



United Nations Development Programme

Country: Uganda

Project Document



Project Title

Capacity Development for Aid Effectiveness and CPAP implementation

Short Title

CDAE Project

UNDAF

Outcome(s):

UNDAF Outcome 1: Capacity of selected government institutions and civil society improved for good governance and the realisation of human rights that lead to reducing geographic, socio-economic and demographic disparities in attainment of Millennium Declaration and Goals by 2014.

UNDAF Outcome 2: Vulnerable segments of the population increasingly benefit from sustainable livelihoods and, in particular, improved agricultural systems and employment opportunities to cope with the population dynamics, increasing economic disparities, economic impact of HIV&AIDS, environment shocks and recovery challenges by 2014

UNDAF Outcome 3: Vulnerable populations in Uganda, especially in the north, of Uganda increasingly benefit from sustainable and quality social services by 2014.

Expected CP Outcome(s):

1. Selected institutions at national and sub-national level have the capacity and deliver credible elections
2. Selected institutions (traditional, formal) capacitated to deliver community security and access to justice services.
3. Capacity of selected local governments and oversight entities built and delivering accountable, inclusive, and demand-driven social and economic services.
4. National and local institutions capacitated to develop, implement and monitor pro-poor and MDG responsive policies/strategies.
5. Increased sustainable productivity, competitiveness and employment in Agriculture, Tourism and Trade sectors, particularly benefiting women and youth.
6. Institutional framework and demonstrations for sustainable Environment and Nature Resources Management (ENRM) as well as Climate Change (CC) adaptation and mitigation and Disaster Risk Reduction/ Management (DRR/M) in place.

Expected Output(s):

1. Technical competencies/skills among staff at ALD, UNDP Implementing Partners and UNDP Country Office in Uganda enhanced.
2. Current knowledge and best practices on ODA coordination attained.
3. Functional Monitoring and Evaluation mechanism for aid coordination and management at ALD in place.
4. Essential Equipment available for the effective delivery of UNDP's and ALD's activities under the current CPAP.
5. Project oversight and management successfully undertaken in line with UNDP's policies and procedures.

Implementing Partner:

Ministry of Finance, Planning and Economic Development (MOFPED).

Responsible Parties:

Ministry of Finance, Planning and Economic Development (MOFPED) and UNDP

Brief Description

The project: Capacity Development for Aid Effectiveness and CPAP implementation (CDAE) aims at enhancing the capacity of ALD, IPs and UNDP to be better placed to deliver respectively: Effective and efficient aid coordination, CPAP Outcomes and Project Quality Assurance. The project will achieve this through: Equipping staff with requisite skills in among others, Monitoring and Evaluation, Prince 2 Certification and Communication and Customer care; facilitate acquisition of current knowledge and best practices on ODA coordination, operating a functional monitoring and evaluation system and providing essential equipment. The project which will last 4years, from 2011 to 2014, and will involve an estimated budget of USD 1,240,000

Project Period: 2011-2014  
 Key Result Area (Strategic Plan): Growth and Poverty Reduction  
 Atlas Award ID:  
 Start date: Q4 2011  
 End Date : Q 4 2014  
 PAC Meeting Date:  
 Management Arrangements: National execution (NEX)

Total resources required USD 1,240,000  
 Total allocated resources:  
 • Regular USD 1,240,000  
 • Other: --  
 Government (MoFPED):  
 In-kind Contributions:

Agreed by Ministry of Finance Planning and Economic Development (Implementing Partner):

Agreed by UNDP (Executing Entity):



Uganda

05/11/2011

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## ACRONYMS

AIDS	Acquired Immuno-Deficiency Syndrome
ALD	Aid Liaison Department
AWP	Annual Work plan
CPAP	Country Program Action Plan
CSOs	Civil Society Organisations
DPs	Development Partners
EU	European Union
FACE	Funding Authorisation and Certificate of Expenditure
FINMAP	Financial Management and Accountability Programme
FY	Financial Year
GoU	Government of Uganda
GDP	Gross Domestic Product
HACT	Harmonised Approach to Cash Transfers
HIV	Human Immune-Deficiency Virus
IP	Implementing Partner
LGs	Local Governments
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MIS	Management Information System
MoFPED	Ministry of Finance Planning and Economic Development
MoU	Memorandum of Understanding
NDP	National Development Plan
NGO	Non Governmental Organisation
NIM	National Implementation Modality
NPA	National Planning Authority
OAG	office of the Auditor General
ODA	Overseas Development Assistance
PPDA	Public Procurement and Disposal of Public Assets Authority
RP	Responsible Party
RRF	Results and Resources Framework
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Program
USD	United States Dollars



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## 1. SITUATION ANALYSIS

### GENERAL CONTEXT

The Government of Uganda's aspirations for development for the medium term are contained in its National development Plan (NDP), 2010/11-2014/15. This document, which carries as its main theme '*Growth, Employment and socio-economic transformation for prosperity*', presents the Government's overall vision for transforming Uganda from a least developing economy to a modern and prosperous country within the next 30 years. To achieve these ambitious goals, the NDP envisages a series of strategic interventions that are expected to lead to a rate of GDP growth of 7.2 percent per annum during its implementation, with nominal per capita income projected to grow from USD 506 in 2008/09 to USD 850 in 2014/15, and the share of the Ugandan population living below the national poverty line to fall from the 31 percent level recorded in 2005/6 to 24.5 percent in 2014/15, well below the MDG1 target for Uganda of 28 percent.

In order to achieve these ambitious development goals by 2015 Uganda needs to address a number of key development challenges. These include a rapid rate of population growth of 3.2 percent per annum and a very young population structure, with youths 15 years old or less currently making up for 50 percent of the Ugandan population, as well as low life expectancy levels for its population (currently at 50.4 years of age) and high mortality rates, with infant mortality for children under the age of one at 76 per 1000 live births, and Uganda's maternal mortality ratio reaching 435 per 100,000 live births in 2005/06, rate which is today among the highest in the World. It also has to deal with the fact a large share of the population living in rural areas, including most of the poor, continue to rely on low productivity, subsistence farming activities for their livelihoods, which increases their exposure and vulnerability to all kind of external shocks, be they climatic, macroeconomic or health related. Adding to this, Uganda is currently faced with the reversal of past gains in the fight against HIV-AIDS, a disease which in Uganda is gradually evolving into a more heterogeneous, and hence harder to tackle epidemic. All of these developments are unfolding against a global backdrop of great macroeconomic instability and uncertainty, which in Uganda has led to lower economic growth prospects for the short and medium term.

As recognised in the NDP, tackling these various developmental challenges will require decisive actions by Government to address shortcomings in the provision of physical infrastructure – especially pressing in relation to transport, energy supply and urban development – and basic public services areas such as healthcare, education, water and sanitation and agriculture, among those where interventions are more urgent. To make this possible, the NDP recognises the imperative of strengthening existing capacities and systems in government, and of placing additional efforts to ensure greater accountability and efficiency in the public sector, as well as to improve the quality and reach of public service delivery across the country.





## UGANDA'S AID AND DEVELOPMENT CONTEXT

Achieving all these goals will be ultimately contingent on mobilizing adequate levels of financial resources in the national budget, in order to finance government interventions in these areas. However, over the past two decades Government has not been able to fund the entirety of the national budget through domestically generated financial resources, having to rely on external financing, especially in the form of Overseas Development Assistance (ODA), to finance its expenditure needs.

At present, ODA continues to constitute an important share of the government's overall resource envelope, with budget and project support grants to the government, which in 2010/11 were estimated at 1,207.5 billion Ugandan Shillings (approximately USD 515 million), accounting for 18 percent of overall budget revenue and grants that same fiscal year.<sup>1</sup> The government is currently facing a decline in external assistance, especially in the form general budget support, decline with is partly driven by recent developments in the global aid environment, with many donor countries having to revise their aid commitments as a result of the impact that the global financial crisis is having on their own public finances. As a result of these recent developments, FY 2009/10 saw a shortfall in donor grant inflows to Uganda amounting to UGX 396 billion (approximately USD 170 million), or 32 percent of the amount planned for that year, while similar declines are expected for the near future. These developments on the budget front are taking place in a context in which Government is aiming to reduce its dependency on development aid over the medium term,<sup>2</sup> with the Government now expecting budget support to decrease by 34.2 percent in 2012/13 down to to USD 197.8 (approximately 515 billion Uganda Shillings), and then decline further to USD 169.8 m in 2013/14.<sup>3</sup>

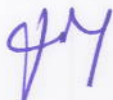
Altogether, these factors highlight the importance of ensuring the efficient management of ODA, as well as of increasing the effectiveness of aid, including aid made available by UNDP and implemented as part of its CPAP 2010-14 Country Programme in Uganda. However, the amount of aid the country can access and utilize in an effective manner to achieve the targets and objectives set out in the National Development Plan and the attainment of the Millennium Development Goals is still limited, due to low absorption capacity of Ministries, Departments and Agencies (MDAs); low absorption capacity which is driven, among other factors, by the inadequacy of existing skills in MDAs for the implementation and accountability of aid-funded interventions. At the same time, accurate and timely ODA reporting, especially reporting of *off-budget* ODA channelled outside government systems to MDAs, NGOs and the private sector, continues to be problematic. Finally, while development partners and MoFPED have increased their cooperation to improve ODA data collection and reporting, institutionalization of data collection into a single data source for Government remains a challenging task.<sup>4</sup>

<sup>1</sup> Source: *Background to the Budget Report: 2011/12 Fiscal year. MOFPED, June 2011.*

<sup>2</sup> Source: *Uganda Partnership Policy, page 3.*

<sup>3</sup> Source: *Background to the Budget, 2011/12, page 100.*

<sup>4</sup> source: *Annual Economic Performance Report 2009/10.*





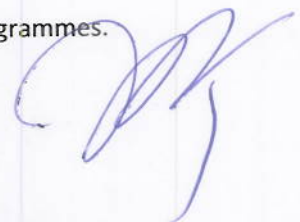
To ensure the effective and efficient use of ODA resources, the government has drafted a partnership policy which aims, among other objectives, to improve the effectiveness of development cooperation through greater government ownership and leadership; strengthen economic management by increasing flows of development assistance through the national budget and attaining greater coordination of off-budget flows; and increase transparency and accountability between Government and Development Partners (DPs), as well as with citizens in the management of development cooperation. In addition, to ensure value for money from external assistance, government has put in place a debt strategy, which has as main tenet is that loans must be secured to finance critical sectors that have direct bearing on increasing productivity, output, and competitiveness such as infrastructure, energy, rural income enhancement, and employment creation.

### **NATIONAL CAPACITIES FOR AID MANAGEMENT AND CPAP IMPLEMENTATION**

In the Ugandan aid management context, the Aid Liaison Department (ALD), as the Government's focal point for aid coordination at the Ministry of Finance Planning and Economic Development (MOFPED), plays a critical role in advancing and implementing the government's policy agenda for aid effectiveness. Among others, ALD is responsible for overseeing and monitoring the implementation of ODA in Uganda, including the implementation of UNDP's CPAP. It is also responsible for the implementation and monitoring of the Paris Declaration on Aid Effectiveness principles in Uganda.

However, in implementing its mandate, the ALD department is currently faced with a number of challenges that limit its effectiveness in aid coordination and have, as such, compromised quantity, quality, transparency and accountability of ODA, including ODA implemented by UNDP. These include the following challenges:

- i. Insufficient skills and staff competencies in areas of Monitoring and Evaluation, data management, reporting, Project management, adherence to Prince 2 principles, accountability, negotiation skills, communication and diplomacy.
- ii. Inadequate information on new innovations, best practises and lessons learned for aid coordination and UNDAF/CPAP implementation, especially in light of Uganda's adherence to commitments under the Paris Declaration.
- iii. Lack of linkages with institutions outside Uganda, especially in terms of South-South strategic partnerships.
- iv. The department also lacks an effective Monitoring and Evaluation system complete with periodic planning meetings, progress review meetings, data management (collection, storage, analysis and utilization, dissemination)
- v. Inadequate equipment for data capture and reporting.
- vi. Lack of transportation to undertake field based monitoring of development programmes.





CPAP implementing partners in Uganda, which include various MDAs, as well as civil society organisations (CSOs), are also faced with similar challenges, especially with regard to staff skills and training needs. Skills are particularly lacking in the areas of Monitoring and Evaluation, data management, reporting, project management including ATLAS management, adherence to Prince 2 principles, human rights based approach and accountability. This negatively influences achievement of project results and consequently UNDP's CPAP results.

A key partner of UNDP in Uganda in the implementation of CPAP activities is the Office of the Auditor General (OAG), which is mandated with ensuring that all government operations, including those supported by UNDP and other development partners, are subject to regular audits. However, this institution currently lacks the capacity and resources to directly undertake all its audit activities. As a result, OAG often has to resort to the services provided by private auditing companies in Uganda and abroad, at a considerable cost. In this regard, the OAG needs to enhance its institutional capacity in areas such as training, material resources, so that it can increasingly undertake its own audits, including the audit of UNDP CPAP programme in Uganda, without having to depend on the private sector for this purpose.

Finally, UNDP's country office in Uganda, which ensures quality projects under its CPAP 2010-2014 through the provision of technical support, management supervision, as well as project monitoring and evaluation, is currently experiencing insufficient M&E skills among its staff and inadequate logistics, deficiencies which carry the risk of undermining its operational and programmatic effectiveness.

To help address the various constraints that the ALD department at MOFPED, the OAG, CPAP Implementing Partners (IPs) and the UNDP country office in Uganda currently face in the execution and delivery of activities contemplated in the current CPAP document, UNDP and GoU have agreed to implement a project that will seek to strengthen the capacities and quality assurance functions of all relevant stakeholders in areas which are directly relevant for the smooth implementation of UNDP's Country Programme Action Plan (CPAP) 2010-2014 in Uganda.

Given the overarching nature of these functions and capacities, this project is expected to contribute to the two outcomes of the UNDAF 2010-2014 document to which UNDP's CPAP, 2010-2014 contributes, namely:

- **UNDAF Outcome 1:** Capacity of selected Government Institutions and the Civil Society improved to bring about good governance and realization of human rights that lead to reducing geographic, socio- economic and demographic disparities in attainment of Millennium Declaration and Goals (MDGs) by 2014.
- **UNDAF Outcome 2:** Vulnerable segments of the population increasingly benefit from sustainable livelihoods and, in particular, improved agricultural systems and employment opportunities to cope with the population dynamics, increasing economic disparities, economic impact of HIV&AIDS, environment shocks and recovery challenges by 2014.

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In a similar vein, the CDAE project is expected to contribute to the achievement of all the six outcomes of UNDP's current Country Programme Action Plan (CPAP), namely:

- i. Selected institutions at national and sub-national level have capacity and deliver credible elections
- ii. Selected institutions (traditional, formal) capacitated to deliver community security and access to justice services.
- iii. Capacity of selected local governments and oversight entities built and delivering accountable, inclusive, and demand-driven social and economic services
- iv. National and local institutions capacitated to develop, implement and monitor pro-poor and MDG responsive policies/strategies.
- v. Increased sustainable productivity, competitiveness and employment in Agriculture, Tourism and Trade sectors, particularly benefiting women and youth.
- vi. Institutional framework and demonstrations for sustainable Environment and Nature Resources Management as well as Climate Change adaptation and mitigation and Disaster Risk Reduction/ Management in place.

In line with UNDP's global mandate and mission to connect countries to knowledge, experience and resources to help people live a better life, the project will integrate the promotion of south-to-south cooperation into its activities and, as such, close liaison with Ministries responsible for Aid coordination will be made both within the East African region and other countries under the south-to-south partnership. In addition lessons learned from the implementation of this project and other regarding similar project will contribute to the knowledge networks of UNDP and contribute to the body of knowledge on effective aid management, monitoring and evaluation.

The beneficiaries of this project are: ALD, the OAG, CPAP IPs and UNDP. The full list of CPAP implementing partners is presented in the annex to this document.

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## 2. PROJECT STRATEGY

This Project – Capacity Development for Aid Effectiveness and CPAP implementation (*aka* CDAE) – builds on experience and lessons learned from past cooperation between UNDP and its counterparts in Uganda. It is designed to contribute to the achievement of NDP, UNDAF and CPAP outcomes, its main focus being that of building the capacity of ALD, IPs and UNDP to be more effective in the performance of their roles.

It is expected that by strengthening the capacity of ALD to undertake more effectively its aid coordination role, this project will enable the Government of Uganda to mobilise increased external resources that are critical for the implementation of the NDP and the attainment of the MDG goals and targets, and use ODA more effectively, including ODA implemented under UNDP's CPAP, 2010-2014. The Enhanced capacity of CPAP IPs and UNDP's country office in Uganda to better manage and implement UNDP projects will also enable government to achieve the above stated NDP objectives.

More specifically, the project seeks to strengthen the institutional capacity of the Aid Liaison Department (ALD) at MoFPED to improve resource inflows, coordination, reporting, and compliance to the Paris Declaration and Gleneagles commitments with the aim of improving the implementation of projects and programmes, especially those of UNDP implementing partners, and enhancing their impact and value for money. In addition, the project also seeks to develop capacity of UNDP implementing partners in Uganda to be able to conduct result-based implementation and hence be able to contribute more effectively to the achievement of development outcomes, including those of the UNDP CPAP. Finally, the project aims to strengthen the capacity of UNDP Country Office to play role of quality assurance towards the implementation of the CPAP by way of improving its staff competencies in monitoring and evaluation, and the provision of logistical support. All these objectives are to be achieved through a combination of training activities in areas relevant to aid management and programme implementation, exposure to international experiences and best practices, and the provision of essential material equipment.

### PROJECT OUTCOMES:

*“Efficient and effective aid coordination, realization of CPAP outcomes and project delivery of quality products and services”*

### PROJECT OUTPUTS:

The project will consist of four outputs:

#### **Output 1: Technical competencies/skills among staff of ALD, IPs and UNDP enhanced**

Whereas a number of staff at ALD, UNDP and IPs are qualified up to advanced university degree level, the majority lack requisite professional skills in the areas of monitoring and evaluation, Prince 2 Certification, project appraisal, report writing, project management, communications, customer relations and negotiation skills. This has compromised staff's capacity to effectively perform their responsibilities,



including in the implementation of UNDP related programmatic interventions, thereby negatively affecting achievement of results.

Project appraisal skills are critical when evaluating project proposals developed by MDAs for donor funding, in order to ensure that projects have the highest potential value-for-money and development impact. They are also critical for the review and evaluation of the general terms and conditions of external assistance. However, weak skills and capacities in these areas have undermined ALD's performance and its ability to effectively deliver results.

Strong communication and negotiation skills are critical when negotiating with donors and at international fora for high quality agreements on concessional terms, for the removal and/or softening of aid conditionalities, for identifying new sources of aid on concessional terms, and for fulfilling and expediting aid disbursements. Yet, these skills are currently inadequate at ALD.

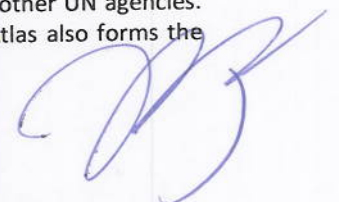
Reporting on loans and grants requires specific skills to ensure accurate and high quality reporting. These skills are critical, for instance, in the preparation of Cabinet memos, Parliamentary briefs and reports for donor meetings, as well as in the process of preparing formal requests for donor funding and securing loans/credits. However, skills in this area at ALD are also inadequate and insufficient.

For CPAP implementing partners, on the other hand, results-oriented management requires that results are identified, that performance indicators with clearly defined, baselines and targets are set at the beginning of the implementation period, and that performance is measured to assess achievements, all of which requires of specific skills which implementing partners do not always possess. Periodic reviews are also crucial in order to generate information and lessons that can help introduce adjustments that enhance the impact of programmatic interventions. In this area, knowledge of PRINCE 2 Certification principles would improve project management and implementation. Yet, this knowledge remains inadequate among UNDP's staff and IPs. Lack of this knowledge has also led to project management inconsistencies between IPs and development partners, as the majority use Prince 2 certification and its principles. In addition, knowledge of UNDP's ATLAS global management platform,<sup>5</sup> which is currently inadequate among IPs, would expedite budget preparation, implementation and accountability.

Finally, the UNDP Country Office in Uganda is responsible for ensuring the highest quality formulation and implementation of its CPAP project portfolio in Uganda. Achieving this requires, among others, regular management support, supervision, monitoring and evaluation of all CPAP projects. Performance of this role is currently limited by lack of sufficient training in M&E, and inadequate logistical support, especially in terms of vehicles, as well as of other supporting material, such as videoconferencing facilities.

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<sup>5</sup> ATLAS is the name given to the Enterprise Resource Planning (ERP) system used by UNDP and other UN agencies. UNDP uses Atlas to manage projects, finances, human resources, inventory and procurement. Atlas also forms the basis for UNDP's internal control and accountability framework.





**Main interventions contemplated under Output 1:**

To achieve this output(s) the project foresees the implementation of training activities for ALD, UNDP and CPAP IPs in the following areas:

- Monitoring, evaluation and database management;
- Project management, including reporting and accountability;
- Communication, negotiation skills and customer care.
- Enhancing audit and audit-related skills and capacities in government

**Output 2: Current knowledge and best practices on ODA coordination attained**

Rapidly evolving global ODA trends make it necessary for governments of developing countries to have access to updated information and knowledge on new policy changes and emerging trends, ODA innovations and international best practices in aid management and effectiveness.

Regular participation in international meetings on Aid effectiveness provides an invaluable channel for achieving this. It is in the context of such events that governments such as Uganda's can lobby for international policy dialogue and change, attain collective bargaining positions with other development countries vis-à-vis donor governments, take stock of what has been achieved, and learn lessons, share knowledge and international best practices. For instance the meetings leading to the formulation of the Paris declaration and Accra Agenda For Action and the much anticipated Busan Conference on Aid Effectiveness are instrumental in establishing and making it a norm for aid recipients to forge their own national development strategies with their parliaments and electorates (**Ownership**); for development partners to support these strategies (**Alignment**) and work to streamline their efforts in-country (**Harmonisation**); for development policies to be directed to achieving clear goals and for progress towards these goals to be monitored (**Results**); and for donors and recipients alike to be jointly responsible for achieving these goals (**Mutual Accountability**).

As a leading global development partner, UNDP has been actively involved in the global agenda for improving aid effectiveness, with the view that improving the quality of aid, its transparent and accountable management and judicious use and allocation, is critical for poverty reduction and achieving the Millennium Development Goals. To achieve this, in its engagement with developing country governments and implementing partners around the World, UNDP supports initiatives that (i) promote the development of national policy frameworks, institutional capacities for effective aid management and mutual accountability at the country level; (ii) facilitates country engagement in the regional and global aid effectiveness discourse and promote South-South cooperation; (iii) ensure the UN development system is better equipped to support countries in adapting to changing aid modalities and development finance contexts; (iv) and provide a systematic and accessible body of evidence and tools to support capacity development for aid effectiveness for development practitioners.



Although funding for these activities is currently available to ALD through partnership initiatives such as FINMAP, existing funding arrangements are often limited in value, as well as in scope of use, in terms of being accessible to implementing partners other than ALD-MOFPED that would greatly benefit in their participation in these events, for instance the Ministry of Foreign Affairs. Furthermore, there is no mechanism in place in Uganda to facilitate the participation in regional and international events of this kind sponsored by UNDP and the wider UN system.

***Main intervention contemplated under Output 2:***

- Participation in international, regional and local meetings and fora relevant for aid effectiveness.
- Consultations amongst MDAs and other relevant stakeholders on the anticipated outcomes of international symposia on Aid Effectiveness and the subsequent training of MDAs, IPs and RPs on the changes agreed upon at international meetings and symposia.
- Research and publications related to the management of Uganda's overseas development assistance that aims to enhance and deepen dialogue between Government, development partners, civil society organisations and other relevant actors in the aid effectiveness arena.

In implementing these interventions, ALD will seek the engagement of civil society organisations and other stakeholders with an interest in the aid effectiveness agenda, whenever relevant and/or pertinent.

**Output 3: Functional monitoring, evaluation and audit systems operational**

Efficient and effective ODA management, including management of CPAP programmatic interventions, requires a functional monitoring and evaluation system that enables the regular collection of information on project implementation, its analysis and, wherever necessary, the undertaking of corrective actions to achieve intended targets and objectives. A well functioning M&E system is also critical to ensure an optimum use and allocation of resources, facilitate learning from past experiences, draw lessons for future programming activities and correctly identify risks in the course of project management and implementation. However, while general M&E systems are currently in place in ALD, UNDP and most CPAP implementing partners, these are not necessarily specific or have not been tailored and, therefore, do not meet the specific M&E needs of CPAP implementation in Uganda. Furthermore, ALD, UNDP and CPAP IPs often lack the resources and means of operationalising existing M&E systems for CPAP purposes.

Aid effectiveness, on the other hand, cannot possibly be achieved without having aid related operations in government regularly audited. In this sense, the audit function provides and ensures independent oversight of government operations, including those benefitting from the support from development partners, independence which required so as to: (a) determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws; (b) evaluate internal controls in place within Government and help improve governance systems in Government and in public sector agencies; (c) to undertake investigations to assess whether illegal or improper activities are occurring; and (d) determine whether public sector agencies are in compliance with applicable laws, regulations, rules and procedures.



***Main interventions contemplated under Output 3:***

- Development and operationalization of CPAP M&E framework, including the provision of means to undertake monitoring of project and programme activities and project development, including those specific to UNDP CPAP implementation in Uganda.
- Strengthening of audit systems and capacities at the Office of the Auditor General, especially those that relate to the implementation of development projects at national and district level.

**Output 4: Provision of Essential equipment for data management and project monitoring**

In addition to the outputs outlined above, the Project will avail logistical support and equipment for ALD and UNDP's Country Office in Uganda to enable them to effectively perform project-related tasks in the implementation of UNDP's 2010-2014 CPAP. The provision of such support is justified on several grounds.

Data management systems at ALD, including desktop and laptop computers, are several years old, operating with outdated software and operational systems and often breaking down, requiring continuous servicing and maintenance, all of which undermine the quality and timely delivery of ALD activities, including those that relate and therefore affect the implementation of UNDP's current CPAP in Uganda. There is also a need to upgrade ALD's electronic archiving and storage systems, for easy retrieval of essential data and information. The department, on the other hand, lacks the capacity to record important project implementation events and facilitate publicizing development achievements, due to lack of recording equipment, such as cameras or digital recorders. This leaves it only with the option of hiring firms to provide these services whenever required, which is often expensive and, at times, unreliable or unattainable. It also lacks a heavy duty photocopier with scanning capability to reproduce loan agreements and other important documents to need to be widely circulated among the various stakeholders, including those involved in CPAP implementation. Finally, ALD suffers from a chronic shortage of vehicles that can be used for monitoring purposes, as the only two available vehicles are old, inadequate for field-based monitoring activities and insufficient to meet the needs of ALD.

UNDP's country office in Uganda, on the other hand, faces a shortage of motor vehicles, and the few that are currently available are beyond their useful life, with millage in excess of 250,000km and over ten years old. These vehicles cannot handle the transport needs required to undertake UNDP's quality assurance role. UNDP also needs to update its IT systems in Uganda, which overtime have become outdated and obsolete. Doing this is critical during the initiation phase of the programme, so as to enable the efficient implementation CPAP activities, as well as to meet the IT requirements necessary to operate UNDP's global online networks and systems. Finally, while the UNDP country office has teleconferencing facilities, it lacks videoconferencing systems for its own use and that of its implementing partners in Uganda. It is important

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to point out, in this sense, that videoconference facilities can be an effective way of reducing international travel needs, therefore contributing to a more effective use of CPAP resources.

Finally, the Office of the Auditor General is in the process of strengthening and updating its internal IT and information management and database systems, so as to be able to deal more efficiently with the large volume of audit work that it is currently mandated to undertake, with several hundred audit exercises undertaken every year by this office in MDAs, district administrations and autonomous state entities. It is also currently strengthening its presence at the sub-national level, with the establishment, among other initiatives, of two regional offices in Mbale and Jinja, for which general set-up support is required.

***Main interventions contemplated under Output 4:***

- Purchase of transport vehicles for UNDP and ALD, as required to undertake their respective roles in implementing CPAP activities and coordinating/managing ODA (see procurement plan for this project presented in the annex).
- Purchase of desktop and laptop computers and other related IT equipment for ALD, OAG, and UNDP Country Office in Uganda.
- Acquisition of other relevant equipment, including a heavy duty photocopier and camera recording equipment for ALD, and videoconference systems for UNDP.
- Set-up support to AOGs regional offices in Jinja and Mbale.

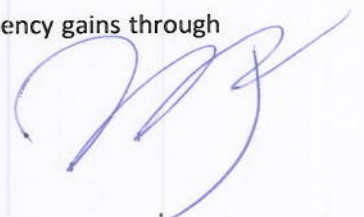
**Output 5: Project operations and management successfully undertaken**

Both ALD and UNDP will ensure daily operations envisioned under this project are undertaken and logistics provided. The project management will also ensure that reporting and accountability is done regularly and periodic audit conducted in line with GoU and UNDP policies and procedures.

**PARTNERSHIP STRATEGY**

The partnership arrangements between ALD, IPs and UNDP will be such that ALD will be the overall implementing institution and will be the entry point for IPs for purposes of this project. In line with standard UNDP policies and procedures, whenever necessary, UNDP will assist ALD in the implementation of interventions planned under this project, for instance in the procurement of goods and services, or in hiring consultancy services. The IPs, on the other hand, will provide staff for training who will in turn implement projects in their respective entities and UNDP Country Office will be responsible for funds disbursement and quality assurance functions. Under the project, a number of staff at the UNDP Country Office in Uganda will also be trained.

Outside the internal functioning, the project will employ a multi-pronged partnership strategy that involves Parliament, MDA's, Local Governments, Civil society and Development Partners in the implementation of its activities. The aim of this partnership will be to create synergies and maximise efficiency gains through





the elimination of possible duplications, while enhancing competitiveness, boosting confidence among development partners and encouraging accountability and transparency.

#### **OTHER DONOR SUPPORT AND COORDINATION WITH CDAE PROJECT**

The ALD department is one of several institutions in Uganda responsible for implementing the government's Financial Management and Accountability Programme (FINMAP), initiative, which currently receives the financial and technical support of several development partners in Uganda. This programme seeks to deepen and consolidate achievements of financial management reforms to-date in Uganda, in order to ensure their sustainability. FINMAP is currently organized around eight (8) components and, among other objectives, aims at strengthening public financial management, providing technical capacity support to Parliamentary Accountability Committees (PAC and related Committees), improving national planning and budgeting, and covering the full rollout of the Government's Integrated Financial Management System (IFMS) in all MDAs. FINMAP also provides support to Government, in the area of aid effectiveness and ODA management, including to the ALD department at MoFPED.

However, the support that ALD currently receives from FINMAP is limited, and also insufficient to meet its various needs. Hence, for the 2011-2014 period, ALD is expecting to receive only US\$191,000 from the FINMAP fund, an amount which is already earmarked for a number of predefined activities, namely the implementation of Partnership Policy related activities in the country, the procurement of a consultancy to develop an ODA information management tool, two study tours on aid management in the region and printing of some departmental publications. However, despite these efforts, the ALD department will continue to require further capacity development support in the areas defined for this UNDP-ALD project, including greater capacity to management and monitor development projects in Uganda.

The European Union (EU) also provides support to the ALD department, which acts as the National Authorizing Office for EU funded projects and programmes in Uganda. The support provided by the EU, however, is directed towards enhancing ALD's capacity to manage and monitor EU projects and programmes, the EU's international and local technical assistance, as well as its office operations in Uganda, and therefore cannot be used to support ALD's needs in support of its capacity development and the implementation of other development partners' programmes in Uganda, including UNDP's.

#### **EXIT STRATEGY**

The project by design is meant to build capacity of targeted beneficiary institutions to be able to carry out their functions even after closure. The acquired skills will remain within the staff of beneficiary institutions, and it is envisaged that these same institutions will provide the requisite logistics to continue performing their roles after project closure.

A significant share of activities under this project will be implemented in the first 2 years, especially those involving the acquisition of assets and those aimed at providing initial training needs of participating



institutions. However, the project is extended to last until 2014, to allow the continued implementation of activities under output 1, 2 and 3. The project life span will accordingly be four years i.e. 2011-2014.

### 3. RESULTS AND RESOURCE FRAMEWORK

<p><b>Intended Outcome as stated in the Country Programme Results and Resource Framework:</b> National and local institutions capacitated to develop, implement and monitor pro-poor and MDG responsive policies/strategies</p>
<p><b>Outcome indicators</b> National institutional capacity to manage and coordinate aid, improved project management, implementation and quality assurance.</p>
<p><b>Baseline:</b> Weak institutional capacity at ALD to coordinate Aid, weak project management and implementation among IPs, inadequate quality assurance at UNDP</p>
<p><b>Targets:</b> Technical competencies/skills among staff of ALD, IPs and UNDP are enhanced</p>
<p><b>Applicable Key Result Area (Strategic Plan):</b> Growth and Poverty Reduction</p>
<p><b>Partnership Strategy:</b> The CDAE project will be implemented by the Department of ALD in MoFPED in Partnership with IPs and UNDP.</p>
<p><b>Project title and ID (ATLAS Award ID):</b> Capacity Development of ALD, IPs and UNDP in Uganda</p>

INTENDED OUTPUTS	OUTPUT TARGETS FOR YEARS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUT (USD)
<p><b>Output 1:</b> Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance</p> <p><b>Baseline:</b> Insufficient staff skills for Aid Coordination, Result based project implementation and Quality Assurance</p> <p><b>Indicators:</b> 1. Number of individuals trained</p>	<p><b>Targets 2012:</b> 1. 25 ALD, IPs, UNDP staff trained according to a needs assessment</p>	ALD, selected staff of IPs, UNDP CO staff equipped with knowledge and skills for: Aid coordination, effective implementation and quality assurance respectively.	ALD, UNDP, and IPs	215,000
		a) Conduct needs assessment on training needs and establishing a multi-year training plan		
		b) Implementation of training plan		
<p><b>Output 2:</b> Current knowledge and best practices on ODA management attained</p> <p><b>Baseline:</b> Inadequate knowledge of best practises to coordinate aid</p> <p><b>Indicators:</b> 1. Number of new innovations acquired and applied in aid coordination</p>	<p><b>Target 2011:</b> 1. One international meeting attended</p> <p><b>Target 2012:</b> 1. Four (4) international 2. meetings attended 3. One local event organized</p> <p><b>Target 2013:</b> 1. Four (4) international 2. meetings attended 3. One local event organized</p>	Knowledge of best practises on aid coordination attained	ALD	364,000
		a) Attend international meetings on ODA related issues		
		b) Undertake targeted consultative for a for the development of Uganda's position in international symposia		
		c) Publicize and enhance general knowledge of agreements and		



INTENDED OUTPUTS	OUTPUT TARGETS FOR YEARS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUT (USD)
2. Number of international meetings attended 3. Number of local meetings held	<u>Target 2014:</u> 1. Four (4) international meetings attended 2. meetings attended	resolutions of International on Aid effectiveness		
		b) Facilitation of local events on ODA		
<b>Output 3: Functional Monitoring &amp; Evaluation mechanism in place</b>  <b>Baseline:</b> Weak Monitoring and Evaluation system <b>Indicators:</b> 1. No of Progress review meetings held 2. Functional Data management mechanism in place 3. No. Reports produced 4. No. of Field monitoring visits carried out 5. Single data source on ODA in place	<u>Target 2011:</u> 1. 4 <sup>th</sup> Quarter Planning meeting held on data needs identification and collection mechanism. 2. Design tools for data collection  <u>Target 2012:</u> 1. Hold Quarterly Progress review meetings 2. Produce and disseminate Reports 3. One (1) Field monitoring visit per quarter conducted	Project effectively monitored and evaluated	ALD	38,000
		a) Conduct Progress review meetings		
		b) Data management (collection, storage, analysis and utilization, dissemination)		
		c) Produce and disseminate Reports		
		d) Conduct Field monitoring visits		
<b>Output 4: Functional Equipment available</b>  <b>Baseline</b> Inadequate and malfunctioning equipment  <b>Indicator:</b> 1. No. of equipment used	<u>Target 2011:</u> See procurement plan  <u>Target 2012</u> See procurement plan	Requisite and functional Equipment in place	ALD, UNDP and OAG	613,000
		a) Procure equipment		
<b>Output 5: Project audited, monitored and evaluated</b>  <b>Indicator:</b> Successful implementation of audits and M&E activities	<u>Target 2011</u> 1. 1 monitoring meeting held 2. Evaluation undertaken  <u>2012,</u> 1. 4 Monitoring meetings held 2. 1 Evaluation undertaken  <u>Target 2013</u> 1. 1 monitoring meeting held 2. 1 Evaluation undertaken 3. Project audited	Smooth Project operations and management	ALD/UNDP/IPs	10,000
		a) M&E regular meetings		
		b) Auditing		

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## 4. INDICATIVE ANNUAL WORK PLANS

YEAR 2011

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	TIME FRAME				RESPONSIBLE PARTIES	INPUT (USD)
		Q1	Q2	Q3	Q4		
<b>Output 1:</b> Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance  <b>Baseline:</b> Insufficient staff skills for Aid Coordination, Result based project implementation and Quality Assurance  <b>Indicators:</b> 1. No. of people trained 2. Improved quality of implementation, reporting and accountability	ALD, selected staff of IPs, UNDP equipped with knowledge and skills for respectively: Aid coordination, effective implementation and quality assurance.						
	a) Conduct needs assessment of training needs and establish multi-year training plan				x	ALD/UNDP	
<b>Output 2:</b> Current knowledge and best practices on ODA management attained  <b>Baseline:</b> Limited knowledge of best practices on ODA management  <b>Indicators:</b> 1. Number of international events on ODA attended with a significant contribution made by ALD	Knowledge of best practises on aid coordination attained						
	a) Attend international meetings on ODA related issues				x	ALD	2,500
<b>Output 3:</b> Functional Monitoring & Evaluation system in Place  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> 1. No. of requests for research	Project effectively monitored and evaluated						
	a) 4 <sup>th</sup> Quarter Planning meeting held on data needs identification and collection mechanism.				x	UNDP/ALD	
<b>Output 4:</b> Logistical constrains overcame  <b>Baseline:</b> Lack of adequate equipment needed to execute the mandate of ALD  <b>Indicators:</b> 1. No. Asset items in use	Functional equipment in place and utilized						
	a) Procurement of equipment elements (see procurement plan)				x	UNDP/ALD/OAG	100,000
<b>Output 5:</b> Project audited, monitored and evaluated  <b>Indicator:</b> 1. Successful implementation of audits and M&E activities	Project audited, monitored and evaluated						
	a) Conduct regular quarterly M&E meetings				x	ALD/UNDP	
<b>TOTAL 2011</b>							102,500

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YEAR 2012

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	TIME FRAME				RESPONSIBLE PARTIES	INPUT (USD)
		Q1	Q2	Q3	Q4		
<b>Output 1:</b> Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance  <b>Baseline:</b> Insufficient staff skills for Aid Coordination, Result based project implementation and Quality Assurance  <b>Indicators:</b> 1. No. of people trained 2. Improved quality of implementation, reporting and accountability	ALD, selected staff of IPs, UNDP equipped with knowledge and skills for respectively: Aid coordination, effective implementation and quality assurance.						
	a) Conduct needs assessment of training needs and establish multi-year training plan	x				ALD/UNDP/IPs	30,000
	b) Implementation of training plan		x	x	x		110,000
<b>Output 2:</b> Current knowledge and best practices on ODA management attained  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> No. of requests for research	Knowledge of best practises on aid coordination attained						
	a) Attend international meetings on ODA	x	x	x	x	ALD	77,500
	b) Facilitation of local events on ODA				x	ALD	52,000
<b>Output 3:</b> Functional Monitoring and Evaluation system in Place  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> No. of requests for research	Project effectively monitored and evaluated						
	a) Conduct Progress review meetings	x	x	x	x	ALD/UNDP	
	b) Design tools for data collection	x	x			ALD	6,000
	c) Data management (collection, storage, analysis and utilization, dissemination)		x	x	x	ALD/UNDP	10,000
	d) Produce and disseminate Reports			x	x	ALD	5,000
	e) Conduct Field monitoring visits				x	ALD/UNDP	1,000
<b>Output 4: Functional Equipment available</b>  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> No., type, functionality and utilization of equipment	Functional equipment in place and utilized						
	a) Procure equipment	x	x			UNDP/ALD/OAG	513,000
<b>Output 5:</b> Project audited, monitored and evaluated  <b>Indicator:</b> Successful implementation of audits and M&E activities	Smooth Project operations and management						
	a) M&E regular meetings	x	x	x	x	ALD/UNDP	
	b) Auditing				x	ALD/UNDP	5,000
<b>TOTAL 2012</b>							<b>809,500</b>

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YEAR 2013

INTENDED OUTPUTS	INDICATIVE ACTIVITIES	TIME FRAME				RESPONSIBLE PARTIES	INPUT (USD)
		Q1	Q2	Q3	Q4		
<b>Output 1:</b> Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance  <b>Baseline:</b> Insufficient staff skills for Aid Coordination, Result based project implementation and Quality Assurance  <b>Indicators:</b> 1. No. of people trained 2. Improved quality of implementation, reporting and accountability	ALD, selected staff of IPs, UNDP equipped with knowledge and skills for respectively: Aid coordination, effective implementation and quality assurance.						
	a) Implementation of training plan	X	X	X	X	ALD/UNDP/ IPs	50,000
<b>Output 2:</b> Current knowledge and best practices on ODA management attained  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> No. of requests for research	Knowledge of best practises on aid coordination attained						
	a) Attend international meetings on ODA	X	X	X	X	ALD	64,000
	b) Facilitation of local events on ODA				X	ALD	52,000
<b>Output 3:</b> Functional Monitoring and Evaluation system in Place  <b>Baseline:</b> Limited evidence based analytical studies carried out and irregularly  <b>Indicators:</b> No. of requests for research	Project effectively monitored and evaluated						
	a) Conduct Progress review meetings	X	X	X	X	ALD/UNDP	
	b) Data management (collection, storage, analysis and utilization, dissemination)	X	X			ALD	10,000
	c) Produce and disseminate Reports			X	X	ALD/UNDP	5,000
<b>Output 5:</b> Project audited, monitored and evaluated  <b>Indicator:</b> Successful implementation of audits and M&E activities	d) Conduct Field monitoring visits				X	ALD/UNDP	1,000
	Smooth Project operations and management						
	a) M&E regular meetings	X	X	X	X	ALD/UNDP	
<b>TOTAL 2013</b>							<b>182,000</b>

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**YEAR 2014**

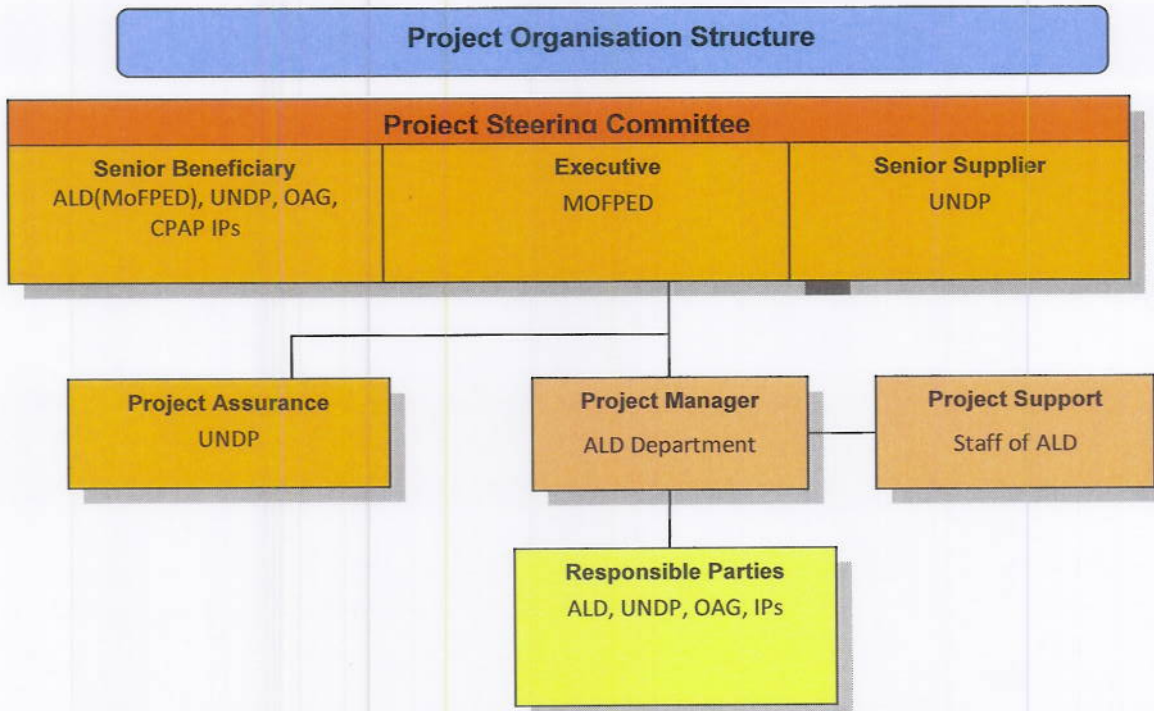
INTENDED OUTPUTS	INDICATIVE ACTIVITIES	TIME FRAME				RESPONSIBLE PARTIES	INPUT (USD)
		Q1	Q2	Q3	Q4		
<b>Output 1:</b> Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance  <b>Baseline:</b> Insufficient staff skills for Aid Coordination, Result based project implementation and Quality Assurance  <b>Indicators:</b> 1. No. of people trained 2. Improved quality of implementation, reporting and accountability	ALD, selected staff of IPs, UNDP equipped with knowledge and skills for respectively: Aid coordination, effective implementation and quality assurance.						
	a) Implementation of training plan	X	X	X	X	ALD/UNDP/ IPs	25,000
<b>Output 2:</b> Current knowledge and best practices on ODA management attained  <b>Baseline:</b> Limited evidence based analytical studies being carried out and irregularly  <b>Indicators:</b> No. of requests for research	Knowledge of best practises on aid coordination attained						
	a) Attend international meetings on ODA	X	X	X	X	ALD	64,000
	b) Facilitation of local events on ODA				X	ALD	52,000
<b>Output 3:</b> Functional Monitoring and Evaluation system in Place  <b>Baseline:</b> Limited evidence based analytical studies carried out and irregularly  <b>Indicators:</b> No. of requests for research	Project effectively monitored and evaluated						
	a) Conduct Progress review meetings	X	X	X	X	ALD/UNDP	
	b) Data management (collection, storage, analysis and utilization, dissemination)	X	X			ALD	
	c) Produce and disseminate Reports			X	X	ALD	
<b>Output 5:</b> Project audited, monitored and evaluated  <b>Indicator:</b> Successful implementation of audits and M&E activities	d) Conduct Field monitoring visits				X	ALD/UNDP	
	Smooth Project operations and management						
	a) M&E regular meetings					ALD UNDP	
	b) Auditing				X	UNDP	5,000
<b>TOTAL 2013</b>							<b>146,000</b>

**PROJECT TOTAL = 1,240,000 USD**

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## 5. MANAGEMENT ARRANGEMENTS

As identified in the CPAP 2010-2014, the Ministry of Finance, Planning and Economic Development (MOFPED), through its Aid Liaison Department (ALD), will be the Implementing Agency for this project, while UNDP will be its Executing Agency. The project management organogram for this project, as informed by UNDP POPP guidelines, is presented and described as follows:



### Project Steering Committee

There will be a Project Steering Committee (PSC) comprising of OPM, MOFPED, UNDP, and the Project Manager, who will be its Secretary. It will be chaired by MOFPED with UNDP as its Co- chair. The PSC will be the highest policy body of the project management structure, and will be responsible for:

1. Overseeing the implementation of the project.
2. Providing policy, strategic and functional direction and guidance to the project, including making all the necessary policy-level decisions and approvals.
3. Coordinating all relevant stakeholders, with respect to project matters.
4. Approving the procedures and mechanisms for aid coordination and management.

### The Project manager

The ALD shall host and oversee the day-to-day implementation of the project and will sub-contract project activities and other requirements to Responsible Parties as necessary and in accordance with the legal framework of UNDP and Government of Uganda. On an annual basis, the project manager, i.e. the

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Commissioner at ALD or a designated representative, in close consultation with the IPs will prepare and submit an annual work plan to UNDP which will be the basis for annual financial allocations.

Specific responsibilities of the project manager will include:

1. Managing and ensure the realization of project objectives and achieve project outputs.
2. Providing guidance and direction to the project support team and training consultants as and when they are recruited.
3. He/she will be responsible for the overall project administration and risk management.
4. Monitoring financial resources and accounting to ensure accuracy and reliability of finance reports and also prepare quarterly project progress reports as well as end of project reports.
5. Participating in relevant planning and progress reporting activities for purposes of dissemination of the outputs of the project.
6. Preparing quarterly and annual planning and review reports and submitting them to the Project Steering Committee.
7. Ensuring an end-of-project evaluation is conducted.
8. At the project end stage, prepare final project review report and undertake the mandatory closure processes as stipulated by UNDP.
9. Coordinating closely with relevant stakeholders for the implementation of the project.

#### **Responsible parties**

The ALD department at MOFPED, UNDP, the Office of the Auditor General (OAG) and UNDP's implementing partners (IPs) under the current CPAP 2010-2014 shall all be responsible for the execution of all project activities outlined in this project document. To this effect, they will use UNDP's Programme and Operations Policy and Procedures (POPP) guidelines and GoU regulations where applicable.

#### **UNDP quality assurance functions**

The UNDP Country Office in Uganda will provide quality assurance and technical assistance for all activities under the project in order to ensure that the project remains on track and contributing to the CPAP outputs and UNDAF outcomes as envisaged.

Specific responsibilities will include:

1. Ensure the liaison throughout the life of the project of all stakeholders, and ensure information flow to the PSC on quality and timing of implementation activities.
2. Managing risks and monitoring to ensure activities are implemented in a timely manner.
3. Quality assurance of the project in line with GOU and UNDP policies and procedures.
4. Ensure that project output decisions and activity definitions including description and quality criteria are recorded in ATLAS project management module to facilitate monitoring and reporting.
5. Ensure that project quarterly and annual reports are prepared in accordance with UNDP standards.
6. Assess the undertaking and quality of monitoring and evaluation activities for the project.



- On closure of the project, ensure that the project is operationally closed in ATLAS and ensure all financial transactions are in ATLAS and all financial accounts are closed.

#### **Audit arrangements**

Audit of the programme financial statements shall be conducted by the Auditor General of the government of Uganda or by a private auditor engaged by the Government and UNDP. The audit will be conducted on an annual basis or any other time frame, as deemed fit by the Project Steering Committee.

#### **Financial management and accountability**

The Ministry of Finance will be responsible for ensuring that all the resources allocated for project implementation against Annual Work Plan (AWPs) are effectively and efficiently utilized for the implementation of approved project activities. In executing its role as the Implementing Partner/Agency, the ALD department will also be responsible for maintaining up-to-date records and necessary controls for ensuring the accuracy and reliability of all financial information with regard to the implementation of the Annual Work Plan. The UNDP country office in Uganda, on the other hand, shall be responsible for receipt and disbursement of funds under this project with authorization of the project manager.

#### **Reporting**

Following the request for project funds from UNDP and after these have been received, the ALD department shall regularly submit to UNDP quarterly reports of progress with regard to activities, achievements, results and challenges, in accordance with UNDP guidelines and formats.

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## 6. MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following activities:

### Within the annual cycle

- i. On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- ii. An 'Issues log' shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- iii. Based on the initial risk analysis presented in annex 1, a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- iv. Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- v. A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- vi. A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- i. **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- ii. **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.





## 7. QUALITY MANAGEMENT FOR PROJECT ACTIVITY RESULTS

OUTPUT 1: Technical competencies/skills among staff enhanced for effective Aid Coordination, Result based project implementation and Quality Assurance		
<b>Activity Result 1 (Atlas Activity ID)</b>	Selected staff of ALD, UNDP CO, AOG and IPs equipped with knowledge and skills for: Aid coordination, effective implementation and quality assurance respectively	Start Date: Dec 2011 End Date: Dec 2014
<b>Purpose</b>	Equip selected staff of ALD, IPs and UNDP CO with knowledge and skills to be able to: coordinate aid, effectively implement CPAP activities and carry out quality assurance functions, respectively	
<b>Description</b>	This will require identification of staff for training in ALD, IPs and UNDP CO. It will also require identification of International Consultants to conduct training in Project management, Monitoring and Evaluation and Communication, Customer Care and Negotiations.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
• Number of individuals trained	Review the Training Report	December 2012
• Level of external inflow.	Review ALD Annual Reports	December 2014
• Level of transparency and accountability of aid.	Review ODA performance assessment reports	December 2014
• Type of skills acquired by staff of ALD, UNDP CO and IPs	Review Training Modules	December 2012/2013

OUTPUT 2: Current knowledge and best practices on ODA management attained		
<b>Activity Result 1 (Atlas Activity ID)</b>	Knowledge of best practises on aid coordination attained	Start Date: September 2011 End Date: December 2014
<b>Purpose</b>	Enable ALD staff to interact and partner with their counterparts in ODA responsible Agencies in the Region and World over so as to share knowledge, lessons and best practises for efficient and effective aid coordination back home.	
<b>Description</b>	It will involve attending four (4) International meetings annually and conducting local meetings on aid management	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
• Number of new innovations acquired and applied in aid coordination	Review ODA performance assessment reports	December 2014
• Number of international meetings attended	Review Reports on meetings attended	December 2011, 12,13,14
• Number of local meetings held	Review meeting reports	December 2014

OUTPUT 3: Functional Monitoring and Evaluation mechanism in place		
<b>Activity Result 1 (Atlas Activity ID)</b>	Project effectively monitored and evaluated	Start Date: October 2011 End Date: December 2012
<b>Purpose</b>	To put in place a functional Monitoring and Evaluation Mechanism	
<b>Description</b>	This will involve holding progress review meetings, Data collection, analysis and dissemination. It will also entail conducting field visits to ascertain aid situation especially that channelled outside the budget support.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
1. No of Progress review meetings held	Review the meeting reports	December 2012

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2. Functional Data management mechanism in place	Review M&E reports	December 2012
3. No of Reports produced	Review Annual Progress Review reports	December 2012
4. No of Field monitoring visits carried out	Review Quarterly Progress review reports	December 2012
5. Single data source on ODA in place	Review ODA performance assessment reports	December 2014

<b>OUTPUT 4: Functional Equipment available</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<b>Requisite and functional Equipment in place</b>	Start Date: October 2011 End Date: December 2012
<b>Purpose</b>	To avail new equipment to ensure efficiency at work	
<b>Description</b>	This will involve procuring new equipment.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
8. Number, type, specifications, Functionality and utilization of equipment	Review the equipment delivery Notes and Audit reports and physical inspection	December 2012

<b>OUTPUT 5: Project operations and management successfully undertaken in line with UNDP's policies and procedures.</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<b>Smooth Project operations and management</b>	Start Date: October 2011 End Date: December 2014
<b>Purpose</b>	To provide logistics and all other requirements in right quantities and time.	
<b>Description</b>	This will involve availing project operational funds, recruiting three (3) drivers, conducting annual Audits and conducting End of Project Evaluation.	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
• Handling of Operations and provision of Logistics	Audit Reports	December 2011, 12, 13,14

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## 8. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".

Source<sup>1</sup> The mandates have been extracted from the MoFPED website [www.finance.go.ug](http://www.finance.go.ug)

<sup>1</sup> Source: Aid Management Manual, MoFPED, Figure 1.2, Pg 8.

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## 9. ASSET PROCUREMENT PLAN

Item	Description	Number required	Timing	Beneficiary institution	Responsible Party	Estimated Unit cost (US \$)	Estimated Total Cost (US\$)
1	Motor vehicles	2	Nov 2011	ALD (MOFPED)	UNDP	65,000	130,000
2	SUV-Station Wagons	1		ALD (MOFPED)	UNDP	40,000	40,000
3	Photocopier	1	Nov 2011	ALD (MOFPED)	UNDP	8,500	8,500
4	Printers	2		ALD (MOFPED)	UNDP	4,000	8,000
5	Computers	10		ALD (MOFPED)	UNDP	700	7,000
6	UPS Units	10		ALD (MOFPED)	UNDP	300	3,000
7	Computers	2		ALD (MOFPED)	UNDP	2,500	5,000
8	Software	12		ALD (MOFPED)	UNDP	25	300
9	Data Backup equipment	2		ALD (MOFPED)	UNDP	200	400
10	Projectors	1		ALD (MOFPED)	UNDP	1,800	1,800
11	Cameras	2		ALD (MOFPED)	UNDP	300	600
12	Video	1		ALD (MOFPED)	UNDP	400	400
13	Video Conference facility	1	Nov 2011	UNDP	UNDP	3,000	3,000
14	Computers	52	Nov 2011	UNDP	UNDP	2,500	130,000
15	Motor Vehicles	3	Nov 2011	UNDP	UNDP	65,000	195,000
16	SUV-Station Wagon	1		UNDP	UNDP	40,000	80,000
<b>TOTAL</b>							<b>613,000</b>

## 10. ANNEXES

### Annex I: Offline Risk Logo

Project Title: Capacity Development and Quality assurance for ALD, IPs and UNDP.

Award ID:

Date:

#	Description	Date Identified	Type	Impact	Probability/Magnitude	Countermeasures / Mgt response	Owner	Submitted, updated by	Last Update	Status
1	Handling of procurement by MoFPED may lead to delays in delivery and diversion of some equipment	Jul-11	Administrative	Late delivery of inputs especially equipment will delay implementation of project	High/Medium	Procurement should be undertaken by and marked with logo of UNDP with an MoU with Government on usage	ALD	ALD	Oct-11	
2	Delays in delivery of UNDP Procurement	Oct-11	Administrative	Delays in project implementation	High/Medium	Mark the procurement of these goods as priority	UNDP	UNDP	Oct-11	
3	Sustainability of some project activities after the end, such as the purchasing of cars (maintenance costs)	Jul-11	Administrative	Limited resources for running and maintenance of vehicles could affect their usage and life.	Medium/High	ALD should allocate a budget for maintenance since the beginning of the project in order to internalize these costs before the end of the project	ALD	ALD	Oct-11	
4	Misuse of equipment arising out of sharing and diversion due to shortage of computers and other office equipment in other departments	Jul-11	Operational	Over use of the equipment due to high demand by other departments could lead to higher operational costs	Medium/High	The project shall have some provision for maintenance costs of equipment and the MoU with Government shall specify on their usage for the purpose for which the equipment were procured.	ALD	ALD	Oct-11	
5	Brain drain of trained staff to other ministries or the private sector	Jul-11	Management	Continued shortage of competent and skilled staff	High/High	Create a system of knowledge sharing at ALD to assure that the skills are passed on to new staff	ALD	ALD	Oct-11	
6	Change in Management at ALD	Oct-11	Management	Delays in implementation, change of strategy, loss of relevance of the project for new management	Medium/High	Improve the level of communication about the project with Senior Officials, disseminate early achievements of the project, build an strong technical team	ALD	ALD	Oct-11	



## Annex II Capacity Assessment of ALD – (MoFPED)

AREAS FOR ASSESSMENT	ASSESSMENT RESULTS
<b>PART I. BACKGROUND INFORMATION</b>	
1. History	The Ministry of Finance, Planning and Economic Development is a government ministry in Uganda that is tasked with the responsibility of economic planning, resource mobilization and expenditure control functions of the Government of Uganda.  Under the ministry, there is a directorate of Economic Affairs, within which there is the department of Aid Liaison (ALD) that is responsible for coordination and mobilization of external resources.
2. Mandate and constituency	The Ministry of Finance, Planning and Economic Development derives its mandate and functions from the 1995 Constitution of the Republic of Uganda and other related subordinate laws, including; the Budget Act (2001), the Public Finance and Accountability Act (2003) and acts establishing agencies and auxiliary organisations.  Accordingly, the Ministry plays a pivotal role in the co-ordination of development planning; mobilisation of public resources; and ensuring effective accountability for the use of such resources for the benefit of all Uganda.  MoFPED is mandated to carry out a number of responsibilities as follows <sup>6</sup> :- <ul style="list-style-type: none"> <li>i. Formulate policies that enhance stability and accelerate economic growth and development</li> <li>ii. Plan and design strategies for rapid economic growth and transformation</li> <li>iii. Mobilize domestic and external resources</li> <li>iv. Ensure efficient allocation and utilization of public funds</li> <li>v. Monitor and account for the utilization of public resources</li> </ul> The primary constituencies are the other central government ministries, agencies, and local governments.  The ALD on the other hand is mandated to: <ul style="list-style-type: none"> <li>• Conclude Loan and grant agreements with donors consistent with government policies and maintain good working relationship with all donors</li> <li>• Produce information guide to expenditure departments on external inflows to the budget.</li> <li>• Maintain an up to date donor data bank.</li> <li>• Disburse and monitor use of donor resources to the sectors.</li> </ul>
3. Legal status	MoFPED is a Government of Uganda ministry and has the legal requirements for operation in the Country while the ALD is a department within the ministry.
4. Funding	The Ministry of Finance, Planning and Economic Development and all the directorates and departments within it derive their funds from the Government (Consolidated Fund) and Development Partners.
5. Certification	As a government ministry, the MoFPED is not certifiable under national or international procedures.
6. Proscribed organizations	MoFPED is not listed in any UN reference list of proscribed organizations.
<b>PART II. PROJECT MANAGEMENT CAPACITY</b>	
<b>2.1 Managerial Capacity</b>	
1. Leadership Commitment	The political and technical leaders of the MoFPED are ready and willing to implement the proposed project. ALD leadership is also ready and willing to implement the proposed project.
2. Management experience and qualifications	The project will be managed by the Commissioner, Aid Liaison Department of the Ministry of Finance, Planning and Economic Development. She has a wide range of experience in managing Government and Development Partner programmes including that funded by European Union
3. Planning and budgeting	The MoFPED applies a results-based management methodology, evidenced by measurable outputs in the Sector Investment Plan, the Budget Framework Papers as well as annual work plans.
4. Supervision, review, and reporting	On an annual basis, the MoFPED organises the Annual Reviews of the performance of the economy by all the stakeholders where its performance is documented and discussed and the way forward agreed. This process normally involves the review of the performance of all sectors through the budget conference and the development of estimates and budget that are reviewed and approved by Parliament.  The ALD department participates in preparation of the Annual Economic Performance Report produced by the Directorate of Economic Affairs of MoFPED.
5. Networking	In executing its mandates, the MoFPED collaborates with most MDAs at both national and local government levels in order to ensure efficient and effective service delivery. Most active collaborative relationships between MOFPED and MDAs that are also relevant to this project include those with the Parliament of Uganda, Ministry Local Government, Ministry of Public Service, Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Works, Ministry of Health, Ministry of Water and Environment, National Planning Authority, Bank of Uganda, etc.

Source<sup>6</sup> The mandates have been extracted from the MoFPED website [www.finance.go.ug](http://www.finance.go.ug)

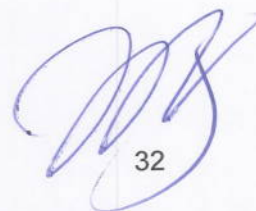
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AREAS FOR ASSESSMENT	ASSESSMENT RESULTS
	In addition MoFPED networks with non-state actors active in the LG sector notably the LG Associations. MoFPED also networks public and private sector training institutions like Uganda Management institute, Makerere University etc. ALD networks with the departments of Infrastructure and Social Services, Budget Policy and Evaluation, Public Administration, Treasury Inspectorate, Internal audit, Treasury Officer of Accounts, Tax Policy, Economic Policy and Research and Macro Economic Policy departments of MoFPED. <sup>7</sup>
<b>2.2 Technical Capacity</b>	
1. Technical knowledge and skills	The skills and experience of the organization's technical professionals match those required for the project and these professionals will be available to the project.
<b>PART III. ADMINISTRATIVE AND FINANCIAL MANAGEMENT CAPACITIES</b>	
<b>3.1 Administrative capacity. Note: Answer only questions that are relevant to the proposed project.</b>	
1. Facilities, infrastructure and equipment	The organization possesses sufficient administrative facilities, infrastructure, some equipment and budget to carry out its activities, particularly in relation to the requirements of the project. Further, MoFPED shall provide and maintain the administrative and technical equipment and infrastructure with some minimal interventions from the project.
2. Procurement and contracting	MoFPED has the legal authority to enter into contracts and agreements with other organizations. It has access to legal counsel to ensure that contracts are enforceable, meet performance standards, and protect the interests of the Government of Uganda and UNDP. MoFPED has a dedicated Procurement and Disposal Unit (PDU) and the procurement personnel in the unit have skills and experience that are appropriate to the requirements of the project. They follow the PPDA procurement procedures and there evidence that the organization conducts procurement on the basis of best value for money, transparency, and effective international competition. Further, the ministry has systems and procedures for asset management and inventory control as provided for by the Government of Uganda regulations. The ALD procures and contracts through the ministry structures and procedures. For this project UNDP country office will handle all procurements
3. Recruitment and personnel management	The ALD through the MoFPED has the legal authority and capacity to enter into employment contracts with both individuals and other entities. However, It should be noted that for purposes of this project, there shall be no recruitment of project staff.
<b>3.2 Financial Management Capacity</b>	
1. Financial management organization and personnel	MoFPED and thus the ALD has well documented rules and regulations for financial management that are consistent with international standards as they are being applied across all Government Ministries and Agencies. For purposes of this project, all costs shall be executed by the UNDP country office according to approved budgets for those expenditure items. The UNDP country office has adequate finance and other personnel with the relevant technical skills and experience for periodic financial and other reports required under this project.
2. Financial position	Save for the requirements of this project, ALD has adequate funding to undertake their work from the Government of Uganda funding.
3. Internal control	The Commissioner, ALD shall to the best extent possible, monitor and authorize the expenditure limits of the project in compliance with the approved project budget. While all expenses related to the project will be executed with her authority, actual expenditure will be undertaken by the UNDP country office. Within UNDP on the other hand, all other internal control procedures of the Country Office shall prevail. The Country office shall provide expenditure summary reports on a quarterly basis in order to guide the Commissioner's budget control function.
4. Accounting and financial reporting	The accounts are established at the UNDP Country Office and maintained in accordance with international standards and accounting principles. The Country Office shall track and report separately on the receipt and use of funds for the project. There is no evidence of deficiencies in accounting/ financial reporting.
5. Audit	Audit of the project expenditure shall be in accordance with UNDP procedures since all expenditure shall be undertaken by the Country Office.

<sup>7</sup> Source: Aid Management Manual, MoFPED, Figure 1.2, Pg 8.

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