



**UNDP UGANDA**



**UN/DESA**

**Strengthening Macro-Micro Modelling Capacities to Assess  
Development Support Measures and Strategies**

**Scoping mission and  
Inception and First Training Workshop**

**LAICO Lake Victoria Entebbe Hotel  
Lake Victoria A  
Entebbe, 17-20 October 2011**

**Background**

Uganda's path towards development presents paramount challenges. The country needs a renewed round of structural and economic policy reforms to accelerate progress towards the Millennium Development Goals (MDGs), including a combination of increased public expenditure to sectors that can expand the productive capacity of the economy, including agriculture and infrastructure, as well as to the social sectors where services that contribute directly to the MDGs are delivered.<sup>1</sup> Progress towards the MDGs is expected to slow as a consequence of the global economic downturn; in fact, the cost of achieving these goals could rise commensurately by about 0.5 to 1.5 percent of GDP in required additional public spending per year between 2010 and 2015—on top of previously estimated public spending requirements<sup>2</sup>.

Structural and economic policy reforms aimed at accelerating progress towards development goals should not be undertaken without maximizing potential development impacts of existing international support measures to Least Developed Countries (LDCs), a category of countries to which Uganda belongs since 1971. These support measures fall into three main areas: (a) enhanced official development assistance (ODA), in such forms as development financing, technical cooperation and other types of assistance; (b) preferential access to foreign markets; and (c) special treatment regarding World Trade Organization obligations.<sup>3</sup> The overall assumption is that adequate use of international

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<sup>1</sup> See, Matovu, J., Twimukye, E., Musisi, A. and S. Levine. 2011. "Assessing Development Strategies to achieve the Millennium Development Goals in the Republic of Uganda". Project Final Report, UNDP, UN-DESA and World Bank, March.

<[http://dev.un.org/en/development/desa/policy/capacity/output\\_studies/roa87\\_study\\_ugn.pdf](http://dev.un.org/en/development/desa/policy/capacity/output_studies/roa87_study_ugn.pdf)>

<sup>2</sup> See, United Nations. 2011. *World Economic Situation and Prospects 2011*. Box 1.3. New York.

<[http://www.un.org/en/development/desa/policy/wesp/wesp\\_current/2011wesp.pdf](http://www.un.org/en/development/desa/policy/wesp/wesp_current/2011wesp.pdf)>

<sup>3</sup> For detailed information about the LDC category and the international support measures available for the countries in this category, see Committee for Development Policy, Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures.

support measures may further promote economic growth and diversification for poverty reduction in Uganda, speed up the country's performance towards graduation from the LDC category and contribute to achieving the MDGs.

Against this backdrop, Uganda's policymakers need to strengthen their capacity to assess and maximize the use of support measures and strategies that contribute to development, and to become better prepared to anticipate and respond to global economic crises and other external adversities (including those related to high food and energy prices, drops in export demand or declines in worker remittances) to avoid future setbacks in human development. Policymakers should feel confident to design policies and/or request financial support from the international community, in order to ensure the timely achievement of the MDGs and its continued sustainability beyond 2015, as well as graduation from the LDC category. If the MDGs are not attained on time or options to graduate from the LDC category start to fade away, policymakers should have the capacity to assess different development strategies and estimate further resource requirements associated to them under different scenarios.

In response to these capacity development needs, the Development Policy and Analysis Division of the United Nations Department of Economic and Social Affairs (UN-DESA/DPAD) will implement activities to strengthen Ugandan policymakers' analytical capacities, in close collaboration with the United Nations Development Programme (UNDP) in Uganda. These activities will be part of two capacity development projects that are currently implemented by UN-DESA/DPAD (Development Account Project, Tranche 7B (2011-13): "Strengthening Macroeconomic and Social Policy Coherence through Integrated Macro-Micro Modelling"; and Project G, Tranche 6 (08/09): "Graduation strategies for Least Developed Countries in Asia and Africa") and UNDP's Country Programme Action Plan (CPAC) in Uganda.

The capacity development activities will build on the accumulated work of previous projects implemented by UN-DESA with various partners.<sup>4</sup> They will provide targeted support for strengthening the ability of a "technical unit" or group of national experts from various Government entities led by the Ministry of Finance Planning and Economic Development (MOFPED), to conduct development policy analyses, including the assessment of strategies to achieve the MDGs, the effects of economic crises on the achievement of these goals and the identification of ways in which Uganda can increase its capacity to take advantage of international support measures in trade and ODA as a LDC.

Intensive training will be provided to ensure that the national experts become acquainted with an integrated macro-micro modelling framework and will be able to use results from applying this to guide policy makers. The capacity development activities' primary objective is to institutionalise the use of this framework.

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<[http://www.un.org/en/development/desa/policy/cdp/cdp\\_publications\\_archive.shtml](http://www.un.org/en/development/desa/policy/cdp/cdp_publications_archive.shtml)>  
<[www.un.org/ldcportal](http://www.un.org/ldcportal)>

<sup>4</sup> Specifically, Development Account Project U, Tranche 5 (06/07): "Realizing the Millennium Development Goals through socially inclusive macroeconomic policies", implemented in close collaboration with UNDP and the World Bank.

The framework comprises an economy-wide model that incorporates a special module which specifies the main determinants of MDG achievement and the direct impact of enhanced public expenditures on MDG-related infrastructure and services. It considers specific targets for the MDGs of poverty reduction (MDG 1), achieving universal primary education (MDG 2), reducing under-five and maternal mortality (MDGs 4 and 5) and increasing access to safe water and basic sanitation (MDGs 7a and 7b). In addition, if possible (i.e., data permitting), the existing model may be extended—using Uganda as a pilot case—to incorporate MDG 6 on combating HIV/AIDS, malaria and other diseases. The impact of international support measures in trade and ODA will be assessed through their effects on different socio-economic variables based on which, data permitting, development indicators included in the LDC graduation criteria (GNI per capita, and Human Assets and Economic Vulnerability Indexes)<sup>5</sup> will be constructed. The methodological framework also includes sector-level costing estimations and a microsimulation methodology to gauge impacts on poverty and inequality of simulated scenarios.

### **Objectives of scoping mission, and inception and training workshop**

To begin capacity development activities, a scoping mission (to take stock on and process available data) and an inception and first training workshop will be organized on 17-20 October 2011, in Entebbe, Uganda. The objectives of the scoping mission and workshop are as follows:

- (i) Present and discuss the key policy questions to be addressed through the capacity building activities.
- (ii) Explain and confirm agreement on the institutional arrangements under which capacity building activities will be undertaken.
- (iii) Describe the integrated macro and micro modelling framework.
- (iv) Present results of recently completed projects on MDG financing strategies and real-time simulation results as an introduction to the application of the modelling framework.
- (v) Review key aspects of international support measures that will be relevant to consider as part of the application of the methodology.
- (vi) Take stock of data availability and agree on future data collection.
- (vii) Agree on a timeline.

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<sup>5</sup> For detailed explanation and data sets see  
<[http://www.un.org/en/development/desa/policy/cdp/ldc/ldc\\_criteria.shtml](http://www.un.org/en/development/desa/policy/cdp/ldc/ldc_criteria.shtml)>

## **Programme**

### **17 October 2011**

**14:00 – 17:00**

***Hands-on session: taking stock of data availability***

Marco V. Sánchez, United Nations Department of Economic and Social Affairs (UN-DESA)

Martín Cicowiez, University of La Plata and UN-DESA consultant  
Ugandan team's data compilers

### **18 October 2011**

**9:00 – 9:30**

***Registration of participants for inception and first training workshop***

**9:30 – 10:00**

***Welcoming addresses and self-introduction of participants***

Albert A. Musisi, Ag Commissioner, Economic Development Policy and Research Department, Ministry of Finance Planning and Economic Development (MOFPED)

Alex Warren-Rodriguez, Senior Economics Advisor, UNDP Uganda.

**10:00 – 10:45**

***Overview of capacity development activities: objectives and modelling framework***

Marco V. Sánchez, UN-DESA

*Coffee break*

**11:00 – 11:45**

***Assessing Development Strategies to achieve the MDGs in Uganda***

John Matovu, IPRC

Albert Musisi, MOFPED

**11:45 – 12:30**

***Global Crisis and Prospects for Achieving the MDGs: evidence for developing countries***

Marco V. Sánchez, UN-DESA

*Lunch*

**14:00 – 14:30**

***International support measures to LDCs: what are they?***

Roland Mollerus, UN-DESA

**14:30 – 15:15**

***Opportunities to maximize the development impact of support measures in Uganda***

Elizabeth Tamale and Paul Okech, Ministry of Tourism, Trade and Industry (MTTI)

**15:15 – 16:30**

***Overview of MAMS***

Martín Cicowiez, University of La Plata and UN-DESA consultant

*Coffee & end of plenary sessions*

**16:45 – 18:00**

***Hands-on session: taking stock of data availability***

UN-DESA team and Ugandan team's data compilers

**19 October 2011**

**9:00 – 10:00**

***The SAM: What is it? How is it adapted for MAMS?***

Martín Cicowiez, University of La Plata and UN-DESA consultant

**10:00 – 10:45**

***Sector analysis of MDG determinants***

Marco V. Sánchez, UN-DESA

*Coffee break*

**11:00 – 12:00**

***MAMS data set: an overview***

Martín Cicowiez, University of La Plata and UN-DESA consultant

**12:00 – 12:45**

***Microsimulation methodology***

Marco V. Sánchez, UN-DESA

*Lunch*

**14:00 – 15:45**

***ISIM-MAMS interface: an introduction and real-time simulations***

Martín Cicowiez, University of La Plata and UN-DESA consultant

Marco V. Sánchez, UN-DESA

**15:45 – 16:30**

***Summary of workshop and discussion of next steps***

Marco V. Sánchez, UN-DESA

*Coffee & end of plenary sessions*

**16:45 – 18:00**

***Hands-on session: review of existing MAMS data set for Uganda***

UN-DESA team and Ugandan team's data compilers

**20 October 2011**

**9:00 – 12:00 & 14:00 – 17:00**

***Hands-on session: processing of available data, final assessment on data availability and requests***

Martín Cicowiez, University of La Plata and UN-DESA consultant  
Ugandan team's data compilers