



**Government of Uganda,**

**United Nations Development Programme (UNDP)**

**And  
World Bank**

#### **Brief description**

#### **Project title: The Poverty and Social Impact Analysis (PSIA) of the Proposed National Land Use Policy (NLUP) of Uganda**

Although Uganda has implemented a number of land reforms, land conflicts persist throughout the country. Also, the country is faced with challenges of unequal land rights, increasing land degradation, and reduction in household landholdings. In particular, due to cultural practices of dividing land among offspring, land fragmentation persists with most cultivation undertaken on small piece of land (about 0.5 hectares). Indeed, even in areas where land is in abundance, shifting cultivation has not only led to the loss of forest cover but also to declining soil quality. Furthermore, among households neighbouring marginal lands and fragile ecosystems, encroachment has led to loss of biodiversity. As part of the wider implementation of the Land Sector Strategic Plan 2001-2010 under the auspices of the Poverty Eradication Action Plan (PEAP) (2005-2008), the Government of Uganda (GoU) intends to address some of these problems through the national land use policy.

The purpose of the PSIA is to assess the distributional impacts of the proposed land use policy on vulnerable groups. Specifically, the study will focus on the potential impacts of this policy on agricultural development and in turn on overall poverty reduction. Consequently, the PSIA study will assist government to assess the likely impacts of the proposed policy with a view to making the policy work better for the people in particular and the country in general.

## SIGNATURE PAGE

**Country:** Uganda

**MYFF Goal:** Poverty Eradication

**MYFF Service lines**  
3.1 Frameworks and strategies for sustainable development  
3.4 Sustainable land management to combat desertification and land degradation  
3.5 Conservation and sustainable use of biodiversity

**Implementing partner:** Economic Policy Research Centre

**Other Partners:** Poverty Monitoring and Analysis Unit, Ministry of Finance, Planning and Economic Development.  
  
Policy Analysis Unit, Planning and Quality Assurance Department, Ministry of Lands, Housing and Urban Development

|                             |                          |
|-----------------------------|--------------------------|
| <b>Programme Period:</b>    | November 2006 –July 2007 |
| <b>Programme Component:</b> | _____                    |
| <b>Project Title:</b>       |                          |
| <b>Project Code:</b>        | _____                    |
| <b>Project Duration:</b>    | 8 months                 |

|   |              |
|---|--------------|
| Total budget:                             | US\$ 100,000 |
| Allocated resources:                      | _____        |
| • Government                              | _____        |
| • Regular                                 | _____        |
| • Other:(including in-kind contributions) |              |
| ○ Donor                                   | _____        |
| ○ Donor                                   | _____        |
| ○ Donor                                   | _____        |
| Unfunded budget:                          | _____        |

Agreed by (**Government**): \_\_\_\_\_

**Mr. Keith Muhakanizi**  
**Deputy Secretary to the Treasury**  
**Ministry of Finance, Planning and Economic Development**

Agreed by (UNDP): \_\_\_\_\_

Agreed by (World Bank - Uganda): \_\_\_\_\_

## I: SITUATION ANALYSIS

### **Reform objectives and actions:**

Beyond the Land Act of 1998, the Government of Uganda has initiated a Land Sector Reform program, whose overall guiding framework is contained in the Land Sector Strategic Plan (LSSP) (2001-2010). The focus of the plan is the protection of land rights of the poor, improved access to land and tenure security. The land reform process has the potential benefits of improved land security for tenants, reduced disputes, increased ability to use land as collateral, enhanced land markets, improved availability of land to purchase, improved balance of rights within the household, *inter alia*. To realize the above potentials, development of a National Land Policy (NLP) and National Land Use Policy (NLUP) was adopted through a participatory process as one of the priority areas. Particularly, the NLUP which has been finalized is expected to link land reform to poverty reduction strategies, covering the strengthening of women's rights, improved access to land for the poor, and the framework for urban and peri-urban land rights and management. More importantly, the process of developing the NLUP has broad support within the Government circles. The draft NLUP is ready and before the Cabinet for approval. Notwithstanding the urgent need and importance of having the NLUP in place, the poverty and social impacts of this policy on the vulnerable groups are less understood.

The Poverty and Social Impact Analysis (PSIA) for Uganda will therefore focus on the NLUP as proposed by the Ministry of Lands, Housing and Urban Development (MLHUD)<sup>1</sup>. However, the focus will be on the potential impacts of this policy on vulnerable and marginalised groups (the poor, women, children, and the elderly) and in turn on overall poverty reduction. This is the first ever developed comprehensive National Land Use Policy for productive and sustainable land utilization in Uganda. It is an integral element of the NLP. The overall objective of the NLUP is to achieve sustainable and equitable socio-economic development through optimal land management and utilization. The Policy recognizes the lack of proper guidance to land utilization which has to some degree contributed to poor coordination of policies related to land use that are scattered in various policy documents of Government; and the threats of high rate of population growth (of 3.4% per annum) on sustainable land use. The proposed NLUP is timely given the importance of land as a major asset owned by the rural poor after labour.

The proposed PSIA seeks to provide insights on the likely poverty and social impacts of the NLUP on different groups, especially the most vulnerable groups in the agricultural sector. Agriculture is among the seven key land use areas identified in the NLUP and is a critical focus of the Poverty Eradication Action Plan (PEAP). It is the dominant form of land use in Uganda, and crop production is the key economic activity. Nearly 96% of those living below the required minimum income to meet the basic needs reside in rural areas and derive livelihood from agriculture. The incidence of poverty is highest among agricultural households and crop farming households in particular. Yet, the quality and quantity of land suitable for agriculture in general and crop agriculture in particular is declining. According to UPPAP (2002), the declining quality of land is impacting heavily on the poor households by constraining their ability to increase their income and making them more vulnerable.

Additionally, Uganda was once ranked among the African countries endowed with fertile soils. But the poor land management practices and high rate of population growth are putting pressure on land. It is not surprising therefore that Uganda has failed to get back to its 1970s crop yields. Limited agricultural

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<sup>1</sup> . Formerly Ministry of Water, Lands and Environment (MWLE)

land has also partly attributed to the current adaptation of environmentally unfriendly practises that aggravate poverty. The recurrent drought has exacerbated the problems facing the agricultural sector in Uganda. Thus, agricultural growth through increased productivity is critical for poverty reduction and rural development. In other words, Uganda cannot make headway in poverty reduction without addressing land use issues hindering agricultural growth.

### **Why PSIA for Land Use Policy?**

The NLUP was selected as a policy for analysis under the PSIA mainly on account of the fact that land in Uganda is a very controversial issue and has wider implications for poverty reduction. First, as already pointed out earlier the majority of the poor reside in rural areas and derive their livelihood from agriculture. And land is a key source of production, thus for land to continue supporting agriculture sustainably, sound land management practises are essential. The success of the PEAP therefore in enabling increases in household incomes will largely depend on the extent to which land use issues are fully addressed. Thus a deeper understanding of the poverty impacts of the proposed policy is timely. Second, there is optimism that the NLUP will streamline land use and enhance land rights. Yet previous experiences with the implementation of interventions in the agricultural sector intended to promote better land use either directly or indirectly seem not to have yielded the desired results. Besides poor coordination and duplication of these interventions in various institutions of Government as recognized in the NLUP, there is need to have knowledge of other factors from the key stakeholders – the farmers.

The PSIA study will therefore assist government to assess the likely impact of the NLUP with a view to making the policy work better for the agricultural sector in general and crop sub-sector in particular. Critically, the study will assess the likely impact of the NLUP on household incomes and agricultural incomes in particular, inequality of income, and household's participation in economic growth. The study will propose what should be done for the policy to lead to desired results.

### **Which stakeholders are likely to be affected by the reform and how?**

A number of stakeholders in Uganda would be interested in the land use policy and these include: agricultural households; policy makers in the Ministry of Land Housing and Urban Development; Uganda Wildlife Authority; National Forestry Authority; Ministry of Water and Environment; and Ministry of Finance, Planning and Economic Development; District Land Board officials; and vulnerable groups especially women. Given the numerous stakeholders and their varying degrees of interests, their positions regarding the reform are likely to differ.

With regard to households, who are principal targets of the reform, a mixed position is envisaged. First, land evaluation through assessments such as soil surveys will help in determining the productivity potential of land. Past research highlights the lack of knowledge about land availability, productivity potential and sustainability for agriculture. Thus, any policy that provides accurate information on suitability of land would greatly improve utilization. Also, the policy proposes to establish a framework for livestock management in the rangelands including the provision of water, pasture and fodder development—such programs would improve the quality of rangelands in Uganda. However, some agricultural households could be possible losers with this kind of reform. For instance, among poor households, the proposed land use policy would discourage the cultural practices of land fragmentation,

and as a consequence this would be a threat to subsistence agriculture. Furthermore, the cost of adopting modern farming practices such as the use of fertilizers will be borne by the households.

Public sector stakeholders such as the Ministry of Lands, Housing and Urban Development (MLHUD) and associated land institutions (District Land tribunal and offices) are likely to encourage the reform albeit with varying degrees. For example, the implementation of NLUP will result in significantly more resources being channeled to the MLHUD. As such, the MLHUD would champion the NLUP. Other organs of the public land management system are also likely to favour the reform. For instance, although the National Environmental Management Agency (NEMA) is already mandated to control the use of wetlands and other marginal lands, under the proposed NLUP, its powers will be further strengthened and enhanced to enforce land regulations.

## **II: STRATEGY**

### **How does this reform link to the PEAP?**

The proposed land use policy for agriculture is a good link to the second pillar of the PEAP on enhancing production, competitiveness and incomes. Specifically, it links land reform to poverty reduction strategies such as improved access to land and tenure security and protection of land rights of vulnerable groups such as women and the poor. Such interventions are motivated by the need to expand the production and incomes of the rural population, which are all grouped under the Plan for Modernization of Agriculture (PMA).

## **III: RESULTS FRAMEWORK**

### **PSIA Process:**

The PSIA of the draft NLUP will be undertaken during the period November 2006 – July 2007 and will include a stakeholder analysis in 8 districts of Uganda. Prior to actual fieldwork, an awareness workshop targeting policy makers and civil society groups will be held to launch the PSIA process. Other activities in the initial phase will include a training workshop to introduce the PSIA methodology to policy analysts in the relevant government departments. Below, details of the various activities to be undertaken are provided.

### **Tools and techniques to be used**

#### **Qualitative**

First, a review of relevant government documents on land related issues will be undertaken. Specifically reviewing the on-going interventions related to land use especially in the agricultural sector. The study will also borrow from past experience of the Makerere Institute of Social Research (MISR) in land use practises in Uganda.

Second, primary data collection among stakeholders will be undertaken. The surveys are expected to be more qualitative than quantitative and will not only be used for institutional and risk analysis but will

also provide information on the attitudes towards the proposed land use policy especially for agricultural development.

### **Quantitative**

The study will also utilise secondary data sources, in particular the various rounds of the Uganda National Household Survey and the most recent Population and Housing Census, 2002. The socio-economic modules in these surveys provide information at household level while the community module provides information at community level. Finally, the household surveys and census will enable the modelling of land use and household welfare outcomes.

The staff of EPRC, MLHUD and PMAU/MoFPED will be actively involved in all stages including data collection, analysis and report writing as a means of capacity building. Wide consultation will be undertaken with stakeholders in the land sector including relevant Government departments, Uganda's development partners, civil society, and local council leaders.

### **Dissemination**

The findings from the study will be disseminated at both policy meeting and stakeholder workshops. Preliminary results will be presented at a meeting of policy makers particularly from the Planning and Quality Assurance Department and Policy Analysis Unit and other technical departments of the Ministry of Lands, Housing and Urban Development (MLHUD), and the Ministry of Finance, Planning and Economic Development (MoFPED). Also the findings will be shared with members of the Land Policy Working Group to obtain feed back. The key stakeholders' workshop will target local administrators and civil society organizations with an interest in land policy and land use policy in particular.

### **Capacity-building**

The PSIA will include capacity building for policy analysis staff from the MFPED, MLHUD, Ministry of Local Government, and the Economic Policy Research Centre. International consultants will be recruited to conduct a training workshop on the PSIA methodology. In addition, the consultant will be retained for capacity development and skill transfer during the wider implementation of PSIA. It is envisaged that the World Bank will play a key role in this capacity building initiative.

## **IV: MANAGEMENT ARRANGEMENTS**

### **Execution**

The project execution will be by UNOPS, which will be responsible for the delivery of outputs, issuance of contracts and related matters. UNOPS will authorize UNDP Country Office in Uganda to incur local expenses. A Steering Committee will be set up to monitor implementation of the PSIA

### **Implementation**

The Economic Policy Research Centre will implement the project.

### **Beneficiaries**

The analysis will benefit the Government of Uganda in its quest to expand access to land and minimize land conflicts. Specifically, the Ministry of Finance, Planning and Economic Development will establish the resources required to fully implement the policy. On the other hand, by understanding the transmission channels through which the NLUP may impact on land stakeholders, the Ministry of Lands, Housing and Urban Development will be in position to successfully implement the policy.

### **IV. Monitoring and Evaluation**

The Programme Manager in the UNDP Country Office will produce quarterly progress reports. Reports on the progress and completion of specific activities will be provided as part of project implementation. The Programme Manager will carry out monitoring visits to the areas in which activities will be implemented. Towards the end of the project, an independent consultant will evaluate the project progress and identify shortcomings.

### **V. LEGAL CONTEXT**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Uganda and the United Nations Development Programme, signed by parties on 1<sup>st</sup> April 1997. The host country-implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, will refer to the government co-operating agency described in this agreement.

Revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the Project have no objection to the proposed changes, in any case of:

- a) Revisions which do not involve significant changes in the immediate objective, output or activities of the project; and
- b) Mandatory annual revisions that re-place the delivery of agreed Project inputs, or reflect increased expert or other costs, due to inflation, or which take into account agency expenditure flexibility.

**PSIA WORKPLAN AND BUDGET (November 2006 –July 2007)**

| <b>Expected Outputs and Monitoring Activities</b>   | <b>Key activities</b>  | <b>Time Frame</b>     | <b>Planned Budget</b> |
|---|--|-----------------------|-----------------------|
| <b>Objective 1:</b> To introduce the PSIA methodology to policy makers in Ministry of Land Housing and Urban Development, Ministry of Finance, Planning and Economic Development, Ministry of Local Government and Economic Policy Research Centre. |  |                       |                       |
| Launch the PSIA process   | -Hold an awareness workshop  | November 2006         | US\$ 30,000           |
| Training workshop to initiate the PSIA approach   | -Hire an international consultant to provide technical assistance.<br>-Hold a training workshop for policy analysts  |                       |                       |
| <b>Objective 2:</b> To undertake an institutional and risk analysis of stakeholders involved in land use in Uganda.   |  |                       |                       |
| Qualitative assessment of stakeholder interests   | -Undertake key informant interviews in government departments, and focus group discussions at the districts  | January–February 2007 | US\$ 45,000           |
| <b>Objective 3:</b> To undertake a behavioral analysis for impact of land use changes on agricultural production  |  |                       |                       |
| Quantitative analysis of impact of changes in land use  | -Estimate behavioral models for land use   | March –May 2007       | US\$ 15,000           |
| Macro-level analysis of required budgetary resources to implement the policy  | -Estimate budgetary resources required   |                       |                       |
| <b>Objective 4:</b> To communicate policy impacts of implementing land use policy to stakeholders.  |  |                       |                       |
| Producing the PSIA report and holding the policy forum  | -Presentation of key findings to Ministry of Finance, and Ministry of Lands, Housing and Urban Development.<br>-Hold a key stakeholders’ workshop to disseminate the findings<br>-Hold a land use policy forum | June-July 2007        | US\$ 10,000           |
| <b>Total</b>  |  |                       | <b>US\$100,000</b>    |