BUDGET MONITORING AS AN ADVOCACY TOOL
Uganda Debt Network

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Case study prepared for the research project

Lessons from Civil Society Budget Analysis
and Advocacy Initiatives

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Budget Monitoring as an Advocacy Tool
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1. Background

This paper is part of a series of case studies meant to provide systematic analysis of the nature and impact of applied budget work conducted by civil society organizations in different countries, and to draw useful lessons for dissemination to other budget groups. The focus of this paper is an organization called the Uganda Debt Network (UDN), which was established in Uganda in 1996 as a coalition of advocacy and lobbying organizations to coordinate the campaign for debt relief that was then gaining momentum at the international level.

Since its early days working for debt relief, UDN has developed from a network of interested organizations and individuals into a non-governmental organization (NGO) that now conducts extensive budget analysis and advocacy, and anti-corruption activities. It is well-known for its outspoken attitude, its thorough analytical approach, and its intelligent use of the media to disseminate its findings and recommendations. UDN uses a combination of research and advocacy to undertake campaigns aimed at improving governance and stemming corruption in Uganda. UDN maintains its headquarters in Kampala but works in eight districts throughout the country. The organization has built a strong reputation for linking local budget monitoring activities with national-level policy processes, and through the coordinating role it plays in providing civil society inputs to the government in a number of policy arenas.

In this case study, we will explore the activities undertaken by UDN and we will examine the impact the organization has had in improving governance in Uganda. We will also examine areas in which UDN's work needs to be strengthened and deepened for the organization to enhance its impact. However, we feel that UDN's experience can serve as an important example for other civil society organizations that are interested in undertaking applied budget work. UDN's success has been based in part on:

- The development of strategic links within and outside government to support civil society budget work;
- The carving of a unique niche for itself in the national context, linking local-level monitoring of budget implementation and service delivery to national-level policy debates;
- The strategic use of the media to disseminate information to targeted audiences;
- The production of materials that “demystify” budgets and are easily accessible to non-technical audiences;
- The development of specific activities at each stage of the budget cycle that have enabled it to effectively engage government budget officials; and
- The ability to carefully use its limited resources to the greatest effect, by

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‘choosing the right battles’.

The methodology used to develop this case study combined research and field visits by the authors. The researchers also reviewed available literature and reports produced by and about UDN that were either identified from the Internet (especially the UDN Web site) and/or made available on request to the authors by UDN and its partner organizations. Annex 2 presents a list of the documents that the authors reviewed while developing this case study.

Field visits, which were conducted between the August 8-19, 2005, in various locations throughout Uganda (Kampala, Kamuli, Bushenyi), gave us the opportunity to interview the staff and members of the UDN as well as officials of Uganda’s central government and local governments who are the targets of UDN advocacy; donor organizations that support UDN activities; partner non-governmental organizations that work on various anti-corruption, budget advocacy, and governance-related campaigns with UDN; and other members of Ugandan civil society that have been involved with UDN activities. Annex 1 presents a list of the 43 people who were interviewed during the development of this case study.

The remainder of this first chapter examines the political and economic structures within which UDN works, including a brief overview of the budget structure in Uganda. The chapter also provides an overview of civil society in Uganda. Chapter 2 describes UDN’s origins and its different areas of activity, highlighting their complementarities and some of the existing limitations and problems. Chapter 3 looks at UDN’s internal organization and its external relationships. Chapter 4 highlights the main impacts that UDN has achieved at different levels and examines the factors that have contributed both to its successes and its failures. Chapter 5 presents the central lessons that other groups engaged in applied budget work can draw from UDN’s experience.

1.1 Political and Economic Context

Uganda has suffered from decades of instability since the country achieved independence from the British in 1962. In 1986, after a series of brutal dictatorships, the National Resistance Movement came to power in Uganda with a mandate to restore democracy in the country. The movement radically altered the political system in the country by introducing a non-party political system, which made membership in the Movement mandatory for all Ugandans and prohibited party political activity, while at the same time providing significant opportunities for political engagement at the various levels of government.2

After the devastation of decades of civil war, Uganda has begun to achieve relative peace and stability despite the low-intensity conflict still predominant in the North of the country. The relative political stability of the country, and the liberal economic policies adopted by President Yoweri Museveni’s government have enabled Uganda to become one of the fastest growing economies in Africa. Between 1990 and 2001, the Ugandan economy performed well in the wake of reforms which included increased investment in infrastructure rehabilitation, expanded incentives for production and foreign trade, reduced inflation, and improved domestic security. By the mid 1990s, Uganda came to be seen by the international community as a ‘good

example’ in a difficult continent, and levels of official development assistance grew accordingly.

Despite these successes, with a per capita income of only US $250, Uganda remains one of the poorest countries in the world. The country is highly dependent on donor funding, which covers approximately 90 percent of the national development budget and 50 percent of the recurrent expenditures in the national budget.3

Since the late 1980s, Uganda has seen explosive growth in the number of NGOs operating in the country, especially in the service delivery sectors, such as health, education, micro-finance, road construction, water and sanitation, and agriculture. However, the number of NGOs that are working on policy advocacy, and more specifically on budget issues remains very limited, with UDN being among one of the most prominent organizations in this sector. This may be due to the fact that the Movement government ‘tends to discourage, and sometimes to react harshly towards those NGOs which are dealing with ‘political’ issues such as corruption, civic education, and opposition-oriented opinions’.4

The growth in the number of NGOs in Uganda can be attributed to several factors, including the relatively stable political environment, the inability of the state to provide services to all of its citizens, and a growing focus in the donor community on funding NGOs as service delivery agents. This trend has become even more pronounced in recent years as Uganda has developed its Poverty Reduction Strategy Paper (PRSP), the PEAP (Poverty Eradication Action Plan), in order to become eligible for debt cancellation under the HIPC initiative.

PRSP processes are meant to be consultative and to incorporate the views of stakeholders, including civil society organizations. Civil society organizations have contributed to the drafting of Uganda’s PEAP, and have participated in working groups that have reviewed sectoral policies. As a result of their participation in this process, some organizations have expanded the focus of their activities from service delivery to include research and policy advocacy. UDN belongs to this new group of civil society organizations in Uganda which focus their work on engaging in dialogue with the country’s government and Parliament and with other sectors of society to re-define policy priorities. Since its creation, UDN has monitored government expenditure of the additional resources made available through debt cancellation and donor budget support, in particular through the creation of local-level monitoring committees. The organization has been involved in a number of the sector working groups convened through the PRSP processes, and has led civil society input into the second PEAP revision. It has also raised questions about corruption and inefficiency in service delivery, managing to do it in a way that has not provoked a backlash in terms of government reactions. As we will see, both its strategic linkages with key people in government, and its nature as a membership organization, may have allowed it to remain active and be successful until today.

Despite their growth and successful engagement in policy dialogue, civil society organizations like UDN are threatened by the government’s consideration of legislation that could restrict the activities of non-governmental organizations. Since 2001, the Ugandan government has been reviewing a proposed new law regarding the oversight of NGO activities which would: (a) severely limit the ability of NGOs to

3 http://allafrica.com/stories/200601030388.html
4 S. Makara, NGOs in Uganda: Their Typologies, Roles and Functions in Governance, mimeo.
register and/or renew existing registrations; (b) provide the government with the power to control NGOs’ activities by permitting the government to appoint only government officials (including officials from government security agencies) to the government NGO board (which regulates NGO activities); and (c) allow the government to terminate an existing registration if it concludes that an NGO is violating a government policy or acting against the public interest, even if the NGO’s activities are technically legal.

Other more recent developments point to a concentration of power in the hands of the Museveni government at the expense of democratic spaces. In July 2005, the Ugandan Parliament voted to remove the two-term limit for presidential candidates, which allowed Museveni to be recently re-elected for a third term, after almost twenty years in power. In November 2005, his main political opponent was arrested and charged with treason and rape, and a prominent journalist was also jailed for a few days, accused of being too critical of the government. These signs do not augur well for Uganda’s democratic future, and have already provoked the reaction of a number of donors, who suspended or reduced their support to the government.5

1.2 The Budget Process in Uganda

Uganda’s budget system is well-defined in legislation and is supported by the country’s Constitution. Further, the Budget Act 2001 and the Public Finance and Accountability Act (PFAA) 2003 incorporate international best practices in public sector budgeting and financial management.

Key actors in the nation’s budget process are the Cabinet, which reviews and endorses the budget proposals; the Ministry of Finance, Planning and Economic Development (MFPED), which drafts the annual budget; the legislature (national parliament), which approves the annual budget; sector ministries and local governments, which execute the annual budget; the Auditor General’s office, which is responsible for auditing the expenditures made under each annual budget and donors whose combined aid supports nearly 45 percent of the national budget.

Figure 1 details the various phases of Uganda’s annual budget development and implementation process. In summary, the budget process begins in October of each year, when the Ministry of Finance organizes the first budget consultative conference for members of Parliament, line ministries and local government officials, private sector and civil society members, donors, and the media. During this meeting, economic policies for the next three-year period are discussed and sector working groups formed.

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5 In 2005, the United Kingdom, which is a key donor, reduced its aid to Uganda by almost $73 million, citing a deteriorating governance situation in Uganda.
Figure 1. Uganda's Budget Process

Budget consultative meetings are held with local governments in November, and the Local Government Budget Framework Papers are submitted to the Ministry of Finance by January. Ministerial consultations on the budget framework papers are held between January and February, before constituting a national budget framework by end of February. The Cabinet discusses and approves the budget estimates and proposals in March and the national budget indicative figures are then submitted by the executive by April 1, as per the Budget Act 2001. The public expenditure meeting is held in May. During this meeting stakeholders including donors, civil society, local government, the private sector, and government agencies, discuss the proposed budget proposal. The budget is presented to Parliament and released to the public by June 15 in advance of the start of new fiscal year on July 1.

The budget information presented to the Parliament is fairly comprehensive, though the presentation formats are complex and technical, and therefore are not always easy to understand. However, under the Budget Act 2001 a Parliamentary Budget Office has been instituted to provide technical support to members of parliament on the budget. The executive releases very little information about the budget during the implementation phase. However, audit reports are publicly available. Taxation revenues are raised in Uganda primarily through indirect taxes such as the Value Added Tax, customs tariffs, and excise duties levied by the central government through the Uganda Revenue Authority.

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Institutional spaces are provided for civil society participation in the drafting of the budget, and civil society organizations continue to engage throughout the budget process. Public participation in the development and implementation of the budget takes several forms. Sector working groups are convened; local government budget workshops are held at regional levels; budget framework papers are written and distributed; and public expenditure reviews and consultative group meetings (once every three years) are conducted. While the extent to which civil society organizations are able to shape budget priorities is unclear and perhaps limited, the budget system is increasingly moving toward the establishment of participatory systems.\(^7\)

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**Box 1. Budget Transparency in Uganda**

In 2004, the International Budget Project (IBP) released a report on the level of transparency prevalent in Uganda’s national budget process. IBP’s report was based on a survey conducted in 36 countries. While Uganda scored above the cross-country averages in all the parameters used in the survey, its scores were not consistent across the parameters or even across sub-categories within each parameter. Thus, regarding the availability of central government budget documents, Uganda scored very high for presenting detailed budget information on prior and future years, but scored low against the criteria of “comprehensiveness,” as the documents it produced did not provide information on supplemental information such as extra-budgetary funds or tax expenditures. Uganda scored much lower on the parameter of presenting materials that would allow for outside budget analysis. Uganda does produce an informative “citizens budget” and also provides some information on policy and performance goals, including providing performance indicators for most expenditure programs. Uganda scored somewhat higher in the “encouraging public and legislative involvement” category. However, the legislature plays only a modest role in the budget formulation process; its public hearings on the budget are limited; and its powers to amend the budget are restricted.

There are three main factors limiting civil society participation in the budget process. The first is the high degree of decentralized budget responsibility, especially for budget implementation (see below). Second is the limited capacity, both technical and in terms of lobbying, of NGOs to participate actively in policy advocacy. Finally, the fact that participation in consultation processes is mostly by invitation, and not all are invited, limits participation. As a result, Lister and Nyamugasira noted that ‘despite the increased attendance at policy formulation meetings, questions remain over the influence of CSOs within these [participatory] spaces.’\(^8\)

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\(^7\) Budget Transparency and Participation in Uganda, IDASA (2004).

\(^8\) Ibid.
In 1998, Uganda qualified to participate in the Heavily Indebted Poor Countries (HIPC) initiative, under which it was provided with debt relief by multilateral financial institutions including the World Bank and the International Monetary Fund. The debt relief was given under the condition that the savings be used to finance expenditures specifically focused on poverty alleviation. To assure the international community that it was committed to spending the savings in pro-poor priority areas, in 1999 the Ugandan government set up an innovative fund as part of its budget called the Poverty Action Fund (PAF).

This virtual fund enabled the donor community to see that the Ugandan government had committed an amount equivalent to HIPC resources (and other donor resources such as budget and sector support) to pro-poor priority sectors to supplement existing expenditure levels. The main areas covered by the PAF are primary education (see Box 2 for an example of a PAF education project), primary healthcare, water and sanitation, agriculture extension, and rural road construction. The PAF has contributed to a substantial re-orientation of budget allocations toward pro-poor service delivery by ensuring that debt relief funds flow into programs identified in the PEAP. By attracting donor resources into the PAF, the Ugandan government has also been successful in shifting donor funding from project support to program modalities in support of government activities.

PAF expenditures have been a specific focus of UDN activities since its inception. UDN has been regularly analyzing general budget policies, and concentrating its monitoring efforts on specific areas covered by the PAF, to gather information on the extent to which government expenditure was in fact contributing to the general objective of poverty reduction.

**Decentralization**

In Uganda, the process of government decentralization began in 1993 when the parliament enacted the Local Governments (Resistance Councils) Statute. The Statute provided for the transfer of functions, powers, and services from the central government to local governments and enabled district authorities to make decisions on the utilization of funds—decisions that were hitherto made by the central government. Locally-elected assemblies were created at the local government level, to ensure adequate reflection of local priorities in government programs.

The 1995 Constitution established the institutional arrangements under which the powers—political, legislative, judicial, and administrative—of local governments were further consolidated. Uganda currently has 69 districts that are governed by the Local Government Act of 1997. These districts have wide-ranging responsibilities for delivery of basic services in health, education, agriculture, and infrastructure.
Government operates a system of conditional grants transfers to local governments which are specifically targeted at each sector, in pursuit of the overall policies and objectives included in the PEAP.

Lower levels of government, most notably the Sub-Counties, have fewer service delivery responsibilities, but mostly serve as administrative units for purposes of liaison with the communities and for tax collection purposes.

Along with the Local Government Act of 1997, the Fiscal Decentralization Strategy (FDS) of 2002 provides for the devolution of central government spending powers and service functions to district, municipal, and other lower levels of government. This is particularly important for the purposes of our study, as many of the areas which community groups trained by UDN monitor regularly fall under the responsibility of local governments, such as the School Facilities Grant (SFG).

2. UDN History and Activities

2.1 Origins of UDN: From Campaigning for Debt Relief to Public Expenditure Monitoring

Uganda Debt Network (UDN) was formed in 1996 as an ad hoc coalition of organizations and individuals to campaign for debt relief for Uganda under the Highly Indebted Poor Countries (HIPC) Initiative of The World Bank and International Monetary Fund (IMF). In 1998, UDN was registered as an NGO under the NGO Registration Statute and started operating. In 1999, UDN was incorporated as a Limited Liability Company with no shareholding under Company Law 1964. When it was formed, UDN had a membership of only 23 organizations and 3 individuals. By 2003, the membership had grown to 40 organizations and 101 individuals.

UDN is driven by the following strategic goals that also inform its vision and mission:

1. To ensure that Uganda emerges from being a debt-burdened poor country and embarks on the road to sustainable development, growth and poverty eradication.
2. Ensure that macroeconomic and budget policies are participatory and incorporate the concerns and interests of poor people.
3. Mobilize the public to ensure public accountability and transparency in policy formulation and planning and in the utilization of public resources.
4. Ensure that UDN becomes an effective lobbying and advocacy organization, able to mobilize civil society to influence policy planning at national and local levels.

These goals summarize quite effectively the different roles that UDN has come to play since its creation (see Annex 3), and the different programmatic areas it has decided to focus on. The original emphasis on campaigning for debt relief quickly gave way to activities meant to ensure that increases in public spending owed to debt cancellation and increasing aid flows were channeled to priority sectors included in the Poverty Action Fund, and that they were effectively utilized all the way down the service delivery chain. Monitoring the quality of budget implementation and of service delivery through local citizen committees has since become one of UDN’s major trademark activities and one which has earned it credibility and praise.

UDN’s approach combines research, advocacy and capacity-building activities, in an effort to bring the results of local monitoring activities and of policy-related research
to bear on national policy-making processes. At the moment, there are four main program areas that UDN is involved in. These are: (a) community participation and empowerment; (b) the Budget Advocacy Initiative; (c) governance and rights; and (d) policy research and analysis. All of these areas are highly inter-related, and should be seen as contributing to the same overall goals identified above. Before highlighting the way in which they do this, each one of them is briefly summarized below.

2.2 Community Participation and Empowerment

Following the creation of the Poverty Action Fund (PAF), UDN decided to facilitate the creation of citizen committees at the district level to empower them to influence policy formulation and implementation. Between 1999 and 2001, Poverty Action Fund Monitoring Committees (PAFMCs) were launched in seventeen districts to monitor the implementation of PAF expenditures, and to enable grassroots representatives to check the performance of local governments in service delivery and denounce instances of corruption, demanding accountability for funds released by the central government for poverty eradication programs and activities.

In each of those districts, UDN held meetings with local organizations and individuals, and trained those interested in monitoring and evaluation skills and knowledge in participatory methodologies to carry out periodic monitoring of PAF funds. The main idea was that after such training, members of the monitoring committees would organize themselves to gather information on the implementation of government programs in priority sectors, compiling evidence from cases of poor quality or malfeasance in local government service delivery, and bringing this evidence to the attention of district authorities and of UDN, who could in turn mobilize national-level policy makers.9

In 2002, UDN revised its strategy for local monitoring work as the district monitoring committees (the PAFMCs) had not been as effective as expected. One of the main reasons for the ineffectiveness of the PAFMCs was that they delegated the monitoring tasks of a large region (the entire district) to individual volunteers. The volunteer-members of the PAFMCs struggled to balance their professional careers with the voluntary monitoring tasks that were delegated to them. Furthermore, many of the problems identified by the monitoring committees were very local in nature, and did not necessarily need to be brought to the attention of district authorities. Some members gave up after considering some of the potential negative effects of being labeled as ‘trouble-makers’, in addition to others who realized that in their district local officials were not open to any sort of dialogue with civil society.

Under the revised strategy, UDN shifted the monitoring focus from a group of individuals at district level to a more elaborate Community-Based Monitoring and Evaluation System (CBMES), which involved community-based monitors from village communities. The idea of delegating monitoring responsibility to community-based individuals, and promoting local dialogue around problems that could be solved

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9 As can be inferred from this description, the work of UDN at the local level cannot be rightly described as ‘budget monitoring’, as it rather consists of monitoring the quality of implementation of local development projects financed through the budget, and of service delivery more in general.
locally, seemed to better fit local circumstances. What was needed was a system to feed the information up to higher levels of government when necessary.

For example, if community monitors found that certain teachers or nurses were not doing their job properly, either not showing up for work or asking for money when they were not supposed to, the problem could be discussed with the village authorities, and the individuals responsible could be reprimanded or transferred. Otherwise, if the monitors noted that the quality of building materials utilized for the construction of classrooms was not in conformity with the relevant specifications, this problem had to be brought to the attention of district authorities, as they were the ones in charge of dealing with the contractor.

This led to the creation of committees at village, sub-county and district levels which would gather submissions and representatives from lower levels, and engage in dialogue about relevant issues at each level. CBMES reports from the districts, as a matter of fact, showed that there was flouting of tendering procedures, shoddy construction work and, in some cases, outright corruption. Monitors often reported on cases of poorly constructed medical and education infrastructure, absence of drugs from health units, arrogance of medical staff and ill-treatment of service users, teacher absenteeism and irregular inspections in schools, and so on.

The culmination of this process are the district dialogues, which have been happening on average once a year, and during which UDN monitors have been presenting the results of their work to district authorities, including senior civil servants and local politicians, and demanding concrete responses.

UDN has further facilitated the local advocacy process by supporting local radio programs where monitors present their findings, and by featuring certain stories in their Policy Updates and Newsletters, which are regularly published and disseminated at the national level, and brought to the attention of national level authorities for redress. As will be highlighted further below, the CBMES has achieved concrete results, which confirm its general usefulness and soundness.

**Box 3. Basic Procedures for establishing a CBMES**

(i) Selection of target districts and sub-counties
(ii) Preliminary meetings at district level to ensure support of district authorities and mobilize key local organizations and individuals
(iii) Meetings with communities at the local level to introduce the concept of CBMES, elicit community responses and mobilize participants
(iv) Selection of community monitors (about 80–100) by the communities
(v) Training of selected monitors
(vi) Development of community indicators, discussion of information management and action system, and proposals on how to use the monitoring results for action at different levels
(vii) Ongoing monitoring of community-level projects and activities by monitors
(viii) Compilation of findings by monitors at sub-county level
(ix) Sub-county debriefing with local authorities, identification of issues to be brought to higher-level authorities, and appointment of representatives to district-level committee
(x) Compilation of findings by monitors at district level
(xi) One-day district feedback workshop facilitated by UDN to discuss the outcomes of the monitoring, challenges, and follow-up activities
(xii) Workshop (‘District dialogue’) attended by senior officials at district level, where monitoring results are presented and discussed
The CBMES is currently operating in eight districts and in a total of forty-seven sub-counties within those districts. In spite of repeated calls to expand the exercise to more districts and sub-counties, UDN is reluctant to do this, and partly unable to do so due to funding and human resource constraints. Community monitoring involves high costs for monitors (mostly in terms of travel and foregone income), constant support and training, and long-term involvement. One of the main challenges facing UDN in this area is one of striking a balance between making strategic use of the information generated by the existing committees to feed into national-level policy processes, and expanding the CBMES approach to allow more communities to keep their local authorities more accountable for the use of public resources. Another major challenge is the problem of sustaining the interests of the communities involved in budget monitoring, as the work is voluntary. Local sustainability could be achieved if the local committees took on monitoring activities funded through the 5 percent of PAF funds dedicated to monitoring, but this could compromise the independence of their work, as these funds are directly managed by local governments.

2.3 The Budget Advocacy Initiative

The Budget Advocacy Initiative (BAI) was launched by UDN in 1999 with the aim of strengthening the capacity of civil society organizations to participate in and influence the outcomes of the budget process. Specifically, the BAI has three goals. First, it seeks to ensure that national and local budgets incorporate the priorities of poor and marginalized groups. Second, it seeks to increase the active participation of civil society in the budget formulation process and to enforce accountability among public officials in charge of the budget process at both the national and local levels. Third, it aims to develop a strong network of civil society budget practitioners who can work to support the adoption of pro-poor budget policies.10

While most of the activities under the CBMES umbrella are partially funded through the BAI, UDN conducts various other activities in this area, which complement the local-level work of the monitoring committees with national-level training and advocacy aimed at ensuring better impact and dissemination of results. For example, UDN provides training for its partners and other NGO representatives by conducting budget literacy workshops that provide participants with the skills to assist them in understanding budgets and policy implications.

UDN also publishes research reports such as the *The Uganda Budget 2003-04: What Relevance to the Poverty Situation?*; *Tracing the Benefits of PAF to the Poor in Uganda, the Implementation of the Fiscal Decentralisation Strategy in Bushenyi and Tororo*; and *Budget Transparency in Uganda*. These reports provide an overview and analysis of budget policies and their impact on poverty in Uganda. These reports are available to the public through UDN’s website (www.udn.or.ug) and print publications. UDN also disseminates its research findings through radio broadcasts, television programs, and newspaper articles—in addition to the Policy Review Newsletter, which is distributed with the main national newspaper once every four months). UDN also uses the key findings from its annual budget review report to host

10UDN facilitated the formation of the Civil Society Budget Advocacy Group in 2004, which is a loose coalition of 14 civil society organizations in Uganda working to ensure that national and local budgets are pro-poor.
a “budget dialogue” forum, which is widely attended by government officials, the media, and other civil society organizations.

Certainly one of the more successful characteristics of UDN’s budget work has been that of giving national-level visibility to the results of the work of the local monitoring committees, highlighting the implementation problems that existed in turning the vague words and numbers contained in the budget books into the reality of successfully implemented development projects which could contribute to poverty reduction throughout the country.

2.4 Governance and Rights Program

Since 2000, UDN has been at the forefront of a civil society movement in Uganda to raise the profile of the fight against corruption as a key battle for better governance. UDN’s Governance and Rights Program replaces an earlier program on Accountability and Transparency. Under this program, UDN focuses on various anti-corruption activities, including educating the public about corruption utilizing popular media, developing a grassroots network of anti-corruption activists, and publishing anti-corruption literature that explains public finance, procurement, and grant-making laws, regulations, and procedures.

UDN was instrumental in the setting up of another civil society network called the Anti-Corruption Coalition of Uganda (ACCU), which has been established to mobilize communities to demand government action to combat corruption. The ACCU secretariat was housed at UDN for two years from 1999 to 2001, before it got its own secretariat. Since 1999, ACCU has been sponsoring an annual “anti-corruption week,” during which it organizes phone-in radio talk shows on corruption issues; broadcasts television programs on how corruption can be eliminated; and organizes participatory anti-corruption events like art exhibitions, essay competitions, and public rallies. In an interview with the authors, UDN staff revealed that the Inspector General of Government (IGG)—Uganda’s ombudsman—had acknowledged to them that the ACCU’s anti-corruption week had raised the profile of corruption and, as a result, the IGG had received many official complaints from local communities regarding acts of corruption by local officials. In 2000, UDN compiled a dossier that comprehensively examined the causes, incidences, manifestations, effects of corruption, and it regularly publishes booklets and issues statements on corruption in several local languages.

UDN also supports other anti-corruption coalitions in different regions of Uganda. UDN organizes workshops and conferences during which they identify and train community members on anti-corruption activities. In 2001, UDN assisted in establishing the Teso Anti-Corruption Coalition (TAC), which brought together representatives of communities in the districts of Soroti, Katakwi, Kaberamaido, and Kumi to identify instances of corruption. The TAC highlighted a major abuse of funds from the Schools Facilities Grant (SFG) in Katakwi district, which prompted the Office of the Prime Minister to conduct an investigation that identified serious flaws in the tendering process and subsequently led to the introduction within the SFG of measures to prevent the abuse of the funds. Similarly, UDN assisted in forming the Eastern Region Advocacy Coalition joining community members from the districts of Mbale, Tororo, Sironko, Bugiri, and Kapchorwa and Busoga Anticorruption Coalition joining communities in Kamuli, Mayuge, Bugiri, and Iganga districts.
Finally, UDN has undertaken various campaigns to highlight irregular action on the part of the government. Thus, for example, in 2001 UDN organized a successful campaign which received wide public support to prevent the issuance of a proposed government waiver regarding payment of interest on loans taken by Members of Parliament to purchase luxury cars. In 2003, UDN organized a campaign in partnership with other civil society organizations to prevent the passage of the NGO Bill (discussed in Chapter 1). Similarly, UDN organized a campaign with more than 20 other civil society organizations to prevent the passage of the Parliamentary Pensions Bill of 2003 that sought to establish a pension fund scheme for Members of Parliament. More recently, UDN sponsored a campaign to mobilize civil society against an action taken by the government to nullify several important provisions from the Leadership Code Act that weakened the accountability of public officials.

2.5 Policy Analysis and Socio-Economic Research

UDN routinely analyzes government programs, policies and processes—especially on issues that affect the poor—and then uses its research findings to influence government planning and policy processes. UDN is well-regarded in Uganda as an organization that possesses the requisite resources and technical expertise to undertake policy analyses both at the macro and micro levels. Past publications, which include such titles as Aid in Africa: Does Africa Deserve Aid Conditionality?, The Status of Uganda’s External Aid; The PRSP Process in Uganda; and Can you Listen to us? Children’s views about Universal Primary Education and Poverty Eradication in Uganda, have covered a wide variety of finance, economic, and budget issues. A list of UDN publications is provided in Annex 2. Some of them follow the more regular budget cycle, while others respond to specific demands or address a specific theme, such as child participation. These publications have been composed by in-house experts as well as technical consultants. Representatives of civil society organizations, government officials, and donor staff reported that UDN documents and analyses were generally regarded as “timely, relevant, and accurate,”11 and note that those UDN reports generated at the district level provided valuable local perspectives that are often lacking in national-level debates.

UDN is routinely invited by the government to provide inputs at various stages of the government’s policy formulation processes and has developed a good working relationship with the Ministry of Finance, Planning and Economic Development (MFEPD). UDN is now currently a member of three important sector-working groups—the Macro Working Group, the Poverty Eradication Working Group, and the Plan for Modernization of Agriculture Steering Committee. The organization was also actively involved in the PEAP revision process in 2000 as the lead civil society organization, and has produced a popular version of the PEAP that is easy to read and understand by the people at the grassroots. Its interaction with the MFEPED also led to the production of the Citizens’ Guide to the Budget, a pamphlet that explains the basic facts about the budget and the budget process in simple language, and has contributed to the increased attendance of CSOs in the national budget dialogue.

As was described in Chapter 1, Uganda maintains a virtual Poverty Action Fund that channels debt relief and aid funds to priority sectors. UDN has commissioned a special series of research studies to monitor the utilization of PAF resources on various social sector programs, including primary health care, primary education,

11 Quote based on interviews with government officials, NGO, and donor representatives
and rural road construction programs. The findings from these research studies were presented by UDN at quarterly meetings of the PAF stakeholders organized by the government and attended by donor representatives, government officials, civil society organizations, and the media. UDN’s monitoring reports have led to government investigations on reported instances of irregularities in the utilization of PAF resources, for example in Teso region in Eastern Uganda.

2.6 Linkages and Issues

The brief summaries above highlight the strong complementarities between the different strands of activities undertaken by UDN, which have been structured into programs to facilitate internal organization and division of tasks. The most interesting aspect of UDN’s work is without a doubt its capacity to link local perspectives and national policy debates. UDN’s work at district and sub-district level on budget implementation, service delivery and anti-corruption, despite its geographical limitation, allows it to generate very interesting and useful insights into actual problems in service delivery at the local level, and generate inputs and policy recommendations for national-level debates where local perspectives are very easily and often lost.

This is complemented by two other main areas of focus. The first one is the more general policy research and advocacy that UDN carries out around the budget process and on more specific issues which have an impact on the poverty situation in Uganda, in collaboration with other civil society organizations. The second one is UDN’s focus on creating networks of like-minded organizations and individuals, both at the national and local levels, through which it disseminates its products and publications, and promotes a more effective advocacy strategy which brings more pressure on government counterparts. This strategy has been effective in making sure that UDN’s limited size in terms of staff and resources does not affect its capacity to make its voice heard in the relevant policy circles.

While the main factors shaping UDN’s capacity to achieve impact on relevant policy issues are described in detail in Chapter 4, there are some contradictions which characterize UDN’s activities and which it is useful to highlight here.

Firstly, the CBMES lacks a more systematized approach which could improve UDN’s capacity to follow up on a series of issues and enhance its analytical capacity and policy impact. At the moment, it seems that training for community monitors is of a quite general type, and that the results of their monitoring work are not systematically recorded and analyzed, but rather serve as a basis for ad hoc advocacy activities, both at the local and national levels. A more methodical, systematized M&E approach could allow for a richer analysis and more potentially effective advocacy and lobbying.

Secondly, UDN’s approach is in many ways non-confrontational vis-à-vis government, which has allowed UDN to gain respect from and access to government officials, and to avoid potential strong government reactions to its campaigns and accusations. However, such an approach seems to limit the kind of activities that UDN undertakes, and as a consequence also limit its overall impact. As mentioned below in Chapter 4, local-level monitoring is more about checking the quality of

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12 For example, UDN’s monitoring of the Schools Facilities Grant (SFG) at the local level led to disclosures of widespread inefficiencies in fund utilization. The resultant advocacy campaign by UDN led to a change in the SFG guidelines that blocked the loopholes that enabled these inefficiencies.
implementation of government contracts, rather than effectively monitoring the whole process of budget execution and reporting. At the central level, UDN’s choice not to engage in debates around the proposed NGO Bill, for example, and its reliance on mostly informal contacts and sources of information, may in the long run create obstacles for the organization itself and civil society more in general, as legislation preserving both the right of NGOs to engage in different activities without excessive government control, and their right to access information can be said to be building blocks for the future sustainability of UDN’s activities and of Ugandan civil society more in general.13

Finally, many people interviewed highlighted how in the past two or three years UDN has lost some of its momentum in its budget advocacy work and is no longer seen as the preeminent voice of civil society. The interviewees claimed that other organizations, notably the Uganda NGO Forum, have now stepped in to occupy this role. While this is not necessarily a negative thing, it is important to note how internal dynamics can have a significant impact on the organization’s capacity and external reputation, unless it strategically manages its transition phases.

3. UDN’s structure and relationships

3.1 The organizational structure: general issues and present challenges

The highest authority of UDN is the Annual General Meeting (AGM), which is composed of registered and paid members, of which there are more than a hundred at present, both individual and institutional. The AGM meets annually to discuss the Treasurers report, and the audited accounts of the organization. It elects the policymaking body, that is, the Executive Committee (or Board of Directors) every two years. The members also have the responsibility of setting the agenda for the organization and developing an advocacy program and plans for three years.

The Board is currently made up of six persons, of which two represent grassroots organizations linked to UDN; two are University professors; one is a former civil servant; and one is a consultant with the Ministry of Finance, Planning and Economic Development. It meets every two months to discuss general policy issues for the organization, actively participates in the development of strategic programs, and supervises the activities of the Secretariat.

The UDN Secretariat is the administrative, planning, and implementing organ of UDN. It is responsible for implementing the programs of the network. The Executive Director heads the Secretariat, and is responsible for the day-to-day administration of the organization. Currently, there are 11 full-time staff members working in the Secretariat, either allocated to the four program areas or responsible for central functions, such as administration and finance, or media and publications. The founding Executive Director has recently relinquished his position and has assumed a newly created position as Technical Advisor, to enable him to create capacity for somebody to take over the directorship, and deal with issues of funding and

13 In April 2006 the NGO bill was finally passed by the Ugandan parliament, barely a few weeks before the term of the parliament was about to expire. Ugandan NGOs including the UDN seem to have been caught by surprise as the bill first came up for discussions in 2001 and it did not seem like the government and the parliament was serious about enacting the bill into law. Civil society organizations have petitioned the President not to give his assent to the bill.
sustainability. Recent attempts at identifying a suitable candidate to be appointed Executive Director have not been successful, and at the moment the head of finance and administration is also Acting Executive Director. Two deputy director positions that were created a couple of years ago are currently vacant. A Senior Program Officer combines the position of Program Director with her position as coordinator of one of the program areas.

From this description, it is quite clear that at the moment there is a gap in UDN’s organigram, especially with regard to mid-level and senior management positions. The former Executive Director still bears much of the overall responsibility for the strategic management of the organization, while under him most of the work is done by young program officers without the expected levels of experience and seniority. This transition phase is certainly costing UDN some of its hard-earned reputation, as a number of external observers have noted how having junior officers represent the organization in high-level policy forums detracts from its credibility and capacity to have an impact.

Over the last few years, UDN has also experienced very high staff turnover. We were provided with several explanations for this. First, UDN has a management culture which promotes young staff members to work and grow in experience. However, quite a few staff members have moved on once they attained a good understanding of civil society budget work. Some interviewees stated that staff did not have adequate opportunities to grow within the organization. Others felt that remuneration, though compatible with government salaries, was lower than the industry standard (especially Uganda-based donor organizations), and this resulted in many members of the staff leaving to join donor organizations. Of course, a positive impact of this switch is that UDN now has potential supporters in donor organizations and this facilitates fund raising options for the organization.

Both the leadership vacuum and the high staff turnover are governance issues that have had an impact in curtailing UDN’s work and reinforce the statements made by some interviewees that the organization has lost some of its momentum in the past few years.

3.2 Funding Sources: strategies and challenges

UDN has a number of funding agencies including Cord Aid, TROCAIRE, DANIDA, Oxfam-GB and the Embassy of Ireland, which provide core program support. Christian Aid UK, Hivos, Concern World Wide, Care Uganda and Dan Church Aid provide program support for institutional development to UDN in addition to their core support. The Department for International Development (DFID) and Save the Children–Norway (Youth Project), on the other hand, provide only designated project support. Other funders include ActionAid Uganda, MS Uganda and IICD. In all, UDN receives more than US$ 450,000 every year from its funding agencies for its programs and activities. Some donors have recently decided to better coordinate their support to UDN by channeling it through DANIDA in order to avoid duplication and fragmentation. These donors have also recommended that UDN undertake an organizational development exercise, to address some of the challenges highlighted above, and ensure a more stable and durable structure and human resource policy.

The large level of funding that UDN has been able to attract is a testimony of its successful strategy of producing and disseminating high-quality and policy-relevant information. However, the small size of the organization makes it more challenging to
cope with the burdens of such a differentiated funding base and its ‘projectized’ nature, and more difficult to ensure the long-term planning and sustainability which could allow it to retain key staff and further build its internal capacity. In an effort to promote financial self-reliance, UDN has recently instituted an Endowment Fund to collect funds from supporters, sponsors and other stakeholders, on an untied basis. Registered members are also required to make a one-off contribution to the Fund in addition to their annual subscription fee. UDN hopes that this will create a small but reliable base that will constitute the core of the organization’s funding strategy, upon which to build with the more substantial assistance provided by donors.

3.3 UDN’s key relationships

In order to successfully develop and implement its programs and activities, UDN has developed a very wide web of relationships, which partly stem from its initial nature as a network of existing organizations, but is also due to its heavy focus on advocacy, which has caused it to actively seek contacts and collaboration with various entities within government, Parliament, and the media. Its local-level work also contributed to the establishment of a wide array of important linkages with local governments, local groups of activists, and local media outlets, in particular the local radio stations that broadcast programs linked to UDN’s budget monitoring work.

Annex 4 depicts some of the main collaborations and relationships that have contributed to UDN’s activities and success since its creation. Some of these will be discussed in more detail in the following chapter, assessing their contribution to the impact of UDN’s work.

4. Results and Impact

UDN is widely recognized as an organization that managed to have a significant impact through its work. Part of this recognition certainly comes from the early days in which UDN was part of a successful campaign for debt relief in Uganda, first in the context of the HIPC initiative, and then as part of the Jubilee Campaign. Through the debt campaign, UDN established its reputation as an effective advocacy and lobbying organization. This not only allowed it to be seen as a leader within civil society, but also as a competent and useful interlocutor for government officials who appreciated the role played by civil society in securing debt relief for Uganda and who were looking for opening up some space for dialogue as part of the PRSP/PEAP process. As mentioned above, however, in recent years UDN has lost some ground with respect to other civil society organizations, partly as a consequence of its internal struggles to address a transition in leadership.

4.1 UDN’s Impact

The impact of UDN’s budget work over the past few years can be assessed in three main areas: (a) general awareness on budget issues, (b) local-level impact on service delivery, and (c) shifts in central-level policies and processes.

Building general awareness of budget issues

Building on the momentum of the debt relief campaign, UDN has continued raising awareness and building capacity in civil society as a whole around issues linked to
the management of public resources. Through their publications and interventions in the media and in public fora, UDN can claim a good degree of merit if today many more individuals and organizations have reached a level of budget literacy that allows them to engage more constructively in policy dialogue with the government. Since the late 1990s, UDN has produced an impressive stream of publications and materials, which range from the yearly budget analysis to contributions to the PRSP/PEAP process, from technical, thematic briefs to pamphlets and informative material, including films and documentaries.14

‘Demystifying’ the complicated language linked to budgets and focusing on issues of corruption and poor policy choices as ways of campaigning for better economic management meant that UDN’s messages were very accessible to people with limited knowledge of economic issues. While producing more straightforward budget analyses, which highlight the main budget policy issues in terms of revenues and expenditures, sectoral allocations, and so on, UDN is perhaps more known for its media work and its campaigns, where it focuses, for example, on the budget implications of raising MPs’ pensions in terms of funds foregone for development projects, and on the need to adequately fund anti-corruption bodies in order for them to function properly. UDN’s initial origin as a network of individuals and organizations probably also allowed for a faster and more effective dissemination of material and knowledge, as network members had easier access and more ownership of UDN’s analysis and policy proposals.

UDN’s success in building budget awareness is confirmed by the increasing interest that other organizations are taking in budget-related issues. In 2004, a Budget Advocacy Group formed by about a dozen civil society organizations was established to provide a better platform for civil society engagement in policy dialogue. The launch of the Policy Review Newsletter as an insert in the main national newspaper also means that the potential audience for UDN ideas and proposals is now much larger than it used to be, having nationwide circulation of about 45,000 copies. Finally, the local work on training community monitors and promoting district-level dialogue and media activities means that in those districts where UDN is active, the level of awareness on public resource management has increased substantially, which is proven by the interest demonstrated by radio listeners who phone in with comments and requests during UDN sponsored radio programs.

Impact on local-level service delivery

In the two districts visited for this study, there is no lack of evidence of the impact that UDN has achieved through the work of the community monitoring committees. In most cases, the main claims of success were related to denouncing and correcting cases of so-called ‘shoddy work’ by contractors who were not respecting proper guidelines for the construction of classrooms and health posts. Having been trained on how to monitor the implementation of local government budgets and programs in the main sectors (such as the School Facilities Grant, or grants for the construction and supply of health infrastructure), local monitors were able to keep an eye on the activities of contractors, and hold them to account for the quality of the work they were undertaking. This included checking the quality of the sand and cement that was being used, the correct measures for the roofing material, availability of drugs in clinics, application of the share of the Graduated Tax which is kept by local authorities for local investment, and so on.

14 A full list of UDN publications can be found in Annex 2.
Box 4. More evidence of impact of district dialogues

- A district dialogue was organized in Tororo District in 2002 in which UDN community activists presented the findings of their monitoring activities. They raised several issues on purported mismanagement in Mulanda Health Centre. For example, they reported that 31 of the 40 mattresses purchased for the health center were missing, as were seven of the eight bicycles purchased for the center. The district officials launched an investigation into the issue and the stolen materials were recovered within a month of the investigation.

- Similarly, in Bushenyi district a district dialogue was organized in August 2002 in which the community monitors reported the loss of iron sheets (meant for the school roofing) from a village school in the district. The district officials launched an investigation which resulted in the school head mistress owning responsibility for the missing iron sheets and paying for the missing items.

- In another case during the Bushenyi district dialogue, community monitors reported on the poor management of the community health center. They reported cases of patients being forced to bribe hospital officials in order to get attention from the hospital officials, patients being forced to buy their own syringes and medicine (even though the hospitals are supposed to provide it to them free of cost), ill treatment of patients, and irregular hospital working hours with the officials reporting late to the hospital and closing it much before the official closing hours. The resultant investigation by the district officials led to a complete overhaul in the health care center, and subsequent reports by community monitors present a much improved picture in this hospital.

The correction of the denounced cases of malpractice depended in some cases on the openness of local officials and on the monitoring committee’s capacity for direct negotiation. In other cases, it was only at the district level, during the larger meetings held about once a year, that issues were more openly discussed and addressed. On average, it was interesting to note that despite some initial resistance and lack of openness from district officials, monitoring committees generally felt that they had managed to establish a constructive relationship with the local governments, which allowed them to solve a number of situations — Box 4 presents examples of the impact of district dialogues. In one case, the district health official was initially very reluctant to provide any information to the monitoring committee on funds received and disbursement plans. After repeated attempts, the issue was brought in front of a full meeting between district officials, including the Chief Administrative Officer, and civil society representatives. The health official reacted very strongly, questioning the committee’s legitimacy to ask such questions and demand information. His behavior was publicly condemned by most people present, and after a reprimand from the CAO, he started collaborating with the committee.

Radio programs were also very instrumental in raising the profile of the monitoring committees’ work. In one case, the local government in Kamuli district felt the need to start a similar radio program, where it would attempt to rebuke the allegations brought forward by the monitoring committee. These examples point to a very healthy dynamic set in motion by the activities of the monitoring committees, in which

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local governments are faced with a group of motivated and informed citizens demanding accountability for the way in which public funds are being spent, focusing on areas of primary interest to the general population. One of the main limitations, as has been mentioned before, is the fact that at the moment UDN activities only cover a very limited portion of territory. Even in the eight districts covered, monitoring committees are only able to cover a small number of sub-counties. Another possible limitation could come from the fact that monitoring committees, despite their success in controlling the work of local contractors, are not at all involved in monitoring the procurement process, which is by many observers recognized to be a major area of corruption. If it is true that district officials demand kick-backs when awarding contracts for classroom construction or distribution of drug supplies, almost inevitably contractors will try to compensate the cost of bribery by lowering the standards of their work, in order to maintain a healthy profit margin. In this sense, district officials may be quite happy to let the monitoring committees denounce cases of ‘shoddy work’, in which they are hardly involved, as long as they do not probe the issue of corruption in procurement processes, and try to investigate the existence of corrupt transactions. Some members of the monitoring committees admitted that this could be the case, and that denouncing corruption in procurement was likely to be a lot more controversial and potentially detrimental to their work and to the success that they could claim in their work so far.

**Impact on national-level policies and processes**

As highlighted above, one of the main strengths of UDN’s work lies in linking findings from local budget monitoring with national policy processes. UDN is known for presenting and disseminating the results of its local work through a number of means, from Policy Review Newsletters to presentations in national-level fora. Many people mentioned in particular the time when UDN, invited to make a presentation at a Consultative Group meeting where both government and donors were present, decided to let a representative of a local monitoring committee speak, an old lady who painted a somber picture of local service delivery and of government capacity and commitment to stick to policy priorities at the local level, where corruption and ineptitude were rampant.

Despite this, it is often difficult to trace the impact of any specific initiative that UDN promoted at the national level. The most important example seems to be that of changes to the national guidelines for the School Facilities Grant (see Box 5).

There are, however, a number of other instances, not linked to UDN’s district-level work, in which UDN’s role was instrumental in bringing about important policy changes, or in stopping certain policy measures that were deemed unnecessary. Many of these are related to the important approach that UDN has championed of showing the potential impact of certain policy measures on the government’s capacity to adequately respond to Uganda’s poverty challenges. In a number of cases, UDN was able to denounce and rally against measures such as a proposed pension scheme for MPs, or the purchase of unnecessary equipment such as luxury cars for Ministers, by highlighting how such measures constituted a breach of stated government anti-poverty policies, and that resources could have been better spent on other policies and programs targeted at reducing poverty.

**Box 5. SFG grant misuse in Teso region**
In April 2002, UDN and its partners in the Teso region of Eastern Uganda published a report that documented misuse of funds from the Schools Facilities Grant in Katakwi district. UDN also produced a documentary on the misuse of funds which received wide media coverage.

The report drew the attention of the Office of the Prime Minister of Uganda, and an official investigation was ordered to look into the misuse of the SFG funds. The investigation confirmed many of the findings in UDN’s report and resulted in the dismissal of the district tender board and the appointment of a new district engineer to oversee the SFG projects in the district. Further, the contractors responsible for the poor construction of school buildings were ordered to rebuild the classrooms.

On completion of the official investigation into the SFG fund misuse, the government of Uganda also revised the SFG guidelines and introduced provisions that would ensure that the quality of construction of school buildings, classrooms, and toilets maintained high standards. Contractors are now required to submit a performance guarantee that states that they will do quality work and ensure timely delivery. Further, banks are required to provide guarantees on any advances that are released to the contractors, who need to demonstrate some pre-qualifications before they are allowed to bid for local government contracts.

Another interesting case was that of the restructuring of the Housing Commission, which underwent a serious audit that had raised a number of problems and cases of malfeasance which called for immediate reform. Senior government officials facing political opposition to such reforms allowed UDN to see the audit documentation, and utilized the pressure that UDN put on the politicians through the media to force through the necessary reform measures. Finally, some of the budget analyses promoted by UDN had highlighted the large discrepancies that existed between budget estimates and allocations, and executed budgets. UDN, this time as part of a coalition that also included donor agencies, put pressure on parliamentarians to approve the Budget Act 2001, which give Parliament more powers in the budget process and capped the amount of supplementary expenditure over-runs to a maximum of 3 percent of the total approved budget.

4.2 Key factors in explaining impact

There are a number of factors that can assist in explaining UDN’s success in achieving impact, or which may have limited its capacity to further increase its effectiveness. Many of these have already been mentioned before, but it is nevertheless useful to bring them together below.

Key positive factors

- As already mentioned a number of times, UDN’s approach of linking local monitoring with national advocacy has been a key factor in strengthening its reputation for legitimacy, credibility, and relevance in bringing evidence to bear on important policy issues. At the national level, the availability of an independent source of information on local-level service delivery certainly contributed to a more meaningful and content-rich dialogue between government, donors, and civil society.

- Related to this, UDN has made use of reliable evidence to back policy claims, by making sure that the information it utilizes is based on credible sources, which
can be checked by counterparts. This, for example, was highly valued by government officials from the Ministry of Education, who on a number of occasions followed up on UDN denunciations, to find that they were all based on credible claims and complaints. This is also true of UDN’s work at the national level, where their budget analyses were based on a consistent and simple use of available data to support their policy position, for example related to expenditure over-runs.

- **Strategic linkages with senior government officials, parliamentarians, and the media** were absolutely key in allowing UDN to achieve its objectives. Much of UDN’s success seems to depend on its capacity to identify key allies in different sections of society, and cultivate these relationships by demonstrating how much they are in everybody’s mutual interest. Some of these relationships were partly based on personal linkages of UDN senior staff, but developed over time into an important source of reciprocal trust and information, which many other organizations cannot claim to have, and are quite unique to UDN. The case related to reform of the Housing Commission, for example, clearly depended on the belief that existed within certain parts of government that UDN could help by putting pressure on entrenched interests by mobilizing the media and public opinion. And cultivating such relationships across the spectrum allowed UDN to utilize different channels to exercise pressure and lobby, depending on the issue. At times using senior officials ‘against’ politicians, at times using the legislature ‘against’ the executive, and at times relying on the power of public opinion to push for change.

- Many people interviewed commended the **quantity, quality, timeliness, and responsiveness of reports and analysis** produced by UDN. In fact, UDN has produced, over the years, an impressive range of products, which have been given **wide dissemination** using very different means, including a **good use of media channels** of all kinds (press, radio, TV). In many cases, such as the larger campaigns on debt relief and anti-corruption, UDN is considered as a pioneer that managed to place an issue on the political agenda through its advocacy work. In other cases, especially when more technical topics were involved, a more targeted approach was adopted, using working groups and more specific lobbying to press for reform.

- Without any doubt, an important reason for UDN’s success has been its **capable leadership**, which has given the organization a very clear vision, and the necessary drive to pursue policy objectives in a very smart way. Moreover, UDN’s **committed staff**, despite the fact that many of them are young graduates who learn ‘on the job’, and the **genuine ownership of the work program**, have allowed it to develop a sense of shared mission which has maintained its reputation despite some of the internal struggles.

- Finally, UDN’s **courageous approach** in denouncing cases of malfeasance, tackling powerful interests head-on, and using concrete evidence to back bold policy reform initiatives has also contributed to its being ‘ahead of the pack’, and earned it the respect that allowed it to be more effective than other organizations with more nuanced and compromising positions.

*Key negative factors*
Among the reasons that seem to have hampered UDN’s capacity to successfully influence policy are the characteristics of donor funding, which have at times promoted a fragmented approach, and have prevented UDN from building a stronger base for future sustainability. In particular, donor policies with regard to the limited funding available for administration costs and staff expenses meant that some potential for internal capacity building has been limited, and that UDN has not always been able to promote a coherent strategic framework and work plan.

In more recent years, and in particular since 2001-2, the leadership transition has highlighted some of the limitations of an organization that tends to be heavily identified with its founder and main public face. The so called ‘pioneer problem’ is quite common in organizations with a strong leader once it becomes necessary to look at replacing such a leader but no immediate solution is at hand. During such difficult times, UDN has lost some of its ground to increased competition from other organizations that have started occupying some of the territory opened by UDN. This is of course not a negative development in itself and for Uganda more in general, but can, and probably will influence UDN’s future capacity to regain its leadership role as civil society’s voice in dialogue with government on budget policies and related issues.

In some cases, UDN’s leadership role prevented it from developing more constructive partnerships with other CSOs. While UDN has been functional in the creation of a number of civil society forums for policy dialogue, such as ACCU and the Budget Advocacy Group, it has always seen itself as different, or somewhat more competent and more willing to tackle difficult issues without fear of reprisal. While this has gained UDN wide recognition and respect, it has also hampered its abilities to engage in joint campaigns with other civil society organizations.

As highlighted a number of times above, one of the limitations that UDN faces is its limited geographical reach, in particular with regard to its local-level budget monitoring work. This means that local-level impact on service delivery issues is circumscribed to only seven districts of a total 69 districts in the country and only 47 sub-counties within these districts where UDN has managed to establish and maintain a monitoring committee. Once again, this may make sense given the nature of the organization, more focused on influencing national-level policies by providing concrete examples from the grassroots rather than extending its reach to the whole of Uganda.

5. Wider Lessons

After having described in general terms UDN’s history, activities and structure, and having analyzed the results and impact it has achieved and some of the factors that have influenced its success (or lack thereof), it is useful to reflect on some more general lessons that can be drawn from UDN’s experience, which could be useful for other organizations in Uganda or any other country who are trying to develop their

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16 Some of the prominent NGOs that are currently undertaking budget work in Uganda include the following: The Uganda National NGO Forum, Oxfam, Deniva, and the Forum for Women in Democracy (FOWODE). The authors were informed by some government officials and NGO representatives that the Uganda National NGO Forum was gaining prominence among budget practitioners for their budget advocacy initiatives.
budget work. These lessons, risking some level of repetition with what has already been said in previous chapters, can be summarized as follows:

- **Develop strategic links within and outside Government**, in the attempt to identify allies in different key institutions (e.g. the Ministry of Finance, sectoral ministries, Parliament, the Auditor General and the Attorney General, key reform coordination units, the media, donor agencies, etc.). As UDN’s former Executive Director put it, ‘first build relationships, then present challenges’. This points to the importance of building bridges based on reciprocal trust and understanding across the public-private divide, and then gradually ‘educating policy makers to the value of constructive criticism’. In this sense, it is not sufficient to produce and publish a report on the Government’s budget policies and send it to the Minister, but rather it is necessary to find out where and at which level the official who is most likely to listen to the recommendations and build internal consensus is sitting, and building a strategic link with him or her. The same is true for newspaper editors, Members of Parliament, and so on.

- **Carving a niche for the organization**, which becomes its trademark and gives its voice more legitimacy and credibility. In UDN’s case, local-level monitoring of budget implementation allowed it to bring to the national-level policy table important evidence about the obstacles faced by governments and communities at the local level, and to promote a more serious dialogue about what needs to happen to improve government performance and quality of service delivery. Such legitimacy in ‘giving voice to the grassroots’ earned UDN the reputation that it then used in a number of other policy arenas. Innovation and strategic engagement at different levels are therefore central to successful budget work.

- **Intelligent use of the media**, through the identification of the best means of disseminating information and more specific messages to target populations. The use of radio programs at district level, where radio is the only vehicle for access to information for most of the rural population, allowed UDN to promote dialogue on budget priorities at local level. Through the Policy Review Newsletter, published and distributed nationally, the ‘voice of the grassroots’ is spread nationwide, creating wider awareness and consensus on necessary reforms. Finally, making a ‘big splash’ by producing a documentary with vivid images of ‘shoddy work’ impacting on service delivery at local level meant facilitating the mobilization of national-level consensus for necessary remedial action. Using the media wisely requires a keen sense of the objective that the organization is trying to achieve and the key constituencies that can support the achievement of the objective.

- The **capacity to ‘demystify budgets’** by producing documentation which is accessible to the target audience, and relates budget issues to more general issues that people can relate to without difficulty is a key lesson that other organizations can learn from UDN. Linking debt relief with the necessity to expand service delivery, highlighting the trade-offs implicit in many resource allocation decisions, showing how budget monitoring enhances the capacity of communities to hold local governments accountable, and placing budget effectiveness within the broader debate on corruption have all been very smart ways to show the ways in which budgets have an impact on the everyday life of citizens, and therefore deserve more attention as a policy instrument and as an object of policy dialogue between government and civil society.
• **Linking activities to different stages of the budget cycle** allows for more effective engagement with government counterparts. It implies producing analysis that is relevant throughout the whole budget process, from the definition of the macro-framework (including more general debt issues) to budget allocations (highlighting trade-offs and consistency with overall government plans and programs), to monitoring service delivery (tracking budget implementation activities and demanding coherence between spending plans and actual execution) and evaluating its impact. Of course, managing such a broad range of activities depends on the organization’s capacity and resources, but is again very important in ensuring credibility and impact.

• **Choosing the right battles** as part of an effective advocacy strategy is one of UDN’s important lessons. Assessing the relevance, profile and political sensitiveness of any issue that the organization wants to campaign for is an important aspect of a successful strategy. Linked to this is the need to clearly identify potential partners and opponents. Deciding when and how not to engage in certain campaigns is also important (for example, UDN’s choice not to push for shelving of the NGO Bill, for which many other organizations were campaigning). Again, as UDN’s former Executive Director put it, ‘understanding and occupying existing policy and political spaces’ is a skill that organizations need in order to be successful advocates and campaigners, not only in the area of budget work.

• Finally, a more general point about **managing transitions in leadership** is an important reminder of the fact that internal management strategies are just as important as external strategic ones to determine an organization’s level of success, and especially the durability and sustainability of such success over time.

Some of these lessons might be of use to civil society groups in different countries that are engaged or want to engage in applied budget work. While UDN’s history is of course unique, given the specific circumstances which shaped its work and the capacity and enthusiasm of some of the people involved, what is highlighted above and in the preceding chapters can certainly serve as useful pointers for others, both in terms of emulating some of the areas that helped UDN achieve success and of avoiding some of its mistakes and shortcomings.
Annex 1: List of People Interviewed

Kampala Interviews

1. Mr. Daniel Lukwago, Policy Officer, Uganda Debt Network, Kampala (dlukwago@udn.or.ug).
2. Ms. Allen Ruhangataremwa Barugahare, Senior Program Officer, Uganda Debt Network, Kampala (ataremwa@udn.or.ug).
4. Mr. Julius Mukunda, Director, Gender Budgeting, Forum for Women in Democracy, Kampala (mukundajulius@yahoo.co.uk).
5. Mr. Micheal Wangusa, Policy Officer, OXFAM, Kampala (Mwangusa@oxfam.org.uk).
6. Mr. Keith Muhakanizi, Deputy Secretary to the Treasury and Principal Secretary, Ministry of Finance, Planning and Economic Development, Kampala (keith.muhakanizi@finance.go.ug).
8. Prof. Jassy B. Kwesiga, Executive Secretary, Development Network of Indigenous Voluntary Associations, Kampala (deniva@utlonline.co.ug).
9. Mr. Lubaale Gideon, Program Officer, Development Network of Indigenous Voluntary Associations, Kampala.
10. Mr. Wanyaka Samuel Huxley, Director of Parliamentary Budget Office, Kampala (swanyaka@parliament.go.ug).
11. Mr. Nakabago John, Head, Construction Management Unit. Ministry of Education and Sports, Kampala (johnnakabago@yahoo.com).
12. Hon. Beatrice Birungi Kiraso (MP), Woman Representative Kabarole District. Chairperson, Budget Committee and Committee Member of Finance Planning and Economic Development (bkiraso@parliament.go.ug).
13. Mr. Ashaba-Aheebwa, Director, Directorate for Ethics and Integrity, Office of the President, Kampala (ashaheebwa@yahoo.com).
14. Dr. F. Muhumuza, Senior Researcher, Economic Policy Research Centre, Makerere University, Kampala.
15. Mr. Nyanzi Deo, Program Officer, The Uganda National NGO Forum, Kampala (ngoforum@infocom.co.ug).
16. Mr. Charles Mbeeta Businge, Civil Society Adviser, DFID, Kampala (cm-businge@dfid.gov.uk).
17. Mr. Donald Rukare, Governance/Legal Advisor, Development Cooperation Ireland, Embassy of Ireland, Kampala. (dr@ireland.co.ug; don-rukare@dfa.ie).
18. Ms. Christine Nantongo, Advocacy Manager, Care International in Uganda, Kampala (nantongo@careuganda.org).
19. Mr. Henry Muguzi, Information & Communications, Anti-Corruption Coalition Uganda, Kampala (muguzi@anticorruption.or.ug).
20. Mr. Solomon Ossiya, Coordinator, Anti-Corruption Program, Human Rights and Good Governance Programs, DANIDA (programofficer@hrdpdanida.org).

District Visits (Bushenyi Districts and Kamuli District Local Government)

22. Mr. Norman Lukumo, District Education Officer, Bushenyi District Local Government, Bushenyi.
30. Muhanguzi Umar, Secretary, Poverty Monitoring Committee, Bushenyi. (077-841415).
31. Mr. Fred Aggrey Bangu, District Chairperson, Kamuli District Local Government, Kamuli (077-428590).
32. Mr. Balijja Paul, Chairman, PMC, Kamuli.
33. Mr. Tooli Clovis, Secretary, PMC, Kamuli.
34. Ms. Margaret Namwase, Treasurer, PMC, Kamuli.
35. Ms. Nabinye Tabith, Women's Representative, PMC, Kamuli.
36. Mrs. Florence Ndenga, Member, PMC, Kamuli.
37. Mr. Bwanga Peter, Member, Sub-county Member, PMC, Kamuli.
38. Mr. Mutebe Andrew, Sub-county Member, PMC, Kamuli.
39. Mrs. Lubala Christine, Sub-county Member, PMC, Kamuli.
40. Mr. Balumba Moses, Sub-county Member, PMC, Kamuli.
42. Mr. Tom Musira, Kamuli Network of NGOs (KANENGO), Kamuli.
43. Mr. Moses Kyewalyanga, Kamuli Network of NGOs (KANENGO), Kamuli.
Annex 2: UDN Publications and Other Materials Used

Discussion Papers
2. **Foreign Aid and Africa’s Search for Improved Social Economic Performance**, by Prof. Jossey Bibangambah (2000); Discussion Paper No. 2
3. **Aid in Africa: Does Africa Deserve Aid Conditionality?** by Warren Nyamugasira (2001); Discussion Paper No. 3
7. **Poverty Reduction Strategy Papers (PRSPs) and Resource Allocation to the Health Sector** (2004); Discussion Paper No. 7

Review Papers

Research Reports
1. **Internal Management Issues as a Factor Contributing to Uganda’s External Debt Burden** (1997), Research Report No.1
4. **Dossier: Corruption in Uganda**(2001)

Workshop and Media Reports
1. **President Clinton’s Visit to Uganda Report on Media Advocacy Campaign** (1998)
5. **Civil Society regional Consultations on the PEAP: Summary of participants views** (2000)
7. **Community Based Monitoring and Evaluation System**, a pilot in Kamuli district, 2002

Other materials used
## Annex 3: Timeline of Events, Activities, and Milestones

<table>
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<tr>
<th>Year</th>
<th>Activity/Milestone</th>
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| 1996 | First DENIVA/AFRODAD workshop on debt relief  
      | Inception of Uganda Debt Network to campaign for debt relief under HIPC I |
| 1997 | PEAP formulated in Uganda |
| 1998 | Uganda reaches completion point under HIPC I  
      | UDN registered as an NGO and as a limited liability company  
      | Jubilee Debt Campaign launched in Uganda  
      | PAF set up as a mechanism to mobilize savings from debt relief for budgetary allocation and expenditure  
      | Civil Society Steering Committee on PAF Monitoring established under UDN coordination |
| 1999 | UDN facilitates formation of Monitoring Committees in 12 Districts to monitor PAF expenditures  
      | First assessment of PAF implementation in 2 districts  
      | Budget Advocacy Initiative started, focusing on MTEF and Budget Framework Paper  
      | UDN facilitates the formation of civil society Anti-Corruption Coalition |
| 2000 | First UDN Strategic Plan (2000-2002) approved  
      | First revision of the PEAP undertaken  
      | Anti-Corruption campaign carried out in 5 districts |
| 2001 | UDN introduces CBMES in 2 pilot districts  
      | Policy Review Newsletter distributed as supplement to New Vision newspaper every four months |
| 2003 | CBMES is scaled up to 3 new districts  
      | Funding base is doubled  
      | Second UDN Strategic Plan (2003-2005) approved  
      | Documentary on School Facilities Grant shown on TV and at the Consultative Group meeting  
      | Anti-Corruption murals painted in and outside Kampala  
      | Child participation campaign launched |
| 2004 | CBMES introduced in 2 additional districts  
      | Second revision of the PEAP undertaken  
      | Civil society Budget Advocacy Group established |
| 2005 | Policy Review Newsletter expanded to monthly editions of 45,000 copies  
      | CBMES introduced in 1 additional district |
Annex 4: UDN relationships

**Government**
- Prime Minister's Office
- Inspectorate of Government
- Ministry of Finance, Planning and Economic Development
- Auditor General
- Human Rights Commission
- Parliamentary Budget Office
- Public Accounts Committee
- Various Sector Working Groups (macro-economic, poverty eradication, PMA etc)
- Local Governments
- Inspector General of Gov’t
- Directorate of Ethics and Integrity
- Min of Education & Sports
- Min of Health

**Donors**
- CordAid
- Hivos
- Trocaire
- Christian Aid
- Irish Aid
- Oxfam-GB
- Dan Church Aid
- Embassy of Ireland
- DFID
- DANIDA
- Care International
- World Bank
- Concern Worldwide
- Netherlands Embassy

**International NGOs**
- International Budget Project
- IDASA
- AFRODAD
- EURODAD
- OXFAM International
- Action Aid
- Save the Children
- Christian Aid
- ESCRNet
- Action Aid
- IHRI Program

**Academia**
- Uganda Martyrs University
- Makerere University Business School
- Economic Policy Research Centre
- Mbarara University of Science and Technology
- Makerere Institute of Social Research
- Uganda Management Institute
- Centre for Basic Research
- Development Research and Training

**Community Monitoring Groups**
- In eight districts and 10 allied districts

**Media**
- Television: Wavah, Uganda TV, Top TV etc.
- Radio: Monitor FM, Simba, West, Empanga, Kinkiziz, Kyoga, Veritas, Radio One, CBS, etc.
- Newspaper: New Vision, Monitor, Weekly Observer etc.

**Domestic NGOs**
- Forum for Women in Democracy
- Oxfam GB
- Foundation for Human Rights Initiative
- Action for Development
- World Vision
- Action Aid

**Anti-Corruption Coalitions**
- Anti-corruption Coalition of Uganda
- Busoga Anti-Corruption Coalition
- Teso Anti-Corruption Coalition
- Eastern Region Anti-Corruption Coalition
- Rwenzori Anti-Corruption Coalition

**Civil Society Coalitions**
- Budget Advocacy Group
- Development Network of Voluntary Development Associations
- National NGO Forum
- Human Rights Network
- Uganda Women's Network
- Community Development Research Network
- Land Alliance

**Community Monitoring Groups**
- In eight districts and 10 allied districts