



UGANDA DEBT NETWORK



Annual Report
2006



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List of Abbreviations

ACCU	Anti-Corruption Coalition of Uganda
APRM	Africa Peer Review Mechanism
BAI	Budget Advocacy Initiative
CBMES	Community Based Monitoring and Evaluation System
CMCs	Community Monitoring Committees
CS	Civil Society
CSOs	Civil Society Organizations
EASUN	East African Support Unit for NGOs
FOD	Facilitating Organizations Development
IBP	International Budget Project
IGG	Inspector General of Government
IMF	International Monetary Fund
LC	Local Council
LG	Local Government
LGDP	Local Government Development Programme
M&E	Monitoring and Evaluation
MFPED	Ministry Finance, Planning and Economic Development
MoU	Memorandum of Understanding
NGO Forum	National NGO Forum
NIMES	National Integrated Monitoring and Evaluation System
OD	Organizational Development
OPM	Office of the Prime Minister
PAF	Poverty Action Fund
PEAP	Poverty Eradication Action Plan
PHC	Primary Health Care
PMA	Plan for Modernization of Agriculture
PMC	Poverty Monitoring Committee
PPDA	Public Procurement and Disposal of Assets Authority
PRN	Policy Review Newsletter
SAPP	Strategic Advocacy Programme and Plan
UDN	Uganda Debt Network



Message from the Executive Director

This report covers the first year of implementation of our Strategic Advocacy Programme and Plan 2006 - 08. In this plan, UDN committed itself to marshal its advocacy and lobbying resources to make more effective use of the space constitutionally granted to civil society to participate in influencing government policies. In this regard, the report brings together evidence of targeted engagement with key policy-making forums in order to influence the policies formulated to strengthen transparency and accountability in government institutions that fight corruption and aim to deliver quality services to the people to reduce poverty.

In its endeavour, UDN has relied on the support extended by its members, the various partners, stakeholders, other civil society organizations and government institutions and agencies that share similar ideals and would like to see them internalized in the country's institutional and governance culture. UDN particularly values her partnership with grassroots communities that has strengthened its advocacy work and capacity to influence policy. Furthermore, its association and partnerships with the government, partners and other civil society organizations has enhanced its capacity to deliver more than ever before. During 2006, UDN initiated many activities to fight corruption and advocate for transparent and accountable ways of managing our public affairs and eliminate the misuse and wastage of public resources.

UDN will continue to strive to involve the grassroots communities in the districts where it operates in decision making processes to empower them to influence the formulation of policies. UDN plans to expand these processes in several new districts, while consolidating further in the existing ones.

Over the past year, UDN was engaged in a series of dialogues with various organs of government aimed at clarifying the various issues concerning good governance, management of public resources, and the pressing need to reduce high levels of poverty in our society. While some of these issues have been attended to in various forums, others still remain daunting, and must be addressed in the coming year. For example, one issue that remains unresolved is that of the ever expanding spending on public administration and other non-prioritized expenditures. The concern of UDN on this has been voiced at various forums to no avail, which means more will have to be done in the coming year.

I wish on behalf of the Board and the staff to thank the partners who have contributed generously to facilitate the implementation of UDN's programmes. I also wish to thank all those who have in one way or another been associated with the achievements recorded in this report. We know that without your support nothing would have been achieved. We shall continue to rely on this support and hope that you will continue to support UDN.

Dr. Fred Opio
Executive Director



Introduction

This report documents the highlights, key trends and achievements in the implementation of UDN programmes during 2006. It documents the results of efforts made in the first year of implementing the current UDN Strategic Advocacy Programme and Plan (SAPP) 2006-08.

The report provides pointers to the direction Uganda Debt Network (UDN) is taking in response to the expectations of our various stakeholders as expressed and gathered during the process of formulating the SAPP 2006-08. It also brings out the governance and institutional changes UDN has been effecting since 2006 began. These include refining key governance instruments and contending with the demands of organizational change and the search for strategic leadership to inspire confidence and generate the best results in line with the benchmarks set in the SAPP 2006-08.

What is elaborated on in the report has been possible because of the support of various supporters, stakeholders, members and invaluable partners in the communities. It is pertinent that we pay tribute to all of them for the faith they have continued to have in UDN, which gives us the impetus to sustain our advocacy for the formulation and implementation of pro-poor policies, fight corruption and uphold transparency and accountability in the delivery of services.

This report, however, is only a summary and in no way tells the whole story. As part of the reporting process, therefore, side reports of various activities that took place during the reporting period have been prepared and are circulated in hard copy and electronically to enable the reader get a much wider understanding and scope of the work of the organization, including its achievements and challenges.



Who Are We?

Uganda Debt Network (UDN) was formed in 1996 as an ad hoc coalition of organizations and individuals to campaign for debt relief for Uganda under the Highly Indebted Poor Countries (HIPC) Initiative of The World Bank and the International Monetary Fund (IMF). In 1998, UDN was registered as a non-governmental organization (NGO) under the NGO Registration Statute and started operating. In 1999, UDN was incorporated as Limited Liability Company with no shareholding under Company Law 1964.

When it was formed, UDN had a membership of only 23 organizations and 3 individuals. By 2003, the membership had grown to 40 organizations and 101 individuals. When the organization started, its primary focus was the campaign for debt relief. To-date, UDN has four main programme areas namely: a) Community Participation and Empowerment b) Policy Analysis and Socio-Economic Research c) Budget Advocacy Initiative, and d) Governance and Rights. These areas have enabled the organization, its constituents and stakeholders to engage at higher levels of advocacy and policy influencing and have shaped its mandate, purpose and mission.

The organization has also expanded its scope to focus on participation and empowerment of the poor and marginalized people to become the primary actors in its advocacy work, and to give them voice so that their concerns and interests can influence policy design, planning, formulation and implementation. The organization's purpose is to facilitate the poor and marginalized to achieve their ultimate goal to access high quality services so as to improve their livelihoods.

UDN has actively engaged the poor people at the grassroots to monitor and evaluate the delivery of services that are implemented by government for their benefit. This has been achieved by equipping them with knowledge and skills in participatory monitoring and evaluation and by promoting open and active engagement with policy implementers at all levels.

Vision, Mission and Values

Our Vision

A prosperous Uganda, with equitable development, and a high quality of life for the people.

Our Mission

UDN works to promote and advocate for pro-poor policies and full participation of poor people in influencing poverty-focused policies, monitoring the utilization of public resources and ensuring that borrowed and national resources are prudently managed in an open, accountable and transparent manner so as to benefit the people of Uganda.



Our Values

The following are the core values of the organization:

- Fairness and social justice
- Gender equality
- Accountability and Transparency
- Prudent use of resources to increase poor people's welfare
- Access to and equitable distribution of national resources
- Facilitating citizens' participation
- Giving voice to the poor and marginalized
- A rights-based approach to human development
- Participation of poor and marginalized people in their democratic governance.

Our Strategic Goals

UDN is driven by the following strategic goals:

- 1) To ensure that Uganda emerges from being a debt-burdened poor country and embarks on the road to sustainable development, growth and poverty eradication.
- 2) Ensure that macroeconomic and budget policies are participatory and incorporate the concerns and interests of poor people.
- 3) Mobilize the public to ensure public accountability and transparency in policy formulation and planning and in the utilization of public resources.
- 4) Ensure that UDN becomes an effective lobbying and advocacy organization, able to mobilize civil society to influence policy planning at national and local levels.

Governance and Administration

- i. Annual General Meeting
- ii. Board of Directors
- iii. Secretariat.

The Annual General Assembly

The Annual General Assembly (AGA) is the supreme governing organ of the network composed of all the registered and paid up members. On 28 April 2006, the Annual General Assembly was organized and attended by 85 members. During the AGA, reports by the Chairperson and Treasurer, together with the Audit Report, were discussed and endorsed by members, and a new Board of Directors was elected to hold office for the next 2 years.



Board of Directors

The Board is the policy-making organ of the network responsible for policy design for the network. The current is composed of 5 men and 2 women elected from among the membership of the network. The Board gives strategic guidance to the organization and convenes once every quarter, to discuss and approve quarterly reports and programme work plans prepared by the secretariat, and approve budgets and policies for the implementation of programmes.



Members of the old and new UDN Boards pictured at the Annual General Meeting on 28 April 2006

The Secretariat

The secretariat is the planning, implementation and monitoring organ of the network. It is headed by the Executive Director. The secretariat staff hold regular meetings to discuss plans and outputs weekly, monthly, quarterly, half-yearly and annually. During the half-year and annual review meetings, other UDN stakeholders are invited to attend and participate in the reviews and make critical assessments of programme implementation. The stakeholders include UDN constituents and partners such as the government officials, Members of Parliament, the academia, the media and development agencies.



UDN Programmes and Activities

Background

UDN implements its activities under four programmes, namely: a) Community Participation and Empowerment; b) Policy Analysis and Social-Economic Research; c) Budget Advocacy Initiative; d) Governance and Rights. Other two programmes: a) Public Information Centre; and b) Institutional and Organizational Development provide complementary support and facilitation to realise actual programme implementation.

Summary of Activities Undertaken

❖ Community Participation and Empowerment Programme

The strategic advocacy objective of the Community Participation and Empowerment (CPE) Programme is that the Office of the Prime Minister operates a National Integrated Monitoring and Evaluation System (NIMES) to increase the participation of citizens in monitoring and evaluation of public policies and improve the quality and delivery of services.

UDN is a key member of the National Monitoring and Evaluation Working Group on the Annual PEAP implementation review process organized by National Integrated Monitoring and Evaluation System (NIMES) Secretariat in the Office of the Prime Minister. Through this participation, UDN has influenced the annual PEAP implementation process.

UDN is also a member of a Civil Society strategic leadership caucus that interfaces with sectoral groups and line ministries in undertaking the Annual PEAP Implementation Review.

In pursuance of its mandate to involve people at the grassroots in monitoring the utilization of public resources for the benefit of poverty reduction programmes, UDN conducted a study on the Constituency Development Fund (CDF) in November and December 2006, which involved field visits to the districts of Kamuli, Kaliro, Namutumba, Kanungu, Bushenyi, Bugiri, Iganga, Bukedea, Amuria, Katakwi, Apac, Kumi, Kalangala, Mpigi, Rakai, Kasese, Mbarara, Kabale and Arua.

The study findings increased UDN's leverage in impressing it upon the Parliamentary Commission to consider enacting a law and institute regulations to govern the disbursement of CDF funds. The field studies have been resourceful for UDN to use in strengthening its awareness campaign among the grassroots about their right to be informed about funds like the CDF meant to develop their areas, and the need to develop a comprehensive CDF policy that will maximize the realization of value while minimizing the danger of the funds being stolen or misused.

As part of CBMES implementation, a documentary on the poor health services in Bugiri district was produced and aired on national television (UBC TV). This generated public outcry on the

poor service provision in the country's Health sector despite increased expenditure. This raised consciousness of the public on the need to monitor public expenditure.

The Bushenyi Monitors raised community concerns on the National Agriculture Advisory Services (NAADS) in the District Council and held a press conference. They also held two follow-up meetings with officials in one of the sub-counties to demand for greater accountability from the leaders.

In order to educate and increase proactive vigilance of the community members about public expenditure, good governance, participation in decentralization, and accountability for effective delivery of government programmes UDN supports three radio programmes at community level. During the reporting period, 156 monitors were facilitated to participate in weekly radio talk shows of *Kalondoozi* (Empanga FM), *Katucondooze* (Radio West) and *Karebuuzi* (Kinkiizi FM). The radio programmes produced by the Monitors reached over 8 million citizens who were involved in debates through call-in sessions about public expenditure, service delivery and accountability.



Mr. Paul Balijja, a community monitor from Kamuli District speaks at a CBMES consultative meeting held in Kampala in February 2006.

UDN has continued to build the capacity of the community monitors through refresher trainings and experience sharing. Over 175 community monitors from UDN districts of operation were facilitated to acquire skills and knowledge in advocacy, lobbying, monitoring and evaluation.

As part of the effort to get policy makers appreciate the role of CS in monitoring public expenditure and increasing public awareness of the need for communities to participate in influencing policy processes, we published two newspaper supplements on findings of community monitoring of Universal Primary Education (UPE) and Primary Health Care (PHC) from Kumi and Bugiri respectively.

During the reporting period, a national feedback meeting (dialogue) was organized and attended by key policy makers, monitors and various stakeholders. The meeting provided a forum for grassroots people to raise their concerns on the implementation of Universal Primary Education and Primary Health Care in Kumi and Bugiri districts respectively. As a result of the dialogue and media focus, UDN has had a preliminary meeting with the Office of the Prime Minister on how to do further follow-up on the dilapidated primary health care situation in Bugiri district.



UDN has continued to strengthen and mentor community monitors to ensure self-sustainability of their structures. Six district monitoring committees were supported with funding and technical support for institutional development, communication and monitoring and evaluation.

As part of its continuing efforts to document the lessons learnt from community participation in policy processes, UDN has embarked on the collection of case changes. This is one of the ways of following up and capturing the impact of community monitoring. It is also envisaged to inform UDN advocacy and lobbying for better service delivery at local and national government levels.



Community Monitors in Katerera sub-county (Bushenyi district) monitored the construction of Kyambura- Buhindagi road (about 50 kms) and classrooms (Katerera Primary School) in the sub-county. The monitors discovered flaws in the specifications used in the construction on the road and buildings. The issue was reported during the feed back meeting that was organized by the monitors and attended by various local government leaders. Local government leadership took the matter seriously and has since rectified the situation. This led to the re-construction of the roads and classrooms that were poorly done.

Kamuli District Community Monitors being trained to use broadcasting equipment to improve their skills in producing the weekly programme on Radio Empanga

❖ Policy Analysis and Social-Economic Research Programme

The strategic objective of this programme is to ensure that the Ministry of Finance, Planning and Economic Development (MFPED) formulates strategies for poverty reduction that focus on marginalized groups so as to reduce the number of people living in absolute poverty.

UDN remains strategically placed to influence national and international policy formulation. During the reporting period, UDN effectively engaged and influenced key policy processes. Among them is a) the Annual PEAP Implementation Review b) revision of the Transport Sector Policy and Strategy c) Plan for Modernization of Agriculture (PMA) review process, d) Joint Annual Review of Decentralization e) revision of Uganda Poverty Status Report, 2005. In the



exercises of developing the action plan on the transport sector policy and the Annual PEAP implementation review process, UDN spearheaded the process and represented civil society on various committees.

UDN's participation in such meetings has continued to amplify the civil society voice in planning and implementation of government policies. Policy makers have recorded their appreciation of UDN's role in policy processes and are willing to involve the organization in future processes. As evidence of this, UDN receives at least two invitations a week to attend such policy discussion and development forums.

During the reporting period, UDN published over five review and analysis articles on key contemporary development issues such as poverty, debt, aid, and Uganda's energy crisis. This has raised the level of debate and appreciation by various stakeholders the work (as cited in the text in the box).

"I very much enjoyed your hard-hitting and factual article in the Policy Review Newsletter of Feb 2006, which appeared in yesterday's New Vision! Yours has been the most enlightened delivery I've read to date on the crippling power crisis. So many of your observations are on the mark especially the reluctance to investigate alternative energy initiatives as ... a partial and affordable solution to this predicament..." Mike Wicks, M.D. Windrain Ltd., Kampala.

As part of our campaign to regulate and control public borrowing, the UDN data bank on Uganda's debt and other related issues was updated. The data bank provides up-to-date information on Uganda's debt (external and domestic) and has enhanced our advocacy and lobbying on debt related issues. In addition, the process of carrying out a review and analysis of Uganda's external debt situation is underway.

UDN has continued to work with other CSOs at both local and international levels. UDN participated in a number of regional and international forums such as a) 'Illegitimate Debt and Responsible Financing' in Berlin b) 'Aid Conditionalities and International Financing' in Oslo and c) 'The Role of Parliament in Loan Contraction and Management Processes' in Accra. The organization produced and presented a position paper on Uganda's Debt Trends, Illegitimate Debt and Responsible Financing at a EURODAD Conference in Berlin. UDN was nominated to join the team of experts to follow up on the implementation of the recommendations from the conference.

❖ Budget Advocacy Initiative Programme

The Strategic Objective of BAI is to ensure that the Ministry of Finance, Planning and Economic Development is committed to establish and operate an open and prudent budget management system at national and local government levels to improve transparency and accountability for public resources.

In a bid to understand and influence pro-poor budgeting processes and assess how they take into consideration the interests and needs of poor people, UDN undertook a number of reviews



including a) How Pro-poor are Local Government Budgets in Uganda: a case of Kampala City Council and Rakai District b) Review and Analysis of the 2006/7 National Budget and its implication on Poverty Reduction in Uganda c) The 2006/07 National budget: Shortfalls on Pro-poor spending.

In addition to the reviews, two budget policy briefs were produced and circulated widely to key stakeholders including policy-makers in strategic line ministries and Members of Parliament. This has been important in explaining to the public the extent to which the budget policies enhance the development tenets enshrined in the Poverty Eradication Action Plan and other national policy blueprints. Some stakeholders have been sending complimentary responses on receipt of the brief.

In line with our policy to engage with key policy makers, UDN held strategic meetings with the Chairpersons of the Parliamentary Committees of Public Accounts and Budget. This enabled UDN to create close working relationships with the committees and strengthened our overall relationship with Parliament.



UDN Senior Policy Officer, Mr. Daniel Lukwago (in white shirt) at the unveiling of the Open Budget Index in Washington DC in October.

UDN has been able to effectively increase the civil society voice in the budget process. UDN has engaged in the last four Public Expenditure Review (PER) meetings by providing critical comments on the national

budget. In May, UDN participated and presented a statement on the 'Economic and Budget Strategy for Financial Year 2006/07' on behalf of CSOs at the PER meeting at Speke Resort Munyonyo. The statement was also widely disseminated to the public through newspapers and was quoted in the New Vision of 10 June 2006 in the Business Section: "CSOs ask government to review likely impact of new taxes". One of the recommendations in the statement was for government to talk peace with Lords Resistance Army (LRA), a move that was taken by government soon after that. As a manifestation of government follow-up, it has taken on some of the issues raised by UDN, such as the need to reduce wastage in public spending (as contained in the opening remarks of the Prime Minister during the PER meeting).

UDN has encouraged its constituencies and members of the general public to participate in budget-related work, and works together with other CSOs under the Budget Advocacy Group (BAG) to influence pro-poor budgeting. During the reporting period, three trainings in budget analysis, monitoring and evaluation were carried out.

❖ Governance and Rights Programme

The Governance and Rights Programme aims at mobilizing and strengthening civil society efforts to combat corruption, abuse of office and wastage of public resources and to improve governance and human rights in the country. In this respect, UDN works with Government institutions such as the Directorate of Ethics and Integrity, Inspector General of Government, the Auditor General and CSOs to promote good governance and accountability. UDN also works to ensure that the Rights Based Approaches (RBAs) are streamlined in the design and implementation of government policies and programmes, aimed at active participation of the poor people.

UDN contributed to the annual Governance Report under the Uganda Governance Monitoring Programme (UGMP). UDN is also a member of Inter Agency Forum (IAF), a government-donor-initiated forum of official anti-corruption agencies that meet regularly to harmonise their activities.

UDN has worked out a mechanism to award public officers who have excelled in their duties and responsibilities. At a consultative workshop attended by 50 participants (27 men and 23 women) in June, a steering committee of 10 people was put in place to develop and refine the strategy.

During the reporting period, we published 2000 copies of a pocket edition of the *Access to Information Act 2005* to be used in mobilizing and sensitizing citizens on their right to access information in public offices so as to empower them to expose cases of maladministration and corruption in public bodies. This pocket edition has generated a lot of interest among institutions and members of the general public.

The process of updating the Dossier on Corruption, which was originally published in 2000, was started. The dossier will be useful in providing updated information on corruption in Uganda and identifying gaps and challenges in the fight against it.



UDN spearheaded lobby and advocacy activities against the proposal by Members of Parliament to be granted Shs. 60 million each to purchase personal cars under a Car Grant Scheme. Over 400 letters were sent out to the President, Prime Minister, Speaker of Parliament and the

The Speaker of Parliament, Hon. Edward Sekandi (foreground) discusses the MPs' car grant demands with a UDN delegation comprising Vice Chair, Ms. Daisy Owomugasho, Executive Director, Dr. Fred Opio and Programme Officer, Mr. Julius Kapwepwe.



individual MPs themselves to urge them to drop the proposal in consideration of the high levels of poverty and deprivation suffered by 38 per cent of the Ugandan population.

At the same time, grassroots representatives from 12 districts of Uganda were mobilized to take the campaign upcountry. One lobby meeting with the Speaker of Parliament and members of the Parliamentary Commission was held where UDN presented her position on the matter.

Over 1387 pupils and students were mobilized to participate in the national Annual Youth Anti-Corruption Essay Competition 2006. The best essays expressing the children's views on corruption have been edited and will be published and distributed to all schools, parliamentarians, IGG's office, anti-corruption agencies, Ministry of Ethics and Integrity and other stakeholders.



One of the winners of the National Anti-Corruption Essay Writing Competition receiving a brand new TV set from the Irish Ambassador, Ms. Aine Herns. Looking on were Mr. Zie Gariyo, the UDN Board Chairperson and Dr. Fred Opio, UDN Executive Director

In a bid to re-ignite the anti-corruption campaign in areas mobilized earlier, UDN organized the re-location and re-launching of the Kayabwe Anti-corruption Mural at the Equator crossing on the Kampala-Masaka highway. This involved several activities such as radio talk shows on fighting corruption in Uganda, debates, anti-corruption processions etc, all aimed at sensitizing the public about the dangers of corruption and bad governance. The mural was re-launched on 24 November 2007 by a Director in the Ministry of Ethics and Integrity, at an event attended by 500 people and publicized in the national print and electronic media.

❖ The Public Information Centre (PIC)

Under the Public Information Centre (PIC), UDN aims to operate a viable and sustainable Management Information System (MIS) to achieve advocacy objectives and enhance the impact of programme management.

To this end, the programme's key outputs lay in the areas of maintenance of the Local Area Network (LAN) and Wide Area Network (WAN) to sustain communication among all UDN programmes and between UDN and its members and partners. The PIC was responsible for the compilation, editing and publication of nine issues of UDN's flagship publication, the Policy Review Newsletter (PRN), which was disseminated in both electronic and hard copy forms.



One of the issues of the PRN published during the period.

The PIC was also responsible for the UDN website at www.udn.or.ug which is currently being revamped to reflect UDN's most recent advocacy concerns in a changing national and international environment.

The PIC also publishes the *Weekly Electronic Newsletter* to keep UDN members, partners and associates informed of developments in programme implementation.

The programme supplemented the work of liaising with community monitors who participate in regionally-based radio programmes, in terms of ensuring that they are facilitated to attend and processing feedback from them in form of monthly reports and recorded tapes of the programmes.

Further support to the other programmes was by way of drafting advocacy documents for dissemination and ensuring that the media provides coverage of UDN activities.



*The Home Page of the UDN web site
www.udn.or.ug*



Planning, Monitoring and Evaluation

At UDN planning, monitoring and evaluation are on-going processes. This has enabled both the staff and members to keep track of the implementation of the activities of the network. For purposes of reporting on the progress of the activities of the organization, UDN produces a weekly electronic newsletter. UDN also produces a half-year and annual report (both narrative and activity output matrix).

Planning

In January, UDN staff participated in a two-day planning workshop to review the past year's activities and map out those to be undertaken in 2006. A two-day meeting took place in the first week of April to review first quarter activities and plan for the second quarter. At the beginning of July a half-year review and planning workshop was organized to review the entire first half and plan for the second half of the year 2006.

The planning meetings are important as they are used to identify critical issues impeding efficiency and effectiveness of the programmes, the achievements, challenges and changes in the operating environment. A key lesson learnt from this routine practice is that it has become a source of learning for all staff in understanding the vision and mission of the organization and ensuring that resource utilization is optimized.

Monitoring and Evaluation

In addition to the regular meetings to review and plan, regular field visits are paid to programme activity sites to monitor their implementation and evaluate the effects the programmes and activities are having on the UDN constituents. During the reporting period, a series of field visits were organized and held with various partner groups that are involved in implementation of UDN programmes.

During the year, departmental reports and work plans were discussed and approved by all staff, which enabled the evaluation of programme performance. The reports inform UDN partners and other stakeholders on progress of programme implementation and activities of the secretariat.

Human Resources Development

Since its inception, UDN has continued to strengthen its human resource base to implement its programmes and activities effectively and efficiently. In order to cope with the new changes in the operating environment, personnel policies are being revised. A comprehensive Human Resource Manual has been discussed by staff and is being reviewed by the Board. The manual clearly elaborates human resource issues and staff conditions of service.

During the reporting period, a number of Board and Staff members were facilitated to acquire skills and knowledge to enhance their performance. The skills and knowledge acquired are relevant to UDN's long-term strategy of developing an impact-oriented organization.



RELATIONSHIPS WITH STAKEHOLDERS: HOW DOES UDN WORK?

■ Local Networking

UDN works closely with other civil society organizations in Uganda to champion civil society interests and influence policy formulation and implementation. Collaboration takes the form of joint action, but also through information sharing as part of the larger civil society network. The CSOs include FOWODE, ULA, FENU, Action Aid, ACCU, ACODE, NGO Forum, AWEAPON, DENIVA, HURINET, UJCC, among others.

UDN also works with government and donor agencies to influence policy formulation and implementation. UDN has continually reviewed the national budget, participated in the review of the PEAP implementation and other government policies and made critical input during their formulation. The organization works with communities to monitor the implementation of government programmes, and ensure quality in the delivery of public services.

UDN actively supports work of the Civil Society Budget Advocacy Group and has been the main resource base for the group. The organization is a key member of the Transport Sector Review Working Group and the Steering Committee of the Plan for Modernization of Agriculture.

UDN remains one of the leading advocacy organizations and its advocacy programme and plan focuses directly on policy influencing.

■ Relationships with Partners

UDN has maintained and strengthened a good relationship with her partners, some of whom have supported the organization since inception. They include: Christian Aid, Trocaire, DanChurchAid, Hivos, Cordaid, DANIDA HUGGO, Development Cooperation Ireland, Concern Uganda, Care Uganda, Oxfam, Veco Uganda, Action Aid, MS Uganda, Save the Children, IICD and DFID.

■ International Networking

UDN has maintained relationships with her collaborators at the international level to champion and actively participate in policy influencing on behalf of the poor. UDN actively participates in the Global Coalition Against Poverty (GCAP) to, with others around the globe, campaign for total cancellation of debt of the highly indebted poor countries, increasing aid flow and trade opportunities for the poor countries.

UDN collaborates with the following: International Budget Project (IBP) of the Centre on Budget Policy and Priorities based in Washington DC, the Africa Budget Project of IDASA, AFRODAD and EURODAD, among others.



THE FINANCIAL SITUATION AT UDN

Sources of funding

During the reporting period, total income of Ushs. 1,090,217,601/= was realized as income for the year 2006. Various sponsors contributed to the income as shown below. The details of the financial statement can be found in the UDN Income and Expenditure Statement.

Table below shows UDN income for core and designated support from UDN partners for the period January - December 2006.

Sources of Funds in 2006

Core Programme Support

	Shs
Cord Aid	268,174,946
DANIDA	286,200,000
Hivos	129,716,400
Christian Aid – UK	79,095,380
Trocaire	110,594,955
Dan Church Aid	142,759,154
Embassy of Ireland	46,130,700
Total	1,062,671,535
Designated Programme Support	
	Shs
Concern Worldwide – Uganda	18,000,000
Total	18,000,000



Financial reporting

- **Annual Income and Expenditure Statement**

UDN produces two sets of financial reports every year that are shared with her partners and stakeholders. These are the half-year income and expenditure statement and the annual income and expenditure statement.

This report presents the budgeted and actual incomes, actual expenditure, and budget programme performance. Incomes are divided between core support and designated or project support. Core support represents income that donors provide to support the entire programme rather than specific areas of the programme.

- **Audited Accounts**

The audit process for this reporting period has been completed and the report of the audited accounts for the year 2006 has been discussed and approved by UDN Board. The approved audit report has been circulated to all UDN partners and stakeholders. As the law requires, the audit report has also been circulated to the Secretariat of the NGO Registration Board for their records.

- **The Budget**

The UDN budget for the year 2006 was Ushs. 1,984,683,750/=. Of this amount, UShs 1,090,217,601/= was realized in incomes from UDN partners and other incomes. Of the total incomes received, Shs 945,620,750/= was committed to the UDN programme implementation for the financial year 2006. However, the amount realized in incomes represents about 55% of the total budget. Although the entire budget of UDN is never realized in financial terms, in reality UDN also receives a large portion of contributions in kind or time. For instance, some free and subsidized media time is accorded to UDN to air its programmes and report on its activities. In addition, UDN constituents commit a lot of their time to implement activities for which they are not remunerated. This therefore has helped the organization deliver on as many of its programmes.

Nevertheless, the obstacle to the organization's effectiveness is not whether or not the entire budget is funded. It is because most of the committed funds are received rather late thus affecting the planning and implementation process.

- **Assets Acquired**

During the reporting period, assets to the tune of Shs 81,438,670/= were acquired by UDN. Shs 1,894,330/= was spent in acquiring computer equipment to replace those that had become obsolete. Shs 79,544,340/= was spent to acquire a brand new Toyota Hilux Double Cabin Pickup truck that was funded by DanChurchAid. This vehicle was purchased to replace an old Toyota Surf that was originally purchased at Shs 24,000,000/= which had been written off in the books of accounts and had been disposed of. Shs 5,000,000/= was realized in the sale of this vehicle and is reported in the income statement as gain on sale of non-current asset.



Income and Expenditure Statement January -December 2006 (UGX)

	2006 Budgeted	2006 Actual	2005 Actual
Income	Shs	Shs	Shs
Donation/Grants: -			
Core programme support	936,902,744	1,062,671,535	1,066,882,448
Designated programme support	33,000,000	18,000,000	52,000,000
Membership Fees	8,500,000	2,310,000	3,570,000
Other Sales	2,800,000	93,000	139,200
Sub-Total	981,202,744	1,083,074,535	1,122,591,648
Other Income			
Other Receivables	-	0	8,999,802
UDN Consultancy Income	25,000,000	16,043,682	27,117,701
Interest Received	1,500,000	1,097,072	95,042
Sundry Income	5,000,000	1,285,314	0
Profit/Loss on Foreign Exchange	13,000,000	(16,283,002)	(2,410,818)
Profit/Loss on sale of Assets	5,000,000	5,000,000	0
Sub-Total	49,500,000	7,143,066	33,801,727
Total Income	1,030,702,744	1,090,217,601	1,156,393,375
Programme Expenditure			
Community Participation & Empowerment	334,225,000	165,270,336	380,881,599
Policy Analysis & Socio-Economic Research	281,625,000	88,945,639	162,310,540
Budget Advocacy Initiative	296,195,000	78,611,985	74,132,823
Rights & Governance Programme	308,965,000	185,587,430	103,366,878
Public Information Centre	240,345,000	108,582,198	26,567,972
Institutional & Organisational Development	459,860,000	272,942,452	366,836,962
General Overhead costs	63,468,750	45,680,710	29,634,217
Total Recurrent Expenditure	1,984,683,750	945,620,750	1,143,730,991
Surplus/(Deficit) for the year		144,596,851	12,662,384
Less depreciation		(56,336,289)	(53,246,444)
Net surplus/(deficit) for the year		88,260,562	(40,584,060)
Accumulated fund at 31 December 2005		261,297,765	298,114,580
		349,558,327	257,530,520
Transfer to Endowment fund		(50,831,104)	-
Accumulated fund at 31 December 2006		298,727,223	257,530,520



Balance sheet as at 31st December 2006

	2006 Shs	2005 Shs
Fixed Assets	89,447,299	60,577,673
Current Assets		
Cash and bank balances	344,152,898	226,494,862
Customer control account	-	4,957,734
Prepayments	2,843,945	1,968,695
Total current assets	346,996,843	233,421,291
Less: Current liabilities		
Accounts payable	57,308,051	34,628,758
Provision for future expenses	28,927,764	1,239,686
Total current liabilities	86,235,815	35,868,444
Net Current Assets	260,761,028	197,552,847
Total Assets Employed	350,208,327	258,130,520
Financed by: -		
Accumulated fund	298,727,223	257,530,520
Endowment fund	51,481,104	600,000
Total funds employed	350,208,327	258,130,520



Annex 1: List of Board of Directors as at December 2006

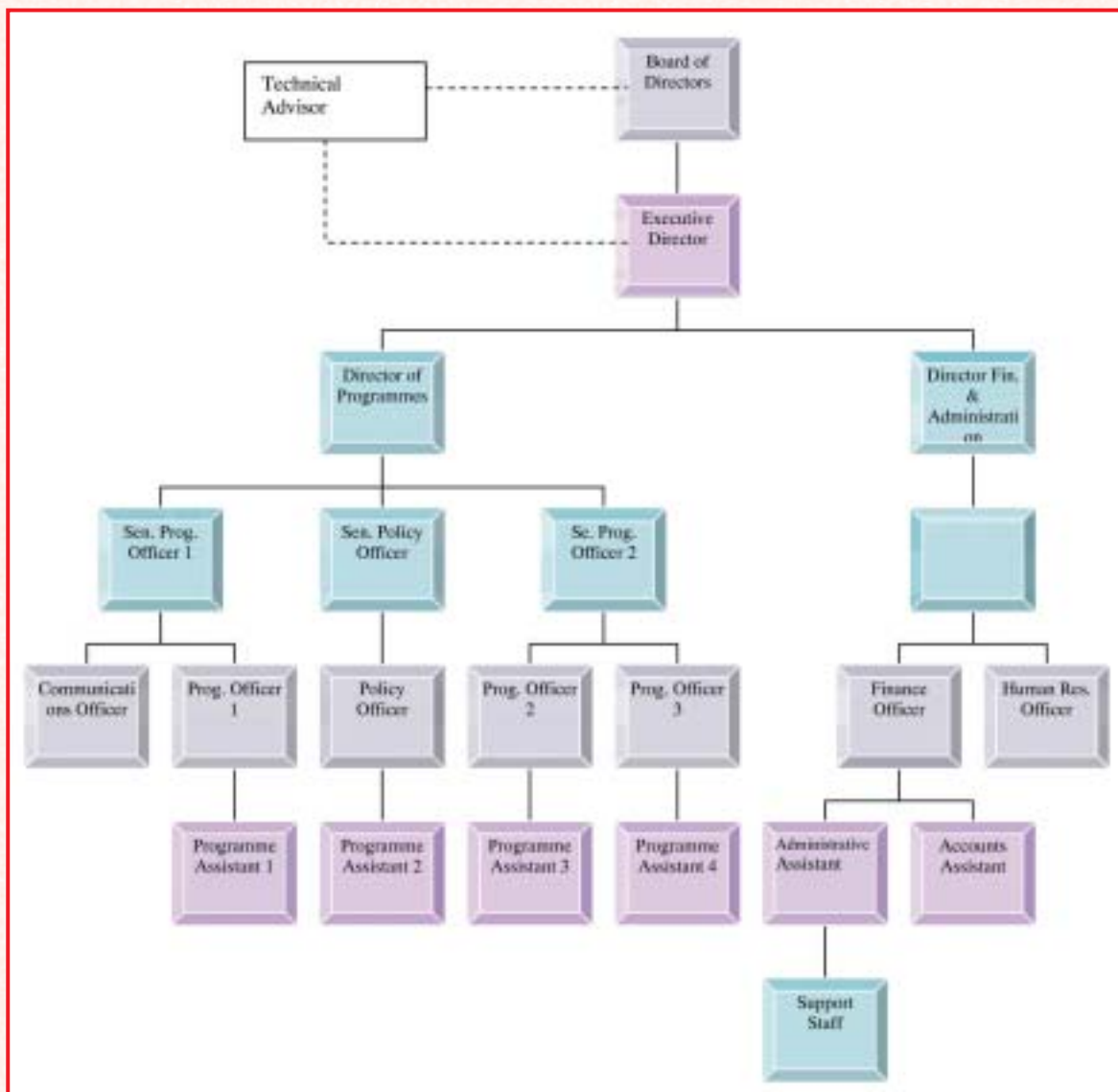
Name	Status
Mr. Zie Gariyo	Chairperson
Ms. Daisy Owomugasho	Vice Chairperson/ Chair Personnel Committee
Mr. Stephen Gwoktcho	Treasurer / Chair Finance Committee
Mr. Julius Othieno	Secretary
Hon. Geoffrey Ekanya	Member / Chair Constitutional Review Committee
Mr. Ralph Ochieng	Member
Mrs. Albina Opio	Member

Annex 2: List of UDN Staff as at 31 December 2006

Name	Position
Dr. Fred Opio	Executive Director
Mr. Patrick Tumwebaze	Director Finance & Administration/
Mr. Silver Tubenawe Kangaho	Senior Advisor Governance & Rights Programme
Mr. Allen Ruhangataremwa	Senior Programme Officer -Governance & Rights (left in May)
Mr. Mukotani Ruyendo	Publications Editor
Mr. Daniel Lukwago	Senior Policy Officer
Mr. Julius Kapwepwe	Programme Officer
Ms. Sarah Nakibuuka	Programme Officer (left in April)
Ms. Pauline Apolot	Ag. Programme Officer
Ms. Imelda Namagga	Ag. Policy Officer
Mr. Robert Nkwasiabwe	Ag. Finance Officer
Ms. Anita Namara	Programme Assistant
Ms. Esther Mufumba	Administrative Assistant
Ms. Olive Alowo	Intern (Communications)
Ms. Allen Uhiriwe	Intern (Governance & Rights)
Ms. Deborah Kiconco Bamwesigye	Intern (Community Participation & Empowerment)
Mr. George Matovu	Driver
Ms. Susan Wanyana	Office Assistant
Ms. Grace Kemirembe	Office Attendant



Annex 3: UDN Organizational Chart 2006-08





UGANDA DEBT NETWORK PUBLICATIONS

Discussion Papers

1. *UGANDA: Putting Development Before Debt (2000)*; by Zie Gariyo. Discussion Paper No. 1
2. *Foreign Aid and Africa's Search for Improved Social Economic Performance*, by Prof. Jossy Bibangambah (2000); Discussion Paper No. 2
3. *Aid in Africa: Does Africa Deserve Aid Conditionality?* by Warren Nyamugasira (2001); Discussion Paper No. 3
4. *Ending the Scourge of Hunger and Poverty in Uganda*, by Prof. Jossy Bibangambah (2001); Discussion Paper No. 4.
5. *The PRSP Process in Uganda*, by Zie Gariyo (2002). Discussion Paper No.5
6. *Budget Transparency in Uganda (2004)*; Discussion Paper No. 6.
7. *Poverty Reduction Strategy Papers (PRSPs) and Resource Allocation to the Health Sector (2004)*; Discussion Paper No. 7

Review Papers

8. *Budgetary Policy and Expenditure in the Social Sector in Uganda (1998) Review Report No.1*
9. *The legal and institutional framework to fight corruption in Uganda (1999) Review Report No. 3*
10. *The Status of Uganda's External Debt (2002), Review Report No. 4*
11. *The Uganda Budget 2003–04: What Relevance to the Poverty Situation? (2003) Review Report No. 5*
12. *Tracing the Benefits of Poverty Action Fund to the Poor in Uganda (2005); Review Report No. 6*
13. *The Implementation of the Fiscal Decentralisation Strategy in Bushenyi and Tororo Districts; Review Report No. 7, 2005.*

Policy Briefs

14. *The 2006/07 National Budget: Shortfall in Pro-Poor Spending; Budget Policy Brief No.1, 2006*

Research Reports

15. *Internal Management Issues as a Factor Contributing to Uganda's External Debt Burden (1997), Research Report No.1*
16. *African Debt Peonage: Critical Reflections and a Call for Immediate Action (1999).*
17. *Can You Listen to Us? Children's Views About Universal Primary Education and Poverty Eradication in Uganda (2004); Research Report No. 5*
18. *Dossier: Corruption in Uganda(2001)*



Workshop and Media Reports

19. *Civil Society Regional Consultations; Revision of the PEAP, final report (2000)*
20. *Participatory Community Based Budget Performance Monitoring and Evaluation Systems; A bridged Report of Tororo District Pilot (2003).*
21. *President Clinton's Visit to Uganda Report on Media Advocacy Campaign (1998)*
22. *The Extent of the Abuse and Misuse of Public Office and Resources in Uganda (2001), Report of the National Forum.*
23. *Budget Advocacy Workshop Report (2000)*
24. *Understanding and advocating on Budgets in Uganda, Workshop report, (2000)*
25. *Civil Society regional Consultations on the PEAP: Summary of participants views (2000)*
26. *The Cry of a dying Buffaro, a report of poverty in Katakwi district, 2001*
27. *Community Based Monitoring and Evaluation System, a pilot in Kamuli district, 2002*
28. *Continued Misuse and Wastage of Public Resources (2005); Statement of Members of Civil Society presented to the PER workshop May, 2005.*
29. *Corruption: Time for Citizens to Act; (2000)*
30. *Kamuli PMC Monitors the Implementation of PAF (2001); Report of findings from 9 Sub counties in Kamuli District*
31. *Teso Youth Speak-out on Corruption (2002)*
32. *Busoga Anti-Corruption Coalition: A report on the Workshop held in June, 2002*

Other materials

33. *Strategic Advocacy Programme and Plan 2006-08.*
34. *Monitoring Procurement and Disposal of Public Assets: A Guide for Grassroots Monitors (2003)*
35. *Annual Report 1998*
36. *Annual Report 1999*
37. *Annual Report 2000*
38. *Annual Report 2001*
39. *Annual Report 2002*
40. *Annual Report 2003*
41. *Annual Report 2004*
42. *Annual Report 2005*
43. *Report of monitoring the Poverty Action Fund, Annual Report May 2001- April 2002.*
44. *Annual Report of Monitoring the Poverty Action Fund. May 2002- April 2003.*
45. *Report of the Review of the Budget Advocacy Initiative (BAI), May 2003.*
46. *Budget Advocacy Initiative (BAI): End of Project Evaluation.*
47. *Statement of Resolutions on the Proposed Parliamentary Pensions Bill 2003: Are MPs Betraying the Public Trust?*

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UGANDA DEBT NETWORK

P.O. Box 21509 Kampala

Tel: 256 414 533840 / 543974

Fax: 256 414 534856

E-mail: info@udn.or.ug

Website: www.udn.or.ug