results under the DINU UNCDF outcomes likely contributing to the three overall objectives under DINU.

Under objective 1 the pipeline of SMEs created for financing from UDBL has the potential to improve the economic fabric and increase, in particular, *food security*, if more financial institutions are willing to provide SME financing for the pipeline; the START Facility continues and the upgraded roads are maintained in good shape for transportation.

For Objective 2 because of the upgrading of roads, and also the establishment of some markets under C3 (such as the cattle market in Karita), *some trade is starting to emerge*, including with neighbour countries.

For Objective 3, the support provided to increase participation, better accountability, service delivery and better governance under Component 3 may provide a contribution to *gender-responsive good governance, rule of law and empowered communities to participate in improved local service delivery*, but it depends highly on appropriate follow up activities to the expected seven outputs under C3.

The mainstreaming approach to gender equality and non-discrimination is not sufficiently ambitious in terms of addressing changes in attitude to GE and HR. This is, in particular, an issue for the limited participation of women-owned SMEs, and the exclusion of SMEs owned by non-English speaking people.

EQ5.1

As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 1 likely to contribute to increased food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.

Based on the interviews conducted in North Uganda with SMEs and District Commercial Officers, the Evaluation can safely infer that the **START Facility is likely to make a contribution to Objective 1 of the DINU: To increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.**

The statement is based on the assumption that the number of SMEs approved and disbursed continues to increase as per the pipeline provided to UDBL and finance will be provided before

closure as well as on the potential long-term crowding-in effect that will induce other players in the financial sectors to finance and/or co-finance SMEs.

Accurate data and figures are not currently available to assess Objective 1³⁷ in terms of increased food security, improved maternal and child nutrition, and enhanced household incomes but based on the meetings with stakeholders and on observation during the Evaluation, it is apparent that the economic fabric in North Uganda remains weak. Therefore, an initiative that promotes SMEs in agriculture value addition, specifically storage and processing, establishes backward linkages with smallholder farmers and forward linkages to the market is likely to contribute to the development of a local economy and strengthen the economic fabric

Stakeholders and DLG officials interviewed during the Evaluation expressed the pressing need to improve primary production which suffers from multiple weaknesses that hinder the development of the agriculture sector. Farmers lack training in adequate and sustainable agricultural practices; inputs, such as high yield seeds, and equipment, such as tractors; as well as infrastructure, i.e. drying and storage facilities near the fields. An important challenge for the START Facility is to ensure close collaboration with other interventions that address primary production as the SMEs targeted are intimately linked to smallholder farmers whom they need for their own development.

Finally, while no evidence is available that other players in the financial sector have shown changes in behaviour in relation to the programme, the facility has a clear potential to create a business case with a second phase adjusted as suggested in the recommendation section and following the guidance provided in UNCDF Strategic Framework.

It is worth noticing that a better link between Component 1 (SME Finance) and Component 3 (District PFM and Service Delivery) Governance could improve the likelihood of *improved food production and commercial agriculture* as well as *service delivery* (see EQ 5.3). This concerns two aspects: i) knowledge exchange from the START Facility on business development for the commercial development of the LGEF investments under C3 and ii) better promotion of the START Facility by the District Commercial Officers. A transfer of experiences from the business approaches under the START Facility to the investment under the LGEF could have improved the quality of the investments in terms of developing commercial aspects of several markets and their ability to generate revenue for the DLGs. This is not to say that the START Facility should provide services to the LGEF investments, but rather that the development of LGEF proposals could have been improved to include how to operate the investments commercially.

EQ5.2

As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 2 likely to contribute to increased trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport and logistic infrastructures.

³⁷ As mentioned earlier the OPM is not monitoring the objectives of the overall DINU and the three objectives, so a national survey is not in the pipeline.

Improved rural roads, even before completion of the road rehabilitation, **have already been reported to have impacted positively on trade, movement of goods and produce and transport** services from the beneficiaries.

“The roads have greatly improved access to services like water sources, farm produce, markets and other social services like schools and health centres” (Sub-County Chairperson)

The numbers of commercial vehicles and heavy goods trucks are reported to have increased on these roads by the stakeholders although no road usage data is available, and no such road usage data has been reported which quantifies increased movement. However, current usage is evident during the Evaluation’s visits to the upgraded roads and this impression is supported in communications with communities who point out vehicles transporting inputs and produce to and from farms along the roads and increased numbers of *boda boda* (motorcycle taxis) especially on some roads leading to neighbouring countries (Kenya and South Sudan). All in all, there are indications of facilitation of regional trade. It was also noted that the access to administrative centres (district Headquarters and Sub-County Headquarters) has improved due to better roads as expressed by people met during the mid-term evaluation. In Karamoja (Abim and Amudat), roads have further improved the security situation and the improved roads will likely make a major contribution towards market development and enhancing peace and security in the region.

EQ5.3

As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 3 on track to contributing to strengthened capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of LG authorities and empower communities to participate in improved local service delivery.

Although **with varying results, the programme has contributed to improved accountability and local service delivery as demonstrated by the improvements** in the score for the LG performance assessment exercises. Furthermore, beneficiary district annual work plans and budgets are more responsive to gender issues and more aligned to the national development framework that is expressed in the National Development Plans.

There has been increases in local revenue realization in the LGs in absolute terms, which has increased the local fiscal space and improved local service delivery. However, the contribution of these local revenue sources to the LG budget has declined, which affects the autonomy and discretion of LG in local service delivery as there is more dependence on Central Government grants that are earmarked³⁸.

Structured partnerships with associations of LG authorities have improved, LGs have been supported to advocate for better service delivery legislations, though changes in the legal and

³⁸ Three types of constitutionally Inter-governmental fiscal transfers exist; i) The unconditional grant, which is mostly used to finance LG staff salaries, ii) the conditional grants - mostly for funding activities directed by the Central Government through the sector ministries and iii) the equalisation grant

policy framework have not been realized but significant groundwork has been undertaken through the policy and advocacy papers presented.

Upward accountability has improved, which reduces wastages and ensures that there is value for money in the investments as shown by the better functioning of the LG Account Committees. Likewise, the annual budget performance has improved as demonstrated by the LG PA although improvements happened before the COVID-19 disruptions. Thus, the contribution to the DINU UNCDF outcome has not been realized. On the other hand, the introduction and implementation of LGEF has yielded multiple benefits; enhanced community participation, contributed to the improvements in the LG PFM process and will contribute to the increased LG revenue that ultimately leads to improved local service delivery.

Improvements in land governance through registration of certificate of customary ownership of land facilities are expected to contribute to reductions in land related conflicts, as well as facilitate improved production leading to increased incomes for households and the LGs through the taxes and other fees that would normally be collected in a context of increased economic activity.

Improved road infrastructure definitely facilitates easier access to the markets for both products and inputs leading to improved economic activities that contribute to increased incomes of the community members, thus ultimately contributing to the increased LG financial resources obtained through the increased local revenue base.

EQ5.4

To what extent are DINU (UNCDF component) results likely to change attitudes and behaviours towards Human Rights & Gender Equality on various stakeholder groups, and to reduce the underlying causes of inequality and discrimination?

DINU UNCDF is on a limited scale contributing to the general change in the attitude and behaviours to Human Rights (HR) and Gender Equality (GE), but **it is unlikely that DINU UNCDF can significantly contribute to reducing the main factors that cause inequality and discrimination in its targeted areas of intervention.**

DINU UNCDF is only a relatively small actor in Uganda, and its approach is in general to mainstream GE and HR into its activities. As presented above the approach is working well in C3 and it is estimated that 40 % of the beneficiaries are women. Progressive approaches to gender equality are however limited as also seen in the manner in which the START Facility tackled the issue of women-owned SMEs and women economic empowerment, without addressing deeper issues, such as building an enabling environment in terms of both legal and social norms (see Textbox 4 in EQ1.3).

In the START Facility approach, the lack of participation of women in SMEs either as owners or in leadership roles is considered a structural issue, that is, it is taken as a given **that women are much less likely to start or own a business and, ultimately, the number of women-owned SMEs is limited.** On the other hand, the number of women farmers as beneficiaries is used as an indicator but with limited consideration on whether additional work in the field simply adds to the burden of household tasks (double burden) or actually contributes to women economic empowerment and a reduction of inequality and discrimination.

This observation should not be taken as a criticism to the overall approach of the START Facility, rather a recognition that the facility was not able to address the underlying issues that lead to the limited participation of women in the economy, while at the same time carrying out the other activities. Similarly, as part of the requirement for an application, it is also taken as given that a quality application in English can be provided, although some support is provided to improve the quality if the application in English.

The benefits of **road infrastructure for women (or, more exactly, people in roles traditionally played by women) are many**. Among others, reducing travel distances to markets, water sources and wood lots, and easing access to other essential services such as health centres and schools. These were important benefits, but not planned for and included in the design document, and they affected the already established average participation rate of women. A more ambitious design could have possibly reached more women and vulnerable populations, particularly youth.

Interventions under C3 are the most comprehensive of the project's interventions on gender and human rights. The project has supported local governments to comply with the gender and equity requirements of the PFM Act. Questions of attribution however arise, since all local governments are by law expected to fulfil this requirement. This notwithstanding, the existence of clear guidelines and measurable indicators both in the GoU guidelines and in DINU's log frame made success in this area easier to trace. Lessons could be taken in how this C3 was designed and implemented to inform future effective inclusion of gender and marginalised groups.

EQ5.5

Are the trends so far towards the achievement of SDG1 and SDG2 and what is the likelihood or the perspectives of UNDCF component contributing to this progress?

As presented under EQs 4 and 5, there is some indication that DINU UNCDF may contribute to SDG 1 and SDG 2, which are the overall SDGs towards which the programme's interventions are directed. The reason for this is that it seems at this stage like the DINU UNCDF is indeed contributing to the overall three objectives of DINU and thereby also SDG 1 and SDG 2. It is however too early to come up with a clear assessment before more specific figures are available for the status of the overall indicators for DINU and as presented above this has not been monitored continuously by the OPM, so only a baseline and targets are available. Furthermore, the availability of up-to-date data is however also limited on the SDG achievements globally³⁹.

The two relevant indicators for SDG 1 and SDG 2 are target 1.1 and target 2.2, which resemble the two overall indicators for the DINU:

Target 1.1) for SDG 1 "End poverty" *"by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day"*. Indicator 1 for the DINU objective: "% reduction in poverty rates in targeted regions". Some overall data exists as the proportion of population living below the national poverty line in Uganda was 21.4 % in 2016 and 20.3 in 2020 % (UBOS), so at national level it is improving. It seems however also like the situation has been worsening because of COVID-19:

³⁹ See e.g. [Monitoring and Progress - United Nations Sustainable Development](#)

Table 19: Proportion of poor persons before and during COVID-19 by residence

Location	Urban	Rural
Overall	11.7	23.4
Before COVID-19	11.2	20.6
During COVID-19	11.9	26.9

Source. Uganda Bureau Of Statistics, 2021

The target 2.2. for SDG 2 “Zero Hunger” is: “By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons”. Indicator 2 for the DINU objective “% change in the prevalence of stunting amongst children under five years of age or change in the number of children under five years of age affected by stunting”

No data is available for SDG 2.

4.6 SUSTAINABILITY OF PROGRAMME RESULTS

SUMMARY OF FINDING ON SUSTAINABILITY

DINU UNCDF has in-built sustainability within the programme, via its support provided to national partners, who are implementing the programme’s activities as a part of their mandates and normal roles. Their mandated activities will continue without DINU UNCDF, although likely at a lower intensity, as grants from the programme will cease to arrive. PSFU and UDBL are also well established and will likely continue their work, although funding may be an issue for PSFU.

Capacities created are, however, fragile and may not be durable, so continued capacity development support to the districts is needed in all areas, as well as support to SMEs to develop their business proposals seeking to be financed. Capacities are still not sustained in the district administrations and in the SMEs provided with pre and post investment training. For the upgraded road network in the five District Local Governments (DLGs) the situation is critical, with hardly any funds being available for maintenance, and training and systems such as for asset management and RAMPS not being completed yet. Most likely these roads will deteriorate quickly unless targeted funding is provided.

EQ6.1

To what extent are any changes in the access to finance for SMEs engaged in agricultural value addition sustainable over time? (Including from a market development perspective)

Taking into consideration the limited number of SMEs financed as of December 2021 and the relatively short period of time since the launch of the facility and the first disbursement, an assessment on sustainability over time can only be preliminary and tentative.

“A potential spill over effect may be felt over a longer period of time.” (UDBL)

As of December 2021, a total of eight loans had been disbursed to SMEs, which are all still operating. While this is a positive sign, also keeping in mind the COVID-19 pandemic, it is not possible to infer on long term sustainability. According to the financial models developed by UNCDF, sustainability and viability of SMEs depend on different exogenous and endogenous factors that could affect their performance. Among these are: Political instability that could drastically hinder operations; weather and climate-related events that reduce or destroy harvests; increased competition that may reduce the availability of raw material from smallholder farmers and impact revenues; lack of agricultural inputs that limit the capacity and productivity of farmers; issues with equipment and machinery that disrupt production; to name a few.

It is also early to assess the NPL (the ratio of non-performing loans with delays in scheduled payments of 90 days) ratio, which stands at 0%. With only 8 outstanding loans, of which most disbursed in 2020 and 2021 with a 12-month grace period, the NPL amounts, as would be likely, to 0% (see also Annex 7 with an early assessment of the SMEs). Nevertheless, the holistic approach of the blended facility is a tool that can prove effective in enhancing access to finance with potential long-term effects, provided that SMEs receive continued technical support till they gain sufficient capacity to manage their business and to access independently alternative sources of finance.

EQ6.2

To what extent are any changes in the stock and quality of the district road assets and improved local service delivery for road assets sustainable over time?

Sustainability prospects for the 405 km of rehabilitated rural roads (and the rest of the district and community road networks) give cause for concern. Funds allocated to the districts for road maintenance through the Ugandan Road Fund (URF) are not adequate as presented in the box below.

Textbox 7: Road maintenance in Amudat and Moyo

Amudat district funds for road maintenance totalled UGX918 million in Financial Year (FY) 2019/20 and was reduced to UGX205 million in FY2021/22 for a total road network of 639km. Such a road network requires about UGX1 billion for adequate rural (unpaved) road maintenance in a year – maintenance funding in FY2021/2022 is about 20% of needs.

The situation is similar in Moyo district with road maintenance budget of UGX680 million in FY2021/22 for a road network of 918km. According to the district engineer the district needs about UGX1.5 billion for road maintenance in a year. At this level of financing, the network condition will deteriorate in both districts, and the maintenance backlog will continue to grow with the gravel roads that need continuous routine maintenance.

This situation is generally the same across the other DLGs. MoWT agrees that **funds allocated for road maintenance nationwide from the URF is inadequate.** The URF has existed for twelve years with revenues from fuel levy and from other services for road users for maintenance of the national road network as a whole. URF also receives funds from the Consolidated Fund and distributes available funds to designated agencies as presented in the table below⁴⁰.

⁴⁰ Some discrepancies exist in some totals such as for the 7 new cities and the sums appear incomplete as presented in the source.

Table 20: The relative proportions of the network, responsibility, and allocation of URF funds

Road Category			FY 2020/21 Budget UGX bn		Remarks
Name	Km	% of total	Amount	% of total	
National	20,571	15	310.3	61	National roads
KCCA (Kampala)	2,103	2	25.6	5	Capital city roads
7 cities	58,307	18.937	7.6	1.5	7 new city roads
District	34,381	25	58.2	11.4	134 district roads
Municipal	3,198	2	21.3	4.2	34 MC roads
Town	9,530	7	24.0	4.7	227 TC roads
CARs	68,933	50	13.2	2.6	1185 sub-county roads
Totals	138,716	101	470.1	91.8	

Source: URF Budgeting & Operational Guidelines FY2020/21

District, urban and community roads (DUCAR) comprise 84% of the national road network but receive only 22% of maintenance funding.

It has been estimated that routine and periodic maintenance should be 2-3% of capital cost of the infrastructure investment and delayed maintenance is increasing this cost. Current maintenance allocations are of the order of 1-2% of capital cost of the network⁴¹.

Districts have been provided with own equipment for maintenance, but the funds available are not sufficient to keep the equipment working throughout the year. The Evaluation observed equipment that has not been used for longer periods due to lack of fuel and lack of spare parts⁴².

It should also be noted that all district engineers in the five districts where road upgrading is being undertaken are all in **acting capacity and efforts are taken to fill vacant positions**. This is in particular difficult for districts in remote areas as those benefitting from the road upgrade.

The DLGs have been trained to include an integrated roads maintenance system into their planning system. The approach is good, but the asset management registers inspected in the districts do not yet include the roads. An example is the Rehabilitation and Maintenance Planning System (RAMPS) that has been presented by a consultant but not yet implemented at the DLG level. It is also critical that such systems are implemented systematically in the district to allocate the limited funding most efficiently.

Textbox 8: Rehabilitation and Maintenance Planning System

RAMPS is a software used for planning, programming, implementation, and monitoring & reporting. In 2019 a consultant was hired to update the system. In addition to updating the



Equipment in bad shape, Amudat DLG.

⁴¹ This is estimated to be sufficient to meet maintenance needs of only 40% of the national paved network (and none of the unpaved network)

⁴² When equipment is parked up for long periods under the African sun deterioration of exposed parts (such as hydraulic hoses, tyres) is to be expected, as is cannibalisation for spares for other similar equipment and theft of parts such as batteries. It is likely that this equipment will never be used again thus representing a waste of resources (and opportunity).

RAMPS, the consultant also produced a user manual which in 2022 is under review by the MoWT. Once approved, training will be conducted with the districts.

RAMPS will determine maintenance needs and estimate costs better and guide in the prioritisation of roads. It can integrate the road rehabilitation and maintenance component in the Local Government Annual and Mid-Term Planning, Budgeting, and Implementation Frameworks at district levels. The implementation of this activity was also delayed by the COVID-19 restrictions.

EQ6.3

To what extent are any changes in local fiscal space and improved local service delivery sustainable overtime?

At the strategic level, activities implemented under Component 3 and the outputs therein are directly linked to and contribute to the PFM reform strategy that the country is committed to implement. Thus, these activities will be sustained within the government framework.

In addition, **the programme activities are implemented through the existing government systems, both at National and the LG level.** These activities are within the mandate of the existing institutions; thus, it is expected that these institution and structures will continue to implement these activities as part of their routine work. For example, MoLG is mandated to inspect and mentor LGs thus the ministry will continue providing technical assistance to these LGs even when the programme ends. The challenge, however, is that the DLGs with lower capacity may not receive additional required support. Under the programme the agencies have received significant support through grants to undertake their mandated function prioritizing the 18 core districts. Without this support the intensity and frequency of the support will be drastically reduced because of budget constraints.



Market in Omoro under construction (LGEDF)

The emergency of some supportive government programmes for example the Parish Development Model have great potential to capitalise on the DINU achievements so far. The PDM has great potential of stimulating and taking community-led development to greater levels and thus enhancing sustainability of the progress made.

The need for **enhancing revenue of the DLGs to enable them to meet their mandates is resounding** in most DLGs. Efforts in this area can be sustained even after the end of the programme. The systems and structures (for example the updated revenue databases and the Integrated Revenue Administration System (IRAS)) will continue to greatly contribute to the potential for increased local revenue collection in the targeted DLGs.

EQ6.4

How can UNCDF and other DPs respond and support future related needs to the DINU UNCDF component?

By the end of 2021, the results of the programme have only reached **the targets expected after 3 years of implementation, which corresponds to late 2020**. Further support is still required to complete the training activities in a more practical approach, particularly for road maintenance. Other DLGs could also start improving their road network with resources generated locally when the new systems for revenue collection start generating more income for the DLGs. It is however clear that on a longer perspective, some activities are more important than others.

In relation to C1, the blended finance facility would provide additional benefits if it were extended over time and geographically to cover the whole country. Thus far, the discussion for the second phase has focused on pipeline generation and project proposal preparation, in the understanding that the identification of SMEs and the provision of adequate support to build capacities and skills are among the biggest challenges. The second phase will not include a grant extended to UDBL as the bank can disburse from their own funds but can be a partner as a financial service provider.

For C2 (Road Upgrading and Maintenance), the current UNCDF DINU programme has supported road rehabilitation (output 2.1) together with training of DLG districts engineers and technical staff to manage the district rural road networks (output 2.2). While C2 has been relatively effective, the challenge is **output 2.2, the increase in capacities to maintain the road networks**. Currently, follow-up training is needed for road maintenance with practical exercises on sites, peer to peer learning and good practices among the district engineers and planners. The support should promote that trained staff actually use the acquired skills in a sustained way, but the success will depend upon adequate national resources being made available to MELTEC. Any new project in support of road upgrading would previously require that GoU provides more funding for DUCAR (district, urban and community) roads.

It is critical to keep the new roads in adequate conditions and the LG associations could be supported to lobby for better allocations to the DLGs rather than the national roads. However, funding through the URF, DPS or generated locally is critical to avoid losing the investments done. DLGs need to generate more revenues, which can also be used for maintenance of roads. Otherwise, the trained and motivated personnel might become discouraged because they do not have the resources to undertake their tasks and meet their obligations.

As for C3 (District PFM and Service Delivery) a broad programme of capacity development has been implemented by national institutions, which lifted the local capacities, but the training has not been absorbed or applied fully or even completed in many areas (see Annex 9, Table 9.1). The national stakeholders, most notable MoLG and LGFC need support to continue their activities and follow-up in the districts on critical areas in cooperation with UNCDF and other DPs.

It is important to protect the new investments under LGEF and provide support to the Market Committees for their understanding of the commercial and the operative aspects including maintenance. It is also important to support the general LED initiatives nationwide, with MoLG planning a new LED Grant and streamlining of approaches to selection of local investments for LED. Furthermore, support to revenue management is critical and in particular support to setting up the district complaint tribunals for property valuation and in general support that districts are able to collect revenues.

5. Conclusions, lessons learned and Recommendations:

5.1 OVERALL ASSESSMENT

The three components of DINU UNCDF are highly relevant and, in general terms, being relatively successfully implemented. COVID-19 clearly delayed the attainment of a good share of the outputs and, overall, the results so far correspond to what was planned in the Programme Document for the end of Year 3 (late 2020). C1 (SME Finance) actions were delayed also because of the slow set up of the START Facility and the time needed to achieve a smooth approval and disbursement process for UDBL. For C2 (Road Upgrading and Maintenance), the procurement processes for upgrading the 405km of roads took a long time and the actual upgrading of roads has been delayed, mainly due to capacity constraints of the contractors. C3 (District PMF, Service Delivery and Governance) started quickly and achieved some early results and suffered later from COVID-19 restrictions, but it is also performing rather well, with 7 outputs and many sub-outputs already achieved. This said, C3 was probably overambitious and could have been more focused and phased.

The three components are rather autonomous from each other in their implementation, each relying on a different set of solid partnerships with several competent national institutions and organisations such as PSFU and UDBL for C1, MoLG, LGFC, MoLHUD, LG Associations, EOC for C2, MoWT and private companies for C3. However, the three components are **combining well together** in the effort to build up an administrative and organisational system that can support economic development, job creation, income generation and service delivery.

The beneficiary 18 core DLGs are mainly targeted for C3, but the Commercial Officers, who are active with the LGEF projects could play a stronger role towards promoting the START Facility to relevant SMEs. Strengthened revenue generation is certainly a positive contribution to the road upgrading effort in the five districts where C2 is active on road upgrading, while progress is very limited for the general road network in the 18 districts, including maintenance (please see 5.2 for a summary on gender equality and Human Rights).

Relevance: The DINU UNCDF programme is highly relevant and aligned with GoU priorities as expressed in the Uganda Vision 2040, in the current and previous version of the National Development Plan (NDP) and in the Peace Recovery Development Plan. The need for financing of SMEs, road upgrading, and better districts PFM and governance is evident, as expressed in GoU strategies including the reform for public financial management. The relevance of activities, including the 405 km roads selected for upgrading, are confirmed by the beneficiaries and Ministries involved in implementation and design of actions. Gender and youth are mainstreamed well into the programme formulation but an implementation approach for specific action for finance for women-owned enterprises and marginalized groups is missing. Climate change is mainstreamed into the programme, namely through the establishment of specific conditions for accessibility to finance for SMEs and district investments. The programme is designed to follow the NDP II targeting SDGs 1 and 2.

Coherence: DINU UNCDF has a high degree of coherence with its design fitting well into the overall DINU programme and other development initiatives in the North of Uganda. It is also coherent with UN and UNDP programmes working within the One UN Approach. During

implementation cooperation and synergies with other interventions within the overall DINU and other UN agencies could have been stronger, such as working with localization of SDGs with UNDP. On the other hand, no particular overlaps were identified by the Evaluation and some synergies were found with other major interventions from other Development Partners such as the World Bank and USAID. **UNCDF's added - value is clear** as demonstrated by the pipeline of SME proposals for financing and management of LG investments, which UNCDF has helped to bring to life. Other UNCDF initiatives and regional programmes are promoted by UNCDF but not yet applied by the beneficiaries, maybe because the initiatives are more relevant for more advanced local governments.

Efficiency: The implementation started quickly for Component 3 (District PFM etc.), while it took more time for C2 (Road Upgrading) to start, with a long, but relatively efficient, procurement process. For C1 (SME Finance) the implementation was also relatively slow as it took time to set up the START Facility and adjust procedures with UDBL for approval of projects for financing.

The Programme's budget execution is at 64% by the end of 2021 with only 11 % of programme time left (June 2022) with most delays occurring for Component 1 (SME Finance), while the road upgrading will be finished before programme closure. The implementation of Component 3 (District PFM etc.) is at 68% and will not be finalised on time. The solid involvement of competent national actors (MoLG, LGFC, PSFU, UDBL, MoWT, DLGs, MoLHUD, MoFPED, EOC etc.) in the implementation of the intervention brought with it contextual knowledge, national ownership, and integration into the national system.

The implementation across the programme was delayed by the various COVID-19 lockdowns: Most importantly follow-up training, monitoring of road upgrading and handling of application for finance for SMEs and the LGEF could not be fully conducted.

Some budgets have been reallocated (e.g., a 10% increase for road upgrading), the costs of which were initially underestimated. Programme governance is good, with an active DINU Board, which focuses more on operational rather than strategic decision-making.

The UNCDF DINU monitoring system is working well with relevant and measurable indicators, but it suffers from the lack of yearly updates of the overall DINU indicators from the Office of the Prime Minister (OPM). The targeted SDGs 1 and 2 are not monitored by the OPM and neither are other relevant SDG targets. Apart from the budget provided to the Equal Opportunity Commission, no particular budget is provided for gender and youth. Those budgets are integrated into the specific activities under the programme.

Effectiveness: Outputs for Components 1 (SME Finance) and 3 (District PFM etc.) are emerging or re-emerging after the COVID-19 lockdowns in 2020 and 2021, so it is early to assess if the outputs have led to the expected outcomes in the result chain of the Programme. In general, capacities are higher in the district administrations and SMEs, and this is reflected in the achievement of results. For Component 2 (Road Upgrading) the roads are almost completed, so the stock of quality roads is increasing in the 5 districts, with a solid contribution from the programme. The upgraded roads cover 14% of the estimated total district and community access road network in the 5 districts. With 13 SMEs financed and 14 almost approved for finance, leveraged funds and a well-functioning START Facility, it can also be expected that C1 will contribute to increased finance for SMEs. For C3, the potential exists for the creation of increased local fiscal space, and the LGEF is indeed contributing to some improved local service delivery and local economic development. Some capacity for gender equality and inclusiveness

has been created in the Programme and women amount to about 40 % of beneficiaries. It has however been difficult to cater for women among the SMEs as only a few women owned SMEs are included. Likewise, people who cannot use English do not have full access to the Start Facility.

Impact: As stated under EQ4 and EQ3, it is still early to judge the likelihood of a broader impact of the UNCDF DINU. The targeted organisations (DLGs, SMEs etc) have not yet begun fully operating with their new capacities, with the exception of upgraded road under Component 2. It seems however that the potential exists for that the emerging results under the DINU UNCDF outcomes will contribute to the three overall objectives under DINU.

Under objective 1 the pipeline of SMEs created for financing from UDBL has the potential to improve the economic fabric and increase in particular *food security*, if more financial institutions are willing to provide SME financing for the pipeline; the START Facility continues and the upgraded roads are maintained in good shape for transportation.

For Objective 2 because of the upgrading of roads, and the establishment of some markets under C3 (such as the cattle market in Karita), some *trade* is starting to emerge, including with neighbour countries.

For the third Objective, the support provided to increase participation, better accountability, service delivery and better governance under Component 3 may provide a contribution to *gender-responsive good governance, rule of law and empowered communities to participate in improved local service delivery*, but it depends highly on appropriate follow up activities to the expected seven outputs under C3.

The mainstreaming approach to gender equality and non-discrimination is not sufficiently ambitious in terms of addressing changes in attitude to GE and HR. This is in particular an issue for the limited participation of women-owned SMEs and the exclusion of SMEs owned by non-English speaking people.

Sustainability: DINU UNCDF has an inbuilt sustainability with the support provided to national partners, who are implementing the programme's activities as a part of their mandates and normal roles. Their mandated activities are most likely to continue without DINU UNCDF support, although likely at a lower intensity, as grants from the programme will cease to be provided. PSFU and UDBL are also well established and will likely continue their work, although funding of activities may be an issue for PSFU.

Capacities created by all components are however fragile and may not be durable, so continued capacity development support to the districts will be needed in all areas, as well as support to SMEs to develop business proposals for a pipeline to be financed. The capacities are still not sustained in the district administrations and in the SMEs provided with pre and post investment training. For the upgraded road network in the five DLGs the situation is critical with hardly any funds being available for maintenance, and training and systems such as for asset management and RAMPS not being completed yet. Most likely these roads will deteriorate quickly unless targeted funding is provided.

5.2 CONCLUSION ON GENDER AND HUMAN RIGHTS

Design: While an effort was made to mainstream Gender Equality (GE) and Human Rights (HR) into the programme (which contributed to UNCDF DINU counting on a solid design), the incorporation of GE and HR could have been stronger with a better understanding of the challenges and a design to go further than mainstreaming. Despite efforts to disaggregate statistics in describing the development challenge in Northern Uganda, several gaps exist. First, HR and associated groups are not defined in detail in relation to their relevance to the programme. Secondly, the design was not informed by a comprehensive gender and social inclusion analysis in relation to each of the components of the programme. More detailed and appropriate information could have been used to inform the GE and HR focus of the START facility, the LGEF, as well as the gender and equity support to local governments.

Margin for improvement in the mainstreaming of gender and HR exists throughout the design of the three components of DINU UNCDF: For the START facility, the analysis could have focused on structural barriers and how the project could have contributed to solving them. For infrastructure support, barriers faced by women, people with disabilities and other marginalized groups in accessing infrastructure could have been better identified. Entry points for the participation of women, youth, people with disabilities and other groups in providing labour and other resources could have been undertaken. This would have been in line with the Government of Uganda Public Procurement and Disposal of Assets (PPDA) act, which promotes the use of local content (procuring and delivering programmes using locally available resources and people). Potential opportunities for marginalized groups could have been identified at the design phase. Regarding gender and equity support to LGs again institutional and structural barriers could have been identified so as to provide support that would not normally be provided by the DLGs. These could have included addressing the barriers that preclude the attainment of the requisite gender and equity scores as well as measures to ensure that the scores are actually a reflection of the nature and extent of gender equality and social inclusion in the communities under the respective DLGs. The minimum score for the attainment of a gender and equity certificate from the EOC is 50% (including an aggregation of scores on gender equality, disability inclusion, age-related, and geographical-related exclusion).

Implementation: Omissions at this stage emanate from the design gaps. For C1 and C2, no deliberate actions are included to ensure that programme benefits reach women, youth, refugees and people with disabilities. Benefits to these groups have largely been unintended positive benefits following the general structure of the population. For C3, there have been deliberate actions to support DLGs to mainstream gender and equity in planning, annual plans and budget papers. However, as noted by an official of the EOC, it is not clear if success by DLGs in this area actually trickles down to the community level to transform the gender and equity norms.

Results: Results are good, but do not fulfil the ambition of the programme, as for instance expressed in the PD for C1 and C3. Based on the available information on the number of beneficiaries and the conducted activities, the result of DINU UNCDF so far shows roughly that 40% of the beneficiaries are women. It is clear that these ambitious goals have not been achieved as the approaches in the programme did not cater for such ambitions with very few START projects with women owners and mostly rather traditional (but important) LGEF investments for markets. The Evaluation does, nevertheless, acknowledge that some promising LGEF investments in cooperatives, which may result in some empowerment of younger people as an interesting direction for the future.

5.3 LESSONS LEARNT

Lesson 1: It is possible to enhance access to finance through grants and TA and linkages with Financial Service Providers

SME access to finance can be enhanced through a holistic approach that combines business development support and adequate financial services. SMEs in emerging markets face several challenges and, among them, lack of skills and of access to financial services are among the most cited in studies and surveys. Providing services that cover both aspects improves the chances of SMEs success.

Lesson 2: An SME financing facility can contribute to improving access to finance if accompanied by adequate SME support

A scheme such as the START Facility can make a contribution to improve access to finance, if adequately combined with support services to SMEs over the long term. In addition, efforts should be made to partnering with to other financial institutions to complement the financing needs of targeted SMEs. For the START Facility the implementation period has been too short, and changes should be introduced to improve a second phase.

Lesson 3: A revolving emergency fund for SMEs can work

The emergency fund for SMEs under COVID-19 worked as funds were partially re-paid (46%). It gave time for the funded SMEs to consolidate during COVID-19 and survive.

Lesson 4: It is possible to change the culture for SMEs from receiving grants to concessional loans

During the first CFP, several SMEs expected that grants would be provided as this was the normal practice. However, for the second CFP the applications were better, and SMEs understood in general that the culture for grants was over and UDBL would provide loans.

Lesson 5: Sustainability measures for road upgrading projects cannot be reached without a clear design for future funding for maintenance

The C2 included no clear funding arrangements for adequate road maintenance after the upgrading was completed or concrete measures in place, although the historical examples from similar projects in Uganda and other countries are plenty. The future condition of the upgraded roads is now uncertain and likely risks premature deterioration. Premature deterioration and loss of serviceability will be directly and incrementally detrimental to the clear benefits of socio-economic development attributable to better rural road condition. Activities towards the central actors' responsibilities for such projects for future funding is needed and this will not be achieved without solid follow up from the programme.

Lesson 6: Contracts with road contractor should take into account their actual capacity constraints and be seen as a mean to enhance their capacity

Shortcomings of contractors was a significant factor contributing to rural road rehabilitation implementation delays. The contract periods would have been adequate for highly qualified and experienced contractors, but the contract periods were unrealistically short given the limited contractors' capacities. Given the general capacity issues of such medium level contractors, some form of increased pre-qualification could have excluded some of the weaker contractors and thus could have improved implementation efficiency, but this would have denied these weaker contractors from gaining additional exposure and experience.

Lesson 7: Reconstruction of rural roads can be improved by proper testing of materials such as gravel, sand, stone aggregates, concrete and culvert pipes

During the road rehabilitation projects in the 5 districts, materials excavated from borrow pits (gravel, sand, fill materials, stone aggregates, culvert pipes, and concrete were tested before being applied for road surfacing, fill or drainage structures. Compaction tests were also carried out to ascertain that compaction of the road pavement was adequate. This was done to ensure that only materials that complied with technical specifications from the Ministry of Works and Transport were used for the road works. The districts were encouraged to ensure that the tests were carried out and the regional laboratories of the Ministry in Gulu, Arua and Mbale were used for this.

Lesson 8: Drainage shall be completed before the road surface construction work is implemented

The evaluation noted that drainage activities were scheduled late in the road upgrading work and drainage constructions (pipes, culverts) were not completed although the road surface works were almost finished. This, in some cases, led to deterioration of the executed works as a result of flooding and washing (erosion) of completed sections. This necessitates repeating work on already executed sections of the road thereby increasing the cost of road works. It is, therefore, important that drainage activities are sequenced and executed early.

Lesson 9. The resistance to payment and collection of LGs revenues in Uganda is enormous

The difficulties in increasing the payment of own source revenues (OSR) in Uganda is high. The political will⁴³ is still lacking behind, and complex costly systems are created, which are not resulting in substantial additional collections. An important step has been taken towards registration of taxpayers in several of the DINU DLGs, but resistance and obstacles will remain, unless strong support is provided and local tax collection is enforced, as has been observed in some cities in Uganda that are now collecting property rates.

5.4 RECOMMENDATIONS

5.4.1 Programme related, short to medium term

Recommendation 1: Selected activities within DINU UNCDF should be extended, this could be done within the existing budget

Rationale: The programme results are only partially completed, as only some outputs have been reached fully or partially. C2 for road upgrading (Output 2.1) is almost completed, while DLGs' capacity for maintenance is an unsolved issue (Output 2.2). Under C1, only 8 SME proposals have been financed and the 7 outputs under C3 have not been fully finalized yet.

This could be implemented through the following measures:

- Proceed with a non-cost extension of the programme for an additional year and make the necessary arrangements between budget lines.
- Follow up closely on the unfinished roads for upgrading including the last sections
- Follow up with the LGEF investments to ensure the existence of a business plan with budgets, revenue streams, expenditures, maintenance plan etc.

⁴³ An anecdotal but typical situation is that political leaders send messages during their campaign declaring that citizens should not pay the personal tax

- Continue the cooperation with government partners (MoLG, MoLHUD and LGFC etc.) to ensure continued support to the DLGs on critical issues within C3 (see also recommendation on revenue collection below)
- Follow the pipeline of SMEs provided to UDBL to ensure disbursement and ensure portfolio monitoring post-disbursement
- Provide post-disbursement business development support (BDS) to SMEs
- Enhance the role of District Commercial Officers and to provide them with tools, i.e., awareness about START Facility, training on private sector development, etc. which would allow the facility to benefit from the DLGs local knowledge and connection with the business community
- SMEs financed through START should receive support to ensure access to continued access to finance in the medium to long term from UDBL.

Implementation: DINU UNCDF PIU, EU Delegation and the Government partners

Recommendation 2: Continue support provided to the DLGs for improving the collection of local revenues.

Rationale: Although the systems are getting better, the progress in revenue collection has been limited and is currently facing some major obstacles. This includes the limitations to the functioning of the IRAS system in remote areas; complaints on the handling of property valuations; and lack of improvement in the collection of ORS, which is key for the sustainability of the programmes investments in roads and markets.

This recommendation could be implemented through the following measures:

- Conduct an analysis of the challenges that remote LLGs face when using IRAS, including (e.g.) obstacles caused by non-accessibility to internet and data and the lack of availability of smart phones for the collectors.
- Support DLGs in setting up the Complaint Tribunal for property valuation, starting in Omoro DLG as a pilot phase, and spread gradually to other relevant DLGs with (emerging) property registers
- Support the development of DLGs' Revenue Collection Strategies that focus on some high yielding revenue sources instead of spreading out to a big amount of low yielding sources. The collection of property tax is key.
- Let the certified TADAT DGL and government officials train the revenue collectors applying simplified modules from the main TADAT suitable for local revenue collectors.
- Follow up closely with the DLGs to ensure the functioning of the revenue databases

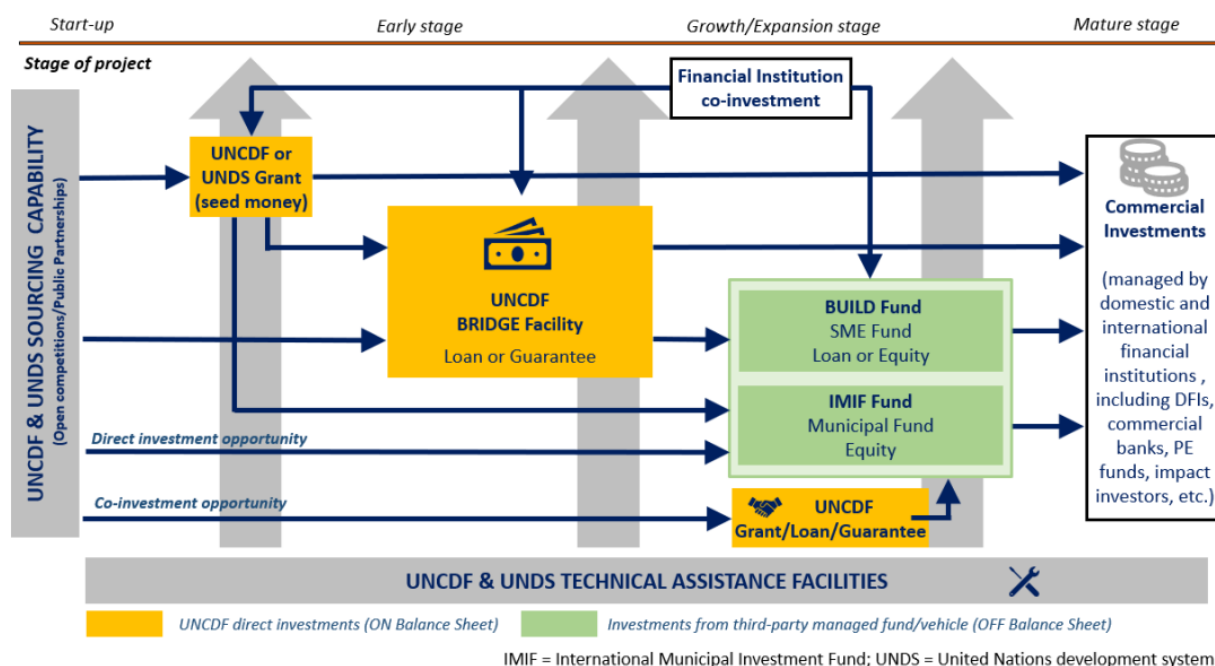
Implementation: DINU UNCDF PIU with LGFC

Recommendation 3. In alignment with UNCDF SF 2022 to 2025, consider approving a second phase of the START Facility that would fully integrate UNCDF investment continuum concept which could enhance the holistic approach conceived within START I.

Rationale: SME access to finance should be viewed as a process that requires long term planning involving a broad range of stakeholders. In its new Strategic Framework 2022-2025, UNCDF plan to provide more blended finance along the investment continuum from start-up to maturity:

UNCDF will provide strategic investments and facilitate creditworthiness for investments across the “investment continuum” ranging from early stage to more mature enterprises and projects (UNCDF SF 2022-2025 p. 8)

Figure 6: The UNCDF investment continuum



Source: UNCDF, SF 2022-2025 p.9

This topic of access to finance as part of a wider, longer-term intervention could also be relevant for the implementation of the EU's Multi Annual Indicative Programme for Uganda, 2021-2027, namely under Priority area 2: Promoting sustainable and inclusive growth and jobs.

The strategy could be implemented through the following measures:

- Disbursement of grants and concessional loans or guarantees to start-up or early-stage SMEs on UNCDF balance sheet.
- Partnering with local financial institutions, banks and Non-bank financial institutions (NBFIs), alongside UDBL to finance start-up and early-stage SMEs above the financial capacity of UNCDF. This should take into account the challenge that private sector Financial Service Providers (FSPs) will most likely not accept to provide services at concessional terms.
- Exploit linkage with the BUILD Fund to accompany SMEs throughout growth process until they are able to access more commercial sources of finance.
- Along the same line, enhance partnerships with international players including within the private sector, i.e., impact investment managers, that may find added value in a collaboration with an institution that can build a sustainable pipeline of (almost) bankable projects.
- Provide continued pre- and post-disbursement services to SMEs.

Note: In the context of such strategy, efforts should be put in place to ensure repayment culture as typically a loan from a UN agency, albeit concessional, may be viewed as a grant leading to a high default risk. Therefore, UNCDF should also assess and review how to present themselves to other stakeholders and beneficiaries.

Implementation: UNCDF and, potentially, EU

5.4.2 Strategic Recommendations; Long Term

Recommendation 4: Establishing a stronger link between the support to LG Finance and LED on one side and SME Finance on the other.

Rationale: The LGEF investments could benefit from a better commercial content in the form of a business development plan with budgets, revenue streams, expenditures, maintenance plan etc. Similarly, the Commercial Officers in the districts are not always well informed about the START Facility and other support mechanism to SMEs.

This recommendation could be implemented through the following measures:

- Experiences from the business approaches under the START Facility are shared with the Commercial Officers in the DLGs to improve better planning of investment under the LGEF in terms of the developing of commercial aspects including the standard format for LGEF proposal.
- A better promotion of the START Facility is carried out by the District Commercial Officers in cooperation with the START Facility.
- Implementation of joint activities by the private and public sector to promote LED.

Implementation: UNCDF

Recommendation 5: The future design of support actions directed at LGs should have a narrower focus and concentrate on fewer actions that contribute to the objectives of the relevant programme and are within the capacities of the beneficiary LGs

Rational: The current programme is very ambitious, in particular under C3 (which includes over 100 actions), with many stakeholders, partners and ambitious targets. Also, there is certain imbalance between the high expectations in the Project Document for GE, HR and climate change issues and the DLGs and SMEs, which are more focused on investments for immediate benefit such as markets, cooperatives, job creation for farmers and production in the agricultural sector.

This recommendation could be implemented through the following measures:

- Undertake a more detailed assessment of the capacities of LGs for absorption of programme activities
- Design activities more realistically in terms of the options and context such as availability of LG officials
- “Basics First”: Start with the basic reforms and build up and focus on key activities of the LGs
- Consider constraints on ICT in particular in remote and rural areas

Prioritise more among the cross-cutting issues – such as putting climate change mitigation as the main priority. Implementation: UNCDF

Recommendation 6. Scaling up a START Facility to the national level should include a clear focus rather than very ambitious objectives.

Rationale: Considering the findings of this evaluation and UNCDF's capacity in Uganda, a nationwide facility should be designed with realistic targets and objectives.

The following points are considered relevant:

- Sector: A nationwide facility should maintain a narrow sector focus, rather than opening up to all sectors, considering the priorities of the GoU but also the expertise developed at UNCDF in

Uganda, i.e., agriculture value addition should remain a priority considering that during the implementation of the START Facility the team has built knowledge in the segment.

- Population segments: If women and youth are included as priorities, the facility should be specifically designed to target those segments. The design of future programs should acknowledge limitations at the outset rather than setting over-ambitious goals or, ideally, develop specific programs that address women-owned SMEs and/or marginalized groups' access to finance, with the necessary attention to the idiosyncrasies of the segments.
- Environment: As mentioned for the targeted population segment, climate change-related objectives should also be more effectively incorporated into the facility, with specific targets and focus on use of green technology (i.e., solar energy, energy saving equipment), as well as sustainable agriculture practice (i.e., organic farming, regenerative agriculture).
- Coordinating the specific approach of the START facility with a more comprehensive intervention by the EU as per the Multi Annual Indicative Programme for Uganda, 2021-2027 under Priority area 2: Promoting sustainable and inclusive growth and jobs.

Implementation: UNCDF with EU and, eventually, other partners

Recommendation 7: In future programming, Gender equality and Human Rights mainstreaming should lead to actions that complement the existing structures and with a more complete approach to the empowerment of women.

Rationale: The design of the DINU UNCDF was only partially informed by thorough gender and HR assessments. The programme has worked within the existing structures in a mainstreaming approach with many good results, but it could also have created spaces for the empowerment of women and marginalised groups such as non-English literates in Karamoja. Under C1, while it is easier to provide jobs for women in the markets and the fields, actions are needed so more women-owned SMEs apply for grants and loans. The question remains if this empowerment implies there will be new men-women domestic roles, or it just adds extra workload for women. This is particularly relevant for the new SF 2022-2025 of UNCDF:

“For UNCDF, promoting women’s economic empowerment in LDCs stands for creating equal economies, where every woman has equal access, equal agency and equal leadership within her community”. (UNCDF, SF 2022-2025 p. 12)

This recommendation could be implemented through the following measures:

- The log-frame of a future intervention should include baseline information as well as qualitative and quantitative targets for the expected impact on women-owned SMEs,
- Conduct solid gender equality analyses during the design phase of future projects so as to feed it into the intervention logic of the project.
- Include a comprehensive gender analysis of the existing constraints to women’s participation in enterprises (including cultural and structural barriers).
- Set-up interventions that include collaboration and partnership with other stakeholders that address these underlying barriers.
- Set realistic goals in line with existing social and legal constraints.
- Plan and monitor to ensure that interventions “do-no-harm.” For instance, well-intended enterprises could end in exacerbating women’s workloads and escalating gender-based violence.

Implementation: UNCDF in cooperation with the UN Family, other DPs and GoU

6. Annexes:

ANNEX 1: SUMMARY TOR

ToR: Mid-Term Evaluation of UNCDF's support to the Development Initiative for Northern Uganda (DINU)

Country	Uganda
Executing Agency	United Nations Capital Development Fund (UNCDF)
Partner organisations	Private Sector Foundation of Uganda (PSFU), Uganda Development Bank (UDBL), Ministry of Works and Transport (MoWT), Ministry of Local Government (MoLG), Local Government Finance Commission (LGFC), Uganda Local Government Association (ULGA), Urban Authorities Association of Uganda (UAAU), Ministry of Lands Housing and Urban Development and relevant District Local Governments
Duration	5 years (21 st December 2017 – 20 th June 2022)
Programme budget	<ol style="list-style-type: none"> 1. Total programme budget: EUR 25,852,174 2. European Union (EU) Commitment: EUR 25,500,000 3. UNCDF Commitment: EUR 352,174
Disbursed to date	EUR 8,951,225.05 as of September 2020

1. The United Nations Capital Development Fund

The **United Nations Capital Development Fund (UNCDF)** is the UN's capital investment agency for the world's Least Developed Countries (LDCs). UNCDF uses its capital mandate to help LDCs pursue inclusive growth through the deployment of Official Development Assistance (ODA) to unlock public and private finance from the public sector and private sectors.

UNCDF works through three channels: (1) inclusive digital economies, which works to connect individuals, households, and small businesses with financial eco-systems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which aims to capacitate local governments through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment for 'missing middle' micro-, small and medium-sized enterprises to drive SDG impact and domestic resource mobilization.

By strengthening how finance works for poor people at the household, small enterprise, and local infrastructure levels, UNCDF contributes to the Sustainable Development Goals—SDG 1 on eradicating poverty and SDG 17 on the means of implementation. By identifying those market segments where innovative financing models can have transformational impact in helping to reach the last mile and address exclusion and inequalities of access, UNCDF contributes to a broad diversity of SDGs in areas such as clean energy, women's economic empowerment, climate adaptation and inclusive growth.

UNCDF's **Local Development Finance Practice** is a centre of excellence and innovative fund for local government finance and local economic development finance in the world's 47 least developed countries (LDCs). Over half of the population in LDCs live on less than \$1.25 per day and billions of

people still do not have the services and employment necessary for the enjoyment of a decent quality of life. Yet many LDCs have made significant progress in economic development as measured by national statistics and indicators.

The Local Development Finance team at UNCDF addresses three problems that prevent the benefits of growth from reaching all sections of the population and all parts of the territory:

- Fiscal resources and domestic capital markets are not investing in local governments and local economies in a way that promotes sustainable and equitable growth, which is holding back structural transformation and economic resilience;
- Local governments and local economies are not able to attract development finance and therefore the benefits of growth are bypassing many populations;
- Finance is not available for local catalytic infrastructure projects with high impact in critical themes such as women's economic empowerment, climate change, clean energy and food security.

The UNCDF Local Development Finance Practice Area adopts a **transformative impact financing** approach to promote service delivery, infrastructure investment and local economic development that retains value within the local territory. This builds local fiscal space and local fixed capital formation. Working with local governments, domestic banks and local businesses, UNCDF designs, pilot and test out financing mechanisms and business models in both public and private sectors that support locally designed public investments and revenue generating capital investment projects. The investment financing toolboxes include Fiscal Decentralization, Local Development Funds for public capital investment programming, Structured Project Finance, Municipal Finance, SME Finance, and Public-Private Partnerships.

2. Programme description

2.1. Uganda country context

Evaluation during a crisis: COVID-19

- *As of 29 April, 2021, Uganda reported 41,766 confirmed cases of COVID-19 with 341 deaths⁴⁴.*
- *The Entebbe International Airport has been open since October 1, 2020. Starting March 1, 2021, the Ugandan government started a phased reintroduction of in-person classes for all school grades.*
- *Restrictions imposed by the Ministry of Health include allowing gatherings of no more than 200 persons provided masks are worn and social distancing of 2 meters is followed. Cinemas, gyms, and massage parlors have been permitted to open while casinos and gaming centers are restricted to operating between the hours of 6:30am to 7:00pm. Bars and dance halls remain closed.*
- *The curfew (2100h-0600h) remains in place. Motorcycle taxi (boda boda) drivers must cease their movements by 1800h. ⁴⁵*

⁴⁴ Uganda_ WHO Coronavirus Disease (COVID-19) Dashboard _ WHO Coronavirus Disease (COVID-19) Dashboard. Available at <https://covid19.who.int/region/afro/country/ug>

⁴⁵ <https://ug.usembassy.gov/covid-19-information-page/>

Northern Uganda has been recovering from a protracted period of political instability that saw the destruction of its social and economic fibre. The national programmes Peace, Recovery and Development Plans (PRDPs) I, II and III have yielded positive progress on the overall security situation allowing for more freedom of movement and the resumption of economic activities⁴⁶. However, the region is still faring poorly against development indicators as it continues to lag behind the rest of the country in terms of most human development indicators, with women being disproportionately affected.

Poverty rates are still high, with 32.5 percent of the population in the Northern region living below the poverty line, including sub-regional peaks at 78 percent.⁴⁷ Poverty is particularly marked for households engaged in crop agriculture, an activity in which women predominate and the north remained the worst affected region.

Despite the high potential of agriculture in the region, the contribution of the sector to poverty reduction and improved nutrition has been disappointing, notably as a result of poor nutrition knowledge, malfunctioning value chains, poor transport infrastructures (despite its proximity to major export markets in the region, the North only accounts for 4.5% of Uganda's exports) and lack of capacities of local governments, who are only to a limited extent capable of fulfilling their mandates (both core mandate and broad general mandate), which hampers their ability to respond to local needs and capacity to deliver quality services to its citizens.

2.2. UNCDF'S WORK ON LOCAL DEVELOPMENT IN UGANDA

The work of UNCDF in Uganda⁴⁸ is grounded in UNCDF's global approach to local development finance in LDCs. This approach recognises the need to unlock the existing sources of capital and attract new investment capital to address development challenges at the local level. To this end, UNCDF applies its seed capital and technical assistance (TA) to develop innovative solutions that leverage or mobilize, allocate, and invest resource flows to the local level for local development, thus meeting the capital funding gap (see Annexes).

Since 1985, UNCDF has been providing support to decentralization and local development in Uganda (see Annexes). An approach to financing local economic development (LED) by tapping into existing domestic capital was introduced under the name of the Local Finance Initiative (LFI)⁴⁹. Since 2015, LFI has been implemented in Uganda as part of a Global Programme that has the overall objective of increasing the effectiveness of financial resources for local economic development through mobilisation of primarily domestic private capital and financial markets in developing countries to enable and promote inclusive and sustainable local development. LFI supports infrastructural projects that aim to be catalytic for LED through technical assistance in project development and last mile financing to make the projects bankable.

2.3. THE DEVELOPMENT INITIATIVE FOR NORTHERN UGANDA (DINU)

2.3.1. THE DINU INITIATIVE

In 2017, the Government of Uganda (GoU) launched the Development Initiative for Northern Uganda (DINU) funded under by the European Union (EU) under the 11th European Development

⁴⁶ https://www.ug.undp.org/content/uganda/en/home/ourwork/crisispreventionandrecovery/in_depth.html

⁴⁷ Uganda Bureau of Statistics (2019) *Poverty Maps of Uganda*. Available at https://www.ubos.org/wp-content/uploads/publications/02_2020Poverty_Map_report_Oct_2019.pdf

⁴⁸ UNCDF in Uganda - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/uganda>

⁴⁹ Local Finance Initiative (LFI) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/lfi>

Fund (EDF). DINU is designed to support the GoU in achieving national targets for SDG 1 (No Poverty) and SDG 2 (Zero Hunger).

Its general objective is to consolidate stability in Northern Uganda, eradicate poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development. Under this general objective, DINU supports interventions in three interlinked sectors:

- **Food Security and Agriculture** (SO 1): to increase food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.
- **Transport Infrastructure** (SO 2): to increase trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport and logistic infrastructures.
- **Good Governance** (SO 3): to strengthen capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.

Key implementing partners, including UNCDF, UNICEF, GIZ, and Trademark East Africa, have been identified to undertake these interventions according to their specializations. The DINU results framework can be found in Annexes of these TOR.

2.3.2. DINU'S UNCDF COMPONENT

Since September 2017, UNCDF is implementing selected actions of DINU across all 3 Specific Objectives⁵⁰⁵¹. Under DINU, UNCDF is working with national and local organizations - MDAs, local governments, private sector entities and NGOs - to improve their capacities to identify, develop, finance and implement local investment projects using public and private finance. To do so, it applies TA, training, seed capital and specialized investment vehicles.

The theory of change of DINU's UNCDF component (Annexes) assumes that a key condition for equitable, balanced and sustainable local development is the reduction in transaction costs to improve the effectiveness and efficiency of local investments for service delivery and economic activities. Accordingly, the three outcomes of DINU's UNCDF component are:

1. Improve access to finance for SMEs engaged in agricultural value addition through a dedicated facility for Business Development Services (BDS) and blended finance.
2. Improve the stock and quality of the district-level road assets through a District Road Rehabilitation Fund and dedicated technical assistance (TA) and improve local service delivery for road assets.

⁵⁰ Development Initiative for Northern Uganda (DINU) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/uganda/dinu>

⁵¹ UNCDF "Support to the Implementation of Components of the Development Initiative for Northern Uganda - General Factsheet". Available at <https://www.uncdf.org/Download/AdminFileWithFilename?id=10096&cultureId=127&filename=30032020-dinuhttps://www.uncdf.org/Download/AdminFileWithFilename?id=10096&cultureId=127&filename=30032020-dinu-uganda-generalfactsheet.pdfuganda-generalfactsheet.pdf>

⁵² The Project Document is available at <https://www.uncdf.org/article/3365/development-initiative-for-northernhttps://www.uncdf.org/article/3365/development-initiative-for-northern-uganda-dinuuganda-dinu>

3. Increase local fiscal space and improve local service delivery through a discretionary grant mechanism and technical assistance to core local government functions, including customary land tenure systems.

Under **Outcome #1**, the main vehicle for providing seed capital to incubation projects is a funding facility for small and medium agribusinesses in Northern Uganda known as Support to Agricultural Revitalization and Transformation (START)⁵³. The START funding facility aims at providing seed capital to incubation projects along the agricultural value chain as part of its overall objective to increase local production of diversified food. The facility is intended to offer access to affordable medium-term finance for agricultural value adding projects in Northern Uganda through provision of general Business and Development Services, targeted pre-investment and post-investment BDS, and Technical Assistance grants and seed capital in the form of concessional loans, partial credit guarantees and reimbursable grants. Accordingly, START has three lines of business managed by three participating institutions: the Private Sector Foundation of Uganda (PSFU), UNCDF, and Uganda Development Bank (UDB).

Activities under **Outcome #2** provide technical assistance and finance (in the form of a conditional grant transfer mechanism) to district authorities for rehabilitation of district, urban and community access roads (together referred to as DUCAR). These activities are designed to address the key challenges in the DUCAR network, such as inadequate human resource capacity (e.g. engineering) at the district level, the weak local construction industry which lacks the financial and managerial capacity to participate in road rehabilitation, and a restricted fiscal space at the local level for implementation of road rehabilitation projects. Activities also support capacity building of staff responsible for road development and management.

Outcome #3 is designed to support and strengthen the ongoing government reforms to improve Public Financial Management (PFM) to shape the administration and management of public resources. These reforms majorly focus on increasing efficiency in allocation, use and availability of resources, elimination of corruption, intensifying accountability and strengthening of PFM systems. Activities also focus on: municipal asset management in the target local governments, strengthening the capacity of local authorities to support research and advocacy on policy reforms for decentralization, supporting adherence by LGs to national procurement and accountability standards, and supporting the reform of Uganda’s own annual performance assessment framework for local governments.

Outcome #3 activities are implemented by UNCDF together with several national government and nongovernment partners. Government partners include the Office of Prime Minister (OPM), the Ministry of Local Government (MoLG), the Ministry of Finance, Planning and Economic Development (MoFPED), the Ministry of Lands, Housing and Urban Development (MoLHUD), the Local Government Finance Commission (LGFC), and the Office of the Auditor General (OAG). Non-government partners include the Urban Authorities Association of Uganda (UAAU) and the Uganda Local Government Association (ULGA).

DINU (UNCDF component) Framework

Outcome	Output and activities
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⁵³ Support to Agricultural Revitalization and Transformation (START) Factsheet. UNCDF. Available at <http://www.uncdf.org/download/file/127/6358/160518-rfp-start-uganda-factsheet.pdf>

<p>Outcome 1: Improved access to finance for SMEs engaged in agricultural value addition</p> <p>Allocated EUR 3,851,250; Disbursed EUR 1,080,457.05 (as of September 2020)</p> <p><i>Corresponding Objective:</i> <i>DINU</i></p> <p><i>Food Security and agriculture</i></p>	<p>1.1. Providing seed capital to incubation projects</p> <ul style="list-style-type: none"> • A 1.1.1: BDS • A 1.1.2: Project preparation and development • A 1.1.3: Financial services • A 1.1.4: START Facility Management
<p>Outcome 2: Improve the stock and quality of the district road assets</p> <p>Allocated:EUR 8,423,750; Disbursed EUR 1,979,560.86 (as of September 2020)</p> <p><i>Corresponding Objective:</i> <i>DINU</i></p> <p><i>Transport infrastructure</i></p>	<p>2.1. Rehabilitation and upgrading of priority districts and community access roads</p> <ul style="list-style-type: none"> • A 2.1.1. Provision of technical assistance for implementation of district road rehabilitation and improvement programmes • A 2.1.2. Implementation of district road rehabilitation and improvement programmes in four target districts (District Road Rehabilitation Fund) <p>2.2. Support districts and communities in road maintenance</p> <ul style="list-style-type: none"> • A 2.2.1. Training programme in road maintenance • A 2.2.2. Integration of the road rehabilitation and maintenance component in the LG annual and mid-term planning, budgeting and implementation frameworks
<p>Outcome 3: Increase local fiscal space and improve local service delivery</p> <p>Allocated: EUR 6,995,000; Disbursed EUR 3,695,501.24 (as of September 2020)</p> <p><i>Corresponding Objective:</i> <i>DINU</i></p> <p><i>Good governance</i></p>	<p>3.1. Strengthen capacities of Local Governments in public financial management.</p> <ul style="list-style-type: none"> • A 3.1.1. Adequate capacity and compliance with the National Rules and Regulations on PFM • A 3.1.2. LGs Development Plans and Budgets are gender sensitive and responsive to the local economy conditions <p>3.2. Strengthen capacities of mandated local government units to efficiently mobilise and equitably allocate and utilise local revenue and resources</p> <ul style="list-style-type: none"> • A 3.2.1. Updated local revenue database on the revenue sources in the target LGs • A 3.2.2. Increase in realization of the budgeted LR in the LGs <p>3.3. Structured partnership with Associations of Local Authorities and key relevant institutions</p> <ul style="list-style-type: none"> • A 3.3.1. Improved capacity of Local Governments to identify and formulate key policy issues for advocacy. • A 3.3.2. Evidence-based research to improve understanding of the key local government challenges and advocacy for decentralized governance and devolution of powers. • A 3.3.3. Strengthened capacity of Associations for quality assurance and review of the LG key implementation issues and support to LG participation in periodic government re-views

	<p>3.4. Support and strengthen local governments' upward accountability. □ A 3.4.1. Improved LG compliance with the national accountability and procurement stand-ards</p>
	<p>3.5. Support the reform and pilot implementation of GoU's own annual performance assessment framework for local governments</p> <ul style="list-style-type: none"> • A 3.5.1. Government performance assessment framework strengthened • A 3.5.2. SDG Localization Diagnostic Tracking Tool
	<p>3.6. Incentivise performance of local governments and to stimulate community involvement</p> <ul style="list-style-type: none"> • A 3.6.1. Improved community capacity to participate in the LG planning & budgeting process • A 3.6.2. Local Government Excellence Fund
	<p>3.7. Improve land governance and facilitate the registration of Certificate of Customary Ownership</p> <ul style="list-style-type: none"> • A 3.7.1. System established and operational in five districts to protect and manage custom-ary rights in accordance with the law thus increasing tenure security • A 3.7.2. Mechanism for land disputes resolution designed in accordance with the law and piloted. • A 3.7.3. High quality M&E system in place in five districts to monitor implementation of CCOs, evaluate impact of increased tenure security and draw lessons for replication • A 3.7.4. Provision of infrastructures and equipment to the relevant authorities to implement and facilitate the registration Certificate of Customary Ownership

2.3.3. IMPLEMENTATION STATUS: OUTCOME 1 (AS OF SEPTEMBER 2020)⁵⁴

To provide seed capital to incubation projects, activities under outcome #1 started by setting up the START Facility⁵⁵ to offer concessional loans, partial credit guarantees and technical assistance grants to SMEs. A total of 12 projects have been fully developed, approved by the START Facility Management Board⁵⁶ and submitted to UDB for financing.

The first call for proposals⁵⁷ attracted 342 applications of which 49 proposals were longlisted and 17 shortlisted. The START Facility team conducted a due diligence assessment on the 17 companies. As a result,

⁵⁴ This will be updated with new information to be provided during the inception phase.

⁵⁵ "UNCDF and the EU launch a new finance facility for agriculture in Uganda" - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3653/uncdf-and-the-eu-launch-a-new-finance-facility-for-agriculture-in-uganda>

⁵⁶ "START Facility Inaugurates Management Board" - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/4041/start-facility-inaugurates-management-board>

⁵⁷ RfP_ Support to Agricultural Revitalization and Transformation (START) Funding Facility - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3641/rfp-support-to-agricultural-revitalization-and-transformation-start-funding-facility>

6 projects with a total value of EUR 730,457 were fully developed with a financing gap of EUR 397,578 provided by START facility to leverage the balance of EUR 332,879 from SMEs and other financial institutions. Six companies from 5 districts (Lira, Omoro, Kitgum, Arua and Zombo) were presented to and approved by the START Facility Management Board and submitted to UDB for financing. Four SMEs⁵⁸ have signed loan agreements with UDB⁵⁹ thus accessing EUR 293,823 in concessional loans under the START facility while leveraging EUR 310,267. Two other companies are still under review by UDB and addressing identified gaps critical for them to access funding. Another pipeline of 12 projects from the first shortlist received pre-investment BDS in preparation for project structuring and financial modelling. The total project value of the pipeline SMEs is EUR 1,493,601, with a financing gap of EUR 1,037,005, leveraging EUR 456,596.

In addition, the START Facility provided targeted general BDS to 30 companies from the first longlist that did not make it to the shortlist⁶⁰. The team also conducted business clinics for 51 prospective companies to prepare them for the second call for proposal issued in July 2019.

From the second call for proposals, the START Facility received 143 proposals of which 100 were longlisted by December 2019, 75 SMEs shortlisted and 26 SMEs selected as part of the pipeline. By August 2020, START Management had fully developed 6 SMEs from 5 districts (Lira, Zombo, Amuria, Alebtong & Gulu) which were presented to and approved by the START Facility Management Board and submitted to UDB for financing. The 6 projects submitted to UDB with a total project value of EUR 2,953,286 were fully developed with a financing gap of EUR 492,177 provided by START facility to leverage the balance of EUR 2,461,109 from SMEs and other financial institutions. The projects were undergoing different levels of appraisal by UDB and were expected to receive funding before end of 2020. UNCDF commissioned 5 individual service providers to provide pre-investment BDS support to 49 SMEs that did not make it to the pipeline, to enable SMEs to address gaps identified during the due diligence conducted earlier in the year.

As part of UNCDF's response to the COVID-19 global pandemic, the START Management Board in consultation with EU approved an initial capital of UGX830,000,000 (approx. EUR 200,000) towards the Small Business Recovery Fund (SBRF)⁶¹ to help SMEs shortlisted under START secure money to overcome their liquidity problems as a result of COVID-19. Through the facility, SMEs access working capital at zero interest rate with a flexible repayment plan not exceeding 12 months. Under the recovery fund, Businesses can get up to UGX 40,000,000 (approx. EUR 10,000) based on the assessed individual businesses cash flow challenges. 55 applications were received following the issue of the CfP to the START shortlisted companies and 3 projects had been identified, developed and approved by START Management Board to access funding.

The third Call for Proposals has been launched in December 2020⁶².

⁵⁸ Trained Apiary Farmers (TAF) Assured Mixed Enterprises Limited, Kana Grain Millers Ltd, Honey Pride Arua Limited, and Okoro Coffee Growers Cooperative Union.

⁵⁹ START Facility Announces First Applicants for Financial Closure - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/4559/start-facility-announces-first-applicants-for-financial-closure>

⁶⁰ "START Facility to Increase Business Development Support to SMEs in Agribusiness - UN Capital Development Fund (UNCDF)". Available at <https://www.uncdf.org/article/4503/start-facility-to-increase-business-development-support-to-smes-in-agribusiness>

⁶¹ "START Board Approves Shs 830m Small Business Recovery Fund to Support SMEs During & Post COVID-19" - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/5668/start-board-approves-shs-830m-small-business-recovery-fund-to-support-smes-during-post-covid-19>

⁶² RfA Investment projects focused on agro-processing in Northern Uganda (START Funding Facility for SMEs) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/6382/support-to-agricultural>

2.3.4. IMPLEMENTATION STATUS: OUTCOME 2 (AS OF SEPTEMBER 2020)

Under Output 2.1 “Rehabilitation and upgrading of selected priority district and community access roads” in the four districts of Abim, Adjumani, Amudat and Moyo (including the new district, Obongi), a memorandum of understanding (MoU) was signed for disbursement of a District Road Rehabilitation Fund (DRRF). The programme with technical support from SPEA Engineering completed the technical designs for the 405 km of roads to be rehabilitated and tender documents. The road works were tendered in 11 Lots of which 10 have been contracted and rehabilitation works are at 11% delivery. All projects were expected to be completed by the end of Q1 2021. UNCDF hired a consulting company to provide supervisory technical support to the 4 districts.

With respect to Output 2.2 and roads maintenance training, the programme delivered four courses namely:

Policy Makers’ Labour-Based Technology Awareness course, Technical Managers Labour-Based Technology (LBT) Course, Environmental and Social Safeguard [ESSI] Course, and Rehabilitation and Maintenance Planning System (RAMPS). A total of 255 people underwent this training. A training needs assessment on road maintenance was carried in 16 core districts through a consultative process. A total of 55 course modules have been developed and planned to be delivered between 2019-2020 covering 2,186 participants. However, this training programme has been affected by COVID-19 restrictions on learning institutions that have been closed since March 2020.

On the integration of road rehabilitation and maintenance component in the LG annual and mid-term planning, budgeting and implementation frameworks, a consultant was hired to support that process and work is 60% complete.

2.3.5. IMPLEMENTATION STATUS: OUTCOME 3 (AS OF SEPTEMBER 2020)

Regarding Outcome #3 (good governance), UNCDF operationalized the Local Government Excellence Fund (LGEF)⁶³ to provide financial incentives for improved performance of the beneficiary local governments as a catalyst to promote effective and efficient public service delivery^{64,65}.

A total of 16 LGs were supported to conduct mock assessments through the Local Government Performance Assessment (LGPA) system to establish their adherence to budgeting and accounting requirements as well as compliance to crosscutting issues, sector systems and processes and supported to prepare Performance Improvement Plans (PIPs). Furthermore, to improve community capacity to participate in the LG planning & budgeting processes, a “Community Regeneration Toolkit” for Community Level Planning Facilitators was developed for Parish Chiefs and Sub County Community Development Officers.

Besides improving PFM of LGs for improved service delivery, the programme also supported the increase of local fiscal space and improved local revenues through a mapping of local revenue sources and the

[to-agricultural-revitalization-and-transformation-start-funding-facility-for-small-and-medium-enterprises-smes-in-northern-uganda](#)
[revitalization-and-transformation-start-funding-facility-for-small-and-medium-enterprises-smes-in-northern-uganda](#)

⁶³ “Government of Uganda and UNCDF Sign MOU for Implementation of Local Government Excellence Fund” - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3956/government-of-uganda-andhttps://www.uncdf.org/article/3956/government-of-uganda-and-uncdf-sign-memorandum-of-understanding-for-implementation-of-local-government-excellence-funduncdf-sign-memorandum-of-understanding-for-implementation-of-local-government-excellence-fund>

⁶⁴ “Yumbe District Break Ground for Modern Markets” - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/4485/yumbe-district-break-ground-for-modern-markets>

⁶⁵ “Omoro District Completes Phase 1 of LelaObaro Market During Lockdown” - UN Capital Development Fund (UNCDF) <https://www.uncdf.org/article/6121/omoro-district-completes-phase-1-of-lelaobaro-market-duringhttps://www.uncdf.org/article/6121/omoro-district-completes-phase-1-of-lelaobaro-market-during-lockdownlockdown>

development of Local Revenue Enhancement Plans (LREPs), and the integration of local economy and business assessment tools into the LG Planning Guidelines. Together with support to improve local revenue sources and management and updated administrative systems, it led to a pilot initiative on local revenue digitalization.

As part of the support to improve Public Financial Management, the programme supported the capacity of local governments in PFM to integrate LED in their planning and alignment with national development plans (NDPs). Alongside Local Revenue Enhancement, the LGs received technical support and training on asset management⁶⁶⁶⁷ as well as Public Procurement and Disposal of Assets (PPDA) Regulations. The programme has also continued to support LGs improve compliance with the national accountability and procurement standards through hands-on support and training.

Additional support was provided by the programme on SDG localization. Following a mapping of the LG readiness to localize SDGs, a design workshop was held for political and technical leadership of the 18 districts to build their capacity for SDG Localization and Awareness Raising at the Local Government.

The programme has also been working with Uganda Local Government Association (ULGA) and Urban Authorities Association of Uganda (UAAU), producing key policy briefs on the justification for a progressive increment of the portion of the national budget transferred to the local governments to 38% by ULGA, which also conducted a review of the Implications of PFM Reforms on the Performance of LG, as well as research to improve understanding of local government challenges and advocacy for decentralization and devolution.

3. Evaluation objectives

Evaluation during a crisis: COVID-19

Considering the COVID-19 pandemic and resultant restrictions, the proposed evaluation methodology may be subject to change. All work of the evaluation team during the field visit shall be done within the guidelines and protocols set by the local and national government of Uganda.

3.1. Purpose, scope and objectives of the evaluation

This evaluation is being conducted in accordance with UNCDF's Evaluation Plan 2018–2021⁶⁸ and in line with UNDP's Evaluation Policy⁶⁹ (to which UNCDF is party) which sets out a number of guiding principles and key norms for evaluation in the organization following the Norms and Standards of the United Nations Evaluation Group (UNEG)⁷⁰. Amongst the norms that the Policy seeks to uphold, the most important are that the evaluation exercise be independent and provide technically and methodologically credible findings that are useful and relevant to support evidence-based programme management.

The focus of this evaluation is **the UNCDF component of the overall Government of Uganda DINU programme funded by the European Union, managed by Uganda's Office of the Prime Minister (OPM) and guided by the National Steering Committee.**

⁶⁶ "Time to Leverage our Assets," Say Ugandan Local Governments - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/4077/time-to-leverage-our-assets-say-ugandan-local-governments>

⁶⁷ "Uganda Government Looks to Save Billions through Asset Management" - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/5273/uganda-government-looks-to-save-billions-through-asset-management>

⁶⁸ Evaluation Plan (SF 2018-21) - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3206/evaluation-plan-2018-21>

⁶⁹ United Nations Development Programme – Evaluation. Available at <http://web.undp.org/evaluation/policy.shtml>

⁷⁰ Detail of Norms and Standards for Evaluation (2016). Available at <http://www.unevaluation.org/document/detail/1914>

With this in mind, the evaluation has been designed with the following **overall objectives**:

- to allow UNCDF and the EU to meet their accountability and learning objectives for DINU (UNCDF component);
- to support ongoing efforts to capture good practice and lessons to date;
- to guide and inform the remaining years of implementation as well as inform subsequent UNCDF programming in country and globally; with a particular interest in scaling up part of the intervention and build upon what has been achieved;
- to inform updating of UNCDF global strategies within the framework of its 2018 – 2021 Strategic Framework and beyond;⁷¹
- To assess the impact of COVID-19 on the overall implementation framework and provide recommendations for the second part of project implementation.

The mid-term evaluation is expected to assess both project results to date (direct and indirect, whether intended or not) from the first years of implementation as well as the likelihood of DINU (UNCDF component) meeting its expected end goals on the basis of current design, human resource structure, choice of partners, and broad implementation strategy. It is expected that the evaluation will provide useful and actionable recommendations to increase the likelihood of success by the end of the programme including remedial actions where the project might not be on track.

Critical to this evaluation is the assessment of the relevance and effectiveness of the DINU (UNCDF component)'s approach and instruments in consolidating stability in Northern Uganda, supporting the alleviation of poverty and under-nutrition and strengthening the foundations for sustainable and inclusive socio-economic development through enhancing the capacity of local government to increase local fiscal space and improve service delivery, as well as improving access to finance for SMEs engaged in the agricultural value addition and improving the stock and quality of the district road assets. As part of this, an additional important objective for the evaluation is to assess the extent to which it is already possible to see changes in peoples' lives in the communities supported thanks to the UNCDF intervention, and also whether the programme is appropriately set up to capture and understand these changes.

The **specific objectives** of the evaluation are:

- To assist UNCDF and its partners to understand the relevance, coherence, efficiency, effectiveness, and the likely pathways towards impact and sustainability of DINU's UNCDF component at the community level while understanding the context and challenges in which DINU operates;
- To provide evaluative evidence on the contribution of DINU's UNCDF component to consolidate stability in Northern Uganda, reduce poverty and under-nutrition at the level of the communities targeted, and strengthen the foundations for sustainable and inclusive socio-economic development and lessons learned so far;
- To understand better how UNCDF's component contributes to and works with the overall DINU programme, with UN agencies and other UNCDF programmes as well as with implementation partners, identify synergies and added value, including alignment with existing structures;
- To provide insights into the contribution of DINU's UNCDF component to cross-cutting issues – such as youth, human rights and gender equality;

⁷¹ Strategic Framework 2018-21 - UN Capital Development Fund (UNCDF). Available at <https://www.uncdf.org/article/3207/strategic-framework-2018-21>

- Based on the results of the evaluation, and in support of the principles of adaptive management, to validate and/or refine the theories of change and intervention logic of DINU's UNCDF component as necessary to support onward implementation.

3.2. Recommendations

To support the utility of the evaluation, while in no way restricting the scope of the conclusions that the evaluators may come to, UNCDF and the EU are specifically looking for lessons and recommendations along the following lines:

Overall recommendations sought:

- Recommendations should be short-, medium- and long-term;
- Inform UNCDF future programming – what should be taken forward to other potential sectors
- Suggest some specific intervention areas for a successor programme in light of the EU 2021-2027 programming
- Help position UNCDF with a broad range of partners – particularly EU EDF
- What lessons can be drawn to inform UNCDF's theories of change in relevant areas of its mandate;
- What lessons can be drawn from the use of the DINU's UNCDF component Implementation tools;

Specific recommendations sought:

- How to scale up some parts of the intervention and how to build on what has been done so far; □ How could the identified positive or negative external factors be mitigated or exploited further;
- What lessons from the programme management arrangement should be considered for future programmes;
- To what extent does the broader policy environment remain conducive to the replication of the lessons learnt from the programme;
 - What lessons can be drawn around the appropriateness of the monitoring and reporting tools to capture changes in the lives of beneficiaries at the community level.

3.3. Evaluation methodology

The evaluation should be transparent, inclusive, participatory and utilization-focused. The overall methodology to be followed should be organized following a theory of change approach, framed by the UN/OECD DAC evaluation criteria⁷², and drawing upon a number of mixed methods (using quantitative and qualitative data) to capture direct programme results as well as (likely) contributions to consolidate stability in Northern Uganda, reduce poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development.

To do so, the methodology should draw where appropriate on established measurement frameworks for capturing these kinds of development outcomes, such as the approaches of the Donor Committee for Enterprise Development to measuring the development of markets for the

⁷² Revised evaluation Criteria – OECD. Available at <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

poor in situations of complexity or established assessment frameworks such as Public Expenditure and Financial Accountability (PEFA) framework.⁷³

The approach to the evaluation should also intend to capture progress against UNCDF's 'innovation-to-scale' or maturity model approach whereby UNCDF supported interventions aim to start with piloting/innovation, then move to consolidation before being scaled up by others in markets and country policy systems more broadly.

In line with good practice in evaluating this type of complex-system, change-focused intervention⁷⁴, the overall methodology should be based on three concrete pillars:

- the programme's **theory of change** and the way this has been operationalised into a set of concrete expected results at different levels of the DINU's UNCDF component's results chain;
- the **evaluation matrix** grouping key evaluation questions and sub-questions by broad UN /OECD DAC evaluation criterion allowing analysis of programme results again at different levels of its results chain
- a **data collection toolkit** for the evaluation describing the quantitative and qualitative primary and secondary data collection tools that will be deployed to collect and analyse data to answer the evaluation questions, including impact questions around current or likely changes to the people's lives at the level of the beneficiary communities.

3.3.1. Theory of change

The main analytical framework for the evaluation is provided by the programme's theory of change which helps organize the evaluation questions according to programme's expected results at each level of its results chain.

In doing so, the evaluation should use as far as possible a contribution analysis approach with a view to understanding the influence of relevant contextual factors, and alternative drivers or obstacles to change at the regional, national and local levels that may have influenced the programme's direct and indirect, intended and unintended results including, importantly, at the level of the beneficiary communities.³³

In line with UN evaluation practice, the scope of the evaluation should cover all six standard UN/OECD DAC evaluation criteria: relevance/appropriateness of design, coherence, efficiency, effectiveness, and (likelihood of) impact and sustainability. In doing so, the focus of the evaluation goes beyond assessing whether UNCDF and its partners are currently 'doing things right' in programme execution and management, to a broader assessment of whether, given available evidence, and in comparison with similar approaches implemented by others, the programme looks to be the 'right approach' to achieving the higher-level objectives agreed in the initial phase.

3.3.2. Evaluation Matrix

In proposing how to conduct the evaluation, the evaluators should use an evaluation matrix to operationalize the theory of change and its proposed framework of direct and indirect results into a set of measurable categories of evaluative analysis following the results chain of the intervention. The evaluation matrix should properly address gender equality (GE) and human rights (HR) dimensions, including age, disability, migration, displacement and vulnerability.

The table below presents a set of preliminary questions that the evaluators should address in their proposed approach, following the revised UN/OECD DAC criteria. A final, more detailed evaluation

⁷³ <https://www.enterprise-development.org/measuring-results-the-dced-standard/>

⁷⁴ See, for example, pages 78 – 79 in the guidance published by CGAP

matrix will be developed during the inception phase on the basis of document review and initial consultation with key programme stakeholders.

The evaluation matrix is expected to be updated to take into account where relevant effects of COVID-19 on programme implementation, including but not limited to impact and limitations.

Criteria	Sub-questions
<p>1. Relevance</p> <p><i>The extent to which DINU (UNCDF component)s objectives and design respond to beneficiaries; global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.³⁴</i></p>	<p>1.1 How relevant and how well designed is DINU (UNCDF component) approach to the priorities of the government of Uganda, and key stakeholders considering the programme’s intended support to consolidate stability in Northern Uganda, reduce poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development?</p> <p>1.2 How relevant is the support provided by DINU (UNCDF component), including Local Government capacity building for increased fiscal space and improved service delivery; improved access to finance for SMEs engaged in the agricultural value addition and improved stock and quality of district roads assets?</p> <p>1.3 To what extent does the DINU (UNCDF component) design incorporate gender equality (GE), human rights (HR) and other crosscutting issues such as climate change for example? ? How coherent is it to needs and interests of all stakeholder groups? Does it offer good quality information on the underlying causes of inequality and discrimination to inform the programme?³⁵</p>

³³ For more information, please see: http://www.betterevaluation.org/en/plan/approach/contribution_analysis . ³⁴ ‘Respond to’ means that the objectives and design of the intervention are sensitive to the economic, environmental, equity, social, political economy and capacity conditions in which it takes place.

³⁵ This includes, but is not limited to, the extent to which the programme is formulated according to international norms and agreements on HR & GE (e.g. The Convention on the Elimination of all Forms of Discrimination Against Women – CEDAW; the Universal Declaration of Human Rights – UDHR; Convention on the Rights of Persons with Disabilities – CRPD) as well as national policies and strategies to advance HR & GE.

<p>2. Coherence</p> <p><i>The compatibility of DINU with other interventions in a country, sector or institution.⁷⁵</i></p>	<p>2.1. How distinct/complementary is DINU (UNCDF component) approach to the overall DINU programme as well as other initiatives implemented in Uganda by government and/or key development partners such as UNDAF, with similar objectives?</p>
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⁷⁵ The extent to which other interventions (particularly policies) support or undermine the intervention and vice versa. This includes internal coherence which should address the synergies the interlinkages

	<p>2.2 How well does DINU (UNCDF component) align with the existing structures (National structures and strategies, UN and UNDP Country Programmes, SDGs, etc). What is the added value and what are the synergies of DINU (UNCDF component)?</p>
<p>3. Efficiency</p> <p><i>The extent to which DINU (UNCDF component) is likely to deliver results in an economic and timely way.</i></p>	<p>3.1 How well has DINU (UNCDF component) delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities? How well are the key implementation partnerships functioning (between UNCDF and other implementing partners of DINU, and between UNCDF and the national/ local government and national/ local authorities)?</p> <p>3.2 What is the quality of outputs (deliverables) provided to date? How appropriate is the programme's monitoring system to track direct programme results and its broader contribution to the overall objectives?</p> <p>3.3 How well is the programme being governed, through the involvement and contributions of key partners such as the EU and the government counterpart?</p> <p>3.4 How well are resources (financial, time, people) allocated to integrate Human Rights (HR) & Gender Equality (GE) in the implementation of UNCDF component, and to what extent are HR & GE a priority in the overall intervention budget? To what extent are such resources being used efficiently?</p>
<p>4. Effectiveness</p> <p><i>The extent to which DINU (UNCDF component) is expected to achieve its objectives, and its results, including any differential results across groups.</i></p>	<p>4.1 To what extent are DINU (UNCDF component) activities under Outcome 1 contributing to Improved capacity and access to finance for SMEs engaged in agricultural value addition?</p> <p>4.2 To what extent are DINU (UNCDF component) activities under Outcome 2 contributing to Improved stock and quality of the district road assets?</p> <p>4.3 To what extent are DINU (UNCDF component) activities under Outcome 3 contributing to increased local fiscal space and improved local service delivery by local governments?</p> <p>4.4 To what extent is DINU (UNCDF component) on track towards progress on HR & GE? To what degree are the results achieved equitably distributed among the targeted stakeholder groups?</p>

between the intervention and other interventions carried out by the same institution/government, as well as the consistency of the intervention with the relevant international norms and standards to which that institution/government adheres. External coherence considers the consistency of the intervention with other actors' interventions in the same context, including complementarity, harmonization and coordination with others, and the extent to which the intervention is adding value while avoiding duplication of effort.

<p>5. Likely Impact</p> <p><i>The extent to which DINU (UNCDF component) is expected to foster inclusive and sustainable growth and employment of youth and women.</i></p>	<p>5.1 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 1 likely to contribute to increased food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.</p> <p>5.2 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 2 likely to contribute to increased trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport and logistic infrastructures.</p>
	<p>5.3 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 3 on track to contributing to strengthened capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.</p> <p>5.4 To what extent are DINU (UNCDF component) results likely to change attitudes and behaviours towards HR & GE on various stakeholder groups, and to reduce the underlying causes of inequality and discrimination?</p>
<p>6. Sustainability</p> <p><i>The extent to which the net benefits of DINU (UNCDF component) are likely to continue beyond the life of the intervention⁷⁶</i></p>	<p>6.1 To what extent are any changes in the access to finance for SMEs engaged in agricultural value addition sustainable over time? (Including from a market development perspective)</p> <p>6.2. To what extent are any changes in the stock and quality fo the district road assets and improved local service delivery for road assets sustainable over time?</p> <p>6.3. To what extent are any changes in local fiscal space and improved local service delivery sustainable overtime?</p>

3.3.3. Data collection toolkit

Finally, on the basis of the questions included above and the information present elsewhere in this Terms of Reference and on the UNCDF website, the evaluation team should deploy a data collection toolkit (that includes gender disaggregation and triangulation tools) that will include both existing secondary data as well as new primary data to be gathered during the country visit which together will be able to answer the questions listed above in the matrix organized by different levels of the results chain.

Evaluation during a crisis: COVID-19

The proposal should outline any adjusted evaluative approaches/ methodologies that may be needed to implement the evaluation effectively, including extended desk reviews, primary use of national consultants and virtual stakeholder meetings and interviews. This will be further detailed in the inception report.

⁷⁶ Note that this should include as far as possible an examination of the financial, economic, social, environmental and institutional capacities of the systems needed to sustain net benefits over time, including analyses of resilience, risks and potential trade-offs.

If part of the evaluation is to be carried out virtually then remote interviews may be undertaken through telephone or online (skype, zoom etc.). Consideration should be taken for stakeholder availability, ability or willingness to be interviewed remotely.

International consultants can work remotely with national evaluator support in the field if it is safe for them to operate and travel. No stakeholders, consultants or UNCDF staff should be put in harm's way and safety of all is the key priority.

The combination of primary and secondary tools or separate 'lines of evidence' should number at least five and be designed – as with the rest of the evaluation - with triangulation and complementary assessment of the sub-questions in the matrix in mind. Suggested lines of evidence include:

- Document and literature review;
- Analysis of deliverables and financial reports;
- Structured, semi-structured and/or in-depth interviews;
- Quantitative surveys;
- Direct observations;
- Focus groups including implementing partners

Bidders are particularly requested to focus on how they will measure the results of the DINU programme (UNCDF component) to date at the outcome level, using methods built around a contribution analysis approach. Bidders are encouraged to propose additional alternative innovative methods and approaches in line with UNCDF Evaluation Unit's objective to promote innovation in development evaluation in line with international good practice. In proposing the evaluation methodology, bidders are requested to respect the various quality standards for UNCDF evaluation set out in Annex.

3.3.4. Case Studies

Interested bidders are also requested to include in their proposal a proposed approach to 'dive more deeply' into programme relevance performance and (likely) impact to date by way of case studies of investments supported and of technical assistance provided to partners. The choice of case studies will be decided during the inception phase and should be chosen to support the broader evaluation approach and sampling strategy.

3.3.5. Human rights and gender equality

The evaluation must include an assessment of the extent to which the design, implementation, and results of the project have incorporated a gender equality perspective and rights-based approach. The evaluators are requested to review UNEG's *Guidance in Integrating Human Rights and Gender Equality in Evaluation* during the inception phase⁷⁷ as well as the UN Disability Inclusion Strategy³⁹.

In addition, the methodology used, data collection and analysis methods should be human rights and gender-sensitive to the greatest extent possible, with evaluation data and findings disaggregated. Evaluators should also review the most recent publications by the United Nations on

⁷⁷http://www.uneval.org/papersandpubs/documentdetail.jsp?doc_id=980 <https://www.un.org/en/content/disabilitystrategy/>

the seven drivers of women's economic empowerment in the context of the SDG focus on leaving no one behind⁷⁸.

The promotion and protection of Human Rights (HR) & Gender Equality (GE) are central principles to the mandate of the UN, and all UN agencies must work to fundamentally enhance and contribute to their realization by addressing underlying causes of human rights violations, including discrimination against women and girls, and utilizing processes that are in line with and support these principles. Those UN interventions that do not consider these principles risk reinforcing patterns of discrimination and exclusion or leaving them unchanged. It is therefore important that evaluations commissioned by UNCDF take these aspects into account.

The 2019 United Nations Disability Inclusion Strategy provides the foundation for sustainable and transformative progress on disability inclusion through all pillars of the work of the United Nations: peace and security, human rights, and development. The Strategy enables the UN system to support the implementation of the Convention on the Rights of Persons with Disabilities⁷⁹ and other international human rights instruments, as well as the achievement of the Sustainable Development Goals, the Agenda for Humanity and the Sendai Framework for Disaster Risk Reduction⁸⁰.

UNCDF takes seriously its commitments to GE and women's empowerment throughout its programme cycle, including evaluation. In the latest independent review of the quality of UNCDF evaluation reports under the UN's System-Wide Action Plan, overseen by UNEG, its Evaluation Unit was scored as "exceeding requirements" and the Unit is committed to guarantee that all the evaluations it designs and manages meet the UNEG GE-related norms and standards and apply the UNEG guidance during all phases of the evaluations.

4. Management roles and responsibilities

To ensure independence and fulfilment of UN evaluation standards, the Evaluation Unit of UNCDF in New York – supported by M&E colleagues in Uganda - is responsible for the design and management of this evaluation and will hire an independent firm (Evaluation Team) to conduct the evaluation.

UNCDF Evaluation Unit: In line with the organisational setup for evaluation at UNCDF, the Evaluation Unit in New York – reporting directly to the Executive Secretary of UNCDF in line with relevant UN Evaluation Group norms on organisational independence of evaluation entities in the UN system - is responsible for the design and management of this evaluation and for the overall quality of the evaluation report .

Evaluation Team: An independent firm will be hired by the Evaluation Unit to conduct the evaluation. The Evaluation Unit will provide substantive support, including joining the Evaluation Team in the data collection mission and supporting the implementation of remote/virtual data collection. The Evaluation Team will work closely with the UNCDF DINU programme team (see below). They will be responsible for arranging all meetings and field visits, with support from the programme team and the Evaluation Unit. The Evaluation Team is expected to organize its own travel, visas, accommodation and local transport. The Evaluation Team shall safeguard the rights and confidentiality of information providers, for example, measures to ensure compliance with legal codes governing areas such as provisions to collect and report data. Furthermore, the Evaluation Team will at all times conduct the evaluation in accordance with the principles outlined in the UNEG

⁷⁸ In addition to the UN Evaluation Group guidance on embedding gender equality and women's empowerment into UN evaluations: <http://www.unevaluation.org/document/download/2107> , please see for information the latest report by the UN Secretary General's High Level Panel on Women's Economic Empowerment: Leave No One Behind – Take Action for Transformational Change on Women's Economic Empowerment <http://hlp-wee.unwomen.org/>-

⁷⁹ <https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html>

⁸⁰ <https://www.undrr.org/publication/sendai-framework-disaster-risk-reduction-2015-2030>

Ethical Guidelines for Evaluations⁸¹, based on commonly held and internationally recognized professional ideals to conduct themselves in accordance with the highest standards of integrity as enshrined in the Charter of United Nations. The Evaluation Unit takes its responsibilities very seriously in this regard, particularly given the access that will be given to economically vulnerable populations. Finally, the Evaluation Team will need to sign the UNEG Code of Conduct for Evaluation in the UN System⁸² and return a copy to the Evaluation Unit.

UNCDF DINU Programme team: The programme staff will provide administrative and logistical support. This will include: timely access to an extensive range of documentation for the desk review; an updated stakeholder list with contact details, including emails, telephone numbers and preferred method of access (if possible); and assistance in scheduling meetings in Uganda. The programme staff will also be available for initial briefing and final debriefing in Uganda and shall make itself available to answer questions and provide documents. The programme staff may provide office space in Uganda for the evaluation team to work upon request.

Advisory Panel: The Panel will be comprised of key programme stakeholders (including potentially representatives of UNCDF, the Office of the Prime Minister, the EU and others. The role of the Advisory Panel will be to support the Evaluation Unit in managing the evaluation by participating in the following:

- Reviewing and commenting on the inception report
- Reviewing and commenting upon the draft report
- Being available for interviews with the evaluation team

As appropriate, representatives from the national counterpart and key funders are welcome to observe the conduct of the evaluation – COVID-19 permitting. In doing so, care will be taken to allow access by the evaluators to stakeholders in a confidential manner where necessary.

5. Audience and timing

The primary audience for this evaluation is UNCDF, other DINU implementing partners, and key stakeholders, including the European Union, MDAs, LDGs (18 districts), Uganda's Office of Prime Minister (OPM), NAO, Delegation Agreements and Grantees, UNRAs in Uganda and others.

Evaluation during a crisis: COVID-19

Considering the COVID-19 pandemic and resultant restrictions, the proposed evaluation schedule may be subject to change. All work of the evaluation team during the field visit shall be done within the guidelines and protocols set by the local and national government of Uganda.

The evaluation will have three distinct phases:

Phase 1 - Inception

- Kick-off meeting between the evaluation team and the Evaluation Unit to ensure clear understanding of the evaluation methodology, approach and main deliverables as per TOR;

⁸¹ <http://www.uneval.org/search/index.jsp?q=ethical+guidelines>

⁸² <http://www.unevaluation.org/document/detail/100>

- Adjustments to any evaluative approaches/methodologies that may be needed to implement the evaluation effectively in response to the COVID-19 restrictions in Uganda, including safety guidance, extended desk reviews, primary use of national consultants and virtual stakeholder meetings and interviews;
- Kick-off meetings with Advisory Panel, the DINU programme staff, as well as the senior management of UNCDF, to familiarize the Evaluation Team with the programme objectives, results to date and expectations for this evaluation;
- Provision of all relevant documents;
- Stakeholder mapping and selection;
- Finalization of the evaluation methodology and tools, including the sampling strategy and the data collection strategy.
- Finalization of data collection tools (questionnaire, checklist, guidelines). The Evaluation team will be responsible for pre-test and finalization of tools and techniques for the survey. The data collection tools will be in English language.
- Finalization of the schedule for field visit;
- Interviews by the team with key stakeholders

Phase 2 – Data collection mission

- Considering the COVID-19 pandemic and resultant restrictions, the schedule and length of field visit may be subject to change and will follow guidelines and protocols set by the local and national government of Uganda. No stakeholders, consultants or UNCDF staff should be put in harm's way and safety is the key priority.
- Primary data collection, including site visits, focus groups discussions, and key informant interviews □ Security briefing with UNCDF country office
- Debriefing sessions with the key in-country stakeholders will be organized to present emerging trends/ preliminary findings and to build ownership of the findings with programme counterparts
- The Team Leader may be asked to debrief the Advisory Panel and Evaluation Unit at the end of the field visit. This with a view to provide a sense of the evaluation team's preliminary findings ahead of the draft reporting phase.
- The evaluators are also expected to conduct interviews with key informants from HQ.

Phase 3 – Reporting

- Analysis and synthesis, including a technical debrief with UNCDF DINU staff on initial findings and final questions
- Drafting of the evaluation report
- HQ debrief of the final evaluation report to UNCDF senior management.

In drawing up the proposed work plan, the evaluation team should be given sufficient time to complete: i) a thorough review of all relevant programme documentation during the inception phase and preparation of the methodological approach to be followed by the evaluation team; ii) one data collection mission (field visit), and iii) a thorough write-up phase of the evaluation report, to include analysis and transparent aggregation of the different 'lines of evidence' collected during the preceding evaluation phases into case studies and a final evaluation report with relevant annexes.

During the country visit, the expected level of effort for the evaluation should include 15 days (minimum) per person in country with a minimum of two members of the evaluation team to visit

the country (i.e at least 30 person days). These team members should be experienced evaluators with relevant technical knowledge of the intervention being assessed.

In total, it is expected that the evaluation will take at a minimum between 90 - 100 person days to complete, including all team members' contributions to the inception, field visit and write up phases of the evaluation.

The methodology – including the final sampling strategy - should be further developed by the evaluation team during the inception phase under the supervision of the Evaluation Unit. The below proposed timeframe and expected deliverables will be discussed with the evaluation team and refined during the inception phase. The final schedule of deliverables should be presented in the inception report.

The Evaluation Unit reserves the right to request revisions to the evaluation deliverables until they meet the quality standards set by the UNCDF's Evaluation Unit for evaluation reports (please see Annex for more details).

The Evaluation Team Leader is responsible for preparing and submitting the following deliverables:

Phase	Deliverable	Tentative timeframe
Phase 1: Inception	An inception report presenting a full description of programme implementation to date as well as the final evaluation matrix, methodology, data collection toolkit and detailed work plan with timeline following a template to be provided by the Evaluation Unit. The report must also detail any adjusted evaluative approaches/methodologies that may be needed to implement the evaluation effectively due to COVID-19.	Q2-Q3 2021
Phase 2: Field visit and data collection mission		Q3 2021
Phase 3: Reporting	A Draft Evaluation Report ⁸³ organized by evaluation subquestion, presenting evaluation findings and recommendations for DINU's UNCDF component, aggregated and synthesized on the basis of the results of the different data collection and analysis tools (35-45 pages).	Q3-Q4 2021

⁸³ Including up to three rounds of revisions.

	<p>Annexes with summary of findings from each of the ‘lines of evidence’ used to support the evaluation findings⁸⁴ An Executive Summary of maximum 5 pages summarizing the main findings and recommendations in English and French</p> <p>Case studies following the template provided APPT slideshow for HQ debriefing (20 minutes’ presentation) summarizing the main findings and recommendations.</p> <p>A Final Evaluation Report that incorporates comments received from all partners and a matrix of recommendations to be used for the Management Response and action, with recommendations for the next phase of the programme.</p> <p>If all or part of the evaluation was carried out virtually as a result of COVID-19, the report should reflect such limitations.</p>	
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6. Composition of Evaluation Team

The evaluation team should present a combination of expertise and experience in both the theory and practice of international development evaluation as well as in the various technical areas that UNCDF is working in, including: i) capacity building of Local Governments, including in the area of PFM, gender responsive good governance and the rule of law and the empowerment of communities to participate in improved local service delivery; ii) funding of small and medium-size agribusinesses, Business Development support and agricultural value chain as it relates to food security and nutrition; and iii) road rehabilitation and upgrading at the district and community level in developing countries).

It is requested that the proposed evaluation team be made up of at least the following roles:

- 1 Team Leader with at least 10 years of relevant evaluation experience and relevant technical experience
- Team member(s) with at least 10 - 15 years of relevant thematic experience (local government finance, PFM, SME finance, road rehabilitation and upgrading) • At least 1 national expert

The evaluation team should strive for gender-balance in its composition and include representatives from Uganda and/or who possess background knowledge/expertise in Uganda.

Overall expertise/experience

Overall, the team should be offer the following expertise and experience:

- Applied knowledge of theory-based approaches to programme evaluation, using both quantitative and qualitative analysis of existing secondary data and primary data sources;
- Experience in local government finance and local economic development in least developed countries;

⁸⁴ All completed tools and datasets making up the different lines of evidence should be made available to the Evaluation Unit upon request (including field notes, transcribed highlights from interviews and focus group discussions, details from quantitative analysis). Bidders are requested to make sure that the Evaluation Team is ready to provide this information upon request.

- Experience in measuring the performance of public financial management systems at the local level, including planning, efficiency in allocation, use and availability of resources, intergovernmental fiscal transfer systems, local government revenue systems, elimination of corruption, Output Oriented Budgeting, Performance Based Budgeting, financial management, capital investment programming, procurement, Gender sensitive and Climate change responsive LGs Development Plans and Budgets;
- Experience in technical assistance to the implementation and financing of local economic development strategies through PPPs, SME finance and infrastructure finance;
- Experience in providing policy support, grant, loans and other forms of development finance instruments to public institutions;
- Experience in infrastructure finance and investment at the sub-national level and the principles of local economic development such as clustering, externalities, linkages and public promotion of economic activity with social impacts;
- MSME investment financing at the market and policy level in LDCs,
- Understanding of how to assess programme contribution to market development/systemic changes in the area of SMEs and agricultural value chains as they relates to food security and nutrition as well as rehabilitation and upgrading of district and community access roads to ensure all-weather accessibility to services and markets for population and commodities; to increase trade of commodities (region/ country/ cross-country)

Evaluation expertise/experience

- Proven experience (at least 10 years for the team leader) with designing and conducting international development evaluations that apply relevant mixed-methods evaluation approaches to a variety of different modalities in international development cooperation, involving intergovernmental organisations and their government and private sector counterparts.
- Knowledge of how the UN system functions is highly preferred.
- Demonstrated experience in integrating gender equality, human rights and youth in evaluation.
- Evidence of formal evaluation and research training, including familiarity with OECD or UN norms and standards for development evaluation, as well as the evaluation of complexity as applied to market development approaches, such as that of DCED.
- Relevant experience of undertaking/participating in evaluations in the areas covered by this intervention, including experience using a range of qualitative and quantitative evaluation methodologies to assess program results at individual, institutional, market and policy levels.

Thematic expertise/experience

The teams should also demonstrate much of the following thematic expertise/experience:

Local Government Finance / Public Financial Management

- Proven international experience in the field of local development, local economic development, local government finance, decentralization, intergovernmental fiscal transfer systems, development planning, public financial management and budgeting;
- Proven experience in capacity building of Local Governments in PFM, including supporting and strengthening local governments' upward accountability.

- Proven experience in Local government PFM, compliance with National Rules and Regulations, PFM diagnostics for compliance and performance (customized PEFA Methodology) including Community Based interventions in the areas of LG PFM Compliance and Performance;
- Proven experience and strong knowledge in technical support to the LGs in applications of IFMS and ICT system at the local level focusing on strengthening capacities of LGs to analyse and make cash flow forecast, budget performance analysis, carry out integrated planning and budgeting processes, implement modern procurement systems, integrated accounting, revenue and expenditure management systems, oversight bodies and mechanisms, improve public service delivery and management; LG Financial Accounting and Regulations Manuals;
- Proven experience and knowledge of asset management and development of asset management strategies;
- Proven experience and knowledge of mobile tax registration and payment systems using mobile money platforms;
- Proven experience and knowledge of land governance and registration of certificate of customary ownership, to allow communities to affirm their rights and request government protection, increase tenure security, reduce potential for conflict, efficient land information system for service delivery; land dispute resolution, monitoring system
- Proven experience National Annual performance assessment frameworks for Local Governments;
- Proven experience in capacity building of Local Government Units to efficiently mobilise and equitably allocate and utilise local revenue and resources;
 - Proven experience and strong knowledge of LG Development plans and Budgets that are Gender sensitive and responsive to climate change challenges and local economic conditions;
 - Proven experience and knowledge of technical and financial support to develop Local Economy Development strategies and experience with the principles of local economic development such as clustering, externalities, linkages and public promotion of economic activity with specific social impacts
 - Experience in technical assistance to the implementation and financing of local economic development strategies through PPPs, SME finance and infrastructure finance;
 - Proven experience and strong knowledge of capital investment planning in LGs, infrastructure finance and investment,
 - Technical expertise as a provider of technical assistance, policy support, grants, loans and other forms of development finance instruments to public institutions;
 - Proven experience and knowledge of gender sensitive Local Economy Assessment (LEA);
 - Proven experience and knowledge of climate vulnerability and risk assessments (CVRA) using participatory methods at community level;
 - Proven experience and knowledge in the design, finance and implementation of catalytic economic projects to empower women and youth and improve local climate change adaptation, mitigation and resilience, including empowerment of refugee and host communities;
 - Proven experience and knowledge of local government revenue systems, mapping and assessing local revenue sources, management and administration

systems, revenue data bases management – update and linkages to financial management systems;

- Proven experience and knowledge of Development of Local Revenue Enhancement Plans and revenue mobilization plans;
- Proven experience and knowledge of incentives performance of local governments and stimulate community involvement, including improving community capacity to participate in LG planning and budgeting process, financial incentives – Local Government excellence Fund – and Discretionary Development Equalisation Grant (DDEG);

MSME and SME finance for Food Security and Agriculture

- Knowledge and awareness of issues relating to MSME/SME access to finance in a least developed country context, seed capital (loans, partial credit guarantees and reimbursable grants) to incubation projects, BDS and advisory for start-ups and MSME/ SMEs;
- Proven experience in identifying gaps in financial and technical assistance services to capital – intensive value adding agricultural projects in storage and processing;
- Proven experience and strong knowledge in access to finance for projects promoted by women and youth and contribute to their economic empowerment as well as projects that aim at reducing environmental risks and ecological scarcities along the identified value chains;
- Proven experience in alignment between public sector interventions and private sector economic activities;
- Proven experience in leveraging domestic capital for investments in agriculture by attracting farmers' savings, concessional and regular finance and guarantees from financial institutions and private firms;
- Proven experience and strong knowledge of working to support financial institutions/ national development finance institutions;
- Proven experience and strong knowledge of funding facilities for small and medium agribusinesses; • Comprehensive knowledge of DCED benchmarks and industry best practices;
- Experience at the country sector level/understanding of building enabling environments/stakeholder engagement;
- Experience of market development approach; low-income market segments; electronic payments;
- Skills and experience in value chain analysis;
- Prior experience and knowledge in Youth and Women Economic Empowerment;

Stock and Quality of district road assets for local service delivery

- Proven experience and strong knowledge in the provision of technical assistance for implementation of district road rehabilitation and improvement programmes;
- Proven experience and strong knowledge in preparation/ review of detailed engineering designs, scope/ prioritisation, cost estimates and implementation timeframe of rehabilitation works, including tender preparation and contracting;
- Proven experience and strong knowledge of conditional grant transfer mechanisms to allow LGs to contribute to road assets development and rehabilitation; including management of funds operations to ensure coherence between partners and delivery;

- Proven experience and strong knowledge of providing technical support and advisory services in the road sector, support to road assets maintenance, training programmes in road maintenance for LGs, integrating road rehabilitation and maintenance component in the Local Government annual and mid-term planning, budgeting and implementation frameworks;

In order to meet good practice in ensuring sufficient coverage of gender equality and women's empowerment in the evaluation design and conduct, one gender equality and empowerment expert should be appointed within the evaluation team to ensure that the evaluation reports this accordingly. The expert should focus on gender data disaggregation and gender-related impacts at the client level. The expert will have the responsibility for appraising the substance and effectiveness of approaches, products, outcomes and risks of women's financial inclusion.

COVID-19 permitting, the country visit team should include the Team Leader. The Team Leader should also have demonstrated experience in conducting evaluations and be equipped with the relevant skills and experience to 'apply an evaluative lens' at all points during the conduct of the country visit.

ANNEX 2: PROGRAMME RESULTS AND RESOURCES FRAMEWORK

		Progress
Impact	To consolidate stability in Northern Uganda, eradicate poverty and undernutrition and strengthen the foundations for sustainable and inclusive socio-economic development.	NA
Obj. 1	Improve access to finance for SMEs engaged in agricultural value addition through a dedicated facility for business development services and blended finance.	The corresponding indicators are not monitored by OPM (source: LOGFRAME: Support for Implementation of Components of the DINU).
Obj. 2	Improve the stock and quality of the district road assets through a district road rehabilitation fund and dedicated technical assistance and improve local service delivery for road assets).	
Obj. 3	Increase local fiscal space and improve local service delivery through a discretionary grant mechanism and technical assistance to core government functions, including customary land tenure systems	

Result (Outcome/output)	Indicators	Progress
Result 1.2 (FA): Increase market accessibility		
Output 1: Specific Activity 1.2.2 (FA): Providing seed capital to incubation projects		
Sub-activity 1.1.1 (DA): BDS	<p>Indicator: % of submitted business proposals accepted for 2nd screening, disaggregated by male-female-led business</p> <p>Target: 80% (Year 4- 2021)</p> <p><i># of Longlisted and Shortlisted SMEs receiving targeted BDS disaggregated by male/female-led businesses.</i></p> <p>Target: 50 (Year 4- 2021)</p>	<p>CfP3 which was Issued in December 2020 closed receiving of applications on 15th March 2021.</p> <p>Achieved: 69%</p> <p>Year 3: (Not yet completed)</p> <p>Achieved: Zero</p>
Sub-activity 1.1.2 (DA): Project preparation and development	<p>Indicator: Total number and % of businesses making it to (a) financial closure and (b) financial disbursement, disaggregated by male/female-led businesses</p> <p>Target: 40% (Year 4)</p>	<p>14 out of 75 shortlisted businesses made it to financial closure during the reporting period. One female led while the other companies are male led businesses</p> <p>Achieved: 19% (Year 4)</p>
	<p>Number of companies receiving pre-investment BDS support disaggregated by male/female-led business</p> <p>Target: 50 (Year 4)</p>	<p>Achieved: NIL (Year 4)</p>

Sub-activity 1.1. 3 (DA): Financial Services	Indicator: Total amount of SME finance (incl. leverage) & NPL ratio, dis-aggregated by finance to female-led businesses Target: At least €800,000 is (2021) in grants, reimbursable grants, loans, and equity, with NPL ratio equal to or less than 7% (FY2020)	Achieved: disbursed €187,000; (2021)
	Total amount of funds disbursed through Partial Credit Guarantees Target: €250,000 (2021)	Achieved: disbursed NIL; (2021)
	Total amount of funds leveraged by START Facility (loans & guarantees) from FIs and SMEs Target: €1,500,000 (2021)	Achieved: €3,670,227; (2021)
	Percentage of Non-Performing Loans (NPL) Ratio on concessional loans Target: 7% (FY 2021)	No (Zero) NPLs reported
	Number of firms receiving post -investment BDS support disaggregated by male/female-led businesses. Target: 24 (FY2021)	Achieved: 11 SMEs; (FY 2021)
	Number of firms receiving TA Grant support dis-aggregated by male/female-led businesses Target: 11 (FY2021)	Achieved: 11 SMEs; (FY 2021)

	<p>Number of firms receiving Small Businesses Recovery Funds dis-aggregated by male/female-led businesses.</p> <p>Target: No target for Disbursement of Zero interest loans businesses (2021)</p>	<p>Achieved: disbursed to two SMEs; (2021)</p>
<p>Output 2.1 Result 1.2.1 (FA): Transport infrastructure in the region are improved and climate-resilient</p>		
<p>Specific activity 2.1.2 (FA): Rehabilitation and upgrading of priority district and community access roads within then 4 (now 5) priority districts (Amudat, Adjumani, Abim, Moyo)</p>		
<p>Sub-activity 2.1.1 (DA): Provision of technical assistance for implementation of district road rehabilitation and improvement programmes</p>	<p>Indicator: % of projects issued Works Completion Certificate without a need for defects rectification</p> <p>Target: 100% (Year 4)</p>	<p>Achieved on the Target: 0%</p>
<p>Sub-activity 2.1.2 (DA) Implementation of district road rehabilitation and improvement programmes in four target districts</p>	<p>Indicator: 2.1.2. % DRRF utilization by districts</p> <p>Target: 2.1.2. 100% utilization (Year 4)</p>	<p>The overall physical progress of the project is estimated at 80% and financial progress is about 56.8%</p> <p>Achieved: 56.8% utilization (Year 4 2021)</p>

(District Road Rehabilitation Fund)		
Result 3.1 (FA): Capacities of Local Governments to manage core public financial processes strengthened to improve service delivery and local development.		
Output 3.1 Specific Activity 3.1.1 (FA): Strengthen capacities of Local Governments in public financial management		
<p>Sub- Activity 3.1.1 (DA): Adequate capacity and compliance with the National Rules and Regulations on PFM.</p>	<p>Indicator: LG performance score for Crosscutting Performance Measures Target: 80% and above for Years 3-4.</p> <p>Indicator: % of budget framework papers in targeted sub-regions issued with NPA's certificate on compliance with the provisions of the PFMA Target: 70% for Year 3 &4</p>	<p>Achievement for 2020: 21.4%</p> <p>The average performance of DINU LGs is 21.4% which is much below DINU year 4 target of 80%</p> <p>Achieved: 51.5% of LGs national issued COC. (This performance is below the 70% target for year 4.</p> <p>The DINU Core LG performance averaged at 55.8% who were issued CoC, slightly above the national average, but below the DINU program target of 70%.</p>

<p>Sub-activity 3.1.2 (DA): LGs Development Plans and Budgets are gender sensitive and responsive to the local economy conditions</p>	<p>Indicator: % of budget framework papers (BFPs) in targeted sub-regions issued with gender and equity certificate in compliance with the provisions of the PFMA</p> <p>Target: 70% and above for Years 3 & 4</p>	<p>The average national performance has grown from 42.49% in 2019/20, to 58.07% in 2020/21 and the current 64.45% in 2021/22. The DINU LG performance in compliance with gender and equity nationally is at 62.9% for 2021/22 slightly below the DINU target of 70%.</p> <p>Achieved 64.4% year 4 Target 70%</p>
<p>Output 3.2 Specific Activity 3.1.2 (FA): Strengthen capacities of mandated local government units to efficiently mobilize and equitably allocate and utilize local revenue and resources</p>		
<p>Sub-activity 3.2.1 (DA): Updated local revenue database on the revenue sources in the target LGs</p>	<p>Indicator: % of identifiable taxable base covered in the local revenue database</p> <p>Target: 90% and above for Years 3 & 4</p>	<p>All the 18 core LGs identified the major sources and potential sources of local revenues.</p> <p>Achieved: 100% above the 90% target for Year 4</p>
<p>Sub-activity 3.2.2 (DA): Increase in realization of the budgeted LR in the LGs.</p>	<p>Indicator: % of local own source revenue (projected and collected) as a ratio of transfers from central government</p> <p>Target: 10% (Year 3 and 4)</p>	<p>Achievement: Average of 1.9% for the 18 DINU districts.</p> <p>As much as the ratio of district OSR to total transfers from the centre is still below the DINU target of 10%, we have also noted marked improvements in this area. LGs in 2020/21 has improved from 1.3% last FY to the current 1.9%.</p>

Output 3.3 Specific Activity 3.1.3 (FA): Structured partnership with Associations of Local Authorities and key relevant institutions for research and advocacy on institutional and policy reforms relating to core mandates of local governments.		
<p>Sub-activity 3.3.1 (DA): Improved capacity of Local Governments to identify and formulate key policy issues for advocacy</p>	<p>Indicator: # of policy briefs produced on key policy issues disaggregated by briefs addressing gender issues</p> <p>Target: At least 2 policy briefs produced annually (Years 1-4)</p>	<p>The program during the FY developed (i) Issues paper for alternative financing for LGs and (ii) Extracted proposed Amendments to the Local Government Act CAP (243) to Enhance Borrowing powers. These two were submitted to the Minister of Local Government to inform cabinet memo drafting for alternative financing and amendment of the LG Act CAP 234</p> <p>Achieved: 100%</p>
<p>Sub-activity 3.3.2 (DA): Evidence-based research to improve understanding of the key local government challenges and advocacy for decentralized governance and devolution of powers</p>	<p>Indicator: # of evidence-based research studies completed and # of advocacy actions on behalf of LGs (disaggregated by studies and actions explicitly addressing gender issues)</p> <p>Target: Two studies conducted annually and two advocacy actions annually</p>	<p>No studies were conducted in 2021. The key issues were under studied in 2020 and 2021 was used mainly for advocacy for policy improvements</p> <p>Achieved 0%, but four were conducted in 2020.</p>

<p>Sub-activity 3.3.3 (DA) Strengthened capacity of Associations for quality assurance and review of the LG key implementation issues and support to LG participation in periodic government reviews.</p>	<p>Indicator: % of target LG assisted in key performance activities, such as bi-annual monitoring of implementation, semi-annual and annual performance reviews and assessments</p> <p>Target: 100% (Year 3 & 4)</p>	<p>Achieved: 100% (As target all the 18 LGs were represented in budget negotiations and reviews)</p>
<p>Result 3.2 (FA): Upward accountability of Local Governments increased</p>		
<p>Output 3.4 Specific Activity 3.2.1 (FA): Support and strengthen LG accountability institutions in their interaction with line ministries and national accountability institutions</p>		
<p>Sub-activity 3.4.1 (DA): Improved LG compliance with national accountability and procurement standards.</p>	<p>Indicator: Percentage of compliance with accountability regulations governing local governments</p> <p>Target: 80 points and above for Years 3-4</p> <p>Indicator: % of LGs with unqualified audit rating (with up to 2 cross-cutting issues)</p> <p>Target: 80% (Year 4)</p>	<p>Achieved: 58%</p> <p>Below the 80% DINU Target for year 4 and the average national performance of 71%.</p> <p>Achieved: 14 out of 16 LGs (88%) were issued with Un-qualified audit opinion.</p> <p><i>Source of data OAG Report 2020/21</i></p>

	<p>Indicator: 3.4.1. (2) % of implementation of recommendations mandated accountability institutions governments</p> <p>Target: 90% for (Year 4)</p>	<p>Achievement:56%</p> <p>Below the 90% target</p> <p>4 out of 16 LGs (25%) in 2018 provided information of status of implementation of internal auditor general and auditor general's finds, while in 2019 only 1 LGs (6%) reported and in 2020/21 10 out 18 LGs reports (56%)</p> <p>Source of Data: Crosscutting Minimum condition No.7 (LGMSD PA 2020); Accountability Requirement (LGPA 2018 & 2019)</p>
<p>Output 3.5 Specific Activity 3.2.2 (FA): Support the reform and pilot implementation of the Government of Uganda's own annual performance assessment framework for local governments</p>		
<p>Sub-activity 3.5.1 (DA) Government performance assessment framework strengthened</p>	<p>Indicator: % of LGs that conduct internal 'mock' assessments to determine their compliance with assessment requirements</p> <p>Target: 60% (Year 3 & 4)</p>	<p>Achieved: 0%</p>
<p>Sub-activity 3.5.2 (DA) SDGs Localization Diagnostic Tracking Tool</p>	<p>Indicator: % of LGs that have a functioning SDGs Localization Tool</p> <p>Target: 50% for year 2</p>	<p>None of the LGs yet have a functional SDGs localization tool.</p> <p>Achieved: 0%</p>

SDGs Fund	<p>Total amount of SDGs fund disbursed and &leveraged ratio, disaggregated by finance to female-led firms</p> <p>Target: At least Euro 50,000 disbursed with leverage of 15% (Year 3 and 4)</p> <p>No. of bankable Innovative SDGs business proposals developed and financed</p> <p>Target: At least 2 innovative proposals annually developed and financed</p>	<p>No SDGs Fund was Disbursed in 2020</p> <p>Achieved: 0%</p> <p>Two bankable business proposals developed for Otuke district and Zombo district LG in FY2020, have been officially submitted to MoFPED for further engagement with private sector. None of the proposals was financed.</p> <p>Achieved: 0% of target</p>
<p>Output 3.6 Specific Activity 3.2.3-Incentivise performance of local governments and to stimulate community involvement Support districts and communities in road maintenance</p>		
<p>Sub-activity 3.6.1 (DA) Improved community capacity to participate in the LG planning & budgeting process.</p>	<p>Indicator: Level of stakeholder participation in planning, budgeting and monitoring of local government programmes disaggregated by sex</p> <p>Target: 100% PDC's and User Committees Trained</p>	<p>User committees in all the 14 LGEF projects were formed and trained and have remained functional. Additional at least 18 community drama groups have been formed retooled to support SDG awareness creation.</p> <p>Achieved: 100% in 2021</p> <p>PDC's formed/revamped and trained in all the 18 DINU LGs, initially using old manual and then using the revised manual.</p> <p>Achieved: 100% of target of 100%</p>

<p>Sub-activity 3.6.2 (DA): Local Government Excellence Fund</p>	<p>Indicator: LG performance score for cross-cutting performance measures, including Performance Measure #25: The LG has mainstreamed gender into their activities and planned activities to strengthen women's roles</p> <p>Target: 80% and above (Year 3 & 4)</p> <p>Amount of discretionary grants availed and # of LG receiving the grant</p> <p>Target: Year 3: €1,000,000</p> <p>No. of Business' facilitated by LGEF infrastructure Projects</p> <p>Target: Year 4:700</p> <p>Total No. of Jobs created and/ or improved due to LGEF infrastructure investments</p> <p>Target: 500 (Year 4)</p>	<p>Achieved: 21% (Average score for 18 DINU core LGs)</p> <p><i>Source: Performance Assessment 2020, national Synthesis Report (June, 2021)</i></p> <p>Achieved: €626,847.39 disbursed during the year.</p> <p>Slightly below the Year 4 Target of €1,000,000, but above the 2021 achievement, amidst the constraints imposed by the pandemic.</p> <p>No. of Business facilitated: Year 4 Target 700:</p> <p>Achieved: 720 vendors and traders and 750 farmers from 7 groups, way above the 700 target for year 4.</p> <p>Year 4 Target: 500 Jobs</p> <p>Achieved: 931 (373M, 457F)</p>
<p>Output 3.7. Improve land governance and facilitate the registration of Certificate of</p>	<p>Indicators: # of CCOs issued (% of CCOs with women and children, % of women headed households, % of youth, % of disabled and vulnerable individuals) in target districts</p> <p>Targets: 3,000 CCOs issued (1,000 in each of the three districts)</p>	<p>Target 3000</p> <p>Achievement: 0.</p> <p>However, of 3000, 2,022 applications were processed, and 1,779 parcels mapped, ready for issuance of CCO's.</p> <p>Target: 3 districts have system in place</p>

	Target: 100% of approved infrastructures	As much as none of the infrastructure has so far been delivered, procurement is in advanced stages.
Result 3.4 (FA): Capacities of local government to deliver services to communities strengthened.		
Output 2.2 Specific Activity 3.4.3 (FA): Support districts and communities in road maintenance (In PD under output 2)		
Sub-activity 2.2.1 (DA) Training programme in road maintenance.	Indicator: Number and % of relevant stakeholders (technical/non-technical staff, managers and community representatives) improving their expertise in road maintenance, disaggregated by gender Target: 100% (Year 4)	Achieved: 0% (Year 2021)
Sub-activity 2.2.2 (DA) Integration of the road rehabilitation and maintenance component in the LG annual and mid-term planning, budgeting and implementation frameworks	Indicator: % of districts with the road rehabilitation and maintenance component integrated in plans and budgets Target: Out of 18 core districts, 100% integrate the road component in Year 4	Achieved: All 18 DINU districts integrated roads rehabilitation into the annual work plans

ANNEX 3: EVALUATION MATRIX

Criterion 1: The Relevance of the UNCDF component	
Rationale	The EQs on relevance cover if the UNCDF component is designed in accordance with the priorities of the GoU and the need in the Northern Uganda including those for LGs, SMEs and for upgrading the road network.
Coverage	The extent to which the UNCDF component's objectives and design respond to beneficiaries', global, country, and partner/institution needs, policies, and priorities, and continue to do so if circumstances change.
Link with ToC	The link to the ToC is that the UNCDF component interventions must be of relevance for the GoU, district LGs, SMEs and communities for their understanding of the CB delivered and to succeed in the three thematic areas: business development within agriculture; upgrading of roads and LG service provision. In general outputs/outcomes are in jeopardy, if not owned by the stakeholders and the beneficiaries.

Evaluation-Questions	Indicators	Means of verification
<p>1.1 How relevant and how well designed is the UNCDF component's approach to the priorities of the GoU, and key stakeholders, considering the programme's intended support to consolidate stability in Northern Uganda, reduce poverty and under-nutrition and strengthen the foundations for sustainable and inclusive socio-economic development?</p> <p>1.2 How relevant is the support provided by the UNCDF Component, including LG capacity building for increased fiscal space and improved service delivery; improved access to finance for SMEs engaged in the agricultural value addition and improved stock and quality of district roads assets?</p> <p>1.3 To what extent does the UNCDF component design incorporate gender equality (GE), human rights (HR) and other crosscutting issues such as climate change? How coherent is it to needs and interests of all stakeholder groups? Does it offer good quality information on the underlying causes of inequality and discrimination to inform the programme?</p>	<p>Ind 1.1.1 Component covers priorities of the GoU</p> <p>Ind 1.1.2 Component covers specific needs in Northern Uganda</p> <p>Ind 1.1.3 Component is aligned with UNDAF and UNCDF strategy</p> <p>Ind 1.1.4 Component is aligned with 2030 agenda, strategies of the EU and other development partners</p> <p>Ind 1.2.1 START and BDS modalities are applied by SMEs</p> <p>Ind 1.2.2 Needs of SMEs are met for agriculture value chain addition</p> <p>Ind 1.2.3 Needs for support to district road upgrading are met</p> <p>Ind 1.2.4 CD for PFM, revenue generation, asset management etc. at district level is relevant to the beneficiaries</p> <p>Ind.1.2.5 Needs of LGs are met to improve PFM and service delivery</p> <p>Ind 1.3.1 GE, youth and vulnerable groups are incorporated in activities within each component</p> <p>Ind 1.3.2 No groups are excluded from activities within each component</p> <p>Ind 1.3.3 Climate change is incorporated in activities</p> <p>Ind 1.3.4 Specific information on inequality and discrimination exists in programme document to design actions</p>	<p>Project document</p> <p>Yearly and quarterly progress reports</p> <p>EU DINU - Description of the Action</p> <p>The Peace, Recovery and Development Plan 3</p> <p>National Financial Inclusive Strategy 2017-22</p> <p>Other DINU implementers and grantees</p> <p>DINU UNCDF component PIU</p> <p>OPM, MoLG, MoWT, Local Government Finance Committee (LGFC), Uganda Road Fund (URF)</p> <p>Beneficiaries - districts, SMEs, communities with road upgrading</p> <p>ULGA, UAAU</p> <p>Communities</p>

Criterion 2: The Coherence of the UNCDF Component		
Rationale	The EQs on coherence cover if the UNCDF component is complementary to other interventions in Northern Uganda such as the other parts of EU DINU, UN, other development partners and GoU.	
Coverage	The compatibility of UNCDF component with other development interventions within GG in the districts, district roads and SMEs in Northern Uganda.	
Link with ToC	The link to the ToC is the three thematic areas that (as an assumption) should be fitting with national programs and systems as well as interventions from other actors. At the outcome level the capacity building delivered to create capacity for private (SMEs), public (LG) investors, and road up-grading and maintenance shall be delivered consistent with national systems. The lack of coherence with other actions can affect the whole underlying change process.	
Evaluation Questions	Indicators	Means of verification
<p>2.1. How distinct/complementary is DINU (UNCDF component) approach to the overall DINU programme as well as other initiatives implemented in Uganda by government and/or key development partners such as UNDAF, with similar objectives?</p> <p>2.2 How well does the UNCDF component align with the existing structures (National structures and strategies, UN and UNDP Country Programmes, SDGs, etc). What is the added value and what are the synergies of DINU (UNCDF component)?</p>	<p>Ind 2.1.1 No overlaps identified with other DINU implementers</p> <p>Ind 2.1.2 No overlaps identified with interventions of other development partners in North Uganda</p> <p>Ind 2.1.3 No overlaps identified with other GoU interventions</p> <p>Ind 2.1.4 UNCDF component is complementary to other UN interventions</p> <p>Ind 2.1.5 No overlaps with other facilities targeting agriculture and SMEs</p> <p>Ind 2.1.6 District roads selected for rehabilitation (and subsequent maintenance) are compliant with MOLG and MOWT including other initiatives by DPs</p> <p>Ind 2.1.7 Coherence with Uganda's PFM reform strategy</p> <p>Ind 2.2.1 The UNCDF component is implementable within the national and aligned with the UN/UNDP country programmes</p> <p>Ind 2.2.2 Districts apply SDG localization tool (RRF⁸⁵ 3.5.2)</p> <p>Ind 2.2.3 The DINU UNCDF component applies the SDG framework</p> <p>Ind 2.2.4 UNCDF component and other DINU Actions are complementary</p> <p>Ind 2.2.5 The DINU UNCDF component has synergies with UNCDF's other initiatives and programmes in Uganda</p> <p>Ind 2.2.6 The joint DINU result framework is functioning and comprehensive</p>	<p>EU DINU Description of the Action</p> <p>Project document and progress reports</p> <p>UNDAF</p> <p>2030 Agenda and SDGs</p> <p>OPM, MoLG, MoWT, URF</p> <p>UAAU, ULGA</p> <p>District LGs</p> <p>UNCDF DINU component PIU</p> <p>Other DINU implementers and grantees</p> <p>UNCDF, UNDP</p> <p>DINU Result Framework</p>

⁸⁵ RRF refers to the DINU Components result and resources Framework (project document p. 49-56))

Criterion 3: The Efficiency of the UNCDF Components		
Rationale	The efficiency criterion and SQs will be covered to understand if the UNCDF component is delivering in an economic way considering the results (outputs, outcomes) that are likely to be achieved.	
Coverage	To understand the extent to which the UNCDF component is likely to deliver results in an economic and timely way.	
Link with ToC	The main link to the ToC is from the three thematic areas to the outputs and whether these are delivered economically and if the outputs that lead to further changes according to the ToC are of sufficient quality.	
Evaluation Questions	Indicators	Means of verification
<p>3.1 How well has the UNCDF component delivered its expected results to date, including in terms of budget allocation and cost-effectiveness of activities? How well are the key implementation partnerships functioning (between UNCDF and other implementing partners of DINU, and between UNCDF and the national/ local government and national/ local authorities)?</p> <p>3.2 What is the quality of outputs (deliverables) provided to date? How appropriate is the programme's monitoring system to track direct programme results and its broader contribution to the overall objectives?</p> <p>3.3 How well is the programme being governed, through the involvement and contributions of key partners such as the EU and the government counterpart?</p> <p>3.4 How well are resources (financial, time, people) allocated to integrate Human Rights (HR) & Gender Equality (GE) in the implementation of UNCDF component, and to what extent are HR & GE a priority in the overall intervention budget? To what extent are such resources being used efficiently?</p> <p>3.5. To what extent has the COVID-19 influenced the resources and activities of the UNCDF component?</p>	<p>Ind 3.1.1 Component budget executed as planned Ind 3.1.2 Component activities executed as planned Ind 3.1.3 DINU partners are satisfied with execution Ind 3.1.4 District LGs and key ministries are satisfied with the implementation Ind 3.2.1 START projects are approved to 2nd round and financed Ind 3.2.2 Road projects are terminated on time and of good quality (with certificates) Ind 3.2.3 Improved district PFM, fiscal space and investment capacity Ind 3.2.4 Results according to project's M&E system agreed by stakeholders Ind 3.2.5 Climate change screening tools are applied for road upgrading SME and district (LGEF) proposals Ind 3.2.6 M&E indicators and targets are appropriate and measurable to monitor results Ind 3.3.1 Regular meetings held with the EU Delegation and OPM Ind 3.3.2 Regular meetings of the DINU UNCDF Board are held Ind 3.3.3 ULGA and UAAU and MDAs are involved Ind 3.4.1 Budget is provided for specific GE and inclusiveness of vulnerable groups Ind 3.4.2 # of specific activities focusing on GE and inclusiveness Ind 3.4.3 GE and HR issues are integrated in M&E system/result system Ind 3.5.1 Existence of additional cost for COVID 19 preventive measures Ind 3.5.2 # of activities changed to online events and resources saved Ind 3.5.3 Resources lost due to cancelations Ind 3.5.4 # of cancelled or postponed activities (road upgrades. CD, SME proposals etc.) Ind 3.5.5 New activities such as SBRF, COVID-19 Assessments</p>	<p>UNCDF component budget and budget execution UNCDF component result framework Project progress reports Other DINU implementors and grantees DINU UNCDF Board minutes OPM, MoLG MoWT, LGFC, Uganda Road Funds Private Banks Business organisations EU Delegation (EUD) Other development partners Yearly district LG assessment UNCDF Component PIU UAAU, ULGA User groups DINU COVID-19 Assessments Back to Office Reports (BTOs)</p>

Criterion 4: The Effectiveness of the UNCDF Component		
Rationale	The Criterion's EQs will assess if the UNCDF component is on track to produce the expected outputs and outcomes and if the intervention is working	
Coverage	The extent to which the UNCDF component is expected to achieve its outputs and outcomes including any differential results across gender and youth	
Link with ToC	The link to the ToC is the connection from the three thematic areas to outputs and outcomes. It includes if the implemented activities under the three outcomes (SMEs, road upgrading, good governance) contribute as anticipated	
Evaluation Questions	Indicators	Means of verification
<p>4.1 To what extent are UNCDF component activities under Outcome 1 contributing to Improved capacity and access to finance for SMEs engaged in agricultural value addition?</p> <p>4.2 To what extent are DINU (UNCDF component) activities under Outcome 2 contributing to Improved stock and quality of the district road assets?</p> <p>4.3 To what extent are DINU (UNCDF component) activities under Outcome 3 contributing to increased local fiscal space and improved local service delivery by local governments?</p> <p>4.4 To what extent is DINU (UNCDF component) on track towards progress on HR & GE? To what degree are the results achieved equitably distributed among the targeted stakeholder groups?</p>	<p>Ind 4.1.1 # of short; and long listed START applications (divided into 1st, 2nd, 3rd round) (RRF 1.1.1)</p> <p>Ind 4.1.2 # and volume of START project financed by UDB (1st, 2nd, 3rd)</p> <p>Ind 4.1.3 Funds leveraged from UDB, SMEs and others (private banks)</p> <p>Ind 4.1.4 # of SMEs engaged in agriculture value addition able to access finance to support their investment</p> <p>Ind 4.2.1 Km of road under upgrading</p> <p>Ind 4.2.2 Km of road upgraded with satisfactory quality (certificate)</p> <p>Ind 4.2.3 Km of upgraded road under maintenance regime (with evidence of ongoing routine maintenance activities)</p> <p>Ind 4.2.4 # of trainees in road maintenance (gender and youth divided)</p> <p>Ind 4.3.1 More district revenues collected from OSR (RRF 3.2.2)</p> <p>Ind 4.3.2 # LGEF projects and other initiatives (revenue plans, profiles, asset register, etc.)</p> <p>Ind 4.3.3 District budgets includes substantive road maintenance</p> <p>Ind 4.3.4 # of additional Certificate of Customary Ownerships issued (RRF 3.7)</p> <p>Ind 4.4.1 Gender and age distribution of START projects (long listed and financed)</p> <p>Ind 4.4.2 Change in # of citizens living within 2 km from a road (RRF 2.1)</p> <p>Ind 4.4.3 Application of Human Right Based Approach (HRBA) in identification of district projects, road maintenance or SME projects</p> <p>Ind 4.4.4 LG performance score for cross cutting measures (RRF 3.6.2)</p>	<p>Quarterly and Annual Progress reports</p> <p>Project M&E framework</p> <p>Project PIU</p> <p>Uganda Road Fund</p> <p>DINU UNCDF board</p> <p>Uganda Road Fund</p> <p>Communities</p> <p>MoLG, MoWT, LGFC</p> <p>SMEs, communities</p> <p>ELGON Training Centre</p> <p>Districts</p> <p>Yearly District LG Assessment</p> <p>ULGA, UAAU</p> <p>UNCDF PIU</p> <p>BTOs</p>

Criterion 5: The likely impact of the UNCDF component

Rationale	The impact criteria with sub-questions cover the likelihood of the UNCDF component reaching its impact
Coverage	To understand the extent to which the UNCDF component is expected to achieve its higher-level objectives, and its and long-term results (including if it will be possible to assess), It will cover differential results across specific groups of beneficiaries?
Link with ToC	The criterion addresses the highest levels of the ToC (equitable, balanced, and sustainable local development) and is closely linked with the effectiveness i.e. whether outputs and outcomes are produced following the increased capacity and the three thematic interventions.

Evaluation Questions	Indicators	Means of verification
<p>5.1 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 1 likely to contribute to increased food security, improve maternal and child nutrition, and enhance household incomes through support to diversified food production and commercial agriculture and through improving household resilience (notably to climate change) and women empowerment.</p> <p>5.2 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 2 likely to contribute to increased trade of commodities within the region, within the country, and with neighbouring countries through the improvement of transport and logistic infrastructures.</p> <p>5.3 As currently designed and implemented, to what extent are DINU (UNCDF component) results under Outcome 3 on track to contributing to strengthened capacity, gender-responsive good governance (core mandate and general broad mandate) and the rule of law at the level of local government authorities and empower communities to participate in improved local service delivery.</p> <p>5.4 To what extent are DINU (UNCDF component) results likely to change attitudes and behaviours towards HR & GE on various stakeholder groups, and to reduce the underlying causes of inequality and discrimination</p> <p>5.5 What are the trends so far towards the achievement of SDG1 and SDG2 and what is the likelihood or the perspectives of UNDCF component contributing to this progress?</p>	<p>Ind 5.1.1 SME proposal approved and financed (disaggregated by gender and youth)</p> <p>Ind 5.1.2 Increased food production/(decreased imports)</p> <p>Ind 5.1.3 # of jobs created; by gender</p> <p>Ind. 5.1.4. Reduction of post-harvest losses</p> <p>Ind. 5.1.4. Increased availability of locally produced food products at local markets</p> <p>Ind 5.2.1 Signs of increase in regional trade</p> <p>Ind 5.2.2 # Km of upgraded roads (DUCAR)</p> <p>Ind 5.2.3 Faster transfer time</p> <p>Ind 5.2.4 Better food security, and access to schools and health centres</p> <p>Ind 5.3.1 Existence of more specific inclusive activities in LG planning and programmes</p> <p>Ind 5.3.2 Improvements in LG performance in revenue generation</p> <p>Ind 5.3.3. # and volume of LGEF completed projects</p> <p>Ind 5.4.1 women and youth involved in SMEs</p> <p>Ind 5.4.2 Road upgrading is benefitting women and youth</p> <p>Ind 5.4.3 More participation of women, youth and vulnerable groups in LG decision making</p> <p>Ind 5.4.4 More inclusive LG profiles and DDPs</p> <p>Ind. 5.5.1: Trends in SDG1 and SDG2 t</p>	<p>DINU overall M&E system</p> <p>UNCDF component PIU</p> <p>SMEs, district LGs</p> <p>User groups</p> <p>Trade statistics</p> <p>Result framework</p> <p>Business organisations</p> <p>OPM, MoLG, MoWT</p> <p>Annual district LG performance assessment</p> <p>LGEF</p> <p>DDPs, LGPA</p>

Criterion 6: The sustainability of the UNCDF component		
Rationale	The sustainability criteria and its EQs cover an early understanding of whether the results of the DINU UNCDF component will remain	
Coverage	To understand the extent to which the net benefits of the UNCDF component are likely to continue beyond the life of the intervention	
Link with ToC	The criterion is linked to the ToC and the quality of the whole development process in the component. It covers the quality of the three outcomes and how they are sustained in the development process towards the high-level output.	
Evaluation Questions	Indicators	Means of verification
<p>6.1 To what extent are any changes in the access to finance for SMEs engaged in agricultural value addition sustainable over time? (Including from a market development perspective)</p> <p>6.2. To what extent are any changes in the stock and quality of the district road assets and improved local service delivery for road assets sustainable over time?</p> <p>6.3. To what extent are any changes in local fiscal space and improved local service delivery sustainable overtime?</p> <p>6.4. How can UNCDF and other development partners respond and support future related needs to the DINU UNCDF component?</p>	<p>Ind 6.1.1 Banks are willing to provide finance for SMEs with SMEs own collaterals</p> <p>Ind 6.1.2 % of SMEs with financial support still in business (RRF 1.1.)</p> <p>Ind 6.1.3 More regional trade</p> <p>Ind 6.1.4 PSFU and UDB continue business support and funding for new applicants</p> <p>Ind 6.2.1 District allocate budgets for road maintenance and include road maintenance in planning (RRF 2.2.2)</p> <p>Ind 6.2.2 # of road maintenance projects in district plans</p> <p>Ind 6.2.3 # of skills form training applied by trainees (RRF 2.2.1)</p> <p>Ind 6.3.1 Application and existence of tools to collect revenues such as revenue enhancement plans</p> <p>Ind 6.3.2 Larger volume of district budget</p> <p>Ind 6.3.3 Larger share of OSR in district revenues</p> <p>Ind 6.4.1 Needs of further support from national and local government authorities in DINU components and related programs</p> <p>Ind 6.4.2 Relevance and coherence of UNCDF strategic framework, resources and modalities (namely blended finance) with the identified needs for future support</p> <p>Ind 6.4.3 Coherence with current and future strategies of GoU and other development partners</p>	<p>SMEs, Commercial banks</p> <p>Project progress reports</p> <p>Trade statistics and business organisations</p> <p>District LGs</p> <p>District budgets and accounting</p> <p>MoCT, LGFC</p> <p>LG Training Providers</p> <p>LG Annual Assessment</p> <p>UNCDF strategic framework 2018-21</p> <p>UNCDF Strategic Framework 2018-2021 Evaluation</p> <p>National Financial Inclusive Strategy</p> <p>UNCDF Annual Report, 2020</p>

ANNEX 4: KEY EVALUATION METHODS AND TOOLS

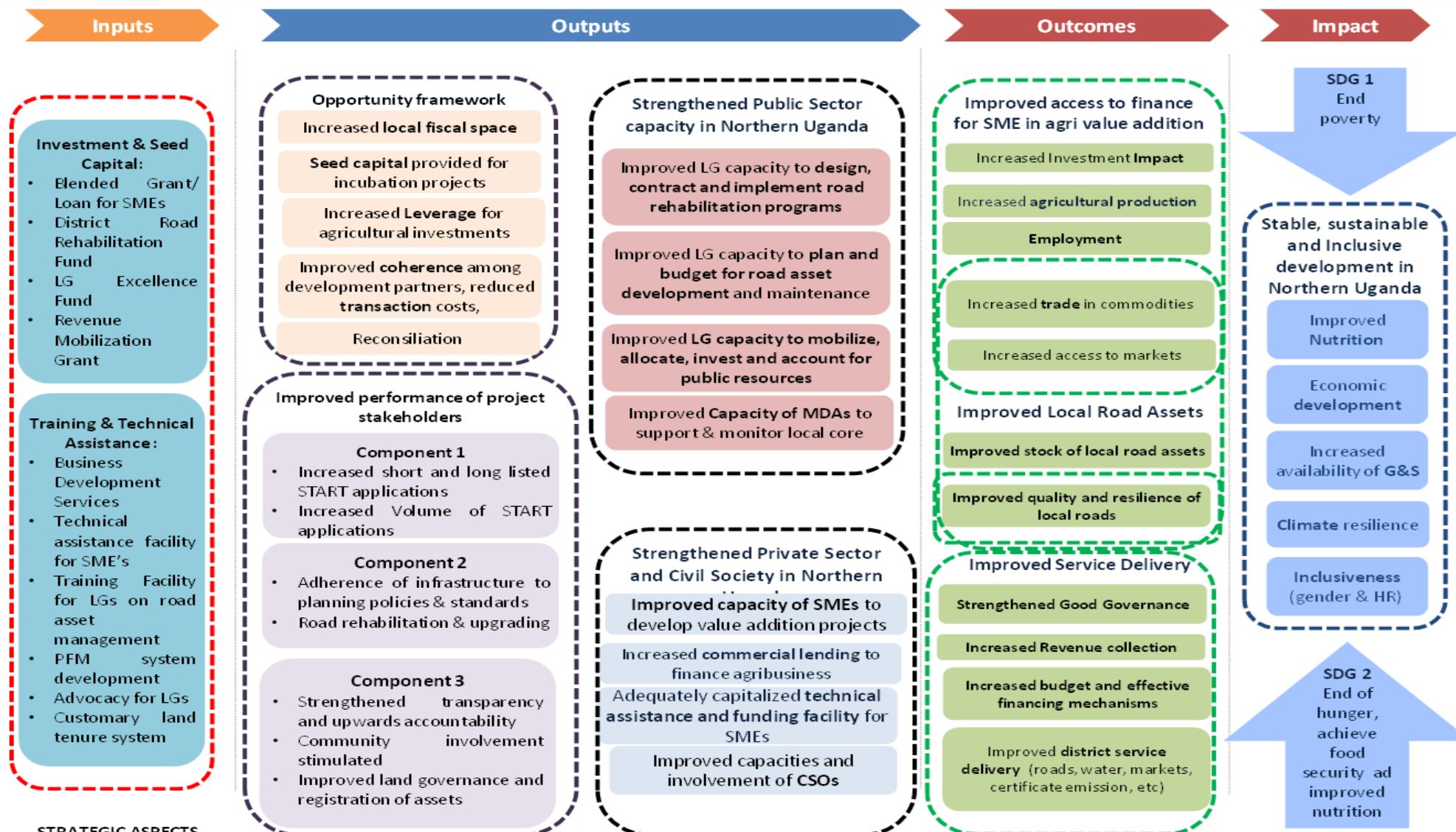
The purpose of the Annex is to provide further details to the methodology.

Overall approach

As a theory-based exercise, the evaluation used the ToC and the DAC evaluation criteria to undertake a contribution analysis starting at the component level and later aggregated to programme level.

The evaluation assessed the UNCDF's contribution to improving the public and private financing of local economies in Northern Uganda for improved livelihoods and it assessed the contributions to the three components within DINU UNCDF i) access to finance of SMEs, ii) road network upgrading and iii) improved district PFM and service delivery, and how these are coming together to contribute to meeting the overall objectives of DINU.

To achieve this, the rationale behind the transformation of DINU UNCDF's inputs into outputs and the eventual generation of outcomes and impacts were analysed following the DINU UNCDF Intervention Logics both for each component and for the whole of UNCDF intervention in DINU as reconstructed by the team in the figure below:



STRATEGIC ASPECTS

Intervention Context: DINU and UNCDF DINU PIU, Yearly and quarterly progress report, National Financial Inclusive strategy 2017-2022, UNCDF strategic framework 2018-21, National Development Plan.

Cross-cutting issues: Gender, Youth, Climate change

DINU UNCDF Intervention Logic:

The scrutiny of each component Intervention Logic provided the actual progress achieved in each of the three outcomes. The main parts of this analysis were the following: Assessing the design of UNCDF inputs (EQ 1, EQ 2): These EQs address the relevance and coherence respectively of the design of the interventions. It is the first level of the Intervention logics and includes important aspects such as cross-cutting issues, incorporation of lessons learned, expectation of UNCDF financial and non-financial inputs and coordination both internally (between UNCDF, GoU and LG) and externally (with other Development Partners). The approach follows the EM with all evaluation questions to establish how each component of the DINU UNCDF is aligned with GoU priorities as well as with the needs and capacities of the stakeholders and beneficiaries.

Assessing the implementation of the programme (EQ3): This focuses on the analysis of the use of inputs and the efficiency of the process, placed mostly at the second level of the IL (outputs). Some key aspects included the functioning of financing schemes (C1), rehabilitation of roads (C2) and fiscal space created in LG budgets (C3) and the confirmation or likelihood of achieving outputs. Capacity building approaches is a key element, that was investigated in particular during the field phase.

In assessing the immediate and longer-term effects of DINU UNCDF (EQ4, EQ5 and EQ6), progress and durability of outcomes and impacts were assessed. i) The outcomes are defined in the programme document and reconstructed in the third level of the IL. The analysis of development outcomes is especially identified at local level and linked to DINU UNCDF support to different local authorities; local resources mobilized and decentralized processes. The answers to these EQs cover a detailed analysis of the achievement of the expected outputs/outcomes per component; ii) Impacts are longer and high-level objectives of the DINU programme and it is understood that all components shall contribute towards the achievement of progress in the same impacts. The analysis of each component has been developed to inform about what is the actual or expected contribution towards nutrition, economic development, delivery of goods and services and inclusion. iii) The assessment includes (EQ6) the perspectives of the sustainability of the main outcomes of the intervention. This includes both technical sustainability (given by increased capacity) and financial sustainability (given by increased and/or better managed resources).

The analysis of each component allowed aggregating findings into the overall analysis, enriching with the component findings with the relations between components and with the overall context of DINU. This allowed to complete the analysis of the overall Intervention Logic (see Section 2.1) and finally move towards conclusions and recommendations.

It is important to note that the Evaluation methodology is structured around two key elements: i) Theory of Change (TOC) and the project's intervention logic, and ii) The EM structured around the UN-OECD/DAC evaluation criteria:

Theory of Change, contribution analysis and systems approach: The core of the theory-based evaluation is the ToC of the intervention as reconstructed by the Evaluation Team (see section 2). The ToC is complex and maps out an overall pathway of change which frames the different outputs of the interventions, as well as pathways for each subsystem. Each pathway of change or subsystem follows a specific intervention logic. The subsystems, mapped out by the ToC represent the programme intervention scope/ area ideally aggregating together to fulfil the programme's overall Theory of Change. These specific systems pathways have been interrogated by the Evaluation using a contribution analysis approach. A theory-based approach with contribution analysis is used to assess the progress and the pathways to achieve the results and outcomes both intended and unintended. The ToC analysis outlines the change mechanism and guide the

interrogation of the causal logic following a contribution approach to higher levels of changes. Moving from inputs to activities to output and outcomes. This allowed the evaluation to review assumption, contextual factors, success factors, challenges and risks that have influenced the programme delivery and outcomes. It also provided the frame against which to test underlying assumptions, programme interventions and approaches, and adaptations as appropriate.

The UN/OECD-DAC Evaluation Framework, EM, data collection and analysis: The EM in effect operationalized the TOC and the proposed frameworks into a set of measurable categories of evaluative analysis following the results chain of the intervention. The Matrix is grouping evaluation questions by broad UN /OECD DAC evaluation criterion (relevance, coherence, effectiveness, efficiency, impact, and sustainability), which allowed analysis of programme results at different levels of its results chain. The EM (Annex 3) presented addresses crosscutting issues such gender equality and human rights dimensions, including age, disability, migration, displacement and vulnerability. On the basis of the EM, a data collection toolkit using both secondary and primary data gathered during the country visit was deployed including interview protocols to answer the EQs listed in the matrix at different levels of the results chain. The Evaluation had a particular focus on the relevance and level of effectiveness to date of DINU UNCDF's approach and the instruments applied in the region of Northern Uganda.

Tools Used in the evaluation.

The evaluation used several tools and approaches to investigations, to be able to draw solid conclusions as presented below.

Documentary analysis/Meta review: Reviews of all the documentation provided initially and successively during the Evaluation. At the intervention level, the document analysis focused on the three components/outcomes and the integrated development approach behind the DINU UNCDF. Particular weight was given to conducting a meta-analysis based on project documents, workplans, progress reports, the result framework with available indicators, concept papers and other documentation such as back to office reports.

Hard data analyses: This included quantitative figures such as financial data, number of applications for the START facility, business development support (BDS), and km of upgraded roads, local own source revenue (OSR) generation, indicators from the yearly LGPA. This data was collected from the PIU and/or provided during interviews. Financial data was used for an overview of the implementation status of the three components.

Case studies: Selection of specific cases to go deeper with a group of beneficiaries. This allows for coverage of specific areas with more detailed questions and gather specific information from certain locations. The cases were selected carefully according to the overall purpose such as finding typical and representative cases. In the Evaluation this was for example districts, which benefit from several programme interventions.

Deep dives: Deep dives are similar to case studies. Dives were carried out by selecting specific cases such as an SME or road and gather detailed information. The "dives" were selected carefully according to the purpose. The Evaluation was carried out with focus on all DINU districts having in mind that focusing too much on case studies and deep dives can have the risk that the findings may not cover the whole universe of the study in this case all 40 districts, more than 600 SMEs and 400 km of upgraded roads.

Individual and group interviews: Interviews with stakeholders and beneficiaries were carried out individually or in smaller groups to explore issues further associated with the criteria, EQs, and indicators. This provided new information or validated existing information captured in other interviews and documents. The interviews were conducted structured or semi-structured following a prepared interview protocol to cover key issues. Questions were asked neutrally to allow for open and honest answers.

Larger group dynamics: Interviews were also carried out with larger groups such as in the districts with up to 25 participants. The group talks often started with a presentation by district officials. Thereafter the Evaluation asked additional questions followed the interview protocols. They were followed by break sessions to ensure that all participants could express their opinions no matter the existing power relations.

Focus group: The larger forums also functioned as focus group, where participants discussed specific questions raised, while the Evaluation took notes and listened to the opinions expressed.

Site visits: Site visits were used as an opportunity to observe specific outputs (Markets, roads, SMEs), and dynamics around the sites. It provided an opportunity for the Evaluation to observe the outputs that have been delivered from the programme and an opportunity for informal talks with beneficiaries such as parish chiefs, vendors, community members and sub-counties councillors on results and interventions such as road upgrades.

Surveys/questionnaire: A mainly quantitative survey/questionnaire quickly provided an assessment of selected issues from the stakeholders/beneficiaries, to supplement other findings. The questionnaire was based on key issues to investigate, and it was shared with all stakeholders and beneficiaries online or in paper with some questions under each criterion, to be answered with a scale of agreement (Completely Agree Vs. Completely Disagree). It was provided digitally or handed out on paper to beneficiaries during the field mission for a broader audience. The answers were later be grouped into different stakeholders and beneficiaries. In some cases, it was an effective way to inform and direct the interviewees towards the topics (warming up).

Stakeholder consultations: Stakeholder consultation was important to ensure the validity and ownership of the findings, conclusions, and recommendations. This was done at meetings to wrap up conclusions including during a debriefing session in Omoro district and a debriefing sessions with the DINU INCDF Board. It helped for endorsement or adjustments of the early findings and for additional questions and expression of opinions from the audience.

Evaluation phases:

The flow in the Evaluation is designed to cover all the necessary steps to collect and analyse all data and information. The inception phase included methodological and logistical issues, and a comprehensive preliminary analysis of stakeholders, key actions, implementation status and effects of UNDCF's intervention, so the Evaluation had a solid understanding of the DINU UNCDF. The Evaluation team met on several occasions (online) in smaller or larger groups to discuss, learn and ensure a clear division of tasks during the Evaluation.

The inception also included kick-off meeting with the UNCDF Evaluation Unit and the DINU UNCDF Project Implementation Unit (PIU). Interviews were carried out with UNCDF technical advisers, the DINU UNCDF component leaders and other key UNCDF Officers in the PIU.

The Data Collection phase with in-depth review of the information compiled and formulation of hypotheses with preliminary answers under each EQs. During this pre-field phase the detailed field visit plan was finalised, and a meeting conducted online with the EUD in Uganda.

The field visit part of the data gathering lasted 2.5 weeks in Uganda with focus on meetings with the national stakeholders and beneficiaries in the North. It served to confirm, clarify, or refute the hypotheses raised during the desk analysis. It covered meeting with DINUE UNCDFPIU, UN country coordinator, the Office of the Prime Minister, key ministries, and organisations for the three components (Ministry of Local Government, Ministry of Works and Transport, the Uganda Development Bank Limited, Uganda Private Sector Foundation, the Local Government Finance Commission, Kom Consult. Thereafter field visits were carried out in three districts (Gulu, Omoro and Amudat) with Chief Administrative Officers CAOs), Chairpersons and officials, parish chiefs, market committees, SMEs, construction supervisors, farmer groups and cooperatives. Back in Kampala the Evaluation met with the main financier (EUD) and the LG Associations. Further meetings were held with the PIU and a lively debriefing session was held with the UNCDF Project Board and other key stakeholders with a Power Point Presentation with early findings and preliminary answers to the EQs. Thereafter another two districts (Moyo and Yumbe) were visited to follow up and for further fact finding.

The Reporting phase initiated after the field visit i.e., from March 2022. By the end of this phase a meeting took place with the Advisory Board to present the report's findings.

ANNEX 5. BUDGET INFORMATION AND FINANCIAL DATA

Table 5.1. Detailed budget execution

Expenditures	Budget	Expenditures to 31 Dec. 2021	Budget Execution	Remaining
1. Staff and Personnel	EUR	EUR		EUR
1.1 Project Staff – International	431,000	356,902	83%	74,098
1.2 Project Staff - National	1,278,040	1,787,872	140%	-509,832
1.3 Administrative/ support staff	216,620	249,734	115%	-33,114
1.4 Missions/Travel	166,800	114,635	69%	52,165
1.5 Consultancy (TA) for road construction	800,000	581,725	73%	218,275
1.6 Consultancy for Good Governance	150,000	84,448	56%	65,552
Subtotal Staff and Personnel	3,042,460	3,175,317	104%	132,857
2. Local office costs, Equipment and Supplies				
2.1 Purchase of Vehicles (incl. Maintenance)	70,000	72,122	103%	-2,122
2.2 Furniture and fittings	38,400	6,545	17%	31,855
2.3 Computers, printers and related equipment (incl. maintenance)	40,000	32,065	80%	7,935
2.4 Office rent	144,000	102,806	71%	41,194
2.5 Consumables - office supplies and materials	150,000	14,262	10%	135,738
2.6 Utilities and other services (tel/fax, electricity/heating, security)	64,800	64,257	99%	543
Subtotal Local Office costs, Equipment, and supplies	507,200	292,058	58%	215,142
3. Financing and transfers				
3.1 Grants and transfers to Partners				
3.1.1 PSFU for START facility	400,000	371,847	93%	28,153
3.1.2 UDBL for START facility	2,000,000	475,095	24%	1,524,905
3.1.3 START project development & seed capital grants to companies	0	0		0
3.1.3 a) START Project Pre Investment including training of Members of Cooperatives	420,000	181,176	43%	238,824
3.1.3 b) - START Project Post Investment BDS	181,250	13,562	7%	167,688
3.1.3.1 - Partial Credit Guarantee	450,000	107,138	24%	342,862
3.1.3.2 - Micro Grants to SMEs in form of Technical Assistance + Small Business recovery Fund	400,000	171,688	43%	228,312
3.1.4 MoWT monitoring & MELTEC via MoWT	360,000	286,507	80%	73,493
3.1.4.1 - Retooling district Works Departments in Core districts	180,000		0%	180,000
3.1.5 DRRF grants to DLG for rehabilitation programmes	7,883,750	4,479,118	57%	3,404,632

3.1.6 Grants to MoLG for DLG capacity building	1,600,000	1,303,517	81%	296,483
3.1.7 Grants to LGFC for DLG capacity building	760,000	712,692	94%	47,308
3.1.8 Grants to DLGs to implement revenue mobilization initiatives	960,000	600,319	63%	359,681
3.1.9 Grants to ULGA and UAAU	440,000	425,245	97%	14,755
3.10 LGEF grants to DLGs	2,700,000	1,548,083	57%	1,151,917
3.11 Transfer to MoLHUD for the land component	435,000	322,786	74%	112,214
3.11.1 - SDG Localization and Challenge Fund	100,000	0	0%	100,000
<i>Subtotal Financing and transfers</i>	<i>19,270,000</i>	<i>10,998,773</i>	<i>57%</i>	<i>8,271,227</i>
4. Project Equipment and supplies				
4.1 Purchase of vehicles (incl. maintenance costs) for project activities	295,000	303,029	103%	-8,029
4.2 Purchase of Motor Cycles (incl. maintenance)	179,000	183,549	103%	-4,549
4.3 Furniture and fittings	10,000	0	0%	10,000
4.4 Computer equipment, printers and related equipment (incl. maintenance)	102,000	48,089	47%	53,911
4.5 Consumable and Office supplies.	96,000	11,020	11%	84,980
4.6 Technical Support Services	40,000	118,102	295%	-78,102
<i>Subtotal Project Equipment and supplies</i>	<i>722,000</i>	<i>663,789</i>	<i>92%</i>	<i>58,211</i>
5. Other Direct costs and services				
5.1 Studies, Publications and Research	30,000	70,054	234%	-40,054
5.2 Audit	30,000	8,083	27%	21,917
5.3 Reporting, Assessments, Monitoring and Evaluation	35,000	21,246	61%	13,754
5.4 Visibility actions	80,000	43,124	54%	36,876
<i>Subtotal Other costs, services</i>	<i>175,000</i>	<i>142,507</i>	<i>81%</i>	<i>32,493</i>
6. Total eligible costs of the Action, excluding reserve (1-5)	23,716,660	15,272,444	64%	8,444,216
7. Indirect costs 7%	1,635,514	1,072,822	66%	562,692
8. Total eligible costs (6+7)	25,352,174	16,345,266	64%	9,006,908
9. Provision for contingency (2%)	500,000	118,701	24%	381,299
10. Total accepted costs of the action (8+9)	25,852,174	16,463,967	64%	9,388,207

Source: Interim financial report: period 01/01/2021 to 31/12/2021, DINU UNCDF Jan 2022

Table 5.2: Adjustments to the original DINU UNCDF Budget

Project activities	Adjustment EUR	New Budget EUR
C1 Private Sector Foundation of Uganda (PSFU) for START facility	-400,000	400,000
C1 START Project Pre Investment including training of members of cooperatives	120,000	420,000
C1 START Project Post Investment Business Development Services (BDS)	-18,750	181,250
C1 Partial Credit Guarantee	450,000	450,000
C1 Grants to SMEs, Technical Assistance and Small Business Recovery Fund	400,000	400,000
C2 DRRF grants to district local governments (DLGs) for rehabilitation programmes	703,750	7,883,750
C3 Retooling District Works Departments in Core districts	180,000	180,000
C3 LGEF grants to DLGs	700,000	2,700,000
C3 Transfer to FAO for the land component	-2,480,000	0
C3 Transfer to MoLHUD for the land component	435,000	435,000
C3 SDG Localization and Challenge Fund	100,000	100,000
C3 Project equipment	-190,000	722,000
Total EUR	-	13,872,000

Figure: Budget distribution per type of expenditure.

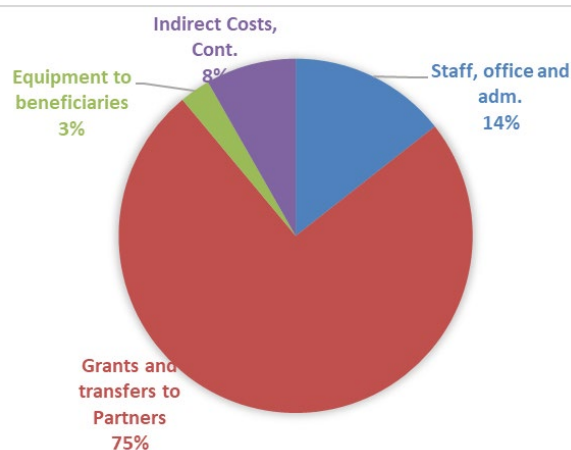
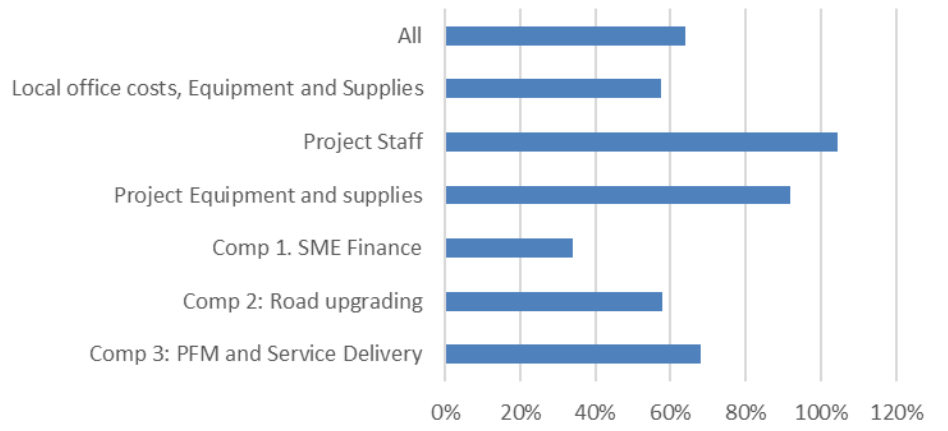


Figure: Implementation status for selected programme activities.

Implementation Status



ANNEX 6: OTHER DINU AND UNCDF ACTIVITIES IN UGANDA

Table 6.1. Other DINU Initiatives under the EU Action

Partner	Content	Comments
GIZ. Water Management (EUR 5 million)	This implementation entails the support to the water governance structures and to oversee the implementation of water infrastructures in Karamoja sub-region.	Delegated agreement from EUD
GIZ Electricity Grids (EUR 3.8 million)	Provision of 15 Mini-grids in Northern Uganda including technical training of operators. The project is carried out with the Ugandan Rural Electrification Agency and the Electricity Regulatory Authority (ERA).	Delegated agreement from EUD
UNICEF Nutrition EUR 6.057 million	Strengthening nutrition governance and supporting decentralised systems that have the capacity to prevent, identify, and manage undernutrition among children under-five and pregnant and lactating women.	Delegated agreement from EUD
DFID/Trademark Africa Gulu Transportation Hub (EUR 7.67 million)	The development of the Gulu Logistic Hub facility is managed by Trademark East Africa.	Delegated agreement from EUD
OPM (EUR 6.2 million)	Multi Annual Programme (vocational training, Baraza meeting, Uganda Police Forces, Production Departments at district level and oversight of the DINU programme.	Indirect management from EUD
Uganda National Road Authority (EUR 50 million)	Rehabilitation and upgrading of road: Atiak-Adjumani-Moyo- South Sudan Border Road (65,8 km)	Indirect management from EUD
Nine grantees after the call for proposals (EUR 27 million for all nine)	They cover projects within food production, market opportunities, maternal and child nutrition, district accountability and public participation. Lead grantees are: CARITAS Switzerland; International Institute of Tropical Agriculture (ITTA); the National Agricultural Research Organisation (NARO); CARE-Denmark; Konrad-Adenauer-Stiftung (KAS); Center for Health, Human Rights and Development (CEHURD); ADOL Health Care Initiative; DIAKONIA-	Agreements was only signed 14 January 2020, so projects are still relatively early phase and synergies with UNCDF has not really materialised.

Sweden; and Lutheran World Federation (LWF). LWF leads a consortium for Livelihood Enhancement for West Nile and Acholi covering the districts of Lamwo, Adjumani, Moyo, Obongi, Arua, Yumbe, Madi, Okollo, Maracha and Koboko (see DINU-LEWA project baseline documentary - YouTube).

Table 6.2. Other UNCDF Regional Programs with coverage of Uganda

Programme	Content	Complementarity and Synergies with DINU
Local Climate Adapting Living Facility	The Lo-Cal is a local grant for climate resilience/adaptation under implementation in 17 and preparation in 12 countries. Uganda is one of the new countries and for piloting in 2022 in three districts with funding from ENABEL (Belgium). The 40 DINU district are deliberately not covered. The plan is upscaling gradually in 2023 and nationwide in 2024, if finance is available.	Potential synergy, when implemented nationwide.
The Clean Start facility	The facility promotes clean energy through introduction of early-stage clean energy business models, so that modern energy solutions are made accessible and affordable for a larger population	
Local Finance Initiative	Access to finance for small and medium enterprises to allow more SMEs in Uganda to source growth capital locally for infrastructure investments	The approach is adapted in the DINU UNCDF Component 1 on SME Finance
Mobile Money for the Poor	Agricultural value chain development through digital financial services and digital innovations that facilitate financial flows between various value chain actors to empower people's lives	Complicated because of lack of ICT in North Uganda
Municipal Investment Finance	The Programme covers provision of access to sustainable finance to address key urbanization challenges. It is implemented through global Initiatives normally as part of country programs, Blue Peace Financing Initiative, International Municipal Investment Fund (IMIF), and a Technical Assistance Facility are part of the MIF	Mostly relevant for larger municipalities such as Gulu and Arua. They can for instance apply for funding at the IMIF under UCLG.

Training Programme: Public Financial Management and Local Economic Development

The programme is implemented jointly with the Swedish International Center for Local Democracy (ICLD) focusing on local financial development using principles of equity, participation and transparency. Applicants from Botswana, South Africa, Tanzania, Uganda and Zambia can apply online

District and MDA Officer can apply for the training. No interviewees had participated in the programme so far.

Building Inclusive Digital Economies

The programme focuses on establishing digital infrastructure, innovation ecosystems and enabling policy framework that will accelerate the growth of a digital economy that is inclusive and sustainable. It covers government, private sector, and academia to develop and scale digital solutions to reduce the digital divide and empower key customer segments (smallholder farmers, women, youth, refugees and MSMEs).

Not implemented in Uganda yet.

(See <https://www.unCDF.org/uganda>)

Figure: Relevance and Coherence of strategies of GoU , UN, UNCDF and UNCDF DINU

	GoU: Vision 2040 NDPII 2016-20	UNDAF 2016-2020	UNCDF Strategy 2016-2020	DINU UNCDF 2017-2022
Priorities of 2030 Agenda/SDG	Overall: 1 and 2 All 17	All, in particular: 1, 2, 5, 6, 7, 8, 9,12,13	Overall; 1, 17. And 5, 10, 11, 13	SDG1 and SDG2 (and several others)
Strategic Areas	Obj, 1: Increase sustainable production, productivity and value addition in key growth opportunities (incl ,agriculture) Obj, 4: Strengthen mechanisms for quality, effective and efficient service delivery (incl. LGs)	1. Governance 3. Sustainable and Inclusive Economic Development	Impact: Making finance work for poor, SMEs and LGs	Obj1: SME Finance, Obj2: Quality of roads Obj3: LG PFM and Service delivery
Outcomes		1.3. Institutional Development, Transparency and Accountability 3.1. Natural Resource Management and Climate Change Resilience 3.2. Infrastructure, Production & Trade	1. Enhanced inclusive financial markets and LG finance system (poor vulnerable) 2. Unluck public and private finance for poor	C1: SME Finance, C2: Quality of roads C3: LG PFM and Service delivery
Outputs		3.1.2. Natural Resources Management Climate Change Resilience Innovation Capacity 3.2.4. Capacity for Corporate governance & entrepreneurship 3.2.5. Access to Inclusive Financial and Market Services	1 Investment tools 2 PPP, CD of partners, Policy Support, Data, evidence, knowledge for legal and behaviour changes	C1: Seed capital for SMEs C2: Road upgrading and CD for maintenance C3: PFM, revenues, LGAs, accountability, LG PA, LGEF, certificate landownership

ANNEX 7: NOTE ON THE PERFORMANCE OF COMPONENT 1 (START FACILITY), FOCUS ON FIVE BENEFITTING SMES VISITED BY THE MTE

The START Facility

The **Support to Agricultural Revitalization and Transformation (START) Facility** is a blended finance facility which provides reimbursable grants and loans to finance value chain addition projects in agriculture. The Facility operates through three business lines: Business Development Services (BDS), Project Development and Structuring Services and Financial Services to SMEs along the agriculture value chain.

The business lines lead to a three-step process for which UNCDF has established agreements with two implementing partners: Private Sector Foundation Uganda (PSFU) and Uganda Development Bank Limited (UDBL).

Private Sector Foundation Uganda

Created in 1995, PSFU is the apex body that represents the private sector. The members are mainly business associations and cooperatives such as Uganda Manufacturers Association and the Farmers' Federation for a total of 270 associations across all sectors.

PSFU's mandate is to engage with the government on issues that affect the performance of the private sector through policy and advocacy. Each year, the Foundation releases a platform for action at sectorial level that include issues and priorities for each sector and engage with the government to provide adequate measures and response.

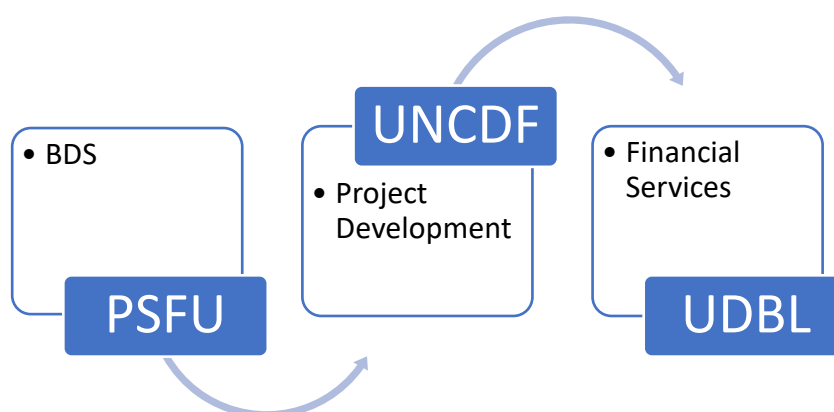
Uganda Development Bank Limited

UDBL is a Development Finance Institution (DFI) set up in 1972 through an Act of Parliament. In 2000, the bank was registered as a Limited Liability Company (LLC) to grant independence and avoid corruption and political influence. Today, UDBL falls under the Ministry and Finance and Ministry of Privatization.

The institution works following the government agenda and currently follows NDP III. Investments are strictly in priority sectors defined in the national plan as agriculture, manufacturing, infrastructure, health and education, tourism with a focus on project finance.

Currently, 40% of the portfolio is in agriculture followed by manufacturing and 70% of borrowers are SMEs. The bank provides short, medium and long-term loans including working capital and combines trade finance facility along with long term finance.

The partnership with these two institutions has allowed to streamline the process where each partner intervenes based on their core competencies:



The main responsibilities of each partner are summarized in the following table:

Business Line	Business Development Services	Project Preparation and Structuring	Financial Services	START Management	Facility
Implementing Partner	Private Sector Foundation of Uganda (PSFU)	UNCDF	Uganda Development Bank Limited (UDB)	UNCDF	
Services	<ul style="list-style-type: none"> . Awareness and information; . Support in grant/loan applications; . Initial screening of applications. . General BDS; . Legal support; . Technical and management training. 	<ul style="list-style-type: none"> . Business case screening; . Review of contracts and costs, permits/licenses; . Update of the business plan and development of financial model; . Financial structuring; . Credit enhancements and guarantees; . Administration of capital grant facility; . Preparation of bank information memorandum; . Administration of BDS grants. 	<ul style="list-style-type: none"> . Credit analysis and evaluation; . Due diligence; . Verification of social economic impacts; . Preparation of term sheet and loan agreement; . Security perfection; . Disbursement of a reimbursable grant or loan; . Administration of the loan facility; . Monitoring and management of loan servicing and repayment; . Identification of loan payment issues and referral to UNCDF or PSFU. 	<ul style="list-style-type: none"> . Strategic management of the Facility; . Operational management of the Facility; . Development and issuance of memoranda of understanding and letters of agreement with partners; . Decisions on the issuance of calls for proposals; . Consolidated quarterly and annual financial reporting; . Public reporting on the activities and progress of the START Facility; . Quality assurance. 	

The following table shows the status of financing of SMEs as of December 2021:

Status of Proposals under the START Facility submitted to UDBL (EUR)

	#	Project Value	Owner Contribution	Financing Gap	UDB+ Partners (LFI)	START Facility
	(1)	(2)	(3=1-2)	(4)	(5=3-4)	
Fully disbursed	6	1,175,186	754,854	420,331	16,191	404,141
Partially Disbursed	2	354,349	72,718	281,631	81,631	200,000
Approved & undergoing contracting	5	1,755,211	1,008,457	746,754	233,311	513,441
Undergoing appraisal	14	5,884,702	3,174,926	2,709,776	1,772,367	937,409
Rejected / opted out	2	543,000	350,635	192,365	40,615	151,750
Total	29	9,712,448	5,361,591	4,350,857	2,144,114	2,206,740

FIVE SMEs visited by the MTE

Out of the 29 proposals in the table above, the Evaluation met with five SMEs with the objective of understanding of the socio-economic context in the region as well as obtaining an overview of the businesses and projects within the scope and mandate of the START Facility.

The SMEs are at different stages of the three-step process, which provided valuable insights to understand the facility and the beneficiaries, including challenges and lessons learned.

The following table provides a summary overview of the five SMEs:

Company Name	Value Chain	Status	Project Value	Owner Contribution	UDB+Partners (LFI)	START Facility	Risk*
			EUR	EUR	EUR	EUR	
Kana Grain Millers	Maize Processing	Disbursed	159,000	41,361	-	117,639	Medium/High
Lakwat Rachers	Livestock	Disbursed	566,191	450,000	16,191	100,000	Medium
Adonyo Ltd	Rice Processing	Approved	894,833	650,000	144,833	100,000	High
Stella Keitirima	Maize, Sorghum, Cassava	Approved	139,855	36,582	3,273	100,000	High
Talian Company	Maize Processing	Approved	708,925	462,500	146,425	100,000	Medium/High
TOTAL			2,468,803	1,640,443	310,721	517,639	

*The risk is based on observation and information provided by UNCDF. The figures and the underlying assumptions have not been challenged or tested and no further analytical assessment has been conducted. The risk is also based on comparison among the 5 SMEs visited during Evaluation and not on the entire pipeline.

The following section provides a brief overview of the SMEs with a highlight on the feedback received from promoters and farmers as well as a review of the contribution that the investment makes to Objective 1.

SME 1: Kana Grain Millers (KGM) – Fully disbursed / Rescheduling due to COVID-19

Kana Grain Millers Ltd is a processor of grain, mainly maize and soybeans, established in 2017. The company is located in the Omoro district and works with farmers in the neighbouring districts.

The SMEs owns and operates a processing plant which faced **bottlenecks** linked to storage, cleaning and drying equipment which limited their capacity to increase the purchase of raw material during the harvest season. The purpose of the loan is to invest in storage silos, grain cleaning and drying equipment as well as additional maize processing equipment.

KGM works with farmers to whom they have provided training on post-harvest handling with support from PSFU (outside of UNCDF DINU). They have trained 20 trainers and reach 100 farmers organized in 5 informal groups. The farmers cultivate mainly maize and soybeans which they bring to collection centres in the villages. Subsequently Kana collects the raw material and brings it to the plant, which has a capacity of 300 tonnes, for cleaning, drying, and milling.

The SMEs employs 9 staff as well as a variable number of seasonal workers.

Based on the discussion with the promoter, the company faced difficulties due to COVID-19 which delayed delivery and instalment of the purchased equipment. Review of the company’s income statement led the evaluation team to conclude that the expected increase in cash flow from operations did not materialize leading to a request for a loan rescheduling.

A relevant risk related to the proposal is the lack of audited accounts which seriously compromises the reliability of the financial information available. The START Management Unit requested the company to engage an external auditor to issue a financial report.

Table: Contribution to DINU UNCDF Results.

Objective	Contribution
Food security	
Reduction of post-harvest losses	Partially contributes to reduced post-harvest losses though additional support is needed at primary production level
Increased primary production	Provides an opportunity for farmers to increase production thanks to relationship with SME
Improved local food production	Improves processing of locally produced crops
Enhanced market linkages	Improves local trade through marketing and delivery of locally produced food
Women and youth	Engaged in farming activities as main producers of maize Expected increased participation in community representation and decision making
Farmers	Opportunity for farmers to increase production and secure a more stable income
Environment	None identified

SME 2: Lakwat Ranchers Limited (LRL) – Fully disbursed

Lakwat Ranchers Ltd started operations in 2011 and was incorporated as a Limited Liability Company (LLC) in 2015. Their main activity is livestock breeding, aquaculture and crop production. The ranch is located on the banks of River Aswa, a tributary of the River Nile that flows throughout the year. The ranch currently covers a total area of about 900 acres.

The business activities include cattle, goat, sheep, pig, geese rearing and fish farming and include 567 cattle, 135 goats, 55 sheep, 65 pigs, 11 geese and over 5,000 fish. The SME is engaged in improving the quality of cattle through artificial insemination. The main source of revenue is the sale of cattle to neighboring farms and smallholder farmers.

The SME employs 24 FTE and 20 seasonal workers.

Lakwat applied to START and received support from UNCDF to refine and improve their project proposal. After referral to UDBL, they got additional guidance, particularly with financial projections. They received the loan in 2021 and invested in, among others, improving water supply and distribution through the installation of a solar powered submersible pump; enhancing aquaculture with the construction of 4 ponds, **improving herd quality through cross breeding and artificial insemination**, and expanding the area cultivated for cattle feed.

According to the promoter, the main bottlenecks in the process were linked to the preparation of legal documents for UDBL, such as transfer of land title to the farm.

Their project only required the approval of the District Environmental Office. No environment and social assessment required.

Review of the company's income statement by the evaluation team revealed that the company may be vulnerable to even minor reductions in cash flow which could compromise the ability to service their debt.

Table: Contribution to DINU UNCDF Results

Objective	Contribution
Food security	
Improved local food production	Improves availability of locally bred meat and fish
Enhanced market linkages	Improves linkages with other farms and farmers
Women and youth	Employment opportunities at the farm and other farms A group of 55 women received training in pasture production and management The farm serves as a training centre for young students in tertiary institutions, especially those undertaking agricultural related courses
Farmers	Opportunity for farmers to get involved in cattle breeding and secure a more stable income
Environment	Solar powered technology Tree planting and soil preservation

SME 3: Adonyo Limited – Waiting for loan disbursement to start operations

Adonyo Ltd is a rice processing company incorporated in 2008 in Gulu. The SME set up a rice processing facility and plans to establish collaboration with rice farmers to source the raw material and, in the meantime, import semi-processed rice.

The purpose of the loan is to build a storage room and working capital to purchase rice and start operations.

Adonyo plans to support farmers to access inputs like seeds and fertilizers to achieve higher yields. They have identified 295 rice farmers groups for a total of 4,425 farmers with a production capacity of up to 17,700 MT per harvest. The processed rice will supply the local market but also neighbouring South Sudan and RDC.

At the time of the meeting with Adonyo, the SME mentioned that they submitted their application to START in 2018 and were waiting for disbursement from UDBL. The lag in the disbursement process was due to the lengthy bank procedures but also to delays from their side in sending all required documents.

Review by the evaluation team of the company's income Statement showed that while the company has invested in modern rice processing equipment over the past ten years, they have yet to start operations indicating that many factors could negatively affect revenues and cash flow, i.e. equipment wear and tear, capacity to actually source and process raw material, lack of adequately trained staff, etc.

Table: Contribution to DINU UNCDF Results

Objective	Contribution
Food security	
Increased primary production	Provides an opportunity for farmers to increase production thanks to relationship with SME

Improved local food production	Improves processing of locally produced crops Improves local rice supply chain
Enhanced market linkages	Improves local trade
Women and youth	Engaged in farming activities (33%)
Farmers	Opportunity for over 4,000 farmers to increase rice production and secure a more stable income
Environment	None identified

SME 4: Stella Keitirima Enterprises Limited – A women-owned enterprise

Stella Keitirima Enterprises Limited started operations in 2010 and was incorporated in 2018. The company operates in Gulu and Kitgum and purchases sorghum, maize and cassava from farmers. The produce is sold to Uganda Breweries Ltd.

The strategy is to add value to the raw material through investment in drying, milling, packaging and storage. The purpose of the loan is to build a warehouse and processing plant and purchase the necessary equipment.

Stella Keitirima works with 120 farmers and provides them with services including capacity building, supply of seeds, and marketing of farmers' produce.

During the visit, the promoter explained that they applied to START during CfP1 but were rejected. Subsequently, PSFU invited them for training in Gulu, they participated in a workshop during which they went through their application to understand mistakes and shortcomings. They applied again in 2019 and received a loan approval in December 2021. As of January 2022, the funds had not yet been disbursed.

The project is owned and managed by a woman and is a good and strong case of women empowerment. The investment in infrastructure poses a high degree of risk especially should adverse factors impact revenues and cash flow to sustain business growth.

Contribution to DINU UNCDF Results

Objective	Contribution
Food security	
Increased primary production	Provides an opportunity for farmers to increase production thanks to relationship with SME
Improved local food production	Improves processing of locally produced crops, in particular sorghum, maize, and cassava with important nutritional benefits
Enhanced market linkages	Improves supply chain of produce and local trade
Women and youth	Engaged in farming activities (63%)
Farmers	Opportunity for >3,000 farmers to increase production and secure a more stable income
Environment	None identified

SME 5: Talian Company Limited – Supported through SBRF

Talian Company Ltd is a processor of sunflower seeds producing cooking oil and sunflower cake as animal feed. The promoter owns and operates a grain processor in Kampala and recently set up operations in Northern Uganda.

The SME imports sunflower seeds from Kenya and supplies them to farmers at a discount who then have to sell back their produce to the company. They currently work with 250 farmers and plan to expand to reach up to 1,000. In addition, they support farmers with training.

During the MTE, the promoter explained challenges to source sufficient raw material as farmers require additional training and know-how as well as storage close to the fields. The purpose of the loan to set up a model farm in order to provide farmers with training and to buy tractors and other farm inputs to make available to farmers.

Talian applied to START in 2019. Though they still did not receive the loan, they received a reimbursable grant from SBRF to support them during the COVID-19 pandemic. As of January 2021, they had paid back the first instalment.

Contribution to DINU UNCDF Results

Objective	Contribution
Food security	
Increased primary production	Provides an opportunity for farmers to increase production thanks to relationship with SME
Improved local food production	Improves processing of locally produced crops
Enhanced market linkages	Improves local trade
Women and youth	Engaged in farming activities
Farmers	Opportunity for farmers to increase production and secure a more stable income
Environment	None identified

ANNEX 8: NOTE ON THE PERFORMANCE OF COMPONENT 2 (ROAD UPGRADING AND MAINTENANCE) IN THE TWO DISTRICTS SELECTED FOR FIELD STUDIES AND SOME GENERAL OBSERVATIONS

	Amudat	Moyo
Total road network	639 Km. 89 Km in Amudat Sub-county, 102 Km in Karita Sub-county and 74Km in Loroo Sub-county. 374Km district roads.	632Km. 69Km in Lefori Sub-county, 45.5Km in Dufile Sub-county, 42Km in Laropi Sub-county, 123.5Km in Metu Sub-county, 146Km in Moyo Sub-county and 44Km of urban roads in Moyo Town Council. 162Km are district roads.
Output 2.1	Rehabilitation and upgrading of priority district and community access roads	
Contracts, procurement	32 bids received for 2 lots. The procurement process went well but some drainage activities were omitted in the scope of work at bidding stage. The drainage activities omitted in the original contract was introduced through contract modification. Drainage activity was not adequately covered in the scope of work at bidding stage.	33 bids received. Out of these, 3 contractors were initially selected for the 3 lots. However, discrepancies were later noticed in the process with Lot 3. Procurement procedures were not adhered to during bid evaluation. The process was terminated and the process repeated. The new contractor started way after the rest had commenced. This contractor had achieved only 16% physical progress against the 86% time elapsed as at end of January 2022.
Challenges: Drainage in Amudat and concrete pavement in Moyo	Scope of work at bidding stage omitted activities on drainage excavations for offshoots (mitre drains) and catch water drains. In addition, pipe culverts were omitted in Lot 2. These activities have been included during implementation as an addition in both roads rehabilitation contract Lots. Drainage is the major activity being executed currently.	A section on a steep gradient along Aluru-Palorinya road was designed for precast concrete pavers. The design has been found not to be appropriate along the entire 1,880 metres. A change has been made to construct 290 metres of the steepest section of it with in-situ concrete (and steel mesh). A section from Km 13+300 to Km 13+380 ranges from 20% to 24% gradient. A section from Km 13+550 to Km 13+760 ranges from 25% to 30%. This is very steep. The changes will be accommodated within the original contract sum meaning some sections will not even get the cheaper option of concrete pavers. A section that was meant to get pavers will now be limited to gravel.
Advance Payment and Performance Guarantees Status	Out of the eleven lots, advance payment was requested and given to nine contractors against Bank Guarantees. On two lots, advance payment was not requested. As of mid-February 2022, only one out of the nine Advance Payment Guarantees was valid. Contractors were asked to renew those Guarantees which they are struggling to do. DLGs could consider deducting all outstanding advances in the next Interim Payment Certificates (IPCs). While this denies contractors the credit to use for roadworks, it may be the only safe way available given that many contractors may actually fail to renew the Guarantees, thus leaving DLGs exposed.	

	Similarly out of the eleven Performance Guarantees, only one was valid. This is a serious contractual matter especially for contractors whose progress is at 60% and below. Effort should be made to compel the contractors to renew the Guarantees. <i>Source: November 2021 Progress Report, Section 1.4.</i>				
Companies	Lot 1: Cuberoot Limited.	Lot 2: JB United	Lot 1: Lima Investment Ltd.	Lot 2: Sans Limite Consults Ltd.	Lot 3: Beem Family Ltd.
Roads	Uingeresa-Achorichor road (9.33Km) 67% complete and Lopedot-Nakipom road (6.91Km) 64% complete.	Civil Engineering and Building Contractors. Kataraw-Katabok road (15.18Km) 85% complete and Karita-Naporokotcha-Moruajore road (16.55Km) 81% complete.	Laropi-Palorinya road (18.50Km) 31% complete; Dongo-Morobi-Kotchi Boma road (12.73Km) 52% complete; Obongi SS-Gango road (8.06Km) 81% complete; Lomuga-Rupo road (3.38Km) 60% complete.	Laropi-Panjaala road (18.62Km) 98% complete; Celecelea-Lama-Gbalala road (12.97Km) 82% complete; Mawa Rd-Orokombaa road (3.18Km) 98% complete; Aluru-Palorinya road (17.07Km) 85% complete; Opiro-Orokombaa road (2.77Km) 90% complete.	Amua-Abeso road (17.6Km) 18% complete; Metu-Ayaa road (7.35Km) 13% complete; Metu-Gbari road (21.20Km) 17% complete.
Overall progress	67%	81%		93%	16%.
Involvement of DLGs and cooperation with Kom Consult	While Kom Consult staff were supposed to share offices with the district engineer's staff, there was no evidence that this was happening at Amudat. The district engineer and his staff were not familiar about the road rehabilitation programme. Supervising contractors with inherent weaknesses needed better collaboration between Kom Consult and district engineers.		Kom consult has collaborated closely with the district engineer and his staff including sharing offices. This has been beneficial to road rehabilitation programme since the district engineer is kept informed of the developments, challenges on the roads under rehabilitation.		
Observations Road Upgrading	Amudat (Sample roads visited during Evaluation)		Moyo (Sample roads visited during Evaluation)		
	Uingeresa – Achorichor Road (9.332 km)	Karita – Naporokotcha – Moruajore Road (16.554 km)	Laropi - Palorinya Road (18.50 km)	Aluru – Palorinya Road (17.071 km)	

	<p>Sections with drainage not complete.</p> <p>Currently culvert pipes have been deposited on the road awaiting installation.</p> <p>Other outstanding works include open channel drains (side drains, offshoots, mitres) which were omitted in the original Bills of Quantities.</p>	<p>Section by Karita market is damaged by rainfall.</p> <p>Contractor has completed construction of box culvert. He is currently installing concrete pipe culverts. The contractor will rectify sections with defects before substantial completion is achieved.</p>	<p>Progress is very low due to Contractor's poor mobilization.</p> <p>Only low value activities like opening drains using labour is carried out. No equipment on site except an excavator in a poor mechanical condition. Contractor has failed to secure extension of his performance. Interim Payment Certificate No. 2 has not been processed and the contractor is struggling financially.</p>	<p>Concrete pavers and mass concrete will be applied on a steep section (80m section with a gradient of 20-24% and 210m section with a gradient of 25-30%). It will be very hard for vehicles to ascend such a steep slope.</p>
Contractors' performance	<p>Contractors' performance has been slow. They have weaknesses in financial management. They only rely on funds they obtain from the road projects since they lack access to credit from financial institutions. Besides, they are poor at planning their cash-flows. They have poorly mobilised for the roadworks in terms of plant and equipment. Their fleet is old and keeps breaking down. They can hardly recruit and retain well qualified staff for key management and technical positions. This problem is not unique to these contractors, but it is rather general.</p>			
	<p>Contractor for Lot 2 had better financial resources and did not request for advance payment.</p> <p>Contractor for Lot 2 is struggling to complete the works. He has weaknesses in finance, equipment and personnel. Contractor for Lot 2 is relatively better equipped.</p>	<p>Contractor for Lot 1 was at 31% and poorly mobilised. His equipment mobilization is very low. Contractor for Lot 2 was at 85% while Contractor for Lot 3 who started late after repeating the procurement was at 16%. Contractor for Lot 2 is experiencing challenges to construct the steep gradient section of Aluru-Parolinya road. He has not yet found a supplier for concrete and yet he does not have capacity to produce concrete himself. Discussions were in progress among the Contractor, Kom Consult and the district on the way forward. There will be delay in total completion of this road</p> <p>Contractors have weaknesses of access to finance; equipment is old and can hardly recruit and retain professional staff for key management and technical positions. .</p>		
Output 2.2 Support districts and communities in road maintenance				

2.2.1 Training	<p>Training has been conducted by MELTC since 2019. Various target groups including policy makers, technical managers, and supervisors, environmentalists and community Development Officers. Training has been conducted to all the 16 districts as planned which became 18 on creating two additional districts out of the existing ones.</p> <p>Training has been delivered in the following areas:</p> <ul style="list-style-type: none"> • Policy Makers’ Labour Based Technology Awareness Workshop for District Chairpersons, Resident District Commissioners, Secretaries for Works, District Engineers, District Community Development Officers and DINU Focal Point Persons – 151 participants in March 2019. • Technical Managers Labour Based Technology Course for District Engineers and Supervisors of Works – 17 participants in April 2019. • Environmental and Social Safeguards Issues (ESSI) in Road Construction and Maintenance for Environmental Officers, Community Development Officers and Health Officers – 69 participants in Apr-May 2019. • Rehabilitation and Maintenance Planning System (RAMPS) for District Engineers and Supervisors of Works – 16 participants in May 2019. • Labour Based Road Rehabilitation of unpaved Roads for Technical Supervisors – 18 participants in Nov-Dec 2020. <p>The outstanding training for technical managers and supervisors on Low Cost Seals commenced at MELTC in 2022. The target is to train 54 participants in 2 groups.</p> <p>Participants acquire knowledge and skills in road construction and maintenance. Policy makers are sensitised on their oversight roles while technical managers and road supervisors acquire the necessary knowledge and skills for actual implementation (execution and supervision) of road construction and maintenance works in the districts.</p>	
Training of equipment operators	MoWT carried out training for operators in 2018 on acquisition of new equipment from Japan. However, the number is still inadequate.	
Appreciation of the training	District staff and policy makers appreciated the training offered by MELTC. The training, among others, sensitised and exposed them on the need to carry out timely maintenance, roles of various players in road maintenance and options available in terms of executing maintenance. They also now appreciate the key cross cutting issues of environment and social safeguards relevant to road maintenance. They have a better understanding of issues and roles for various players.	
Quality of training	MELTC is the Training Centre of MoWT. The centre has well qualified staff experienced in training and road engineering. It offers quality training to DLGs in a variety of courses. They have run similar courses to the ones that were delivered under the DINU programme to the satisfaction of DLGs.	
Planning	Roads are not registered in asset management register	Roads are not registered in asset management register

Maintenance	<p>Budget for maintenance is only UGX368 million (including operational and supervision funds) in 2021/22 to cater for the entire 639Km road network. This is about 30% of the annual requirement. The budget hardly enables the DLG to carry out any periodic maintenance (re-gravelling). It limits the road network to routine road maintenance activities, thereby resulting in a maintenance backlog.</p> <p>For 2022/23 only UGX357 million has been provided for the entire network.</p>	<p>Budget for maintenance is only UGX680 million (including operational and supervision funds) for 2021/22 to cater for 632Km road network. This is about 40% of the annual requirement. The budget hardly enables the DLG to carry out any periodic maintenance (re-gravelling). It limits the road network to routine road maintenance activities.</p> <p>Due to inadequate budget, equipment are parked without fuel half of the time. This is a general problem in the country, not limited to districts supported by the DINU programme.</p> <p>For 2022/23 a comparable amount of UGX682 million has been provided for the entire network.</p>
Future road maintenance	<p>The districts are ready to commence routine maintenance of roads once contractors hand them over after rehabilitation contracts. They will utilise equipment at their disposal and funds from the Uganda Road Fund which is released on a quarterly basis. However, the funding is very little for all the required road maintenance activities.</p>	
Road maintenance equipment	<p>Grader-2No. (1No. operational and 1No. grounded for over 2 years due to lack of spares)</p> <p>Wheel loader-1No. operational</p> <p>Vibro-roller -1-1No. operational</p> <p>Tipper trucks-4No. (3No. operational and 1No. grounded)</p> <p>Water bowser-1No. operational</p>	<p>Grader-3No. (1No. operational and 1No. grounded)</p> <p>Bulldozer-1No. operational</p> <p>Wheel loaders-1No. operational 1 No. temporarily out of service)</p> <p>Vibro-roller-1No. operational</p> <p>Pedestrian roller-1No. operational</p> <p>Tipper trucks-5No. (4No. operational and 1No. recommended for boarding off)</p> <p>Water bowsers-2No operational</p>
District Road maintenance staff	<p>The districts have district engineers, assistant Engineers, road Inspectors and road overseers</p>	

ANNEX 9: NOTE ON THE PERFORMANCE OF COMPONENT 3 (PFM, DISTRICT GOVERNANCE AND SERVICE DELIVERY)

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
3.1 Strengthening capacities of LGs in PFM	3.1.1 Adequate capacity and compliance with National rules and regulations on PFM	Diagnostic for PFM compliance and performance in target LGs using a customized Public Expenditure and Accountability Assessment (PEFA) methodology	PEFA not undertaken, however some preliminary activities (constituting the task force, trainings & reviewing the concept note undertaken).
		Financial and technical support to LGs to implement CB interventions in areas of LG PFM compliance and performance	Some preliminary activities undertaken e.g. procurement & distribution of ICT equipment and support to improve assets management
		Technical support to LG in application of the IFMS and ICT systems at the local level	Not done
		Update and dissemination of the LG Financial Accounting Regulations Manual	Not done
	3.1.2 LG Development plans and budgets are gender sensitive and responsive to climate change challenges and local economy conditions	Preparation and introduction of guidelines for capital investment planning in LGs	Not done, procurement of the consultant to undertake this activity is on-going
		ToT on gender sensitive Local Economic Assessments (LEA) and conducting LEA in the selected LGs	LEAs not conducted
		ToT on Climate Risk Vulnerability Assessment (CRVA) and conduct CVRA using participatory methods at community level	CRVA draft report out however CRVA not undertaken
		Technical and financial support to selected LG to develop LED strategies	Preliminary activities e.g. training the District resource teams, developing popular version of Local Economy Business Assessment (LEBA) for collecting data to inform decision making and Rapid Assessment of Competitive Advantage (RACA) undertaken None of the LGs has developed LED strategies
		Technical and financial support to target LGs to develop proposals for infrastructure investments	Not done
		Technical support to target LGs in the design, finance and implementation of catalytic economic projects	Not done

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
3.2 Strengthen Capacities of mandated LG units to efficiently mobilize and equitably allocate and utilize local revenue resources	3.2.1 Updated local revenue database on the revenue sources in the target LGs.	Mapping and evaluation of Local Revenue Sources, Management and Administration systems in the pilot local governments	Mapping and evaluation of LR sources in all the 18 core LGs conducted
		Establishment and Update Local Revenue Databases in the pilot local governments	All 18 districts have been supported to have computerized registers featuring the five key primary revenue sources In the districts of Adjumani, Amuria, Yumbe and Zombo approximately 4,417 tax-payers were registered on the system
		Hands on Support and follow-up in the establishment and implementation of Local Revenue Databases	Trained 356 LG officials on data collection and operation of the local revenue database system All 18 LG have created registers of at least 6 revenue sources
		Provide the support to upgrade the Local Revenue Database software to provide linkages with other financial management systems	Undertook revenue administration and management automation in 14 LGs. 14 districts were enrolled to the Integrated Revenue Administration System (IRAS)
		Support to analysis of asset management and to development and implementation of customized asset management strategies and frameworks	Assets management profiles and plans developed in the 18 LGs and annually upgraded
		Development of local Revenue Enhancement Plans for the pilot local governments as part of a participatory and inclusive Local Revenue Mobilization Initiative (LRMI)	The pilot LGs developed comprehensive local revenue enhancement plans Guidelines and MoU for LR enhancement Grants were developed and signed
		Technical and financial support to the local governments in the collection of Property Rates and Land Related Revenues;	All the 18 LGs supported to collect property rates and other land-based revenues. 5 districts were able to prepare property registers
		Development, piloting and rollout of a mobile tax registration and payment system using mobile money platforms.	The IRAS system (the mobile tax system) was designed and rolled to the beneficiary LGs in partnership with LGFC and the World Bank

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
	3.2.2 Increase in realization of the budgeted LR in the LGs.	Capacity needs assessment for local revenue units in LGs	Capacity assessment of local revenue units in the beneficiary LGs was done
		Training for Revenue officers in areas of revenue mobilizations, financial disputes, public relations, and local economic development	LG Officers were trained by LGFC on various aspects of revenue mobilization including LED, legal provisions for local revenue management etc.
		Retooling revenue mobilization units in the local governments	Revenue mobilization units were provided with computers and motorcycles among others.
		Support the Operation of Local Revenue Enhancement Coordinating Committee;	The programme has to some extent supported operations of the local revenue enhancement coordination committees
		Revision and dissemination of the Local Revenue Handbook	The project printed & disseminated guidelines for management and collection of local revenues
		Review, re-structuring and update of the functions of Revenue mobilization units in local governments	Review, re-structuring and update of the functions of revenue mobilization units has been completed. The actions for a dedicated unit is being advocated with Ministry of Public Service
		Update and dissemination of the Inventory of Best Practices in Local Revenue Mobilization and Generation	The project supported updating, printing and dissemination of the inventory of best practices for local revenue mobilization and generation.
		Provision of a Local Revenue Enhancement Grant to support implementation of Local Revenue Mobilization Action Plans	Each of the 18 LGs received the LR enhancement Grant to support implementation of the plans Three LGs of Abim, Amudat and Yumbe had each received a LR enhancement Grant – the total disbursed Euro 85,002 leveraging over Euro 25,500
	Knowledge management and peer-to-peer exchanges to share best practices, experiences, and lessons learned on local revenue mobilization and generation	Two quarterly technical backstopping meeting for knowledge and experience sharing were organized. Peer to peer learning was conducted in Omoro and Kole districts and Lira and Gulu Cities	
3.3. Structured partnerships	3.3.1: Improved capacity of Local	Conduct a Training of Trainers on Policy Analysis and Policy development approaches for LG leaders.	A resource pool of 12 trainers was trained on policy development and implementation.

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
with Association of Local Authorities and key relevant institutions	Governments to identify and formulate key policy issues for advocacy.	Train District and Municipal Technical Planning Committees on policy analysis and development process	This resource pool has provided CB to district and Municipal Executive committee from six districts on policy development.
		Train and equip District Chairpersons and Mayors with advocacy and public speaking/representation skills;	The district chairpersons and Mayors were trained on advocacy, public speaking/presentation skills
		Support Forum for District Chairpersons and Mayors	A Northern regional dialogue meeting for District speakers, Chairpersons and Mayors was established. The dialogue facilitated generation of key recommendations that were contained in the AIDE MEMOIRE that presented the Position of LGs to MoLG.
		Support Regional Policy Forums for District and Municipal Speakers	The Northern Uganda regional forum was supported to develop an operational plan and has continued to support the forum on the implementation of the plan
	3.3.2. Evidence-based research to improve understanding of the key local government challenges and advocacy for decentralized governance and devolution of powers	Review and identify emerging concerns arising from the PFMA reforms for advocacy and develop key policy briefs arising from the emerging issues affecting the fiscal reforms and related policy and legal framework on LG discretion	A policy brief was produced on the impact of PFM reforms and legal framework on the performance of LGs.
		Conduct a baseline survey on the existing local partnerships and development networks at LG level, support District and Municipal Councils to develop local partnership policies and guidelines and hold a Local Government Partnership Engagement and Stock Taking Conference	
		Track, research and assess progress of the Review of the Fiscal Decentralization policy to ensure increased LG discretion, including its role and contribution to the refugee response and ReHoPE implementation	
		Identify and develop a policy brief on key issues presenting challenges to LG Priority planning and implementation processes, review DDPs and identify discrepancies between annual priority actions and implement actions for advocacy and support LGA engagement with NPA and MoFPED on the LG Planning processes	

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
		Conduct a study on the status and key challenges faced by LGs in implementing the SDGs, improve awareness among District and Lower LGs Councils on the SDGs, track LG progress in achieving the SDGs by Sector and hold a LG Conference on the status of SDG implementation and key mile-stones	<p>ULGA in collaboration with NGO forum and OPM SDG secretariat built the capacity of LGs on SDGs</p> <p>ULGA held a validation/consultative meeting with district technical leaders on findings of the study conducted by UAAU on the status of SDG implementation at the LG level.</p> <p>Developed and translated SDG related IEC materials into seven notable languages in Northern Uganda to support sensitization of communities</p> <p>LG officials underwent a ToT on localization of SDGs, they were guided on how to integrate SDG into their 5 year DDP to enable tracking of progress on the goals</p> <p>The district received UGX308,421,000 to facilitate the localization</p>
		Support LGA Annual reviews and analyses of National Budget Strategies, perform a critical analysis of the Performance of LG budgets and implications on service delivery	
		Develop justification for the allocation of the minimum of 38% allocation of the National Budget to LGs	A policy brief was developed on the justification for progressive increment of the National budget share to LGs to 38%
		Support the dissemination and publication of key issues and National Budget Constraints for advocacy and policy review.	
	3.3.3 Strengthened capacity of Associations for quality assurance and review of the LG key implementation	Support LGAs to conduct bi-annual monitoring of implementation of Government programmes at LG level	
		Support LGAs review and input in the Government Half Year and Annual Government Performance Reviews	
		Support an LG Forum for Accounting Officers	
		Review District and Municipal status of implementation of previous JARD Resolutions	

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
	issues and support to LG participation in periodic government reviews.	Conduct Regional Review Forums to confirm findings and generate recommendations for JARD	
		Support LGA Executive Committee representation and participation in JARD	
		Facilitate LGAs engagement with MoLG to review and improve JARD methodology and approach to strengthen decentralization	
		Support to Annual and Special General Meetings, meetings of the Executive Committee and support to Secretariat operations and activities.	<p>Two elective AGMs were held during which ULGA new executive committee members were elected.</p> <p>ULGA held its extra ordinary elective AGM in 2021 that led to election of the new Executive Committee</p> <p>Meetings of the executive committees have been regularly held to approve DINU work plans and to review and guide on implementation of activities.</p> <p>The secretariat has remained functional with continuous support from the executive committee and the sub-committees</p>
3.4 Support and strengthen LG's upward accountability	3.4.1. Improved LG compliance with the national accountability and procurement standards.	Establish a Co-ordination mechanism for Oversight and Accountability agencies to improve LG reporting and feedback	
		Sensitize LG Chairpersons, Chairpersons of Standing Committees, District and Executive Committee members on their role in accountability;	
		Build LG skills capacity and provide logistical support in the IFMS system use, PBB reporting, contract management, procurement, internal audit, and assets management to improve upward accountability	<p>Capacity building was provided on core areas in audit and direct support aimed at implementation of the Auditor General's report for FY2018/19</p> <p>ICT equipment (computer, printer/scanner and UPS) distributed to each of the 18 core district to facilitate LG PAC work.</p>

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
			<p>All LGPAC, their secretaries, CAO, CFOs and auditors trained on simplified guidelines for operations of LG PAC</p> <p>338 political and technical leaders from 16 LGs were trained on PPDA regulations</p> <p>Conducted an assets management profiling exercise that revealed gaps in assets management in LGs to improve practices.</p> <p>The programme organized training to help LGs formulate effective assets management action plans that can be linked to the medium-term budget and long-term sustainable development strategy</p>
		Technical support to the target LGs to implement proper Asset Management and Disposal systems	<p>All pilot LGs supported to implement their assets management action plans (with particular emphasis of land titling)</p> <p>410 staff from the core districts and 66 from other districts and MDAs attended an online 3-week certificate training on assets management</p> <p>Each LGs received UGX10,000,000 to support their AMAPs</p> <p>Districts have developed and implemented assets management action plans for critical assets.</p>
		Technical support to the target LGs to implement recommendations of external audits in a timely manner	Not done
3.5 Support the reform and pilot implementation of Government	3.5.1. Government performance assessment framework strengthened.	Support the implementation of the GoU LG National Assessment Tool in the target LGs	Supported integration of three indicators of LED, climate adaption & assets management into the LG PA manual
		Sensitize LGs on the procedures and criteria for annual performance assessments, including support in the organization of mock assessments	The programme supported the LGs to undertake mock assessments in 2018, 2019 and 2020.

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
of Uganda's own annual performance assessment framework for LGs		Technical support to the target LGs to address the shortcomings identified through annual performance assessment and prepare improvement action plans	Supported the LGs in 2018 and 2020 to develop the PIPs to address the gaps identified in the National LG PA Tracked implementation of PIPs in the LGs Some LGs participated in the thematic PIP organized by the Ministry
		Provide training and technical support for LGs on Performance Based Budgeting (targeting & budgeting) using the MoFPED guidelines on PBB	Not done
	3.5.2. SDG Localization Diagnostic Tracking Tool	Design of the SDG Localization Tool, including application of mobile data to baseline and track progress towards SDG implementation at the local level	
		Technical support for LGs to link their medium-term and annual planning (DDP and PBF) to the localized SDG targets	LGs are making various efforts in SDG localization focusing on integration of SDG into their DDP IIIs' and support both SDG localization and ensure community participation in development. In the above regard, PDCs from the 18 LGs were trained on SDG
		Piloting the tool in two better-performing LGs	Not done
		Technical support to the design and production of the Tool Manual	Not done
		Rollout of the tool once piloted and finalized in all target districts	Not done
3.6 Incentivise performance of LG to stimulate community involvement	3.6.1. Improved community capacity to participate in the LG planning & budgeting process	Train Village and Parish Development Committees on the LG Planning and Budgeting Process	Supported MoLG to develop guidelines for mobilizing and training Parish Development Committees (PDCs) Community engagement regeneration tool developed and piloted in Omoro district PDCs in all the 18 core districts were revamped and trained
		Provide technical support to LGs to generate and implement Community Development Action Plans with due regard to ReHoPE issues where appropriate	Not done

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
		Convene Community Dialogues to discuss Village and Parish Development issues with the participation of refugees when appropriate	Not done
		Increase citizen awareness and access to public services by sensitizing councilors and members of the community, including CSOs and media	Not done
		Train LG Planning Committees on Community Driven Development, & Participatory Appraisal Tools	Not done
		Update the training module on Participatory Planning and Community Driven Development	Not done
	3.6.2. Local Government Excellence Fund.	Improve the capacity of district local governments to plan and manage discretionary funds through a learning by doing process and bringing to scale best practices in application of public resources for local investments	Districts were supported to undertake mapping and project identification based on their competitive advantage
		Improve the responsibility and accountability of district local governments for their performance by directly linking fund allocations to their performance.	Not done
		Strengthen the new national performance assessment system by incorporating the results of annual performance assessments in the grant allocation decisions	Not done
		Increase the availability of discretionary development funds for the most disadvantaged districts by complementing other discretionary fund flows,	UGX8,814,868,121 allocated to LGEF project, this includes LGEF contribution of 6,159,675,625, other partner contribution of UGX1,671,192,496 and land contribution of UGX984,000,000
		Improve local governments' planning for, and contribution to, two thematic areas of particular importance for Northern Uganda by extending additional funding for catalytic economic projects with a tangible impact	Not done
		Design of the Fund, preparation of the guidelines and manuals	Not done

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
		Technical assistance for participating LGs to apply and correctly utilize LGEF grants through integration into annual PFM processes	Not done
		Timely disbursement of LGEF funds	Not done
		Monitoring and review of the implementation progress and achievement of the LGEF results	Not done
		Monitoring changes in risks to the LGEF and compliance with legal agreements and, as needed, the DINU Programme Document	Not done
3.7 Improve land governance and facilitate the registration of certificate of customary ownership	Activity 3.7.1 System established and operational in five districts to protect and manage customary rights in accordance with the law thus increasing tenure security	Customary tenure systems assessment and local customization of the software	Not done
		Community server set-up for each district	Not done
		Capacity development on CCOs for district staff and local authorities	Held Training of Trainers (ToT) for the 3 district LG facilitators, demarcation teams, district project volunteers, MLHUD staff and selected stakeholders Trained the key members of the demarcation teams on their roles and responsibilities. These included chairperson of ALCs, and DLBs and Physical planners Refresher exercise on the roles and responsibilities were carried out for members of the ALCs and members of the mapping exercise teams
		Civil society stakeholders mapping and capacity development	Not done
		Citizens' awareness raising on tenure governance and securing tenure rights	Not done
		Awareness raising activities targeting vulnerable groups	Not done
		Train volunteers from the sub counties for on-going capacity development of Area land Committees	Not done
		Provide ongoing support to District Land Offices, Area Land Committees and District Land Boards for the initial period of CCOs operations	Not done

Table 9.1. Detailed Status of Planned Activities under C3			
Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
		Evaluate performance and quality of service, data and process	Not done
	3.7.2. Mechanism for land disputes resolution designed in accordance with the law and piloted.	Assessment and profiling of land disputes in five districts	Not done
		Consultations on local land disputes resolution mechanism requirements	Not done
		Mechanism designed to ensure full compliance with the law and validated at the local level	Not done
		Mechanism piloted in 1 district and validated	Not done
		Mechanism established in 5 districts and support provided for initial period of operations	Not done
		Evaluation meetings held in each district, needs for further capacity development assessed and implemented, quality of data and process reviewed	Not done
		Database in created linked to or within CCOs database to ensure legal value of local mechanism decisions	Not done
		3.7.3 High quality M&E system in place in five districts to monitor implementation of CCOs, evaluate impact of increased tenure security and draw lessons for replication	Design of M&E system for CCOs with indicators
	Identify target population for baseline and collect data		Not done
	Customize the software to monitor CCOs process and quality of data		Not done
	Monitor implementation in the 5 districts and compliance with targets		Not done
	Develop a methodology for customary tenure systems mapping		Not done
	Carry out a study on linkages between tenure security and investment in the land to identify how to promote responsible agricultural investment		Not done
	Prepare a business plan for CCOs implementation in each district, including linkages to present and future services to ensure future sustainability		Not done
	Document experiences and lessons learned to feed into national policy dialogue		Not done

Output	Main activity	Planned Activities (as extracted from programme)	Status of implementation
	3.7.4. Provision of infrastructures and equipment to the relevant authorities to implement and facilitate the registration Certificate of Customary Ownership	Survey of the target districts and assessment of infrastructure/equipment needs	Architectural designs for the identified building for remodeling finalized. BoQs for soliciting for contractors finalized
		Preparation of the specifications for the required infrastructure/equipment	
		Procurement, delivery and installation of the infrastructure/equipment	Procurement of heavy duty copier for printing computer generated CCOs. Procured and distributed customary register books, stamps, file folders, smart devices for mapping and UBOS codes.
		Technical support to the LG officials in the appropriate use of infrastructure/equipment	Not done
3.4.3 Support districts and communities in road assets maintenance	Training programme in road maintenance		Not done
	Integration of the road rehabilitation & maintenance component in the LG annual and mid-term planning budgeting and implementation framework		All the 18 LGs districts were supported to integrate road rehabilitation and maintenance into their annual 5-year strategic plans A consultant procured to provide technical assistance to integrate road rehabilitation and maintenance component in the LG Annual and Mid-Term planning, budgeting and implementation framework using the Rehabilitation and Maintenance Planning System (RAMPS)

	Yumbe	Amudat	Omoro	Moyo
Some Basic LG data	<ul style="list-style-type: none"> Population 669,400 (2014 census projections) Refugee population 241,000 	<ul style="list-style-type: none"> Population 120,008 (2014 population census projections) 	<ul style="list-style-type: none"> Population 203,300 (2014 population census projections) 	<ul style="list-style-type: none"> Five Sub-Counties and 1 Town Council Population 95,951

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies

	Yumbe	Amudat	Omoro	Moyo
	<ul style="list-style-type: none"> 19 sub-counties and 7 Town councils. Making Yumbe one of the largest district in the country 	<ul style="list-style-type: none"> The district has 3 sub-counties and 2 Town Council 	<ul style="list-style-type: none"> The district has 6 Sub-Counties and 1 Town Council 	
<p>Output 3.1 (PFM)</p> <p>Strengthening capacities of LGs in PFM</p>	<ul style="list-style-type: none"> The LG was provided with technical assistance during the formulation of their 3rd district development plan. However, finalization of the DDP III has delayed. This was partially attributed to delays by the National Planning Authority in issuing the planning guidelines 	<ul style="list-style-type: none"> The LG has continued to perform poorly in the LG PA mainly because of lack of staff which leads to poor performance under the compliance to Minimum conditions 	<ul style="list-style-type: none"> PEFA training provided online, but with little results. Staff not familiar with mock assessment LGEF procurements undertaken through the LG system which has enhanced the capacity of LG staff in procurement and contract management 	<ul style="list-style-type: none">
<p>Output 3.2 (Revenues)</p> <p>Strengthen Capacities of mandated LG units to efficiently mobilize and equitably allocate and utilize local revenue resources</p>	<ul style="list-style-type: none"> Inventory of best practices for 19 revenues' management and utilization adopted Local revenue enhancement plans developed Developed the local revenue database that is updated quarterly Digitalization of the local revenue registers (using IRAS) However, about 78% of the local revenue still collected using manual system. This was attributed to lack of 	<ul style="list-style-type: none"> Data base on revenue sources in place but not comprehensive, the only tax revenue that was fairly covered was only the Local Service Tax It was further found out that the database does not integrate data from the Lower Local Governments The staff in the district have challenges in using the database, (the accountant had great challenges in navigating the database and retrieving data from the system) which 	<ul style="list-style-type: none"> Revenue action plans developed Revenue database in place (18 revenue source identified) Enrolled on the IRAS system since beginning of 2021/22, but some revenue collectors could not access the system on their smart phones, while others did not have smart phones that could support use of IRAS. Of the six LLG only 4 were given desktop computers to support implementation 	<ul style="list-style-type: none"> New revenue source identified Local revenue database created with 11 revenue sources Staff trained on enumeration, assessment and revenue management Enrolled on IRAS. There has been challenges in use of IRAS, these were mostly related to network challenges especially in the rural

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies

	Yumbe	Amudat	Omoro	Moyo
	<p>smart phones and data to facilitate using the system</p> <ul style="list-style-type: none"> • New Lower Local Government (LLG) have been created, the staff in these new Lower Local Government have not been trained as such they cannot use the system. • Process of property valuation has commenced • Trained local revenue teams • Received equipment, motorcycles, computers and printers 	<p>has discouraged them from using this database.</p> <ul style="list-style-type: none"> • The district reported that they had conducted door to door data collection exercise for all business licenses, property rates and user fees • IRAS not implemented • Trained revenue collection teams, however there is little local revenue collection, for instance high yielding taxes like the property rates are not collected because the district is rural. Most of the revenue collected is from livestock however the livestock markets were closed during the COVID-19 lock-down greatly affecting revenue collections • Furthermore, it was reported that revenue collection was affected by lack of supportive ordinance to support collection of some local revenue sources • District officials were supported to undertake a study tour to Wakiso district. • The district also received computers and printers, but 	<p>of IRAS. Among the four, Ongako sub-county does not have electricity while the computer in Lalogi had broken down. This means that only 2 LLGs were effectively using these computers.</p> <ul style="list-style-type: none"> • The Sub-accountant in Lalogi and some revenue collectors met in Ongako did not have a smart phone (In Lalogi only 2 revenue collectors had smart phones) to facilitate the use of IRAS. • In addition to absence of the smart phones other challenges reported included; network failures especially when they are in the field and absence of the smart phones • Furthermore, many of the revenue collectors are new and have not been trained; In Ongako all the Parish chiefs were not trained on IRAS, the 2 that were trained were transferred to the newly created sub-county 	<p>sub-counties of Metu and Dufile.</p> <ul style="list-style-type: none"> • Furthermore, many of the tax collectors do not have smart phones for example in Metu Sub-County only 7 out of the 11 tax collectors have smart phones • The above notwithstanding, there has been increased local revenue collection that has been sustained even after creating Obingi district from Moyo district

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies				
	Yumbe	Amudat	Omoro	Moyo
		some difficulties observed in their operation	<ul style="list-style-type: none"> The revenue collectors are not facilitated, they use their data and transport and some taxpayers ask for printed payment registration forms and receipts Data collection on property register complete, the process has not been completed, establishment of the complaints tribunal has not been done thus the registers have not been approved for use and can not be used Trained local revenue collection teams Received equipment, computers and printers 	
Output 3.4 Upwards Accountability 3.4.1	<ul style="list-style-type: none"> LG Public Accounts Committee and Internal audit unit trained Received 2 motorcycles computers and printers Received copies of Internal audit manuals 	<ul style="list-style-type: none"> LG Public Accounts Committee and Internal audit unit trained. Received equipment, computers and printers The Internal audit unit is however inadequately staffed, with only one staff to cover the districts and the 11 Lower Local Governments LG PAC not fully composed, there are currently on 3 	<ul style="list-style-type: none"> LG Public Accounts Committee and Internal audit unit trained Minutes of low quality The term of the current LGPAC ends in May which calls for preparation for the induction of the new LG PAC 	<ul style="list-style-type: none"> LG Public Accounts Committee and Internal audit unit trained Received equipment, computers and printers

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies

	Yumbe	Amudat	Omororo	Moyo
		<p>members of LG PAC, the term of office of one of them was expiring in January 2022 while the terms for the remain 2 will also expire in 2022</p> <ul style="list-style-type: none"> • The LG PAC rarely meets – only once a year)and minutes poorly formulated and stored • The poor performance is attributed to poor funding, they only receive UGX 1,500,000 quarterly which has to take care of their transport allowances, accommodation and meals • 		
Assets Management	<ul style="list-style-type: none"> • Assets management plan developed • 7 motorcycles received from DINU • Seven land titles have been processed • Five motor vehicles have been sold • The assets management committees have been trained 	<ul style="list-style-type: none"> • Six government land titled including the land on which the district headquarters is located and land for institutions • The asset register does not exist yet, so not even the roads for upgrading • The district received equipment from DINU including; one vehicle, 6 motorcycle, 5 computer 	<ul style="list-style-type: none"> • Titled the LG land (4 titles) • 5 staff trained on assets management in April • Asset management committee composed • Concept note on water assets management developed and discussed with UN DESA consultant • Draft AMAPs in place • District Inventory assets register in place • Board of survey conducted • Assets disposed off 	<ul style="list-style-type: none"> • Developed AMAPs at the start focusing on water sector. However from the review of the assets register it was found out that water projects were not incorporated in the register • Titled 5 parcels of district land • The acquired land titles not yet incorporated in the assets register

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies

	Yumbe	Amudat	Omoro	Moyo
<p>Output 3.5 Support to LGPA and SDG</p> <p>3.5.1</p>	<ul style="list-style-type: none"> • Sub-County and Parish Chief trained • 284 PDC members trained • 94 PDC revitalized • Received support in integration of SDG in the DDP III and in the Health and education response plan • Received 10 copies of NDP III and the LG Development Planning Guidelines 	<ul style="list-style-type: none"> • Revamped and Trained PDCs • Supported during formulation of Budget Framework Papers and DDP III 	<ul style="list-style-type: none"> • Supported to develop Performance Improvement Plan • Parish Development committees trained • Supported during formulation of District Development Plan III • Parish Chiefs were trained which was timely because most of them were new and had never been inducted 	<ul style="list-style-type: none"> • PDCs from all the six sub-counties trained
<p>Output 3.6 Incentivise performance of LG to stimulate community involvement</p>	<ul style="list-style-type: none"> • Three markets constructed, these are; Lobe, Kuru, and Okubani markets • The market visited (Okubani) is almost complete with a few finishing being done but it is not operational • On-going construction of a solar powered water scheme in Drajin Sub-County. This project was overly delayed, mainly because the contracted consultant took long in production of the designs • Partnered with other agencies e.g Danish Church 	<ul style="list-style-type: none"> • Groups have benefited from LGEF e.g. Karita Cattle Market (partnered with Mercy Corps during construction). It has a small operational surplus, and stimulate LED • In addition to increase revenue, the cattle market contributes to reduction in cattle theft because the stolen cows are easily identified in the markets • Honey processing plant, well sited and almost operational with solid participation of women. No security equipment for honey producers 	<ul style="list-style-type: none"> • Lela –Obaro Market almost finished, Market Committee unprepared without a plan for its operation • It is anticipated that the market will contribute to LG revenues and general improvement of the surrounding communities. • During the site visits, several new on-going constructions of houses were seen and it was reported that the land prices in the surrounding areas has been raised Two cooperatives, which 	<ul style="list-style-type: none"> • Not a beneficiary

Table 9.2: Progress on Outputs within Component 3 in the Four Districts Selected for Field Studies				
	Yumbe	Amudat	Omoro	Moyo
	Aid in construction of Okubani market	<ul style="list-style-type: none"> • They have been able to attract potential lucrative markets for the honey specifically, they are in contact with a company called Karl Wax based in Germany which is going to buy honey from the district • On-going construction of Loro market, progress of construction at 80% 	<p>received support from DLG Commercial Officer.</p> <ul style="list-style-type: none"> • One of the beneficiary group, Kweyo cooperative society received a ground nuts thresher in 2019, it's a mobile thresher that can be taken to people's gardens which has immensely helped the farmers. The thresher has helped in the pea nut value chain • The group has been receiving support from the district commercial officer in their operations • 	
Output 3.7 Land Governance 3.7.1	<p>Maracha DLG visited, implementation of the land component commenced in October 2021.</p> <ul style="list-style-type: none"> • This project was conceived against the backdrop of increased land evictions in the pilot districts • 2 sub-counties of Kijomoro and Oluvu were selected to benefit from the land component • 720 pieces of land have been mapped – benefiting 1653 male and 722 female • Each beneficiary pays UGX 10,000 to register • District staff were taken for a training in Mbale • They are now able to use GIS • Land committees have been trained • There is On-going construction of land offices in the beneficiary sub-counties • The districts have been provided with financial support to carry out sensitizations 			

Table 9.3: Performance of DINU LGs against selected Indicators.

	Cross Cutting MC Measures (Financial management)	Cross Cutting PM ⁸⁶	EOC Certificate of Compliance	NPA Certificate of Compliance
Abim	38	28	-	52.4
Adjumani	44	38	70	54.8
Agago	13	39	-	63.1
Amolatar	69	50	67	68.4
Amudat	0	35	-	58.5
Amuria	44	67	55	69.1
Kapelebyong	25	49	50	62.5
Kole	13	49	59	67.4
Lamwo	69	40	70	70.4
Moroto	38	52	-	43.7
Moyo	44	44	60	67.6
Napak	38	54	66	70.5
Obongi	69	40	61	40.4
Omoro	69	55	-	68.2
Otuke	38	53	66	70.1
Pader	69	46	64	70.2
Yumbe	69	33	52	65
Zombo	69	29	68	56.5
Average	45	44.5	62	62.2

Table 9.4: DLGs Own Source Revenue as a Percentage of the CG Transfers to the Districts

	LR collections	CG Transfer	Ratio
Abim	166,401,000	29,032,579,000	0.57
Adjumani	565,984,000	46,306,023,000	1.22
Agago	78,000,000	32,463,040,000	0.24
Amolatar	144,709,583	21,427,639,000	0.68

⁸⁶ Source: Local Government Management of Service Delivery Performance Assessment – 2020: National Synthesis Report June 2021 and the LG specific reports downloaded from budget.go.ug

Amudat	60,535,000	10,252,971,000	0.59
Amuria	482,205,000	22,827,403,000	2.11
Kapelebyong	205,250,000	11,223,970,000	1.83
Kole	128,614,000	27,198,858,000	0.47
Lamwo	296,412,713	58,825,852,000	0.50
Moroto	243,101,000	15,556,736,000	1.56
Moyo	785,867,000	28,586,565,000	2.75
Napak	195,898,000	17,247,473,000	1.14
Obongi	313,192,095	29,032,579,000	1.08
Omoro	241,487,000	25,652,884,000	0.94
Otuke	178,557,000	18,207,357,000	0.98
Pader	346,736,000	26,880,655,000	1.29
Yumbe	850,901,000	64,451,983,000	1.32
Zombo	786,716,000	25,302,083,000	3.11
	6,070,566,391	510,476,650,000	1.24

Table 9.4 LG Revenue collection realization (UGX)

District	LR 2016/17	LR 2019/20	LR 2020/21	Increase 2016/17-2020/21
Abim	263,006,521	125,702,000	166,401,000	-37%
Adjumani	504,530,015	630,088,000	565,984,000	12%
Agago	292,222,044	13,668,000	78,000,000	-73%
Amolatar	791,891,767	79,061,000	144,709,583	-82%
Amudat	137,316,640	57,329,000	60,535,000	-56%
Amuria	399,965,217	397,000,000	482,205,000	21%
Kapelebyong	-	276,091,000	205,250,000	
Kole	293,464,755	275,100,000	128,614,000	-56%
Lamwo	274,268,545	196,000,000	296,412,713	8%
Moroto	727,988,779	331,802,000	243,101,000	-67%
Moyo	547,161,658	595,168,000	785,867,000	44%
Napak	164,000,000	218,590,000	195,898,000	19%
Obongi	-	220,011,000	313,192,095	
Omoro	275,939,921	249,899,000	241,487,000	-12%
Otuke	335,786,874	142,000,000	178,557,000	-47%
Pader	319,526,011	222,847,000	346,736,000	9%
Yumbe	126,417,956	624,243,000	850,901,000	573%
Zombo	160,590,986	910,782,000	786,716,000	390%
Total	5,614,077,689	5,565,381,000	6,070,566,391	8%

ANNEX 10: LIST OF PERSONS INTERVIEWED

Family Name	Name	Institution	Gender	Position
Bukokhe	Jenifer	UNCDF DINU	F	Acting Director
Alupo	Joan	UNCDF DINU	F	Evaluation Coordinator DINU
Tirwakunda	Deus	UNCDF DINU	M	Food Security Com. Lead
Mundua	Joel	UNCDF DINU	M	Good Governance Com. Lead
Tushabe Kiiza	Jennifer	UNCDF DINU	F	Financial Management Support
Ainembabazi	Anne	UNCDF DINU	F	DINU Program Associate
Mande	Fred	UNCDF DINU	M	Programme Analyst -Investment
Ddamulira	Ivan	UNCDF DINU	M	Programme Analyst- Investment
Kasagga	Lynda	UNCDF DINU	F	Project Support
Aliti	Sunday	UNCDF DINU	M	Local Development Officer
Pozhidaev	Dmitry	UNCDF	M	Senior Regional Technical Advisor
Ojok	James	LGFC	M	Principal HR Officer
Neicciza	Ruth	LGFC	F	Financial Administration
Apagu	Ray	LGFC	M	Senior financial Analyst
Gumisiriza	Johnson	LGFC	M	Principal financial Analyst
Ogwang	James	LGFC	M	Principal Financial Analyst
Kasule-Mukasa	Paul	MoLG	M	Project Coordinator
Nalkulende	Maria	MoLG	F	Project Financial Manager
Kisinde	Christopher	MoLG	M	M&E/PST
Innocent	Orishaba	MoLG		Stat-PPD
Macdonald	Kadzaisa	MoLG	F	Capacity Dev. Adviser
Oundo	Enid	MoLG		Principal Assistant Secretary
Nakalembe	Angella	MoLG	F	MoLG Assistant Secretary
Maseraka	James	MoLG	M	N/A
Otim Okello	Paul	EUD	M	Governance Advisor
	Annette	EUD	F	Focal Person
Lhoste	Celine	EUD	F	Focal Point
Nakasiga	Fiona	EUD	F	Operations Advisor
Banuta	Christina	EUD	F	Program Manager
Ngondi Namando	Susan	UN	F	Resident Coordinator
Winner	Jeanette	UN	F	Economic Analyst
Wangusa	Michael	UN	M	Communication Officer
G. Attafuah	Elsie	UNDP	F	Resident Representative
Innocent	Fred Ejolu	UNDP	M	Specialist, Partnership and Innovation
Nalule	Safia	EOC	F	Chairperson
Apajo	Josephine	EOC	F	Specialist

Bageya	Waisswa	Ministry of Works and Transport	M	Permanent Secretary
Bagonza	Samson	Ministry of Works and Transport	M	Engineer-in-Chief/Director of Engineering
Kitonsa	Stephen	Ministry of Works and Transport	M	Commissioner for Roads and Bridges
Kabiiho	Willy	Ministry of Works and Transport	M	Asst. Commissioner for National Roads
Ssessanga	Paul	Ministry of Works and Transport	M	Principal Engineer / DINU Focal Point Person
K. Kalege	Joseph	ULGA Team	M	N/A
Byaruhanga	Robert	ULGA Team	M	N/A
Musoke	Charles	ULGA Team	M	N/A
Mutayisa	David Peter	ULGA Team	M	N/A
Gamwera	Genevive Rose	ULGA Team	F	General Secretary
Byabagambi	Francis	UAAU Team	M	Town Clerk Nansana Municipality
Kananura	John Bosco	UAAU Team	M	Chairman UAAU
Ogwang	Alfred	UAAU Team	M	Secretary General UAAU
Mabala	Michael	UAAU Team	M	Honorary Treasurer UAAU
Acaye	Philip Kilomo	Omoro District LG	M	Accountant
Ayobe	Omar	Yumbe DLG	M	Accountant
Aiga	Jamal	Yumbe DLG	M	AEO
Ogierang	Nicholas	Omoro District LG	M	Ag Chief Administrative Officer
Kaclimala	Candin	Yumbe DLG	F	Ag Chief Financial Officer
Ajiri	Amuli Alfred	Moyo DLG	M	Ag District Administrative Officer - Production
Acen	Florence	Omoro District LG	F	Ag District Chief Administration Officer
Okuma	Bernard Obria	Omoro District LG	M	Ag District Chief Officer
Ochola	Andrew	Omoro District LG	M	Ag NRO
Agko	Agoe Jonathan	Moyo DLG	M	AG Secretary Assistant Administrator
Eremuad	Isaac	Moyo DLG	M	Ag Secretary Assistant- OTCE Administrator
Idibu	Simon	Moyo DLG	M	Administrative Assistant
Jamal	Aiga	Yumbe District LG	M	Assistant officer
Saidi	Ami Mapa	Yumbe Town Council	F	Assistant Town Clerk
Basogayi	Waisswa	Amudat District LG	M	Chief Administrative Officer
Welikhe	David	Amudat District LG	M	Chief Financial Officer
Kamakech	William Oola	Omoro District LG	M	Chief Financial Officer
Agostre	Zubai	Yumbe District Local Government (DLG)	M	Chief Officer
Zuhali	Agatre	Yumbe District Local Government	M	Chief Officer

Cherop	Jackline	Omoro District LG	F	Chief Officer
Psorich	Samuel	Amudat District LG	M	Clerk to Council
Lanyero	Catherine Olorig	Gulu City Ongako Sub-Country	F	Commercial Office
Andama	Swaib Solo	Yumbe DLG	M	D. Env Officer
Okello	Okoyo David	Omoro District LG	M	D. Env Officer
Magara	Bernard	Yumbe District LG	M	DINU - Yumbe DLG
Wanican	Lichie Angela	Omoro District LG	F	DINU Focal Point Officer
Kimanai	Robert	Amudat District LG	M	DINU Focal Point and Commercial Officer
Ojoathl	Rashid	Yumbe DLG	M	DINU Focal Point Officer
Auguzu Agus	Ojse	Yumbe District Local Government		DISO
Okello	Peter Douglas	Omoro District LG	M	District Chairperson
Sojo	Adama Swalb	Yumbe District Local Government	M	District Environmental Officer
Buga	Semi	Yumbe District LG	M	District Project Management Officer
Semi	Buga	Yumbe District Local Government DLG	M	District Project Management Officer
Oyet	Godfrey Iome	Omoro District LG	M	District Project Management Officer
Kassim	Asiku	Yumbe DLG	M	District Speaker
Limis	Kayiah	Yumbe DLG		District Vice Chairman
Ayiman	Abdul	Yumbe DLG	M	EA
Apio	Gloria	Amudat District LG	F	Entomologist
Ofim	Eddy Latigo	Omoro District LG	M	F.O
Yandykberi	Origa	Yumbe District LG	M	FIMO-YDLG
Okot	Denis Rurwenger	Gulu City Ongako Sub-Country	M	Head of finance
Arson	Tabi Abdulah	Yumbe DLG	M	IA
Aseroa	Ann	Moyo DLG	F	IA - Audit
Inzikuru	Collins	Maracha District	M	Land Management Officer
Kale	Johad	Yumbe District	M	LC III C/P Ariwa
Hon. Izakare	Simon	Moyo DLG	M	LC3 C/P - METLI S/Country
Hon- Dulu	Samuel	Moyo DLG	M	LC3 C/P - OTCE S/Country
Mutalib	Asiku Abdul	Yumbe DLG	M	LC5
Alitie	Sunday Denis	Yumbe District Local Government	M	Local Development Finance Officer - UNCDF
Ouzima	Abdullah	Yumbe District	M	Member of MMC/ AOA
Seba	Icassian	Yumbe District	M	N/A
Tamimu	Kemis	Yumbe District	M	N/A
Acidri	Swaib	Yumbe District	M	N/A
Musa	Ali	Yumbe District	M	N/A

Swali	Andamma	Yumbe District	M	N/A
Yada	Rashid	Yumbe District	M	N/A
Oirama	Stephen	Yumbe District	M	N/A
Mogga	Jackson	Yumbe District	M	N/A
Amule	Jackson	Yumbe District	M	N/A
Alibamu	Swadice	Yumbe District	M	N/A
Andrawa	Shieiya	Yumbe District	M	N/A
Hayati	Kalisumu	Yumbe District	F	N/A
Rashima	Shara	Yumbe District	F	N/A
Chamity	Sunday	Yumbe District	F	N/A
Ockile	Bosco	Yumbe District	M	N/A
Mawyzu	Driciu	Yumbe District	F	N/A
Hascan	Iddi	Yumbe District	M	N/A
Ajiku	Aisha	Yumbe District	F	N/A
Chandiru	Naima	Yumbe District	F	N/A
Mawa	Ismail	Yumbe District	M	N/A
Ayimall	Richard	Yumbe District	M	N/A
Bako	Laila	Yumbe Town Council	F	N/A
Ageue	David Peter	Omoro District LG	M	Omoro Investory
Oboni	Alfonse	Omoro District LG	F	PHRO
Otto	Betty	Omoro District LG	F	PIA
Apangu	Hussein	Yumbe District LG	M	Planning Unit
Alioni	Jackson	Yumbe District	M	Plcikafe
Nashir	Edoni Braham	Yumbe District Local Government	M	Project Manager DINU
Ojim	Patrick	Moyo DLG	M	Project Officer - LWF
Arach	Betty	Omoro District LG	F	SAS
lawolk	Perry	Omoro District LG	M	SCDO
Omona Olal	Patrick	Omoro District LG	M	SCO
Adong	Beatrice Nero	Omoro District LG	F	Sec Health
Oroitia	Gift	Omoro District LG	F	Sec Production
Ojok	Isaac Newton	Omoro District LG	M	Sec work
Aguku	Samadu	Yumbe DLG	M	Sec. Production
Drassy Kalean	Ally	Yumbe DLG		Sec. Social Services
Asienzo	Lawrence	Moyo DLG	M	Secretary Administrative Assistant - Finance
Drale	Cherubm	Moyo DLG	M	Secretary Administrative Assistant - Finance
Samadu	Aguku	Yumbe District Local Government	M	Secretary Production
Among	Florence	Amudat District LG	F	Senior Accountant
Ajabe	Omar	Yumbe District Local Government	M	Senior Accountant

Amin	M.G. clay	Yumbe DLG	M	Senior Financing Officer
Yambare	Albert	Yumbe DLG	M	Senior Local Municipality Officer
Banduga	Adinan	Yumbe DLG	M	Senior Local Municipality Officer
Banchaga	Adman	Yumbe District Local Government	M	Senior Local Municipality Officer
Alobo	Betty Moro	Omoro District LG	F	Senior Policy Officer
Ijuma	Peter	Moyo DLG	M	SFO Finance
Apio	Sarah	Gulu City Ongako Sub-Country	F	Statistician
Albino	Lapyen	Omoro District LG	M	Sub-Accountant
Mafid	Jasim	Yumbe Town Council	M	Tax officer
Ayub	Anifa	Yumbe Town Council	F	Town Agent
Manjubo	Sarah	Yumbe Town Council	F	Town Agent
Candiga	Ally Ariku	Yumbe Town Council	F	Town Agent
Ashrafu	Allison	Yumbe Town Council	F	Town Agent
Allkoru	Salama	Yumbe Town Council	F	Town Agent
Obwona-h	Munir	Gulu City Ongako Sub-Country	M	Town Clerk
Kayola	Alex	Moyo DLG	M	Training Officer - Trade and Industry
Denis Ahtti	Sunday	Omoro District LG	F	UNCDF Focal Point
Opiyo	Stephen Lanek	Omoro District LG	M	Vice CP/ Sec Finance
Nsanzumuhire	Alexander Nsaba	UDBL	M	Investment Officer
Emoi	John Peter	UDBL	M	Investment Manager
Kisekka	Daniel	PSFU	M	Grants Manager
Gumisiriza	Alex	PSFU	M	Agribusiness Specialist
Nakamya	Betty	Kom Consult Ltd	F	General Manager
Obetia	Robert	Kom Consult Ltd	M	Resident Engineer Road Rehabilitation
Obura	Godfrey	Lakwat Ranchers Limited	M	Manager
Okello	Justice Gladino	Adonyo Limited	M	Manager
Okoke	Mark	Kana Grain Millers	M	Manager
Keitirima	Stella	Stella Keitirima Ltd	F	Manager
Nyeko	Francis	Talian Company Limited	M	Manager
Otim	James	Kweyo Growers	M	General Manager

ANNEX 11: TEAM PRESENTATION

Core Team



PHILIP BOTTERN

Independent consultant

Team Leader and Local Governance Expert

Mr. Bottern is independent international development consultant. With key experience in the areas of: local governance, municipal development, evaluation, programming and institutional and organisational development. He is a specialist in decentralization, devolution and development of local government systems and has worked with municipal service delivery, institutional reforms, inter-municipal-cooperation, public participation, good governance, public sector reform, social accountability, municipal and inter-governmental finance in more than 35 countries including in FCV (fragility, conflict, violence) context.

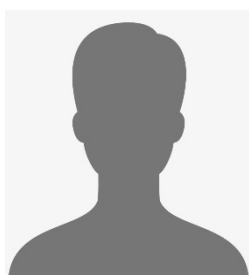


MARIANGELA PENZA

Independent consultant

MSME financing and Agriculture Debt Investment Expert

Mariangela is an impact finance professional with over 15 years' experience working with impact investment managers and international consulting firms. Mariangela has spent most of her career in financial institutions and agriculture debt investment in emerging markets. She has developed and managed financial institutions investment portfolios and later has been at the forefront of direct agribusiness lending. She is focused in projects which aim at improving financial inclusion and strengthening the financial and agriculture sectors with focus on agribusiness development.



JOHN F. CLIFTON

Independent consultant

Senior Evaluation Expert and Roads Engineer

Engineer with over 40 years of development cooperation experience in Asia, Africa, Middle East, Eastern Europe and South America. Experience includes restructuring, institutional development, support and change, capacity building, privatisation and contractor development, infrastructure provision and management in rural areas and in urban informal settlements involving community participation, sustainable livelihood creation, poverty alleviation, environmental issues, and gender focus in a framework of multilateral and bilateral donor funded aid and development programmes.



RAYMOND MUTYABA

Independent consultant
Local Governance Expert

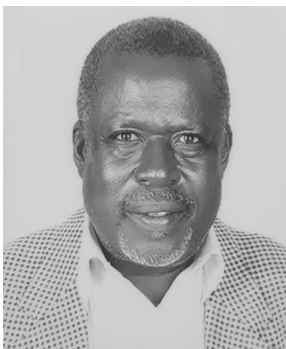
Decentralization and local service delivery consultant with more than 15 years of experience. Raymond possesses a wide experience in supporting Local Governments in service delivery, including supporting the planning and budgeting process and budget implementations, supporting implementation of Local Economic Development, and offering technical assistance to Local Government staff tailored towards improvement in service delivery.



IRENE AMONG

Independent consultant
Gender Expert

Ms. Irene Among has extensive experience in international development – in poverty assessment, gender analysis, disability and social inclusion, social protection, and evaluation. She provides technical assistance and analytical support in these areas. As Social Development Adviser for the UK Department of International Development (DFID) in Uganda, she led DFID's gender, social protection, and HIV programmes. She also led on mainstreaming gender and social inclusion in DFID's programmes – including trade.



BEN SSEBUGGA KIMEZE

Independent consultant
Roads Engineer

Engineer with over 30 years working as an engineer in Uganda. He has worked in a number of projects as part of the Technical Support Unit which focused on building the capacity of Local Governments in areas of road maintenance management. Experience in the oversight of material testing and quality control operations of civil engineering projects. Additionally, he also has experience in project management.

Project Backstopping and Quality Control



JORDI MONTAGUD

Partner, Mancala Consultores

Project Director & Quality Control

Jordi is a partner in Mancala Consultores. He is a senior specialist in formulation, implementation, monitoring and evaluation of public financial management reform and budget support programmes. His extensive professional experience includes positions such as Director of the EU-funded Results-Based Budgeting in Peru and Director of the Medium Term Budget Framework regional Project for the COSEFIN countries in Central America, as well as evaluator and monitor for public financial management projects. He previously worked at the European Union and in several project management positions in consultancy firms in Spain.



IRENE MERCADER

Project Manager, Mancala Consultores

Project Manager and Researcher

Irene is a project manager in Mancala Consultores. She is a Junior Researcher in Evaluations. Among others, she is providing support in the DINU UNCDF Mid Term Evaluation, as well as serving as a Researcher in the EU Albania Budget Support Evaluation (2014-2020) as well as the IMF Mid-Term Evaluation of the TADAT Thematic Fund. She has a Masters Degree in Globalisation and Latin American Development from UCL.

ANNEX 12: MISSION PLAN

Meeting and date	Component	Venue	Time
12 January			
Europe Union Delegation to Uganda	All	Pre-mission – virtual meeting	10.00
17 January 2022			
UNCDF Deputy Director	All	UNCDF	9.00
DINU UNCDF PIU	All	UNCDF	10.00
18 January 2022			
Uganda Development Bank (UDB)	C1 (SME Finance)	UDB	9:30
Ministry of works and Transport (MoWT)	C2 (Road Upgrading)	MoWT	9:30
Local Government Finance Commission (LGFC)	C3 (PFM, Governance and service delivery)	LGFC	10:00
Office of Prime Minister (OPM)	All	Virtual	12:00
Private Sector Foundation Uganda (PSFU)	C1	PSFU	2:00
Ministry of Local Government	C3	MoLG	2.00
19 January			

Meeting and date	Component	Venue	Time
Transfer to Gulu City	C1 and C3		
20 January			
Chairman	C1 and C3	Omoro District	09:00
CAO	C1 and C3	Omoro District	09.30
Lakwat Ranchers Limited	C1	Omel Sub-County, Gulu District	10:30
Adonyo Limited	C1	Bunyoro road, Gulu City	2:30
Presentation of DINU UNCDF	C3	Omoro district Office	10.00
Commercial Officer	C1 and C3	Omoro district Office	11:00
Finance and Revenue	C3	Omoro district Office	11:30
Asset management	C3	Omoro district Office	12:30
Procurement	C3	Omoro district Office	2:30
Internal Audit and LG PAC Secretary	C3	Omoro district Office	3:30
IRAS implementation	C3	Town Sub-Council Office	3.30
21 January			
Gulu City	C1 and C3	Gulu City Hall	9:30
Commercial Officer	C1 and C3	Culu City Office	10.00

Meeting and date	Component	Venue	Time
Kana Grain Millers Limited	C1	Company offices	10:30
Tella Keitirima Ltd	C1	Company offices	02:30
Farmer groups supplying Stella Keitirima Ltd	C1	Company offices	03:30
IRAS implementation	C3	Ongako sub county	09:00
LGEF: Kweyo Cooperative	C3	Ongako sub county	10.00
LGEF: Lela Obaro Market	C3	Lela Sub county	12.00
LGEF: Pur Ber Youth group	C3	Omoro district	03.00
Debriefing CAO and UNCDF Focal	C3	Omoro district	04:00
Saturday 22 January			
Talian Company Limited	C1	Kitgum district	09:00
Farmer groups supplying Talian Company	C1	Kitgum district	11:30
Transfer to Soroti	C3		02:00
Sunday 23 January			
Transfer to Moroto	C2 and C3		
Monday 24 January			
CAO	C2 and C3	Amudat district Office	10:00

Meeting and date	Component	Venue	Time
Workshop on progress with DINU UNCDF: Chairman, LGEF, revenue, engineering, business development, asset management, internal audit, LG PAC	C2 and C3	Amudat district Office	10.30
Tuesday 25 January			
Revenue Database	C3	Amudat district Office	10.00
Asset Management Database	C3	Amudat district Office	10.30
LGEF: Honey Project	C3	Site	10:00
LGEF: Women Groups	C3	Location of Hives	12.00
Uingeresa-Achorichor and Lopedot-Nakipom roads	C2 and C3	Travel along the road with stops at communities and critical sections	13.00
LGEF: Karita Cattle Market including management communities	C2 and C3	Karita	14.00
Katawar-Katabok and Karita-Naporokotcha-Moruajore roads	C2 and C3	Karita	
LGEF: Childcare centre	C2 and C3	Karita	14.00
Parish Development Committees	C2 and C3	Karita	2:30
Wednesday 26 January			
Urban Authorities Association of Uganda	C3	UNCDF Board room	9:00

Meeting and date	Component	Venue	Time
Uganda Local Government Association	C3	UNCDF Board room	10:00
Debriefing with UNCDF Team	All	UNCDF Board room	11.30
Debriefing with UN RC	All	UN Office	2:00pm
EU briefing	All	Virtual	4:00 pm
Debriefing with DINU UNCDF Board	All	Virtual and UNCDF Board Room	09:30 am
Monday 1 February			
Travel to Yumbe (local team)	C2 and C3		
Tuesday 2 February			
CAO and Chairperson	C2 and C3	Yumbe district Office	09:00
Presentation of Yumbe DINU progress - LGEF, Assets Management, SDG localization. LGPACs, Internal audit, IRAS, LED strategy, DDP, LGPA and PIP	C2 and C3	Yumbe district Office	09:30
Revenue, Internal Audit, Commercial, Production, Planning Unit, Community, Inventory, Engineering	C2 and C3	Yumbe district Office	10:30
LGEF: Okubani market Ariwa sub county	C3	Ariwa sub county	02:00
Meeting with Market Management Committee	C3	Ariwa sub county	03:30

Meeting and date	Component	Venue	Time
Equal Opportunities Commission	All	Virtual	03:00
Wednesday February 3			
CAO and Chairperson	C2 and C3	Moyo district Office	09:00
DINU progress (LREG Data base, IRAS, Assets Management, SDG localization: Funding, LGPAC, Internal audit, LED strategy, DDP, LGPA, PIP	C2 and C3	Moyo district Office	09:30
Revenue, Internal Audit, Commercial, Production, Planning Unit, Community, Inventory, Engineering.	C2 and C3	Moyo district Office	10:30
Road 1	C2	Sub County	01:30
Road 2	C2	Sub County	04:00
February 23			
UNDP Resident Representative Uganda	All	Virtual	5:00

ANNEX 13: BIBLIOGRAPHY OF MAIN DOCUMENTS CONSULTED

Title	Author/Source Data
11th European Development Fund (EDF)	EU, GoU, 2014
2nd National Development Plan	GoU, June, 2015
3rd National Development Plan	Gou, Jan, 2020
A concept on Livestock Market Rehabilitation of Karita Cattle Market	Amudat DLG
Annual Progress Report for DINU 2021	Urban Authorities Association of Uganda, 2022
Annual Report on the State of Equal Opportunities in Uganda FY 2020/21	Equal Opportunities Commission, 2021
Certificate of Compliance for the Annual Budget FY 2019/20	National Planning Authority
Consolidated Report on Capacity Building Training Report of DINU/UNCDF LGs on Gender and Equity Compliance	MoLG, 2020
Consolidated Report on Technical Support to LG in Integration of Key Development Issues into the LG Development Plans	MoLG, 2021
Cumulative Progress Reports	Ministry of Local Government
DIMU UNCDF Project Document	UNCDF/EU, 2017
DINU Annual Progress Report 2018	UNCDF, 2018
DINU Annual Progress Report 2019	UNCDF, 2019
DINU UNCDF Annual Progress Report 2020	UNCDF/MoLG, Feb 2021
DINU UNCDF Annual Progress Report 2021 (draft)	UNCDF, October 2021
DINU Procurement-2018_2019	UNCDF - DINU
DINU Cumulative Progress Report for MTE Meeting 18th Jan 2022	MOLG, 2022
DINU PROGRAMME - Overview of Implementing Partners	OPM, 2020
DINU Transport Factsheet_2020	UNCDF - DINU
DINU UNCDF Quarterly Progress reports 2018 to third Q 2021	UNCDF, April 2021
Interim financial report: period 01/01/2021 to 31/12/2021	UNCDF DINU Jan 2022
Evaluation of UNCDF Strategic Framework 2016-2020	Brasteel, 2021
Improving Agricultural Trade Through Market Infrastructure Development in Omoro 2019/2021	Omoro district LG
LG specific Reports - LG Performance Assessment - 2019	Office of the Prime Minister
LG specific Reports - LG Performance Assessment - 2020	Office of the Prime Minister
Log Frame for DINU - UNCDF, GIZ, Trademark, UNICEF & UNRA	DINU, 2017
Logframe - DINU Indicator Tracker	UNCDF/EU, 2021
Minutes DINU UNCDF Board Meeting, 2018, 2019, 2020, 2021	UNCDF
National Synthesis Report - LG Management of Service Delivery Performance Assessment - 2020	Office of the Prime Minister
National Synthesis Report - LG Performance Assessment - 2019	Office of the Prime Minister
Pathway to gender equality and women's economic empowerment	UNCDF, 2018
Public Finance Management (PFM) Reform Strategy 2018-2023	Ministry of Finance Planning and Economic Development

Report of the Auditor General to Parliament for the FY ended 30 th June 2021	Republic of Uganda, 2022
Report on Construction of Loroostock Market facilities	Amudat DLG
Report on Implementation of DINU	LGFC, 2022
Report on Implementation of DINU Activities by LGFC 2018-2022	LGFC, 2022
Report on results achieved by the UNCDF in 2020	UNCDF, April 2021
Report on Training Workshop on Assets Management Action Plan	UNCDF, 2019
Reports on Implementation of DINU from the sampled districts	Sampled, DLGs
START Facility Handbook-Vol2	EU, PSFU, UDB, UNCDF
START Management Board Meeting	EU, PSFU, UDB, UNCDF
START Presentation	EU, PSFU, UDB, UNCDF
Statistical Abstract, UBOS, 2021	Uganda Bureau Of Statistics
The Construction of a Honey Building Processing and Packaging Unit and Eco-Centre in Amudat district	Amudat district Council
Thirteen Progress Report- September 2021	KOM Consult Ltd.
UNCDF Annual Report 2020	UNCDF, 2021
UNCDF Strategic Framework 2022-2025	UNCDF, 2022
UNCDF Strategic Framework, 2018-2021	UNCDF, 2018
United Nations Development Assistance Framework for Uganda 2016.2020	UNCDF, 2015
Voluntary National Review Report on The Implementation of the 2030 Agenda For Sustainable Development - June 2020	Office of the Prime Minister
World Bank SDGs Dashboard: Track, Monitor and Report Data on Global Goals	World Bank

ANNEX 14: QUESTIONNAIRE RESULTS

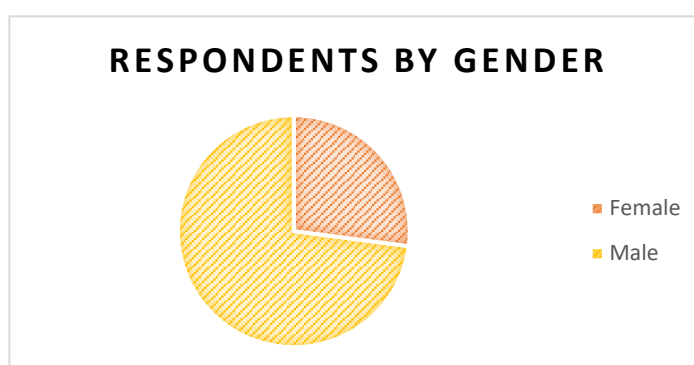
A questionnaire was created to get an overall perception of stakeholders with regards to DINU UNCDF. The questions which were drafted were based on the evaluation questions to aid the evaluation's objectives. The questionnaire was distributed to all stakeholders who took part in the evaluation during the field mission, adding up to an estimation of 170 people. A total of only 48 answers were received (all respondents answered every question) and the findings which have been found to be the most interesting have been disaggregated and showed below.

Overall, responses to the questionnaire were positive, with all questions receiving a majority of responses leaning towards 'Completely Agree' and 'Agree'.

Number of respondents per group

Respondents divided by gender:

	N° of Respondents
Female	13
Male	35
TOTAL	48



Respondents divided by Stakeholder:

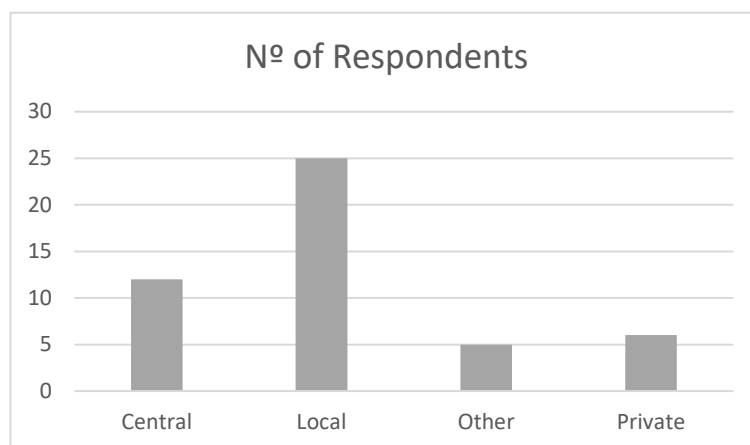
Below one can observe a detailed table with the categories which each participant represented. However, due to the low amount of responses it was decided to aggregate these 19 options into 4 (Central, Local, Private or Other), in order to gain more useful information from the results. This division can be observed in the first table whereas in the second table one can observe the number of respondents who ended up in each overarching category.

	Overarching Category	N° of Respondents
N/A	Other	3
Chief Administrative Office	Local	1
Committee member	Local	1
Contractor	Private	2
Development Partner	Central	2
DINU UNCDF Focal Point	Local	2
DINU UNCDF Staff	Central	2
District Chairman	Local	6
Evaluator	Central	2
Gen. Secretary	Central	1
Local Government Association (ULGA);	Central	1
Local Government Official	Local	11
National Government Official	Central	3
Parish Chief	Local	2
Principal Assistant Secretary	Central	1
Procurement Officer	Local	1
Secretary	Central	1

SME Owner/director	Private	4
Uncertain*	Other	2
Grand Total		48

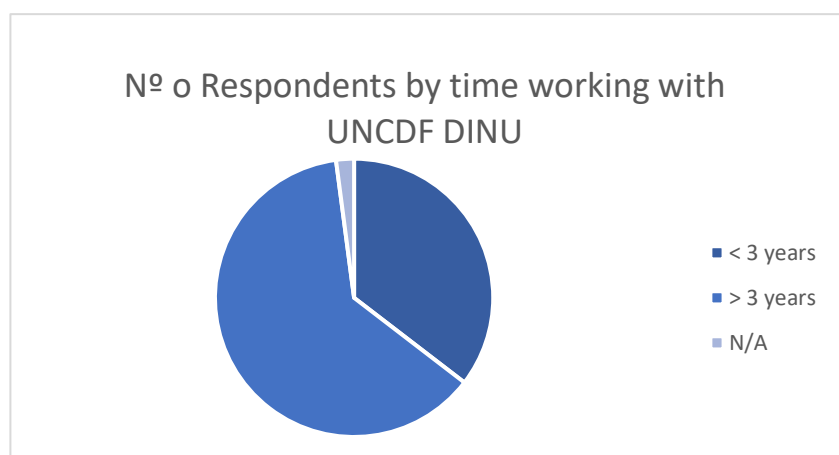
*Uncertain refers to those respondents who selected multiple types of stakeholders as an option, therefore making their actual position difficult to determine.

	N° of Respondents
Central	12
Local	25
Other	5
Private	6
TOTAL	48



Respondents divided by experience (in years) working with UNCDF DINU:

	N° of Respondents
< 3 years	17
> 3 years	30
N/A	1
TOTAL	48



4. Objectives and Project Design

Overall, statements within this category received on average an 'Completely Agree' response. Respondents who have been working with DINU for less than three years tended to 'Agree' rather than 'completely Agree' to statements.

1.1. I am aware of the DINU project

Total Aggregate Responses to Q 1.1	% of respondents
Completely Agree	73%
Agree	25%
Completely Disagree	2%
Grand Total	100%

When asked about the awareness of respondents regarding the DINU project, they were almost completely positive towards this statement., with a higher proportion opting for 'Completely Agree'.

N° of Respondents 48

o I am very familiar with the objectives of DINU

Total Aggregate Responses to Q 1.2	% of respondents
Completely Agree	44%
Agree	52%
Disagree	2%
Completely Disagree	2%
Grand Total	100%
N° of Respondents	48

When asked about the familiarity of respondents with the objectives of DINU, they were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Male respondents tended to mostly 'Agree' compared to Female respondents.

Aa higher proportion of Local stakeholders tended to 'Agree' with this statement.

Responses to Q 1.2 based on gender	Completely Agree	Agree	Disagree	Completely Disagree	Grand Total
Female	61%	31%	8%	0%	100%
Male	37%	60%	0%	3%	100%
Grand Total	44%	52%	2%	2%	100%

Aggregated Stakeholder responses to Q 1.2	Completely Agree	Agree	Disagree	Completely Disagree	Grand Total
Local	32%	60%	4%	4%	100%
Private	83%	17%	0%	0%	100%
Central	58%	42%	0%	0%	100%
Other	20%	80%	0%	0%	100%
Grand Total	44%	52%	2%	%	100%

Disaggregated Stakeholder responses to Q 1.2	Completely Agree	Agree	Disagree	Completely Disagree	Grand Total
N/A		3			3
Chief Administrative Office	1				1
Committee member		1			1
Contractor	2				2
Development Partner	1	1			2
DINU UNCDF Focal Point	2				2
DINU UNCDF Staff	1	1			2
District Chairman	1	4		1	6

Evaluator	1	1			2
Gen. Secretary		1			1
Local Government Association (ULGA);	1				1
Local Government Official	3	7	1		11
National Government Official	3				3
Parish Chief		2			2
Principal Assistant Secretary	1				1
Procurement Officer		1			1
Secretary		1			1
SME Owner/director	3	1			4
Uncertain	1	1			2
Grand Total	21	25	1	1	48

- **The objectives of the program appropriately respond to the challenges of Northern Uganda in the area of Food Security**

Total Aggregate Responses to Q 1.3	% of respondents
Completely Agree	46%
Agree	46%
Disagree	2%
Completely Disagree	2%
N/A	4%
Grand Total	100%
N° of Respondents	48

When asked about how the objectives of the program match the needs of Northern Uganda, respondents were equally divided between 'Agree' and 'Completely Agree'. Respondents who have been working for DINU for less than 3 years tend to 'Agree' to 'Completely Disagree' with this statement.

Responses to Q 1.3 based on time working in DINU	Responses to Q 1.3 based on time working in DINU					Grand Total
	Completely Agree	Agree	Disagree	Completely Disagree	N/A	
< 3 years	35%	53%	6%	6%	0%	100%
> 3 years	53%	43%	0%	0%	3%	100%
N/A	0%	0%	0%	0%	100%	100%
Grand Total	46%	46%	2,08%	2%	4%	100%

- The objectives of the project appropriately respond to the challenges of Northern Uganda in the area of Road Rehabilitation

Total Aggregate Responses to Q 1.4	% of respondents
Completely Agree	52%
Agree	27%
Disagree	8%
Completely Disagree	2%
N/A	10%
Grand Total	100%
N° of Respondents	48

When asked about how objectives aligned with northern Uganda's challenges in road rehabilitation, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Completely Agree'.

A higher proportion of Local stakeholders tended to 'Agree' or 'Disagree' with this statement.

Aggregated Stakeholder responses to Q 1.4	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	40%	32%	12%	4%	12%	100%
Private	83%	17%	0%	0%	0%	100%
Central	67%	17%	0%	0%	17%	100%
Other	40%	40%	20%	0%	0%	100%
Grand Total	52%	27%	8%	2%	10%	100%

Disaggregated Stakeholder responses to Q 1.4	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	1	2				3
Chief Administrative Office				1		1
Committee member	1					1
Contractor	1	1				2
Development Partner	1				1	2
DINU UNCDF Focal Point				1	1	2
DINU UNCDF Staff	2					2
District Chairman	2	3		1		6
Evaluator	1	1				2
Gen. Secretary	1					1
Local Government Association (ULGA);	1					1
Local Government Official	5	3	1		2	11
National Government Official	2	1				3
Parish Chief		2				2
Principal Assistant Secretary	1					1
Procurement Officer	1					1

Secretary					1	1
SME Owner/director	4					4
Uncertain	1		1			2
Grand Total	25	13	4	1	5	48

- **The objectives of the project appropriately respond to the challenges of Northern Uganda in the area of Good Governance**

Total Aggregate Responses to Q 1.5	% of respondents
Completely Agree	46%
Agree	42%
Completely Disagree	2%
N/A	10%
Grand Total	100%
N° of Respondents	48

When asked about how the p responds to challenges for Local Governments, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Completely Agree'.

Respondents who have been working with DINU for less than 3 years tended to 'Agree' more.

A higher proportion of Private stakeholders tended to 'Agree' with this statement.

Responses to Q 1.5 based on time working in DINU	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
< 3 years	24%	59%	6%	12%	100%
> 3 years	60%	33%	0%	7%	100%
N/A	0%	0%	0%	100%	100%
Grand Total	46%	42%	2%	10%	100%

Aggregated Stakeholder responses to Q 1.5	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
Local	44%	48%	4%	4%	100%
Private	33%	67%	0%	0%	100%
Central	42%	25%	0%	33%	100%
Other	80%	20%	0%	0%	100%
Grand Total	46%	42%	2%	10%	100%

Disaggregated Stakeholder responses to Q 1.5	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
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N/A	2	1		3
Chief Administrative Office		1		1
Committee member		1		1
Contractor	1	1		2
Development Partner	1		1	2
DINU UNCDF Focal Point	2			2
DINU UNCDF Staff	1	1		2
District Chairman	2	3	1	6
Evaluator		1		1
Gen. Secretary	1			1
Local Government Association (ULGA);	1			1
Local Government Official	4	6	1	11
National Government Official	1	1	1	3
Parish Chief	1	1		2
Principal Assistant Secretary	1			1
Procurement Officer	1			1
Secretary			1	1
SME Owner/director	1	3		4
Uncertain	2			2
Grand Total	22	20	1	5
				48

- The support provided by UNCDF is well aligned with the Government of Uganda

Total Aggregate Responses to Q 1.6	% of respondents
Completely Agree	58%
Agree	35%
Disagree	2%
Completely Disagree	2%
N/A	2%
Grand Total	100%
N° of Respondents	48

When asked about whether the DINU support is aligned with the Government of Uganda, respondents were almost completely positive towards this statement., with a higher proportion opting for 'Completely Agree'.

- The DINU project properly takes into consideration gender, human rights and climate change issues

Total Aggregate Responses to Q 1.7	% of respondents
Completely Agree	46%
Agree	48%
Disagree	2%
Completely Disagree	2%

When asked about whether DINU takes into consideration gender, human rights and climate change, respondents were equally divided between 'Agree' and 'Completely Agree'.

Respondents who have been working for DINU for less than 3 years tend to 'Agree' to 'Completely Disagree' with this statement.

N/A	2%
Grand Total	100%
N° of Respondents	48

Responses to Q 1.7 based on time working in DINU	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
< 3 years	35%	59%	0%	6%	0%	100%
> 3 years	53%	40%	3%	0%	3%	100%
N/A	0%	100%	0%	0%	0%	100%
Grand Total	46%	48%	2%	2%	2%	100%

▪ **Activities**

Overall, statements within this category received on average an 'Agree' response. Male stakeholders tended to have a less positive response with female respondents tending more towards 'Completely Agree'. Similarly, Local stakeholders tended to mostly 'Agree' or even sometimes 'Disagree' to statements, with lower percentage leaning towards a 'Completely Agree' response.

2.1 I am very satisfied with the way activities are being implemented

Total Aggregate Responses to Q 2.1	% of respondents
Completely Agree	23%
Agree	69%
Disagree	4%
Completely Disagree	2%
N/A	2%
Grand Total	100%
N° of Respondents	48

When asked about the way in which activities are being implemented, respondents were almost completely positive towards this statement, with a high proportion opting for 'Agree'.

Aggregated Stakeholder responses to Q 2.1	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	24%	76%	0%	0%	0%	100%
Private	33%	50%	17%	0%	0%	100%
Central	25%	50%	8%	8%	8%	100%
Other	0%	100%	0%	0%	0%	100%
Grand Total	23%	69%	4%	2%	2%	100%

Disaggregated Stakeholder responses to Q 2.1	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A		3				3
Chief Administrative Office		1				1
Committee member		1				1
Contractor	1	1				2
Development Partner		1	1			2
DINU UNCDF Focal Point	1	1				2
DINU UNCDF Staff		2				2
District Chairman	2	4				6
Evaluator		2				2
Gen. Secretary	1					1
Local Government Association (ULGA);		1				1
Local Government Official	2	9				11
National Government Official	1			1	1	3
Parish Chief		2				2
Principal Assistant Secretary	1					1
Procurement Officer		1				1
Secretary	1					1
SME Owner/director	1	2	1			4
Uncertain		2				2
Grand Total	11	33	2	1	1	48

2.2 The road upgrade has been appropriately designed and implemented

Total Aggregate Responses to Q 2.2	% of respondents
Completely Agree	10%
Agree	46%
Disagree	15%
Completely Disagree	6%
N/A	23%
Grand Total	100%
N° of Respondents	48

When asked about the road upgrade design and implementation, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

It is interesting to observe how no private stakeholders 'completely agreed' with this statement. Additionally, A higher proportion of Local stakeholders 'Disagreed' than 'completely agreed'.

Aggregated Stakeholder responses to Q 2.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	8%	48%	12%	4%	28%	100%
Private	0%	67%	0%	0%	33%	100%
Central	25%	42%	17%	8%	8%	100%

Other	0%	20%	40%	20%	20%	100%
Grand Total	10%	46%	15%	6%	23%	100%

Disaggregated Stakeholder responses to Q 2.2	Completely Agree			Completely Disagree		N/A	Grand Total
	Agree	Disagree	Disagree	Agree			
N/A			1		1	1	3
Chief Administrative Office						1	1
Committee member			1				1
Contractor				2			2
Development Partner			1			1	2
DINU UNCDF Focal Point	1		1				2
DINU UNCDF Staff	1		1				2
District Chairman			4		1	1	6
Evaluator			1	1			2
Gen. Secretary			1				1
Local Government Association (ULGA);			1				1
Local Government Official			6			5	11
National Government Official	2		1				3
Parish Chief			1	1			2
Principal Assistant Secretary	1						1
Procurement Officer			1				1
Secretary					1		1
SME Owner/director			2			2	4
Uncertain			1	1			2
Grand Total	5	22	7	3	11	48	

2.3 START projects being approved for finance are of good quality

Total Aggregate Responses to Q 2.3	% of respondents
Completely Agree	27%
Agree	63%
Disagree	2%
N/A	8%
Grand Total	100%
N° of Respondents	48

When asked about the START projects which were being approved, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Aggregated Stakeholder	Completely Agree	Agree	Disagree	N/A	Grand Total
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responses to Q 2.3

Local	28%	64%	4%	4%	100%
Private	50%	50%	0%	0%	100%
Central	25%	58%	0%	17%	100%
Other	0%	80%	0%	20%	100%
Grand Total	27%	63%	2%	8%	100%

Disaggregated Stakeholder responses to Q 2.3	Completely Agree	Agree	N/A	Disagree	Grand Total
N/A		2	1		3
Chief Administrative Office		1			1
Committee member		1			1
Contractor	1	1			2
Development Partner		1	1		2
DINU UNCDF Focal Point	2				2
DINU UNCDF Staff		2			2
District Chairman	1	4	1		6
Evaluator		2			2
Gen. Secretary	1				1
Local Government Association (ULGA);		1			1
Local Government Official	3	8			11
National Government Official	1	1	1		3
Parish Chief		1		1	2
Principal assistant secretary		1			1
Procurement officer	1				1
Secretary	1				1
SME Owner/director	2	2			4
Uncertain		2			2
Grand Total	13	30	4	1	48

2.4 COVID-19 has had a negative effect on the activities of the UNCDF DINU project.

Total Aggregate Responses to Q 2.4	% of respondents
Completely Agree	60%
Agree	35%
Disagree	2%
Completely Disagree	2%
Grand Total	100%
N° of Respondents	48

When asked about the effect of COVID-19 on the activities in the project, respondents almost completely agreed on the negative effect of the COVID-19 pandemic. with a higher proportion opting for 'Completely Agree'.

**2.5 The coordination between UNCDF
DINU and the EU has been effective**

Total Aggregate Responses to Q 2.5	% of respondents
Completely Agree	35%
Agree	56%
Disagree	2%
Completely Disagree	2%
N/A	4%
Grand Total	100%
N° of Respondents	48

When asked about the coordination between UNCDF DINU and the EU respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Aa high proportion of Private stakeholders tended to 'Agree' rather than 'Completely Agree'. A similar result, although to a lesser extent is seen with local stakeholders.

Aggregated Stakeholder responses to Q 2.5	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	32%	60%	0%	4%	4%	100%
Private	17%	83%	0%	0%	0%	100%
Central	50%	33%	8%	0%	8%	100%
Other	40%	60%	0%	0%	0%	100%
Grand Total	35%	56%	2%	2%	4%	100%

Disaggregated Stakeholder responses to Q 2.5	Completely Agree	Agree	N/A	Completely Disagree	Disagree	Grand Total
N/A	1	2				3
Chief Administrative Office		1				1
Committee member		1				1
Contractor	1	1				2
Development Partner	1		1			2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	1	1				2
District Chairman	2	3		1		6
Evaluator	1	1				2
Gen. Secretary	1					1
Local Government Association (ULGA);		1				1
Local Government Official	3	7	1			11
National Government Official	2				1	3
Parish Chief		2				2
Principal assistant secretary		1				1
Procurement Officer	1					1

Secretary		1				1
SME Owner/director		4				4
Uncertain	1	1				2
Grand Total	17	27	2	1	1	48

2.6 The coordination between UNCDF and the overall DINU programme has been effective

Total Aggregate Responses to Q 2.7	% of respondents
Completely Agree	33%
Agree	58%
Disagree	2%
Completely Disagree	7%
N/A	4%
Grand Total	100%
N° of Respondents	48

When asked about the coordination between UNCDF and DINU overall, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Male respondents tended to mostly 'Agree' compared to Female respondents who were divided between 'Agree' and 'Completely agree'.

A higher proportion of Private stakeholders tended to 'Agree' with this statement. This is also similarly observed although to a lesser extent with Central stakeholders.

Responses to Q 2.6 based on gender	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Female	46%	46%	0%	0%	8%	100%
Male	29%	63%	3%	3%	3%	100%
Grand Total	33%	58%	2%	2%	4%	100%

Aggregated Stakeholder responses to Q 2.6	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	44%	48%	0%	4%	4%	100%
Private	17%	83%	0%	0%	0%	100%
Central	25%	58%	8%	0%	8%	100%
Other	20%	80%	0%	0%	0%	100%
Grand Total	33%	58%	2%	2%	4%	100%

Disaggregated Stakeholder responses to Q 2.6	Completely Agree	Agree	N/A	Completely Disagree	Disagree	Grand Total
N/A		3				3
Chief Administrative Office		1				1
Committee member		1				1

Contractor	1	1				2
Development Partner		1	1			2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff		2				2
District Chairman	2	3		1		6
Evaluator		2				2
Gen. Secretary		1				1
Local Government Association (ULGA);	1					1
Local Government Official	5	5	1			11
National Government Official	2				1	3
Parish Chief	1	1				2
Principal assistant secretary		1				1
Procurement Officer	1					1
Secretary		1				1
SME Owner/director		4				4
Uncertain	1	1				2
Grand Total	16	28	2	1	1	48

2.7 The support provided by UNCDF is well aligned with the Government of Uganda

Total Aggregate Responses to Q 2.7	% of respondents
Completely Agree	42%
Agree	48%
Disagree	2%
Completely Disagree	2%
N/A	6%
Grand Total	100%
N° of Respondents	48

When asked about how aligned was UNCDFs support with the GoU, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Male respondents tended to mostly 'Agree' compared to Female respondents who leaned more towards 'Completely Agree'.

A higher proportion of Local stakeholders tended to 'Agree' with this statement.

Responses to Q 2.7 based on gender	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Female	54%	38%	0%	0%	8%	100%
Male	37%	51%	3%	3%	6%	100%
Grand Total	42%	48%	2%	2%	6%	100%

Aggregated Stakeholder	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
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responses to Q 2.7

Local	36%	56%	0%	4%	4%	100%
Private	50%	50%	0%	0%	0%	100%
Central	42%	33%	8%	0%	17%	100%
Other	60%	40%	0%	0%	0%	100%
Grand Total	42%	48%	2%	2%	6%	100%

Disaggregated Stakeholder responses to Q 2.7	Completely Agree	Agree	N/A	Completely Disagree	Disagree	Grand Total
N/A	1	2				3
Chief Administrative Office		1				1
Committee member		1				1
Contractor	2					2
Development Partner	2					2
DINU UNCDF Focal Point	1	1				2
DINU UNCDF Staff	1	1				2
District Chairman	2	3		1		6
Evaluator		1	1			2
Gen. Secretary		1				1
Local Government Association (ULGA);		1				1
Local Government Official	5	5	1			11
National Government Official	2				1	3
Parish Chief		2				2
Principal assistant secretary	1					1
Procurement officer		1				1
Secretary			1			1
SME Owner/director	1	3				4
Uncertain	2					2
Grand Total	20	23	3	1	1	48

2.8 The DINU project properly takes into consideration gender, human rights and climate change issues

Total Aggregate Responses to Q 2.8	% of respondents
Completely Agree	46%
Agree	48%
Completely Disagree	2%
N/A	4%
Grand Total	100%
N° of Respondents	48

When asked about whether DIN's consideration of gender, human rights and climate change, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Male respondents tended to mostly 'Agree' compared to Female respondents who leaned more towards 'Completely Agree'.

A higher proportion of Local and Private stakeholders tended to 'Agree' with this statement.

Responses to Q 2.8 based on gender	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
Female	62%	38%	0%	0%	100%
Male	40%	51%	3%	6%	100%
Grand Total	46%	48%	2%	4%	100%

Aggregated Stakeholder responses to Q 2.8	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
Local	32%	64%	4%	0%	100%
Private	33%	67%	0%	0%	100%
Central	67%	17%	0%	17%	100%
Other	80%	20%	0%	0%	100%
Grand Total	46%	48%	2%	4%	100%

Disaggregated Stakeholder responses to Q 2.8	Completely Agree	Agree	N/A	Completely Disagree	Grand Total
N/A	2	1			3
Chief Administrative Office		1			1
Committee member		1			1
Contractor	2				2
Development Partner	2				2
DINU UNCDF Focal Point	1	1			2
DINU UNCDF Staff	1	1			2
District Chairman	1	4		1	6
Evaluator	1	1			2
Gen. Secretary	1				1
Local Government Association (ULGA);	1				1
Local Government Official	4	7			11
National Government Official	2		1		3
Parish Chief		2			2
Principal assistant secretary	1				1
Procurement officer	1				1
Secretary			1		1
SME Owner/director		4			4
Uncertain	2				2
Grand Total	22	23	2	1	48

3. Expected Results

Overall, statements for expected results received on average an 'Agree' response. This was particularly the case for the last statement regarding Human Rights and Gender Issues.

Regarding types of stakeholders, when the responses were disaggregated it was found that 'Private' stakeholders tended to mostly 'Agree' or even sometimes 'Disagree' to statements, with lower percentage leaning towards a 'Completely Agree' response.

3.1 START Facility has contributed to finance SME projects

Total Aggregate Responses to Q 3.1	% of respondents
Completely Agree	35%
Agree	41%
Disagree	4%
Completely Disagree	2%
N/A	17%
Grand Total	100%
N° of Respondents	48

When asked about the results regarding SME projects, respondents were almost completely positive towards this statement., with a higher proportion opting for 'Agree'.

3.2 The capacity of Local Governments to deliver services has improved

Total Aggregate Responses to Q 3.2	% of respondents
Completely Agree	38%
Agree	52%
Disagree	2%
Completely Disagree	2%
N/A	6%
Grand Total	100%
N° of Respondents	48

When asked about the results regarding the local government, respondents were almost completely positive towards this statement., with a higher proportion opting for 'Agree'.

It is interesting to observe how a very high proportion of private stakeholders 'agreed', similarly to central stakeholders.

Aggregated Stakeholder responses to Q 3.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	52%	40%	0%	4%	4%	100%
Private	17%	83%	0%	0%	0%	100%
Central	17%	58%	8%	0%	16%	100%
Other	40%	60%	0%	0%	0%	100%
Grand Total	38%	52%	2%	2%	6%	100%

Disaggregated Stakeholder responses to Q 3.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	1	2				3
Chief Administrative Office		1				1
Committee member		1				1
Contractor	1	1				2
Development Partner		1			1	2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff		2				2
District Chairman	1	4		1		6
Evaluator	1	1				2
Gen. Secretary		1				1
Local Government Association (ULGA);		1				1
Local Government Official	6	4			1	11
National Government Official	1	1	1			3
Parish Chief	2					2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary					1	1
SME Owner/director		4				4
Uncertain	1	1				2
Grand Total	18	25	1	1	3	48

3.3 The quality of roads has improved or will be substantially improved

Total Aggregate Responses to Q 3.3	% of respondents
Completely Agree	23%
Agree	48%
Disagree	6%
Completely Disagree	4%
N/A	19%
Grand Total	100%
N° of Respondents	48

When asked about the results of the road component, respondents provided a moderate response, with a low proportion disagreeing or completely disagreeing.

N of the private stakeholders completely agreed with this statement, with a number of them Disagreeing. Similarly, a higher proportion of Central stakeholders 'Agreed'.

Aggregated Stakeholder responses to Q 3.3	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	32%	32%	8%	4%	24%	100%
Private	0%	83%	17%	0%	0%	100%
Central	17%	67%	0%	0%	17%	100%
Other	20%	40%	0%	20%	20%	100%

Grand Total	23%	48%	6%	4%	19%	100%
Disaggregated Stakeholder responses to Q 3.3	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A		1		1	1	3
Chief Administrative Office					1	1
Committee member		1				1
Contractor		2				2
Development Partner		1			1	2
DINU UNCDF Focal Point	1		1			2
DINU UNCDF Staff	2					2
District Chairman	2	2		1	1	6
Evaluator		2				2
Gen. Secretary		1				1
Local Government Association (ULGA);		1				1
Local Government Official	3	3	1		4	11
National Government Official		3				3
Parish Chief	1	1				2
Principal assistant secretary		1				1
Procurement officer	1					1
Secretary					1	1
SME Owner/director		3	1			4
Uncertain	1	1				2
Grand Total	11	23	3	2	9	48

3.4 Human Rights and Gender Equality are issues which are now being better targeted than before

Total Aggregate Responses to Q 3.4	% of respondents
Completely Agree	29%
Agree	56%
Disagree	4%
Completely Disagree	2%
N/A	8%
Grand Total	100,00%
N° of Respondents	48

Regarding Human Rights and Gender Equality expected results, one can observe that most of the responses agreed with the statement.

Participants who had been working with the project for less than 3 years rather agreed and even disagreed completely with this statement.

Additionally, private stakeholders compared to the rest of

Responses to Q 3.4 based on	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
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time working in DINU						
< 3 years	12%	65%	6%	6%	12%	100%
> 3 years	40%	50%	3%	0%	7%	100%
N/A	0%	100%	0%	0%	0%	100%
Grand Total	29%	56%	4%	2%	8%	100%

Aggregated Stakeholder responses to Q 3.4	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	36%	56%	0%	4%	4%	100%
Private	17%	67%	17%	0%	0%	100%
Central	33%	42%	0%	0%	25%	100%
Other	0%	80%	20%	0%	0%	100%
Grand Total	29%	56,25%	4%	2,08%	8,33%	100%

Disaggregated Stakeholder responses to Q 3.4	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A		3				3
Chief Administrative Office		1				1
Committee member	1					1
Contractor		1	1			2
Development Partner					2	2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	2					2
District Chairman	1	4		1		6
Evaluator		2				2
Gen. Secretary	1					1
Local Government Association (ULGA);		1				1
Local Government Official	4	6			1	11
National Government Official	1	2				3
Parish Chief		2				2
Principal assistant secretary	1					1
Procurement officer		1				1
Secretary					1	1
SME Owner/director	1	3				4
Uncertain		1	1			2
Grand Total	14	27	2	1	4	48

4. Mid to Long-Term Results

Overall, statements for expected long-term results received on average an 'Agree' response. However, overall, the majority of the responses were very positive with the largest proportion tending towards 'Completely Agree'

4.1 DINU UNCDF will contribute to an increase in food security, in maternal and child nutrition and to enhancing household incomes

Total Aggregate Responses to Q 4.1	% of respondents
Completely Agree	50%
Agree	38%
Disagree	4%
Completely Disagree	2%
N/A	6%
Grand Total	100,00%
N° of Respondents	48

When asked about the medium to long term effect of the project on food security, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Completely Agree'.

Female respondents tended to mostly 'Agree' rather than completely agree and some even disagreed.

As respondents gained more time spent working with the project they went from 'Agreeing' and 'Disagreeing' to a higher proportion of 'Completely agree'

A higher proportion of Central stakeholders tended to 'Agree' with this statement.

Responses to Q 4.1 based on gender	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Female	31%	46%	8%	0%	15%	100%
Male	57%	34%	3%	3%	3%	100%
Grand Total	50%	38%	4%	2%	6%	100%

Responses to Q 4.1 based on time working in DINU	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
< 3 years	35%	41%	12%	6%	6%	100%
> 3 years	60%	33%	0%	0%	7%	100%
N/A	0%	100%	0%	0%	0%	100%
Grand Total	50%	38%	4%	2%	6%	100%

Aggregated Stakeholder responses to Q 4.1	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	52%	36%	4%	4%	4%	100%
Private	67%	17%	17%	0%	0%	100%
Central	33%	50%	0%	0%	17%	100%

Other	60%	40%	0%	0%	0%	100%
Grand Total	50%	38%	4%	2%	6%	100%

Disaggregated Stakeholder responses to Q 4.1	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	3					3
Chief Administrative Office		1				1
Committee member	1					1
Contractor	1		1			2
Development Partner		1			1	2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	2					2
District Chairman	2	3		1		6
Evaluator		2				2
Gen. Secretary	1					1
Local Government Association (ULGA);		1				1
Local Government Official	5	5			1	11
National Government Official	1	2				3
Parish Chief	1		1			2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary					1	1
SME Owner/director	3	1				4
Uncertain		2				2
Grand Total	24	18	2	1	3	48

4.2 The roads which have been rehabilitated will contribute to an increase in trade within the region

Total Aggregate Responses to Q 4.2	% of respondents
Completely Agree	44%
Agree	33%
Disagree	2%
Completely Disagree	4%
N/A	17%
Grand Total	100%
N° of Respondents	48

When asked about the medium to long term effect of the project on rehabilitated roads, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Completely Agree'.

A higher proportion of Central stakeholders tended to 'Agree' with this statement.

Aggregated Stakeholder responses to Q 4.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	56%	20%	0%	4%	20%	100%
Private	50%	50%	0%	0%	0%	100%
Central	25%	58%	0%	8%	8%	100%
Other	20%	20%	20%	0%	40%	100%
Grand Total	44%	33%	2%	4%	17%	100%

Disaggregated Stakeholder responses to Q 4.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	1				2	3
Chief Administrative Office					1	1
Committee member		1				1
Contractor	2					2
Development Partner		2				2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	2					2
District Chairman	4			1	1	6
Evaluator		2				2
Gen. Secretary		1				1
Local Government Association (ULGA);				1		1
Local Government Official	5	3			3	11
National Government Official	1	2				3
Parish Chief	1	1				2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary					1	1
SME Owner/director	1	3				4
Uncertain		1	1			2
Grand Total	21	16	1	2	8	48

4.3 DINU UNCDF has strengthened the capacity, gender-responsive good governance and the rule of law of local governments

Total Aggregate Responses to Q 4.3	% of respondents
Completely Agree	35%
Agree	52%
Completely Disagree	2%
N/A	10%
Grand Total	100%

When asked about the medium to long term effect of the project on local government, respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

Male respondents tended to mostly 'Agree' compared to Female respondents who mostly 'Completely Agreed'.

A higher proportion of Private stakeholders tended to 'Agree' with this statement.

N° of Respondents 48

Responses to Q 4.3 based on gender	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
Female	46%	38%	0%	15%	100%
Male	31%	57%	3%	9%	100%
Grand Total	35%	52%	2%	10%	100%

Aggregated Stakeholder responses to Q 4.3	Completely Agree	Agree	Completely Disagree	N/A	Grand Total
Local	44%	48%	4%	4%	100%
Private	17%	83%	0%	0%	100%
Central	33%	33%	0%	33%	100%
Other	20%	80%	0%	0%	100%
Grand Total	35%	52%	2%	10%	100%

Disaggregated Stakeholder responses to Q 4.3	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	1				2	3
Chief Administrative Office					1	1
Committee member		1				1
Contractor	2					2
Development Partner		2				2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	2					2
District Chairman	4			1	1	6
Evaluator		2				2
Gen. Secretary		1				1
Local Government Association (ULGA);				1		1
Local Government Official	5	3			3	11
National Government Official	1	2				3
Parish Chief	1	1				2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary					1	1
SME Owner/director	1	3				4
Uncertain		1	1			2
Grand Total	21	16	1	2	8	48

4.4 DINU UNCDF has empowered communities to participate in improved local service delivery

Total Aggregate Responses to Q 4.4	% of respondents
Completely Agree	29%
Agree	67%
N/A	4%
Grand Total	100%
N° of Respondents	48

When asked about the medium to long term effect of the project on local service delivery, respondents were completely positive towards this statement, with a higher proportion opting for 'Agree'.

4.5 DINU UNCDF has changed attitudes towards Human Rights and Gender Equality in different key groups

Total Aggregate Responses to Q 4.5	% of respondents
Completely Agree	25%
Agree	56%
Disagree	2%
Completely Disagree	4%
N/A	13%
Grand Total	100%
N° of Respondents	48

When asked about the medium to long term effect of the project on human rights respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

No private stakeholders 'Completely agreed' with this statement, and a few even 'Disagreed'. Additionally, Central stakeholders also mostly 'Agreed' to this statement, although a lower proportion compared to private stakeholders.

Aggregated Stakeholder responses to Q 4.5	Completely Agree		Disagree	Completely Disagree		N/A	Grand Total
	Agree	Agree		Disagree	Disagree		
Local	28%	60%	0%	4%	8%	100%	
Private	0%	83%	17%	0%	0%	100%	
Central	42%	17%	0%	8%	33%	100%	
Other	0%	100%	0%	0%	0%	100%	
Grand Total	25%	56%	2%	4%	13%	100%	

Disaggregated Stakeholder responses to Q 4.5	Completely Agree		Disagree	Completely Disagree		N/A	Grand Total
	Agree	Agree		Disagree	Disagree		
N/A		3					3
Chief Administrative Office						1	1
Committee member		1					1
Contractor		1	1				2
Development Partner						2	2
DINU UNCDF Focal Point	1	1					2
DINU UNCDF Staff	2						2
District Chairman	2	3			1		6

Evaluator		2				2
Gen. Secretary	1					1
Local Government Association (ULGA);				1		1
Local Government Official	3	7			1	11
National Government Official	2				1	3
Parish Chief		2				2
Principal assistant secretary	1					1
Procurement officer		1				1
Secretary					1	1
SME Owner/director		4				4
Uncertain		2				2
Grand Total	12	27	1	2	6	48

5. After Project Conclusion

Overall, statements within this category received on average an 'Agree' response. However, on the whole the majority of the responses were very positive with the other biggest proportion tending towards 'Completely Agree'

Regarding the time spent working in the project, it is interesting to observe how opinions regarding the sustainability of the road component work worsened as people had spent more time working with the project.

Regarding types of stakeholders, when the responses were disaggregated it was found that 'Private' and 'Central' stakeholders tended to mostly 'Agree' or even sometimes 'Disagree' to statements, with lower percentage leaning towards a 'Completely Agree' response.

5.1 The effects for small and medium enterprises in Northern Uganda will be sustained in the future

Total Aggregate Responses to Q 5.1	% of respondents
Completely Agree	29%
Agree	50%
Disagree	2%
N/A	19%
Grand Total	100%
N° of Respondents	48

When asked about the sustainability of the project regarding MSMEs the results respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

5.2 The improvement of district roads will have a positive impact on local service delivery in the future

Total Aggregate Responses to Q 5.2	% of respondents
Completely Agree	40%
Agree	35%
Disagree	2%
Completely Disagree	2%
N/A	21%
Grand Total	100%
N° of Respondents	48

When asked about district road component and its sustainability respondents were almost completely positive towards this statement, with a higher proportion opting for 'Completely Agree'.

Participants who had been working with the project for less than 3 years tended to be more positive and shifted to a 'Agree' or 'Completely Disagree' as time went by.

Additionally, Central stakeholders also mostly 'Agreed' to this statement.

Responses to Q 5.2 based on time working in DINU	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
< 3 years	53%	18%	6%	0%	24%	100%
> 3 years	33%	43%	0%	3%	20%	100%
N/A	0%	100%	0%	0%	0%	100%
Grand Total	40%	35%	2%	2%	21%	100%

Aggregated Stakeholder responses to Q 5.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	40%	28%	0%	0%	32%	100%
Private	83%	17%	0%	0%	0%	100%
Central	25%	50%	8%	8%	8%	100%
Other	20%	60%	0%	0%	20%	100%
Grand Total	40%	35%	2%	2%	21%	100%

Disaggregated Stakeholder responses to Q 5.2	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	1	1			1	3
Chief Administrative Office					1	1
Committee member		1				1
Contractor	2					2
Development Partner		2				2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff	1	1				2

District Chairman	2	4				6
Evaluator		1	1			2
Gen. Secretary		1				1
Local Government Association (ULGA);				1		1
Local Government Official	4	1			6	11
National Government Official	2	1				3
Parish Chief		1			1	2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary					1	1
SME Owner/director	3	1				4
Uncertain		2				2
Grand Total	19	17	1	1	10	48

5.3 Changes in the local fiscal space and in local service delivery will be sustained in the future

Total Aggregate Responses to Q 5.3	% of respondents
Completely Agree	33%
Agree	50%
Disagree	2%
Completely Disagree	2%
N/A	13%
Grand Total	100%
N° of Respondents	48

When asked about local government component and its sustainability respondents were almost completely positive towards this statement, with a higher proportion opting for 'Agree'.

A very high proportion of private stakeholders 'agreed'. Additionally, Central stakeholders also mostly 'Agreed' to this statement, although a lower proportion compared to private stakeholders.

Aggregated Stakeholder responses to Q 5.3	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
Local	40%	36%	0%	4%	20%	100%
Private	17%	83%	0%	0%	0%	100%
Central	25%	58%	8%	0%	8%	100%
Other	40%	60%	0%	0%	0%	100%
Grand Total	33%	50%	2%	2%	13%	100%

Disaggregated Stakeholder responses to Q 5.3	Completely Agree	Agree	Disagree	Completely Disagree	N/A	Grand Total
N/A	2	1				3
Chief Administrative Office					1	1
Committee member	1					1
Contractor	1	1				2

Development Partner		2				2
DINU UNCDF Focal Point	2					2
DINU UNCDF Staff		2				2
District Chairman	1	4		1		6
Evaluator		2				2
Gen. Secretary	1					1
Local Government Association (ULGA);					1	1
Local Government Official	4	4			3	11
National Government Official	1	1	1			3
Parish Chief		1			1	2
Principal assistant secretary	1					1
Procurement officer	1					1
Secretary	1					1
SME Owner/director		4				4
Uncertain		2				2
Grand Total	16	24	1	1	6	48

UNCDF Evaluation Unit

www.uncdf.org

United Nations Capital Development Fund (UNCDF)

Two UN Plaza - 26th Floor
New York 10017 - United States of America

+1 212 906 6565

info@uncdf.org

www.uncdf.org/uncdf