

OFFICE OF THE PRIME MINISTER

The Third Northern Uganda Social Action Fund (NUSAF3)

Paving the Way to a Middle Income Economy for Northern Uganda



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Dr. Robert Limlim
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The Third Northern Uganda Social Action Fund (NUSAF3) Project was declared effective by the World Bank on **March 14th 2016**. NUSAF3 is a successor five-year Project to NUSAF2 that closed on **February 29th 2016**. NUSAF3 was approved by the Cabinet on **5th August 2015** and approved by the Parliament of Uganda on **4th September 2015**.

NUSAF3 has begun the training and mobilizing of the District and Sub-County Implementation teams in the 56 Districts of Northern Uganda. These implementation teams are also in turn starting the activities of mobilization and sensitization of the communities towards generation of community investment groups.



Attendees at NUSAF3 Training Workshop for District Officers in Mbale in May 2016

Background:

The Social Protection interventions for Northern Uganda were established under the Peace, Recovery and Development Plan (PRDP) for Northern Uganda and are implemented under the Office of the Prime Minister. NUSAF1 (2003 to 2009) was one of these interventions and begun with the challenges of insurgency, vulnerability and humanitarian action.

NUSAF2 under PRDP2 and funded by a loan from the World Bank and a grant from DFID in the UK, continued with the affirmative action of NUSAF1 with more focus on recovery, rehabilitation, rebuilding of infrastructure and household income support. NUSAF3 is likewise funded by a 130-million-dollar loan from the World Bank.

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The Sustainable Livelihoods Pilot Sub-component will test an approach to livelihood support that is expected to foster stronger community institution by focusing on self-help with beneficiaries accessing a village revolving fund rather than receiving grants. This revolving fund will be managed by the village community itself and not the local Government. The pilot will focus on universal coverage of poor in the target villages while also tapping into the already existing poor community savings groups and supporting other poor households to form savings groups of their own.

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NUSAF3 Packages of Development Options under LIPW

NUSAF3 packages of development options for the selected communities within the selected water-catchment areas will include; physical soil and water conservation, agri-business, agro forestry, markets and access to markets, and institutional green action. The above include productive activities such as road construction, terraces, afforestation, water ponds, valley tanks, water trenches, food security crops, horticulture, energy saving technologies and others.



Examples of Gully rehabilitation and Homestead Development



Example of Community Water Supply

The third major component of NUSAF3 is the STAAC component (Strengthening Transparency, Accountability and Anti-Corruption). This component will cover activities implemented by the Inspectorate of Government (IG) to improve transparency, accountability and anti-corruption efforts in Northern Uganda both for NUSAF3 and other Programmes. It will expand and deepen implementation of transparency, accountability and anticorruption interventions to improve effectiveness in service delivery in the project area.

The fourth major component is Safety Net Mechanisms and Project Management. The Safety-Net mechanisms aims at supporting Government efforts in laying the foundation for a sustainable social protection system that is envisioned in the draft Uganda Social Protection Policy. This component will support the Ministry of Gender, Labour and Social Development to establish and strengthen the Social Protection sector.

The Project Management Sub-Component will support and strengthen the planning and coordination of activities of the Project as well as the monitoring their implementation. Project coordination and the

accountability for Project resources are both the responsibility of the Permanent Secretary in the Office of the Prime Minister (OPM) with the support of the established NUSAF3 technical support team (TST). To ensure effective Project implementation, this sub-component will support the OPM, relevant sector Ministries and Local Government Staff in coordination and performing routine monitoring of the Project activities.



NUSAF3 Training Workshop for District Implementation Teams in Arua

Achieving the Goal of Moving Communities out of Poverty and towards a Middle Income Status (MIS)

Currently, the Uganda per capita income stands at \$788. To reach Middle Income Status, Ugandans must earn at least \$1033 per capita per year. Taking into account Uganda's population growth rate of 3% and the national annual economic growth rate of 5.8%, to achieve MIS by 2020, households in Northern Uganda must earn an average of **at least 20 million shillings per capita** per year and the economy will need to grow at a 9% growth rate.

NUSAF3 will focus investments in watershed areas with a target of 500 households (hh) per watershed. NUSAF3 in the first year will target four watersheds per district for a total of 224 watersheds representing 112,000 households. These 112,000 households are 13% of the 867,216 poor households in the PRDP area.

In the first year, NUSAF3 will have available 17.2 billion

The Drive to Middle Income Status

- ⇒ NUSAF3 will focus investments in watersheds
- ⇒ Target = 500 HHs per watershed

4 watersheds per district in year 1

500 HHs 500 HHs 500 HHs 500 HHs

**NUSAF3 is to reach
2,000 HHs x 56 districts in PRDP Area in YEAR 1
= 112,000 HHs
Making 13% of 867,216 Poor HHs in PRDP Area**

shillings for Investment Group (or Community Interest Groups) funding. An average of 307,142,000/= will be available per district. Overall 9.11 billion will be available for LIPW activities and 8.08 billion for LIS

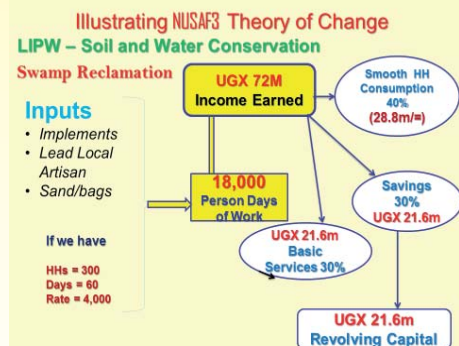
Areas of Work	Activities*
Physical Soil and Water Conservation	<ul style="list-style-type: none"> Hillside terrace construction Check dam construction Cut-off drain construction Flood control dike/ditch construction
Biological Soil and Water Conservation	<ul style="list-style-type: none"> Nursery establishment and management Seedling raising/production Pitting Seedling planting Vegetative/life fencing
Community Water Development	<ul style="list-style-type: none"> Spring development/protection Community pond construction/rehabilitation Construction of valley tanks Construction of hand-dug wells
Rural Infrastructure	<ul style="list-style-type: none"> Construction of community access roads Market sheds and pavements Sanitation facilities

Note: The actual activities will be decided on and prioritized by communities through a participatory and transparent process.

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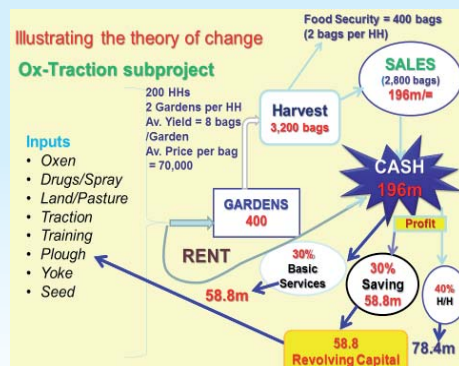
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activities. Under LIPW it is projected that this will further breakdown to 6.38 billion shillings in earnings (70%) and 2.73 billion (30%) will be utilized in non-labour expenses. Of the amount earned 70% or 4.46 billion will go towards household consumption will 30% (1.91 billion) will be saved. These all represents a massive injection of incomes to the beneficiary households.



To further illustrate the NUSAF3 theory of change an example is taken from a sub-project where oxen are provided to a community for ox-traction or faring purposes. The inputs would include; oxen, drugs/spray, land, pasture, ploughs, yoke, training and seed. Assuming 200 households (HH) within a village benefit and each household plants 2 gardens of ground-nuts. The average yield per garden is 8 bags and the average price per bag is 70,000/=.

For the 22 households this will present a harvest of 3,200 bags from the 400 gardens. This food produced will also help provide food security for the households. Assuming 2,800 bags are sold, this will result in 196 million shillings in earnings. The NUSAF3 guidance to community's asserts that 30% of these earnings can be used for socio-economic basic services (58.8 million), 30% is to be saved (58.8 million) which will lead to a pool of revolving capital for expanded economic activities. The other 40% can be used for household consumption.



NUSAF3 guiding principles include; focus on the poorest and most vulnerable households, active and intensive community participation, planning based on the community watershed boundary, transparency and accountability, utilization of existing institutions, community contribution to the development effort to promote community ownership and the promotion of equity.

The Project will be implemented over a period of five (5) years in the 56 Districts of the **Acholi, Lango, West Nile, Karamoja, Bunyoro, Elgon, Teso and Bukedi Sub-Regions**. The geographic scope of the Project is determined by the area supported under PRDP3 which focuses on Districts with the highest poverty rates and that were most affected by conflict.



NUSAF3 Officers carrying out field test of Project tools in Lira



NUSAF3 Officers carrying out field test of Project tools in Karamoja



Participants who attended NUSAF3 Training Workshop for District Officers in Lira

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