

# **The Poverty and Social Impact Analysis (PSIA) Pilot Study in Uganda**

PSIA Pilot Study Evaluation Report  
UGANDA

**Report to DFID**

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## Acronyms

ASWG	Agriculture Sector Working Group
CSO	Civil Society Organisation
DFID	Department for International Development
EPRC	Economic Policy Research Centre
GOU	Government of Uganda
JRA	Joint Review Aide Memoir
MAAIF	Ministry of Agriculture, Animal Industry and Fisheries
MFPED	Ministry of Finance, Planning and Economic Development
MGLSD	Ministry of Gender, Labour and Social Development
MTCS	Medium Term Competitiveness Strategy
MTEF	Medium Term Expenditure Framework
NAADS	National Agricultural Advisory Services
PPA	Participatory Poverty Assessments
PEAP	Poverty Eradication Action Plan
PRSP	Poverty Reduction Strategy Paper
PMA	Plan for the Modernization of Agriculture
PMAU	Poverty Monitoring and Analysis Unit
PRSC	Poverty Reduction Support Credit
PRGF	Poverty Reduction and Growth Facility
PSIA	Poverty and Social Impact Analysis
PSR	Poverty Status Report
SEP	Strategic Exports Programme
STRATEX	Strategic Exports Initiative
TOR	Terms of Reference
UDN	Uganda Debt Network
UPPAP	Uganda Participatory Poverty Assessment Process

## **Executive Summary**

### **Introduction:**

The objective of the PSIA is to promote evidence-based policy choices by explicitly including poverty and social impacts in the analysis of policy reforms and to build country ownership of policies by informing a public debate on the trade offs between policy options. It attempts to make linkages between poverty analysis and policy making. PSIA can be undertaken ex ante (before policy implementation), mid-term (implementation) and ex post (after policy implementation).

According to DFID (2002), the Pilot PSIA undertaken in several countries including Uganda was meant to;

- ❑ Review assumptions on links between policy and poverty
- ❑ Demonstrate PSIA on a select macroeconomic policy (STRATEX in Uganda)
- ❑ Explore methodological issues and choices
- ❑ Make recommendations for institutional capacity of PSIA

The main recommendations of the PSIA Pilot Study in Uganda were that policy on STRATEX should; **a)** harmonise the working methods of STRATEX with the Plan for the Modernisation of Agriculture (PMA), applying the PMA principles of bottom-up, participatory and cooperative approaches to policy design; **b)** reinforce the capacity of the PMA to facilitate efficient and equitable solutions to gender-related supply blockages; **c)** give greater priority to targeting women farmers, as well as poor households, improving de facto access to land for women, raising literacy among adult women, and resourcing the Ministry of Gender, Labour and Social Development for its gender mainstreaming mandate; and **d)** provide at least the necessary minimum of arrangements for monitoring STRATEX implementation.

The aim of the evaluation is to provide advice on the usefulness of the PSIA pilots, and on how to make sure that future studies are able to influence policymaking

### **Key findings of the evaluation:**

The impact of the PSIA Pilot study is evident in five main areas:

- ❑ **Contribution to the long term and an on-going planning process for the re-orientation of STRATEX in line with PEAP/PRSP/PMA model.** The MAAIF/PMA secretariat in co-operation with MFPED, donors and CSOs have agreed on mainstreaming STRATEX into PEAP/PRSP/PMA and have outlined a strategy on paper to this effect. PSIA influence is evident in both planning documents as well as analysis of the issues of STRATEX by stakeholders interviewed in the evaluation process. Specifically, three outcomes of the PSIA are a) STRATEX is presently under an evaluation process which resulted from the lessons learnt and challenges faced during implementation and the emphasis by the PSIA that the programme should not operate parallel to PMA. b) PMA secretariat has independently developed a work plan, which clearly identifies the re-orientation of the STRATEX to PMA model as priority area for action c) PMA has also targeted the integration of gender equity as major undertakings in the NAADS scheme. In all the cases cited the findings and recommendations of the PSIA are referred to.
- ❑ **There has been a big effort to mainstream gender into the PEAP/PRSP Revision Process by MFPED/PMAU partly as a result of the key finding of the PSIA that gender inequality was a key factor in hampering macro economic growth and success of programmes.** In particular, MFPED/PMAU have acknowledged the usefulness of the PSIA recommendations in terms of incorporating gender into overall macro and sectoral policies. This has been undertaken through the provision of Sectoral Guidelines for the mainstreaming of cross cutting issues, which include gender in the analysis of sectors by Sector Working Groups for the PEAP/PRSP revision.
- ❑ **Contribution to the poverty monitoring and analysis plans presented in the Uganda Poverty Status Report 2003.** Following recommendations from the PSIA dissemination workshop, the Uganda Poverty Status Report identifies the potential areas to be subjected to PSIA. This has been carried forward from the PSIA Dissemination Workshop held in Kampala in April 2003. There is general consensus that PSIA be integrated as a tool for analysis. In addition, there is also emphasis to integrate it as part of the policy making process in which case all relevant macro and sectoral policies would be subjected to PSIA. While it is complementary to existing poverty monitoring and analysis framework established in the MFPED/PMAU, which include PPAs, surveys and other research processes, its value

addition comes from its specific focus on analyzing poverty and policy links. Poverty and social impact analysis has not been a mainstream process in Uganda inspite of all the structural, macro and sectoral policies having been implemented.

- ❑ **Expressions of country ownership of the PSIA.** All stakeholders interviewed put emphasis that it is important to institutionalize the PSIA studies into Ugandan institutions. The role of DFID and its partners including the World Bank and IMF should be of a technical and facilitation nature. This is in view of the fact that Uganda has a commendable research capacity although PSIA would require additional skills development among institutions that would take it forward. In addition, ownership of the PSIA processes would ensure utilization of PSIA findings for policy making in Uganda. The MFPED/PMAU should take a lead role in co-ordinating PSIAs across the line ministries, sector groups as well as CSOs and ensuring the utilization of PSIA findings in policy making. PSIA processes should be undertaken in a transparent manner and provide credible and reliable data for policy making.

However, inspite of evidence of high level of interest on utilization of PSIA and partnership over PSIA studies between government, donors, academicians and CSOs, there are two critical issues which must be resolved for future management of PSIA studies in Uganda. These include;

- a) **Defining who will take the PSIA forward.** This includes articulating their roles and responsibilities as well as putting in place co-ordination and follow-up arrangements for inclusive processes and utilization of the studies in PRS cycle. By the time of the evaluation it was not clear who was responsible for steering the future PSIA processes in the country. Although mention was made that MFPED/PMAU should take lead role in taking PSIA forward as part of the National Research Agenda, no formal process has been undertaken to that effect. Furthermore, a few stakeholders are concerned about issues of neutrality of MFPED/PMAU in both research processes and outcomes. In addition, there is clear need for better coordination between PSIA and PRSP work as well as with IFIs and donors.
  - b) **Identifying the resource base for the studies.** It is not clear where the funding for the PSIA studies suggested will come from.
- ❑ **Debate on importance of defining methodology for undertaking future PSIA in Uganda.** This was originally not in the evaluation TORs. However in the evaluation process, a vibrant discussion over the methodology of executing PSIAs brought this forward as an important issue in PSIA. All stakeholders have expressed that the “Quick and Dirty” approach applied in the execution of PSIA Pilot should not be applied again in Uganda considering the potential importance of the PSIA findings to policy making. Instead a thorough process either of gap filling or comprehensive policy analysis, depending on the policy issue, with high level of stakeholder consultation and participation should be followed. This should include consensus on TORs as well as clients and participants of the PSIA studies. In addition, both economic and social tools for analysis should be used in the PSIA process undertaken by both consultants and practitioners to ensure data integrity, validity, ownership and utilization.

## 1.0 Background

In August 2000, the IMF and World Bank agreed to consider the poverty and social impact of major reforms in their lending programmes to poor countries. In 2001, DFID in collaboration with the World Bank undertook to support demonstration studies in twelve countries where governments and other national stakeholders expressed clear demand for PSIA (including Indonesia, Honduras, Armenia, Uganda, Rwanda, and Mozambique)<sup>1</sup>. In October 2002, findings from the DFID and World Bank supported pilot studies were brought together at a workshop in Washington DC. Key findings of the workshop include that it is feasible to undertake PSIA using existing data and knowledge in country, and that for PSIA to be effective in informing policy decisions, it needs to be country-owned and embedded in the national PRS process.

DFID supported PSIAs were piloted in Honduras (electricity reform), Mozambique (fuel tax), Uganda (export promotion), Rwanda (macro policy), Armenia (water policy), Indonesia (rice tariff) and Orissa State India (public finances). The aim of these studies was to provide lessons to national governments in developing countries, as well as partners in the donor community, on what could be done, and how in terms of analyzing macro policy and poverty linkages. DFID pilots were 'quick and dirty' taking a short time. At the same time, the World Bank also ran a series of parallel pilot studies that were longer and in more depth. They were aimed to identify and disseminate best practice.

In October 2003 an international PSIA workshop was held in The Hague, co-hosted by the UK and The Netherlands. In this workshop, demand was expressed from these bilateral donors, and from national governments from developing countries that were not involved in the pilots, for a review of direct and indirect impacts of these pilot studies on policy making and policies so far.

## 2.0 Definition of Poverty and Social Impact Analysis (PSIA):

Poverty and Social Impact Analysis (PSIA) is an important feature of the new approach to supporting poverty reduction in developing countries, characterised by the development of Poverty Reduction Strategies.

**Poverty and Social Impact Analysis refers to the analysis of intended and unintended consequences of policy interventions on the well being or welfare of different groups, with specific focus on the vulnerable and poor. (World Bank 2002; Robb C 2003).**

## 3.0 Execution of Uganda Pilot PSIA

### 3.1 Background

The Uganda PSIA arose out of discussions between the Ministry of Finance, Planning and Economic Development (MFPED), and a DfID mission. Uganda's PRSP (the PEAP) is characterized by consultative process involving both government and civil society, and the use of evidence from research to improve policies. It adopts a multi-dimensional concept of poverty, where deprivation in terms of health, nutrition and educational standards are taken as seriously as low income. It also recognizes insecurity and social exclusion as dimensions of poverty, following findings on poor people's own perceptions. The PEAP process is open and inclusive, linked to resource allocation through the Budget and Medium Term Economic Framework (MTEF) and is characterized by efficient and influential monitoring arrangements.

While considerable progress has been made major challenges include: improving engagement of line ministries, departments and districts, ensuring that policy initiatives in the PEAP benefit from strong and broad political commitment; securing the closest possible alignment between the PEAP, the PRSC, PRGF and donor support.

MFPED was interested in PSIA as a means of strengthening the evidence base at its disposal to improve policy-making processes and analysis.

The two international consultants selected three national consultants to ensure a balanced multidisciplinary team. The methodology used in the pilot PSIA was defined by the study team, with trial and error playing a fairly considerable role. Considering the objectives of the Pilot PSIA study, a policy choice had to be made and the policy chosen for the pilot exercise was the Strategic Exports Initiative, a policy originating from the

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<sup>1</sup> The World Bank undertook to pilot PSIA in an additional six countries.

Presidency in an effort to boost foreign exchange earnings through export promotion. The decision over this policy choice was undertaken between DFID, MFPED and the PSIA Pilot Study Team of consultants (Booth et al 2002).

The aim of the Strategic Exports Initiative (STRATEX) is to promote increased export earnings, reduced aid dependency and reduced poverty. Key crops are coffee, tea, livestock, fish, cotton, horticulture and Irish potatoes. Key dimensions of the STRATEX Initiative include; stimulating indigenous investments, improving trade opportunities by removing bottlenecks, joint investments, access to financing, planting materials, skills building, laws and regulations amendments and institutional reform.

### **3.2 Why a PSIA Pilot study was undertaken and why STRATEX was chosen:**

The PSIA Pilot analysis was undertaken to serve the purpose of:

- a) demonstrating the potential and pitfalls of ex ante PSIA (although the evaluation study has learnt that STRATEX had already taken off in terms of implementation. See page 12);
- b) engaging with important process issues as well as technical problems of data and analysis,
- c) being capable of completing the pilot study in a short time, with limited inputs utilizing mostly secondary data, building upon and contributing to current research and policy processes in-country and avoiding duplication and,
- d) contribute to the important capacity building dimensions of the PSIA.

STRATEX was chosen in consideration of the issues regarding the policy itself

- a) STRATEX seeks to address key macro issues of importance in Uganda in the exports sector,
- b) It was a policy formulated as a result of a presidential directive in attempt to increase national export earnings.
- c) While a considerable amount of work had already been done on analyzing the policy (EU et al 2002), the likely poverty and social impacts of the policy did not feature in the assessments.
- d) Being a presidential initiative, STRATEX has a strong although narrow political support and was created independently of the PEAP/PRSP and PMA normal policy making processes.

The deliverables of the Uganda Pilot PSIA study according to the Terms of Reference were;

- A review of assumptions among policy makers about policy-poverty links
- A demonstration PSIA on a selected macroeconomic or structural policy, with choice of policy justified with reference to national stakeholder views
- Exposition of methods used and rationale for methodological choices
- Observations and recommendations regarding building future institutional capacity for PSIA

A multi-disciplinary team of national and international experts, both economists and social scientists, executed the Uganda Pilot PSIA over a period of 40 working days in total.

The Uganda Pilot focused on coffee and fish sectors for analyzing the poverty and social impact of the STRATEX initiative. In terms of methodology, the Uganda Pilot PSIA used existing secondary data and knowledge in-country derived from reports, household surveys (on coffee and fish sectors) and from interviews from high level policy officials both within government and donor groups.

The Pilot Study report was then presented in two workshops, one held in Uganda and the other in London. Donors, civil society members, policy makers and policy practitioners attended these workshops

### **4.0 Terms of Reference of the PSIA Pilot Evaluation**

The aim of the evaluation is to provide advice on the usefulness of the PSIA pilots, and on how to make sure that future studies are able to influence policymaking (*see Annex 1 for detailed Terms Of Reference*).

In Uganda the evaluation specifically looked at the impact of the PSIA Pilot study in terms of the utilization of PSIA findings and recommendations on:

- Strategic Exports Initiative (STRATEX)
- PEAP/PRSP revision process

## 5.0 Methodology of the Evaluation and Report Outline

### 5.1 Methodology:

- ❑ **Literature review including;** review of various documents on PSIA, PEAP revision process, workshop minutes and other relevant articles (see references).
- ❑ **Key informant interviews:** using interview guide (see Annex 1 of the interview guide for stakeholders and Annex II of the interview guide for the PSIA study team. Annex III provides a list of persons consulted and interviewed).
- ❑ **Stakeholder workshop** for 15 minute presentation of evaluation findings and validation discussion with stakeholders

### 5.2 Report Outline:

The report presents the key evaluation findings with regard to:

- ❑ Impact on STRATEX,
- ❑ Impact of the PSIA Pilot Study on PEAP/PRSP and general policy debate
- ❑ Conceptual, process and methodological issues
- ❑ Recommendations for future application of PSIA studies for policy in Uganda.

## Key Evaluation Findings:

### 6.0 Impact of PSIA on the STRATEX in Uganda

**6.1 Controversies over policy choice:** Judging by the responses obtained from them, stakeholders directly implementing the STRATEX Initiative have not understood the reason for the choice of STRATEX for the PSIA Pilot or the potential usefulness of the PSIA findings for STRATEX. In their opinion, PSIA was a demonstration that tore STRATEX apart without regard to its original objective of macro economic growth. A link between economic growth and poverty reduction seems to be elusive from their analysis. As a result, the PSIA Consulting Team as well as the Evaluation Consultant faced challenges in defending the intention of the PSIA exercise that it was meant as a demonstration of macro policy and poverty linkages. Even the two conceptualization and dissemination workshops held have not allayed this misunderstanding.

*“I did not like the study. It was a study undertaken at the wrong time to the wrong programme. PSIA should have gone to PMA/NAAD” (STRATEX Official).*

**6.2 Different conceptions of development paths for Uganda:** The above misgivings about the PSIA Pilot among the STRATEX implementers is a result of the different paths that are being followed in the country as relating to STRATEX. While the rest of the development agenda seems to be focused on following PEAP/PRSP agreed plans for poverty eradication, the STRATEX programme is following a different path which runs parallel to PEAP/PRSP defined PMA. The policy was initiated by the Presidency as a drive to expand foreign exchange earnings through commodity export promotion. Its implementation modality is based on supply of incentives to farmers. The PMA on the other hand is the national programme meant to contribute to macro economic stability as well but follows a demand driven approach to promoting production for exports. While both programmers wish to attain macro economic growth, their approaches differ greatly. What follows is much controversy and conflicting opinions among government policy makers wishing to defend the programme of the Presidency as it was formulated and those wishing to go along the national PMA path on STRATEX policy debate. The PSIA stepped right into the middle of these different conceptions of development paths.

In spite of the presence of politics and differences of development ideologies followed as far as STRATEX is concerned, the MFPED places emphasis that PSIA has the potential to contribute to policy debate for better and informed policy decision making. MFPED particularly pointed out the usefulness of the PSIA insight to STRATEX on gender contribution to macro economic growth as well as the need for harmonized policy making.

*“The fact that policy makers reject research findings does not mean that research findings were useless. There is need for continuity of PSIA” (Director Economic Affairs, MFPED)*

**6.3 Impact on policy in the long term:** It is evident that in terms of overall policy thinking and planning in the long term, the PSIA pilot study has had an impact. It is important to note that the officials from government expressed that although some of them felt that there was a contradiction of development paths being followed by

STRATEX and the PMA, they had no evidence and back up for their arguments. They were aware of the need to harmonize the workings of STRATEX with PMA and therefore an independent study of PSIA gave them evidence and voice for arguments.

*“For Government of Uganda and particularly MFPED who are the architects of the STRATEX, the PSIA Pilot Study was a very useful research process which has resulted into the process of re-orienting the STRATEX policy in terms of its compliance to PEAP/PRSP/PMA. The gender aspect of poverty and policy performance was confirmed by the PSIA.(Director Economic Affairs MFPED)..*

*“Short term impact of the PSIA is not possible but the PSIA has had lasting impact on the technical team of policy makers”. (Director Economic Affairs, MFPED)*

According to MFPED, MAAIF/PMA and CSO representatives interviewed and from written documents it is clear that two recommendations of the PSIA Pilot have been taken seriously with regard **to STRATEX:**

- ❑ Recognition by the MFPED and MAAIF/PMA that gender inequalities is a factor impeding agricultural development and
- ❑ Re-aligning STRATEX to PEAP/PRSP/PMA model.

Having been involved in the PSIA pilot study and having followed up on its findings, MFPED/PMAU officials emphasized that PSIA Pilot findings have provided a critical insight on the wider gender implications of gender inequities for the development of Uganda. It is now accepted that inspite of all the research and analysis that has been done on gender equity and development in Uganda, little recognition was given to acknowledge it in mainstream policy making let alone try to identify solutions to promote gender equity. PSIA provided evidence and influenced the way sectoral guidelines for PEAP revision and PMA plans have been made as explained by statements below.

*“No analysis of intra-household dynamics had been done as explicitly as the PSIA did. Nobody had thought that gender inequity could have as far reaching negative effects to sabotage macro policies such as STRATEX. However, the challenge of STRATEX and gender debate regards problem of solutions. PSIA should identify solutions” (Policy Analyst, MFPED/PMAU)*

*“Priority should be given in revising the way in which the SEP is implemented such that it better targets women and addresses conflicts arising from unequal claims on assets and incomes between men and women (GOU. ASWG. PEAP Revision Paper for Agriculture pg. 30).*

*“Thus policies and legal instruments need to become less “gender blind”, which means not just acknowledging in principle that there are gender inequalities, but actually taking these into account in designing policies” (ibid)*

However, not all those interviewed shared the view that the PSIA had a long-term impact on STRATEX. *“It was a useless study because it said nothing new. As far as STRATEX was concerned, we expected new and more useful information out of the PSIA but all that the PSIA came out with is information on issues of how gender inequity affects on macro performance. We have heard these messages on gender before from PPAs and other studies”(Commissioner MFPED)*

This view was given by the official in light of the fact that a wider stakeholder group were not involved in defining what was to be analysed in the STRATEX policy and therefore the conclusion that it narrowed itself on gender.

#### **6.4 Evaluation of STRATEX policy:**

Although critical of the PSIA study, STRATEX officials expressed that in the short run they have learnt several lessons with regard to the initiative.

*“There are obvious problems which have been noted with regard to the STRATEX policy. We have learnt that it is better to work with farmer groups in implementing programmers. Involvement of the farmers in decision making is also crucial as well as involvement of the private sector based on a well articulated strategy. However, these were noted regardless of the PSIA” (STRATEX Official).*

Currently, based on a decision by MFPED, an evaluation of the STRATEX policy is taking place to the effect of streamlining the implementation of the policy. According to the Director of Economic Affairs, the evaluation process of the policy was a result of the insights from the PSIA pilot study. He emphasized that PSIA had reflected the importance of designing policies based on thorough research and analysis. According to him, the PSIA was particularly useful for the technical team of STRATEX as it has given them insights for continuous policy making.

However, the Evaluation Consultant did not access the Terms of Reference of the STRATEX Evaluation to see if gender integration and mainstreaming STRATEX into normal PMA implementation arrangements as key policy issues for greater impact of the initiative are part of the concerns of the evaluation.

## **7.0 Impact of Pilot PSIA Study on PEAP/PRSP and general policy debate**

**7.1 Creation of awareness on importance of carrying out poverty and social analysis of macro-policies as part of poverty eradication agenda:** The Pilot has created a high level of awareness and a consciousness among policy makers and poverty analysts of the need to carry out poverty and social analysis of macro and sectoral policies. There is a general acceptance of PSIA studies as part of the information sources for PRS process. PSIA is seen to be useful in identifying policy data for PEAP/PRSP and pro-poor policy making and programming in the IMF/World Bank PRGF and PRSC programmers. There is a strong emphasis placed by stakeholders on the central role that PSIA can play in identifying critical information for poverty, macro and sectoral policy linkages and informing policy debate widely. While policymakers see PSIA as an empowering tool in terms of better analysis of policies and policy design, advocates for the poor such as the CSOs view PSIA as weapons for evidence for advocacy. The on-going PEAP/PRSP revision process has utilized the PSIA report as a background document across sectors.

In emphasis, there is recognition among stakeholders that the introduction of the concept of PSIA studies to Ugandan policy making provides an opportunity for a specific tool for specific macro and sectoral policy analysis.

*“PSIA is useful. If effectively done and utilized, policy implementation would have been different from what it is and policies would be more beneficial to the poor. A major gap in policy making in Uganda is the lack of prior policy analysis and evaluations in mid-term implementation. Therefore PSIA can play a crucial role in research and analysis” (Policy Analyst MFPED)*

**7.2 Presentation of evidence for macro-policy and poverty links:** The PSIA Pilot has added value to the policy and poverty debate with regard to macro policies and poverty analysis by highlighting the link between macro performance in the review of STRATEX and household poverty. The macro-specific nature of PSIA studies adds value to policy making in terms of identification of key issues for action. E.g. the Pilot highlighted that significant foreign exchange earnings could be realized by STRATEX if alterations to the policy were made to tackle intra-household gender dimensions of production of strategic crops where equity in gains were observed.

*“PSIA findings were not new, but confirmed and gave evidence about macro-economic policy impacts” (Policy Analyst MFPED).*

**7.3 Demonstration of the need for macro and sectoral policy poverty and social impact analysis:** The specific focus of PSIA on analyzing policy impact in terms of poverty and social dimensions is a new addition to the policy making and implementation process in Uganda. PSIA is seen as complimentary to PPA processes and other research instruments such as the surveys. In addition, there is a high potential for PSIA utilization exists due to the policy making structure of the PEAP/PRSP. PSIA information can be used to support arguments and make informed choices. For example, PPA 2 analysed policy dimensions of basic services while the PSIA looked at macro policy.

Civil society organizations took up the recommendations of the PSIA Pilot in presenting their critique of the PMA as a contribution to the PEAP revision process, noting that *“there is a need for realistic market opportunities for the poor with an emphasis on the pro-poor linkage of marketing outcomes to improvements in welfare, especially of women, children and youth”*(CSO Agriculture Working Group 2003)

**7.4 Recognition of the connectedness of macro-policies to other sectoral policies, strategies and programmers:** The PSIA has demonstrated that the STRATEX Initiative has a strategic fit to the PMA policy as well as social sector policies, such as the gender policy and plans. The Pilot led to recognition by MFPED, MAAIF as well as CSOs that for STRATEX to achieve its expected impact, it has to include a multi-sectoral approach in terms of its focus and implementation process encompassing all relevant sectors and stakeholders.

The PEAP/PRSP guidelines for sector working groups have placed emphasis on intra/inter-sectoral linkages observing that “limited integration of programmes within and across sectors wastes valuable resources and can result in conflicting messages. Policy makers should therefore identify possible linkages, ways of increasing collaboration, the existing constraints and possible solutions (MFPED/DFID 2003 pgs. 10-11).

**7.5 PSIA identified the important role of gender equity in macro economic growth:** In the export sector with regard to coffee and fish, the PSIA Pilot highlighted the role of women as crucial for export promotion success. There was near consensus amongst those interviewed that the PSIA Pilot has raised awareness of the need for intra-household gender relations to be given attention in STRATEX implementation if the programme is to realize increased export volumes of strategic crops. This is in view of the fact that women provide more than 80% of the on-farm labour and therefore minimal or no benefits to them from cash crop production reduces their incentive to participate in production. Secondly, more broadly, the Pilot has led to recognition among some senior policy makers that women’s access and control over assets such as land and benefits accrued from it ensures increases in production all other factors conducive.

*“As a result of the PSIA pilot study findings, government has recognized the contribution of gender equity to GDP and this has made the process of gender mainstreaming a very serious one in the on-going PEAP/PRSP revision process. Guidelines for mainstreaming gender in the PEAP have been provided to all sectoral groups. The challenge is in identifying macro level gender equity targeted actions.” (Policy Analyst MFPED)*

Consequently, gender has featured prominently both in macro policy planning and sectoral plans. The PEAP/PRSP guidelines emphasizes that “gender as a cross cutting issue is relevant for most policies, since almost all have either direct or indirect effects on men’s’ and women’s’ lives. It is now largely recognized that “gender relations affect productivity” GOU. MFPED/DFID 2003)

The PSR concurs with the observation made by the PSIA Pilot study on land and production that “Women lack incentives to adopt and plant cash crops because they do not control income resulting from production” (PSR p.119).

*“The gender implications go beyond addressing poverty to impacting economic growth through ensuring a supply response to market stimulus. An evaluation of the STRATEX initiative indicated that women might sabotage the supply side of production since they do not stand to benefit directly (CSO Agricultural Working Group 2003).*

For some stakeholders, the gender focus of the PSIA with regard to coffee was not new information while for others this was an explicit message for policy makers to take gender seriously in so far as macro performance and poverty eradication agenda is concerned. The argument from the former group of stakeholders is that both PPA I and PPA 2 as well as other studies highlighted the gender dimensions of agricultural production. However it is clear that the PSIA added value to the gender policy debate in terms of re-emphasizing the gender dimensions of production and effects on household poverty as well as highlighting particularly the relationship between macro-policies, gender and poverty reduction. As mentioned above, gender arguments presented in the PSIA findings have directly influenced all the gender debate on the PEAP/PRSP process. The utilization of PSIA findings on gender dimensions of export promotion in coffee and fish sectors is evident in the policy preparations of the Gender Working Group on the PEAP/PRSP and reflected both in the analysis of the sector and its recommendations. “The direct influence that the PSIA had on donors was that it gave them evidence for their defense of gender with regard to macro-economic reforms and policies” (Gender Adviser Royal Netherlands Embassy).

**7.6 PSIA has potential to bridge the gap between different institutions and actors in policy making:** Considering the challenges faced in ensuring participation of all stakeholders in policy making processes, PSIA has the potential to bridge the gap between MFPED, donors, line ministries, districts and Civil Society Organisations. The multi-disciplinary nature of poverty and social impact analysis would ideally involve many line ministries and departments, policy practitioners, researchers and beneficiaries. Stakeholders interviewed felt that PSIA offers potential wider avenues for open policy debate and consensus building. It has potential of

active engagement by districts and line ministries in making priorities for funding support, putting up cases for consideration of both directly poverty reducing social public expenditures as well as economic investments, inclusion of cross cutting issues such as gender and environment in macro policy and sectoral policy analysis and implementation, inclusiveness of policy making processes and narrowing the gap between the PEAP, PRSC, PRGF, MTEF and Donor support (key areas identified as challenges of the PEAP/PRSP process by Booth et al 2002).

**7.7 Follow up of the PSIA Pilot study undertaken with the identification of potential policy areas for analysis.** During the PSIA conceptualization and dissemination workshop that was held in Kampala in April 2003, the following policy areas were identified for PSIA: water tariff restructuring and privatization, implementation of the Land Act, used clothing/tariffs on textiles, taxation policies, sectoral composition of expenditure, trade policy/liberalization, fiscal deficit/macroeconomic programme, labour market policies and rural electrification (DFID 2003).

Government of Uganda has further affirmed that PSIA will continue to feature in its poverty monitoring and analysis work. According to the Poverty Status Report, *“The Poverty Monitoring and Evaluation Strategy was developed by Government of Uganda to ensure systematic monitoring of the PEAP implementation....Further researches will have to be undertaken in the areas of; conducting a PSIA on the following: water tariff restructuring (privatization), implementation of the Land Act, taxation policies, sectoral composition of expenditures and fiscal deficit and the macroeconomic programme (PSR p.175)”*.

## **8.0 Conceptual, Process and Methodological Issues**

### **Conceptual issues:**

**8.1 PSIA raised expectations among policy makers as to what PSIA could achieve for the PEAP/PRSP.** It was expected by many that it would lead to the immediate resolution of some key policy issues and yet PSIA itself was only a pilot undertaking that needed substantive time for learning and adoption into the policy processes in the country.

For instance, regarding STRATEX, MAAIF Official gave the following remarks that *“STRATEX interventions in coffee and fish differ to some extent. The fish sector has twin objectives of increasing fish access at village levels for household consumption and income through aquaculture and increasing export volumes from open water sources. Secondly on fish, MAAIF studies have shown that increases in demand for fish for export has led to increase in price of fish per kg from 800/- to 2000/-. The PSIA was expected to analyse deeper such trends and implications for household poverty and social impact and inform the STRATEX Initiative of potential remedy actions”*.

An observation was made that; *“PSIA pilot should not have raised expectations as a problem solving tool....because being a pilot it was based on trial and error analysis and yet serious conclusions were drawn. There is need for PSIA to identify feasible reforms and not raise too many expectations. STRATEX also needs more systematic follow up analysis ” (Senior Economist World Bank).*

**8.2 Limited conceptual understanding of PSIA among stakeholders:** At government and civil society level, there is a limitation in understanding on what PSIA is and what it is meant to achieve in policy making. This seems to arise from limited participation in the conceptual and dissemination process of the Pilot Study. It was mostly focused on the higher officials of both donors and government. In addition the “quick and dirty” approach with which the pilot study was undertaken, relying so much on existing data limited the participation of wider stakeholders in the process. In spite of expressions of confidence of the value addition of the PSIA to policy dialogue among stakeholder and yet the majority of the stakeholders have emphasized the lack of proper understanding and awareness about the role and place of the PSIA in policy making in Uganda.

**8.3 Comprehensive or gap filling PSIA role?** Some stakeholders pointed out that although much research has been done in Uganda, there are gaps in terms of macro-policy analysis and in the utilization of existing research findings in policy making. Stakeholders expressed that PSIA should follow a gap filling approach in macro-policy analysis in the case that wide research and analysis has already been applied to that particular policy area. However, in case of data paucity and unanalyzed policy areas, PSIA should altogether draw on new research to inform the policy. It is strongly felt that the policy issues at hand and the status of the research and analysis applied to it should determine PSIA role.

Secondly, other stakeholders interviewed thought that PSIA should be more comprehensive, and they pointed out that the Pilot was too limited in terms of what it considered.

*“There could have been need for comprehensive analysis of the STRATEX policy covering all the other dimensions of the policy. This required a much more slower and thorough process” (Senior Economist, World Bank).*

*“There are other issues on STRATEX and the coffee sector, which needed analysis such as; levy on coffee, coffee promotion activities, private sector partnerships, utilization of finance of STRATEX etc. It is important for PSIA to undertake research in high stake policies in a comprehensive manner” (PSIA Consultant for Rwanda/ MFPED PEAP/PRSP Consultant)*

Another official expressed that PSIA impact assessment should provide multiple options as recommendations for policymakers.

*“Focus of the PSIA on a macro economic policy was good but the outcome was disappointing as it narrowed itself on gender” (Commissioner MFPED).*

### **Process and methodological issues:**

This section was not in the evaluation TORs. However during the evaluation process all stakeholders interviewed were interested in discussing the methodology used for executing the PSIA Pilot. This is a major area of concern which they feel will determine the future success and usefulness of the PSIA in Uganda.

**8.5 Choice of policy for analysis:** the choice of policy for pilot was undertaken by DFID, PSIA team and high level policy officials of MFPED with limited involvement of other stakeholders including implementers of STRATEX. This has resulted in controversy as to the appropriateness of STRATEX as policy for analysis.

In addition, there was limited communication and consultation between stakeholders over the PSIA and its larger implications for the STRATEX policy debate. This was due to the limited time of the study process.

*“PSIA was dealing with strategy on paper not people. We were looking at design not implementation of the policy. PSIA had no direct contact with the implementers or beneficiaries. We contacted data evidence for our analysis. This was due to time and resource constraints” (PSIA Consultant)*

**8.6 Ex ante analysis:** There is concern that this was not an ex ante PSIA considering that the STRATEX policy was already in implementation phase. Programme components as well as resource allocation mechanisms had already been put in place. This limited application of the PSIA findings and recommendations by STATEX.

To this effect an observation was made that *“the PSIA Pilot study was “not totally not ex ante” because the STRATEX policy had already taken off in terms of implementation” (PSIA Consultant).*

Alternatively, the STRATEX Initiative could have been enriched by a mid term implementation PSIA. Correct timing of the PSIA is crucial for its usefulness for policy use.

**8.7 Rushed study process:** A majority of the stakeholders including the PSIA Team felt that the study process was rushed over a short time of 40 days. The report points out the fact that the time factors limited the identification of concrete evidence of impact of the STRATEX policy other than the gender dimension inspite of the fact that there was secondary data available on some other aspects of the policy such as trade (reference to appendices of the Booth et al report 2003).

It is widely recognized that policy making in Uganda is also a rushed process. One stakeholder observed that *“there was a rush to do the PSIA. The challenge of Uganda with regard to policies is the hurry put into policy making without thorough research and analysis. Therefore PSIA can help fill this gap when done thoroughly overtime” (Policy Analyst MFPED).*

*“The PSIA process was rushed by DFID. There is need to have taken time doing it. There was also limited consultation process on choice of policy as well as limited conceptualization of the PSIA tool within the Ugandan policy making context. It is recommended that PSIA follows a participatory approach involving donors, consultants, government ministries, practitioners as well as beneficiaries” (PSIA Consultant).*

**8.8 “Trial and error” methods** were applied in research process in terms of methodology (Booth et al 2002). Considering that this pilot was expected to give concrete evidence as well as make serious recommendations, this was felt to have been a major weakness of the PSIA pilot study. The expectations of the stakeholders were that there is a defined methodology for carrying out PSIA using defined economic and social analytical tools. The methodology followed by the PSIA was found to be new by the PSIA local consultants as well. They also expressed that they did not have clear guidelines on how to carry out the PSIA at the onset.

*“In terms of methodology, PSIA was done on trial and error basis. The challenge was in identifying who the clients of the PSIA were and what was being studied. The audience kept shifting and therefore focus kept changing” (PSIA Consultant).*

*“Issues for analysis were decided upon by consultants in reference to the study TORs. There was a lot of flexibility in this. Before a PSIA is undertaken there is need to assess methodological issues to ensure data availability and validity. Defining what is to be studied, how etc. The identification and coverage of thematic areas for study is important as well as articulating the policy choices open to the clients of the PSIA study” (PSIA Consultant)*

It is the observation of the evaluation study that there was selective use of suggested PSIA tools such as PPA reports, gender analysis tools, survey data. Given adequate time and resources, such a PSIA could have been enriched by use of other tools for poverty and social impact analysis suggested by the World Bank, including; social impact analysis, village based studies, gender analysis, social capital assessment etc. Economic Tools e.g. direct impact analysis: poverty mapping, public expenditure tracking, incidence analysis etc. behavioral models which include demand and analysis, household models, etc (World Bank 2003).

*“How PSIA is done is very important. The process should look into how it is done without replication. It could be not doing new things but sharpening the already existing research, perhaps the streamlining of methodology” (UPPAP Official MFPED)*

**8.9 Limitations with use of secondary sources of data for PSIA analysis.** The PSIA study report clearly states its disappointment with survey sources of data as it could not facilitate income and expenditure analysis for coffee farmers and fishermen. What may have been useful is a flexibility of the sourcing of data including the use of select primary data to compliment secondary data sets. The utilization of both qualitative and quantitative sources of data by the PSIA was found to have enriched the study methodology.

*“Coffee had been subjected to a lot of research but fish had no data and therefore a big challenge for the PSIA” (PSIA Consultant).* It seems however, that the real challenge lies in ensuring that institutions have the capacity to carry out research and store data. Capacity issues with regard to the future of PSIA need to be discussed in detail between donors and stakeholders in Uganda.

**8.10 Complexity of TORs** of the pilot was found to be a challenge by the PSIA Team in terms of focus of the study. The outcome in the report gives evidence of these complexities. The narrow scope of gap filling which mostly dwelt on gender inequity, also seems not to have been understood by the stakeholders who had high expectations for the PSIA pilot to have carried out comprehensive analysis of all dimensions of the STRATEX Initiative. There was clear need for wider consultation and the re-orientation of the study TORs considering the difficulties that were highlighted with regard to methodological issues so that *“more coherent input could be put into the Ugandan policy purposes”* (Booth et al 2002).

**8.11 PSIA reporting and Dissemination:** Only a few stakeholders who had been involved in the process of the study, notably officials from the MFPED, World Bank, IMF and NGO Forum received a copy of the PSIA Pilot study report. The PSIA report was found to be user un-friendly by the majority of stakeholders who had a chance to access it. This is because the report tries to deal with many issues having had to fulfill four different output expectations. This is as result of complex TORs covering thematic issues analyzing poverty and policy relationships, conceptual issues, methodological issues as well as issues for policy action. These are four major areas concerning PSIA which may need individual attention for better results. Because the pilot tried to address all of them at the same time in one study over a short period of time, it is then not clear to the stakeholders which issues were more important for the pilot study. Is it the concept of the PSIA? Methodology? Policy and poverty impacts? Or Policy choices for forward action?. Narrower focus of the study areas may have provided more useful information for policy action. In addition, the report has useful information presented as appendices. While having important insights on STRATEX commodities, it does not bring them to the forefront except for gender and PMA mainstreaming issues with regard to STRATEX. More to this the report was found

to be too long and detailed although most of the material in it is not necessarily useful for the Ugandan policy makers. However, it must be recognized that the study was designed in a way that it would be able to address multiple audience. This implies future country studies would have to be more tailored to the information needs of the specific countries.

Two workshops were held to discuss the concept of the PSIA's and to disseminate the findings of the study. These events were moderately attended. However, some policy practitioners expressed that they were not aware of these PSIA events. There has also been limited dissemination of the PSIA Pilot report in the country as there was no deliberately designed dissemination strategy at the onset. Stakeholders still expect the report to be published and officially disseminated.

*“All we heard was rumors of the PSIA and we do not know where DFID has reached with it. No one sent us any further communication or report on the PSIA. (Director EPRC on phone).*

**8.12 Institutional issues with regard to execution of PSIA's :** DFID introduced the concept of PSIA to the Ugandan high level policy makers at MFPED following the concerns and decision by IMF and World Bank as well as bi-lateral donors to pilot PSIA studies. However, stakeholders are sensitive about externally led research agendas because experience has shown that this creates problems of dissemination and utilization of findings, acceptance and ownership of research findings and ensuing policy decisions. In addition stakeholders are concerned about issues of credibility and neutrality of research processes and outcomes.

*“It is important that architects of macro, structural or sectoral policy have to try to distance themselves from PSIA to ensure integrity of findings” (CSO Officer).*

## **9.0 PSIA's and the Media**

MFPED facilitated the publication of the PSIA research findings in the Monitor Newspaper. However there is no follow up media policy debate following this publication. This is attributed to the fact that no other follow up actions were planned and carried forward with the media on the findings and recommendations of the PSIA Pilot Study.

## **10.0 Recommendations for future utilization of PSIA Studies in Uganda**

**10.1 Promoting wider understanding of the PSIA concept and agenda:** All stakeholders regard PSIA as a useful process in identifying key policy issues for consideration in PEAP/PRSP across sectors. In addition, PSIA's have the potential to harmonize research for policy making to avoid duplication and add value. However, the concept of PSIA is still not understood widely. It needs to be marketed in country to avoid misunderstandings and encourage wider application based on a demand driven approach to facilitate the utilization of its findings for policy making.

**10.2 Following consultative process on choice of policies and timing of PSIA:** The PSIA agenda has to have clearly defined aims and objectives and a clearly defined relationship with the PEAP/PRS process. This will ensure clarity of purpose and usefulness in policy making. It is important for PSIA's to fit into the policy formulation cycle and to have a defined mandate i.e. it is to inform and provide policy options (ex ante), review implementation process or to judge impact (ex post)? This recommendation concurs with lessons from the pilot studies that *“...for PSIA to be effective in informing policy decisions, it needs to be country owned and embedded in the national PRS process” (DFID 2003)*

Presently, the overall National Research Agenda is being drawn and this presents chances for PSIA. Therefore the PSIA target policy areas should be part of the overall Government National Research agenda as outlined in the PRS/PEAP, with MFPED/PMAU taking the lead. CSOs, sectoral ministries should submit their PSIA topics to be incorporated in the overall research agenda by the MFPED/PMAU to ensure that the PSIA follows PRS cycle.

Secondly, the choice of the policies for analysis should also involve broader consultations with donors, policy makers, policy practitioners, CSOs and beneficiaries. This will ensure ownership of the research findings and their utilization for policy making as well as avoiding a selective approach for policy choices for PSIA.

**10.3 Methodology must demonstrate strong case studies for evidence:** The TORs for individual PSIA studies should be discussed and agreed upon by all relevant stakeholders. TORs must clearly define what has to be

studied, how it is to be done and how the findings will be utilized. PSIA should be facilitated to support policy inputs sector by sector for PEAP/PRSP revision linking macro and micro gaps of analysis. PSIA should make definite recommendations for policy action. In addition, PSIA need to be regularly undertaken so that data is available for policy inputting and should not be executed as a one-off study. *“Uganda has done a lot of research and analysis. So anything like PSIA would have to add value to existing research and analysis with strong cases of evidence” (Commissioner MFPED).*

A prelude of a desk review process may be useful for a PSIA in the beginning to identify information gaps and fill them with primary sources of data. In the Pilot, mainly qualitative data was used. The time was too short for the application of both social and economic tools of analysis. Use of both qualitative and quantitative methods of data analysis is recommended in future PSIA as well as secondary and modest primary sources of data gathering to fill secondary data gaps.

#### **10.4 PSIA reporting and dissemination:**

PSIA reporting must be based on clearly defined and focused TORs, tailored to policy clients and must be user friendly in terms of coherence and specificity. To ensure better understanding of the PSIA concept and utilization of its findings, it is also recommended that the report is given different packaging in consideration of the different levels of clients that it seeks to serve: donors, academicians, policymaker, practitioners and beneficiaries.

In the Pilot PSIA, the utilization of the pilot findings depended on who participated in the process and who had access to the report. *“We have not heard anything since the end of the Pilot PSIA study workshop. We expected sectoral PSIA to feed into the PEAP revision process. Academics were used not policy practitioners. It would have had added value in terms of application of findings if practitioners were involved and we were expecting it to be disseminated” (Commissioner Gender, MGLSD).*

The above concern indicates that a defined dissemination strategy at the onset of the PSIA study process is important. This will ensure more involvement of the stakeholders and this should be based on already identified study participants and clients. *“I contributed to the PSIA study but never got feedback or a copy of the report. I was not even invited to any of the PSIA workshops. So I am still waiting for the dissemination of the PSIA report. Nevertheless, I have heard about the usefulness of the PSIA findings from the PMA Gender Technical Sub-committee who made reference to it in their sector analysis” (PMA Official).*

**10.5 Institutionalization and ownership PSIA findings:** The pilot was an externally facilitated process due to the newness of the concept. The immediate question surrounding PSIA in Uganda is that of ownership by the Government of Uganda and its partners. Being a pilot, it may have been appropriate to use the “quick and dirty” approach as well as consultants. *“As long as PSIA are part of the normal policy debate and mainstream processes, it will add value to policy making in Uganda” (Bilateral Donor)*

There is clear expression of the need for the continued process of PSIA to be a Ugandan policy analysis and monitoring process. Uganda has credible research capacity. However, the key issue of concern relate to the credibility of data generated by PSIA and its quality for policy making. Government, CSOs and academicians should be partners in executing PSIA to ensure credibility of data, quality and transparency in PSIA processes. It is recommended that institutionalizing and mainstreaming of the PSIA should be done through the MFPED/PMAU in co-operation with the Line Ministries and CSOs. This clearly includes the building of capacity in the relevant institutions for sustainability and value addition to existing data. DFID and other donors should play the role of a facilitator in this process of mainstreaming PSIA into the Ugandan Research Agenda in terms of providing technical expertise and financial resources. *“Unless PSIA is institutionalized undertaking no more pilots, findings will remain inconclusive and this is a waste of resources (PMAU Official, MFPED)*

In addition, the use of consultants as well as academicians may need to be complemented with the engagement of practitioners (both government and CSOs) in the PSIA processes so as to link theory and practice and ensure transparency, follow-up of the PSIA studies and utilization of findings. However, coordination arrangements would have to be clearly defined.

Many stakeholders expressed the need for the poverty analysis and monitoring arrangements in the MFPED to include overseeing the execution of PSIA in Ugandan policy making. It is expected that this will facilitate easy transmission and utilization of PSIA data in policy making. This will be in line with the assertion in the PSIA report that *“the next best thing to ex ante impact assessment is regular and effective monitoring which permits rapid learning and adjustment of policies during implementation (Booth et al 2002. A2.)*

**Conclusion:**

It is clear that the PSIA Pilot study has created serious policy and poverty analysis debate in Uganda. Stakeholders are looking at its potential role in policy making with a clear statement that PSIA must be carried forward. The challenge lies in defining leadership in taking forward the PSIA as well as clarifying the modalities of execution of the PSIA, including settling technical/methodological and resource issues. DFID is seen to play the role of facilitator in ensuring that PSIA is carried forward and that all partners (World Bank, IMF, Donors, Government and CSOs) are included in the process. The evaluation process found out that all stakeholders view the role of MFPED as being the overseer of the PSIA considering its central role in poverty analysis and monitoring and overall policy making. The issue is the process followed, methods used and the level of involvement of all relevant stakeholders in the overall process to ensure its integrity. PSIA has high potential for impact in policy making in Uganda.

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## Annex 1: TORs for Follow Up To DFID Pilot PSIA in Uganda

### Background

The Department for International Development commissioned a series of pilot ex-ante Poverty and Social Impact Analysis (PSIAs) in 7 countries in 2002. These were selected following demand from national governments and were carried out by both international and local consultants; they were funded by DFID headquarters and have been finalised. These pilots were in Honduras (electricity reform), Mozambique (fuel tax), Uganda (export promotion), Rwanda (macro policy), Armenia (water policy), Indonesia (rice tariff) and Orissa State India (public finances). The aim of these studies was to provide lessons to national governments in developing countries, as well as partners in the donor community, on what could be done, and how. These pilots were "quick and dirty" - they aimed to demonstrate what is possible using existing data. They took about 16 person-weeks, generally over about 3 months. The research teams were made up of half local and half international consultants.

The reports are available at <http://www.prpsynthesis.org/psia.html>

The World Bank ran a series of parallel pilot studies that were longer and in more depth, they aimed to identify and disseminate best practice. These are still in the ongoing stages. See <http://www.worldbank.org/psia> for more details.

A workshop was held in Washington in October 2002 to discuss the key lessons from these pilot studies, a leaflet summarising these findings is attached at Annex 1. This workshop discussed the lessons learned in terms of process and methodology in the study itself, but was not in a position to consider how the studies impacted after the consultancies finished.

A seminar series on the DFID pilots was run in London in early 2003, the videos of these seminars is available from DFID, please contact [povertyanalysismonitoring@dfid.gov.uk](mailto:povertyanalysismonitoring@dfid.gov.uk) if you would like to borrow a copy of one or more of the videos.

In October 2003 an international PSIA workshop was held in The Hague, co-hosted by the UK and The Netherlands. The aim of this workshop was to develop a way forwards for bilateral donors on PSIA. Demand was expressed from these bilateral donors, and from national governments from developing countries that were not involved in the pilots, for a review of direct and indirect impacts of these pilot studies. DFID agreed to take this forwards.

#### Detail

The audience for the review is the international community, and governments from developing countries who are considering undertaking a PSIA study. It should aim to provide advice on the usefulness of the DFID pilots, and on how to make sure that future studies are able to influence policymaking.

It should involve discussions with all appropriate stakeholders, including:

- People who contributed to the PSIA pilot;
- Government ministries including the ministries of finance, planning and the PRS coordinating unit, as well as the appropriate sectoral ministries and local government;
- DFID teams and other donors who were involved in the pilot or who have an interest in the issues studied;
- Civil society groups / business people with an interest in the issue;
- Representatives of the media.

It should involve searching for articles relevant to the topic in local newspapers.

It should determine: What the direct effect of this work has been; How and to what extent the PSIA and its findings were taken on board in the PEAP Revision process and how they helped the gender mainstreaming process for the PEAP; What the outcome of the PSIA was and what the outcome of the decision making process was, over whether or not the reform is to be implemented; How and to what extent the conclusions were used in the decision making process by the government or by the donors, in a direct and obvious manner; How and to what extent there might have been some indirect influences, such as the impact on the reputation of a particular institution or political party, more confidence in politics generally or an impact on the relative positions held by different people within the government administration or political parties; How and to what extent the analysis added to the policy debate in a useful way; How and to what extent the analysis helped make the policy more pro poor (e.g. by helping in the design of mitigating measures or identifying opportunities to enhance positive effects of the policy); What factors may have limited any effects the study had; How far the pilot was disseminated, and what interest, if any was there in the media; What factors may have limited any potential interest in the study; How widely the report is available to the public (NB all reports are available on the ODI website in English); Whether the report was published in the local language as well as English; and if not, whether there would be any benefit / interest in translating the document into the local language now. Whether any follow up analysis is being done in order to determine the actual effects of the policy in practice. How widely and in what ways did the team consult with stakeholders. What recommendations the stakeholders make for ensuring this type of work is relevant and useful in the future. Whether any actions could have been taken during the study which would have greatly improved the use of the study. In particular, whether the media was involved and, if not, whether this was prohibited (either by government or donors) or neglected by oversight

The report should contain extracts from documents, and where appropriate, quotes from those interviewed to give a sense of their voices and positions.

#### Outputs:

1. Paper of 5-10 pages summarising issues emerging.
2. A15 min presentation to relevant stakeholders in Uganda on lessons learnt.

## Annex II: Evaluation of DFID Pilot PSIA in Uganda

**Focus on STRATEX Initiative in Uganda (Export crops: Coffee & Fish).**

#### METHODOLOGY FOR THE EVALUATION:

- **Literature review including** review of key government, donors and CSO documents, articles in local newspapers, citations and quotations)
- **Key informant interviews** (using interview guide below)
- **Stakeholder workshop** for presentation of evaluation findings (involving at least 10 participants from donor group, government and CSOs).

#### INTERVIEW GUIDE QUESTIONS FOR STAKEHOLDERS

- **Direct effect** of psia to policy making in uganda
- **PSIA & PEAP/PRSP process:** how and to what extent the psia and its findings were taken on board in the peap revision process
- **PSIA & Gender in PEAP:** and how they helped the gender mainstreaming process for the peap;
- **PSIA & reforms in policy making:** what the outcome of the psia was and what the outcome of the decision making process was,
- **PSIA & implementation of reforms suggested:** over whether or not the reform is to be implemented;
- **Direct use of conclusions by gov't & donors:** how and to what extent the conclusions were used in the decision making process by the government or by the donors, in a direct and obvious manner;

- **Indirect effects of PSIA:** how and to what extent there might have been some indirect influences, such as the impact on the reputation of a particular institution or political party, more confidence in politics generally or an impact on the relative positions held by different people within the government administration or political parties;
- **PSIA additions to policy debate:** how and to what extent the analysis added to the policy debate in a useful way;
- **PSIA & pro-poor policy:** how and to what extent the analysis helped make the policy more pro poor (e.g. by helping in the design of mitigating measures or identifying opportunities to enhance positive effects of the policy);
- **Limiting factors to psia effects:** what factors may have limited any effects the study had;
- **Dissemination of psia pilot:** how far the pilot was disseminated, and
- **PSIA & media:** what interest, if any was there in the media;
- **Limiting factors to interest in study:** what factors may have limited any potential interest in the study;
- **Availability of study to public:** how widely the report is available to the public (nb all reports are available on the odi website in english);
- **Local report publishing & demand:** whether the report was published in the local language as well as english; and if not, whether there would be any benefit / interest in translating the document into the local language now.
- **Follow-up analysis of policy:** whether any follow up analysis is being done in order to determine the actual effects of the policy in practice.
- **Level of stakeholder consultations:** how widely and in what ways did the team consult with stakeholders.
- **Stakeholder recommendations:** what recommendations the stakeholders make for ensuring this type of work is relevant and useful in the future.
- **Missed opportunities to add value to psia study:** whether any actions could have been taken during the study which would have greatly improved the use of the study
- **Media involvement & coverage:** in particular, whether the media was involved and, if not, whether this was prohibited (either by government or donors) or neglected by oversight.

#### OTHER QUESTIONS SPECIFIC TO STRATEX (COFFEE & FISH):

##### PSIA impact on STRATEX in terms of informing;

1. Analysis of poverty relationship of STRATEX including;
  - Distributional impact
  - Supply responses
  - Household income and welfare improvements
  - Harmonizing STRATEX with PMA, Gender analysis, better targeting, access to land for women, literacy for women and MGLSD for gender, monitoring arrangements for STRATEX implementation.
2. **Stakeholder mix:** Bridging the gap between micro level issues and macro level issues with the implication that repositories of micro level analysis work with those of macro, structural and sectoral policy making.
3. Influence of the PSIA on the Directorate of Economic Affairs with regard to STRATEX
4. Coffee market liberalization and performance
5. PSIA focus;
  - Considering macro and micro linkages
  - Transmission mechanisms in policy making
  - Practical way of contributing to policy making
  - Strategic exports debate: the missing link
6. **Donor & STRATEX Contradictions:** Has PSIA helped in easing contradictions of STRATEX Framework with Donor demands?
7. **Re-orientation of STRATEX:** To what extent has PSIA been utilized for the improvement of STRATEX in terms of;
  - Broader coverage in Uganda
  - Choices of instruments, sequencing, implementation and monitoring
  - Controversial nature of policy
  - Added value to already done work by the EU (2000) focusing on poverty
  - Poverty impacts and social issues being taken on board
  - Ownership other than being presidential initiative
  - Relationship between the STRATEX and PEAP, PRSC and PRGF
8. **Defining Poverty:** Has STRATEX taken on board the multi-dimensional conceptual definition of poverty?
9. **Supply Constraints:** Has STRATEX responded to the supply side responses to expanding Coffee production?
10. **Vulnerable Groups:** What has been the impact of PSIA findings on STRATEX that there would be increased human development risks from increased reliance on women's non-wage labour in Uganda in consequence of increased cash crop production. Has there been recognition of this fact by STRATEX and what is being done to alleviate this possible negative impact of STRATEX?.
11. **Policy Linkages:** Has STRATEX linked with PMA?. How?. Identify key areas including gender links.
12. **Methodological issues** in data gathering and analysis of STRATEX. Is there any influence from PSIA recommendations?
13. **Use of available mirco-information** on livelihoods by STRATEX.
14. **How is STRATEX handling the key issues of international trade** that are facing export commodities such as coffee?
15. **Environmental sustainability:** what has STRATEX done to ensure this e.g. in the fishing sector?
16. **Fair Trade principles:** Does STRATEX look into the issues of fair trade in terms of access to fair international prices that translate into fair farmgate prices for the coffee producers.
17. **Intra –Household Dynamics:** How has STRATEX attempted to ensure that intra-household dynamics do not constrain the proposed improvements in household income and expenditure benefiting men, women and children?.

### Annex III: Key informant interview questions for PSIA Pilot Study Team

(David Booth, Deborah Kasente, Gloria Mugambe, & Bella Bird)

1. How and when was the concept of PSIA introduced to the Ugandan policy makers?.
2. Who decided on the choice of Stratex as policy for PSIA and why?
3. Was the fact that Stratex had just taken off in implementation phase seen as a problem in terms of measuring its poverty and social impact on the poor and vulnerable?
4. Which stakeholders were consulted during the PSIA process?
5. Methodology had “trial and error” playing considerable role (ref to Booth Report). Why was this so considering that there are recommended tools and methods for PSIA (both social and economic). Social tools e.g. PPAs, SIA, Village based studies, gender analysis, social capital assessment etc. Economic Tools e.g. direct impact analysis: poverty mapping, public expenditure tracking, incidence analysis etc. behavioral models: *dd and ss analysis*, hh models, etc
6. How were the issues for investigation decided upon?. Was there any framework drawn to this effect so as to guide the PSIA process? (Reference to the key transmission channels World Bank Guide to PSIA's outline).
7. The report mainly focuses on coffee & specifically gender dynamics at the intra household level. Why was this so? Was that the only issue of import with regard to coffee and poverty?.
8. What about the other dimensions of Stratex – stimulating indigenous investments, removing bottlenecks to trade opportunities (e.g. fish), joint govt & private investment, access to financing, pdn and distribution of planting materials, skills devt, amendment of laws and regulations and institutional reform. Why did the PSIA not subject the above areas to deeper investigation?.
9. Fish is mentioned in passing and so not much analysis was done on the fish sector. Why was this?.
10. What dissemination strategy was put in place for the utilization of the PSIA findings?. By whom?.
11. The utilization of the multi dimensional definition of poverty could have led to a comprehensive analysis of the various Stratex focal areas. Why was an in-depth analysis not done over all Stratex sub-components? (only on hh dynamics of income and coffee pdn).
12. According to the Booth Report the utilisation of the survey results was disappointing. Why did the PSIA team not identify and utilise other varied alternative sources of data on fish and coffee to get substantive data on poverty and social impact of the Stratex policy? (e.g. from primary sources from MAAIF practitioners and beneficiaries at sample landing sites).
13. Stratex strategic interventions in coffee and fish differ to some extent. Reference to aquaculture, which has two objectives: hhs consumption and income from fish and in the long term export. Did the PSIA try to analyse the likely impact of this approach on hh poverty and social set up?.
14. Secondly on fish, MAAIF studies have shown that increases in dd for fish for export has led to increase in price of fish per kg from 800/- to 2000/-. Did the PSIA trace this to this trend implications for hh poverty and social impact and identify the bottlenecks in translating increases in income to improvements in welfare?.
15. TORs difficulties, why was the study not re-oriented considering the difficulties that were highlighted with regard to methodological issues so that more coherent input, as Booth puts into, could be put into the Ugandan national policy purposes?.
16. How did the stakeholders view the issue of the institutionalization of the PSIA in Ugandan national policy making process at the time of the study?.
17. Where would you see the PSIA fit in the Ugandan policy framework and processes to add value to existing policy work?
18. Considering the need for the PSIA to link macro and micro policy actors, how did this influence the choice of stakeholders involved in the PSIA consultations, process and dissemination? (Extent of participation of both groups of people in PSIA).
19. In line with the PSIA principle of adding value to the existing debate and not be comprehensive, was there any attempt by the PSIA to link with PPAs, picking out macro-policy and poverty related elements and doing more detailed analysis, such as in the selected fishing and coffee sector?. (Notes: there has been substantive research on coffee and fair trade in Uganda undertaken by CSOs such as Oxfam and also in the fish sector with MAAIF).
20. In your opinion, how would PSIA's produce new knowledge to add value to policy debate?.
21. On PSIA recommendations to Stratex: Are you aware of any of them having been taken on board?.
22. Are you aware of any PSIA recommendations that have been incorporated into the PEAP/PRSP revision process?.

## Annex IV: The PSIA Evaluation Stakeholders and Consultative Process Timeline

Date	Time	Name	Organisation	Tel Contact
30/1/2004	12.00 pm	Mr. Arthur Van Diesen	DFID Uganda	041-348727
		Ms. Jenny Yates	DFID Uganda	077-700051
		Ms. Emily George	DFID UK	+44 207 023 0885
13/2/04		Mr. Jonathan Bynon	DFID Uganda	
		Mr. Peter Allum	IMF	
20/2/04		Mr. Keith Muhakanizi	MFPED	
		Mr. Kenneth Mugambe	MFPED	
10/2/04		Ms. Margaret Kakande	MFPED	
11/2/04		Mr. John MacKinnon	MFPED	
10/2/04		Ms. Rosetti Nabbumba	MFPED	
3/2/04		Mr. Richard Ssewakiryanga	UPPAP/MFPED	
2/2/04		Mr. Sudarshan Canagarajah	World Bank	
13/2/04		Carol Kegoleka	MAAIF/PMA	
3/2/04		Catherine Kanabahita	Dutch Embassy	
13/2/04		Ms. Deborah Kasente	Makerere University	
3/2/04		Ms. Gloria Mugambe	SIDA	
		Dr. Okidi (by telephone)	EPRC	
13/2/04		Mr. David Booth (by telephone)	ODI	
5/2/04		Mr. Peter Ngategize	SEP/MTCS	
4/2/04		Ms. Jane Mpagi	MGLSD	
		Mr. Boaz Kizire	MAAIF	
19/2/04		Mr. Warren Nyamugasira	NGO Forum	
5/2/04		Mr. Zie Gariyo	Uganda Debt Network	

**End.**