

**Assessing Development Strategies
to Achieve the MDGs in Africa:
Uganda Case**

Ugandan Team

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Introduction

- Uganda has been growing at a rate of 8 percent for the past decade.
- Growth has largely been in the services sector while agriculture which employs 70 % of the population continues to shrink.
- Significant emphasis has been put on increasing spending on social sectors.
- Some positive results have been achieved (especially on poverty reduction, albeit increasing inequality)

Macroeconomic Reforms

- The first reform was the Economic Recovery Program (ERP) originally introduced in 1987 supported by World Bank and IMF, with the initial focus on price stabilization and liberalization.
 - Included currency reform, devaluations, liberalization of domestic prices, and the conversion to floating exchange rate regime in 1993.
- The next set of reforms involved the adoption of the structural adjustment programme that was meant to free up markets and create price incentives, stimulate private investment, and encourage competition.
 - Reforms under this programme included the abolition of marketing boards, privatization and abolition of parastatals and the establishment of the Uganda Investment Authority.
- The government in 1997 embarked on poverty eradication, introducing the Poverty Eradication Action Plan (PEAP), a multi sectoral program aimed at reducing poverty.

Evolution of the economy during 1990-2008

- The period 1990-2008 involved two phases of growth one 1990-1999 and the other 2000-2008.
 - The 1990 to 1999 phase was characterized by sustained positive growth rates far above the Sub-Saharan average. At an average of 3.6 per cent, Uganda's per capita income (measured in 1985 international prices) recovered from the low of US \$ 504 of 1986 and had reached US \$ 697 by 1997.
- Similarly, the period 2000-2008 the average GDP growth rate (at factor prices) for the five years(2003/04-2007/2008) was as high as 7.9 per cent.
- However the economy grew only at 6.7 per cent in 2008 due to the turmoil in the world economy and regional instability.

Global recession and recent Developments

- The global recession has impacted the economy through
- reduction in foreign financial inflows including aid, grants, foreign direct investment and remittances;
- High depreciation of the exchange rate
- Drop in prices as a result of drop in prices of Ugandas exportable goods.
- Uganda has also been affected by the high fuel prices and rising food prices have had a large impact on inflation levels.

Sources of Growth

- Uganda's strong economic growth since 1992 has been driven mainly by the services, manufacturing and construction sectors.
- In 2008/09, the share of value added contributed by the services sector was almost half of total gross domestic product (GDP) from about 32 per cent in 1990
- Agriculture has continued to decline from 50.3 per cent to about 15.2 per cent in the same period.
 - The recent decline in agriculture is partly due to the climate changes resulting into unpredictable weather patterns and considerable decline in productivity of land.
 - Other structural problems, including the use of inferior inputs and lack of value addition that have limited productivity and profitability of the sector.

Vulnerabilities

- Uganda's tax collections have historically been low. For example, the tax to GDP ratio that stood at 12.6 per cent in 1970-71, had declined to a dismal 6.5 per cent by 1989/90, leading to large deficits and a budget mainly funded by external financing (Ayoki, et.al. 2004).
- Revenue performance has since improved, peaking at a tax/GDP ratio of 15.8 per cent in 2006/07 before declining slightly to 13.1 per cent in 2008/2009.
- This is still below the Sub-Saharan Africa average of about 20 per cent and is lower than that of its neighbours. In Tanzania, tax revenue was about 17 per cent of GDP and about 27 per cent in Kenya for the same period.
- The contrast between revenue and expenditure highlights a serious financing problem for the country that necessitates the use of external financing to cover the resultant budget deficit.

Has Growth Been Pro-Poor

- The slow growth in agriculture seems to have left out especially the rural poor who depend on the sector. Poverty is still more concentrated in rural areas.
- There were also sharp regional disparities in growth and poverty reduction with most gains occurring in the Central region while the North lagged far behind.
- For example, where as poverty rates decreased from 46 per cent in the central region in 1992 to 16.4 per cent in 2006, the rates on the other hand decreased only marginally from 73 per cent to 61 per cent for the Northern region in the same period.

Social Policy Spending

- Was largely done through the Poverty Eradication Action Plan (PEAP).
- Universal primary education was introduced
- Health centers constructed in all sub-counties.
- Funds for increased access to water were increased under PEAP.
- Share of the Poverty Action Fund within PEAP increased from 15 per cent in 1998/99 to 32 per cent in 2008/09.

Have the Poor Benefited from Pro-poor Spending

- Increasing resources to pro-poor activities increased access to most of these public services.
- However access to primary health care and extension services is still insufficient and there are serious quality concerns for most services (see Kappel, et.al., 2000).

MDG1: Eradicating Extreme Poverty and Hunger

- Uganda is expected to achieve the MDG 1 of halving poverty by 2015. The population living below the absolute poverty line declined from 56 per cent in 1992/93 to 31 per cent in 2005/06.
- However, inequality is on the increase. The gini coefficient increased from 0.3 in 1992 to 0.41 in 2005/06.
- Between 1991 and 2006 there was a reduction in prevalence of underweight children from 23 per cent to 16 per cent.
- But the proportion of the population unable to meet the recommended food caloric intake was still as high as 68.5 per cent in 2006.

MDG 2: Universal Primary Education

- Universal Primary Education (UPE) was initiated by the Government of Uganda with the aim of increasing access to quality primary education.
- The government committed itself to pay school fees, provide textbooks and other instructional materials for pupils and teachers, and to meet the costs of co-curricular activities, school administration and maintenance.
- Although this policy was initially aimed at four children of school-going age per family, it was revised in 2002 to cover all children of school-going age.
- The introduction of UPE in 1997 led to a substantial increase of 132per cent in gross enrolment from the pre-UPE total of 3.1 million in 1996 to 7.2 million children in 2006.

MDG 2: Universal Primary Education

- Proportion of girls in total enrolment rose to 49 per cent in 2004 up from 44.2 per cent in 1990.
- But the pupil-teacher ratio remains very high, 57 to 1 in 2007, though this is a slight improvement from 59.4 in 2000.
- The pupil per classroom ratio is also high at 72, but considerably better than 84 in 2004.

MDG 3: Improving Gender Equality and Women Empowerment

- Since 1990, Uganda has exercised affirmative action in favour of women with regard to admission into university and other tertiary institutions.
- The proportion of females to the total student enrollment increased from 31per cent in 1993/94 to 40per cent in 2002 and up to 42per cent in 2004. In primary teacher colleges, women were 48per cent of the total student population in 2003.
- At the national level, every district has an elected woman Member of Parliament.
- In the current Parliament, 89 of the 310 members are women, representing 28.7per cent of the legislative body. This is an improvement from the 18per cent registered in 1995.

MDG 4: Reducing Child Mortality

- The infant mortality rate improved to 76 deaths per 1000 live births in 2006, from 122 deaths per 1000 live births in 1991 far below than the MDG 4 target of 31
- This target will be difficult to achieve.

MDG 5: Improve Maternal Mortality

- Although the percentage of deliveries in health facilities increased from 22.6 per cent in 2001 to 41 per cent in 2005, over the period 1995-2000, maternal mortality stagnated at about 505 deaths per 100,000 live births.
- The estimated maternal mortality is 435 deaths per 100,000 live births.
- To meet the MDG target, Uganda will need to reduce its mortality rate to 131 deaths per 100,000 live births by 2015.

MDG 6: Combat HIV/AIDS, malaria and other diseases

- According to the 2004-05 Uganda HIV/AIDS Sero Behavioral Survey (UHSBS), 6.4per cent (or slightly over 800,000 people) of adult population in Uganda are infected with HIV.
- Overall, there has been a declining trend of HIV infection from a peak of 18per cent in 1992 to the current figure.
- The target is to halt, by 2015, and begin to reverse the spread of HIV/AIDS.
- Uganda, therefore, seems to be well on track on this target.
- Nevertheless, further progress is possible, especially in combating the higher prevalence among women, the married and in rural areas.
- According to the 2006 Sero-Survey, new infection rates are highest among adults aged 35-45 years, but have declined considerably among 20-25 year-olds.
- Infections are now occurring more in married than unmarried persons due to extra marital affairs and the reluctance of married people to using condoms.

MDG 7: Ensure Environmental Sustainability

- There has been a positive trend in rural water coverage between 1992 and 2002, although it is still below the target of providing safe water within easy reach of 65 per cent of the rural population by 2005 and 100 per cent of the population by 2015.
- Data from the recent Ugandan National Household Survey (UNHS, 2006) and the Directorate of Water Department (DWD) indicate an increase in water service coverage nationwide from a little over 20 per cent in 1991 to almost 68 per cent in 2006 in urban areas.
- But access remains low in rural areas
- Availability of latrines is also very low. Only 40.9 per cent of households had a private covered pit latrine by 2006, although another 33.2 per cent shared a covered latrine with others, and 12.3 per cent has uncovered pit latrines.
- About 75 per cent of rural households and 60 per cent of urban households lacked hand washing facilities after toilet use.

MDG8: Global Partnership for Development

- Uganda does not have specific (localized) targets for this goal.
- However, the previous PEAP and new NDP is devoted entirely to forming partnerships for the realization of the development targets.
- Partnerships relate both to policies and mobilization of resources for financing the development process.

National Development Plan Interventions

- Primary education
 - Reducing congestion in primary schools
 - Increasing the number of primary teachers
 - Expand and improve primary school infrastructural facilities
 - Increasing girl enrollment
 - Providing hardship allowances to teachers in hard to reach, hard to stay and conflict areas

National Development Plan Interventions

- Secondary Education
 - Universal Secondary Education implementation continued.
 - Construction of more secondary schools.
 - Existing secondary schools rehabilitation/expanded

National Development Plan Interventions

- Health
 - Reduce incidence of preventable diseases
 - Increase access and affordability to quality health care

National Development Plan Interventions

- Aids/HIV
 - Design and implement programmes that empower women to prevent infection and care for the affected
 - Reduce mother to child HIV transmission
 - Reduce HIV transmission among married people and discordant couples through counseling, testing and disclosure
 - Ensure equitable distribution and access to ARVs by all population age groups, gender and regions
 - Develop requisite infrastructure for equitable and timely access to HIV and AIDS services

National Development Plan Interventions

- Water and Sanitation
 - Construction of safe water supply systems in the rural areas
 - Construction of safe water supply systems in the urban areas including all town councils
 - Revamp the transmission and distribution systems
 - Prevent point pollution of water bodies
 - Mobilization and sensitization of households on good sanitation and hygiene practices
 - Increase the stock and distribution of public sanitation facilities in rural growth centers
 - Modernize solid waste management and treatment in the rural growth centers
 - Implement the Kampala sanitation master Plan

Concluding Remarks

- Growth to a certain extent contributed to the reduction of poverty albeit increasing inequality.
- PEAP to an extent delivered in some areas to meet the MDGs, but more has to be done.
- Social spending related to MDGs is cushioned within the new NDP.
- Some MDGs might be a challenge to meet.