



# **Programme Document**

## **Democratic Governance Facility in Uganda**

**January 2018 – December 2022**

**Approved by the DGF Board on 28<sup>th</sup> June 2017**

## Acronyms

AMISOM	The African Union Mission to Somalia
CEDAW	Convention on the Elimination of all Forms of Discrimination Against Women
CEON-U	Citizens' Election Observers Network
CSBAG	Civil Society Budget Advocacy Group
CSCO	Coalition on Oil and Gas
DGF	Democratic Governance Facility
DPs	Development Partners
EU GAP	European Union Gender Action Plan
FINMAP	Financial Management and Accountability Programme
FMU	Facility Management Unit
FoMA	Head of Finance and Administration
GEWE	Gender Equality and Women's Empowerment Approach
GoU	Government of Uganda
HoFMU	Head of FMU
HRBA	Human Rights-Based Approach
HTPs	Harmful Traditional Practices
IDPs	Internally Displaced Persons
IG	Inspectorate of Government
LRA	Lord's Resistance Army
MEL	Monitoring & evaluation and learning
MDGs	Millennium Development Goals
MIS	Management Information System
NAP	National Action Plan on Human Rights
NDP	National Development Plan
NGO	Non-Governmental Organisation
NRM	National Resistance Movement
OAG	Office of Auditor General
PDIA	Problem-Driven Iterative Adaptation
PLMs	Programme and Learning Managers
PMU	Programme Management Unit

PWDs	People with Disabilities
RDE	Royal Danish Embassy
RMF	Risk Management Framework
RTE	Real-Time Evaluation
SC	Steering Committee
SDGs	Sustainable Development Goals
SGBV	Sexual and Gender Based Violence
SMT	Senior Management Team
SUGAR	Strengthening Uganda's Anti-Corruption and Accountability Regime
TA	Technical assistance
ToC:	Theory of Change
UHRC	Uganda Human Rights Commission
UPDF	Uganda People's Defence Forces
UPR	Universal Periodic Review
VAWG	Violence Against Women and Girls
VfM	Value for Money

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## 1. Summary

Uganda has made significant progress over the last 30 years in terms of achieving development outcomes, fostering stability, and moving towards a more democratic system of governance. There are, however, considerable challenges with regard to the quality and access to services. These include a rapidly growing population, a highly unequal distribution of wealth, gender inequalities, marginalisation of specific groups including women and youth, social ills like corruption, human rights violations and conflict in some regions, and a system of political governance which is dominated by one ruling party. Although civil society<sup>1</sup> is active in promoting democratic governance in the country, it is sometimes seen as fragmented, not always representative of the wider community and not accountable. Progress towards a more inclusive democratic governance system in Uganda has been less significant than expected by civil society and a growing number of civilians.

As the evaluation and reviews of the first phase of the Democratic Governance Facility (DGF I) demonstrated, there have been considerable results in promoting and underpinning democratic governance, including constructive civil society engagement with government and parliament on specific laws and policies, citizens' understanding of their rights through civic education, stronger accountability through budget monitoring and local government scorecards, and the provision of legal aid to over 4 million Ugandans. Experience has shown that supporting citizen<sup>2</sup> engagement with democratic processes and institutions has led to more state<sup>3</sup> responsiveness. It is critical to build on these achievements in DGF II. .

DGF II represents eight Donor Partners (Austria, Denmark, Ireland, the Netherlands, Norway, Sweden, the United Kingdom and the European Union) coming together to support democratic governance initiatives in Uganda. This is a unique arrangement for a governance programme in sub-Saharan Africa. DGF II will not only be consolidating its efforts in supporting and strengthening civil society. It is also designed to 'refresh' its approach and its engagement with the Government of Uganda (GoU) – to demonstrate the value of a governance programme which connects to the national priorities and commitments of the Government. DGF II will represent a shift in approach in that it will ensure an ongoing political economy analysis, which will inform the DGF strategy and decision-making. It will take an adaptive programming approach based on a set of principles around identifying and contributing to the solving of local and national problems,

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<sup>1</sup> The definition of civil society follows the EU definition of “Non-State Actors”<sup>1</sup>: “Non-State Actors encompass non-governmental organisations (NGOs), grassroots organisations, cooperatives, trade unions, professional associations, universities, media and independent foundations. Their common feature lies in their independence from the State and the voluntary basis upon which they have come together to act and promote common interests.” The term used in DGF documents, which captures the same definition as the non-state actors above, is “civil society organisations” (CSOs).

<sup>2</sup> “Citizens” is not to be understood as “Citizens of Uganda.” The term refers to persons who live in Uganda, independently of whether they are actual citizens of Uganda or not. By applying this broader notion, groups such as refugees are also considered “citizens” even if they are not citizens of Uganda. Overall, the term indicates a relationship with the Ugandan state, which is why the term citizen is preferred instead of for example “person” or “people.”

<sup>3</sup> The terms “State” and “Government” are both used throughout this document and are sometimes interchangeable. There is however an understanding that “government” refers to the political administration of Uganda while “state” is usually defined as having four core elements: people, territory, government and sovereignty.

being prepared to ‘do things differently’ and ‘be politically smart’, ensure regular learning, including gender issues, and engage a broad spectrum of actors around key governance issues.

The overall vision for DGF II will be “a Uganda where citizens are empowered to engage in democratic governance and where the state upholds citizens’ rights”. It therefore places the citizen at the centre of the initiative and is focused on the relationship between the citizen and the state. This vision – or impact statement – is underpinned by the following four high-level outcomes: (i) strengthened democratic processes that respond to citizens’ rights, (ii) strengthened rule of law and improved access to justice, (iii) increased protection and fulfilment of human rights and gender equality, and (iv) improved citizens’ inclusion and engagement in decision-making processes.

To contribute to these high-level outcomes – and ultimately the vision – DGF II has been designed in a different way than the preceding phase. The starting point of the theory of change is the ongoing analysis of the political context and identification of key governance issues which inform areas of intervention that will be supported by the DGF.

This approach is encapsulated in so-called “spheres” which are three broad and interconnected domains of governance: (1) democratic processes that build citizen-state relationships, (2) citizen empowerment, engagement and accountability and (3) protection of human rights, access to justice and gender equality. Each sphere identifies and analyses governance issues upon which decisions on whether or not to launch an area of intervention will be based. A number of pathways and strategies to be employed are described in the theory of change and will be further unpacked in the description of the spheres.

Indicative areas of intervention are also presented within each sphere description and are summarised in chapter 4. For *Sphere 1* they are (1) Improving government accountability towards citizens including electoral processes, (2) An improved representation and recognition of women in leading political institutions and as elected candidates, (3) Diversifying political engagement between elected officials, political parties and citizens, and (4) Improving participatory decision-making in planning, budgeting, monitoring and evaluation processes. For *Sphere 2* they are (1) Strengthening citizen engagement for government accountability, (2) Strengthening citizen engagement for natural resource governance, (3) Improving access to information and civic (and voter) education, (4) Strengthening youth and women participation and representation, and (5) Improving civil society health. For *Sphere 3* they are (1) Upholding human rights, (2) Improving access to justice and transitional justice for the poor and vulnerable groups and addressing violence, torture and impunity, and (3) Upholding Pro-Gender Equality legislation.<sup>4</sup> A number of these areas of intervention relate and connect to more than one sphere.

The programme and implementation approach for DGF II emphasises the role of the DGF as an active facilitator or convenor for partners (i.e. those supported by DGF funding) to come together and work on clearly identified governance issues and challenges. In addition to the sphere approach, DGF II will take an adaptive programming approach as identified above, continuously analysing and adapting to changes in the political environment. A focus on learning from this ongoing analysis and the results coming back from the areas of intervention and informing re-

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<sup>4</sup> Gender Equality is further integrated across spheres, intervention areas and across the result framework matrix through sex-disaggregated data and with specific strategic gender outcomes as further described here below. Furthermore, a gender analysis is included in Annex 5 HRBA and Gender Equality Analysis and Screening Note and also reflected in the Situational analysis.

programming will be at the heart of each sphere. There will also be an emphasis on working on common issues and areas of intervention which relate to more than one sphere.

DGF II is also designed to build synergies between the spheres and areas of intervention, operating at the level of the sphere strategies, designing areas of intervention, and taking a decision on the types of partnerships and funding mechanisms to be supported.

DGF II will also be underpinned by three specific approaches, which are both cross-cutting issues and targeted specifically by areas of intervention: Human Rights-Based Approach, Gender Equality and Youth. The analyses for Gender Equality and Human Rights-Based Approaches are further developed in Annex 5. These highlight the key gender equality and human rights issues relevant to the specific spheres and intervention areas. Gender Equality is both integrated across results framework matrixes with sex disaggregated indicators where relevant and strategically targeted in each sphere at outcome level to aim for gender transformative changes.

The programme and implementation approach are supported by proposed governance structures and management arrangements, which emphasise the sphere approach as the 'engine' of the DGF II's management and implementation. Programme and Learning Managers will play critical roles in this model. While there are similar structures to DGF I there is a clearer definition of roles and responsibilities between the Board, Steering Committee and the Facility Management Unit (FMU).

As would be expected, there is a much stronger focus on monitoring & evaluation and learning (MEL) within DGF II. The MEL approach integrates an adaptive programming approach. It is supported by a results framework, which is annexed to this document. It is, however, recognised that details of outputs, results and timelines will continue to be formulated and revised throughout the lifetime of DGF II.

An indicative budget of up to Euro 110 million is provided for a five year DGF II (2018-22). This is based on indicative commitments made by the Donor Partners (March 2017).



## 2. Introduction

DGF II encapsulates the design of the second five-year phase and commences on 1 January 2018. It includes a context analysis of democratic governance trends in Uganda, a gender equality and human rights analysis and an analysis of the social and political prospects for change; impact and outcome statements and indicators for DGF II. Furthermore, the programmatic scope and detailed design of selected areas of intervention; governance and management arrangements; a results framework; and an elaboration of three sphere strategies which are focused on specific governance areas. The programme design proposal has been produced in a participatory way with the eight donor partners and other stakeholders involved in the DGF. It is accompanied by a transition plan to implement DGF II.

*See Annex 1 detailing the Terms of Reference, the transition from DGF I and the phases of the design process.*

## 3. The case for a successor programme - DGF II

### 3.1 The context

A detailed contextual analysis<sup>5</sup> identified a number of key governance issues and challenges, and these coupled with the country's plans under the NDP II 2015/16 – 2019/20 need to be addressed as a minimum in a governance initiative of the scale of DGF II. Brief summaries of these issues and challenges, which are divided into five broad areas, are presented below:

#### 3.1.1 Democratic processes

- Among several “strategic bottlenecks” that have constrained Uganda’s socio-economic development since independence, the Uganda Vision 2014 mentions “poor democracy”. DGF II is designed to be broadly aligned with the Uganda Government’s development vision in aiming at improving and strengthening democracy in the country. The DGF I evaluation report demonstrated how the DGF could contribute to the Government’s commitments to governance, as set out in the National Development Plan II (NDP II), specifically in the areas of audit and oversight, the legislature, public administration, public sector management and justice, law and order.<sup>6</sup>
- Over the next five years there will likely be continued dominance of the ruling party<sup>7</sup>, which controls both the executive and legislative branches of the government. The President and the National Resistance Movement (NRM) have brought about stability and development in the country over the last three decades. However, some concerns do exist about the measures taken by the ruling party to maintain its hold on power particularly during elections. Specifically, international observers including the EU and Commonwealth observer missions did not consider the 2016 elections as credible<sup>8</sup>. How the Electoral Commission will conduct the next elections in 2021 will be a key test for the country’s democracy. Engaging with

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<sup>5</sup> See DGF II Situational Analysis, March 2017.

<sup>6</sup> See DGF I evaluation (Nov 2016).

<sup>7</sup> <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8945.pdf>

<sup>8</sup> <http://thecommonwealth.org/sites/default/files/news-items/documents/Uganda%20COG%20Report%20-%20Final%20-%20PRINT.pdf>

governance institutions therefore remains a challenge, as many democratic institutions are seen to be either weak or compromised as a result of the current ‘political settlement’.<sup>9</sup> There is a capability deficit in many – although not all – institutions. Key democratic institutions – such as Parliament, the Electoral Commission and the Judiciary – are unable to operate independently as articulated in the Constitution, unless they are fully autonomous in respect of finances and personnel. There is a lack of separation between public and private domains of governance with informal and personalised political relationships holding sway.<sup>10</sup> Some more independent-minded business leaders hold the view that it is more important to have strong political relationship than playing by the ‘rules’. This demonstrates what some civil society actors have called ‘a crisis of democratic values’.<sup>11</sup>

- On the other hand, there are opportunities for citizens to engage in democratic processes since the government is officially committed to development outcomes (e.g. the commitments in NDP II, Vision 2040 and achieving national-level SDGs), improving oversight functions (e.g. through Office of the Auditor General (OAG) and Inspectorate of Government (IG), encouragement of external trade and investment (e.g. in developing an Oil for Development policy), and to regional peace efforts (e.g. through Uganda’s leadership in the African Union Mission in Somalia (AMISOM)).
- As the second branch of government – the legislature – the Ugandan Parliament does have the potential to encourage and hold serious political debates over policies (e.g. alternative policy statements) and oversight of the executive branch (e.g. revision to Bills). In reality however, the Parliament has been relatively constrained by its lack of independence, a largely new crop of Parliamentarians and the internal weaknesses of the political parties of the opposition.<sup>12</sup>
- The political opposition is likely to remain relatively weak and divided over the next five years. The opportunities for political dialogue between the political parties of the opposition and the NRM are limited at least in the public arena. There could however be better opportunities in more private and informal settings, but these need to be owned and led by Ugandan actors, women and men from all political persuasions.
- The judiciary has demonstrated an ability to act more and more independently in recent years. However, rule of law does not appear to serve the “majority”. There is a growing concern among civil society organizations that the political will is getting weaker to improve the rule of law, to ensure the independence of the judiciary and to respect human rights and gender equality. Issues around freedom of expression, the right to information and the right to assembly are critical areas where supporting civil society and other actors are important.

### **3.1.2 Human rights and gender equality**

- Human rights are recognised in the Constitution (1995), which calls for the protection and promotion of human rights within a Bill of Rights. The Government has demonstrated a commitment to human rights through the creation of the Uganda Human Rights Commission

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<sup>9</sup> [http://www.effective-states.org/wp-content/uploads/working\\_papers/final-pdfs/esid\\_wp\\_20\\_goloobamutebi-hickey.pdf](http://www.effective-states.org/wp-content/uploads/working_papers/final-pdfs/esid_wp_20_goloobamutebi-hickey.pdf)

<sup>10</sup> Design team’s key informant interviews and review of political economy analyses (Nov 2016 – Jan 2017).

<sup>11</sup> Design team’s key informant interviews and review of political economy analyses (Nov 2016 – Jan 2017).

<sup>12</sup> [http://www.ipu.org/parline-e/reports/2329\\_E.htm](http://www.ipu.org/parline-e/reports/2329_E.htm)

(UHRC) and being a signatory to various international frameworks including the Universal Periodic Review (UPR), which led to developing a National Human Rights Action Plan (NAP). These actions are commendable, yet the government's policy declarations do not necessarily equate with action and there remain major legislative and implementation gaps towards the realization of human rights and gender equality in the country.

- At the same time the protection of human rights is at risk because of an increasingly difficult operating environment for human rights actors and defenders.<sup>13</sup> Recent evidence suggests that police brutality has increased in 2015-16 with unlawful behaviour by security forces going largely unpunished.<sup>14</sup>
- Addressing persistent and endemic problems of gender inequality remains a critical area for any governance intervention.<sup>15</sup> The points below are not exhaustive gender related issues in Uganda but they are of particular relevance to selected themes of DGF II:
  - The Constitution of Uganda recognizes specific rights of women including the right to full and equal dignity with men as well as equal treatment with men, the right to equal opportunities in all areas – political, economic and social.
  - Affirmative Action in the Local Government Act (1997) provides for at least one third women's representation at all local council levels. While each district council is comprised of at least 30% women, the numbers of women dwindle in the top leadership positions in districts (e.g. Chairpersons, Speakers and Chief Administrative Officers). Women who aspire for political leadership through elections are affected by low literacy levels, lack of resources to run successful campaigns, limited political experience and cultural and traditional beliefs that still place women at "home" rather than in political leadership.
  - Other challenges that continue to limit women's equal participation in leadership include institutional bias, stereotyping, historical imbalances, poor political party internal democracy, weak electoral laws and flawed electoral processes, gender based violence targeting women and high poverty levels among women. Additionally, politics and political campaigns in Uganda continue to be highly monetized, leading to high levels of corruption and unethical practices, and serving as a barrier to women's participation.
  - Shelving bills like the Domestic Relations and Marriage and Divorce Bills, that are crucial for the fulfilment of women's rights, has been one of the major setbacks for gender equality in Uganda at formal level. Violations of these rights largely persist in impunity as a result. Sexual and Gender Based Violence (SGBV) and Harmful Traditional Practices (HTPs) such as early and forced marriages, are also persisting and

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<sup>13</sup> See for example, <https://www.amnesty.org/en/countries/africa/uganda/> and <https://www.hrw.org/world-report/2016/country-chapters/uganda>

<sup>14</sup> <https://www.amnesty.org/en/countries/africa/uganda/report-uganda/>. It is noted however there has been a recent internal trial and conviction of police officers who were involved in indiscriminate caning of opposition supporters. While this isolated incident cannot be used to suggest that the narrative is changing it is a move in the right direction. This trend is also conformed in the annual report of the UHRC 2015/16.

<sup>15</sup> This paragraph is highlighting the key issues whilst details are included Annex 5 under HRBA and Gender Analysis and Screening Note.

on the rise, especially in rural areas, despite the constitutional provision on the minimum age for marriage.<sup>16</sup>

- Stereotyping of specific groups remains a challenge that perpetuates discrimination against e.g. women, children, people with disabilities, sexual minorities, ethnic minority groups, most at-risk populations and people living with HIV.<sup>17</sup>
- Employment rates in the agricultural sector show a higher percentage of female than male workers. In all other sectors employment rates for men are higher than for women. In 2009 women only earned 69 % of the average income of men.
- Women's lack of collateral such as certificates to land is a barrier for accessing of formal and some informal financial institutions. Cultural norms and customary law are barriers to the implementation of the Land Act<sup>18</sup>. Studies show that a substantial proportion of rural women can access land, although women hold only 7% of the registered land<sup>19</sup>

Addressing gender inequalities and gender injustices are critical for a response by DGF II especially in relation to (i) representation and participation especially in politics and decision making (ii) recognition of specific gendered crimes such as SGBV and (iii) redistribution of power and resources between women and men. The persistence of patriarchal attitudes and deep-rooted stereotypes are formal and informal structural barriers to progress in the application of the principle of non-discrimination to women and other marginalised groups.

### 3.1.3 Citizen engagement in democracy

- There is general lack of space for real participation in democratic decision-making and processes with continued top-down, centralised decision-making from the government. Historically there has been a strong commitment to development goals by the government with some notable achievements although there is concern this commitment could be undermined by less coherent development policy making processes.<sup>20</sup>
- Citizens – women and men, boys and girls - are not adequately aware of their rights although there is growing evidence that citizens are now more aware of their rights on specific issues for example on gender equality, natural resource governance, land rights, the constitution.<sup>21</sup> There are increasing demands from citizens for better service delivery and more transparent and accountable budget processes as a result of civil society efforts, and some government institutions now see the value of budget monitoring.
- The space for civil society, activists and the media to operate and advocate will likely continue to be reduced, although an active and independent civil society will be able to come together and engage with the government on specific issues. The legal framework for civil society in Uganda is supportive of civil society organisations (CSOs) insofar as their activities are politically and socially acceptable to the Government. Looking ahead, civil society will likely

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<sup>16</sup> UNESCO, Committee on Economic, Social and Cultural Rights, Concluding observations on the initial report of Uganda, 8 July 2015 E/C.12/UGA/CO/1, para. 26. See also the annual Crimes Report 2015/16 of the UPF.

<sup>17</sup> UNHCR submission, p. 6

<sup>18</sup> Adoko, J.et all, Understanding and Strengthening Women's Land rights under Customary Tenure in Uganda (2011)

<sup>19</sup> World Bank , Ellis A.C et al: gender and economic Growth in Uganda, unleashing the power of women, (2006).

<sup>20</sup> Design team's key informant interviews and review of political economy analyses (Nov 2016 – Jan 2017).

<sup>21</sup> Evidence from the DGF I evaluation (2016) and a review of Civic Education supported by DGF (2016).

be constrained in those areas considered ‘off limits’ by government, but can play a key role in raising public awareness and informing Ugandan women and men of their respective rights. In addition, there is relative press freedom but the previous incidents of shutting down media houses and threats to revoke licenses, have resulted in a degree of self-censorship and limited capacity for the press to act as a watch dog.

- Fragmentation and poor coordination among Kampala-based and district-based CSOs is further challenging collaborative and coordinated advocacy and engagement with government institutions. Leadership and technical capacity is still limited. There are also concerns about the lack of downward accountability and representation of communities by some CSOs, and the upward accountability to donors by other CSOs.

### 3.1.4 Social & economic issues

- There has been strong leadership at the executive level. The country made considerable progress towards achieving some of the Millennium Development Goals (MDG) targets by 2015, particularly with reduction in poverty, combatting malaria prevalence, improved drinking water in rural areas and level of external debt compared to exports.<sup>22</sup>
- On the other hand, there has been less impressive progress in relation to other development indicators. Four of the MDG targets related to achieving universal primary education, promoting gender equality and empowering women, combatting HIV/AIDS and improving maternal health were not met.<sup>23</sup> Moreover, some of the marginal improvements made in service delivery are not sufficient to meet the demands of a very fast growing and better informed population.
- While there have been significant development outcomes coupled with impressive economic growth, the gains have not been universally shared and are insufficient against the population growth of more than 3%. Moreover, there are high levels of unemployment or under-employment particularly amongst young women and men. This is a serious concern that will lead to further discontentment with the ruling elite. In addition, there are significant regional disparities across the country with some regions considerably lagging behind.
- Over the next few years the **exploitation of natural resources** – and how the revenues are shared and affected communities are compensated – could come to dominate the focus of the economy and the politics associated with it. There have already been considerable efforts under the DGF to ensure that the right policy and processes are in place. Partly linked to this is the attempt by government to make the country more attractive for foreign investment with a strong pro-business agenda pursued by the President.
- Endemic large-scale and petty corruption, affecting ordinary women and men and different regions of Uganda, persists. Despite some high-profile efforts to address corruption it remains ever-present in all sectors including amongst civil society.

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<sup>22</sup> <http://www.ug.undp.org/content/uganda/en/home/library/mdg/final-millennium-development-goals-report-for-uganda-2015.html>

<sup>23</sup> Ibid

### 3.1.5 Peace and stability

- There is the potential for conflict and instability in some parts of the country due to land and resource conflicts, poverty and marginalisation, ethnic tensions, and growing numbers of both Internally Displaced Persons (IDPs) and refugees. Human Rights reports highlight concerns of the impoverished hosting communities that are increasingly left without resources to deal with the influx of refugees and IDPs.
- Since 2007, the Uganda government has engaged in a process of transitional justice (TJ). This process is considered as paramount for a successful and sustainable recovery for a country that has been plagued by violence and conflicts since its first post-independence government in 1962. Particularly, the conflict between the government of Uganda and the Lord's Resistance Army (LRA) between the 1990s and 2006 still deeply marks the country in general and areas in the northern part of the country in particular. However, the TJ policy has been on the shelves for quite some time and in spite of strong advocacy, it still has not been approved.
- The Karamoja region of north eastern Uganda is one of the most marginalised parts of the country. For decades, it has suffered from high levels of conflict and insecurity, alongside low levels of development. There have been considerable efforts by government, donors and civil society in recent years to build sustainable peace in Karamoja.
- At the same time, Uganda is host to one of the largest populations of refugees and internally displaced with the Government of Uganda putting in place progressive policies which are and should be recognized and lauded by the international community.
- Finally, Uganda is still a major player in African peace-keeping efforts in Somalia - with a lead role in AMISOM – which gives it significant leverage with international actors such as the African Union, European Union partners, US government and the United Nations who are concerned with ensuring regional peace and stability.

### 3.2 The rationale for DGF II – shifting the approach

DGF II is based on the need to address the continuing democratic deficit in the country and to consolidate peace and stability. The context analysis above confirms that the DGF seems to be even more relevant than earlier given the contestation of the elections in 2016 and the difficulties of civil society to address issues of democratic governance over the last five years. In addition, peace and stability are at risk if the trend of deepening political and socio-economic divides is not reverted. Progress towards establishing a more inclusive democratic system in Uganda has been less significant than expected. It is therefore critical to build on the achievements of DGF I. This wide-ranging governance intervention maintains a multi-donor approach and demonstrates strong principles of aid effectiveness (i.e. alignment and harmonisation between donors). Reference is made to a brief summary of achievements and challenges of DGF I (*see Annex 2*).

DGF II will consider and connect to the national priorities and commitments of the Government of Uganda (e.g. the National Action Plan for Human Rights and the National Development Plan II). This will help to position DGF II to assess and verify the extent of the government's commitment in practice. It also presents an opportunity to support the Government in making progress towards the Sustainable Development Goals (SDGs) from a national – Ugandan – perspective. By supporting DGF II, DPs demonstrate an ongoing confidence that this

comprehensive multi-donor approach achieves greater impact than supporting a disparate range of smaller governance interventions (i.e. the whole is greater than the sum of the parts).

With DGF II there is an ambition amongst the donors for this governance initiative to be perceived as much more than just a 'next phase' or a 'continuation' of DGF I. There is an understanding and commitment amongst donors of the need to consolidate or scale up those areas of intervention which were seen to be successful, and which delivered evidence based results from 2011 to 2016 and to phase out where DGF has not been successful.. These areas are documented in the evaluation of DGF I. For the design of DGF II, however, it is clear that Development Partners (DPs) are also seeking new areas of intervention and innovative approaches and partnerships. At the same time, the programme design has taken into account existing and new governance-related programmes and the complementarity of DGF II to these programmes.

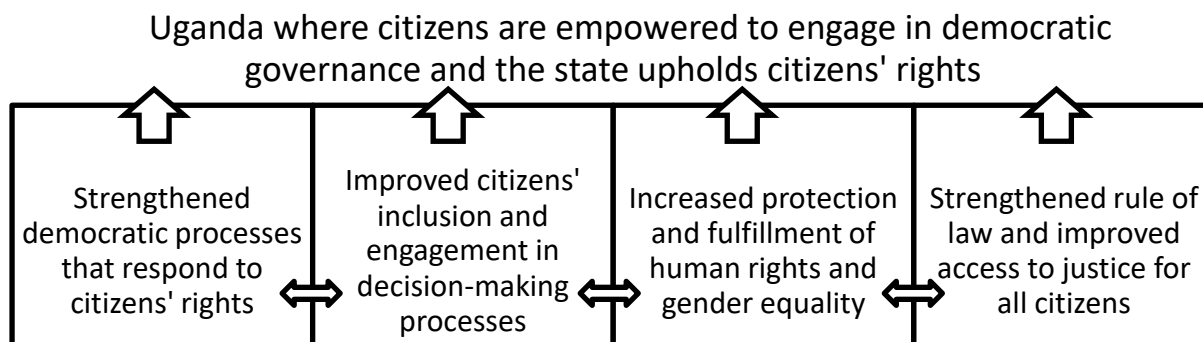
DGF II will be looking at the political economy analysis to inform the DGF strategy, learning and decision making on programming on a continuous basis. This is a key aspect of an adaptive programming approach and in line with the Problem-Driven Iterative Adaptation (PDIA) approach. There is a strong commitment towards learning in DGF II as well as retaining an emphasis on **results** and accountability.

## 4 DGF II – the vision and theory of change

### 4.1 Overall vision and high-level outcomes

DGF II is designed around the following vision and four high-level outcomes:

Figure 1 – Vision and high-level outcomes



The proposed vision differs from the DGF I overall impact statement in several ways. The DGF I impact statement was very comprehensive and included growth, poverty reduction, rule of law and long-term stability. **A more focused vision is proposed for DGF II which is concerned with citizens' engagement in democratic governance and their relationship with the state in upholding citizen rights.** In this way, the role and responsiveness of the state is given more priority compared to DGF I, but is still also combined with a vision of citizens' full engagement. The vision's focus on state responsiveness follows a Human Rights Based Approach (HRBA), which underpins the overall intervention.

Experiences from DGF I show that **citizens' engagement with democratic institutions and demand for accountability can lead to positive state responsiveness.** The DGF I evaluation showed how results have been achieved, in particular at the local government level, and hence the DGF II vision anticipates that supporting interventions of democratic governance will improve state responsiveness.

The outcomes for DGF II are also slightly reformulated. Gender equality and human rights are given explicit attention and are included as cross-cutting issues, which was not the case for DGF I. Gender equality results shall be reached by a persistent gender mainstreaming across all interventions based on continuous gender analysis, monitoring and evaluation; as well as targeted gender interventions in all three spheres. Gender programming has taken into account the EU's Gender Action Plan (GAP) II.<sup>24</sup>

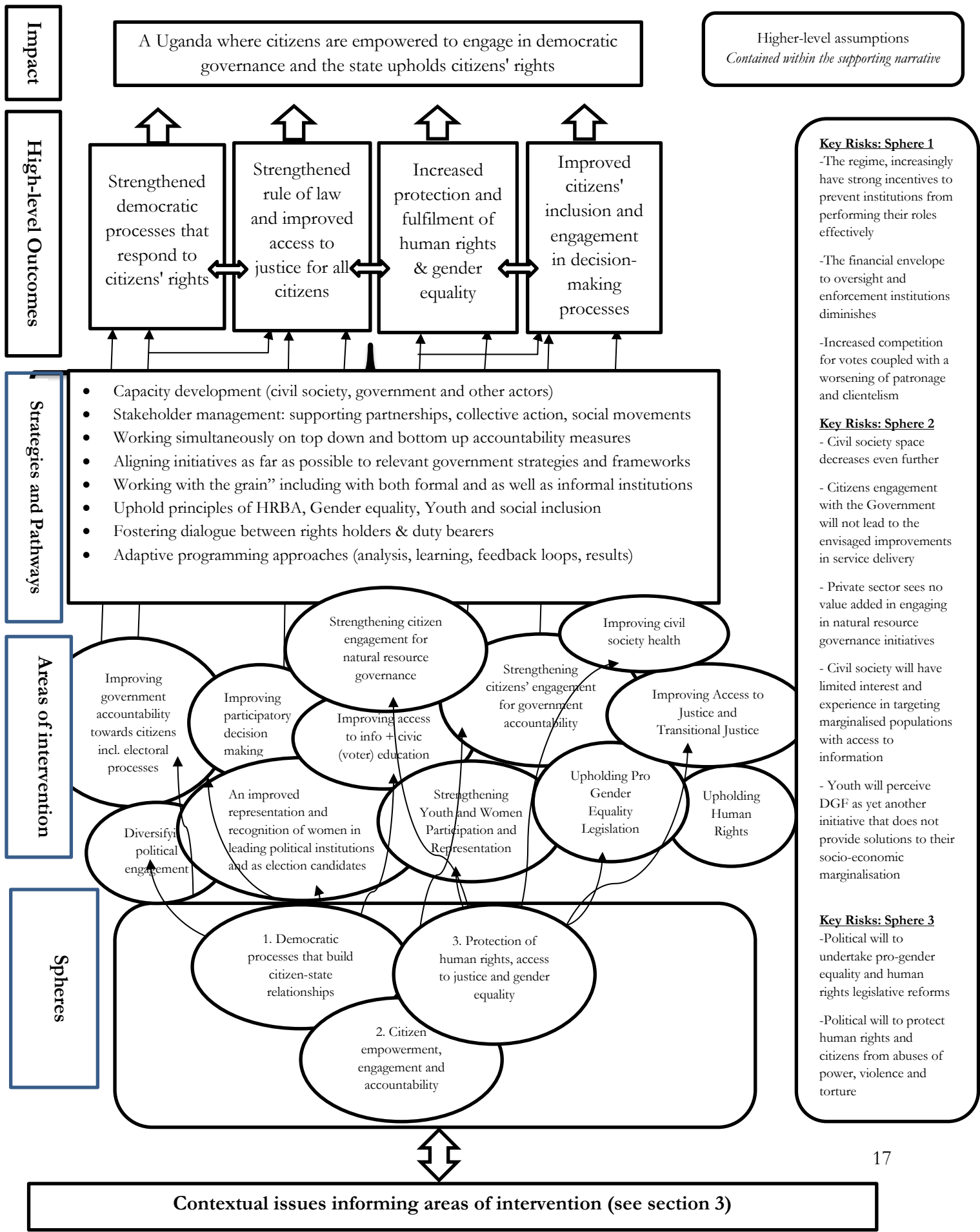
### 4.2 Theory of Change

This vision and the four high-level outcomes are the starting point for the DGF II theory of change. The overall theory is presented below (see figure 2).

<sup>24</sup> The EU Gender Action Plan II objectives relevant to Gender Equality outcomes of DGF II are included in Annex 5 HRBA and Gender Equality Analysis and Screening Note.



Figure 2: DGF II Theory of Change



The theory of change model above is explained in the following narrative, which describes the intervention logics for achieving the intended results; the connections and linkages between different elements of the theory of change as well as the assumptions made and the proposed programmatic steps.

### ***1. A commitment to democratic governance***

The DGF II theory of change assumes that there is a commitment by the Government of Uganda to upholding democratic principles and the rights of all citizens in the country. Such a commitment is expressed in the Constitution of Uganda 1995 (section II covers democratic principles and V to XIII cover a wide range of rights).<sup>25</sup> The Government has also committed to implementing a number of more recent frameworks, including Vision 2040, the National Development Plan II, the National Action Plan on Human Rights, the National Gender Policy (2007-2017), and a national commitment to the Sustainable Development Goal 5 (gender equality) and Goal 16 (peace, justice and strong institutions). It is therefore assumed that the vision behind DGF II should appeal to the government and state institutions more widely.

A strong commitment and demand for democratic principles and processes, and the protection of human rights, by citizens and their representatives in CSOs is also assumed. It is encouraging that the most recent annual statement by civil society in Uganda argues very strongly a philosophy that 'Citizen is Central'.<sup>26</sup> It is therefore assumed that the vision behind DGF II resonates strongly with civil society and other non-state actors. These assumptions are fundamental to the vision of DGF II: "*A Uganda where citizens are empowered to engage in democratic governance and the state upholds citizens' rights*".

### ***2. Civil society remains engaged and together, and can reach out to other actors***

A major assumption is that the space in which civil society operates in Uganda has become more challenging, but that it will nevertheless remain open and constructive. It is assumed that the government will not look to restrict civil society further through the implementation of the NGO Act which, in its current form, is seen as a means to regulate and monitor civil society but not to control it. Civil society will remain the 'key partner' in the DGF although it is recognised that civil society is not homogenous and that at times it can be fragmented. It is assumed that the DGF will seek civil society partners who are rooted in, or representative of, citizens and communities to include a critical mass of youth and women's rights or gender equality organisations representing a fair geographical coverage of Uganda. It is also assumed civil society is committed to engaging constructively with the government, other democratic institutions and other actors who are open to such democratic governance engagement.

### ***3. Opportunities exist to bring about transformative changes***

The theory of change presents a set of high-level outcomes which are recognised as ambitious and aspirational in nature. It is assumed there is an appetite for such transformative changes not only at the level of the state and civil society but also at the level of Development Partners. The high-level outcomes are broad and reflect the multi-sectoral dimension of the DGF covering the

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<sup>25</sup> See [http://www.statehouse.go.ug/sites/default/files/attachments/Constitution\\_1995.pdf](http://www.statehouse.go.ug/sites/default/files/attachments/Constitution_1995.pdf)

<sup>26</sup> The Civil Society Leaders' Annual Statement, January 2017, Reclaiming our Citizenship and Dignity.

governance areas of democratic processes (government, parliament, political parties, elections, oversight bodies etc.), rule of law and justice, human rights and gender equality, and inclusion and engagement in decision-making processes. The objectives are interconnected: strengthening democratic processes (e.g. encouraging parliament to scrutinise existing legislation on the independence of the media) can lead to increased protection of human rights (e.g. upholding freedom of expression); improving access to justice for all citizens (e.g. targeting the most marginalised for legal aid assistance) can lead to improved gender equality (e.g. a higher proportion of poor women are supported in their claims); improving citizens engagement in local decision-making processes (e.g. active involvement in scorecards on the performance of services) can lead to strengthened democratic processes (e.g. the government responds favourably to citizen demands for better service delivery). Achieving – or contributing to – an outcome on its own will not lead to the vision. For example, strengthening democratic processes alone will not ensure citizens are empowered, or that they engage or that the state actively upholds citizen rights. But together they can lead to the overall vision – or impact – statement.

#### ***4. Opportunities for collective action and building coalitions will be strengthened through analysis, encouragement and facilitation***

Some Ugandan civil society partners recognised the difficulties within civil society – and between civil society and other actors in Uganda – of coming together to address specific governance problems. This is partly due to the informal rules of the game but also due to suspicion and competition. On the other hand, there is evidence from DGF I of civil society working together and with democratic institutions. It is therefore assumed that opportunities will arise which can benefit from collective action around a specific governance issue. But this will require a deeper level of analysis than before – to identify the issues and those stakeholders interested in ‘doing something’ – and a way in which action can be encouraged and facilitated. It may well require a facility such as the DGF to support such collective action. There is an assumption that collective action or the building of a coalition has to emerge from Ugandans themselves and that the risk of any such action being seen as a donor-led initiative should be avoided. A challenge will be for DGF II to encourage citizens, civil society and democratic institutions to act in the long-term interest while avoiding doing damage to any short-term, personal interests.

#### ***5. Regular analysis and learning on governance issues will lead to better designed interventions***

The theory of change is underpinned by an analysis of the political environment in Uganda. DGF II should keep examining the state of human rights (civil, political, social, economic and cultural) and issues related to land rights, gender, conflicts, informal systems of power and patronage, civil society health, social media, youth, and social cohesion to ensure regular learning for most successful design of activities. The theory of change therefore assumes that DGF II provides deeper analysis on some – although not all – of the key governance issues identified. The analysis could come from existing sources or it may be decided for the DGF to undertake or commission a specific analysis. What DGF II will provide will be a mechanism through which it can assess and filter analyses around specific governance issues through what is being called **spheres**. The analysis on the governance issues – including gender issues – should be ongoing (living documents) which will include learning from results which emerge through specific interventions. The emphasis on

continuous political economy analysis around a specific governance issue or problem is highly relevant in order to keep the programme justification, theories of change and risk management updated.

#### 6. *Better designed areas of intervention will contribute to achievement of the high-level outcomes*

The design process has identified a number of **areas of intervention** which are seen as critical areas on which to provide support, for example gender equality and violation of human rights. Overall, areas of intervention should be re-assessed throughout the DGF lifetime through continuous analysis and learning. Indicative areas of intervention (headings only) are shown in the theory of change diagram above. These are derived from sphere strategies and are summarised in section 4.5 below.

#### 7. *Areas of intervention will be underpinned by a set of principles and follow a number of pathways and strategies*

The theory of change assumes that the success of the areas of intervention will be strengthened by the active engagement by the DGF through a number of **pathways** and **strategies**.

- *Real-time analysis and learning* – to ensure the analysis on specific issues and areas of intervention and the wider governance context takes into account any changes in the environment which could be related to specific democratic processes or institutions or events. An intervention should be positioned within an understanding of how it relates to specific government policies, strategies and commitments.
- *Stakeholder management* – the DGF will identify, encourage and support a number of collective action initiatives or support coalition building<sup>27</sup> in areas of intervention rather than simply providing individual grants. Where possible the DGF should identify and encourage a ‘broad set of actors’ to come together around specific governance issues. This may require the DGF to act as a sounding board or provide additional resources to support ‘sudden opportunities’ presented by a ‘group’ of stakeholders.
- *Upwards and downwards accountability* – ensuring synergies by working simultaneously on top down and bottom up accountability measures.
- *Capacity development* – the DGF will support democratic processes, civil society and other actors in building their institutional capacity in areas such as political economy analysis (conducted by partners), technical support (to interventions), and financial accountability (to all grantees).
- *Apply the principles of Human Rights Based Approaches, Gender Equality and social inclusion* – within each area of intervention, which will provide a greater opportunity for contributing to achievement of the outcomes all of which are underpinned by HRBA and Gender Equality principles.
- *Fostering dialogue between rights holders and duty bearers* – ensuring both sides are represented in line with an approach, which encourages engagement between and within a broad set of actors.

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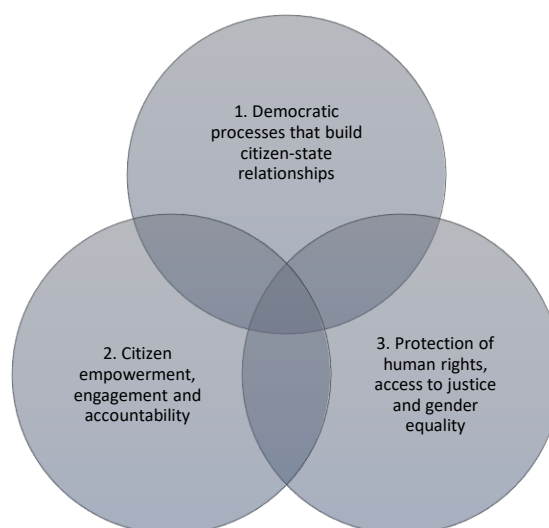
<sup>27</sup> Collective Action is seen to represent an action taken by a (potentially wide) group of actors around a specific issue of governance. It is more informal in nature - in its structure, mandate and representation - than say a coalition which could be an actor in its own right and tends to have a more formal structure and set up.

- *Real-time monitoring and evaluation* – for example introducing and supporting outcome mapping (in measuring behaviour change) and contribution analysis (in measuring how the intervention is contributing a higher-level changes).
- *Ongoing and regular feedback loops* – to ensure that lessons learned from the stakeholders and beneficiaries are captured to inform (re) programming.
- *Knowledge management* – In managing the flow between feedback, results, analysis and learning, the DGF will need to develop a knowledge management system with the following steps: knowledge identification, knowledge capture, knowledge storage which informs the MEL system leading to lessons learned, making decisions on interventions, and which produces knowledge products, sharing and collaboration.
- *Deciding on the right funding modality* – different areas of intervention will require different types of funding modalities which will need to be decided at the outset of launching an area of intervention (see section 5.4 below).

### 4.3 Sphere approach

DGF II will work around a sphere approach in which a sphere is defined as a ‘domain of governance’ covering a number of specific areas of intervention. The sphere approach will contribute to a more complementary and less compartmentalised functioning of the programme. It is based on an overarching theory of change taking as a point of departure the vision and high-level outcomes as described above. Coming out of the high-level outcomes are three **spheres**, which have three to five **areas of intervention**. The spheres are ‘fixed’, while the areas of intervention are ‘adaptable’ and evolving (be ‘iterative’) over time. The three distinct but inter-connecting spheres of DGF II are depicted in figure 3 below.

Figure 3 – DGF II spheres



A sphere can be described as the engine of DGF II. This is where the **thinking** lies on governance issues and what is possible for an intervention. Not all governance issues or problems can or will be addressed. Within each sphere there will be constant **learning** and questioning on issues and areas of intervention. The sphere should be seen as a way to identify opportunities and launch areas of intervention. It should be seen as **proactive** and able to **adapt** to the changing context

through real-time analysis and monitoring. The spheres are **interconnected**. Each sphere brings together a number of areas of interventions, which could be linked to other spheres.

At the heart of each sphere there is therefore a commitment to (a) bring together and assess the **results**, (b) quality assure the **evidence**, (c) conduct **analysis** on the issues and the results and evidence coming out of the areas of intervention, and (d) ensure feedback and **learning** informing the programme interventions on a regular basis. Within each sphere it is also important to identify **agents of change** i.e. those partners and institutions that will have the capacity, engagement and incentive to transform the interventions into real impact in line with the DGF target areas.

For each sphere, there will be a **Programme and Learning Manager** who will act as the ‘driver’ and ‘thought leader’ on the specific governance issues which relate to the sphere. Together with the Head of Facility these three positions will be critical to the success of DGF II in that they will drive forward how the programme is implemented, how they can facilitate a coming together of different stakeholders, who and what is to be funded, and how analysis and learning is conducted.

Table 1 – Benefits of the sphere approach

Benefit	Comments
It encourages a focus on the issue or problem to be addressed	The sphere and areas of intervention approach needs to encourage thinking about a specific <i>governance issue to be addressed</i> rather than projects or partners to be supported. For example, under sphere 1 the issues concern weaknesses and potential of democratic institutions and how citizens relate to and influence these institutions.
Being issue-focused leads to a wider sense of partnership	DGF II will be encouraged to think through the <i>issue</i> and then which potential partners would have the capacity to implement and achieve results. While non-governmental organisations are likely to remain the prime partners of the DGF, it may be relevant to draw in new innovative partnerships (e.g. membership based organisations, women/youth/student organisations etc.). A strategy on partner identification, which go beyond thinking about the ‘usual suspects’ and map out a broader range of actors should be in place.
Encourages working at both the demand and supply sides of governance	The starting point of many of the interventions will be at the <i>demand side</i> of governance, i.e. ‘what concerns citizens or civil society’. Once this is decided upon, DGF II will need to consider how to encourage engagement with the <i>supply side</i> of governance, i.e. ‘how government responds or interacts’.
Applies a Human Rights Based Approach (HRBA)	Focus on empowering rights holders, including those that are particularly marginalised, to claim their rights and demand accountability. Focus on strengthening the capacity of duty bearers to fulfil their obligations. Foster a constructive dialogue and process between rights-holders and duty bearers. Applying key HRBA principles of Non-discrimination, Participation, Accountability and Transparency with clear linkages with Human Rights /UPR analyses in all spheres and areas of intervention.
Focuses on Gender Equality both as strategic outcomes and integrated as cross cutting issue across the spheres, intervention areas and results framework matrix.	DGF II ensures that Gender Analysis is taken into account for the design and budgeting of an area of intervention. It supports strategic gender equality outcomes to reach gender transformative changes in line with Gender Justice elements of representation, recognition redistribution. Gender Equality is further integrated as a cross-cutting issue through targeted actions across the spheres and areas of intervention. Data is disaggregated by sex across the results framework matrix where relevant to ensure differences in impact between women and men, girls and boys are taken into account.

Encourages an adaptive programming approach	At the heart of each sphere is a focus on <i>results, evidence, analysis and learning</i> . Each sphere will inform and be informed by <i>results and evidence</i> gathered through the interventions, <i>analysis</i> conducted from the interventions and commissioned by DGF II (e.g. political economy analyses on specific governance themes or institutions) and <i>lessons identified and learned</i> from the interventions themselves.
Strong synergies and linkages which are built into the design	Unlike DGF I with its linear and component structure, this approach is based on a design which recognises synergies and linkages at the outset. The model demonstrates both <i>vertical linkages</i> between the local and national level (e.g. budget monitoring and planning, accountability of duty bearers) and the <i>horizontal linkages</i> between interventions (e.g. civic education relates to all three spheres).
Cross-cutting themes are embedded throughout	Cross-cutting issues – <i>gender equality, youth and other vulnerable groups such as persons with disabilities</i> – are embedded within the spheres rather than in separate areas of intervention. This will encourage planning and thinking on key issues from the centre.

#### 4.4 Areas of intervention

An area of intervention is defined by the following criteria:

- It is a response by the sphere to a given issue or problem.
- It is led by one sphere but might be relevant for and linked to other spheres.
- It has defined assumptions and risks.
- It is directly linked to one or more high-level outcomes.
- It contains a number (2-4) indicative initiatives.
- It has a set of indicators to measure progress at both outcome and output levels.
- A HRBA, gender equality and youth screening and analysis has been conducted.
- It can encourage joint and new collaboration by several partners.
- It will link to SDGs, NDP II, NAP and other frameworks.

Indicative areas of intervention are drawn from sphere strategies and are presented in figure 4 below. Some areas are specific to one sphere while others can be linked or do overlap under more than one sphere, as reflected in the figure. . Partners will be selected based on an analysis and assessment of the governance issues pertaining to a particular sphere and the possible interventions related to these.

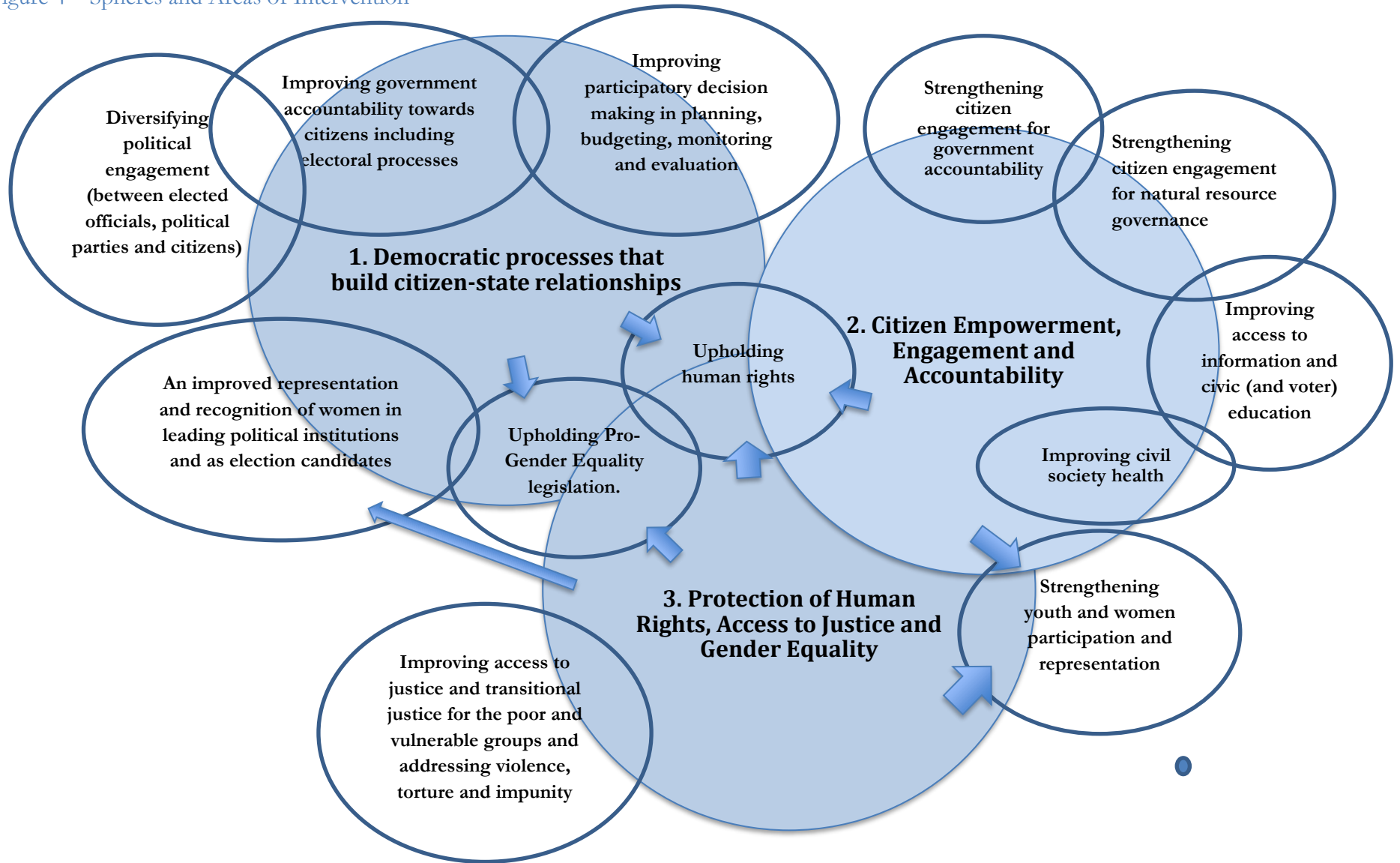
More details on the strategy and areas of intervention are elaborated in section 4.5 below. Each intervention area will support a number of projects considered *track 1* intervention areas. There will also be a group of interventions, which are not yet defined and relate to innovative and smaller intervention areas, which do not fit into the other categories, but will be of interest for DGF to test. These are called *track 2* areas of intervention. There will also be a third track of areas of intervention, which are not necessarily to be funded or piloted but are to be ‘monitored’ through the prism of the spheres. The tracks are described below:

- *Track 1* – these are considered to be ‘essential’ areas of intervention, which require identifying and supporting a range of activities and stakeholders working in these areas. The areas of intervention identified in figure 2.

- *Track 2* – these are considered to be innovative or special interventions that DGF would like to “test” at a smaller scale to see if they have an immediate impact or could act as a catalyst for democratic reform to be up-scaled and become more essential interventions in the future (track 1).
- *Track 3* – these are considered to be ‘desirable’ or ‘potential’ areas of intervention, which are not yet funded. It will require keeping an eye on and monitoring both the issues and actors involved in these areas. Analysis conducted at the sphere level to cover this specific area of intervention will disclose windows of opportunity including engagements with new actors or coalitions of actors organically.



Figure 4 – Spheres and Areas of Intervention



## 4.5 Detailed spheres and areas of intervention

Figure 4 above presents the three spheres and indicative areas of intervention. These will be unpacked in more detail in separate sphere papers that will be adjusted based on learning throughout DGF II. Each sphere will take into consideration its theory of change, pathways and adaptable and evolving areas of intervention.

### **Sphere 1 Democratic processes that build citizen-state relationships**

This sphere is specifically concerned with how the state engages with citizens in democratic processes, and how to develop and strengthen coalitions between reform-minded democratic state institutions and actors on the one hand and civil society and other non-state actors on the other. This sphere focuses on the interface between state institutions and citizens, and the way Ugandans perceive that interface. The initiatives under this sphere aim at enhancing the capability of the state to respond by monitoring whether citizens are satisfied with government (both national and local) services and performance or whether they feel included in decision-making processes and consequently by supporting and facilitating more and better quality opportunities for dialogue between state and citizens and by promoting legal and institutional changes that improve the framework for accountability, participatory decision-making and better incentives for collaboration among different actors. This includes engaging in the electoral process throughout the period and not just in the lead up to the presidential elections in 2021.

The Theory of Change (ToC) for this sphere is that *if* the government institutions have the right capability mix<sup>28</sup> and citizens are empowered and engaged, coupled with better incentives for collaboration among state and citizens and quality opportunities for evidence based dialogues and exchange, *then* it will result in democratic processes that build state-citizen relationships. There are a number of envisaged pathways that need to be employed for this equation to hold true. The pathways include focusing on holistically designed but targeted capacity development of selected state institutions, drawing on the competences and skills of all stakeholders in issue-based partnerships, supporting partnerships and collective action, ensuring synergies by working simultaneously on top down and bottom up accountability measures, aligning initiatives to the extent possible and relevant<sup>29</sup> with government strategies and frameworks and “working with the grain” including with both formal and as well as informal institutions.

As mentioned previously, the areas of intervention are adaptable and evolving. However, a number of indicative areas of interventions are suggested for this sphere: (1) Improving government accountability towards citizens including electoral processes (*of which there is a connection with sphere 2*), (2) Improving representation and recognition of women in leading political institutions as election candidates, (3) Diversifying political engagement (between elected officials, political

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<sup>28</sup> To achieve any pre-defined level of performance, organisations must decide how they will organise (mix, acquire, etc.) assets, resources; individual, managerial, strategic and operational abilities, as well as any entitlements, authorities and delegations. This is the capability mix. Its capacity will be the resulting effect actually generated from the assemblage, orchestration, mobilisation and manifestation of its capabilities (abilities, assets, resources and authorities). Capacity indicates the level of effectiveness of an organization. For further elaboration of the difference between capability and capacity see Danida, Evaluation of Capacity Developed in Danish Development Assistance, 2015/06

<sup>29</sup> Civil society initiatives and processes, which are not aligned to and in some cases in opposition to government agendas will also be supported and support to the demand side will not entail support to supply side as well.

parties and citizens), and (4) Improving participatory decision-making in planning, monitoring and evaluation processes (*of which there is a connection with sphere 2*). In addition, there are three areas of intervention, which relate to more than one of the other spheres: Upholding human rights, Upholding Pro-Gender Equality legislation and strengthening citizens' access to justice (*all covered under Sphere 3*).

## **Sphere 2 Citizen empowerment, engagement and accountability**

The Theory of Change (ToC) for this sphere is that *if* civil society is empowered and their capacity built, *then* they can actively and effectively take part in decision making and planning, and enhance government accountability leading to improvement in services and better government performance overall. The validity of this ToC was confirmed by the DGF I evaluation and the DGF I Voice & Accountability Evaluation, which showed key achievements by civil society around strengthened local oversight structures and improved service delivery. Although most good examples identified are at the local level, results have also been identified at national level, and both levels will be relevant for DGF II. The ToC underpinning this sphere operates with pathways and strategies, which justify the ways in which the areas of interventions under the sphere will be implemented. The pathways include (i) Capacity Building of Civil Society Organisations, (ii) Partnerships and collective action, (iii) Addressing civil society autonomy and accountability, and (iv) Uphold principles of HRBA and Participation for all.

The indicative areas of interventions for this sphere are (1) Strengthening citizen engagement for government accountability (*of which there is a connection with sphere 1*), (2) Strengthening citizen engagement for natural resource governance, (3) Improving access to information, and civic (and voter) education, (4) Strengthening youth and women participation and representation (*of which there is a connection with sphere 3*), and (5) Improving civil society health. In addition, sphere 2 relates to 'Upholding human rights' and 'Upholding Pro-Gender Equality legislation' (*both under Sphere 3*).

## **Sphere 3 Protection of human rights, access to justice and gender equality**

The Theory of Change (ToC) for Sphere 3 highlights the need to link, apply and implement the international and regional human rights and gender equality commitments that Uganda has ratified. The approach is twofold. Firstly, the focus is on advocating for the implementation of existing human rights and gender equality frameworks and needed legislative reforms. Secondly, the focus is on strengthening the capacity of rights holders (civil society) to hold duty bearers to account in terms of fulfilling their obligations to ensuring human rights, gender equality and access to justice including transitional justice to contribute to addressing the legacy of human rights abuses. At the same time, this requires strengthening the capacity of rights holders to claim their rights and to hold duty bearers to account, notably in the marginalised regions of Uganda, with a strategic focus on marginalised groups, women and youth. This entails that spaces (both within the formal justice system and informal settings) for dialogue between rights-holders and duty-bearers are promoted, supported and effectively utilised for the implementation of human rights and gender equality in practice. The principles of accountability and non-discrimination are thus particularly targeted in this sphere.

The pathways and strategies identified include: (i) Working simultaneously on top down and bottom up accountability and fostering dialogue between rights holders and duty bearers, (ii)

Supporting partnerships, collective action and social movements, (iii) Following the principle of ‘Leaving no one behind’, (iv) Close alignment with national, regional and international human rights and gender equality policies and legislative frameworks.

The indicative areas of interventions for this sphere are (1) upholding human rights, (2) improving access to justice and transitional justice for the poor and vulnerable groups addressing violence, torture and impunity, and (3) Upholding Pro-Gender Equality legislation. The first two areas of intervention also connect to spheres 1 and 2. In addition, sphere 3 relates to ‘An improved representation and recognition of women in leading political institutions’ (*under Sphere 1*) and ‘Strengthening youth and women participation and representation’ (*under Sphere 2*).

## 4.6 Target groups and cross-cutting areas

As a starting point, the DGF II targets citizens of Uganda in the broadest sense. As mentioned in the introduction, “Citizens” is not to be understood as “Citizens of Uganda” but as persons who live in Uganda, whether they are actual citizens of Uganda or not.

Moving from “citizens” to more specific target groups, the DGF II will pay particular attention to marginalised and excluded groups.

Whereas citizens in general are targeted by DGF II, measures will be put in place to ensure the participation and inclusion of these groups. This is in line with the “leaving no one behind” agenda, which has been a key feature of all the discussions on the post- 2015 agenda and the SDGs. The inclusion of marginalised groups in target groups is further described below as part of the HRBA approach – in particular the principles of non-discrimination and participation.

Whereas the exact number/share/percentage and type of target groups will have to be established in each project area depending on contextual factors, what can be established at the program design level are the steps to be taken to ensure that no one is left behind. DGF II will establish guidelines for:

- 1) Identification of target groups** (ensuring that partners build the knowledge and skills for identifying marginalised and excluded groups in project areas);
- 2) Selection of target groups** (ensuring that partners select and earmark for participation of marginalised and excluded groups, and plan and budget accordingly);
- 3) Participation, representation and communication** (ensuring participation and representation of excluded/marginalised groups in all activities (ensuring removal of all barriers), and that partners communicate and disseminate information, which is accessible to all);
- 4) Monitoring and documentation** (ensuring that target group participation is monitored and documented, by recording disaggregated data for each target group category).

### 4.6.2 Human Rights Based Approach (HRBA)

Across the Spheres, the following HRBA elements are addressed and must be applied in all interventions during the implementation phase:

- empowering **rights-holders** to claim their rights and demand accountability,

- strengthening **duty-bearers'** capacity to fulfil their obligations,
- encouraging **dialogue** between rights-holders and duty-bearers,
- strengthening the **linkages with human rights instruments** and mechanisms and UPR analyses and recommendations.

In addition, the following HRBA key principles of participation and non-discrimination, accountability and transparency are explicitly targeted across all the spheres in the following manner:

**Non-discrimination:** the focus for the application of this principle is on identifying marginalised and excluded groups in a given sphere and area of intervention. **Participation:** focuses on identifying socio-cultural and normative barriers for participation of rights-holders and identified marginalised groups in democratic processes. For this purpose, it is important that all targets and data collected are disaggregated in these categories and reflected in the finalised results framework.

Across the spheres, support to civil society and other actors' **participation** includes a large spectrum of marginalised groups thus specifically fostering **non-discrimination**. Support to **Gender Equality and Youth** are strategically highlighted across each sphere. **Youth** (disaggregated by sex) and Women are particularly targeted as an intervention area in **Sphere 2:** Strengthening Youth and Women's participation and representation indicative initiatives such as support to civil society on strengthening youth and women's representation in civil society organisations and positions, supporting women and youth to participate in civil society engagements and activities, and addressing attitudes and building consciousness of citizens (in particular youth) towards democracy and citizenry.

In **Sphere 1** youth is covered under the intervention area 'diversifying political engagement', which includes representation of youth and redistribution of power towards youth in political parties. In **Sphere 3** marginalised and discriminated groups at large are targeted.

**Accountability and Transparency:** the focus for the application of these principles is on access to information, especially for the marginalised groups, and on the empowerment of rights-holders to demand accountability in the fulfilment of duty bearers' obligations. Support to civil society and other actors across the spheres aims at reinforcing vertical accountability and transparency from community to national level as follows: **Sphere 1** has an intervention area specifically targeting the accountability of the Government towards citizens through initiatives such as citizens' complaints mechanisms and conflict resolution. **Sphere 2** targets Government accountability through citizens' engagement focusing the capacity to engage with government institutions on planning and budgeting; to monitor and report on government performance; and to improve citizens' knowledge about democratic governance processes and human rights. It further aims at improving internal accountability within civil society in particular.

#### 4.6.2 Gender Equality

Gender Equality across the spheres focuses on advancing gender equality and gender justice. To achieve gender transformative changes - such as formal structural changes in gender related legislation, changes in the balance of political power between women and men, or changes in the allocation of economic resources through gender budgeting or recognition women's economic rights through improved legislations - Gender Equality is targeted in the following diverse manner:

(i) a strategic outcome in sphere 3, (ii) a strategic intervention area in each sphere as well as (iii) cutting across all intervention areas through consistent application of gender analysis and gender mainstreaming in all spheres and interventions.

The notion of gender equality encompasses equality in rights, voices and opportunities. The notion of gender justice encompasses *Representation* aiming at rebalancing quantitative and qualitative participation, *Recognition* aimed at focusing specific gender crimes such as SGBV and *Redistribution* aimed at normative structure (legislations) regulating the distribution of power and resources. It is integrated into the design as follows:

- A strategic focus on a more equitable **redistribution** of political power between women and men through the support to women's political **representation** at the national and local level in **Sphere 1**. In **Sphere 2**, a strategic focus on **a more equitable redistribution** of resources between women and men through gender budgeting.
- A strategic focus on **recognition** of gender equality and women's rights in legislative reforms - related to civil, political, social, economic and cultural rights including the prevention and protection of SGBV and HTPs. This is included in the gender equality intervention areas in **Sphere 3**.
- A strategic focus in **Sphere 3** on **equal participation /representation** focusing on equal rights to employment for women and youth, equal access to land and protection from labour exploitation through legislative reforms which should ultimately aim at a **redistribution** of financial and natural resources.

The expected gender related outcomes and outputs listed in the framework matrix will contribute to the **national SDG 5 targets**, as follows:

- women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life;
- the adoption and strengthening of sound policies and enforceable legislation for the promotion of gender equality;
- the elimination of SGBV and harmful traditional practices;
- the promotion of equal rights to accessing economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources in accordance to national law.
- reforms to give women equal rights to economic resources as well as reforms of the monitoring of these.

Gender Equality outcomes in DGF II are further relevant to EU GAP II thematic priority and objectives 7, 9, 15, 16 and 18 as further detailed in Annex 5 HRBA and Gender Equality Analysis and Screening Note.

#### **4.6.3 Youth**

Clearly targeting young women and men, girls and boys through sex disaggregated statistics wherever feasible shall be mainstreamed in DGF II. This is based on the recognition that although

Uganda is making progress economically, it faces significant challenges in meeting its young people's needs – not least in relation to employment and participation in decision making.

Uganda has the world's youngest population with over 78% of its population below the age of 30. With just under eight million youth aged 15-30, and an annual population growth rate of 3.2%,<sup>30</sup> the youth population is crucial to consider for any program in Uganda.

The National Youth Policy in Uganda<sup>31</sup> defines youth as all young persons, female and male, aged 12 to 30 years. DGF II adopts this definition to align to Uganda's national youth policy. The National Youth Policy was created by the GoU in 2001 as “a statement outlining our vision, the values and principles that guide us, the issues that challenge us and the initiatives, programmes and delivery mechanisms being planned and implemented to improve the social economic well-being of our youth.” The policy, whose mission is “youth empowerment” focuses on a set of underlying principles: respect of cultural, religious and ethical values; equity and accessibility; gender inclusiveness; good governance and national unity; youth participation; youth empowerment.

The role of youth's potential positive role in development programming has been recognised by most donors, and some have taken measures to integrate youth systematically in design, in target group definition and as implementers. The “Youth Participation in Development – A Guide for Development Agencies and Policy Makers” (2010) outlines the following three ways in which youth can and do participate in development:

- 1) Target Groups: Working for youth as beneficiaries
- 2) Collaborators: Engaging Youth as Partners
- 3) Youth Initiators: Supporting Youth as Leaders

DGF II integrates youth in the three ways above.

As mentioned above in the HRBA section, youth is specifically targeted under one initiative in sphere 2 (Strengthening Youth Participation and Representation in Civil Society) and they are also specifically targeted in sphere 1 (Diversification of Political Engagement – youth specifically targeted under one output). These two interventions would contribute to: Youth Initiators: Supporting Youth as Leaders.

Youth will also be targeted as beneficiaries across all the areas of interventions (Target Groups: Working for youth as beneficiaries). Furthermore, during DGF I, youth civil society organisations were partners of DGF, and this will continue for DGF II; hence youth will also be engaged as Collaborators: Engaging Youth as Partners.

## **5 DGF II – Programme and implementation approach**

### **5.1 The role of the DGF**

DGF will play a more active role with existing, new and potential partners around specific governance issues. As a Facility, it will have a mandate to act as a facilitator or a convenor for

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<sup>30</sup> Youth Map Uganda: Navigating Challenges. Charting Hope – A cross-Sector Situational Analysis on Youth in Uganda.

<sup>31</sup> The National Youth Policy: A Vision for Youth In The 21st Century, 2003

partners and stakeholders to come together and work together on common governance issues. It will ensure that gender equality and women's empowerment is promoted continuously. It is important, however, that the partners remain at the heart of the areas of intervention – and that they 'own' the process throughout, from the design to the results. What the DGF can offer in its different management functions is to provide the space for new and existing partnerships to build and evolve around governance issues.

For the Board, the DGF will act as a Facility in which DPs can engage collectively with the GoU at the highest level (e.g. Office of the Prime Minister and Ministry of Finance). To obtain greater buy in from the GoU a more focused engagement will be sought on specific areas of governance (e.g. protecting civil society space around the implementation of the NGO Act, promoting civic and voter education in the lead up to the elections, and if opportunities arise strengthening the integrity of the electoral process including civil society election observer initiatives). The DGF Board will meet twice a year with the GoU to discuss progress and challenges of DGF II.

For the SC, the DGF will act as a Facility in which the DPs engage with democratic institutions at a technical level I (e.g. Line Ministries, Parliamentarians, Judiciary, Political Parties, etc.). It is also an opportunity for the SC to foster and disseminate learning from the DGF to engage with aforementioned stakeholders.

The FMU role is, among other things, to collate, analyse and disseminate the evidence of results of the DGF supported interventions. The FMU will provide a role which goes beyond a fund manager and learning manager, including technical assistance to partners and stakeholders to build their capacity in areas such as political economy analysis, monitoring & evaluation, learning, financial reporting and accountability, and sustainability. As mentioned, the FMU will also act as the conduit for bringing together partners and stakeholders - as a convener.

A detailed description of the different management and governance arrangements within the DGF is contained in section 7.

## **5.2 Adaptive programming**

DGF II is designed as an adaptive programme. This means that DGF II will be able to analyse, react and adapt to changes in the political context in Uganda. There is a significant emphasis on, and investment in, continuous learning so that DGF understands what works and what doesn't work in addressing specific governance issues. It allows for DGF to adapt to changes and lessons learned in order to support more effective interventions. .

DGF II will go through continuous adjustments, which reflect the changes in the political landscape. It means working in problem-driven ways, being opportunistic and flexible when doors open. DGF I has already demonstrated that it is assessing changes in the political context – for example the study on electoral violence and local council courts – and that it can make adjustments to respond to such changes. Through the Sphere approach described above, there will be constant analysis, learning and adaptation embedded in the overall approach.

The Problem-Driven Iterative Adaptation (PDIA) approach operates in conjunction with adaptive programming. PDIA is driven by the following four principles,



**Principle 1:** Focus on solving locally identified problems (as opposed to externally imposed, pre-conceived and packaged "best practice" solutions). It will be important for DGF II to assess how potential partners have analysed the specific context, identified the problem from a range of perspectives and in particular from a gender and youth perspective, understood the rigour of their evidence, and worked out solutions which are locally driven by the communities or stakeholders with whom they are working.

**Principle 2:** Create an authorizing environment for decision-making that encourages 'positive deviance' and experimentation (as opposed to designing projects and programmes and then requiring agents to implement them exactly as designed). DGF II will consider how its way of operation can enable problem-driven 'positive deviance' which allows partners to adapt quickly to changes in the context and have the support to take considered risks as part of the learning process and the route to positive change. The PDIA approach will enable the programme to take operational consequences for the changing analysis and context (principle 1) to seize upon opportunities which emerge and can be authorised (principle 2).

**Principle 3:** Embed this experimentation in tight feedback loops that facilitate rapid experience-based **learning** (as opposed to enduring long lag times in learning from ex post "evaluation"). DGF II will encourage active experiential (and experimental) learning with evidence-driven feedback and tight feedback loops built into regular management that allows for real-time adaptation. This will require a step-change in the way of working for both DGF II and the partners to be supported.

DGF II will start with a selected number of initiatives under specific areas of intervention with an initial 6-12 months of learning gathering evidence and reflecting critically on the intervention which will lead to a number of options to (a) continue the intervention or scale up, (b) adapt according to the learning or contextual analysis or (c) review which could lead to 'ending' the area of intervention. This would then proceed with the next period of 6-12 months with the same process of learning and feedback and reaching the next decision point. This requires investment in time and energy by those managing and bringing spheres together. This approach may be considered as most appropriate to *track 2* types of intervention as they are more concerned with piloting and testing over a shorter period of time. In some cases the learning loop could be shortened to 3-6 months.

**Principle 4:** Actively engage a broad range of actors – and in particular gender and youth champions – to ensure that changes are viable, legitimate, relevant and supportable (as opposed to a narrow set of external experts promoting "top down" approaches). DGF II will identify and engage ‘agents of change’ or ‘champions’ among implementing partners (civil society, democratic institutions, collective action initiatives, coalitions etc.) who ensure that the interventions are viable, legitimate and relevant; and DGF II stakeholders are expected to actively look to engage a broad set of actors (state and non-state) to build synergies and connections, and build on momentum. This will require active stakeholder engagement and management, and identification of opportunities to support collective action initiatives and build coalitions and consortia.

### **5.3 Building synergies**

One of the benefits of the Sphere approach is that it will foster strong synergies and linkages within DGF II. The approach will encourage joint analysis and learning by bringing together the sphere managers and their teams on governance issues where there is convergence. This will allow DGF II to examine issues from different perspectives, for example analysing human rights standards, policies and practices from the perspective of democratic processes and institutions (supply side) and from the perspective of how citizens engage and demand for their rights (demand side). Synergies will also be developed through coming together on planning, launching and monitoring an area of intervention which cuts across more than one sphere, for example supporting government institutions or Parliament to include gender equality provisions in planning and budgeting in policy-making while encouraging civil society and other stakeholders to advocate and monitor such provisions.

Synergies will also be fostered and promoted through the strong emphasis on analysis and learning within and between the spheres.

The overall sphere model and the synergies between the spheres and (indicative) areas of interventions are shown in figure 4 above. The sphere model demonstrates the importance of (a) supporting an intervention through funding and technical advice (coming out from the sphere) and (b) the results, evidence, analysis and learning that comes from the interventions (going back into the sphere).

### **5.4 Deciding on the type of partnership and funding mechanisms**

Once an area of intervention has been agreed and endorsed by the SC, the FMU submits a brief concept note to the SC for approval of the proposed option – or a combination of options – for its funding mechanism. .

The following are a number of options:

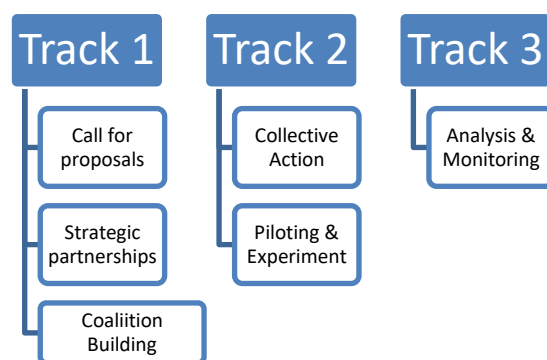
Table 2 – Type of partnerships and funding mechanisms

Funding option	Description	Example
<p>Call for proposals (track 1)</p>	<p>This option follows the standard practice under DGF I whereby the DGF sphere(s) makes an open call for proposals to interested (groups of) potential contractual partners. <i>What will be different?</i> At an early stage in the design of the intervention area, the DGF sphere(s) <u>may decide</u> to convene a meeting to ask potential applicants their views on the issues identified and the ways they could be addressed. There will also be an emphasis on learning and collaboration built into the design and implementation of the project in a much more explicit way than in DGF I.</p> <p>During implementation, the FMU will organise joint monitoring and learning workshops, which will be used to receive feedback on effectiveness and efficiency of this funding option and to inform the design of future Calls for Proposal.</p>	<p>Sphere 3 leads on a call for proposals on “Improving access to poor and vulnerable groups and addressing violence, torture and impunity”. It decides that it needs to test its analysis of the issues by holding a ½ day meeting in Kampala to see what level and type of interest there is in the area of intervention. It also reaches out to a couple of the districts to ask for input into the meeting for those who are unable to attend. Having gathered opinions and ideas, the Sphere 3 Programme and Learning Manager launches a call for proposals based on a clearer identification of the issues to be addressed.</p>
<p>Strategic partnerships (track 1)</p>	<p>This option follows the standard practice under DGF I whereby a small number of strategic partnerships are identified and supported for the duration of the five-year programme. It will provide core funding for the partner in line with their strategic plans (or earmarking specific elements). <i>What could be different?</i> There will be a commitment by the partner to playing a role in strengthening the analysis and learning on the relevant issues within the sphere.</p> <p>The selection of strategic partners should be based on the DGF I experiences and knowledge of most suitable partners and their current capacity and capability to deliver. . Selection criteria to be considered are:: the level of (in)dependence of DGF funding, level of public support (membership base), and capacity of systems and human resources + track record.</p>	<p>Sphere 1 and 2 decide that it would be valuable to establish a strategic partnership with two national human rights organisations or networks to provide them with core funding to implement their long-term strategies. The strategic partnership would also entail commitment to analysis of specific emerging trends/developments regarding civil and political rights, and organize learning workshops for other stakeholders in consultation with DGF.</p>
<p>Collective Action or Consortium (track 1 or 2)</p>	<p>This option requires the FMU to actively call for the design of a collective action or a consortium around a specific area of intervention. It requires extensive and careful groundwork whereby a number of actors – not just civil society – are brought together in a workshop setting It is expected that the participants form a collective action initiative, consortium or coalition at the end of the period. Two or more collective actions or coalitions can arise from this for selection. . It is a long-term initiative covering at least two years with clear results and learning function at its core.</p> <p>Same selection criteria as suggested above, but also opening up for participation of smaller actors with potential to deliver targeted and quality outcomes according to strategic priorities and interventions.</p>	<p>Sphere 2 leads a process that identifies issues and opportunities to strengthen engagement between government and civil society and new actors (e.g. business, media) about how budgets are drafted, announced and spent. It sees a strong linkage between the national budget process and local budget spending, taking into account the ‘informal’ spending processes as well. As a result, a workshop is held with interested parties from across the governance spectrum (supply and demand side) with the result that a ‘budget drafting and monitoring’ consortium/collective action is formed.</p>

<p>Piloting &amp; Experimenting (track 2)</p>	<p>This option requires the FMU to identify relatively small-scale 'ad-hoc' opportunities, which are medium to high risk with the calculated potential for short term success or failure, if successful, for scaling up. . They could be opportunities which arise through discussions with existing partners or the DGF's network (for example, a Board member in conversation with a government minister), where a 'champion' has been identified in an institution or an event has arisen which could benefit from an immediate response. The risk management framework could be used to address and mitigate identified or emerging risks by selecting best suitable partners for particular interventions.</p>	<p>Sphere 3 identifies through its partners and contacts an opportunity with the Uganda People's Defence Force (UPDF) to educate and accompany soldiers in patrols to monitor and assess how they are following human rights principles and practices with a way to feedback to higher command. The implementer would be required to demonstrate clear lessons learned and evidence, and the initiative could be scaled up.</p>
<p>Analysis &amp; monitoring (track 3)</p>	<p>This option requires the FMU to decide that the issue does not require an intervention or that it is not viable in the current environment. But the issue is important enough for continued monitoring and further analysis. The FMU may decide to commission a specific analysis. .</p> <p>The FMU can choose to e.g. employ short-term consultants and/or advisers based on detailed Terms of Reference with specific deliverables.</p>	<p>Sphere 1 decides that there is currently no political will for electoral reform, but that it would be valuable to identify how individual MPs within the NRM could be interested in the issue in the longer term. It would therefore like to interview a sample of junior and senior MPs and others in the party. Sphere 1 therefore proposes to commission an analysis that includes data collection among individual MPs and provides recommendations on how DGF II should be positioned towards electoral reform.</p>

The relationship between the tracks described earlier (section 4.4) and the funding mechanisms can also be depicted as in the figure below.

Figure 6 – How funding mechanisms relate to each of the tracks



## 5.5 Exit strategy and sustainability

The planned end of DGF II after 5 years will mark over 11 years of significant funding (around Euro 250 million) through the two phases of the DGF. DGF II will from its outset start strategizing its phasing out by 2022.

The emphasis on learning, technical support and capacity development in the DGF are critical elements of ensuring the sustainability of the results of the interventions. The emphasis on maintaining and building strong partnerships with the beneficiary organisations, and having clear communication under DGF II, are critical elements in ensuring that any exit strategy is understood

and respected. It is equally critical for the DGF staff (the FMU) to have clarity on the exit strategy early on in the process.

It is worth considering the following set of principles for good practice:

- *Transparency*: planning for change as the basis for transparent communication of activities and timeline, while ensuring that all DGF partners and other key stakeholders are kept informed, and know when, why and how you are phasing out.
- *Inclusion*: building effective relations and including DGF partners at all stages of the project with roles and responsibilities clearly defined, and including as many stakeholders as possible in discussions about the phasing out process.
- *Predictability*: using project performance and impact (in relation to the DGF results framework) as the basis for making justifiable decisions about change or phasing out.
- *Obligation*: identifying and effectively managing the risks and opportunities associated with change, including the risk to FMU staff, DGF partners and beneficiaries.
- *Sustainability*: Inclusively designing project interventions that have a high probability of sustainable outcomes and impacts, backed by a gradual, sensitive and flexible process of phasing out, closely coordinated with donor partners.

## 6 Governance and management arrangements

The governance and management arrangements of DGF II are designed to accommodate adaptive and flexible planning and implementation, and to facilitate a combination of results-based management and learning.

The formal governance structure builds on existing structures from DGF I. *Figure 7* below illustrates the formal lines of management for the DGF II. Adjustments have been made to the roles and responsibilities of the Board, Steering Committee and the Facility Management Unit (FMU), relative to DGF I, and the formal role of the Legal Entity has been made more explicit.

The Board comprises Head of Missions of the funding DPs. The Board is in charge of setting the strategic direction for DGF II as outlined in the program proposal document and according to the mandates of the individual DPs; moreover, the Board is responsible for ensuring engagement with Government of Uganda on results, lessons learned and opportunities arising from the implementation of specific governance interventions. Agreed Statutes for the Board govern the management of the Board. Chairmanship of the Board is rotating and runs for one year. It is understood that the statutes for the Board allow the Legal Entity to become Chair at some point. *Annex 6* includes the formal statutes (or terms of reference) of the Board.

Denmark has offered to continue its role as the Legal Entity (LE) for DGF II. The Royal Danish Embassy (RDE) will utilize its legal status in Uganda to facilitate the operation of the DGF as a legal entity. To this end, a government-to-government agreement will be signed between the governments of Uganda and Denmark. The DGF partners (funding DPs), however, jointly share all political and financial responsibilities. DPs' engagement in the DGF will be regulated by a funding contract between the DPs and the RDE combined with a Memorandum of Understanding among the DPs supporting the DGF. An agreed percentage of the total budget will be provided

for the RDE to deliver required administrative services. *Annex 7* includes an outline of the formal administrative obligations of the Legal Entity (RDE).

The Steering Committee (SC) is composed of representatives of the funding DPs. The main functions of the SC is to provide oversight of, and give impetus to, the implementation of interventions according to the strategic direction provided by the Board. The SC Chairmanship is rotating and runs for one year corresponding to the chair in the DGF Board. The RDE will be a permanent Co-Chair to the SC unless when assuming the role as Chair.

The Head of the FMU (HoFMU) acts as secretary to the SC and manages the organisation of the SC in close collaboration with the SC Chair. The SC Chair manages all formal communication and lines of decision-making with the HoFMU and with the Chair of the Board. The FMU's Programme and Learning Managers (PLMs) could, however, engage with SC members in specific activities such as joint site visits, detailed studies and analyses of interventions and other design, learning and facilitation activities.

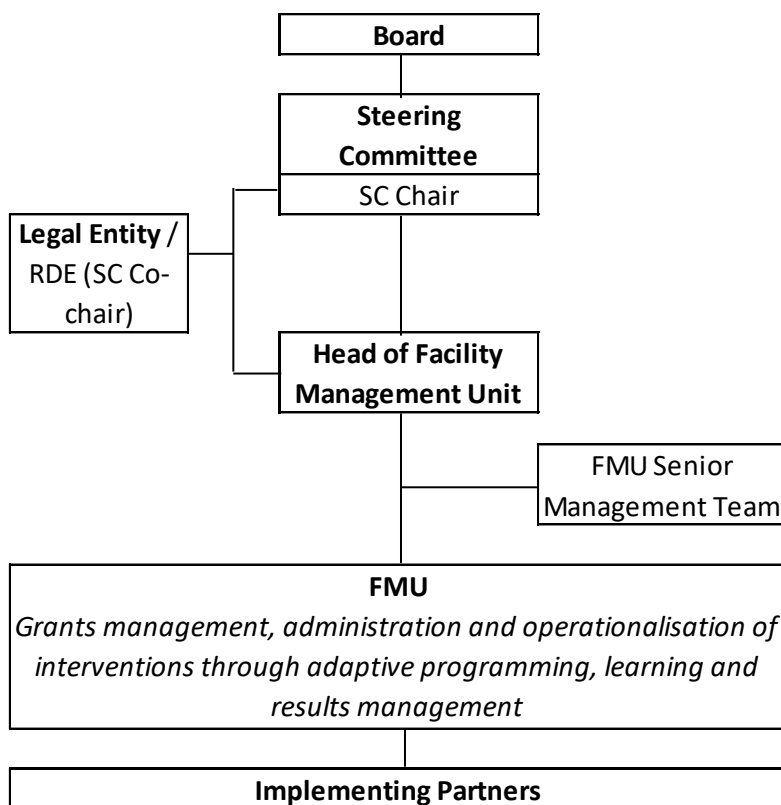
Potential new funding DPs can be invited to the SC as observers. Other DPs (e.g. World Bank, USAID, UNDP) can be invited according to relevant agenda items; as could senior Government of Uganda officials to discuss specific governance issues.

The Facility Management Unit (FMU) is the operational entity of the DGF II. The FMU is led by a Head of FMU (HoFMU) who has the overall responsibility for the management of planning, implementation and documentation of DGF II operations. The Head of FMU reports directly to the SC Chair and liaises with the Co-Chair (RDE) on all administrative matters. Furthermore, the HoFMU is responsible for all FMU staff management, excluding particular contractual matters relevant to the senior advisors recruited directly by the Legal Entity (RDE). However, these senior advisors holding a contract with the Legal Entity report to the HoFMU on all operational matters. An organigram for the FMU structure is attached in Annex 8.

The operationalization, management, and administration of DGF II grants and interventions will be managed by a Senior Management Team (SMT) headed by the HoFMU.

In practice, under the overall responsibility of the HoFMU, the Senior Management Team (SMT) composed of the HoFMU, the Head of Finance and the PLMs, will manage and coordinate interventions (design, appraisal, implementation and monitoring) according to the results-based management framework. The SMT ensures that learning is applied and informs strategic oversight and decision making by the SC and the Board. This will require management of all FMU staff in and around the selected areas of intervention.

Figure 7 Overall Governance and Management structure of the DGF II.



## 7 Monitoring & Evaluation, and Learning

### 7.1 M&E approach

In the adaptive programming approach monitoring for internal learning and adaptive planning is of critical importance. M&E becomes a way of understanding what is working and what is not, providing the basis for adaptation. The organisation and set-up of the M&E system is therefore designed in a way where monitoring for accountability purposes do not exclude adaptation.

A particular M&E challenge in DGF II is the need not only to report on planned results, but also on unintended and/or unexpected results from the interventions. This will be important for enabling immediate learning about how change happens, to facilitate adaptive programming and to draw conclusions about intermediate processes of change. One key element related to this is the establishment of a structured approach to feedback loops, using M&E data and information to incentivise partners' ambition and impact, as well as to inform decisions on scaling-up, scaling-down or stopping support based on measures of performance.

Implementing Partners are responsible for reporting to DGF II on selected progress indicators, as well as on any unintended or unexpected results on a 3-6 month basis through the Management Information System (MIS).

An adaptive programming approach requires systems, capacities and skills ready to undertake regular contextual and gender analysis, enable staff to think and work to encourage ongoing

learning and reflection informed by robust evidence, and to scale activities up or down in response to changes in the context. There is therefore a need to establish an operational MIS that will support accountability purposes towards the DPs, while at the same time supporting the ability to be adaptive. The MIS will also be used for collection of financial information and for other administrative purposes.

Some key elements related to the M&E arrangements in DGF II are:

- Beneficiaries and Implementing Partners will be actively involved in planning, conducting, reviewing, and interpreting data collection.
- Monitoring arrangements will, to the extent possible, be integrated into existing monitoring arrangements and systems (at central and local levels depending on the reach of the project).
- The information produced by the M&E system should be responsive to the needs of the different users (DPs, Partners, policymakers, beneficiaries, etc.).
- New indicators will be introduced especially when new interventions are adopted, but also for existing interventions when there is a need and justification for new indicators and a commitment and resources to continue tracking them.

Based on data collection, different types of assessments and evaluations could be produced:

- Periodic, strategic “mini-impact” assessments as basis for more operational and evidence-based discussion within the Board and SC of any needs for adjustments and changes in direction and focus of the supported interventions.
- A Real-time Evaluation (RTE), which would fit well into the PDIA principles.

These evaluation studies will also be used to capture any unintended results/impacts and progress in (short-term) process indicators. Sampling approaches will be designed and used for quantitative data series to provide more robust evidence. When feasible, baseline studies will include data from “control” groups/areas to allow for counterfactuals/impact measurement.

A combination of day-to-day project monitoring (mainly responsibility by Intervention Managers who are accountable to the Programme and Learning Managers) and planning/commissioning/conducting of real time evaluations and impact stories across DGF interventions (mainly responsibility of the M&E function) will provide the basis for learning and adaptation within the spheres. The introduction of a more flexible and adaptive M&E system will be useful to differentiate more explicitly between (needs for) demonstration of short term results vs. the medium to longer term perspective of the supported interventions.

## **7.2 Results Framework**

Since an adaptive programming design is an extended and continuous process, the planning framework and details of outputs, results and timelines will continue to be formulated and revised throughout the DGF II lifetime. The results framework (Annex 3) is setting the direction of DGF II in terms of ambitions, whilst at the same time allowing flexibility and adaptation in the definition of results.



The results framework for DGF II is built around the theory of change and sets out envisaged results at high-level outcome, outcome and output levels. Following the design, areas of interventions are launched in three different tracks. However, the areas of interventions are mainly linked to the Track 1 interventions which are considered to be ‘essential’ areas of intervention, and therefore to be implemented throughout the lifetime of DGF II. The results framework includes a set of pre-defined “Core Indicators” at all three levels (high-level outcome, outcome and output) that will be used to assess the achievements of DGF.

The four high-level outcomes and their indicators refer to national level achievements and are to be measured by national level indicators, drawing on externally generated data sources (for example SDGs<sup>32</sup>, Afro-barometer and the Mo Ibrahim Governance Index). It is expected that DGF will be able to contribute to the high-level outcomes, but clear attribution is unlikely to be established, as this level is influenced by a host of other factors and developments outside the control of DGF.

Moving from the four high-level outcomes to the five development outcomes and their indicators, these reflect results that are more directly attributable to DGF II. The measurement of development outcomes will be linked to DGF data sources.

Finally, a “menu” of 20 output indicators presents different types of outputs – for example: number of campaigns carried out, number of citizens reached (disaggregation), Number of government / state institution processes that include interaction between state representatives and citizens/ civil society, number of meetings/ dialogues/ discussions addressing attitudes, perceptions and understanding of topics such as corruption and citizenry.

These output indicators are not tied to any specific area of intervention or outcome, and represent core processes applicable across different areas of interventions. Hence, phrased in a “generic” way, they can be applied to different areas of interventions. From the menu of indicators, potential partners should be requested to pick relevant indicators for their intervention(s). Partners will then be held accountable to these indicators. In addition, partners should also be encouraged to suggest alternative output indicators in their project proposal and argue how fulfillment of these indicators could contribute to achievement of development outcomes. This will emphasize the continuous focus in DGF II on learning and experimenting and eventually lead to amendments to the results framework.

The “Core Indicators” are assumed to remain fixed for the entire DGF II period. This will require regular (i.e. annual) reviews of the DGF II results framework through a process of discussing and agreeing changes with Implementing Partners to maintain the level of ambition. The annually revised results framework will need approval by the Steering Committee.

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<sup>32</sup> The preparation of the second NDP coincided with the deliberations and adoption of Agenda 2030, which resulted into Uganda being the first country in the world to mainstream the SDGs into the national planning frameworks. Uganda has developed a National Standard Indicator Framework to track progress towards attainment of middle-income status by 2020 and through this framework the implementation of SDGs will be monitored, evaluated, and reported on. Uganda has committed to develop and integrate indicators that cover all the relevant SDG targets.

Since it is expected that new areas of interventions will be identified in the course of implementation of DGF II, a number of new areas of interventions will be developed (Track 2 interventions). Track 2 project interventions could have a short or medium term duration and will be identified from continuous, strategic political economy and context analysis as well as learning from Track 1 interventions and feedback loops from other Track 2 interventions. Track 2 will focus on identified problems and issues and ensure the space for an adaptive and learning based planning process throughout the lifetime of DGF II. Track 2 (and 3) interventions may require the development of additional indicators (in particular at output level), which should be possible – while still maintaining the same level of overall ambition for DGF II.

At the objective and outcome levels of the results framework, a number of targets have been proposed, although for the majority of these, the baselines will need to be in place before final targets can be set for all indicators.

### **7.3 Value for Money**

The financial management system NAVISION used by the PMU is in principle capable of delivering financial data to support financial elements of a VfM assessment. Among other the challenges are that implementing partners' financial reports are not provided in digital or electronic version that are immediately compatible with the system, and the PMU did not have sufficient staff to incorporate data manually. In the DGF I evaluation report, the evaluation team did consider a number of DFID documents.<sup>33</sup> These suggest that the DGF II could be assessed for its VfM at four different levels: strategic (i.e. vision and impact), portfolio (i.e. spheres), programme (i.e. areas of intervention) and administrative (i.e. management and administration).

VfM is not only an assessment of money spent, but also comprises a more holistic assessment of the balance between costs, risks and quality. This means assessing if the DGF is making the best possible use of available resources to maximise impact on Uganda civil society/citizens given the risks associated with the interventions.

The DGF II can operate a simple and operational VfM framework. The framework will provide the Board and SC with key data and information on specific costing of implemented interventions and the quality of the outcomes of these interventions relative to the risks linked to the specific intervention. The SC will assess if the investment (cost) potentially is too high given the quality of the outcome, and if the risks included in the Risk Management Framework have been too significant with potentially negative impacts. These brief assessments will be prepared by the FMU in consultation with implementing partners.

The VfM assessments is both a management tool, and a learning tool for all Board and SC members, FMU staff and implementing partners. The Programme and Learning Managers will lead the assessment of VfM for selected Areas of Interventions and ensure that the VfM approach and framework is aligned with the results framework. The SC and SMT at the FMU will agree on priority areas of interventions to be assessed on an annual basis. The prioritisation will be based on areas of interventions with the most significant risks and/or areas of interventions with the

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33 'VfM in DFID' poster and the smart guide on 'DFID's Approach to Value for Money' (March 2015).

highest potential to deliver good quality outcomes. The SC and the SMT will select areas of interventions to be assessed for VfM based on information selected through the PDIA approach, regular political economy assessments and other contextual assessment performed by the SMT. The aim of the VfM will be to address some of the following key principles:

- to understand and increase the benefits of interventions to intended beneficiaries and the overall sustainability;
- to understand and reduce the costs of programme actions. This means costs to DPs in financial, human and political resources. It also means understanding potential costs to beneficiaries or to other partners;
- to understand and consider the benefits and costs of DGF work relative to what would happen if DPs did not fund the intervention;
- to understand and assess DGF interventions against credible alternatives i.e. consider if there are other or better ways to deliver the same intended results?

VfM assessment should take into consideration the 4 *Es*.

- *Economy*: assessing if the DGF is buying inputs of the appropriate quality at the right price.
- *Efficiency*: assessing how well the DGF is converting inputs into outputs.
- *Effectiveness*: assessing how well outputs produced by an intervention are having the intended effect.
- *Equity/Cost-effectiveness*: What is the intervention's ultimate impact for the beneficiaries, relative to the inputs that the DGF invest in it.

Using the 4Es approach for regular VfM assessment is considered to be rather resource intensive and something that might not be feasible as a rolling or regular management tool for all Areas of Intervention at the same time. Therefore, the VfM approach will be aligned with a realistic level of collecting information and data including financial data from the FMU financial management system. The approach will gradually be developed and tailored around the capacity and capability of the FMU.

The SC and Board might decide to incorporate more comprehensive VfM assessments using the 4Es as the main approach in e.g. annual reviews or in specific VfM and Evaluation Reports to be carried out by external consultants.

## 8 Risk management

Applying an adaptive programming approach requires tight monitoring of new and emerging risks. To monitor risks regularly a DGF II risks management framework needs to be relatively simple with a relatively fast and responsive approach to mitigate potentially negative impact.

The Risk Management Framework (RMF) presented in *Annex 4* is tailored to capture contextual, institutional, reputational and programmatic risks relative to the spheres and specific areas of intervention. It provides the SC and the Board with a simple but operational overview of contextual, programmatic and institutional risks for the DGF II and for SC members to make decisions on mitigation and actions to be taken during design as well as implementation of areas of intervention.

As part of the design for each of the identified and selected areas of intervention it is the role of the FMU to identify and assess potential risks and their likelihood and potential impact. Below are the specific steps in the process from identification of risks to mitigation actions and proposed changes to be incorporated in the design of the actual interventions. The process for the development and regular update of the RMF includes the following steps including roles and responsibilities for the FMU, the Steering Committee and the Board:

#### STEP 1-4: FMU

Step 1 includes identification of contextual, programmatic, fiduciary and institutional risks associated with a specific area of intervention, but also generally for the particular spheres. FMU staff engaging with implementing partners will during design and implementation of areas of interventions apply a PDIA and specific learning mechanisms which will enable them to identify potential risks.

In Step 2 FMU staff will prepare a first assessment of risks and analyse and rate the likelihood of each risk to prevail and the potential impact of each risk. FMU staff will use the four colours included in the RMF below to illustrate how the risks are rated: rare, unlikely, likely or almost certain to prevail. Similarly, the potential impact of the risk will be assessed and given one of the four colours. The colours will help decision makers focusing on the most critical risks i.e. those with either orange or red colours. As part of the Step 2 FMU staff will prepare a short narrative describing the risk, potential relations to other areas of interventions and date of inclusion in the RMF.

Step 3 simply comprises a categorisation of the risk as either contextual, programmatic or institutional. This will determine how and by whom to mitigate the risk.

Step 4 simply indicates if the risk is new the users of the RMF will be required to pay particular attention and ensure that potential risk mitigation actions are designed.

#### STEP 5-6: FMU – SC – Board

If the assessment of “likelihood” and “impact” of a risk has been given the colour green or yellow, no actions are required in Step 5. FMU will be expected to inform the SC about the risks and the rationale for their assessment. If a risk has been given the colours orange or red actions will be required. FMU staff will in this instance suggest mitigation measures and actions to be taken i.e. how to mitigate the risk; when to address the risk; and actors (whom) to address and mitigate the risk. Date for the decision on how, when and by whom, should be included.

Step 6 also relates to those risks given the colours orange or red. In Step 6 FMU and SC makes decisions on required changes to the design and/or implementation of the area of intervention. Date for the decision of making changes shall be included.

The Steering Committee is expected to take actions on all risks given the colour orange and ensure that the Board is informed and potentially consulted in all risks given the colour red.

FMU staff will ensure that proposed actions are implemented and that areas of interventions are redesigned according to agreed changes under Step 6. It is the responsibility of the Head of the

FMU to ensure the internal division of work in FMU and the quality assurance of the updated RMF before submission to the SC.

SC members will receive an updated version of the Risk Management Framework two weeks prior to a SC meeting. The SC will discuss changes made by the FMU in regard to status of “old” risks and assessment and proposed actions for “new” risks.

The SC Chair will discuss the RMF with the Board Chair two weeks prior to a Board meeting.

Monitoring of risks will be part of the FMU staffs’ day-to-day work functions. FMU staff will provide inputs to an annual consolidated risk assessment as part of the Annual Progress Report.

Annual and Mid-Term Reviews as well as Evaluations should include assessments of risks and the implementation of the Risk Management Framework. Indicative Budget.

## 9 Indicative budget

While DPs are not yet able to commit specific amounts to be pledged for DGF II they have indicated collectively that the overall budget is likely to be just under Euro 110m for a five-year programme. An indicative top level budget can only be provided at this stage (see table 3). A total of Euro 110m seems reasonable given the level of ambition amongst the donors and that there is potential to bring in other donors. The budget share is divided between direct programme costs (the three spheres), technical advice and M&E and Learning, and management, staff and admin costs. Combined together the latter two budget lines are a higher % (at 8%) than 4-5% for DGF I due to the emphasis on adaptive programming and the focus on learning. During the transition phase the DPs and existing PMU will need to consider how the budget allocations between the different spheres and management will be operationalised.

**Table 3: Estimated budget (in Millions of Euros)**

	2018	2019	2020	2021	2022	Total	Share of total
Programme costs (direct grants)	20.10	22.60	22.60	20.10	15.10	<b>100.50</b>	92%
<i>Share of total programme costs</i>	20%	22.5%	22.5%	20%	15%		
Technical Advice, M&E and Learning	0.70	0.70	0.70	0.70	0.70	<b>3.50</b>	3%
Management and Admin	1.20	1.20	1.20	1.20	1.20	<b>6.00</b>	5%
<b>Total</b>	<b>22.00</b>	<b>24.50</b>	<b>24.50</b>	<b>22.00</b>	<b>17.00</b>	<b>110.00</b>	