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## CASE COMPETITION

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Collaborating, learning, and adapting (CLA) have long been a part of USAID's work. USAID staff and implementing partners have always sought ways to better understand the development process and USAID's contribution to it, to collaborate in order to speed and deepen results, to share the successes and lessons of USAID's initiatives, and to institute improvements to programs and operations. Through this case competition, USAID and its LEARN mechanism seek to capture and share the stories of those efforts. To learn more about the CLA Case Competition,

# Integrated Planning and Budgeting Strengthens District Operational Plans in Uganda

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## What is the general context in which the story takes place?

The Strengthening Decentralization for Sustainability (SDS) Program is a six-year, \$54.9 million, USAID-funded project in Uganda. It is USAID's vehicle for empowering local governments in Uganda to drive the decentralization process, a necessary condition for sustained improvement in social sector services. The overall focus of the program is to build the capacity of 35 partner districts and sub-county local governments to improve service delivery by providing technical assistance (TA) and by complementing local government resources with grants.

The District Operational Plan (DOP) is a USAID initiative designed to align resources and improve collaboration and accountability in local government. It provides a framework for planning and coordinating USAID assistance with each participating district in order to achieve shared development objectives through a more efficient and effective approach. As part of USAID's 2011-2015 Uganda Country Development Cooperation Strategy, the DOP aims to advance the Paris Declaration Principles of Aid Effectiveness and the Government of Uganda's Partnership Policy. A memorandum of understanding between the district and USAID gives districts more power to coordinate donors' activities.

Specifically, the DOP aims to:

- Ensure that USAID programs are aligned with district development plans.
- Eliminate duplication and improve complementarities among USAID implementing partners.
- Improve collaboration and communication among local governments and other stakeholders in the district.
- Strengthen the district's and USAID's joint coordination, implementation, monitoring, and evaluation of activities within the district.
- Facilitate district governments' understanding of USAID's portfolio and their ability to provide specific feedback to USAID on project performance.



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This summarizes the CLA study that the SDS Program carried out to assess the impact of one of its intervention approaches: program support through integrated planning and budgeting direct technical assistance, a major performance trigger for decentralized service support to 35 district local governments in Uganda and USAID's DOPs.

### **What was the main challenge/opportunity you were addressing with this CLA approach or activity?**

SDS' main challenge was to strengthen coordination among all development actors working at the local government level to achieve shared development objectives, align development plans, and ensure that the partners participate in regular planning and review meetings. DOPs are implemented through District Management Committees (DMCs), an important element of the process that links sector reporting, data used for decision-making and planning, resolution of DMC action items, and ongoing collaboration between development partners. DMC meetings are pivotal for reaching consensus on priorities and roles, but the success of a DOP depends on the functionality of local governments and on the integration of implementing partner budgets and work plans into the district development plans. Even though the DMC mechanism facilitates alignment with district development plans, the model needed improvement so local governments could successfully coordinate partners and districts, and thereby strengthen their service delivery. SDS developed the Integrated Planning and Budgeting (IPB) tool for districts to better coordinate donor support.

From January to March 2014, the SDS team launched a CLA study that was, in part, designed to evaluate the effects of direct TA. It was also intended to inform program stakeholders regarding impact, best practices, and lessons learned. The CLA-related activities conducted during the reporting period included development of tools, training of data collection personnel, and the collection of impact data from district leaders in 24 randomly selected districts (12 SDS and 12 non-SDS). To assess the impact produced under SDS direct TA, we reviewed several TA components using statistically rigorous comparisons between the two district samples. The major TA components included:

- a) Integrated planning and budgeting
- b) Leadership and revenue enhancement
- c) Public finance management and accounting and audit
- d) Procurement
- e) Monitoring and evaluation
- f) Coordination mechanisms

### **Describe the CLA approach or activity employed.**

The CLA study assessed the impact of two intervention approaches that SDS employs: direct TA and program support through grants. These components have been the major performance triggers for decentralized service support to 35 district local governments in Uganda. The study was conducted using a quasi-experimental design, which matched 12 SDS-supported districts with 12 similar districts that did not receive SDS support. Matching criteria for non-SDS districts included size, population, district age, chief administrative officers' length of tenure, geographic makeup, economic status, and HIV/AIDS incidence.

For logistical and cost reasons, we randomly selected a subset of SDS and non-SDS districts: four SDS districts and four non-SDS districts from each of Uganda's three regions (Central, Eastern, and Western), for a total of 24 districts. Two sets of questionnaires were developed, one to assess TA impact and the other to measure the impact of grants. The questions were organized around key expected impact areas. Data was collected from the various districts, delivered to SDS headquarters, and checked for completeness, consistency, and accuracy.

We integrated data quality analysis throughout the study, with particular attention to the following quality elements: validity reliability, precision, integrity, and timeliness. As part of data quality control, data collectors were trained before the collection exercise, and each collection team was assigned a supervisor who was highly knowledgeable and experienced in collection. The monitoring and evaluation team provided technical



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backstopping and was consulted from time to time to provide clarity and/or advice on emerging challenges faced during the collection exercise.

Last, the data was entered into EpiData, a simple data entry and documentation software, and analyzed for descriptive and multivariate statistics using SPSS. To complement the study, a desk review on SDS TA literature was conducted, which focused on the SDS TA approach, underlying assumptions, and expected benefits.

### **Were there any special considerations during implementation (e.g., necessary resources or enabling factors)?**

Respondents identified several enabling factors that improved the effectiveness of TA: commitment of district staff and political leaders, good working relationships between SDS staff and district leaders, availability of an empowered SDS contact person (district planner), and clear guidelines and close support supervision from SDS. These factors relate directly to what SDS has supported through grants for the past three years and with TA for the past two years.

Inhibiting factors included delays in release of funds and lack of sufficient logistical support. These factors are likely to remain as obstacles unless district leaders begin to prioritize responsiveness over accountability. SDS might have inaccurately assessed the need, but the authorities responsible for overseeing these functions were not engaged in their duties when SDS staff moved in to provide support.

### **Study Limitations**

**Self-reported data:** Due to the study's reliance on self-reported data, and the fact that questions about the SDS Program were presented to direct recipients of SDS support, there is a potential source of bias in the responses. SDS will complement results from the self-reported data by undertaking another study, a review of pertinent district local government documents such as work plans, budgets, audit reports, and performance reports.

**Question interpretation:** There is a possibility that respondents interpreted questions and categories in different ways, affecting the comparability of some responses. For example, in-depth interactions with SDS staff may have led respondents in SDS-supported districts to have a different understanding of certain concepts (e.g., integrated planning) than respondents from non-SDS supported districts.

**Timeframe, funding, and time constraints:** The interval between SDS TA delivery and the assessment exercise was relatively short, making it impossible to draw conclusions about medium- to long-term impact. Furthermore, due to funding and time constraints, the study focused on district leaders' perceptions of SDS-delivered TA (for SDS-supported districts) and their districts' current performance. A review of district plans, budgets, and reports was not done to complement the self-reported responses.

Despite these limitations, the CLA study provided much information on district performance and the contributions that district leaders attributed to SDS support via grants and direct TA. This information can help SDS identify areas of focus to improve the quality of SDS interventions and, ultimately, the performance of district local governments.

### **What have been the outcomes, results, or impacts of the activity or approach to date?**

The impact of our direct TA on the IPB tool was revealed through:

#### **IP work plans and budgets reflected in district Budget Framework Papers for FY 2013/2014**

- On whether the TA that SDS provided to districts on IPB affected their performance, the results showed that among SDS districts, budgets and work plans were shared 91 percent of the time, compared to 57 percent among non-SDS districts. This analysis revealed the effectiveness of this type of TA.



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- Regarding the use of data in district plans and budgets, the results showed virtually no difference between SDS and non-SDS districts, suggesting that TA in this area had no effect.
- Contrary to expectations, non-SDS supported districts reported sharing budget framework papers with their IPs much more consistently than respondents in SDS districts. One possibility for this is that leaders in SDS districts may have a more stringent definition of sharing budget framework papers and work plans than leaders in non-SDS districts.
- A very high level of coordination exists among SDS districts (91 percent) compared with non-SDS districts (60 percent). That most SDS districts engage stakeholders to discuss and analyze results reflects good practice and SDS' emphasis on coordination. This result might be attributed to TA, and it may also be the result of the DOP arrangement in all 35 SDS districts, where stakeholders come together quarterly to discuss implementation results.

### **District agreement with usage of indicators to track performance**

- The CLA study sought to establish whether or not district staff agreed that there was an efficient indicator system for monitoring implementation progress on a quarterly basis. All respondents agreed that such indicators exist.

Overall, our CLA study showed that SDS TA was most effective in integration of plans and budgets for on-budget and off-budget (in-kind) support; identification of new approaches for revenue collection; forward and backward sharing of budgets; and coordination of planning, including developing a joint common indicator framework across the entire development landscape.

### **What were the most important lessons learned?**

Although the effects of SDS TA on service delivery were mixed, it's possible that the impacts could not be observed in the relatively short time frame used in this study. Senior district officials were unanimous in their agreement that SDS delivered TA was very useful and will result in positive impact in the long run. New skills and practices acquired through TA may take time to transform the performance of individuals and systems. This study was conducted barely two years after the first TA was introduced. Some TA was delivered even more recently, leading to the suggestion that a longer time frame may be necessary to observe a significant impact from TA to the districts.

The CLA study revealed several TA components that had high impact, were handled well, and that partners agreed should be replicated: support supervision training; coordination; executive leadership and governance; procurement management; innovation training; local revenue enhancement; integrated planning and budgeting; monitoring and evaluation, data collection, and management; and public financial management.

We plan to conduct another CLA assessment within a year of the last one. This study will attempt to rectify limiting issues, such as different interpretations of questions, and will provide a somewhat longer-term view and validation of the effectiveness of various types of TA. The assessment methodology should include:

- A desk review of district work plans/budgets/revenue plans for different sets of financial years
- Questionnaires and structured interviews to complement the district document reviews
- Participation and observations in budget meetings, district planning meetings, etc., along with other methods for quantitative and qualitative study and analysis

### **Is there any other critical information you would like to share?**

We implemented several specific activities or tools to promote the use of IPB in SDS partner districts:



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- Developed an IPB data collection template and facilitated the districts' dissemination of templates to all development partners to capture data on direct monetary grants and non-monetary or in-kind support for input into budgets and work plans
- Developed and introduced a donor support work plan template to partner districts
- Developed an IPB reporting template to enable development partners to report on the progress of implementing off-budget support to the districts
- Facilitated the districts' collection of information using IPB Form A and supported the preparation of a report on consolidated donor support for preparation of the budget framework papers and presentation to the budget conference

Benefits of the TA focused on IPB:

- Increased leverage in coordination of IPs and their involvement in the district budgeting and planning process as observed in the increasing percentage of IPs attending budget conferences and whose budgets are included in the district plans
- More consistent inclusion of IP activities and plans into the broader district plan (DOP), thereby integrating USAID's efforts with district efforts
- Identification of redundancies and gaps in service delivery in the districts
- Alignment of USAID and other donor resources with district priorities as outlined in the DDPs

Last, the IPB workshops enabled districts to coordinate meetings, driving the coordination of all partners working in their districts, resulting in a harmonized approach toward improved service delivery within the districts.