Thirty-fifth session  
6 June-1 July 1988  
Item 5 (b) (iii) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

THIRD COUNTRY PROGRAMME FOR UGANDA*

<table>
<thead>
<tr>
<th>Programme period</th>
<th>Actual resources programmed</th>
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<tr>
<td>1988-1991</td>
<td>IPF for 1988-1991</td>
<td>38,244,000</td>
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<td>Other resources programmed</td>
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<td>Resources from third cycle</td>
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<td><strong>Total</strong></td>
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* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; and (e) distribution of new country programme by sector.
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Uganda is a least developed, land-locked country with an estimated population of 16 million and an annual population growth rate above 3 per cent. The economy is based on agriculture, with 84 per cent of the labour force engaged in agricultural production, producing about 50 per cent of gross domestic product (GDP) and providing nearly 95 per cent of export earnings.

2. Whereas Uganda in 1970 had the fourth highest GDP per capita in southern and eastern Africa, the ensuing years of political turmoil resulted in a large-scale exodus of professional and skilled manpower; mismanagement of the economy; civil war and unrest; and destruction of infrastructure, productive capital and private property. The impact on the productive capacity of the country has been enormous, particularly on agriculture and industry, and public services and administration. The situation was further aggravated by the effects of the breakup of the East African Community in 1977, the economic dislocations caused by the rise in oil prices, and the scarcity of foreign exchange which constrained the importation of essential agricultural and industrial inputs and spare parts.

3. Although Uganda's economy grew by 6 per cent per annum during 1981-1984 and inflation was reduced, the economy quickly deteriorated after that period. Heavy borrowing, especially in the period 1981-1984, has led to a total foreign debt of over $1 billion, with debt servicing in 1986 absorbing 50 per cent of export earnings. During 1985 and 1986, the country achieved surplus on the external account, due to the sharp curtailment of imports, the fall in petroleum prices, and the high prices netted by the country's major export crop, coffee, which accounted for over 90 per cent of total export earnings. This, however, has left the country critically dependent on world coffee market prices. Cotton, as second export earner, contributes only about 1 per cent. The number of trading partners has also remained limited, further increasing the country's external account vulnerability.

4. The Government's revenue base is narrow and highly dependent on the coffee export tax. Until late 1986, the country experienced a steadily growing budget deficit, with resultant high inflation, which led to a rapid erosion of real wages, particularly in the public sector.

5. The output of the industrial sector has sharply declined following the large-scale exodus, since 1971, of Ugandans of Asian origin, who owned most of the factories. Management that took over often lacked technical, managerial and administrative skills, and the country's capital scarcity coupled with the unsettled question of ownership made it difficult for many firms to obtain credit. Few significant investments were made over the past 10 years, with most plants now operating at 10 per cent to 20 per cent of installed capacity.

6. Uganda has one of the most favourable climates for agriculture in Africa, and soils in large parts of the country are fertile. Approximately two thirds of the land is arable. Output of marketable products has generally stagnated, while
production of staples for local consumption has kept pace with the population growth even during the years of civil strife and wars. Yields, however, have in many cases declined, so increased output is achieved through more land being cultivated. Since fuelwood accounts for over 90 per cent of total energy consumption in the country, deforestation caused by over-utilization of wood for fuel and construction purposes, coupled with agricultural encroachment, is becoming a serious problem, putting substantial pressures on land resources in some areas. Over-fishing in some of the major lakes is furthermore threatening the long-run supply of this important food resource.

B. National development strategies

7. The Government of the National Resistance Movement (NRM) assumed power in early 1986 and stressed, as part of the "Ten-Point Programme", the need to build an independent, integrated and self-sustained economy. Restoration and improvement of social services, rehabilitation of the war-ravaged areas, expansion of regional co-operation and the adoption of a mixed economy are essential elements of the Programme. Also, the Government announced a six-month Emergency Relief and Rehabilitation Programme which focused on the security situation, quick rehabilitation of the worst affected areas, investment in the transportation sector and the restoration of services that had been interrupted by war.

8. In May 1987, the Rehabilitation and Development Plan, 1987/88-1990/91 was adopted. The Plan foresees an annual economic growth of 5 per cent, a reduction of inflation to 10 per cent, and redressing the unfavourable balance of payments. In order to achieve these goals, it is planned to increase the productive capacities of the agricultural and manufacturing sectors through the provision of essential technical and capital inputs, upgrading of managerial and technical skills, encouragement of private investment, and upgrading of the infrastructure of transport, communication, water and electricity; all these measures are supportive and conducive to productivity and growth. The Plan further recognizes the need to rehabilitate and develop the health, education, housing and community development sectors. Emphasis is to be given to preventive health care, technical, scientific and commercial education, and affordable shelter to low-income groups in rural and urban areas using locally available materials and technology with local community involvement in planning and construction. The Plan also stresses the need for an environmental programme to arrest degradation of natural resources and promote the rational use of forests, water, land and minerals.

9. To achieve these objectives, the Plan foresees projects with a foreign currency component of nearly $1.3 billion, emphasizing transport and communications (29 per cent); agriculture (24 per cent); consumer and basic industry (21 per cent); social infrastructure (17 per cent); mining and energy (7 per cent); and public administration (1 per cent).

10. The Rehabilitation and Development Plan was presented to the Consultative Group at its meeting in Paris in early June 1987 and pledges totalling $308 million for the first year of the Plan period were made. At the Paris Club meeting, Uganda received substantial debt relief in the form of rescheduling of the arrears due as
at 30 June 1987, thus lessening the burden on the country's balance-of-payments situation.

11. The Government instituted a wide-ranging package of economic policy changes in order to create a stable financial and economic environment conducive to investment and economic recovery. Through monetary reform policy a new currency was introduced and the Ugandan shilling was devalued by 77 per cent, providing a better alignment of relative prices between imports, exports and locally produced inputs and a more realistic exchange rate. Fiscal reforms, consisting of tightened tax collection measures, an expanded tax base and better controls over government operating and investment expenditures, were initiated, while producer prices for essential agricultural produce were increased substantially to encourage farmers to produce more diversified crops. Salaries of civil servants were more than doubled, and the size and performance of the civil service is being examined to identify possible areas of inefficiency and redundancy. The exercise should lead to the strengthening of manpower planning, improvement of management in parastatals and other public bodies and matching of qualifications with tasks. As part of this general economic reform, a Structural Adjustment Programme was agreed to between the Government and the World Bank and the International Monetary Fund (IMF), providing additional financial resources for the country's development.

12. In its efforts to build an integrated and self-sustaining economy, the Government is paying more attention to the diversification of economy activities; strengthening of the smallholder sector; providing more incentives to national and foreign private enterprise; broadening the export base and trading partners; and encouraging small-scale enterprises in both urban and rural areas.

C. Technical co-operation priorities

13. The magnitude of development assistance in 1986 is estimated to have been over $175 million, of which around $65 million was for technical assistance. This represents a substantial increase compared with the aid provided during 1982-1985. The assistance was oriented towards rehabilitation and emergency programmes in health, education, agriculture, economic planning and development administration, industry, transport and communications.

14. Currently, Uganda does not have an overall technique assistance plan, nor has an inventory of technical assistance requirements been mounted, although the need for such an exercise is recognized. In all probability, a National Technical Co-operation Assessment Programme (NaTCAP) will be launched in the early stages of the country programme.

15. The identification of technical co-operation needs is therefore based on the priorities put forth in the Rehabilitation and Development Plan, and in economy-wide and sector-specific reports which have been prepared by the Government and other institutions. The programme funded by the United Nations Development Programme (UNDP) thus seeks to provide technical assistance in areas needed to implement the Plan, such as strengthening of the planning and management capabilities in the agricultural, industrial and transport sectors and the
provision of technical inputs for the rehabilitation and development of agricultural and rural development structures and productive capabilities.

D. Aid co-ordination arrangements

16. Aid co-ordination is the responsibility of the Aid Co-ordination Department of the Ministry of Planning and Economic Development. Emergency relief and rehabilitation assistance is co-ordinated by the Prime Minister's office. Loan arrangements with international financial institutions are still signed by the Ministry of Finance, while the Central Bank monitors the foreign debt situation. The other institutions must report to the Ministry, however, and the data banks of these different entities are now being computerized and linked.

17. Annual meetings of the Consultative Group are foreseen and are strongly supported by the Government. The Ministry of Planning and Economic Development chairs periodic meetings of the donor community between Consultative Group meetings in Uganda for discussion of general and specific sectoral matters, and for review of the implementation of the Rehabilitation and Development Plan. On the donors' side, meetings are held under the chairmanship of the local representative of the World Bank to exchange information about ongoing and planned activities in areas of mutual interest.

II. THE COUNTRY PROGRAMME

A. Assessment of current country programme

18. The second country programme for Uganda, covering the period 1983-1986, was based on the Government's recovery programme, 1982-1984 and focused on institution-building and pre-investment activities. As a consequence of the problems Uganda faced in 1985 and early 1986, and pending the adoption of the Rehabilitation and Development Plan, the second country programme was extended by one year, through 1987. This made it possible to base the third country programme on the Plan, with the two programmes covering the same time periods.

19. Political instability and wars in the country made full implementation of the country programme impossible. One indication of this is that while the indicative planning figure (IPF) resources available for the period 1983-1986 were $US 35,895,000, only $US 28,612,000 was utilized, representing 76.5 per cent.

20. The conditions then prevailing in the country seriously hampered the implementation of projects, particularly in the rural areas. Several projects were postponed, and others had their area of activity significantly curtailed. Recruitment of international personnel was at times difficult, leading to a number of positions remaining vacant for long periods. The wars led to large-scale destruction of physical infrastructure, looting of project premises and equipment, and two near total evacuations of international project personnel. In addition, it is recognized that UNDP resources were spread too thinly over several fields of activity, reducing the impact of the programme in various sectors.
21. Owing to the above factors, most projects were located mainly in urban areas or in areas near the capital. Project implementation was further affected by the general economic decline and the reduced efficiency of public services. With the deterioration in the country's balance-of-payments situation, inputs purchased with foreign exchange - such as fuel and spare parts - became more difficult to obtain, thus transferring more of the financial responsibility to UNDP-funded projects.

22. On the United Nations side, delays in recruitment of experts and delivery of equipment seriously affected project implementation and efficiency. Some projects were poorly formulated with overly optimistic objectives that did not take full account of the economic and security conditions in the country. Extensions, reformulations or non-achievement of objectives were in many instances the direct result.

B. New programme proposal

23. With the presentation of the Government's Rehabilitation and Development Plan, the framework for the country's development efforts has been defined. Having this as a point of reference, a thorough country programme review and planning exercise took place in May 1987, involving relevant ministries and donor community representatives. The ongoing country programme was discussed, agreement was reached on the principles for the third country programme, and the Government's priority list of projects for inclusion in the third country programme was identified.

24. Consultations with the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and the World Bank were held. A UNFPA programming and project formulation mission visited Uganda in August 1987, and areas for co-operation were identified, particularly in population and housing census, demographic training and research, integration of women in development programmes and rural educational activities. WFP will continue to provide assistance for dairy development, and the possibility of using "Food for Work" in several rural development projects is being actively pursued. The World Bank has established close links in the fields of planning and development finance with UNDP and closer co-ordination of programmes continues to be maintained.

25. Based on discussions and consultations with agencies of the United Nations system, the consensus is that the country programme focus should be on strengthening central institutions, planning and management capacities, and the development and upgrading of human resources.

26. Emphasis should be on increasing the absorptive capacity in the sectors given priority in the Rehabilitation and Development Plan: agriculture, industry, transport and communications, and social infrastructure.

27. The country programme should also provide technical assistance in support of rural rehabilitation and development programmes to enable rational utilization of agricultural resources, expansion of income-generating sources and enhancement of the productive role of women and the rural work force.

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28. The objectives of the third country programme, which are derived from the objectives of the Rehabilitation and Development Plan, aim at increasing the productivity of the key sectors of the economy, especially agriculture and industry, through strengthening of institutions, structures and human resources. These objectives are: (a) Enhancement of planning, financial and human resources capacities; (b) Provision of integrated support to rural development and agricultural productivity.

Enhancement of planning, financial and human resources capacities

29. The strengthening of the Government's capacity to identify, plan, formulate, manage, monitor and evaluate projects and programmes is seen as crucial to the successful implementation of its investment goals as outlined in the Rehabilitation and Development Plan. The Structural Adjustment Programme foresees better pricing policies, improved public sector performance, enhancement of productivity, and an expansion of the revenue base as well as more efficient means of collection of taxes and other revenues. This puts further demands on the Government's capacity to manage the main economic policy instruments; monitor the economy's performance and make necessary adjustments; and co-ordinate policies among various Government institutions. The country programme will therefore assist in the rehabilitation and strengthening of central and sectoral planning capabilities, and the development of technical and management skills in key sectors, especially in agriculture, industry, transport and communications and public administration.

Ongoing projects

Planning and development policy

Assistance to the Uganda Development Bank (UDB) (UGA/80/017)

30. UDB administers large credits and loans provided by the International Development Association (IDA), the Organization of Petroleum Exporting Countries (OPEC), the Islamic Development Bank and other donors for implementation of agricultural, industrial and commercial projects. The project is strengthening the departments of finance, and administration and project operations. UDB's project identification and appraisal capacity has been enhanced and upgraded through on-the-job training and external fellowships.

Manpower Survey (UGA/84/004)

31. The project is assisting in conducting manpower surveys to establish labour supply and demand for economic and social planning purposes.

Registration and Control of External Debt (UGA/85/001)

32. The main purpose of the project is to establish a computerized system for registration and control of external debt to permit production of reports on status, composition and maturity profile of external debt with greater speed and flexibility.
33. The project will facilitate equipment procurement, custom clearances and transportation of equipment. Missions for project identification and monitoring and co-ordination of emergency relief activities will be funded under this project.

Programme Support Project (UGA/87/002)

34. The project will provide consultants for the formulation of projects and the review of the country programme and sectoral studies. It will also finance short-term training courses for Ugandan participants in subjects directly related to the development priorities of the Rehabilitation and Development Plan.

Social infrastructure

Rehabilitation of 10 District Hospitals (UGA/86/008)

35. The project provides assistance to 10 district hospitals in the rehabilitation of electrical, water and sanitation installations to ensure that health services are delivered in a reasonably safe environment and under relatively sanitary conditions.

Control of Trypanosomiasis (UGA/86/007)

36. The project is assisting the Government in establishing and operating a co-ordination office to ensure rational resources allocation in combating and controlling the spread of trypanosomiasis.

Manpower development

Assistance to the Faculty of Science, Makerere University (UGA/79/001)

37. Through assistance from UNDP and the United Nations Educational, Scientific and Cultural Organization (UNESCO), curricula in the departments of geology, zoology and chemistry were developed, some faculty instructors and graduate students were trained abroad, and teaching materials and laboratory equipment were provided to rehabilitate faculty departments and libraries. Post-graduate and undergraduate courses have been developed and implemented and select research projects undertaken.

United Nations Volunteers (UNV)

Umbrella Project (UGA/80/009)

38. Under this assistance a number of United Nations Volunteers are being provided to several ministries such as Planning and Economic Development, Minerals and Water Development, Health and Education to perform tasks such as water borehole drilling, teaching, library and documentation services, and maintenance of equipment.
39. Through a TCDC arrangement with an Egyptian university, UNDP is funding the hard currency component of the salaries of five professors, upgrading residences and equipment at the Faculty of Medicine.

New projects

Planning and development policy

Assistance in Economic Planning and Aid Co-ordination (UGA/87/008)

40. This project will augment the planning capacity in the Ministry of Planning and Economic Development which began under Phase I (UGA/79/011). The main objective of the project is to strengthen and upgrade the planning machinery at the national, regional and district levels through training of planners and economists, preparation of development plans and sectoral economic analyses and setting up a department for external aid co-ordination.

Agricultural Planning (UGA/87/012)

41. The project will strengthen the planning and co-ordination capacities of the planning units in the Ministries of Agriculture, Animal Industry and Fisheries, Co-operatives and Marketing and Environmental Protection and Forestry to enable them to formulate and implement agricultural development policies, programmes and projects.

Assistance to the Uganda Commercial Bank (UCB) (UGA/87/029)

42. Under Phase I (UGA/80/006), assistance was provided for streamlining the accounting, inspection and auditing systems and procedures of UCB, training of personnel in various aspects of banking and setting up of a small-scale rural credit scheme. The project will provide technical expertise to assist in the implementation of the computerization programme in the management information service of UCB, the training of key personnel in computerization and commercial banking and rural credit, and further developing the rural credit scheme of small farmers.

Transport and communications

Transport Strategy and Training (UGA/86/014)

43. The project will assist in the preparation of an integrated national transport policy for the optimal allocation of resources for all modes of transport (road, rail, water and air); and draw up and implement a programme for manpower training and development, especially in planning, management and maintenance.
Strengthening of the Civil Aviation Department (UGA/87/028)

44. The project is aimed at enhancing the operational capability of the Civil Aviation Department in traffic planning and control, fire management and control and airport safety and management. Under Phase I (UGA/82/006) assistance was provided in airport operations planning, airworthiness and fire-fighting.

Social infrastructure

Low-Cost Housing, Upgrading and Development (UGA/86/005)

45. In pursuance of the national objective of providing shelter to low-income groups through self-help programmes and the use of local building materials and know-how, the project will assist in the preparation of engineering and architectural designs for a low-cost housing pilot area near Kampala and the establishment of a housing co-operative and a housing finance revolving fund.

Housing Sector Development (UGA/87/032)

46. Technical assistance will be provided for the development of a housing policy, the preparation of a resource mobilization plan and a manpower development strategy.

Manpower development

United Nations Volunteers (UNV) Technical Services (UGA/87/004)

47. Key technical personnel will be provided to augment existing capacities in ministries, parastatal bodies and local organizations, within the framework of the objectives of the country programme.

Development Office, Makerere University (UGA/87/015)

48. As a direct result of the Donors' Conference held in July 1987 to generate and identify resources for the rehabilitation of Makerere University, the project will assist the University's planning and development office in the preparation of individual projects for submission to donors and will create a capacity for planning future projects.

Transfer of Knowledge through Expatriate Nationals - TOKTEN (UGA/86/017)

49. This project will have two components: a traditional TOKTEN approach, where Ugandan professionals residing outside the country are invited to return for short-term consultancies, with UNDP funding the per diem and travel costs; and a "settling-in" part, where Ugandans who are interested in returning will receive some compensation for relocation costs over a maximum period of two years. The latter part of the project is limited to high-level managers in specialized fields such as banking, transport and communications and health.
Umbrella Project for Technical Co-operation among Developing Countries (TCDC) and Short-term Advisory Services (STAS) (UGA/87/020)

50. The project will promote exchange of know-how between Uganda and other developing countries through short-term consultancies, training and study tours. It will also enlist the services of high-level consultants from industrialized countries through the STAS system, at a moderate cost.

Surveying and Mapping (UGA/87/025)

51. The main purpose of the project is to assist the surveying and mapping department rebuild its capacity through manpower development, equipment rehabilitation and direct assistance in carrying out various mapping surveys.

Trade and industry

Tourism Development (UGA/86/016)

52. This project will assist in developing a general strategy for the tourism sector through the preparation of a tourism rehabilitation and development plan, including manpower training, marketing and physical rehabilitation plans for existing touristic facilities.

External Trade Development (UGA/87/009)

53. The project will assist the National Export Promotion Council and the Ministry of Commerce in export promotion planning and development of marketing policies and strategies.

Industrial Rehabilitation and Development (UGA/87/013)

54. The project will provide training to personnel in enterprises and in the Ministry of Industry in administrative, financial and technical management, as well as technical assistance in capital goods selection, installation, operation and maintenance. The project will develop a programme of appropriate technology application in industry and small-scale industry planning and product promotion.

Hotel Training Centre (UGA/87/030)

55. The project will assist the Government in planning the development of a hotel training school and in the preparation of training curricula and teaching materials.

Linkages

56. Most UNDP-funded projects are closely linked to programmes and projects funded by major donors and agencies of the United Nations system. The emphasis is on sectoral concentration and complimentarity.

57. Planning activities supported by UNDP/World Bank in the Ministry of Planning and Economic Development will be closely co-ordinated with the programme of...
Veterinary Training (UGA/86/001)

70. The project will assist in upgrading veterinary services, and will develop and conduct training courses at the Faculty of Veterinary Medicine of Makerere University and carry out extension veterinary services and artificial insemination.

Wildlife and National Parks (UGA/86/010)

71. The main objective of the project is to rehabilitate the National Parks and Game Reserves Department through the provision of equipment and training of parks management and wardens, guards, etc. The assistance should also result in enhanced capacity in planning and management of protected areas.

Forestry Training (UGA/86/012)

72. Nearly 7 per cent of the land area in Uganda is covered by forests. Forestry resources, however, have in the past 15 years been inappropriately managed and exploited, resulting in a high degree of deforestation and soil degradation. The project's principal emphasis will be on restoration and enhancement of the operational capabilities of the Forestry Department through training in forest management, planning, saw milling and logging and social forestry. In close collaboration with UNDP/Food and Agriculture Organization of the United Nations (FAO), IDA, EEC, the Norwegian Agency for International Development (NORAD), the Danish International Development Agency (DANIDA) and the Cooperative for American Relief Everywhere (CARE) are providing assistance towards physical rehabilitation and equipment of two training centres, rehabilitation of industrial softwoods plantations, social forestry, energy farming and forest management.

Manufacture of Agricultural Tools, Implements and Machinery (UGA/86/015)

73. Most of the farming in Uganda is done by smallholders who utilize simple tools and implements. The production of the main factory in Sorati has declined substantially since 1971 due to mismanagement, lack of raw materials, deterioration of production equipment and marketing, water, electricity and physical facilities. Jointly with UNCDF financing of capital inputs, the project will rehabilitate and expand the production of agricultural tools and implements by 1990 to as many as 8,000 ox ploughs with long beam, 24,000 spare parts, 800 ox-drawn expanding cultivators, 500 carts and 120 universal hammer mills.

Cocoa Production (UGA/86/018)

74. The project aims at the rehabilitation of cocoa cultivation and processing. An economic analysis of cocoa production and marketing will be conducted and a field research programme will be established. The project will also conduct studies on pests and disease control, develop a programme of extension service and training and prepare an investment plan for rehabilitation.
Rural development

Labour-Intensive Public Works, Luwero District (UGA/86/006)

75. Through community participation, the project will, in the Luwero District, construct central storage and workshop facilities, establish five logistical and distribution centres, rehabilitate 100 kilometres of access roads, clear 1,800 acres of farmland, establish a soil-stabilized brickmaking centre and train 960 villagers in soil-stabilized brickmaking. In addition, three nurseries will be built with a total capacity of 70,000 seedlings per year. District and county government staff and local artisans (320) will be trained in planning and implementation of labour-intensive community public works. Technical support will be provided to project UGA/87/024, funded by the Special Measures Fund for the Least Developed Countries (Establishment of a Trading Centre in Masulita), which will provide vocational training to local farmers and primary and secondary school trainees.

New projects

Agriculture, forestry, livestock and fisheries

Agricultural Census (UGA/84/011)

76. The first agricultural census since the early 1960s is planned for 1990. The project, which commenced under preparatory assistance in 1987, aims at strengthening the National Agricultural Census Office, developing and maintaining a comprehensive and integrated system for the timely collection, analysis and storage of reliable agricultural data and assisting in the formulation and implementation of national agricultural development strategies and projects.

Development of Horticultural Industry (UGA/87/003)

77. The potential for expanding the production of vegetable and fruit crops is substantial, given the favourable soils and climate which Uganda enjoys. The project will design a programme for the development of horticulture, including the introduction of improved varieties of vegetables and fruits and agronomic practices, establishment of nurseries and seed multiplication centres, strengthening extension services, upgrading research, training manpower and conducting studies on marketing, processing and production techniques.

Plant Quarantine (UGA/87/006)

78. The main aim of the project is to establish a plant quarantine facility and plant inspectorate for the control of harmful plant diseases.

Fisheries Planning (UGA/87/007)

79. The project aims at strengthening the planning capacity of the Ministry of Animal Industry and Fisheries, improvement of the information base for planning and effective utilization of fisheries statistics and promotion and development of small-scale fisheries in selected areas of Lake Victoria.
Agro-meteorological Services (UGA/87/031)

80. The main purpose is to strengthen the agro-meteorological services to enable the timely collection and analysis of agro-meteorological and climatological data necessary for crop and livestock production, and flood and drought control. The project will assist in the rehabilitation of existing equipment and procurement of new equipment through the utilization of a $US 1 million grant from the Organization of African Unity (OAU) for equipping the agro-meteorological section in the Department of Meteorology.

Support to rural development

Feeder Roads (UGA/86/013)

81. One of the major obstacles to rapid recovery of the rural areas is the high transport cost to the farmers owing to the deteriorating conditions of feeder and main roads. The project will provide technical assistance in road maintenance and construction to complement UNCDF capital inputs for the rehabilitation and maintenance of a total of 2,490 km of priority rural feeder roads in the districts of Bushenyi, Kabale, Masaka, Mbrara, Rakai and Rukungiri in South-West Uganda.

Basic Integrated Rural Education (UGA/87/014)

82. The project aims at developing rural-oriented curricula, modules and teaching materials for primary schools and training teachers in the implementation of the new programme.

Development of Small-Scale, Income-Generating Projects in Rural Areas (UGA/87/017)

83. This project will fund an umbrella programme for rural development. It will strengthen local organizations such as youth groups, women's organizations, young farmers' associations and local non-governmental organizations in developing planning, management and implementation capacity for small-scale rural development projects. The project will also support small-scale projects, which emphasize their roles as food producers and small entrepreneurs. Activities which would be supported include efficient fuelwood use; improved food processing and storage to reduce post-harvest losses; oil pressing; handicrafts training to expand local income; and rural printing/rural communication to diffuse information on improved food production techniques, elementary preventive health care, etc.

Linkages

84. Agricultural development is accorded high priority in the Government's investment programme. The Government's Agricultural Task Force, which has carefully analysed the problems in the sector, emphasized structural and institutional reforms. The UNDP-funded projects have been especially selected to complement the capital assistance which has been planned in the Rehabilitation and Development Plan.

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85. The Islamic Development Bank has shown interest in funding a large equipment component for the cocoa rehabilitation programme in support of the technical assistance being provided by UNDP.

86. In the livestock sector, WFP is providing about $26 million in the form of skimmed dry milk and butter-oil for reconstituted milk. The latter currently accounts for nearly 90 per cent of milk sold through the Diary Corporation, which is assisted by project UGA/84/023 (Development of the dairy industry). The income generated from the sale of milk is channelled back into development projects in the sector. The World Bank is planning a series of activities in the livestock subsector totalling $15 million, while the African Development Bank is funding activities totalling $4.5 million in close collaboration with the UNDP/FAO technical assistance projects. Bilaterally funded activities in livestock development, veterinary services and tsetse control are closely linked to veterinary training, tsetse control and trypanosomiasis projects.

87. The United States Agency for International Development (USAID) will provide $200,000 worth of tools to the Soroti tools and implements workshop being rehabilitated by UNDP, while UNCDF is providing $2.4 million worth of equipment, spare parts and raw materials. All inputs will be co-ordinated by the UNDP-funded project.

88. The feeder road project (UGA/86/013) is the focal point for establishing cost-efficient and technically appropriate solutions to feeder road upgrading and maintenance. UNCDF will provide $10.2 million for road rehabilitation and construction in South-West Uganda. The International Fund for Agricultural Development (IFAD) will finance similar activities in those areas in the South-West that are not covered by the UNDP/UNCDF-funded projects. EEC is funding feeder road rehabilitation in the tea-growing areas, while the West German Agency for Technical Co-operation (Deutsche Gesellschaft für Technische Zusammenarbeit - GTZ) is financing feeder road rehabilitation in the West. In all cases, the training for and methodology of long-term, labour-intensive community bases maintenance is being provided by the UNDP-funded project.

89. The Government of the Netherlands provided $1.2 million for equipment in support of a labour-intensive public works programme in the Karamoja area, while the Danish Government has expressed interest in funding a programme similar to the project in the Luwero triangle in another part of Uganda, utilizing the techniques and experiences developed by the UNDP-supported projects in Karamoja and Luwero.

Programmed reserve

90. A total of $40,093,000 has been programmed for this objective. A reserve of $2 million is earmarked for an agricultural research and extension management project currently under formulation.
C. Unprogrammed reserve

91. All resources earmarked for the third country programme have been programmed. These resources represent an appreciable portion of the overall technical assistance requirements for the implementation of the Rehabilitation and Development Plan. The pace of programme implementation which commenced in early 1987 has accelerated considerably and most new project proposals are at advanced stages of formulation. It is envisaged that virtually all new projects will become operational in 1988 and early 1989.
Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. UNDP-administered sources

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>Amount ($)</th>
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</thead>
<tbody>
<tr>
<td>Third cycle IPF balance</td>
<td>9,452,000</td>
</tr>
<tr>
<td>Fourth cycle IPF</td>
<td>46,244,000</td>
</tr>
<tr>
<td>Expected delivery, 1987</td>
<td>(8,000,000)</td>
</tr>
<tr>
<td>Subtotal IPF, 1988-1991</td>
<td>47,696,000</td>
</tr>
<tr>
<td>Special Measures Fund for the Least Developed Countries</td>
<td>330,000</td>
</tr>
<tr>
<td>Special programme resources</td>
<td>-</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>-</td>
</tr>
<tr>
<td>Third party cost-sharing</td>
<td>-</td>
</tr>
<tr>
<td>Operational funds under the authority of the Administrator</td>
<td></td>
</tr>
<tr>
<td>United Nations Capital Development Fund</td>
<td>13,672,000</td>
</tr>
<tr>
<td>Second International Conference on Assistance to Refugees in Africa</td>
<td>1,000,000</td>
</tr>
<tr>
<td>UNDP special trust funds</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal, UNDP non-IPF resources</td>
<td>15,002,000</td>
</tr>
</tbody>
</table>

B. Other sources

<table>
<thead>
<tr>
<th>Source Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise</td>
<td>-</td>
</tr>
<tr>
<td>Parallel financing from non-United Nations sources</td>
<td>1,280,000</td>
</tr>
<tr>
<td>Subtotal, other sources</td>
<td>1,280,000</td>
</tr>
</tbody>
</table>

TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING                                                                 | 63,978,000 |

II. USE OF RESOURCES

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing projects</td>
<td>8,600,000</td>
</tr>
<tr>
<td>New project proposals</td>
<td>51,378,000</td>
</tr>
<tr>
<td>Programmed reserve</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Subtotal, programmed resources</td>
<td>63,978,000</td>
</tr>
<tr>
<td>Unprogrammed reserve</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL USE OF RESOURCES                                                                                           | 63,978,000 |