



The Netherlands in Uganda

Multi-Annual Country Strategy 2019 - 2022

Royal Netherlands Embassy in Uganda

Public version

Executive summary

The Netherlands aims to strengthen its bilateral cooperation with Uganda, in which the focus, parallel to the desired development of Uganda, gradually changes from aid to a broader, mutually benefiting, political, and economic and trade relationship. Uganda, being part of two unstable regions, i.e. the Great Lakes and the Horn of Africa, enjoys relative political stability. Uganda is an important player in both regions. It contributes considerably to peacekeeping missions, and plays a mediating role in establishing political stability in South Sudan and Burundi. Moreover, Uganda is now the largest refugee-hosting country in Africa, with a progressive open door policy for refugees mainly coming from South Sudan and DRC. Uganda's governance landscape shows both positive and negative trends. The political system is increasingly under pressure, though not yet threatening its stability. Civil society is vibrant but faces a shrinking space to promote democratic governance and human rights. Certain groups including refugees, LGBTI and ethnic minorities remain vulnerable to prejudice and exclusion. Uganda has a stable macroeconomic policy and a favourable medium term economic outlook. Economic growth in the coming years is expected to be at around 6%. The business climate is slowly improving and it is expected that bilateral trade will increase, with Uganda having a trade surplus with the Netherlands.

However, the impact of this economic growth on poverty reduction is limited due to the population growth rate of more than 3%. Uganda has to transform and increase the agricultural productivity and has to address the impacts of climate change. The rapidly growing population exacerbates high levels of youth unemployment and amplifies pressures on social, natural and other resources. If not adequately addressed, these issues might lead to an expanding cohort of young and marginalized Ugandans unable to realize their prospects of a future that includes employment, education, equal opportunities and security. This will also challenge Uganda's ambition to reach middle-income status and key sustainable development objectives to reduce poverty levels and to create modern jobs as stipulated in Uganda's Vision 2040. Although various good policies and development plans are in place, implementation is lagging behind due to weak government performance, corruption, inefficiency and lack of an effective public investment management system.

The Netherlands is committed to contribute to the inclusive, legitimate and sustainable development of Uganda, in line with Vision 2040 of the Ugandan Government, by enhancing in partnership with the Government of Uganda of the active and constructive involvement of the private sector and civil society. This Netherlands' Multi Annual Country Strategy 2019 – 2022 for Uganda aims to contribute to the continued development of a stable and democratic Uganda, through increased democratic governance, improved SRHR services, more resilient food systems, higher youth employment and an enhanced trade and investment relationship, which all contribute positively to regional stability.

1. Analysis

1.1 Developments in Uganda

The broader region

Uganda is part of the **Great Lakes region**, but equally involved in the **Horn of Africa**. It plays, as a relative beacon of stability, an important role in these turbulent regions. South Sudan, DRC and Burundi are neighbouring countries with active conflicts. The volatile situation in eastern DRC and threat of violence along its borders is a big concern for Uganda. Given the negative impact of regional instability on Uganda's economy and society, Uganda continues to play an active diplomatic role in South Sudan and in Burundi as a mediator in the internal conflict. Uganda is also involved in peacekeeping in Somalia, contributing more than 7000 soldiers to the AU mission AMISOM. From time to time tensions occur with Rwanda, with accusations of meddling in each other's internal affairs resurfacing on a regular basis.

Currently, the biggest impact of regional instability is the enormous influx of refugees. Uganda has become one of the **largest refugee-hosting countries** in Africa, hosting currently more than a million refugees¹ from South Sudan, Burundi and DRC. Uganda rightfully receives a lot of praise for the way in which this shelter is organized: refugees have the right to allocation of land for residential and agricultural use, the right to public social services, the right to engage in income-generating activities, as well as freedom of movement. Uganda is implementing the *Comprehensive Refugee Response Framework* (CRRF) aimed at strengthening the resilience and self-reliance of host communities and refugees through multi-sector and coordinated interventions that involve both refugees and the host communities. However, the large influx of refugees is putting a strain on access to land, on education systems and on health and specifically SRHR services. UN Women found that 68% of women in refugee settlements suffer from **psychological trauma**. The breakdown of structures, forced displacement of people and separation of families have increased the prevalence of gender-based violence in the refugee settlements. In terms of food security, the situation brings about a high demand for food and new market opportunities for producers. Moreover, due to increased pressure on natural resources in the respective refugee areas, vulnerability to climate change impacts has been aggravated. The positive image had been further tainted by a corruption scandal including the overestimation of the numbers of refugees and supposedly committed fraud; nevertheless, this is currently being addressed in a seemingly serious way. It is also expected that Uganda will retain its open-door policy towards refugees, which also gives the government influence among its regional partners.

The other important regional dimension is economic integration. Uganda is an active member of the **East African Community (EAC)**, a trading block comprising of Kenya, Tanzania, Rwanda, Burundi and South Sudan. The EAC has a total market size of 168 million consumers. The EAC as a whole had a robust economic growth rate of 5.9% in 2017. The main drivers of economic growth are agriculture and industry with growth rates of 5% and 10.5% respectively. Enhanced regional integration and potential exploitation of the oil and gas discoveries in Uganda, Kenya and Tanzania, might offer growth opportunities. In addition, urbanization and development of ICT may support industrialization and structural transformation, given an appropriate economic policy environment. Trade between EAC member states is projected to grow, however protectionist tendencies are also on the rise in this part of the world.

Political trends

President Museveni and the National Resistance Movement (NRM) have been in power since 1986. Since then, the regime has provided stability and economic growth, often cited as the main reasons behind continued regime popularity and sustainability. However, these arguments resonate less and less with the younger generation. Uganda currently has the second youngest population in the world with over 78% below 30 years. A huge number of youth is entering every year into the job market to compete for a limited number of jobs. The youth in Uganda will play a significant role in shaping Uganda's social, political and economic policy landscape.

¹ According to current counting even 1.5 million. A current recount will give a more accurate figure with is expected to result in a lower figure.

Development efforts should acknowledge the youth's significant potential and seek to create substantive roles for youth to engage in peace- building and civic activities, allowing them to build confidence, leadership skills, and empowerment.

Corruption is a global concern that has caused wide-reaching damages and requires the attention of all stakeholders because of its detrimental effects on economic development, social welfare and political prospects. In Uganda it has caused loss of government revenue, slowed economic development, increased the tax burden and reduced the quality of government services. Corruption undermines democracy and good governance, obstructs justice and creates inefficiencies in public expenditure. As awareness of the negative effects of corruption has grown, so too have both internal political factors and external pressures from aid donors increased in order to push for fundamental change in this respect. Internal pressures stem from a growing desire by the public to demand accountability from those in government. In terms of the donors, many have stipulated specific conditions relating to a good governance agenda based upon adherence to public integrity and minimum standards of public conduct. While corruption is still a high risk factor in Uganda, some gains have resulted in systems strengthening and provision of innovative solutions to the endemic challenges of corruption.

Uganda has had 8 presidents since its independence in 1962, while the current president Yoweri Museveni has been in power for 33 years now. While it is a practicing democracy, the country has not yet experienced a peaceful transition of power. There is increased interest by the citizens in their civic duty and elections, which is illustrated by heightened political activism and excitement across the country. Looking ahead, both key government institutions and civil society continue to play a key role in raising public awareness and informing Ugandan women and men of their rights and providing legal advice and assistance. In addition, there is **relative press freedom** but increasing pressure has resulted in a degree of (self-) censorship and diminishing capacity for the press to act as a watchdog. Online and offline **freedom of expression** remains important but increasingly challenging. Uganda presents a mixed picture when it comes to **human rights**. At its latest Universal Periodic Review (November 2016), Uganda was commended for developing a *National Action Plan on Human Rights*, for establishing an *Equal Opportunities Commission* and for enacting the *Prevention and Prohibition of Torture Act* in 2012. However, as documented by the Uganda Human Rights Commission, fundamental rights such as the freedom of expression, assembly and association continue to be violated and torture occurs too often, not least by the security apparatus, with the police as the main human rights violator. The position of human rights defenders – including human rights defenders organizations – has become increasingly critical over the last few years, also because of the influx of human rights defenders from abroad (Burundi, DRC, South Sudan, Somalia and Eritrea), facing harassment and intimidation from the secret services from their respective countries. Also Ugandan human rights defenders are facing challenges in terms of safety and security as documented in the annual reports of the Ugandan Human Rights Commission.

Uganda has a model of **decentralization and local governance** in law. However, the practice of governing is complicated by overlapping authorities and multiple bodies governing in the same space. The social contract between the State and its citizens is getting weaker, mainly due to increasingly poor performance of delivery of public social and judicial services. Hence, confidence in the State and its institutions – such as the security agencies and the courts - is low as evidenced in recently conducted surveys. Even though Uganda is being portrayed as a peaceful and stable country, many 'unresolved' incidents over the last few years have demonstrated that **human security** is increasingly under threat, not only for activists and political opponents but also for Uganda's citizens and for women and girls in particular. Violence against women is on the rise and requires a more effective response from the State whose constitutional responsibility is the protection of its citizens. At the same time, the voices for real independence and autonomy of the **judiciary**, as well as for accountability of the security forces, are getting stronger and deserve our support.

Discrimination also remains a challenge for minority groups, including sexual minorities and the **LGBTI** community. The Constitution of Uganda has several provisions that guarantee equality, the right of all persons to respect and human dignity. It also prohibits discrimination against all persons and stipulates that the State shall take affirmative action in favor of marginalized groups. However, there are several sections within the Ugandan Penal Code that can and have been applied against LGBTI persons. Social attitudes towards same-sex relationships are extremely conservative.

The Government of Uganda has put in place favourable legislative and institutional mechanism to advance **gender equality and women's rights**. As a result, participation of girls in primary and secondary education and political participation of women have increased. Overall primary school net enrolment is 80% for girls and 78% for boys). Secondary school net enrolment is 28%, (girls 29% and boys 27%). Women hold 32% of seats in parliament, 42% of cabinet ministers and 21% of decision-making positions within public service. However, the persistence of patriarchal values and deep-rooted stereotypes are still formal and informal structural barriers, hampering progress in control of assets, employment and health. Addressing gender inequalities and gender injustices remain critical. According to UN and the World Bank, lack of gender equality has a detrimental effect on economic development in Uganda. Limited gender equality increases the risk of unequal and unsustainable economic progress and reduces the quality of life. Strong perceptions of what constitutes appropriate gender roles limits Uganda's progress in reducing gender inequalities and accounts for lower female earnings, partly due to unequal access to land and capital.

The views on the **International Criminal Court** (ICC) are mixed. The Government has often criticized the ICC and at the same time, there is appreciation of the outreach activities of the ICC in Uganda. Due to those activities, people are much better informed about the trial of Mr Ongwen in The Hague than about the trial of his LRA accomplice, Mr Kwoyelo in Gulu. The visits of ICC delegations to Northern Uganda as well as the visits of delegations from Northern Uganda to The Hague have been effective in terms of conveying the message that the ICC is not only looking at the accusations and the truth, but also equally concerned about the victims and their compensation.

Social progress

Over the years, Uganda has made progress in some aspects of **Sexual and Reproductive Health and Rights**. Infant and child mortality significantly dropped and maternal mortality is slowly reducing. The declines in child and maternal mortality together with successes in the management of killer diseases have contributed to a spectacular increase in life expectancy, from 47 years of age in 2000 to 60 in 2015. Despite declining birth rates (from an average of 7 children per woman in the early nineties to 5.4 today), the annual **population growth rate of 3%** is still very high and above the average of sub-Saharan Africa (2.7%). At this rate, Uganda's population is expected to increase from 38.8 million to 53.7 million by 2025 and 103 million by 2050. It is very unlikely that economic growth and public services will be able to keep up with this high population growth.

These demographic trends have resulted in the country's **very young population**: almost half of the population (48%) is younger than 15 years, and about 75% is younger than 30 years. This age structure, rapidly growing population and consequential high dependency burden is a threat to socio-economic development. To this effect, the government has approved a new national population policy (NPP III 2018), which emphasizes accelerated reductions in fertility and mortality and strategic investments in young people, with the ultimate aim to have a future labour force that is well educated, skilled, healthy and economically engaged, so the country can reap from the possible demographic dividend. It will be extremely difficult to reap the demographic dividend unless the low performing SRHR indicators are addressed including high unmet need for contraception, teenage pregnancy that has stagnated at 25%, and underage marriage (49% of Ugandan girls being married before they are 18 years old). Therefore, increasing access to sexuality education, youth friendly SRH/HIV services and elimination of all forms of harmful practices against children and young people, including child marriage, is essential for the country's overall economic development.

Uganda has over time achieved good progress in the **fight against the HIV/AIDS pandemic** and reduced the prevalence of the disease in the general population from 18% in the early 1990s to 6.2% in 2017. However, HIV/AIDS in Uganda is higher in urban areas (7.5%) than rural areas (5.8%), and higher in women (7.6%) than men (4.7%). Furthermore, the HIV/AIDS burden among key populations calls for increased attention to the sexual and reproductive health and rights of these groups.

Public expenditures on education and healthcare and on social security programs are low in comparison with other countries in sub-Saharan Africa. Scores on social indicators are deteriorating. Access to quality Healthcare remains a challenge. Despite rapidly increasing population, domestic financing for healthcare has remained

lower than recommended 15% of the national budget, with out of pocket expenditures on health being unacceptably high. The government has made primary and secondary education free of charge, but it has not allocated the necessary budgets to accommodate the sharp increase in educational participation. As a result, the quality of the education has declined. The education participation at secondary level is low and vocational education does not match the demands of the labour market. In recent years, government has shifted spending from social sectors to infrastructure, aimed at oil extraction. The idea is to use future oil income for social spending. The oil income estimates are very optimistic however, and the projects are marred by delays.

Economic overview

The economy has grown at a slower pace recently, reducing its impact on poverty. **Average annual growth was 4.5%** in the five years before 2017, compared to the 8% achieved during the previous decade. This economic growth slowdown is attributed to domestic and external factors: low production efficiency and a slowdown in global economic growth rates respectively. Economic performance exceeds the average growth rates for subSaharan Africa but falls short of Uganda's medium to long term national aspirations to achieve **lower middleincome status** by 2020 and upper middle-income status by 2040. Economic growth has not been accompanied by a similar growth in labour demand. The growth in labour supply amounts to almost 5% per year, while the demand for labour only increases to a limited extent. The result is high (hidden) unemployment, especially among the youth. Many young people have jobs in agriculture or in the informal services sector, with an income that is too low to rise above the poverty line.

Overall, economic growth has had a positive effect on poverty levels in the country. The proportion of the Ugandan population living below the national poverty line declined from 31.1% in 2006 to 19.7% in 2013. However, taking into account the **high population growth** in Uganda, the economy's average annual growth over the last 5 years amounts to only about 1% in per capita terms. And worryingly, despite growth, the recent Uganda Population and Household survey indicates that the proportion of the population living in poverty increased from 20% to 27% during the period 2012 and 2017. Poverty in rural areas is more than twice as high as urban poverty. Almost 90% of the extremely poor population has a breadwinner who works in (subsistence) agriculture.

Uganda continues to maintain **macroeconomic stability** with low inflation rates, a stable balance of payments position, a broadly stable foreign exchange rate and adequate foreign exchange reserves. The Government's economic policies are expected to remain focused on keeping inflation low and boosting growth. Priority areas are agriculture production and productivity, unlocking Uganda's tourism potential, human capital and skills development, improving good governance, and last but not least, effective development and maintenance of infrastructure. While macroeconomic performance in Uganda is generally sound, the government is primarily financing infrastructure development with external and increasingly non-concessional loans. This has led to an increase in public debt to almost 40% of GDP. While this is relatively low compared to international standards, servicing the debt consumes a significant and rising share of the national budget, and has resulted in lowered credit ratings. Government **revenues are low** (14% of the National Income, IMF) due to inefficient tax collection, tax exemptions, corruption and the informal nature of a large part of the economy. Implementation of government policies is slow. Local communities have few possibilities to levy their own taxes, while corruption also hinders effective tax collection at that level.

Uganda has significant **oil and gas reserves**, especially along the western rift valley that border Eastern DRC that has led to substantial foreign direct investments over the last several years. The Government of Uganda is investing heavily in infrastructure and is consequently reducing its investments in social sectors (health, education, tourism etc.). While the exploration of oil might bring interesting opportunities to Uganda, it also entails various economic (Dutch disease, corruption) and environmental risks to the country. This infant sector remains a center of attention mainly due to the political economy dynamics driving the decisions on exploration, signing of concessions and expenditures of oil proceeds. Oil has seldom been a blessing in Africa, and chances are high Uganda will follow the same path.

Uganda's exports have been increasing over the years although sustained supply and quality remain key barriers. The share of exports in the national income rose from 11% in 2000 to 19% in 2017. Export diversification remains

a key component of the trade policy reform, and the efforts are yielding some positive results. The top export products are gold, coffee, raw tobacco, fish and dairy. In addition, export products such as tea, cocoa beans, cut flowers and processed food has increased. Top imports are refined petroleum, packaged medicaments, palm oil, cars and delivery trucks². If products from Uganda are to effectively compete in the East African regional market and world market, the products need to be of good quality (according to international standards), competitively priced and produced in a timely manner in the required quantities to ensure predictability and reliability of delivery to consumers. **Uganda's imports** have grown much faster than exports creating a trade imbalance. In 2016, Uganda exported USD 2.85 billion and imported USD 4.81 billion worth of goods and services, a trade deficit that Uganda wants to bridge. From a policy angle, current actors benefit from a range of trade liberalization reforms undertaken over the last decades, especially targeting reduction in tariffs, rationalization of tariff bands, substantial reduction in non-tariff barriers, and pursuit of regionalism and multilateralism.

In 2017, the **East African Community** remained the main destination for Uganda exports, followed by European Union. Amongst the large trading partners, Uganda only had a trade surplus with the EU. Trade with China is much skewed. In 2017, China exported \$ 815 million. To Uganda, while Uganda's exports to China were a meagre \$ 30 million. With the Ugandan authorities increasingly turning away from Western partners, who are perceived as cumbersome with their attention to good governance and corruption, economic ties with China will probably be strengthened further, with a focus on key minerals, infrastructure and trade in finished goods. Chinese investments often take the form of loans. As a result, a quarter of Uganda's foreign debt is now to China and this percentage will increase. The trade flows between the **Netherlands and Uganda** is increasing, although still relatively limited. In 2017, Uganda exported close to USD 100 million worth of goods to the Netherlands and imported from The Netherlands USD for 53 million. The Netherlands Uganda Trade and Investment Platform (NUTIP) is one of the vehicles to strengthen business linkages between Uganda and the Netherlands. Some of the challenges faced by Dutch companies in Uganda are related to corruption and fraud risks, limited purchasing power of customers and high interest rates of commercial loans. Other challenges are the lack of skilled labour force and sometimes the lack of clarity and changing rules of the Uganda Revenue Authority. The informality of Uganda's private sector can also make business difficult.

Government policy has focused on developing export-led growth and providing an enabling environment. The current **business climate** in Uganda, with high corruption rates, limited infrastructure and weak government institutions, leaves much to be desired. Uganda is ranked 122 among 190 economies for ease of doing business, according to the latest World Bank annual ratings. The lowest ranks were in the indicators related to access to and cost of electricity followed by the procedures for starting a business. Corruption remains a big challenge and is a major cause of spillage and loss of public resources. This is reflected in the Corruption Perceptions Index 2017 of Transparency International, where Uganda ranks 151 of the 180 countries being evaluated. Furthermore, tariff and non-tariff barriers, although reducing over time, remain significant. Transactional costs are still high due to poor transportation networks.

The services and construction sectors dominate Uganda's new economy, while the manufacturing sector grows much more slowly. Despite ongoing economic transformation, the economy mainly remains based on the agriculture and services sectors.

Agriculture and food security

The agriculture sector is served as the **main engine of sustainable and inclusive growth**. It provides 68% of the population with income and jobs, generates 25% of GDP and 50% of export earnings. The forecast is that agricultural output is expected to grow from a 2-3% level during the past 5 years, to around 5.6% by 2020. However, this does not account for the expected adverse impacts of climate change and extreme weather events on agricultural production and water resources.

The agricultural sector is dominated by **small holders** (with average farm size 0.8 -1.6 hectares and declining), a relatively ageing farming population and low levels of technology use, even compared to the region. Total Factor Productivity has been negative for the last two decades. This indicates the need and the huge potential for

² <https://atlas.media.mit.edu/en/profile/country/uga/>

improvement of productivity. Labour productivity in agriculture (output per worker per year) is estimated at 13% of workers in other sectors. Opportunities in increasing labour productivity per acreage, extending the cropping season and increasing access to wage employment in non-agricultural sectors are key. Fragmentation of land due to inheritance is continuing, leading to a reduction of size of average land holdings. Moreover, there is low security of land tenure, which is an important constraint to investment in agriculture and farms. Women's access to land is low and cultural practices on land possession are not favourable for women.

The business environment for agriculture is a challenge with poor infrastructure and high transportation costs (though improving), high costs of capital (22% interest), lack of regulation and enforcement (leading to low quality agricultural inputs, pest and diseases occurrence and derived export earnings), lack of transparency in tax and registration procedures, weak producers' organizations and poor connectivity between producers and service providers in the sector. The majority of the producers sell low value, unprocessed primary commodities due to lack of storage facilities and financial resources to add value.

More than 30% of the total population faces some level of **chronic food insecurity**. Undernourishment affects 15% of the population, a proportion which has decreased over the last decade but recently, for the first time in years, **malnutrition figures are increasing again**. On average, four out of every ten Ugandans are unable to meet the required dietary intake. Although some progress has been made, almost one-third of children under 5 years in Uganda are stunted. The multifaceted nature of food insecurity and malnutrition results in a weak link between production of food and consumption of (quality) food.

Though **youth unemployment** is high, the youth generally has a negative image of working in the agricultural sector. A 2016 survey revealed that only 12% of youth, both from urban and rural areas, wanted to become a farmer. The returns in farming are not immediate and production methods remain inefficient and back-breaking. The result is that majority of the youth are migrating to urban centres, though with no alternative skills for survival the odds are stacked against them.

Most government agricultural **policies**, though not perfect, are workable. Poor implementation due to institutional weaknesses is the major bottleneck. There is a fragmented set of agricultural institutions with overlapping or unclear responsibilities, lack of coordination among agriculture-related ministries and agencies, strong political interferences, inconsistencies between policy and implementation (e.g. policy for commercialization of agriculture versus top-down interventions and market distortion), and insufficient attention to regulation, quality control and enforcement.

The budget allocation to Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) is between 3-4% of the overall government budget. There are numerous players active in the food and agribusiness sector, including donors, NGOs, knowledge institutions and companies. Most of the bilateral donors' project support specific components of the sector and only the multilaterals work directly through the government. The near absence of sectoral budget support and the prevalence of off budget, project-based development intervention in the sector, have diluted strategic policy dialogue with the ministry. The dialogue is characterized by information sharing and to some extent coordination.

Climate Change

Uganda continues to feel the **effects of climate change**. In 2016-2017, record temperatures and drought conditions were experienced across the country, with more than 11 million people facing food shortages by the end of 2016. In 2017 and 2018, these conditions were followed by severe flooding in parts of the country leading to displacement of people, damage to key infrastructure and agricultural losses. Such conditions will increasingly become the norm in Uganda, as it is likely that as well as rising temperatures, more hot days and drier dry seasons, there will be more extreme rainfall leading to flooding and landslides over the region by 2050. While Uganda is a low greenhouse gas emissions country (in the bottom 7%), it is ranked as the 14th most vulnerable country to climate change.

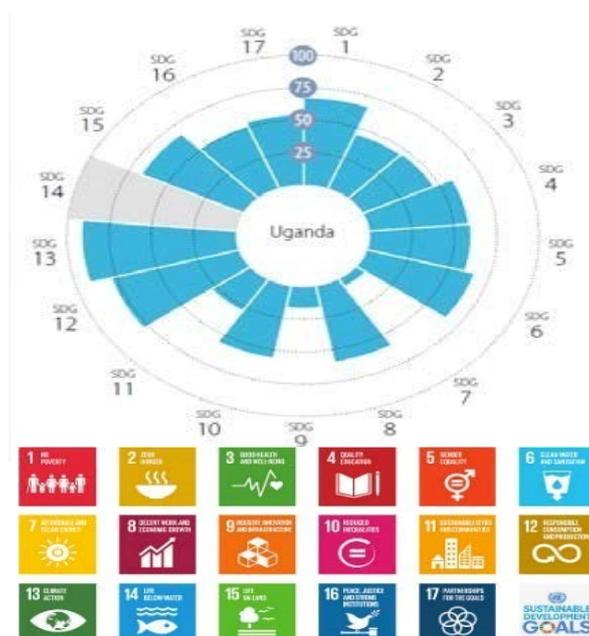
This means Uganda is one of the countries where people, livelihoods, ecosystems, resources and infrastructure assets are particularly sensitive to the effects of climate change and extreme weather events and these tend to

be located in areas that are the most exposed. Stress on ground- and surface water resources will likely become increasingly compounded in Uganda, with more frequent and severe droughts negatively impacting on water supply, quality and hydropower generation. Rising temperatures and increased frequency, duration and intensity of extreme droughts and floods will continue to lead to losses in crop and livestock productivity and yields, with implications for food security, rural livelihoods and key export value chains. However, new technologies, innovations and sources of finance are beginning to contribute to greener growth and more climate-resilient economic development in Uganda. For example, there is ongoing progress on increasing access to clean energy at household level, through clean cook stoves and solar home systems, and at sectoral level with investment in hydropower and large-scale solar infrastructure. Nonetheless, rising demand from a growing population and growing per capita consumption remains a challenge. Only 27% of the population has access to electricity and only 1% to clean cooking solutions. The economy is not energy efficient and uses almost double the amount of energy per unit of GDP as the world average. At the same time, Uganda is embarking on significant minerals and oil development across the country, which will need to be balanced carefully with green growth ambitions and commitments to Agenda 2030, including the Paris Agreement and SDGs.

Achieving the SDG's

Uganda ranks 163 out of the 185 nations in the 2016 United Nations Human Development Report. In terms of Sustainable Development Goals (SDGs), its current rank is 129 of 157 with an overall performance index of 52.9, slightly above the regional average score of 51.4.

The current National Development Plan II (NDP II: 2015 – 2020) was developed in parallel with the development of the SDGs. At strategic level, the NDP II has 'localised' the SDGs with an alignment rate of 69%. The process of aligning sector development plans and local government plans to the NDP II is ongoing. The Government of Uganda has established monitoring systems and relevant structures to oversee and communicate implementation as part of the National SDG Coordination Framework, which will be operationalised through a National SDG Roadmap. Availability and reliability of data within the current statistical framework remains a challenge.



1.2 The national and the international playing field in Uganda

The development priorities of the Government of Uganda are expressed in NDP II, which is the second of six five-year plans that will be developed to align with **Uganda's Vision 2040**. The key priority areas in NDP II are related to infrastructure development, commercialization of the agricultural sector and promotion of tourism. It gives less priority to social service delivery (education, health, water and sanitation) and good governance, though it stresses that a conducive enabling environment is key to a competitive economy. The Medium Term Expenditure Framework (MTEF) is not well aligned to the strategic objectives in the NDP and some development priorities in the NDP II are underfunded or not funded at all. The actual allocations in the annual budgets often differ from what is stated in both the MTEF and the NDP. This has implications for the achievement of Vision 2040 and NDP II objectives.

Official Development Assistance to Uganda has been constant at an average level of about USD 1.7 billion per year (OECD/DAC). The bilateral aid amounts to about USD 1 billion per year. Uganda's dependency on official development assistance (ODA) has reduced in recent years from about 50% of the budget a decade ago to about 25% today. The actual ODA contribution in the form of grants stands at 5.7% of the Government budget. Nonetheless, ODA remains an important source of financial resources for Uganda and plays an important role in efforts to reduce poverty and promote prosperity.

Uganda has a **large bilateral and multilateral donor community** including the World Bank and the United Nations agencies, USAID, DFID, the EU, including its member states, and Japan as the largest bilateral donors. In addition, there are thousands of international and local non-governmental, private-voluntary and faith-based organizations carrying out development activities at various scales. China's role in Uganda is (visibly) increasing. Many, but not all, large infrastructure projects go to Chinese companies. Most of these projects are financed with loans with external debt rising steadily as a result. India is very active, with a substantial Indian (business) community with deep roots in the country, and South Korea, the Gulf States, Turkey, Egypt (with a singular focus on the Nile Basin) and Israel have a variety of interests in Uganda.

The **EU Delegation and the EU Member States** have agreed where possible to work together **towards joint programming**. Joint analysis, identification of priority sectors, exchange of information and discussions on division of labour will be the basis for joint programming. The political dialogue (Article 8 Dialogue) will continue to be conducted together with the EU partners with the President and Prime Minister and relevant ministers. Donors are organized in the **Local Development Partners Group (LDPG)**, a group of EU donors, other major donors and the UN organizations. The LDPG annually organizes the National Development Forum, a political consultation with the Prime Minister and a technical consultation with the Permanent Secretary (PS) of the Ministry of Finance.

However, just like in many other countries, **harmonization and alignment** have declined sharply in Uganda in recent years. Today, few development partners provide on-budget development assistance with even fewer providing general and sector budget support. Because of this, the dialogue between the Government of Uganda and Development Partners is less frequent and robust compared to five years ago, and it is no longer based on an overall joint results framework. Nevertheless, in some sectors (water and environment, justice, law and order and public sector reforms) the dialogue with the government and coordination among development partners is stronger, including in some cases with joint programming.

1.3 The Netherlands In Uganda

The Netherlands has maintained a development relationship with Uganda since 1991. The last Multi Annual Strategic Plan focussed on supporting inclusive growth by rule of law and sustainable entrepreneurship in which a transitional agenda with a gradual shift from 'aid' to 'trade' was introduced. In the development of the new Multi Annual Country Strategy, the major lessons from the previous strategy have been taken into account. The orientation towards an Aid and Trade relationship between Uganda and the Netherlands has given interesting opportunities for both our trade and investment portfolio as well as for our support to strengthen the agriculture sector in Uganda, making use of Dutch knowledge and expertise in the sector and linking them to (Dutch) business opportunities. This expertise and the long-standing experiences and collaboration in the Justice, Law and Order (JLOS) sector, which comprises of 18 institutions has also given the Netherlands credibility and advantage to pursue the JLOS Reform Agenda. This has resulted in the establishment of a complete chain of frontline JLOS service points in 87 out of the 122 Districts. Nevertheless, challenges remain including assuring an increased accountability and credibility of the various JLOS institutions. The two-pronged approach of supporting JLOS and civil society efforts to increase rights awareness and access to justice facilitated institutional and legal reform as well as increased access to justice. Thanks to the increased collaboration of centrally funded strategic partnerships with the embassy, the Netherlands has also gained in a relatively short period a position with regard to the SRHR agenda. The previous program has been a compact program with a specific focus on Rule of Law and Food Security and a clear link of the Food Security Program with Trade & Investment opportunities. Working in close collaboration with other development partners and intensifying the dialogue with well-functioning government bodies will create possibilities for scaling up and further increasing the impact of our interventions.

This new Multi Annual Country Strategy (MACS) has been designed based on a number of **assessments and analyses** and through **various consultative meetings** involving Ugandan stakeholders, implementing and strategic partners of the embassy, the private sector and Ugandan and Dutch schoolchildren.

The new MACS is embedded in the new Dutch policy on foreign trade and development cooperation, "**Investing in Global Prospects**", focusing on preventing conflicts and combating instability and insecurity. The 17 Sustainable Development Goals (SDGs) for 2030, as agreed by the United Nations, are the international guideline for the Dutch policy. Uganda, being part of the Great Lakes Region is as such involved in the Great Lakes Region Program. Given Uganda's special involvement in developments in the Horn of Africa, it has also been included in the Horn of Africa Regional Strategy. Furthermore, the new MACS takes into account the central objectives of the Joint Foreign and Security Strategy of The Netherlands: Prevention, Defending and Strengthening as well as the integrated migration policy note are important policy frameworks for the new MACS for Uganda. The agribusiness component is building on the Sustainable Agrofood Export policy note from the Ministry of Agriculture.

The Netherlands and Uganda maintain a **good relationship** founded on decades of cooperation. The Netherlands is seen as an important and reliable partner in Aid and Trade, agriculture and agribusiness, Rule of Law and SRHR. In addition to the interventions by the embassy, a multitude of NGOs, strategic partnerships and international organisations implement activities in Uganda (co)-financed by the Netherlands. An increasing number of mainly Dutch small and medium enterprises (SME's) are finding their way to Uganda, making use of the services of the embassy and the various instruments of The Netherlands Enterprise Agency (RVO).

2. Dutch objectives and strategy in Uganda

Vision	An inclusive, legitimate and sustainable development of Uganda, in line with Vision 2040 of the Ugandan Government.
Mission	Strengthen bilateral relationship, in which the focus gradually changes from aid to a broader mutually benefiting political, economic and trade relationship in parallel to the development of Uganda.

In line with the time horizon of the Sustainable Development Goals, the long term goal of The Netherlands is to support Uganda towards an inclusive, effective and sustainable governance and development, which improves the prospects for all Ugandans and which is heading towards middle-income status, while playing a stabilizing role in the region. This will require a joint effort to strengthen alliances, initiatives and processes that support and move Uganda towards the longer-term aspirations reflected in Uganda’s Vision 2040.

As described in chapter 1, various major challenges have to be addressed to unlock the enormous potential and opportunities in Uganda. The stable macroeconomic policy and favourable medium term economic outlook, the vital and energetic population with an entrepreneurial spirit and the untapped potentials in the agricultural and other sectors are some of those opportunities to which we would like to link the ambition of this MACS. These opportunities may also strengthen the bilateral relationship between Uganda and the Netherlands. However to be able to exploit these opportunities, it is important to empower Ugandan citizens to engage in improved democratic governance and to enhance security and rule of law. At the same time, it is necessary to address the high population growth and reduce unmet needs for contraception, maternal mortality, new HIV infections and sexual- and gender-based violence, to tackle high (hidden) youth unemployment and find ways to increase food and nutrition security to accelerate the slow economic transition. In addition, we believe that an increased Dutch-Ugandan investment and trade portfolio that is socially and environmentally responsible can contribute to inclusive growth and sustainable development. Finally, it is important to support Uganda to contribute positively to stability in the Great Lakes and the Horn of Africa regions.

To reach the envisaged long-term impact towards 2030 and beyond, the new Multi Annual Country Strategy 2019 - 2022 aims to contribute to the continued development of a stable and democratic Uganda with respect for human rights. To contribute towards the continued development of Uganda and its ambition to become a middle-income country, the Netherlands will, from a rights-based approach, continue to support democratic governance and strengthened rule of law. Given the demographic dynamics and the expertise and experiences in the Netherlands, more emphasis will be given in the new MACS on supporting the improvement of SRHR services. With Dutch expertise in agriculture, continued support will be given towards more resilient food systems and the commercialization of the agricultural sector as an important engine for the Ugandan economy and to assure better food security. The Netherlands has the ambition to further increase Dutch-Ugandan investment and trade, in a way that is socially and environmentally responsible and will contribute to inclusive growth. Furthermore, the Netherlands supports Uganda’s hosting of refugees from the region and encourage Uganda to play a positive role in regional stability. Specific attention will be given to women’s rights and gender equality, climate change and the humanitarian-development nexus. Skills training and capacity development will also be integrated in the various sectors.

Therefore the following policy priorities and priority areas for interventions, related to the Netherlands policy framework for Uganda (the *'bolletjes'*), have been identified:

- Peace, security, stability and migration (incl. Rule of Law);
- Social Progress (incl. SRHR and Gender Equity & Women's rights);
- Sustainable development, food security and climate change;
- Sustainable trade and investment; and
- International legal order, human rights and host country policy.



For the various pillars of the MACS, **ultimate outcomes** have been formulated to which interventions eventually have to contribute, as well as a number of **intermediate outcomes**, which ideally will be realized within the period of this country strategy. These intermediate outcomes are related to the broader Thematic Result Frameworks of the Netherlands Ministry of Foreign Affairs. The intermediate outcomes and the related indicators provide guidance for the results to be achieved by Dutch (co-)funded programs and interventions under the period covered by this MACs, irrespective of whether they are funded centrally or through delegated funds.

Guiding Principles

This MACS provides a multi-year framework for the Netherlands' interventions in Uganda. It is a country strategy that guides all Dutch efforts on foreign trade and international cooperation policy objectives, regardless implementation modalities. In addition to the above considerations, the country strategy has been formulated based on the following principles:

- Since Uganda is part of the Great Lakes Region and the Horn of Africa, the main intervention rationale is also related to the overall goals of the Multi Annual Great Lakes Regional Strategy and embedded in the Horn of Africa Strategy.
- All activities will align as closely as possible with Ugandan development agendas and priorities, mainly Vision 2040, the National Development Plans and the various sector policies.
- It is also crucial to ensure the alignment between centrally funded activities and delegated funds at the level of the embassy. New strategic partnerships and other new demand-driven instruments from the Netherlands available for Uganda should be aligned with the priorities identified in this MACS.
- To assure the right balance within the Dutch Aid and Trade agenda for Uganda, the strategy strives for adequate policy coherence amongst the different pillars and identifies linkages and synergies between them. • Working from a results based management approach requires a good focus on the agreed outcomes, but also ensuring broad and inclusive stakeholder engagement throughout the program cycle, including with the various departments within the Netherlands Ministry of Foreign Affairs in The Hague.

2030 Impact		A Uganda where governance and development are inclusive, effective and sustainable, improving the prospects for its population and heading for middle-income status, while playing a stabilizing role in the region.				
5 Year Goal		Contribute to the continued development of a stable and democratic Uganda, through an increased democratic governance, improved SRHR services, more resilient food systems, increased youth employment and enhanced trade and investment relationship, which all contribute positively to regional stability.				
Ultimate Outcome		Peace, Security, Stability & migration	Social Progress	Sustainable development, food security, water & climate	Sustainable trade & investment	Regional Collaboratio
Intermediate Outcome		Ugandan citizens better able to access their rights through fair, efficient, impartial, independent and accountable governance institutions.	Ugandan citizens have increased access to and utilization of SRHR services that meet their needs.	Ugandans have increased Food and Nutrition Security (FNS) through more resilient Food Systems.	Increased Dutch-Ugandan investments and trade that is socially and environmentally responsible and contributing to inclusive growth.	Uganda contributes positively to regional stability in the Great Lakes and the Horn of Africa regions.
		Rule of Law and access to justice enhanced for all citizens.	Ugandans young people are better informed to make healthy sexual and reproductive health choices and utilize services that meet their needs.	People's nutrition improved.	Dutch-Ugandan Trade and Investment enhanced.	Better regional cooperation in the Great Lake Region.
		Security of Ugandans enhanced.	Strengthened health systems (public/private) offer improved and equitable access to family planning, pregnancy and childbirth services.	Economic performance and resilience of farming systems increased.	Local SME's strengthened to become investment and technology-ready and potential partners for Dutch companies.	
		(Local) Governance more inclusive and accountable.	More respect for sexual and reproductive rights for all.	Quality of private sector development for FNS improved.	Improved business climate for Dutch and Ugandan companies.	Better regional cooperation in the Horn of Africa Region.
		Local civil society's capacity and legitimacy to influence government and business policies strengthened	Improved access to SRHR for refugees and host communities.	Quality of governance for FNS increased.	Corporate Social Responsibility among (Dutch) companies is enhanced.	
		Increased protection of human rights, including gender equality.		Water efficiency in agriculture improved.	Improved economic development and decent work for refugees and vulnerable host communities,	
		Violent extremism in Uganda reduced through the adoption and implementation of an CVE strategy.		Quality of knowledge innovations systems for FNS enhanced.		Capacity of UPDF to participate in peace security missions in the regions (Great Lakes Region and Horn of Africa) enhanced.
		Improved legal and social protection for refugees and host communities.		Improved quality of land tenure systems for food security.		
		The enabling environment for women's presence in positions of influence (politics, policy, legislation, governance) have improved.	The enabling environment for the elimination of violence against women have improved.	Improved livelihood for refugees and host communities.		
		Cross-cutting Gender				
Cross-cutting Climate	Strengthened governance for climate-smart planning and development.	Increased access to renewable energy.			Increased knowledge and capacities of people to effectively anticipate and respond to climate-related crises.	

2.1 Peace, Security, Stability and Migration

Ultimate outcome	Ugandan citizens are better able to access their rights through fair, efficient, impartial, independent and accountable governance institutions.	
Intermediate outcomes & indicators	Rule of Law and access to justice enhanced for all citizens.	<ul style="list-style-type: none"> • # of beneficiaries (f/m) with access to justice (separate out # of women who present cases of sexual violence or domestic abuse). • # of beneficiaries (f/m) who have improved awareness of their rights and/or how to address justice problems (claim, defend, and/or recover rights). • # of beneficiaries (f/m) who access transitional justice mechanisms. • # of institutions strengthened (in terms of fairness, effectiveness, accountability or independence). • # of inclusive law reform initiatives advanced with NL support, that are relevant for Rule of Law, human rights protection, access to and administration of justice.
	Security of Ugandans enhanced.	<ul style="list-style-type: none"> • # of (formal & informal) institutions strengthened in terms of responsiveness to needs and rights of the population.
	(Local) Governance more inclusive and accountable.	<ul style="list-style-type: none"> • Participation (and satisfaction) in governance processes (political decision-making, mediation and dialogue) by representation of various groups, with special reference to women and youth. • Perception on accountability/transparency of governance structures.
	Increased protection of human rights, including gender equality.	<ul style="list-style-type: none"> • # of human rights defenders supported & protected.
	Local civil society's capacity and legitimacy to influence government and business policies strengthened.	<ul style="list-style-type: none"> • # of advocacy initiatives carried out by CSO's, for, by or with their membership/constituency. • # of CSOs included in programme. • Number of citizens that report improvement in protection of their fundamental rights.
	Violent extremism in Uganda reduced through the adoption and implementation of a CVE strategy.	<ul style="list-style-type: none"> • # of formal and informal institutions strengthened in their capacity to address root causes and triggers of violent extremism.
	Improved legal position and protection for refugees and host communities.	<ul style="list-style-type: none"> • Improved legal position, including registration, assistance for vulnerable people, the right to work and the right to access basic services. • Refugees and vulnerable host communities are better protected against violence and abuse.

Narrative

The justice, law and order (JLOS) institutions in Uganda have organized themselves as a sector since early 2000, comprising at present 18 institutions. With previous support from the Netherlands and other partners in development, the sector has increased its coverage and capacity significantly throughout the country. Investments in infrastructure and staff have resulted in a complete chain of justice in 60% of the districts in Uganda as compared to less than 20% in 2003. Though important progress has been made in judicial reform, serious challenges remain related to a prevalence of high lead times, slow case disposal, increased costs of access, corruption and slow decision-making. The sector is still facing huge challenges in terms of access to justice for all (in particular for vulnerable groups), accountability and human rights. These three areas are the pillars of the 4th JLOS Strategic Development Plan (2017 – 2022), focusing on improving access to justice and addressing accountability and corruption within the sector. “Leave no-one behind” is the guiding principle to enhance access to justice for more vulnerable groups and women in particular. A specific focus on commercial justice aims at improving the reputation of Uganda as a safe, reliable and profitable partner for trade and investments.

The other critical challenge for the coming years is to strengthen accountability and transparency of state and non-state actors to pave the way for more constructive partnership arrangements within and between them, as well as to increase the confidence in and the legitimacy of Ugandan citizens in the State at the national and the

local levels. Human security is increasingly under threat as evidenced by the recent political incidents. Other drivers of conflict such as dwindling natural resources due to climate change are equally important factors that generate additional inter and intra-communal conflicts.

Civil society too has emerged in Uganda as a critical and increasingly more vocal partner that claims its own space for lobbying and advocacy, service delivery and consultations. Civil and political rights are at the core of its democratic governance agenda, including accountability, public services delivery, access to justice for all, and respect for human rights, including sexual, ethnic and religious minorities' rights. Recent developments and incidents have demonstrated that civic space is shrinking or at least shifting, and that fundamental human rights such as freedom of expression and assembly are under threat. The Dutch-funded Strategic Partnerships under Dialogue and Dissent - and their predecessors - as well as the multi-donor funded Democratic Governance Facility (DGF) have proven to be instrumental for civil society to strengthen its advocacy capacity and service delivery.

Approach

The Netherlands will continue to support a two-track approach to enhance security and rule of law through strengthening the supply side of JLOS public services on the one hand, and the demand side on the other. This will be achieved by supporting civil society through the Democratic Governance Facility (DGF), the VOICE program to strengthen the voices of civil society, and other partners and civil society organizations. The sector remains an important entry point for reforms in the areas of justice, human rights, the environment for doing business and in addressing corruption, in combination with fostering accountability and service delivery through civil society.

The multi-donor arrangements for JLOS, the Democratic Governance Facility and the strategic partnerships are the instruments to channel Dutch support to address these challenges of supporting initiatives to strengthen democratic governance and the rule of law. They provide a strong platform for policy dialogue, leverage and constructive engagement with drivers of change within government and civil society. In addition, the expertise of the Netherlands and The Hague in particular as the International Capital for Peace and Justice and host to the largest concentration of international courts and tribunals, has a strong benefit for Uganda. The Nuffic Orange Knowledge Platform (OKP) program will be used to improve professional training and education for knowledge, skills and expertise development of professionals, legal practitioners and judicial staff in the JLOS in Uganda.

Uganda's progressive refugee response has increased international attention and enabled the first rollout of the Comprehensive Refugee Response Framework (CRRF) to ease pressure on the host country, enhance refugee self-reliance, and expand access to third country solutions and support conditions in the countries of origin. This window provides an opportunity to focus on the humanitarian-development nexus through the SDGs and look at the opportunities for Uganda. The Netherlands, in line with the EU Humanitarian-Development nexus will continue to support Uganda's CRRF policy implementation.

Rule of Law

Rule of Law and access to justice enhanced for all citizens. Aside from investments in infrastructure (courts, police stations, prisons) concerted efforts will continue to reduce the case backlog by bringing to scale alternatives for conflict resolution such as small claims courts, mediation and plea bargaining. These alternative avenues for dispute resolution will shorten the pre-trial detention duration, reduce congestion in prisons and will allow the courts to improve the quality of their services. In addition, civil society initiatives to foster access to justice, including transitional justice, will be supported.

Security of Ugandans enhanced. Security agencies are more and more under public pressure due to scandals of corruption, involvement in criminal activities, brutality, human rights violations and lack of accountability. Both JLOS and DGF are addressing performance of the security forces as one of their intervention areas. A pilot is ongoing to get more objective and systematic feedback from citizens of the rate of satisfaction of the services received at police stations. These and similar pilots will be expanded to get a more reliable information base of the performance of security agencies in the different parts of the country.

Governance more inclusive and accountable: Strategic partnerships such as with the Netherlands Institute of Multiparty Democracy (NIMD) and VNG will support (local) governance bodies to increase their accountability and to become more inclusive. This includes improved planning and decision-making processes, financial management and local tax mobilisation and local economic development. Strategic Partnerships like Freedom of Fear from Pax and also Dutch NGO Cordaid will continue to strengthen the capacities of local peace actors in their roles as monitors of peace and security and as a network engaged in cross-border coordination and collaboration in conflict management and peace-building.

Human Rights, including civil society

Increased protection of human rights, including gender equality. Specific support will be given through the Human Rights fund to organizations like Defend Defenders. Furthermore, the Netherlands will continue to engage in policy dialogues with Ugandan authorities, including the Uganda Human Rights Commission as well as with civil society organisations. The embassy will continue to liaise with international and Dutch human rights groups. Furthermore, the support to DGF and JLOS will add to our efforts and commitments as the Netherlands to the strengthening and protection of human rights, including gender equality and LGBTI rights, freedom of expression and internet freedom. This will also be done through public diplomacy.

To strengthen the **advocacy and service delivery capacity of civil society**, the Netherlands will continue working with various (strategic) partnerships on increasing the effectiveness of advocacy and services delivery. DGF will continue to play an important role on capacity strengthening of civil society as one of the core strategic objectives of this multi-donor arrangement. Partnering with civil society is creating opportunities for strengthening linkages of collaboration and synergy between and among civil society organizations. The embassy and the strategic partnerships will take a pro-active position to capitalize upon these new opportunities.

Countering Violent extremism

Violent extremism in Uganda reduced through the adoption and implementation of a CVE strategy. There is increasing concern about violent extremism that could jeopardize peace and stability in Uganda and in the region. In line with the Integrated International Security Strategy (IISS³) 2018-2022, the Netherlands invests in bilateral cooperation in Uganda on security, specifically eliminating the root causes of terrorism, counterterrorism and strengthening international security cooperation. Dutch support is envisaged to strengthen Uganda's governmental and non-governmental capacity to prevent violent extremism through stimulating the adoption and implementation of a national CVE strategy and to identify and combat terrorist and other illicit financing. This will be achieved by providing targeted technical assistance to public and private sector stakeholders and strategic guidance that supports the effective and sustained implementation of sound antimoney laundering and countering the financing of terrorism frameworks and policies in Uganda.

Refugees and humanitarian support: the humanitarian development nexus.

The support to the CRRF will be channelled through the Regional Development and Protection Program (RDPP) for the Horn of Africa and centrally funded programs such as the Strategic Partnership on 'Inclusive Jobs and Education for forcibly displaced persons and host communities' with UNHCR, UNICEF, World Bank, IFC and ILO. Furthermore, it aligns with and provides opportunities for the embassy's programmes of Rule of Law, but also SRHR, Food Security and Trade & Investment/Private Sector Development. Besides the structural approach to strengthen the Justice Law and Order sector in Uganda, specific attention will also be given to enhance legal and social protection, well-being and dignity of South Sudanese and Congolese refugees and host communities. Part of this specific attention will focus on Mental Health and Psychosocial Support (MHPSS) of refugees and host communities this will be achieved by including specific outcome areas in the JLOS support as well as by collaboration with NGO's such as the Refugee Law Project and VNG (funded through the centrally Migration and Development budget). Humanitarian assistance will be given through earmarked contributions to UN organizations, the Central Emergency Response Fund (CERF) and the support to the Dutch Relief Alliance.

³ The Netherlands published in March 2018 the Integrated International Security Strategy (IISS) 2018-2022. The IISS focuses on three pillars: prevent, defend and strengthen.

2.2 Social Progress: Sexual and Reproductive Health & Rights (SRHR)

Ultimate outcome	Ugandan citizens have increased access to and utilization of SRHR services that meet their needs.	 
Intermediate outcomes & indicators	Ugandans young people are better informed to make healthy sexual and reproductive health choices and utilize services that meet their needs.	<ul style="list-style-type: none"> • # of young people (m/f) reached with comprehensive, correct information on sexuality, HIV/AIDS, pregnancy and contraception. • % of women who were married or in union before ages 15 and 18. • Teenage pregnancy/adolescent birth rate. • Condom use by young people.
	Strengthened health systems (public/private) offer improved and equitable access to family planning, pregnancy and childbirth services.	<ul style="list-style-type: none"> • Maternal mortality ratio. • # of additional women and girls using modern contraceptives • % of births attended by skilled health personnel. • # of new HIV infections per 1000 uninfected population by sex, age and key populations.
	More respect for sexual and reproductive rights for all.	<ul style="list-style-type: none"> • Changes in laws, guidelines, (health) policies, and practise leading to decrease of barriers to SRH and HIV/AIDS services. • Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex. • % of ever partnered women and girls aged 15 years and above subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months by form of violence and by age.
	Improved access to SRHR for refugees and host communities.	<ul style="list-style-type: none"> • # of refugees provided with SRHR services through NL supported projects. • Coverage of the Minimum Initial Service Package, including basic emergency obstetric care (BeMOC).

Narrative

The Government of Uganda aims to harness the demographic dividend as key strategy for Uganda's socioeconomic development and achievement of Vision 2040: attaining middle-income status by 2040. Key ministries are making structural and policy actions that would create an enabling environment for the implementation of NPP III. Uganda has committed to reducing unmet need for contraception to 10% (Vision 2040) and increasing the modern contraceptive prevalence rate to 50% by 2020. Despite ongoing efforts by government and partners, contraceptive security is not yet a reality and access to modern contraception for women and girls remains a challenge to be addressed.

The poor SRHR outcomes are arising from gaps existing across the different blocks of the health system: service delivery, health workforce, information systems, products and commodities, financing, leadership and governance. Therefore, a systems approach aiming at both increasing demand for and improving supply of the SRHR services has to be undertaken. Community empowerment is important to both increase the demand side for services and to strengthen accountability mechanisms. To improve the supply of SRHR services, a combination of direct health systems strengthening interventions and lobby and advocacy activities are needed.

Approach

The Netherlands will intensify its support to SRHR. Key to our program is linking evidence from programs to policy influencing with government. It entails strengthening the existing SRHR strategic partnerships but also providing complementary support to new strategic interventions. The human rights based approach will be the overarching principle of the SRHR program. Alignment, harmonization and coordination of the various Dutch support channels for SRHR in Uganda is of crucial importance, including exploiting opportunities for synergy and complementarity that exist through the Global Financing Facility (GFF), UNFPA Global supplies program, GAVI, Global fund for Malaria, TB and HIV/AIDS.

More young Ugandans are better informed to make healthy sexual and reproductive health choices and utilize services that meet their needs. Demand for SRHR and family planning services will be increased through a mix

of health education and promotion activities, including sexuality education. Tailored and innovative approaches will be explored to reach younger adolescents with sexuality/life skills education. Additionally, the Netherlands support will be geared towards improving capacity of selected health facilities in project areas to offer youth friendly SRH services and focus on elimination of all forms of harmful practices against children and young people, including child marriage. The centrally funded SRHR strategic partnerships, such as the 'Get-upSpeakOut', 'Girls Advocacy Alliance' and 'Her Choice', will contribute to this outcome.

Strengthened health systems (public/private) offer improved and equitable access to family planning, pregnancy and childbirth services, including for refugee populations in specific regions. To improve the quality and supply of services, a mix of actions will be implemented to address existing gaps in the health service delivery for SRH, especially related to the health workforce, information systems, and availability of commodities, leadership and governance. The Health Systems Advocacy project (Strategic partnership) will be instrumental in contributing to this outcome. Complementary SRH Health Systems Strengthening (HSS) initiatives to improve capacity and efficiency will be supported that can, for example, strengthen commodity security, provide innovative SRH service delivery for the hard to reach populations and improve delivery of family planning services through HSS actions.

To improve the enabling environment for sexual and reproductive health and rights for all.

To improve the enabling environment, the Netherlands will work closely with government institutions such as the National Population Council (NPC) to strengthen the implementation of the NPP III and its new Strategic Plan 2018-2022. The Netherlands supported advocacy efforts will continue to focus on ensuring the implementation of existing policies, review/amendments of policies and development of new policies where needed. Recognizing influence of social norms of sexual and reproductive health and rights, attention will be paid towards transformation of social norms that negatively influence sexual and reproductive health outcomes and jeopardized sexual and reproductive health rights. Finally, the embassy will continue its role in coordination of centrally funded SRHR initiatives.

Humanitarian development nexus: Dutch supported SRHR programs will focus on improved access to SRHR for refugees and host communities, including both South Sudanese and Congolese refugees and their host populations. West Nile Region performs poorly on several of the SRHR indicators, yet only one of the current central projects (SGBV focus) is targeting the region. Because of this and in the interest to promote the humanitarian development nexus, the Bilateral SRHR budget of the Embassy will target the West Nile region. Targeting women and children (since these form the largest group) with psychosocial support, but also in general refugees and host communities with health services, availability of medicines and contraceptives, with information and other services focused on victims of SGBV.

2.3 Sustainable development, food security, water and climate

Ultimate outcome	Ugandans have increased Food and Nutrition Security (FNS) through more resilient Food Systems.	
Intermediate outcomes & indicators	Peoples' nutrition improved.	<ul style="list-style-type: none"> # of people with improved food intake. # of people with improved access to healthy/diverse food.
	Economic performance and resilience of farming systems increased.	<ul style="list-style-type: none"> # of farmers with increased productivity/income. # of farmers with improved access to services. # of farmers more resilient to shocks. # of hect farmland that become more resilient
	Quality of private sector development for FNS increased.	<ul style="list-style-type: none"> # of jobs created in agro food sector. # of value chains/sectors perform better. # of businesses co-investing in FNS activities.
	Quality of governance for FNS increased.	<ul style="list-style-type: none"> # of Improvements in implementation of major national FNS policies/laws.
	Water efficiency in agriculture increased.	<ul style="list-style-type: none"> Change in crop yield per unit of water used over time.
	Quality of knowledge innovations systems for FNS.	<ul style="list-style-type: none"> # of farmers that adopted research results/ knowledge/new technologies # of FNS knowledge institutions that perform better.
	Improved quality of land tenure systems for food security'.	<ul style="list-style-type: none"> # of people (m/f) that enjoyed (more) secure land tenure rights to land. # institutions that contributed to improved (sub)national land governance aspects.
	Improved livelihood for refugees and host communities.	<ul style="list-style-type: none"> # of refugees and host community members employed in decent work. # of refugees and host community members enrolled in non-formal education and training.

Narrative

Uganda has a high agriculture potential with relatively abundant natural resources and relatively high rainfall, but nonetheless it is punching below its weight. In certain sectors, production improvement is visible but in general, the development of the agriculture sector has been erratic, driven by temporally favourable circumstances, ad hoc public measures and private sector investments and less because of effective reforms and a conducive business climate. The Government of Uganda has identified agriculture as a lead sector to spur socio-economic transformation into a middle-income country by 2040. Commercialization of the sector is the prevailing strategy. At the same time, malnutrition remains a significant problem. Therefore, Food and Nutrition Security continues to be a key thematic priority in the Embassy's program, with high relevance to the Ugandan development potential and structural challenges. Current support has yielded significant results and will continue to do so in the years to come, incorporating lessons learnt, intensifying where needed and adding new elements to address the need to step up attention to food security-related conflicts (such as land and water conflicts), climate change and nutrition.

Approach

From the four dimensions of Food Security, i.e. availability, accessibility, stability and utilisation of food, the focus of the Netherlands bilateral support will be on availability and stability and to a lesser extent on accessibility and utilisation. Engagement will continue to be guided by a market-led orientation on agricultural development. Private sector involvement is promoted, including collaboration with Dutch agro companies following the Aid and Trade and Investment policy. The Netherlands support will mainly be channelled through non-state actors to assure adequate and transparent implementation of interventions. Where possible and necessary, project activities will link up with public institutions to contribute to improved enabling conditions (for example on regulation, policy or research). In parallel, the bilateral program will embark, on an experimental scale, with providing institutional support to the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

The composition of the portfolio will be a balanced combination of investments in market-led value chains, strengthening of enabling conditions, both private and public and innovative and climate-resilient food systems initiatives. The intention is to maintain the compactness of the portfolio, having a limited number of activities all contributing to several objectives at the same time and focussing on a number of subsectors such as dairy, potato, rice, seeds and horticulture, in which The Netherlands has the ambition to be a dominant player. The strategy is also firmly embedded in the East African regional context through its support to the refugees hosted by Uganda, the thematic alignment and collaborative learning with embassies in neighbouring countries and the contribution to the Great Lakes activities in eastern DRC and the centrally-funded Climate Smart Agriculture East Africa Program in Uganda, Kenya and Tanzania. Value addition in key commodities in Uganda can also strengthen the potential for regional trade, which can contribute to improved climate resilience and stability at regional, as well as national scales.

The Netherlands has a strong reputation and branding in Uganda when it comes to agriculture performance, expertise and technology. Through linking this reputation with promotional activities on the importance of commercial farming, the Nuffic Orange Knowledge Platform (OKP) program and its position as chair of the development partners in the agricultural sector, this reputation will be enforced, leading to spin-offs in terms of increased trade.

People's nutrition has been improved. Improvement of nutrition requires a multi-sectoral approach, addressing both producer- and consumer-related aspects. Where possible, nutrition improvement will be integrated in the existing bilateral production-oriented programmes. In addition, a new program will be developed having food systems as an entry point and addressing more directly improved access to diversity of diets, combined with urban employment and climate smart agriculture. Partners are both public (Kampala Capital City Authority - KCCA) and private companies. Centrally financed initiatives such as the Strategic Partnerships (HIVOS) will contribute to improved nutrition by supporting CSOs to influence policies and practices from government and market actors to ensure low-income communities have improved access to diverse and healthy food.

Economic performance and resilience of farming systems increased. The Netherlands' support will be geared towards increasing productivity and incomes of emergent farmers in specific value chains (dairy, horticulture, seed sector, potato, rice). This will be achieved through on-farm improvements, organisational strengthening of producers' organisations and market development. The comparative advantage of the Netherlands in these value chains, allows for a broader involvement and deployment of Dutch expertise and services (companies, NGO's, knowledge institutions). Resilience to both long-term climate change effects and short-term shocks will be strengthened through climate-smart approaches in embassy programmes. Building resilience to climate shocks and stresses will enable people to avoid food crises, maintain service delivery and smooth production and incomes for households and businesses. The centrally-funded, five-year CSA East Africa Program, which started in May 2018, will also contribute to the increased availability of accessible and climate-resilient food for the growing population in Uganda, as well as Tanzania and Kenya.

Synergies with access to **renewable energy programs** that can increase access to energy for productive uses will be enhanced, helping to improve livelihoods, businesses, and people's resilience to climate change and instability, from bilateral as well as central funding.

Quality of private sector development for FNS increased. The private sector is considered crucial for financially viable food systems. Within selected value chains (such as dairy, potato, horticulture, seeds and rice), a market system development strategy is followed. Market players will be supported to provide services that can promote sustainable development (for example, extension, financing, input provision, early warning and market information) and linkages will be facilitated between producers and off takers, including where these can help to smooth shocks. Public private collaboration and co-financing are key instruments for pre-competitive market development. Synergies with the Trade and Investment program (B2B, financing brokering) is foreseen.

Access to finance will be stimulated through centrally financed programmes such as the Dutch Good Growth Fund (DGGF), providing Dutch SME's with customised financing, and the Global Agriculture and Food Security Program (GAFSP). The Embassy will maintain a strategic though modest foothold through technical assistance

support to a mainstream bank in Uganda. Instead, the focus will be on the demand side by supporting business development services (BDS) and brokering to agro-companies and producers organisations. In addition, job creation for youth in the agro-food sector will be supported through skilling (including life skills) in close collaboration with educational institutions and business partners.

Quality of governance for FNS increased. The focus will be on strengthening the implementation of public policies that are relevant to the Netherlands programs in Uganda, particularly phytosanitary services and input and seed quality regulation. In addition, land security will be supported at local government level in selected areas in mainly South-western and Northern Uganda.

Water efficiency in agriculture increased. As a response to climate change and the need to strengthening the ability of farmers to deal with short-term shocks and long-term adaptation, improved efficiency of water use will be integrated in all projects. Promoting low cost irrigation equipment and solar power-driven water pumps are among the innovations that will be promoted. Where applicable, watershed management and smart feeder road construction will be supported.

Quality of knowledge innovations systems for FNS enhanced. A key component of all bilateral projects is to develop innovative service provision and support models for the agro-food sector that make use of the comparative advantage of the private sector while recognizing the crucial role of the public institutions in terms of regulation, quality control and support. Moreover, the OKP program will support these innovations and anchor the knowledge in educational institutions, organisations and individuals. Central programs like SBIR, SDGP, NWO, PUM, will be aligned as much as possible with the core bilateral program. A specific area of interest is the use of ICT in the agro-food sector. Based upon the similarities in terms of sectoral focus of different embassies in the region, regional collaboration in innovation and learning will be supported.

Humanitarian/development nexus. On the outcome of improved livelihood for refugees and host communities, the Embassy's food security program will support the Government of Uganda in securing adequate livelihood opportunities for refugees and host communities. Capitalizing on proven experiences and best practices in the Embassy's current portfolio and working on the nexus of humanitarian relief and development, the bilateral support will focus on skilling of youth in agribusiness (including the much-needed life skills and sociopsychological counselling), nutritional support and horticulture value chain development within these refugee areas. Possibility for cross-border collaboration with South Sudan will be explored. As to the objective Women are participating in economic life, gender and the position of women is integrated in all projects of the bilateral portfolio. Explicit targets are formulated on 'Women Economic Empowerment' dimensions. Furthermore, refugees and host community members will be employed in decent work and/or enrolled in affordable quality vocational training (with a focus on agriculture).

2.4 Sustainable Trade and Investment

Ultimate outcome	Increasing Dutch-Ugandan investments and trade that is socially and environmentally responsible and contributing to inclusive growth.	
Intermediate outcomes & indicators	Dutch-Ugandan Trade and Investment enhanced.	<ul style="list-style-type: none"> # of Dutch companies doing business in Ugandan market (investment and trade) The size of total Dutch volume and diversity of Dutch business in Uganda (investment and trade) # of Ugandan companies using Dutch technology # of jobs created by the Dutch private sector in Uganda
	Local SME has strengthened to become investment and technology-ready potential partners for Dutch companies.	<ul style="list-style-type: none"> # of jobs supported (m/f, direct/indirect; youth/non-youth). # of companies with a supported plan to invest trade or provide services (m/f, local/Dutch; youth/non-youth). # of Ugandan companies ready to adopt Dutch technology. # Number of firms that obtain financial services (including people enrolled in pro-poor insurance programmes).
	Improved business climate for Dutch and Ugandan companies.	<ul style="list-style-type: none"> # of supported Dutch interventions in the local business environment for private sector development. The time and money needed to import goods to and export goods from Uganda is reduced. # of projects that can be developed and tendered based on value for money principles (with possibly the involvement of Dutch companies in the process).
	Corporate Social Responsibility among (Dutch) companies is enhanced.	<ul style="list-style-type: none"> # of Dutch companies with increased awareness and integration of international standards for CSR, including 'living wages'. # of women empowered economically via CSR support systems.
	Improved economic development and decent work for refugees and vulnerable host communities.	<ul style="list-style-type: none"> Increased number of refugees and host community members are employed in decent work.

Narrative

Uganda is strategically positioned within the EAC region with a comparative advantage in agriculture due to the semi-realised and latent agricultural potential. This makes Uganda currently the food basket of the region for staple crops and potentially for other food products, despite a number of challenges. The fast growing domestic population with an increasing middle class is a major driver of consumption as well. Low productivity (due to use of obsolete inputs and technologies), low professional business management skills, high cost of doing business and low value addition (especially to agriculture exports), expensive finance, lack of knowledge and skills, are key barriers to Uganda's ambitions to cater to the rapidly growing local, regional and international demand. Activities tailored to address the above challenges will unlock Uganda's trade and investment growth potential. The Netherlands is seen as a reliable partner in the development of the Agricultural sector. Dutch knowledge and technologies are in great demand and the interest of the Dutch agribusiness community in Uganda is increasing. Programs of the embassy and financial instruments of Netherlands Enterprise Agency (RVO) have attracted new Dutch companies in recent years and are being used by companies to expand existing activities, not only in agribusiness, but also in the transport/logistics, energy and tourism sectors.

The Dutch sustainable trade and investment ambition for Uganda is to create entry opportunities for Dutch companies, to support already present Dutch companies to expand their business and to strengthen local SME's to increase their access to affordable financing and make them potentially interesting partners to Dutch businesses. Sustainability and Corporate Social Responsibility are integral part of this ambition, as the continued good image of the Dutch brand depends on it. The belief is that by supporting local SME development, jobs will be created and with specific activities and incentives, especially women and youth can be economically empowered. Key to making the SME's flourish is a healthy and enabling business climate. The Dutch government will focus on only a limited number of issues hampering both Dutch and Ugandan SME's doing business in

Uganda. The Dutch government believes the limited resources should not be spread too thinly, to increase our chances of addressing these issues successfully.

Approach

The MACS will enhance the Dutch-Ugandan Trade and Investment, will strengthen local SME's to become investment and technology-ready and potential partners for Dutch companies and will improved business climate for Dutch and Ugandan companies and more technological capacity space for value-based Dutch Technology in infrastructural developments. Furthermore, The Netherlands, together with other partners will enhance corporate social responsibility. The Dutch support will continue focusing on priority sectors that present business and investment opportunities for the Dutch, namely agri-business, energy, tourism, infrastructure, transport/logistics and urban planning. Other sectors might be supported upon demand.

Dutch-Ugandan Trade and Investment enhanced. The Netherlands will promote the possibilities Uganda and the EAC have to offer to Dutch companies by trying to *improve market access and sustainable trade and investment*. This will include business promotion, facilitation, arbitration, and proactive identification and support of local business to do business with Dutch companies. The embassy will not only look at new companies who want to enter Uganda for the first time, but also aim to support already present companies to grow and diversify their local presence when it comes to trade and investment. Emphasis will be on:

- Promoting Uganda and the EAC as a strategic trade and investment destination for Dutch Companies. This will be achieved using trade missions, business expos, market surveys, analyses, and continuous Uganda branding in the Netherlands.
- Identification of suitable local business partners using Private Sector Applications to develop a sustainable network of potential business partners.
- Promote Dutch technology that offers competitive advantages for Ugandan companies over their competitors.
- Support the professionalization and building of sustainable local business network that can work directly with Dutch businesses as partners or indirectly as local agents.
- Maintain, expand and utilise the embassy's public and private sector networks to facilitate Dutch companies to do profitable business in Uganda.
- Promoting and supporting (by using available RVO-support) Dutch companies to organize their business activities in Uganda in a sustainable way with emphasis on gender, youth employment and environmental perspectives (corporate social responsibility).
- Keep track of emerging business opportunities through Expression of Interest calls and proactively sharing this information through several Dutch networks in the Netherlands.
- Supporting and engaging the Dutch Development Bank (FMO) which provides long term financing to various projects in the renewable energy, finance and agro-foods sectors (with currently a total portfolio of over 150 million USD).

Local SME's are strengthened to become investment and technology-ready and potential partners for Dutch companies. The best Uganda entry-strategy for Dutch companies is through a local partner or subsidiary. To create strong partners, support in terms of training, skill-development, accounting, company management, access to finance and specific technical assistance on sustainability, youth employment and gender equity is essential. Additionally, readying local companies to use Dutch technology might also boost their competitive position and thus improve the company strength and possibilities to access finance. By granting this support to create strong local counterparts, the targeted SME's could very well become potentially interesting counterparts for Dutch businesses. Emphasis will be on:

- Strengthening local company aspects like corporate governance, HR, marketing, financial management, accountability, efficiency and business planning.
- Enhancing access to financial resources through DGGF, existing RVO-instruments, Dutch Equity/Debt providers, local Commercial (like DFCU) and Development banks (NGO's, MDB-facilities).

- Using the Impact Cluster Facility to support Dutch companies seeking to explore and set up in local markets.
- Using centralised facilities such as Develop2Build and Development Related Infrastructure Investment Vehicle (DRIVE) will be used, leading to improved access to infrastructure.
- Providing TA to ready local companies to adopt Dutch technology, including the PUM - Netherlands Senior Experts - program.
- Supporting cross border trade initiatives by Dutch and Ugandan counterparts. The regional market provides enormous demand for goods produced in Uganda.

Improved business climate for Dutch and Ugandan companies and more technological capacity space for value-based Dutch Technology in infrastructural developments. The Netherlands will work with the Ugandan government and other development partners to identify a limited number of current bottlenecks in the business climate and come up with proposals to minimize them. Such interventions will lead to improved laws, regulations, policy plans, social dialogue and development strategies being adopted. They will also strengthen economic institutions and actors and should result in an improved ranking of Uganda in the World Bank's Ease of Doing Business Index. More notably, this will boost Dutch economic activities in Uganda. Additionally, by offering technical assistance on project development and procurement, we aim to contribute to better, valuebased infrastructure that not only offers better solutions to local infrastructural challenges, but also offers a better environment for Dutch solutions. Furthermore, the centrally funded support to Trade Mark East Africa will be continued to improve cross-border trade. Emphasis will be on:

- Identifying, addressing and helping to solve existing legal, legislative and bureaucratic bottlenecks when it comes to doing business in Uganda.
- Taking away (none) tariff trade barriers when it comes to importing to and exporting from Uganda. • Building capacity and offering financial support when it comes to developing and tendering muchneeded infrastructure on value-based principles to come to economically optimal solutions to Uganda infrastructural challenges.

Corporate social responsibility among Dutch investors is enhanced. The Netherlands will promote and support Corporate Social Responsibility development in Uganda. This will be done by facilitating CSR knowledge exchange, capacity building on CSR and by promoting a steadily shaped agenda towards balanced CSR interventions and initiating public awareness and appreciation of the value of CSR. The Netherlands will facilitate Social and Environmental Impact Analyses to help (Dutch) companies integrate a CSR approach in their business models and engage in a continuous dialogue with the communities around them. All Dutch investors will be encouraged to integrate International Corporate Social Responsibility into their business models, and apply a thorough due diligence process. Where necessary, trainings in CSR principles in general or on topics mentioned below will be provided to Dutch companies, and best practices where relevant will be regularly promoted among the Dutch business community and beyond. Several centrally funded Strategic Partnerships are contributing to enhance the corporate social responsibility agenda in Uganda. The Fair Green and Global Alliance, a consortium of six NGOs, aims to cooperate on CSR policies and supply-chain responsibilities of Dutch companies active in agricultural and extractives sector. UTZ/Rainforest Alliance addresses child labour while increasing productivity and inclusiveness in coffee, cocoa and tea value chains. In addition, through an ILO programme, the Netherlands contributes to socio-economic perspectives of people by addressing root causes of child labour, also in the coffee and tea sector. And finally, the HIVOS program on Descent Work for Women aiming to support, amongst others, horticulture companies to include gender inclusive CSR advice as part of responsible business.

Humanitarian/development nexus: There are also economic opportunities arising from refugee influxes by increasing demand and consumption, monetary injections of international aid and the development of infrastructure. Refugees boost local economic activities and labour market opportunities, increase agricultural production and businesses thereby stimulating the national economy. This provides an interesting opportunity for the private sector to engage in the refugee setting and view refugee settlements from a market-systems approach. The centrally funded Strategic Partnership with WB, UNICEF, ILO, UNHCR and IFC will amongst others focus on creating an expanded local labour market to absorb skilled young people, to in turn promote further

local and sustainable development. This Partnership will focus on improving the socio-economic situation for refugees and vulnerable host communities, through formal and informal education and skills training, and an expanded local labour market (including private sector) to absorb skilled young people.

2.5 Regional Stability

Ultimate outcome	Uganda contributes positively to stability in the Great Lakes and the Horn of Africa regions	
Intermediate outcomes & indicators	Better regional cooperation in the Great Lake Region.	<ul style="list-style-type: none"> # Joint reports and field visits to border regions. Improved transboundary collaboration of communities through increased awareness of regional conflict drivers Improved transboundary collaboration to conserve the Greater Virunga Landscape.
	Better regional cooperation in the Horn of Africa Region.	<ul style="list-style-type: none"> # Joint reports and field visits to border regions. Improved cross-border trade opportunities.
	Capacity of UPDF to participate in peace security missions in the regions (Great Lakes Region and Horn of Africa) enhanced.	<ul style="list-style-type: none"> UPDF is more able to do the pre-deployment training for AMISOM itself, so there will be less need for support by (NL military) ACOTA. # UPDF is able to run the Legad Training Centre (LTC) by itself without (personal and financial) support from the Netherlands.

Narrative

The fragile and volatile situation in the Great Lakes region and some parts of the Horn of Africa poses a continued challenge to Uganda. The Netherlands in cooperation with international partners will continue to closely watch developments and actively seek for opportunities to contribute to the mitigation of risks of further instability in the region. The MACS for Uganda is embedded in the Great Lakes Regional Strategy and the Horn of Africa Strategy. The overall goal of the interventions within the context of this Great Lakes Regional Strategy is to **contribute to stability in the region**. In the Horn of Africa strategy the overall aim is to contribute to a **more stable and resilient Horn of Africa** region through an integrated approach focusing on development, climate action, sustainable trade and investment, supporting sustainable host arrangements for refugees, addressing root causes of poverty and violent extremism, rule of law, human rights and gender equality.

The Netherlands embassy in Uganda will collaborate closely with the Netherlands embassies in the Great Lakes Region (Rwanda, Burundi, and DRC, including the Goma office) and in the Horn of Africa region (mainly, South Sudan, Kenya and Ethiopia).

Approach

The Great Lakes Regional Strategy is based on two pillars: interventions that are transboundary in nature and contribute to regional cooperation and more specific interventions that take place in eastern DRC and have an impact on regional stability. This will be done with a regional program, but also the bilateral programs of the Netherlands embassies in Kigali, Bujumbura, Kinshasa and Kampala will contribute to this overall goal. The focus in the Horn of Africa region will be mainly at country level, taking into account the regional dimension: *think regional, act national and local*.

Better regional cooperation between the embassies of the Great Lake Region

Within the Great Lakes Regional Strategy, specific attention will be given to build **cross-border relations** between communities through awareness creation of regional conflict drivers and ethnic prejudice. For example by bringing communities and their leaders together through radio and cross border discussion fora. Furthermore, transboundary collaboration is essential for the protection of the vulnerable Greater Virunga Landscape and its

endangered inhabitants such as the gorillas. The Dutch supported development interventions will support mediation efforts to diffuse cross-border tensions, initiatives to collaborate across the borders and efforts to build trust between the countries and promote collaboration on the conservation of the Greater Virunga Landscape (GVL). The GVL is also of importance in protecting waterways and a possible source for renewable energy. Under the Nuffic/NICHE program, support is provided to the Regional Training Facility (RTF) of the International Conference on the Great Lakes Region (ICGRL) to conduct in-service training on the prevention and suppression of sexual violence. Police officers, judicial officers, psycho-social workers and medical officers who deal with cases of sexual and gender based violence (SGBV) on a daily basis will be trained. The fight against SGBV is the basis for ICGLR-RTF's mandate as provided for under the ICGLR Protocol on Prevention and Suppression of Sexual Violence against Women and Children.

Better regional cooperation in the Horn of Africa Region

The Netherlands will invest in regional capacity building, exchange and coordination, mainly on cross-border problems, by working with regional coordinators on migration (based in Addis Abeba), security/CVE and on humanitarian issues (both based in Nairobi) and energy (based in Dar es Salaam). The work of the regional coordinators is embedded in the various pillars of the Uganda MACS. The Netherlands will support collaboration with regional organisations such as the AU, IFAD and the EAC, mainly through the embassy in Addis Abeba, The Netherlands will encourage the African Union/IGAD to achieve tangible visible results, first and foremost in the field of peace and security, but also in other priority areas such as economic integration, migration and hosting refugees. Through support to organizations like Trademark East Africa (TMEA), the Netherlands aims to contribute to increased trade in East Africa. TMEA estimates that by improving East Africa's trade competitiveness it can help achieve a substantial (10%) increase in regional trade volumes. The Uganda MACS will contribute to reception of refugees coming from South Sudan. In collaboration with the Netherlands Embassy in South Sudan, the possibility of cross-border activities for supporting South-Sudanese refugees in and returnees from Uganda will be explored.

Capacity of UPDF to participate in peace security missions in the regions (Great Lakes Region and Horn of Africa) enhanced. A safe and stable Uganda which respects the rule of law is a prerequisite for democratic governance and inclusive development. It also positions Uganda as a credible player to enhance regional security and stability (Horn of Africa and the Great Lakes). The support provided to the UPDF through the Dutch Ministry of Defence in partnership with the US, France and the UK has proven to be effective and will be continued at least until 2020. Uganda's ongoing deployments to the African Union Mission in Somalia (AMISOM), its previous participation in missions to counter the Lord's Resistance Army (LRA), and its intervention in the South Sudanese crisis have demonstrated willingness and capacity to deploy armed forces to enhance regional peace and security albeit sometimes to the detriment of Uganda's international reputation (invasion in the Democratic Republic of Congo). The relevance of this commitment for the coming years is beyond any doubt, given the nature, scope and the background of the different conflicts.

2.6 Gender equality & Women's rights

Ultimate outcome	Women and girls enjoy a right to live free of violence and women are empowered as economic actors.	 
Intermediate outcomes & indicators	The pre-conditions (enabling environment) for the elimination of violence against women have improved.	<ul style="list-style-type: none"> # of effective changes in laws, policies, regulations in public and private sector, regarding violence against women.
	The pre-conditions (enabling environment) for women's presence in positions of influence (politics, policy, legislation, governance) have improved.	<ul style="list-style-type: none"> # of effective changes in laws, policies, regulations in public and private sector regarding women's participation in politics, policy, legislation and governance.
	The pre-conditions (enabling environment) for women's economic empowerment have improved.	<ul style="list-style-type: none"> # of effective changes in laws, policies, regulations in public and private sector, regarding women's economic empowerment.

Narrative

Uganda's **women** make an enormous contribution to the society, yet continue to be systematically constrained and marginalized by a number of factors. Key systematic issues hampering progress on gender equality and women's rights are the disconnect between the formulation and weak implementation of gender related laws and policies, and the traditional practices that continue to discriminate against women and girls. Reducing **gender inequality** is a pre-requisite for women's empowerment.

Approach

A three-pronged approach (Gender diplomacy, Gender mainstreaming and Gender specific actions) will be applied to advance the gender equality and women's rights agenda in Uganda. Gender analysis will be used to inform integration of women's rights/gender equality into the goals, results and activities of Netherlands supported programmes in Uganda. The Gender policy marker will be applied to score all projects/policies to be funded by the embassy. Dutch gender diplomacy will leverage on both and the gender mainstreaming efforts within the bilateral projects and centrally funded projects gender specific projects/actions.

To improve the enabling environment for the elimination of sexual and gender based violence (SGBV). The SGBV work will focus on prevention and response, through interventions targeting community- and subnational levels. Key to achieving this outcome will be scaling up the model of the "Prevention plus" project (engaging men and boys), currently implemented by Reproductive Health Uganda in Arua district.

To improve the enabling environment for women's presence in positions of influence (politics, policy, legislation, governance). The Netherlands focus will be on advocacy for implementation of existing policies and on reviewing/amending current policies, and where needed the development of new policies. The actions to promote women's participation in positions of influence will also be pursued within the Rule of Law portfolio.

To strengthen the enabling environment for women's economic empowerment, the Netherlands will focus on increasing women's access to jobs, financial services, property and other productive assets, skills development and market information. We will also aim to strengthen women's voice, agency and influence in economic decision making at household, group and community level, as well as improve and create an enabling environment (at household and community level) for women's economic empowerment. Women's economic empowerment will be pursued through the food security and sustainable trade and investment portfolios as well as through the following centrally funded strategic partnerships: The Green Alliance for Gender Action, Citizens Agency Consortium, Convening and Convincing, Count me in and Building capacity for sector change. The Netherlands will use these partnerships to engage in gender related diplomacy.

2.7 Climate Change

Ultimate outcome	Ugandans are more resilient to shocks and there is a shift towards lowemissions and climate-resilient sustainable development.	 
Intermediate outcomes & indicator	Strengthened governance for climatesmart planning and development.	<ul style="list-style-type: none"> Improved monitoring and progress towards NDC implementation (qualitative).
	Increased access to renewable energy.	<ul style="list-style-type: none"> # of people that have gained access to renewable energy because of Dutch support.
	Increased knowledge and capacities of people to effectively anticipate and respond to climate-related crises.	<ul style="list-style-type: none"> Communities and people affected by climate-related crises consider themselves better able to respond to and able to withstand future shocks and stresses because of action.

Narrative

Climate change and extreme weather events will increasingly compromise progress towards the sustainable development goals. Mitigation of greenhouse gas emissions in future development trajectories will require careful consideration of potential trade-offs and an ambitious vision across all sectors, but also offers development co-benefits and opportunities for cost-effective and innovative technological and infrastructure solutions. Pathways towards low carbon energy and low greenhouse gas emissions consumption can help to achieve the SDGs and economic growth. Adaptation of people, assets and the environment to climate change impacts in the short- to medium-term pose a significant challenge for Uganda. The next 5 years will be crucial for action, demanding coordination across line ministries, private sector and development partners and smart use of financial resources.

To be able to take advantage of the opportunities and benefits of climate action, people and systems will need to be more resilient to climate-related and other shocks to enable them to move beyond simply coping with impacts. At the same time, the enabling environment to attract private sector investment in low-carbon, climateresilient development, including provision of infrastructure. If resilience can be built, governance, food security, service delivery and regional stability will be improved because institutions are stronger and people are less vulnerable to food crises, should experience less disruption in accessing basic services and are less likely to lose their livelihood options. In turn, resilience can contribute to preventing people from turning to violent extremism or gender-based violence, or engaging in conflict over resources at local level in the event of climaterelated shocks, such as floods, droughts and variable rainfall. In macro-economic perspective, low-emissions and climate-resilient development, including increased access to energy, will contribute to sustainable and inclusive growth, job creation, and economic development across local, sectoral and national scales.

Approach

Strengthened governance for climate-smart planning and development. The Netherlands will continue to support and raise the ambition of Uganda’s Nationally Determined Contribution (NDC) to the Paris Climate Agreement and to promote private investment in low carbon, climate resilient development pathways. The Netherlands will support the Nationally Determined Contribution Partnership in Uganda, developing local capacity to coordinate and track progress on implementation of the Partnership Plan and engaging more directly with the Climate Change Department in Ministry of Water and Environment and other line ministries, such as energy and agriculture, on implementation of climate policy and Uganda’s progress towards the Paris Agreement. The centrally funded strategic partnerships ‘Shared Resources Joint Solutions’ and the ‘Green Livelihoods Alliance’ aim to strengthen CSO capacity for lobby and advocacy to influence and advice policies and practice of government and private sector actors for achieving sustainable natural resources management.

Increased access to renewable energy. In the energy sector, the Netherlands will build on the contribution of access to renewable energy for agricultural development, value chains transformation, households and small businesses. It will also be a continued focus of sustainable trade and investment by Dutch business in Uganda. Connections between access to renewable energy and humanitarian support will be strengthened. The

Netherlands will continue support to global renewable energy programs with specific activities in Uganda in the field of access to decentralized electricity, clean cooking and mobilizing private investment in renewable energy.

Increased knowledge and capacities of people to effectively anticipate and respond to climate-related crises.

As the Netherlands turns its attention to other important drivers of risk, namely population growth, conflict and migration, new areas of focus in the country will have climate resilience mainstreamed from the outset. Work around strengthening both hard and 'soft' infrastructure for improved service delivery and livelihoods will explicitly consider climate risks in design and implementation. Expanding the climate-smart agriculture approach into more vulnerable areas will endeavor to prevent the likelihood of conflict over natural resources.

Climate mainstreaming. As outlined in section (food security), climate will continue to be mainstreamed into the central and decentral food security programs, building on the successes and lessons learned over the previous MASP period. Looking forwards, the focus will continue to be on integrating climate risks and opportunities comprehensively into key value chains, including at production, processing and market linkages. Climate action will also be core to a shifting focus on developing resilient food systems. The Rio Markers will be applied to score all projects/policies to be funded by the Embassy.

III RISK MANAGEMENT

This section includes short analysis of the main contextual risks that could jeopardize the achievement of the objectives. Risks at the programmatic level will be addressed in further planning processes. The risk table is to be found in Annex I.

Increasing Levels of Instability

As described under political trends in chapter 1.1, corruption, patronage and repression are increasingly being used by the ruling party to remain in power. Rising crime rates have come to dominate the local narrative, as murders, robberies, and kidnapping have raised alarm among citizens and elites alike. Uganda's young population creates an expanding dependency burden at the household level, with a related increase in demand for social services, which is not keeping pace with the growth. Currently, at least 64% of young people have no formal employment. The exclusion and frustration of the youth risks to further undermine social cohesion and stability. Uganda's neighbouring countries with active conflicts form another potential risk, since this could cause an even higher influx of refugees and fuel growing tensions between host communities and refugees when resources become scarcer.

Corruption

Corruption is widespread in Uganda and seen as one of the greatest obstacles for the country's economic development as well as the provision of quality public services. Corruption undermines the delivery of services, reduces incentives for international investment, and constrains poverty reduction and economic growth.

Uganda has a decent legal and institutional framework for addressing corruption, but implementation lags behind. To mitigate risks, due diligence is and will be carried out during the assessment of new activities, funds are carefully advanced and staff and partner organisations are made aware of the risks. The Netherlands is active in several working groups on corruption.

Climate Change, Refugees, and Population Growth

The rapid population growth and relatively high climate vulnerability of Uganda, will contribute to migration pressures by further straining limited natural resources and increasing population density in areas exposed to climate risks. The Netherlands will continue to contribute to climate smart and resilient solutions, and to the demand for family planning and reproductive health services. In close cooperation with the Government of Uganda and other stakeholders, the Netherlands will join efforts to enhance regional stability and for Uganda to continue to be a safe haven for many refugees from the region. At the same time, extreme weather- and climaterelated events, such as floods or droughts, have the potential to derail progress against the strategy's results areas during the lifetime of the strategy and beyond. As such, the principle of contingency planning for climate (and other) risks will be promoted in projects and activities.

The Shifting Space for Civil Society

Over the years CSO's dealing with human rights and governance issues, the media and human rights defenders, have been met with restrictive (interpretation of) laws by government. This places development partners in a difficult position. On the one hand, government accuses Western donors of funding the opposition through CSO's, on the other hand some CSO's think development partners are not doing enough to support them and should stop working with the government altogether. The Netherlands will continue to call for the strict observance of human rights and the protection of citizens, together with the EU and other development partners. The Netherlands will also continue to discuss the way forward with CSO's and other stakeholders. The Netherlands is supporting initiatives for increased cooperation between civil society and government institutions and deepening the ownership of their work by the communities, CSO's serve. The Netherlands will capitalize on its extensive network of local partners through the strategic partnerships, the DGF and the JLOS to inform its policy and political dialogue with the Government of Uganda.