

STRENGTHENING THE
ECONOMIC DIMENSIONS
OF PEACEBUILDING
CASE STUDY SERIES

Enabling peace economies through early recovery – Perspectives from Uganda

Jessica Banfield with Jana Naujoks

About International Alert

International Alert is an independent peacebuilding organisation that has worked for over 20 years to lay the foundations for lasting peace and security in communities affected by violent conflict. Our multifaceted approach focuses both in and across various regions; aiming to shape policies and practices that affect peacebuilding; and helping build skills and capacity through training.

Our field work is based in Africa, South Asia, the South Caucasus, Latin America, Lebanon and the Philippines. Our thematic projects work at local, regional and international levels, focusing on cross-cutting issues critical to building sustainable peace. These include business and economy, gender, governance, aid, security and justice. We are one of the world's leading peacebuilding NGOs with more than 120 staff based in London and our 11 field offices.

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Strengthening the economic dimensions of peacebuilding – about the project

This series of four country case studies explores the ways in which the economic causes, drivers and impacts of conflict have been tackled in different ways in different conflict-affected countries where Alert works. The aim is to encourage cross-country learning, and inform what has become a vibrant international debate in the last few years on how to adapt economic development interventions to conflict contexts, in a way that makes them conflict-sensitive, and able to support longer-term peacebuilding.

It is not possible of course to discuss the wide range of economic needs and interventions present in each country context comprehensively; each case study therefore focuses on a particular aspect of economic recovery, and presents a particular angle on the question:

- **Uganda:** the case study illustrates the challenge of planning for “early recovery” in the context of an ongoing and fragile peace process, and identifies opportunities for enabling a peace economy through early recovery;
- **Nepal:** this report explores possible roles for the business community in supporting economic recovery after war, and illustrates the need to link capital-centric peace processes and economic development planning with district-level perspectives and needs;
- **Sri Lanka:** this study looks at some of the conceptual links made between youth, unemployment and conflict, and identifies several gaps in practice; and
- **Colombia:** this case study explores lessons learnt on “alternative livelihood” programming in situations of ongoing violence, and identifies entry-points for conflict-sensitivity.

In addition to the country case studies, the project will be producing a series of thematic briefing papers, as well as training resources, in the course of 2009. For more information, please visit www.international-alert.org/peace_and_economy.

The objectives of the project are three-fold:

- To identify lessons in order to generate evidence-based resources and guidance for policymakers and practitioners to improve the conflict-sensitivity and peacebuilding impacts of economic interventions
- To promote uptake of such good practice
- To put the links between economic recovery and peacebuilding on the agenda of relevant in-country and international actors through advocacy, outreach and networking

The project forms part of International Alert’s wider work, ongoing since 1999, on improving business conduct and promoting a peacebuilding approach to economic activities and interventions in conflict-prone and conflict-affected countries. Our firm belief is that just and lasting peace requires broadly shared economic opportunities, including decent work, to redress economic issues and grievances that fuelled violent conflict in the first place, and to address the economic impacts of conflict on the livelihoods and lives of conflict-affected populations.

Indeed strengthening the private sector and market-based economies has become a key concern for development assistance in recent years, including in countries affected by conflict. But while the links between peacebuilding and the economy may be obvious, it is less clear how a peacebuilding approach to such economic interventions can be achieved in practice, and how they can be made conflict-sensitive. Understanding the ways in which these interventions can interact with pre-existing conflict dynamics is crucial given that the allocation of resources and economic opportunities feature prominently as root causes in many conflicts; therefore any external intervention targeting the economic sphere is bound to interact with core conflict issues and the economic legacies left by violent conflict. This will be to the detriment of the local conflict context, and programmes, alike.

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Acronyms

APG	Acholi Parliamentary Group
APEP	Agricultural Productivity Enhancement Programme
ASCA	Accumulated Savings and Credit Association
CAR	Central African Republic
CPA	Comprehensive Peace Accord
DANIDA	Danish International Development Agency
DRC	Democratic Republic of Congo
DDR	Disarmament, Demobilisation and Reintegration
DfID	Department for International Development (UK)
EC	European Commission
EU	European Union
FDC	Forum for Democratic Change
FGD	Focus group discussion
FPA	Final Peace Agreement
ICC	International Criminal Court
IDP	Internally Displaced Persons
IFI	International Financial Institution
JLOS	Justice, Law and Order Sector
JMC	Joint Monitoring Committee
KII	Key Informant Interview
LDPG	Local Development Partner Groups
LRA	Lord's Resistance Army
MDI	Micro deposit-taking institution
MFI	Microfinance institution
MFPED	Ministry of Finance, Planning and Economic Development
NAADS	National Agricultural Advisory Services
NGO	Non-governmental organisation
NRM	National Resistance Movement
NURD	Northern Uganda Recovery and Development
NUSAF	Northern Uganda Social Action Fund
OPM	Office of the Prime Minister
PRDP	Peace, Recovery and Development Plan for Northern Uganda
PRSPs	Poverty Reduction Strategy Papers
QIP	Quick Impact Projects
ROSCA	Rotating Savings Credit Association
SACCO	Savings and Credit Co-operative
SIDA	Swedish International Development Agency
SWAY	Survey of War-affected Youth
SWG	Sector Working Group
UBOS	Uganda Bureau of Statistics
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers' Association
UNDP	United Nations Development Programme
UPDF	Uganda People's Defence Forces
USAID	United States Agency for International Development
UTA	Uganda Tourism Association
UWA	Uganda Wildlife Authority
VSLA	Voluntary Savings and Loans Association
WFP	World Food Programme

Executive summary and key lessons

A political economy lens on conflict in Northern Uganda highlights the intricate links between the region's economy and its conflict and prospects for peace. This report argues that such a focus provides a clear rationale for different policy-makers and implementers from each of government, development partners and the private sector to adopt more conflict-sensitive approaches to contributing to early economic recovery of the region. Careful planning for and implementation of early recovery that is grounded in an appreciation of macro- and micro-level conflict dynamics, it is argued, can help enable the emergence of a peace economy in this region affected by years of war.

The report draws substantially on a survey commissioned by International Alert in Uganda of people's perceptions about their current economic circumstances and prospects for recovery, conducted in June–July 2008 in the districts of Amuru, Gulu, Kitgum and Lira. Through analysis of findings from the survey, and wider policy developments affecting the region, several current priorities are identified for laying the foundations of a peace economy in the region. These are:

- Facilitating peaceful return of IDPs and mitigating land conflicts;
- Providing livelihoods support;
- Strengthening financial services;
- Offering opportunities for youth;
- Rebuilding infrastructure;
- Enhancing agricultural productivity;
- Promoting conflict-sensitive investment; and
- Strengthening Northern Uganda as a regional trade hub.

The report finds that while there is a great deal of development activity in many of these areas, significant institutional and political challenges confront effective implementation both of government and various donor initiatives. In addition to addressing these, a great deal more needs to be done to prioritise, scale-up and improve coordination of interventions across “the peace economy” framework. At the same time, the report highlights how conflict risks are present in each area and throughout the entire recovery venture. These risks include the danger that patterns of exclusion are perpetuated as southern or politically connected individuals in the north maintain a monopoly of opportunities, for example in agri-business growth and rebuilding of infrastructure; that suspicion and mistrust of the government will be compounded if a peace dividend is not delivered to Northern populations; or that at more micro levels, beneficiary selection for the various interventions continues to be conflict-blind and feeds into the local tensions that are the inevitable result of years of displacement and rupture.

Several key lessons emerge that are of relevance for the international debate on early recovery:

KEY LESSONS

- **Gaining and maintaining the peace needs to be at the heart of all early recovery efforts.** Peacebuilding needs to be integral to the multiple components of early recovery, and well-resourced. As a priority, peacebuilding should be treated as “first among equals”. Failure to mainstream a peacebuilding approach could lead to programming in other areas exacerbating political divisions and conflict dynamics. This is even more important in situations where an actual peace agreement has not been signed as is the case in Northern Uganda, so that peace can be shored up at different levels.
- **Context-specific analysis of early recovery “gaps” is required.** Several of the gaps identified in recent early recovery debates are clearly reflected in the Ugandan case. They include the critical delay in funding between humanitarian and longer-term development efforts, and lack of clarity as to which agencies should lead coordination efforts for early recovery; as well as “capital-centric” planning that does not always sufficiently reach out to or factor in the concerns of precisely those populations and regions affected by conflict.
- **Conflict-sensitivity is not a technical tick-box exercise; it needs to inform all levels of planning and implementation.** The current situation in Northern Uganda illustrates how persistent and dynamic conflict factors are, both at micro (community) and macro- (national) levels. In particular, the economic legacies left by war are a test of strength for governments as well as development agencies, and highlight the centrality of understanding economic programmes and interventions through a conflict-sensitivity lens.
- **More funding may be needed, but it needs to be supplied and spent in a way that does not fuel conflict.** Current efforts to better enable the international peacebuilding architecture to release more funding, more quickly and more flexibly, are welcome. In the Ugandan context, creating a “honey-pot effect” with increased recovery funding becoming available to elites, will only serve to further marginalise and exclude Northern Ugandans from the future benefits of peace.
- **International good practice on early recovery is urgently needed on the ground to guide governments and development partners.** The current push for consolidating and systematising international knowledge and practice on early recovery is important, and will likely gain increasing momentum over the next few years given the high-level interest in the topic. Attention needs to be paid however that these debates and analyses are not limited to development agency and governmental headquarters, but really trickle down to, and are in turn informed by, dilemmas and challenges confronted on the ground.

1. Introduction

Through 2008, as a result of progress made during the Juba peace process, a renewed sense of possibility emerged regarding the rebuilding of Northern Uganda's economy, with government, development partners and the private sector all planning either to make the most of the opportunities that might present themselves in the north's post-settlement economy, or to contribute to peace through revised programmatic interventions. With increasingly vicious attacks conducted by the LRA in eastern DRC, and a renewed military offensive by Ugandan, Congolese and South Sudanese forces as part of Operation Lightning Thunder, the peace process now appears to have foundered. However the gains made during the months of relative peace in terms of early economic recovery need to be safeguarded, and plans delivered. This report is particularly concerned with the economic dimensions of peace in Northern Uganda, recognising both the political economy of the conflict, and the continuing challenge for peace processes globally to deliver "peace dividends" that address structural economic imbalances and contribute meaningfully to stability in the long term.

1.1. Purpose and structure of the report

The attention and interest of various stakeholders in rebuilding Northern Uganda's economy present critically important opportunities for positive change and a move towards sustainable peace in the region, following years of economic decline and underdevelopment during the decades of conflict. But how strategic are these plans, given the challenges that persist, and when seen from a peacebuilding perspective? Are the opportunities to address root causes, immediate consequences, and ongoing threats of war being seized? What are the unforeseen risks of a re-emergence of conflict posed by some approaches, and how might potential impacts of a re-emergence of the LRA conflict in Uganda best be understood? How can these risks best be mitigated?

This report seeks to tackle these questions, with a view to drawing lessons from the Northern Ugandan experience for the international debate on early recovery. This includes thorough reflection on the difficulties encountered by early recovery efforts in-country, and exploration of how they can be geared towards strengthening what we term a "peace economy". By this, we mean an economy that redresses the economic causes as well as legacies of war; and that displays those economic factors that are known to contribute to stability. These include broadly shared economic opportunities that are equally accessible to different groups in society and can satisfy people's needs and aspirations; and diversified, regionally balanced and integrated economies and markets that can withstand shocks. Analysis of the political economy is therefore required to identify context-specific factors that can help and hinder peace efforts.¹

Section 2 gives a brief overview of the international debate on early recovery to frame the subsequent discussion. The history and factors driving Northern Uganda's conflict are described in **Section 3**, which also briefly analyses the Juba peace process. **Section 4** then delves into the economic legacies left by the conflict, underlining the depth of challenge in achieving economic recovery in the region. **Section 5** reviews separately the current plans and roles played by the government, development agencies, and the private sector with regards to recovery in the north. **Section 6** then outlines risks as well as opportunities for tackling a series of priority areas that threaten to de-rail recovery, as well as peace, if left unaddressed. These are: facilitating peaceful IDP return and mitigating land conflicts; providing livelihoods support; strengthening financial services; offering opportunities for youths; rebuilding infrastructure; enhancing agricultural productivity; promoting conflict-sensitive investment; and finally strengthening Northern Uganda as a regional trade hub.

1.2. Method and limitations

The report is based on Alert's field work in Uganda which focuses explicitly on economic dimensions of peacebuilding in the north, as well as elsewhere in the country. It draws on a review of available government and development agency planning documents, secondary literature, and extensive consultations with different actors as part of our work. The analysis further draws on data gathered by an empirical field survey commissioned by Alert's Uganda programme and carried out by Kampala-based research firm Associates Research in 2008,² which included:

- Highly structured questionnaires administered to sampled household heads;
- Key informant interviews with individuals from relevant institutions and organisations, including district chairs, local leaders, MPs, chambers of commerce and district farmers' associations; and
- Focus group discussions that brought together community members and leaders to discuss economic recovery and peacebuilding challenges.

The detailed survey methodology is included in Annex 1. While the term "Northern Uganda" can be used to describe the whole geographic north of Uganda, in this report it is used to refer specifically to those districts most affected by the LRA conflict (that is, the Acholi and Lango sub-regions).

2. Enabling peace economies through early recovery – Overview of the international debate

A recent UNDP report on post-conflict economic recovery defines two objectives for post-conflict recovery: firstly 'to re-establish the conditions for self-sustaining economic growth and human development', and secondly but no less importantly, 'to reduce the major risk factors of conflict recurrence such as low per capita incomes, poor employment opportunities, weak economic growth, and severe socio-economic horizontal inequalities'.³ All of these risk factors apply in Northern Uganda, and thus need to be addressed if a sustainable peace is to be built.

Early recovery requires adherence to development principles of participation, sustainability, local ownership and capacities, but should be integrated with humanitarian mechanisms.⁴ The action required by early recovery is 'political, but requires a focus on socio-economics and programs. It is developmental, but requires political/conflict sensitivity and speed of manoeuvre. It operates in the humanitarian sphere, but requires a focus on the state.'⁵ Early recovery is so elusive and difficult to circumscribe because it contains all the dilemmas and trade-offs that peacebuilding entails, but requires rapid decisions and strategising to plant the seeds for future sustainable development.⁶ It requires a coordinated approach, reliable funding and most of all a detailed assessment of local needs, capacities, and drivers of conflict.

Given these complexities, more and more agencies are placing an emphasis on better responding to "early recovery" needs. The UK government for example has recognised the international community's limitations in acting fast and effectively in post-conflict contexts, and has recently adopted as one of its main priorities tackling some of the gaps in the international response, at the highest level.⁷ Similarly, different parts of the UN system are reviewing their response and activities in post-conflict contexts in the light of combined peacebuilding and early recovery needs, with a UN Secretary General Report on the issues to be finalised in May 2009.⁸

A recent report commissioned by DfID to analyse the challenges for early action finds that, while international actors can rapidly and flexibly launch relief efforts, and international peacekeeping

has become more effective as a result of the last decade of reforms; the response to addressing economic recovery, livelihoods, services and state-building is undertaken in a more ad hoc manner by a diverse group of bilateral and multilateral actors who do not primarily operate in conflict zones, or are not mandated to tackle conflict in the first instance.⁹ As a result, projects are not always carried out in a conflict-sensitive manner and can serve to increase tensions on the ground. Funds for these developmental interventions are typically slow to mobilise, delaying implementation. Often strategic vision and coordination across the different initiatives is severely lacking, or underresourced.¹⁰ While the newly established Peacebuilding Commission works on some of these issues, it does so mainly in late recovery contexts.

The report calls for a clarification of the core functions of International Financial Institutions (IFIs) and UN agencies for development in conflict contexts as a vital step towards improving early recovery interventions.¹¹ Based on a review of several recent cases including Timor Leste, Sudan, Lebanon, Nepal and Afghanistan, it summarises that ‘there was no evidence of strategy that encompassed political, security, development and humanitarian tools across bilateral and multilateral actors; and no framework for prioritisation’.¹² Similar issues were raised by a recent early recovery policy forum hosted by the Danish Ministry of Foreign Affairs.¹³ The forum identified a series of 19 objectives covering improved strategy, capacity and financing mechanisms in early recovery contexts (the full statement of the forum and agreed objectives are included in Annex 2).

While there is clearly increasing international momentum behind addressing recovery challenges, ‘in the absence of a general consensus on what is meant by early recovery, both in policy and programmatic terms, the concept became and continues to be open to different interpretations’.¹⁴ The timing of early recovery is just as difficult to pin down: ‘It can refer both to response to disaster and conflict; to phases that are prior to the cessation of hostilities, and often (loosely) for much later action’.¹⁵ Commenting on the discussions during the forum, one observer noted that ‘for humanitarian actors, it seemed to be linked to sectoral efforts to promote livelihoods activities at community-level. For development actors, it appeared to be linked to efforts to strengthen national recovery capacity, ensure ownership of the process, and identify opportunities to initiate development activities at the earliest stage of a crisis. Finally, for some donors and developing countries’ representatives, early recovery was related to peacebuilding initiatives and efforts to restore security’.¹⁶

Indeed for the UN Inter-Agency Standing Committee’s Cluster on Early Recovery, early recovery ‘is a multidimensional process of recovery that begins in a humanitarian setting. It is guided by development principles that seek to build on humanitarian programmes and catalyze sustainable development opportunities. It aims to generate self-sustaining, nationally owned, resilient processes for post-crisis recovery. It encompasses the restoration of basic services, livelihoods, shelter, governance, security and rule of law, environment and social dimension, including the reintegration of displaced populations’.¹⁷ This is a tall order that clearly no single agency can fulfil on its own. Prioritisation and effective coordination of these urgent tasks is just as challenging. Meanwhile some agencies have begun to develop sector- or issue-specific learning and guidance.¹⁸

The remainder of this report turns to discussing some of these challenges in the context of Northern Uganda. While early recovery is clearly a multi-dimensional task, the report focuses primarily on early recovery efforts’ potential for enabling a peace economy in the region, given the focus of this case study series. The next section frames this discussion by giving an overview of the conflict context.

3. Overview of Northern Uganda's conflict context

3.1 History and causes of conflict

British colonial rule in Uganda left a typically complex legacy with long-term implications for economic and political development: 'The manner in which "protection" was effected, the nature of the administration established and the colonial economy imposed – all were basic elements of the recipe for the chaos of the post-colonial period'.¹⁹ Specifically, designation of the north as a military and labour-recruiting ground led to a deliberate division of the country into productive and non-productive zones (focused on an export-oriented economy that stifled industrial advancement and the domestic private sector). When, for example, in 1925, the new Director of Agriculture started to encourage cotton production in the north, he was advised: 'The policy of government is at present to refrain from actively stimulating the production of cotton or other economic crops in outlying districts on which it is dependent for a supply of labour for carrying out of essential services in the central producing districts'.²⁰ Concentration of political and productive wealth in the south laid the foundation for the disparity in developmental indicators that still persists today.

The violence, terror and economic failures of various regimes led by Northerners only served to consolidate these divisions, creating a north-south polarisation. When the Southern-led National Resistance Movement (NRM) seized power in 1986, it was perhaps inevitable that various factions in the north would seek to regain it. Northern rebellion against NRM rule emerged in its first year, under the command of Odong Latek's Uganda People's Democratic Army (UPDA). The UPDA was quickly succeeded by Alice Auma (Lakwena)'s Holy Spirit Mobile Force; followed shortly thereafter by Joseph Kony's movement in 1987, most widely known as the Lord's Resistance Army (LRA).²¹ Initially, the Northern rebellion was able to mobilise popular support by appealing to ethnic anxieties about revenge, but the LRA swiftly squandered this through its abuse of and atrocities against civilians.²²

Despite significant inroads made particularly in the earlier phases of NRM rule towards creating a less ethnically divided and more integrated nation-state overall, stark divisions particularly between north and south remain, compounded by the long years of conflict. Instead of addressing the socio-economic divide between north and south Uganda, the NRM years have seen a perpetuation and exacerbation of divergent development indicators across the country, symptomatic of an ever-deepening spiral of further rebellion and ongoing neglect: while the proportion of the population living in poverty in the south and west is now roughly 27 percent, the percentage in the north is 63 percent while in the east it is 46 percent.²³ Other indicators show a similar disparity.²⁴

In addition, the LRA conflict has taken a long time to conclude, leaving many with the perception that the government has not seen it as in its own best interest to bring peace to the region. Failure of the government not only to ensure that developmental gains enjoyed elsewhere in the country reach the north, but also to protect civilians adequately during the long years of conflict, has created a deeply-felt mistrust of the government among the population of the north that poses significant challenges to longer-term peace and recovery, as will be discussed in further detail below.

3.2. Drivers of conflict – Northern Uganda's war economy

'I know of traders, who at the start of the war were mediocre in their business, but today they have built houses, hotels, etc. They have made a lot of money from this conflict, some are supporters of everything that has gone wrong in trying to end this conflict'. (KII, Gulu)

Related to the mistrust felt by many Northern Ugandans towards the government are perceptions that certain politically well-connected individuals and military personnel actively exploited the conditions of the conflict in order to acquire personal wealth. Allegations made about UPDF generals growing rich through exploitation of natural resources during Uganda's engagement in war in the DRC led to international campaigns by advocacy NGOs, and censure of Uganda under UN Security Council Resolutions 1304 (2000) and 1332 (2000). It also resulted in a case at the International Court of Justice brought successfully against Uganda by the DRC.²⁵ Personal enrichment during war in the DRC is echoed in reports of individuals profiteering in Northern Uganda, e.g., through the infamous "ghost soldiers" on army payrolls (investigation of this phenomenon led to sentencing of three top army officers for their involvement).²⁶ Others are purported to have exploited business opportunities and bought up land and property in the north during the war.²⁷ Some have argued that it was precisely this enrichment of a small military elite able to exploit the chaotic economic environment of war in both the DRC and Uganda that led to the LRA conflict dragging on for so long.²⁸ These individuals in effect acted as "peace spoilers" – those who stand to lose the most in economic or other terms from peace, and who as a result have an interest in perpetuating conflict.²⁹ The experience of politically connected individuals profiting while others suffer will undoubtedly influence popular perceptions of any post-conflict investment and economic recovery efforts.

This sub-text to the LRA conflict demonstrates how the betrayal of trust between the government and local people has compounded historical legacies to produce still more bitter relationships. Suspicions and grievances have been further fuelled by UPDF failure to protect civilians during some of the worst atrocities committed by the LRA during the conflict, and its own involvement in abuses, including those against suspected LRA collaborators particularly in the early phases of the conflict.³⁰ Instruments of accountability and reconciliation such as the 2000 Amnesty Act and the ICC arrest warrants have so far failed to hold the government accountable for what many perceive to be its culpability in the suffering of Northern Uganda.

3.3 Current dynamics – A fragile peace process

After nearly two years of negotiations facilitated by the Government of South Sudan Vice President Riek Machar, a host of national and international politicians, cultural leaders, members of the press and other observers assembled in Ri-Kwangba at the border between South Sudan and the Democratic Republic of Congo (DRC) on 10th April 2008. They had come to witness the signing of the FPA of the Juba peace process.

Suspicions regarding the elusive and unpredictable LRA leader Joseph Kony's overall commitment to the Juba talks had been growing in the months leading up to April as a result of reported killings of senior LRA commanders; renewed atrocities committed by the LRA in South Sudan, the DRC, and Central African Republic (CAR); and repeated querying by Kony of the terms of the agreement regarding his own future. In particular, the July 2005 decision of the International Criminal Court (ICC) in The Hague to indict Kony and several of his closest LRA commanders for war crimes and crimes against humanity was seen as an obstacle to Kony's confidence in the peace process.³¹ Despite rumours and concerns generated by these developments, the range of stakeholders that gathered on 10th April clearly signalled their readiness to give Kony the benefit of the doubt, in the interests of securing a peace deal. In any event, Kony failed to appear – as he also failed to appear at several subsequent signing ceremonies.

The months leading up to the end of 2008 and into early 2009 have seen a major re-escalation of LRA atrocities conducted primarily in eastern DRC but also in CAR and South Sudan; and a decision by the government to re-engage with the LRA militarily, through Operation Lightning Thunder. At the time of writing, despite widespread anxiety and opposition to the military course of action by leaders in the north, and some reports of successes by government, Kony remains

elusive and the eventual outcome of the operation unclear. In explaining Kony's stalling and the eventual collapse of the peace process, commentators have pointed to disagreements both within the LRA and Kony's own negotiating team, as well as outside influence from individuals within the Acholi diaspora. Other more fundamental flaws in the Juba process have also been highlighted. Northern Ugandans and other stakeholders and observers have had to come to terms with the fact that the Juba talks have until now failed to achieve their stated objective: a negotiated settlement of the 22-year-old conflict in Northern Uganda.

Despite the breakdown of the Juba peace talks, some significant successes can be claimed. While the conflict has imposed enormous social, political and economic costs on the worst-affected regions and the country as a whole, the government, according to various observers, was slow to put its full weight behind peace negotiations.³² From 2005, however, a shift in its outlook emerged, leading to a much more committed effort to find a solution to the conflict. Various factors have been cited to explain this: the threat of international opprobrium following UN Under-Secretary General for Humanitarian Affairs Jan Egeland's 2003 visit to Northern Uganda and the subsequent threat of a UN Security Council Resolution against Uganda in response to its failure to address the humanitarian crisis caused by the conflict; the threat of a reduction in military and financial assistance from key allies among development partners if a negotiated settlement was not pursued; and the government's own political need to address deep-seated mistrust and opposition in the region. Whatever the political reasoning behind the initial commitment of the government to the Juba talks, actors across the regional, political and global spectrum rallied around a shared goal of achieving a negotiated peace in Northern Uganda as never before.

The impact of the fragile peace that has accompanied the Juba talks, especially since the signing of the Cessation of Hostilities Agreement in July 2006, has been significant – and is reflected above all in the living conditions of people in LRA-affected areas. By end 2007, the overall number of Internally Displaced Persons (IDPs) living in camps in and around Northern Uganda had reduced from a high of 1.8 million to 1.3 million as people moved out of camps into transit sites or returned to their original homes.³³ By February 2008, while more than 784,000 people were still resident in IDP camps, ca. 536,700 had returned to their villages of origin and more than 372,400 were residing in locations other than the IDP camps in the areas of return.³⁴ The Lango sub-region had advanced furthest, with almost the entire population (99.7 percent) having moved out of the camps, primarily to their original areas.³⁵ In stark comparison, 63 and 72 percent of the respective populations of Acholi and Teso sub-regions were still in IDP camps.³⁶

Considerable progress was also made during the negotiations on articulating some of the root causes and most serious impacts of the long years of conflict, and this is reflected in the terms of the various agreements reached. These include agreements on Cessation of Hostilities, Comprehensive Solutions, Accountability and Reconciliation, Permanent Ceasefire, Disarmament, Demobilisation and Reintegration, as well as Implementation and Monitoring Mechanisms for the above.³⁷ At least on paper, the content of these texts marked a significant step forward in how the conflict is understood, and how it might be resolved in the interests of lasting peace. Failure to reach a Final Peace Agreement however, raises questions as to the significance of these agreements, and the government has to date failed to indicate clearly whether for its part it considers the thrust of the texts as binding or not.

Meanwhile, new local-level or micro conflicts are emerging in the region, associated with the population flux that peace has allowed. Specifically, there is a steep increase in land boundary disputes arising as IDPs try to return to their home areas after long years of absence, in a context where land is for the most part customarily owned and decision-making processes require multiple inputs from clan members. Population growth adds pressure in this situation. Such new conflicts, and their implications for peaceful economic recovery in the region, will be explored in greater detail below.

4. Northern Uganda's economy today – Legacies of conflict

'For us when the war started, we had to sell our chickens, goats and sheep. In the camps where we were going; there was no place we could keep. We ate, the money it got finished and we started begging'. (Women FGD, Amuru District)

'...Everything was abandoned: crops in the gardens; those in the house, even shops would be left just like that. We would only mind about our lives and not crops or animals. Some who were lucky sold their things first and then moved to the camps. The whole day we would do nothing but sit and wait for World Food Programme to give us food...' (Men FGD, Lira District)

Traditionally, the Northern region's economy was dependent on agriculture, specifically animal rearing and food crops. With large-scale displacement spanning a decade, this is no longer the case, and until recently, production has been very low. Survey findings show the dramatic effect conflict has had on crop cultivation: regarding the effect of conflict on economic activities, complete cessation of cultivation was rated at 81 percent by survey respondents, while grievous harm and theft of livestock followed with a rating of 12.5 percent.³⁸ As a result, a population that had previously not only been self-reliant but provided the rest of Uganda with basic foodstuffs, became dependent on food aid, while other regions of Uganda have benefited by meeting the gap in supply.³⁹

It is clear that while some individuals profited during the LRA conflict as discussed above, many local businesses lost goods, property, money and even lives. Businesses in trading centres were regularly targeted by LRA rebels for supplies or money, shops were robbed, and vehicles ambushed and destroyed. Insecurity further isolated the region from the rest of the country. High transport costs, corruption among UPDF officers, and other risks associated with the movement of goods and people have all been recorded.⁴⁰ Local businesspeople have also cited tensions and resentment between them and civil servants due to corruption within the local government system, with allegations of local government officials awarding themselves tenders by setting up "briefcase" companies, or extorting bribes before giving out such tenders.

The conflict has also had an enormous impact on the demographic and skills base of the region. The 2002 census indicates that the population of Northern Uganda is youthful and becoming even younger over time. Children (those under 18 years) constituted 55 percent of the population, those under 15 years constituted 49 percent, while the elderly (over 60+) made up 4 percent.⁴¹ Youth have been both the primary victims and in some senses the primary actors during the LRA conflict – and yet, according to the findings of a recent study by the Survey of War Affected Youth (SWAY), very little information on the effects of this dynamic is available, including the different effects of conflict on young men and women.⁴² This lack of information directly hampers programming efforts by government and development partners alike. The SWAY study points to the need for significant expansion of programmes that are targeted to youth, which in most cases are "grossly inadequate".⁴³

Levels of abduction of young people were high, some forced into LRA ranks and others to "support" fighters, including as sex slaves to commanders: the total number of abducted youth is placed at anywhere between 24,000–66,000.⁴⁴ The psychological impacts of the experiences undergone by both abducted and non-abducted youth are profound, with high levels of youth witnessing, experiencing and perpetrating acts of violence. Unsurprisingly, these experiences are correlated with high reported levels of family problems and emotional distress. Just under half of abducted males and under a quarter of abducted females had traditional cleansing ceremonies performed for them on their return – but forced mothers are typically excluded.⁴⁵

Meanwhile a large part of this young population has limited or no education and skills.⁴⁶ Traditional subsistence farming is unfamiliar to many young people who have grown up in camps. Elsewhere, young people's inability to secure an income has been cited as a major conflict risk, as it may facilitate their recruitment into armed ranks, or generate disillusionment and frustration that means they turn away from participating in a country's political, social and political recovery (see also the Sri Lanka study in this series on the topic). A lack of skills poses a significant risk for local people unable to fully partake in the future opportunities that economic recovery efforts will bring, in turn reinforcing their economic marginalisation.

The major economic resource of the region is land – yet here, too, the legacy of conflict poses challenges, as already identified in Section 3 and discussed in further detail below. Overall, it is clear that the costs to the region's economy taken as a whole were immense – the government Peace, Recovery and Development Plan (PRDP) itself estimates that the conflict has cost the country a productive capacity equivalent to US\$100 million per year.⁴⁷

After years of stagnation, the months of peace enjoyed by Northern Uganda during the Juba peace process led in some respects to a new feeling of buoyancy in the economy, with indications of rising investor confidence, ranging from the opening of new bank branches, movement on the road connecting Uganda and Sudan, and traders moving freely around and between districts.⁴⁸ Despite ongoing uncertainty and grim developments, economic activity is for now continuing in the region.

As the population moves from dependency on relief and free inputs towards independent living, challenges exist related to continued low levels of production that are directly linked to land conflict, as well as the lack of farming equipment and infrastructure to support production and marketing. 48.2 percent of respondents to the Alert survey mentioned food scarcity as a result of decline in crop production as a factor with significant potential to cause future local conflicts. Respondents attested that food scarcity often sparks food thefts (58 percent) and destabilises household incomes (50.7 percent). This, coupled with high dependency on land where ownership is unclear (20.7 percent), is a major threat that could fuel recurrences of conflicts and/or heighten existing ones.⁴⁹

Although agriculture is still the mainstay for most people, the character of involvement is different from before the war, and reflects a collapsed rural economy. According to the survey, there are more people selling agricultural labour (14.2 percent) compared to before the conflict (3.5 percent). Gender disaggregation shows more men (4.8 percent) compared to women (2.3 percent) engaged in sale of agricultural labour before the conflict; while currently it is higher for women (15.5 percent) compared to men (12.7 percent). The role of livestock as a means of earning a living has drastically declined, as animal numbers have dwindled. Unemployment levels among survey respondents also rose compared to before the conflict (from 5 to 13.4 percent – again, the rate of increase in unemployment was higher amongst women compared to men).

The conflict has also inevitably resulted in the emergence of new forms of productive enterprise, and adoption of emergency coping strategies.⁵⁰ Petty trade and boda-boda (motorcycle taxis) have grown dramatically; however such alternatives are yet to take the place of agriculture as the major form of livelihood. These transformations have a positive dimension, indicating resilience and capacity for diversification in the economy, with more people (25 percent, up from 16.2) self-employed in non-farm activities, and various forms of trade (shop operation, market and roadside vending)⁵¹ and vocations like mechanics, tailoring and transport all gaining prominence. There are also more negative implications – the steep increase in the number of women making a living from brewing alcohol is testimony to the rise in alcoholism in the region, most likely linked to the increase in domestic violence that the survey also confirmed.

When asked about the likely sources of future work opportunities, an overwhelming majority of respondents (87 percent) felt they themselves would have to take the initiative to improve their own opportunities. However, “self-help” requires others’ support, according to respondents. Among both rural and peri-urban respondents, the most frequently mentioned forms of support identified were loans (38 and 41.5 percent, respectively), immediately followed by securing farm inputs and accessing ox-ploughs.⁵²

When asked about priorities for economic recovery, respondents in the four survey districts emphasised that returned populations should be resettled peacefully, with adequate access to services, and their food security ensured. This would mitigate the emerging risk of conflict over food for survival, according to them. It would also help people move away from dependency on food hand-outs. Also cited was the need to diversify crop production from the region’s traditional crops like cow peas, cassava, sim-sim to other, improved varieties that are fast growing and high yielding, so as to expedite recovery of the agricultural sector.

At the time of the survey, more than half of the study population (53.5 percent) reported not having been given any form of assistance for economic recovery. A slightly larger group (55.7 percent) felt that the little economic recovery assistance being offered was neither in line with the priorities of the communities, nor disbursed effectively. Amongst those that had received economic recovery assistance, the most common form was farm inputs – mainly seeds and livestock, much less the ox-ploughs which most respondents felt were essential.⁵³

5. Early economic recovery planning and programming for the north

As well as the psychological and material stress that the continued lack of resolution to the LRA conflict imposes on civilians living in Northern Uganda, the situation leaves policy-makers with a serious dilemma. There have already been delays in administering the shift from humanitarian relief to recovery, as discussed below, and a pragmatic decision has been taken by most agencies as well as the government to throw their weight behind an anticipated peace, in the interests of not running into a total standstill. This enables planning processes to build on the gains made during the lull in violence enjoyed by the region, and important groundwork in resettling returnees and turning to a new chapter of development assistance has been laid. It does however require a “suspension of disbelief” to some extent, whereby the foundations for economic recovery in Northern Uganda are being laid without any certainty about the most fundamental precondition, namely the onset of peace. While some agencies are dealing with this by planning for different possible scenarios, it is important that all stakeholders do not lose sight of this reality.

Bearing in mind the causes as well as legacies of the conflict outlined above, and the wider context of a fragile, possibly failing, peace process, this section now reviews recovery plans and programmes for the north, by the government, development agencies, and the private sector. The focus is not so much on the technical aspects of recovery efforts, but to what extent they display an effort to be sensitive to ongoing conflict dynamics, as well as seek to avoid “doing harm” in their own turn; and how far they are able to capture existing peacebuilding opportunities.

5.1. Government – The PRDP

The Peace, Recovery and Development Plan for Northern Uganda (PRDP) attempts to provide an overarching framework for recovery of the region.⁵⁴ The PRDP priority “pillars” and strategic objectives (SOs) are:

- SO1: Consolidation of state authority;
- SO2: Rebuilding and empowering communities;
- SO3: Revitalisation of the economy; and
- SO4: Peacebuilding and reconciliation.

Initially published with a 2007–10 timeframe, implementation of the PRDP saw a slow start, with complex funding modalities still being worked out into mid-2008. Efforts made by the Office of the Prime Minister (OPM) in conjunction with the Ministry of Finance, Planning and Economic Development (MFPED) and various individual donor agencies, Local Development Partner Groups (LDPG) and Sector Working Groups (SWG) helped to clarify a way forward, and several donor agencies have made funds available to support the capacity of OPM to oversee and monitor implementation. In Uganda's national budget 2008, US\$300 million (30 percent of the total) was set aside for PRDP spending, with development partners invited to fund the rest.⁵⁵ However in January 2009, newspapers in Uganda reported that the OPM had decided to “suspend” the PRDP. While this decision relates largely to the ongoing inability of OPM and development partners to chart a way forward regarding the funding modalities and technical delivery of the programme, the timing of the news (coinciding with Operation Lightning Thunder) and generally poor communication around it, has served to greatly demoralise people in Northern Uganda, causing them to query the government's commitment to assisting the region's recovery.

Overall, the PRDP represents a significant opportunity for moving towards greater parity and integration between the economies of Uganda's north and south. It is however critically important that funds start to be visibly channelled to the north and their impact felt as part of a “peace dividend”, to evidence government commitment to the region. In particular, perceptions that government has to date failed to spread the benefits of development across the whole country must be reversed. Events, unfortunately, point in a different direction.

Even assuming the PRDP is re-launched in the near future, challenges towards its implementation are significant. Some of these are institutional – in terms of central government's capacity to coordinate and oversee implementation of the plan,⁵⁶ and local government's capacity to play its essential role in monitoring and planning for spending at district level.⁵⁷ Local government's capacity to foster open multi-stakeholder dialogue at district level to build consensus on the appropriate path for economic recovery in each district will also be critical to ensure local ownership, and sustain PRDP implementation and economic recovery as a whole.

Cases of corruption and embezzlement that have dogged previous Northern Uganda government programmes in particular sound a warning.⁵⁸ MPs carrying out a recent assessment of the return and resettlement process reported to parliament that much of the money injected into the north for recovery has had no tangible impact.⁵⁹ In implementing the PRDP, keeping track of financial flows – programme by programme, district by district – and carefully monitoring results, takes on a rationale that goes beyond technical accountability issues and straight to the heart of the structural conflict dynamics that Uganda still faces. If the profound unpopularity of government is to be reversed, and Uganda is to become a more integrated and reconciled society, money has to be well spent.

Other challenges also exist, relating to the identification and prioritisation of different issue areas.⁶⁰ Some aspects of SO3 (revitalisation of the economy) – in particular the goal of industrialising Northern Uganda – have proved particularly controversial and again in some senses go to the core of conflict dynamics in the region.⁶¹ Long-standing anxiety among northerners and speculation about plots to rob them of their land are in part at the root of the outcry against industrialisation and large-scale agri-business plantations.⁶² Mistrust of government programmes based on perceived failure of past initiatives such as the Northern Uganda Social Action Fund (NUSAF) also has contributed to these sentiments.⁶³

Opposition Northern MPs are vocal in challenging government policies – and debates on economic recovery of the region have generated particular political vitriol. The backdrop of political debate about the government-proposed Land Bill has not helped, contributing to perceptions and political opinions that accuse government of grabbing land, in some cases for President Museveni’s own ethnic group.⁶⁴

Part of the problem has been the lack of an in-depth communication strategy for the PRDP, which could help both to build understanding and to gather views to inform programming and create greater buy-in at both local and national levels. While the PRDP document claims to be based on a ‘two-year consultative process with all stakeholders at the district and national level’, information about the PRDP is not as widely available as it might be, leaving particular stakeholders, including the local private sector and civil society, under-informed. Its recent suspension has only exacerbated people’s confusion.

While there is some acknowledgment in the PRDP of these ‘perceptions that there is marginalisation of the north from the centre’,⁶⁵ understanding of the distortions these perceptions create – and their validity – must be at the heart of planning in order to anticipate, take into account, and mitigate against future conflict. There is a clear challenge that separate SO “silos” will at best be ineffectual; and at worst, work against each other, if planning and activity in one (such as encouraging investment under SO3) threatens to undermine key priorities in others (such as reconciliation under SO4). The challenge will be to design and implement programmes that are not only sensitive to all priorities, but are able to create multiplier effects across the whole spectrum of priority areas – in other words, identify the ways in which state authority, peacebuilding and reconciliation, revitalisation of the economy, and the rebuilding and empowerment of communities are mutually dependent and have to ideally strengthen each other.

So far, this understanding appears limited. Other assessments of the PRDP observe that, while it does display conflict-sensitivity to some extent, ‘key actors are assuming that confidence and peacebuilding will almost automatically follow from implementation of the development and other aspects of the PRDP’.⁶⁶ This is further compounded by the fact that government financial support to SO4 has been limited; and peacebuilding and reconciliation elements are almost exclusively focused at the micro-, community-level, with no larger vision for national reconciliation.⁶⁷

5.2 Development partners – From relief to recovery

As levels of violence dropped dramatically during the Juba peace talks and especially throughout 2007, development partners and relief agencies present in the LRA-affected districts began to talk of phasing out relief and moving to “early recovery” as well as planning for longer-term development.⁶⁸ Thus the major effort underway in each of the Uganda humanitarian clusters is to find ways of integrating activities, expertise and ongoing programmes into the relevant national Sector Working Groups (SWGs) of the government (corresponding to the line ministries implementing Uganda’s Poverty Eradication Action Plan – PEAP);⁶⁹ and/or so-called Local Development Partner Groups (LDPGs).⁷⁰

Just as the humanitarian clusters have been trying to realign themselves to integrate assistance in Northern Uganda into broader national frameworks, the major effort underway in the development “pocket” of donor assistance has been to understand and realign interventions with the PRDP. These parallel transition processes are necessarily rich with technical complexity, leading to a number of challenges on the ground, including a funding gap.⁷¹

Meanwhile, as a result of this incomplete relay race – whereby the baton of assistance in Northern Uganda has yet to be fully grasped by longer-term development partners – many cluster agencies have de facto adapted their activities to meet the changing needs of their client groups as they

return from the camps to their home areas. Cluster chairs interviewed for this research reported that most interventions are now integrating some aspect of “recovery” into their work, often through Quick Impact Projects (QIPs).⁷² In some senses, this shift reflects a genuine effort to respond to changing needs and the slow arrival of any other agencies whose core business may be to deal with the challenges of early recovery and longer-term development. In others, it may be more motivated by agency survival instincts.⁷³

Some confusion and competition about roles and responsibilities between humanitarian and development agencies has now emerged, which in some senses has an ideological tinge as typically, economic development practitioners take a far more market-driven approach to programming that focuses on strengthening market dynamics and demand. This can include building the capacities of those with potential to expand and grow their already existing economic activities to amplify effects, and does not necessarily target those most in need as primary beneficiaries. This contrasts with the approach of humanitarian agencies, which mostly target the vulnerable and weakest members of a community, and tend to favour free inputs rather than market-based approaches.⁷⁴ To critics, such “handouts” simply contribute to ever-deepening dependency. The apparent paradox in this transitional situation is that often the very same donor agencies are funding both types of intervention through different funding channels, sometimes in the same communities, demonstrating a lack of coherence. Meanwhile a further tension arises when development partners place very different degrees of emphasis on working with local government, or directly through the private sector.

It is also apparent that a hybrid approach where projects incorporate livelihoods components but also integrate aspects such as rehabilitation, counseling, infrastructure repair and so on, is entirely suitable to the early recovery environment, provided it is linked to strategic planning for the longer term, and underlying structural conflict issues such as land tenure are taken into account from the outset. Far better communication within agencies and between the different coordination groups is also required as development partners hone their plans, as is recognition that when it comes to the debate on market forces vs. vulnerable groups, both approaches need to be able to co-exist and support each other.

5.3 Private sector – Agent of development?

In line with an emerging international policy consensus, the Ugandan Government places much confidence in the private sector as an agent for growth and development in the country. However, as has already been discussed above, the relationship between the private sector, conflict and development has not always been so virtuous. All kinds of business activities and motives can perpetuate war and insecurity. Nonetheless, if approached in the right way, private-sector investment in Northern Uganda’s economy is without doubt essential to raising the region’s profile in terms of capital, skills, infrastructure and employment, in the interests of longer-term peace and development. To this end, the UIA, and to a lesser extent the UMA and Ugandan National Chamber of Commerce secretariat, have launched several initiatives that try to promote and facilitate investment in the region by Ugandan and foreign enterprises. UIA has hosted several conferences within Uganda and abroad (including with diaspora associations in the UK and US) where it has disseminated information about sectors with investment and growth potential, and UMA planned its annual trade fair during 2008 to take place in Gulu. UIA has encouraged the different districts to establish focal point officers to help provide interested investors with district information, though these are not yet fully operational. The government also has plans for industrial parks to be established across Uganda, including in Gulu, to help support business growth. Local government has played its part, with Gulu declaring Northern Uganda as “open for business”.⁷⁵

Various agri-business firms are already operating in the region and contributing to economic

revitalisation.⁷⁶ In addition to the commercial banks and communications companies that have moved to Gulu since the Juba talks began, others are making inquiries. Anecdotal evidence exists of further investment plans, such as a Danish meat-processing firm interested in investing in Gulu once peace is secure; a Kenyan businessman interested in investing to the tune of Shs 500 million in maize in Apac; and a South African delegation of investors interested in goat-rearing and citrus fruit in Lira. UIA highlights the potential for new investors from India, China, Islamic states and elsewhere from Africa to find opportunities in the region.⁷⁷ As these and other opportunities to attract capital to the region progress, strengthening the capacity of local government to handle their queries and ensure that proposals meet the demands of peaceful recovery becomes urgent (see also Section 6.7 below). In addition, as already discussed, the issues surrounding larger-scale investment in Northern Uganda have generated some controversy – none more so than the proposed sugar works in Amuru, by the Madhvani Group (see Box 1 below).

1 Madhvani Amuru Sugar Works proposal

In 2006, news began to emerge of a planned sugar works to be built by the Madhvani Group on 40,000 hectares of land in Amuru. The proposal envisages a joint venture between the Amuru Sugar Works (owned by the Madhvani family) and the government, with a projected cost of US\$80 million (Shs 128 billion), and includes construction of a factory, a power generation plant, a water treatment plant and a reservoir, workshops, stores, fuel stations and administration blocks, staff housing and amenities including hospital and educational facilities, etc. Amuru Sugar Works anticipates employing up to 7,200 people (25 foreign and the rest local) directly at the factory and about 5,000 on outgrower farms, providing a livelihood overall to about 70,000 people. Five villages to accommodate 200 farmers each will be built in the nucleus estate. In these villages, farmers will benefit from education and health services, while extension and credit services, agricultural equipment for land clearing, ploughing and furrowing, and a development fund will be used to support outgrowers. According to the proposal, 200km of road network will be built on both the nucleus estate and surrounding areas.

Despite the proposed benefits of the project, a political storm over the proposal quickly grew, with the Acholi Parliamentary Group (APG) under the leadership of MP Livingstone Okello-Okello stating that the investment should not proceed until all IDPs had safely returned (for the last 15–20 years the entire population of Amuru has lived in IDP camps), and that the required land of 40,000 hectares was too big to be given out for a single project since the population was growing fast. Madhvani Group representatives accompanied by President Museveni visited the north at end-2007 in a bid to gain support. Museveni asked the Acholi Paramount Chief to undertake a consultative process by setting up a committee to assess the land in question, researching the sugar industry, and gathering community views, and has subsequently reduced the proposal to 20,000 hectares for the nucleus estate and 10,000 for outgrowers. Most recently, newspapers reported that during a meeting organised by the APG in July 2008, residents resolved unanimously not to give their land to any investors. Museveni consequently summoned Acholi chiefs to a meeting at State House Entebbe in order to try to find a way forward, but by early 2009 the controversy was still raging.

Among the Acholi people, Madhvani Group is mostly known for their Kakira Sugar Works near Jinja. In 1953, the late Prof. Okot p'Bitek wrote a book, *Lak-Tar* (White Teeth) in which the main character, one fictive Okeca Ladwong, narrated how he suffered when he was employed in Kakira Sugar Works as a sugarcane cutter. The book is widely known among Acholis, and in some respects has contributed to suspicions about the Amuru Sugar Works – which are also driven by a long-standing anxiety about the government grabbing Acholi land and the fact that the Madhvani proposal is seen to have come directly from the State House. Rumours that there is oil beneath the land and that Acholis will be tricked out of profiting from this resource if the Madhvani proposal goes ahead are also rife in the region.

The Madhvani Group is seen to be rushing a process that local people feel should take more time, to ensure thorough consultation with stakeholders. In respect of their perceived impatience, the

Madhvani Group explains that the financiers' offers and demands for their investment in other sectors or countries in the Great Lakes is liable to change anytime, and Amuru would lose out if this chance is not taken. The proposal has been politicised at various levels. Different people in authority want the project to take place in order to claim it as a success, hence the ongoing pull-and-push among leaders. Given a lack of clarity in appropriate decision-making structures, Madhvani's approach of appealing to different authorities to obtain approval for the proposal is seen to have pitted these against one another. A debate has been triggered as to who has the absolute authority to give land or reject the proposal, and political polarisations between the government and other political parties have been exacerbated. Others in different constituencies would very much like to see the project seated in their own place of jurisdiction, for the purposes of renewing their mandate in the forthcoming 2011 elections.

Sources:

"Kakira Sugar to set up factory in Amuru", *New Vision*, 18th July 2007; *Healing wounds of war: Proposed Amuru sugar complex*. A film from The Madhvani Group, 2007; "Amuru residents reject Madhvani Sugar project", *Daily Monitor*, 21st July 2008; "Museveni to meet Acholi leaders over Amuru land", *Daily Monitor*, 9th July 2008; and interviews conducted in Amuru.

6. Enabling a peace economy in Northern Uganda – Priorities for recovery

Given these strengths and weaknesses in the plans of government, development agencies, and the private sector, this section now turns to presenting particular priority areas for recovery, and their implications for strengthening a peace economy in the north. These include:

- Facilitating peaceful return of IDPs and mitigating land conflicts;
- Providing livelihoods support;
- Strengthening financial services;
- Offering opportunities for youth;
- Rebuilding infrastructure;
- Enhancing agricultural productivity;
- Promoting conflict-sensitive investment; and
- Strengthening Northern Uganda as a regional trade hub.

In each case, the section draws out opportunities for addressing some of the economic root causes and legacies of the conflict, outlined above; as well as highlighting risks involved in each.

6.1. Facilitating peaceful IDP return and mitigating land conflicts

'...The problem with land is that there are people who went back before others. Going back depended on how strong a person's heart was, those who feared, waited for some time, and by the time we decided to go back, the land was already occupied, then the problems started'. (Youth FGD, Kitgum District)

'...Some people went back earlier than others and would dig on other peoples' land leading to quarrels...even what was originally communal grazing land has been occupied by people. Those who went back early took both land belonging to other people and the communal grazing land...'. (Men FGD, Lira District)

One key challenge that already looms large for policy-makers and planners is the question of land conflicts arising from competing claims by different groups of IDPs and returnees resettling at different times. Indeed, unclear land boundaries (32.5 percent) were ranked highest as a

challenge by respondents to the Alert survey. In another recent study commissioned by the World Bank, 59 percent of respondents reported having experienced significant threats to tenure security since return began.⁷⁸ Conflicts concerning land that was left behind at the point of displacement were a source of concern to 65 percent of respondents, mainly concerning inherited land – with some conflicts even pre-dating displacement, complicating matters further.⁷⁹ These land conflicts appear to be on the increase as more people try to return home. Simmering at different levels, these conflicts have already resulted in deaths, and have the potential to degenerate into more widespread violence.⁸⁰

At the same time, statutory dispute resolution mechanisms under the Land Act are currently lacking, and years of displacement have substantially eroded the authority and outreach of traditional dispute resolution mechanisms.⁸¹ Initiatives such as the one showcased below (Box 2), to support government efforts to clarify land ownership systems, promote harmony between statutory and traditional systems (90 percent of land in Acholiland is still held under customary tenure), and diffuse tensions where they arise, are critical at this time, when returnees find themselves caught in an ‘institutional and policy gap that has increased tenure insecurity’.⁸²

2 Norwegian Refugee Council (NRC) - Information, Counselling and Legal Assistance Wang-oo programme (ICLA)

Focused in the districts of Gulu, Pader, Kitgum and Amuru, the NRC ICLA Wang-oo programme has four focus areas:

- To equip IDPs to make decisions on return through disseminating information regarding the return process and current affairs;
- To enable IDPs and leaders to take positive actions to prevent disputes from arising;
- To strengthen the legal system at the grassroots level to better deal with disputes arising from displacement or upon return; and
- To enable IDPs to have greater knowledge about their rights and to support them to demand their rights through legal counselling and support.

Working closely with the Ministry of Local Government to support local counsellors (including through training) and the Ministry of Lands to support land resolution mechanisms (including working with traditional and government leaders to examine how the traditional and statutory systems can work in harmony), the NRC programme (funded by ECHO, SIDA and Norway) has a team of 10 qualified legal staff with particular expertise on land and family matters as well as 21 centres throughout Acholiland where information and legal and other support services can be found. The programme also trains other stakeholders on the issues.

6.2. Providing livelihoods support

Government and various development agencies work mainly at the micro-level to tackle the livelihoods challenges mentioned above. Major initiatives underway include: provision of in-kind grants for seeds, inputs and implements, increasing seed availability through seed multiplication and seed fair programmes; vouchers-for-work programmes, where people are given opportunities to work on community projects and are paid with vouchers which they exchange for agricultural inputs and implements, in-kind grants for oxen to support agricultural land use (opening of land), and farmer training. At the same time, efforts are underway to re-stock livestock, also through in-kind grants of animals, vouchers-for-work programmes, animal fairs, animal traction, and training of community animal health workers. Some agencies are also promoting small-scale businesses by supporting informal financial mechanisms such as Voluntary Savings and Loan Associations (VSLAs), providing microcredit (financial services are discussed in further

detail below), and training in income-generating activities, as well as cash grants for extremely vulnerable groups.⁸³

Meanwhile, farmers are facing challenges of storage and market access due to poor road infrastructure and lack of experience in marketing. Higher levels of practical support are now required to link producers with access to markets. Efficient marketing channels have the effect of creating demand that can drive production and incomes. Such longer-term livelihoods interventions are just beginning to emerge, according to agencies interviewed for this report, with organisations such as CRS, Oxfam and CARE all adding an emphasis on access to markets into their programmes.

While these interventions will go some way in addressing the most immediate livelihoods needs, other economic legacies of the war will prove much more contentious and difficult to resolve. The issue of government compensation for livestock lost and stolen during the conflict is one, already proving politically hugely divisive. Unless tackled sensitively, this is likely to stoke tensions in future (see Box 3 below).

3 Reparations for lost livestock campaign

In 2006, the Acholi War Debt Claimant Association (AWDCA – a group representing 1,500 people) sued the Attorney General under Gulu civil suit No 38.1. According to the court case, the AWDCA claims that the NRA/UPDF took advantage of the insecurity in the north during the course of their deployment, and embezzled, confiscated, looted and consumed the claimants' livestock. In some places, the Karamojong cattle rustlers were also rampant leading to further losses. In both instances, AWDCA sought compensation from the government (in the case of the NRA/UPDF misconduct, AWDCA argued the government was directly responsible; with regard to the Karamojong thefts, the government is seen as responsible for failing to protect citizens' property).

According to the civil suit, the claims were categorised into three groups:

- Claimants whose livestock was taken and who had received both written acknowledgement and part payment of the liability – and who have papers providing proof of their situation. Of such cases, 20% of the payment due had been received back in 1994, leaving an unpaid balance of claims.
- Claimants whose cases were verified and approved for payment by the Ministry of Defence, who then forwarded them to the Ministry of Justice and Constitutional Affairs, at which point the matter stalled. This category of claimants also have all relevant documentation, i.e., lists of approved claims, lists of claims sent to the Ministry of Justice for settlement, documents supporting the approval and forwarding letters to the Ministry of Justice.
- Claimants whose cases have not been verified by the government, but who have supporting documents recording losses from relevant local council authorities and veterinary officers.

In March 2008, the government accepted its liability, requesting to settle out of court within four months over the course of not more than two financial years (2008–09, and 2009–10). Agreement to out-of-court settlement is seen by observers to be very much in the interests of the government, helping to avoid ongoing political and press scrutiny and the ill feeling both of Northerners and international observers. In addition, the government would have most likely lost the case, and would have had to pay more compensation overall.

The AWDCA claim that the total figure sought amounts to Shs 1.4 trillion is based on the value of the lost animals and revenue from milk and meat. These figures relate to the livestock that are part of verified claims, and therefore could rise as further verifications come up. Recognising the seriousness of the matter, and the potentially ever-rising costs accompanying the case, President Museveni wrote a letter on 18th June 2008 to the Attorney General and Minister of Justice, directing

him to ensure that an out-of-court settlement of the case be finalised in six months.

Given the large sum and number of local farmers affected, the compensation would see a significant re-capitalisation of the Northern Uganda economy and greatly assist economic recovery as a result. Politically, a serious commitment to honouring this agreement would go a long way towards rebuilding confidence between the people of Northern Uganda and the government – and hence also be a major contribution to peacebuilding. However, care is also needed to ensure that the way money is distributed – who gets it and who does not does not become a source of local tensions.

Sources: Brief on Gulu civil suit No 38 of 2006 by the Acholi war debt claimants to HE the President of Uganda; “Government in talks with war debt claimants”, *New Vision*, 4th March 2008.

6.3. Strengthening financial services

The survey explored the existence and access to various forms of capital in the region. These range from personal savings (27.3 percent), savings groups promoted by NGOs under the Savings and Credit Co-operatives (SACCOs) model (20.2 percent), and formal microfinance institutions (21.2 percent). A significant number of respondents (27.5 percent) had no source of capital whatsoever.⁸⁴ Discussion with traders revealed that formal savings and credit services have grown tremendously to become a competitive and vibrant market, but one that does not necessarily respond to local needs.⁸⁵

Despite the successes of microfinance, it is well understood that microfinance institutions (MFIs) do not have the right instruments or capacity to meet certain important market segments, especially agricultural and small to medium-sized enterprise (SME) financing, as well as income-generation for vulnerable groups including rural women, smallholder farmers, resettled persons, and the very poor that lack skills and assets. Informal services such as Village Savings Loans Associations (VSLAs) are growing in number to fill these gaps, helped by the efforts of international NGOs and donors.⁸⁶

The government has meanwhile developed a Rural Finance Strategy, part of the Prosperity for All Programme, at the heart of which is the promotion of SACCOs, which are seen to have more potential to serve rural markets than other MFIs. The strategy aims to ensure that there is at least one SACCO in every sub-county, however development partners criticise the approach for creating market distortions, arguing that it leads government close to direct microfinance provision, instead of focusing on providing an enabling environment.⁸⁷ Cases of fraud and corruption associated with SACCOs, which are frequently formed along party political lines, are already rife.

Partly as a result of controversy surrounding SACCOs, some development partners have reduced their attention to access to financial services, with several key programmes coming to an end. Ongoing initiatives do exist, such as the GTZ and SIDA Financial System Development Programme run together with the Bank of Uganda with particular focus on Northern Uganda, aiming to bridge the gap between the agricultural sector and available financial services – including through development of new loan and leasing products with Centenary Bank and UML; and the broader agri-business support programmes of the EC, Danida and SIDA which include financial services components.

However government and donor policies for supporting microfinance are often “conflict-blind”, following principles and practices that favour more established MFIs that mostly originate from the south, while excluding institutionally weaker ones (often from the north). All agencies interviewed by International Alert for this report reported that they did not carry out conflict analysis before designing programmes.

Client targeting is also a potential conflict risk factor as it may lead to some social groups being excluded, hence breeding resentment and jealousy. For example, almost all the microfinance programmes in the region target women so as to empower them and enhance their livelihoods. All MFI and VSLA supporting organisations reported that targeting women has contributed to the economic well-being of families and sometimes family stability as women begin to contribute to household needs and take on decision-making roles. However they also reported cases of women’s empowerment leading to family disputes and violence.⁸⁸ Programmes that target women need mitigating measures and associated sensitisation for the whole community.

6.4. Offering opportunities for youth

A small number of institutions are providing training in technical and vocational skills, but according to the SWAY survey, only 8 percent of females and 16 percent of males surveyed had undergone any vocational training, so the reach of such programmes is apparently severely limited.⁸⁹

Tailoring was found to be the most common form of training for female youth in the SWAY survey, but few trainees went on to find employment. The perception of one key interviewee for the International Alert survey was that most youth who do undergo such vocational training will be employed by national or international NGOs rather than in more productive capacities. Even access to primary education has been limited and higher education is virtually non-existent for those who grew up in camps – with only 20 percent of Northern Ugandans completing primary school and 5 percent completing secondary school as of 2006.⁹⁰ Sponsoring children from poor households emerged as ‘the best way to deliver economic assistance’ for 13 percent of respondents to the International Alert survey.

Taken as a whole, the circumstances of Northern Ugandan youth – the scars of war, never having known a time of peace, and the ongoing economic challenges faced – represent a significant source of future insecurity in the region. There is vast evidence of a correlation between youth unemployment in post-conflict societies and the recurrence of violence.⁹¹ This report is not alone in advocating that providing educational and vocational opportunities for the youth to earn what one report calls “a safe and dignified income”, is a central priority.⁹² Linking vocational training (VT) to market analysis and opportunities helps ensure that interventions are as effective as possible given the current economic context (see Box 4).

4 Linking vocational training programmes to market opportunities in Northern Uganda

Published in July 2008, *Youth and sustainable livelihoods: Linking vocational training to market opportunities*, prepared by Columbia University’s School of International and Public Affairs for the Women’s Commission for Refugee Women and Children, provides practical recommendations on ways to strengthen vocational training (VT) opportunities for young people in Northern Uganda that better respond to and anticipate market opportunities, in order to ensure that investments lead to greater levels of employment among young people and avoid compounding frustrations. The study:

- Presents an analysis of VT programming and the actors involved in Northern Uganda;
- Offers VT providers concrete recommendations for programming at each stage in the VT cycle, including best practices and lessons learned; and
- Guides VT programmes and youth participants through a market-assessment and self-assessment to integrate market information into programme design and create links between VT and the private sector.

The review of VT programming found that although the PRDP envisages a significant portion of

educational spending to go to VT, there is some tension between government and development partners as to who should lead this effort. There is also a need to ensure that VT programming adapts to meet the changing circumstances and needs of returnees, rather than continuing to focus on beneficiaries in camps. At the same time, the report argues that VT can help upgrade the labour force of Northern Uganda in anticipation of more substantial opportunities arising from agri-business growth as the region moves towards a peace economy. However, to achieve these objectives, interventions need to move beyond the “quick impact” VT programmes that are commonly offered by NGOs targeting returnees, towards programmes that are well grounded in an understanding of market opportunities and a longer-term development approach. The report offers a step-by-step toolkit for integrating market realities into programme planning.

A copy of the full report is available at http://womenscommission.org/pdf/ug_ysl_rep.pdf

6.5. Rebuilding infrastructure

The bulk of road infrastructure rebuilding has been focused on the rehabilitation and maintenance of feeder roads and re-opening of community road networks. The district local governments with funding from central government and other donors have focused on feeder roads, while NGOs and some UN agencies have focused on re-opening and maintenance of community roads. Trunk roads and inter-district feeder roads are the responsibility of the central government. Road rehabilitation projects planned to start in 2009 as part of NUSAF 2 are the Gulu-Nimule (Sudan), Lira-Soroti, Kitgum-Lira, and Kitgum-Gulu roads. Financial feasibility studies will be carried out for the Kitgum-Adjumani and Kitgum-Moyo roads.⁹³ Conflict has also destroyed social infrastructure (water points, latrines, health centres, schools, village markets) and there is an urgent need to rehabilitate or establish such infrastructure to support return and resettlement. Again, local government with funding from central government and other donors and international NGOs has been involved in these projects.

Infrastructure investment is by its nature capital intensive, offering important opportunities for employment, profit from contracts and benefits from services, but at the same time, huge opportunities for corruption. Most of the work rebuilding larger infrastructure in Northern Uganda has been sub-contracted to private companies. Due to government and development partner procurement guidelines and eligibility criteria, big contracts such as those for rehabilitation of trunk roads tend to go to international firms. (When the EC opened bidding for Northern Uganda Rehabilitation Programme (NUREP) projects in early 2008 for example, few Ugandan and no Northern businesses were able to meet stringent European procurement criteria.)⁹⁴ Rehabilitation of some feeder roads tends to go to Kampala-based companies that have sufficient technical capacity and capital base. Local, district-based contractors can only compete for the smaller contracts such as construction of classroom blocks, road maintenance, borehole drilling, etc. Even with these contracts, many businesspeople express a lack of confidence in local government procurement processes. Including private-sector representatives on contract committees, and improving transparency and dialogue between local government and business could help reduce this tension. Infrastructure rebuilding also has the potential to provide jobs (though temporary) and income to large numbers of people if this is prioritised. Even where this might mean that projects take longer, the peace dividend implied by adopting labour-intensive approaches ought to be factored in.

6.6. Enhancing agricultural productivity

Among development partners, the EC is the lead agency on economic recovery for rural development in the north – and between the EC, Danida, DfID and SIDA a basket fund of up to US\$70 million has been put aside (these figures were still under discussion during the research

period for this report). The USAID LEAD programme, which is a successor to APEP, launched in August 2008 promising a further US\$30 million directed to the north. LEAD seeks to increase rural productivity and competitiveness by providing support to selected value chains and public-private partnerships between USAID and private investors (see for example Box 5).

Large-scale processing of agricultural products like sugar requires big chunks of land. The potential for commercial agriculture to disenfranchise local people by preventing them from returning to their own lands, exacerbating the already complex and conflict-ridden land tenure issues, is very real and needs to be addressed in all agri-business promotion schemes. Better analysis is also required of whether the numbers employed and income gained per capita per hectare on commercial farms exceeds the numbers employed by small-scale agriculture on the same land area.⁹⁵ While some large agri-businesses have been partnering up with development agencies to support small-scale producers,⁹⁶ the prospect of large companies dominating entire value chains meets with opposition by local populations, whose concerns include that they will be in a vulnerable bargaining position vis-à-vis a single buyer.

5 The Mukwano sunflower programme

Mukwano Industries Ltd. commenced operations in Uganda in 1986 with a single laundry soap production line and has since expanded to become the pre-eminent supplier of consumable goods such as cooking oil, soap and plastics in the country. With the return of business and investment into Northern Uganda after decades of conflict, Mukwano saw the opportunity to develop a market locally for an alternative to imported vegetable oil. It launched its sunflower programme in Lango in 2004. Mukwano now promotes sunflower growing in the four districts of Dokolo, Apac, Oyam and Lira and has a US\$20 million processing plant in Lira, with plans to install a second unit in the near future. The Lira plant is expected to boost sunflower growing and provide direct and indirect employment to the people of Lango.

The plant crushes sunflower seed to extract edible oil and the by-products (sunflower cake) are used to manufacture animal and poultry feeds. The plant will also cater for markets in Southern Sudan and the DRC. The programme is run in partnership with USAID and Danida.

Mukwano imports sunflower hybrid seed from South Africa for sale to the contracted farmers in its outgrower scheme. The output of the hybrid sunflower per acre is more than double that of other varieties, and at the same time the oil content of the hybrid sunflower is also high. In recent years, the company has developed an extension system which disseminates improved technologies to registered farmers. The system is comprised of extension coordinators who are directly employed by the company, as well as site coordinators and lead farmers. The lead farmers receive demonstration kits with inputs such as seeds, herbicides, fertilizer etc., at no cost on the understanding that they will provide all the labour requirements for managing demonstration sites. Lead farmers also mobilise and provide training to collaborating farmers in the vicinity during the season. Farmers are encouraged to grow other crops in rotation with sunflower to preserve the soil.

The company claims to have over 35,000 farmers currently registered in its outgrower scheme. During 2007, hybrid sunflower grain procured by Mukwano generated over Shs 11 billion to the farmers in the scheme. Nonetheless this fell short of a projected Shs 16 billion, due to poaching by other millers in the region. Mukwano is meeting this challenge both by offering a better price, and by flooding the market with seed. The company also has plans to expand the programme to other crops such as soybean and maize.

While many welcome the contribution to the region's economy Mukwano has made, its perceived monopoly of the entire sunflower value chain (including processing and associated transport and

extension services) meets with some local opposition, especially among other processors. The likelihood of Mukwano becoming the sole supplier and buyer of seed in the region also causes concern that at some future point, the pricing set by the company may be disadvantageous to farmers.

See also “Mukwano builds US\$20m oil plant in Lira”, *Daily Monitor*, 19th May 2008.

6.7. Promoting conflict-sensitive investment

Given the controversies surrounding large-scale outside investment in the north, there is a pressing need to strengthen fora for multi-stakeholder dialogue on investment and economic recovery in order to sensitise investors to local needs, build consensus, air concerns, and improve relations between investors and local populations.⁹⁷

In addition to ensuring that new investors to the region contribute to peace and stability rather than fuelling new tensions, opportunities for Northern domestic business need to be maximised – for instance, through contracts for reconstruction projects and as part of the PRDP effort. Experience elsewhere shows that a lack of capital for investment among those who live through conflict gives external investors the advantage. Depending on who these investors are, this may attract resentment and tension.⁹⁸

Investors themselves can take steps to handle the challenges of operating in conflict-affected environments such as Northern Uganda. Most will have a business interest in doing so; given the costs that conflict can impose on companies should it erupt near their place of operation. Conflict-sensitive investments require company managers to consider and understand the context in which they operate, in order to anticipate the interaction between their investments and conflict, and act upon such understanding in order to avoid negative impacts and maximise the positive impacts. Large-scale investors should be even more interested in conflict-sensitivity since they are likely to be present in a region for a long time. Any recurrence of conflict is therefore likely to negatively impact on their operations.

Adaptation of conflict-sensitive approaches for use by private-sector investors is still in its infancy.⁹⁹ International lessons are however being generated in this area, and government, development agencies and civil society actors all have a role to play in promoting and advocating for their uptake. Above all, local stakeholders are key to sensitising investors, and calling for good company conduct (Box 6 illustrates developments in this direction in Uganda). Experience also shows that companies benefit from partnering with civil society organisations with peacebuilding and human rights expertise, which they themselves likely lack.¹⁰⁰

6 Handbook of dos and don'ts for investors

At a meeting of businesspeople, both from Northern Uganda and the rest of the country, organised by International Alert in Kampala in May 2008, an idea emerged that the group develop a *Handbook of Dos and Dont's* to guide investors interested in doing business in the region. The idea was put forward by a UMA representative in response to the address made by the Chairman of the Local Government Association for the North. He commented on the difficulties faced by investors who are under-informed – both about the activities of potential regional business partners from the various districts, and about the correct approach to doing business given the cultural and socio-political context.

The idea has subsequently been discussed at several further meetings of representatives of Northern businesses and a steering group made up of one businessperson from each district has worked with

International Alert on drafting the document, which will be finalised in consultation with investors, civil society, government and development partners.

The overall goals of the Handbook are to reinvigorate the Northern Uganda economy and stabilise society, and to promote balancing of the interests of local people, investors and local business community – identifying win-win opportunities. Some of the ideas already under development as to what “good business practice” involves in the context are: (i) understand historical, cultural and political context, learn local business culture; (ii) be transparent: keep people informed about proposals, in their languages; (iii) consult with the people; find ways of talking to them directly, identify truly representative structures. The Handbook will also include information for investors on the roles and functions of different relevant political, cultural and social structures in the region, as well as how and when these should be approached.

Facilitating dialogue among businesspeople about their contribution to peace is a key activity within International Alert’s work in Uganda, funded by SIDA.

6.8. Strengthening Northern Uganda as a regional trade hub

The economic benefits of Northern Uganda’s geography, situated as it is near three important neighbours and potential markets, became apparent in the period of relative security during the Juba talks. Ugandan traders both from the region and from the south have been travelling across the border bringing all kinds of consumable goods, mechanical equipment and vehicles, as well as local produce on different scales. The risks associated with this trade have been significant for individuals, as some Ugandans have been affected by lawlessness in South Sudan and fallen victim to attacks and theft. To date, the trade is also controlled by various senior army and government personnel on both sides and runs the risk over time of developing aggravated competition if not better regulated. The trade has also had the unfortunate effect of driving up food prices in Northern Uganda, a situation that needs redressing.

Nonetheless, the area’s potential to grow represents exciting opportunities for more integrated and peaceful regional economies, providing not only increased markets for Ugandan goods and trade, but also opportunities for ties across the whole region to be strengthened. Over time, the emergence of Northern Uganda as a hub for regional trade could create a shared interest in sustaining a peaceful Northern Uganda on the part of neighbouring country governments. The business-to-business contacts themselves provide potential fora for healing the legacies of mistrust and suspicion that exist across borders as a result of the cross-border patterns of armed conflict that have been a shared experience.

Such peacebuilding impacts of cross-border trade can however not be assumed to be automatic, and can in fact be undermined if trade is felt to benefit some more than others, or is dominated by specific groups.¹⁰¹ Current challenges faced by cross-border traders include high taxation, customs and immigration charges; unpredictable and multiple charges.¹⁰²

7. Conclusions and key lessons

The case of Northern Uganda illustrates well the pitfalls that exist for those who seek to “move early” to lay the foundations for economic recovery following the signing of a peace agreement, or in the absence of one. Centrally driven plans and policies vis-à-vis the north have fed decades of conflict in the past and exacerbated regional inequalities and the political and economic disenfranchisement of the north. Current plans and programmes will risk fuelling these historical divisions further, if they are not cognizant of what are extremely complex conflict legacies.

The international “early recovery” debate is comparatively in its infancy; and the way emerging principles and good practices are applied needs to be informed by the changing dynamics in each country context. While some of the aspects of international early recovery thinking can be observed in Northern Uganda (e.g. efforts at coordination, and working through central and local government to increase ownership), this is still a long way away from the holistic approaches increasingly being called for internationally.

At the same time, the Northern Ugandan conflict provides rich insights and challenges for the early recovery debate: as in many other conflict-affected countries, “early recovery” has been planned, and began to be implemented, in an environment of continuing insecurity and a doubtful future for the population of Northern Uganda.

The Kampala-based policy and planning machinery of government and development partners need to reflect the political context. The twin challenges of treading with caution and being sensitive to the potential impacts of large-scale programming in such a fragile context, need to be balanced against the urgent need to deliver a “peace dividend” in order to start laying the foundations of a new era of trust between north and south.

Against this context, several key lessons emerge from the Uganda case that should provide stimulus for further study, and practice, elsewhere:

- **Gaining and maintaining the peace needs to be at the heart of all early recovery efforts.** Peacebuilding needs to be integral to the multiple components of early recovery, and well-resourced. As a priority, peacebuilding should be treated as “first among equals”. Failure to mainstream a peacebuilding approach could lead to programming in other areas exacerbating political divisions and conflict dynamics. This is even more important in situations where an actual peace agreement has not been signed, as is the case in Northern Uganda, so that peace can be shored up at different levels. The challenge will be to design and implement programmes that are not only sensitive to all priorities, but are able to create multiplier effects across the whole spectrum of priority areas – in other words, identify the ways in which state authority, peacebuilding and reconciliation, revitalisation of the economy, and the rebuilding and empowerment of communities are mutually dependent and have to ideally strengthen each other.
- **Context-specific analysis of early recovery “gaps” is required.** Several of the gaps identified in the recent early recovery debates are clearly reflected in the Ugandan case. They include the critical delay in funding between humanitarian and longer-term development efforts, and lack of clarity as to which agencies should lead coordination efforts for early recovery; as well as “capital-centric” planning that does not always sufficiently reach out to or factor in the concerns of precisely those populations and regions affected by conflict (which in a conflict context as that of Northern Uganda may actually exacerbate tensions and mistrust of government);¹⁰³ lack of an overarching strategy that focuses on peace consolidation and effective integration of conflict-sensitivity in programmes; and finally, what has been termed a “peace-process gap,”¹⁰⁴ whereby in the case of Uganda, planning for recovery is by force of circumstance taking place in the absence of the basic fundamental condition of a signed agreement.
- **Conflict-sensitivity is not a technical tick-box exercise; it needs to inform all levels of planning and implementation.** The current situation in Northern Uganda illustrates how persistent and dynamic conflict factors are, both at micro- (community) and macro- (national) levels. In particular, the economic legacies left by war are a test of strength for governments as well as development agencies, and highlight the centrality of understanding economic programmes and interventions through a conflict-sensitivity lens. This includes understanding of local

needs and participation, and ensuring that communication about different programmes is widespread, transparent and consistent.

- **More funding may be needed, but it needs to be supplied and spent in a way that does not fuel conflict.** Current efforts to better enable the international peacebuilding architecture to release more funding, more quickly and more flexibly, are welcome. In the Ugandan context, creating a “honey-pot effect” with increased recovery funding becoming available to elites, will only serve to further marginalise and exclude Northern Ugandans from the future benefits of peace. Cases of corruption are frequent and a case in point. This is an issue that the early recovery debate does not appear to have adequately tackled to date.
- **International good practice on early recovery is urgently needed on the ground to guide governments and development partners.** The current push for consolidating and systematising international knowledge and practice on early recovery is important, and will likely gain increasing momentum over the next few years given the high-level interest in the topic. Attention needs to be paid however that these debates and analyses are not limited to development agency and governmental headquarters, but really trickle down to, and are in turn informed by, dilemmas and challenges confronted on the ground. Experience with other initiatives suggests that it is difficult, and time- and resource-consuming to systematically implement good practice guidance on the ground; this should be factored into international debates.

Annex 1 – Methodology of International Alert survey

In order to be cognisant of local people's views and perspectives on economic recovery (their hopes, fears and assessment of challenges), an empirical survey was commissioned to Associates Research by International Alert, focusing on the districts of Amuru, Gulu, Kitgum and Lira.

Objectives

The survey had the twin objectives of:

1. Enriching data already gathered by International Alert regarding the current economic situation of each district, current or planned investments by sector, and current conflict issues pertaining to economic recovery; and
2. Gathering data on local people's hopes and fears regarding economic recovery.

Methods

The survey consisted of a participatory rapid appraisal exercise approached at two levels: the community, and the districts (mainly leadership and stakeholders) in the districts of Amuru, Gulu, Kitgum and Lira. Data was primarily collected in the following manner:

1. Highly structured questionnaires administered to sampled household heads in a survey;
2. Key Informant Interviews (KIIs) with institutions/organisations and stakeholders undertaking interventions that directly touch on peacebuilding/conflict resolution and economic recovery; e.g., district chairs, local leaders, MPs, heads of chambers of commerce and district farmers' associations; and
3. Focus Group Discussions (FGDs) aimed at bringing together community members and leaders to discuss peacebuilding/conflict resolution and management and economic recovery including the categories of petty and market traders; youth; and women.

Reliability of results

Key steps taken to ensure that reliable results were obtained are as follows:

1. The survey used a replicable systematic multi-level sampling technique which can be used to run validation tests on the results obtained;
2. For this survey a 95% confidence interval was used in determining the sample. This implies a 5% error margin which is permissible for socio-economic surveys. This was against the consideration of a probability ratio (chance or likelihood) of finding parameters under investigation of 0.5;
3. This was augmented by training of the data collection team and pre-testing of the data collection instruments;
4. The data collection team was locally recruited to ensure familiarity with the local language; and
5. At the level of analysis there were deliberate common themes in the different tools used to collect data from various respondents' strata. This ensured that consistency of concepts and commonality of understanding the subject of investigation prevails.

Study limitations

It is important to note that the study was affected by the following issues:

1. The distinction between rural, peri-urban and urban settlement is fluid by virtue of characterisation and services availability. The aspects of urbanisation that distinctly inform

this distinction are not strictly applied in the designation of these areas in Uganda. Other factors such as population and political sensitivity influence these distinctions.

2. It should be noted that in the Acholi region, the rural-urban distinction can also be misleading since large population numbers are still in IDP camps, or make a rotational swing between the transit camps and their homes. To the extent possible, the study followed the standard UBOS definitions used in the 2002 housing and population census.
3. The conceptual structure of the study differed from the understanding and classification of issues by the respondent population. For example, generic classification such as cash crops or traders could not be applied universally. Instances occurred where an individual combined livelihood strategies, for example; undertaking farming (morning hours of the day) in addition to sale of goods (in the afternoon hours of the day): defining the main income source of such an individual is problematic. In such cases, the respondents were asked to define the greater contributor to their livelihoods, without ignoring the second option.

Annex 2 – Final statement of the 2008 Early Recovery Policy Forum¹⁰⁵

Joint Action for Strengthening International Support to Early Recovery

TOWARDS BETTER EARLY RECOVERY STRATEGIES

Agreed objectives:

1. Early strategy development, priority setting and programming must promote the highest and widest possible levels of national and local engagement and ownership, including involvement of displaced and affected communities. National engagement at all levels will increase over time as basic functions of the state and civil society are strengthened.
2. Strategic frameworks and priorities for early recovery must be informed by joint assessments, which are based on a sound analysis of the crisis/risk dynamics using all existing knowledge and expertise, national and local capacities and gaps. Assessments should be light, iterative and progressively informed by a shared understanding of the country context. Existing assessment tools should be tailored for use in early recovery contexts.
3. Strategic planning for early recovery needs to be initiated at the earliest stages of a crisis. In the case of post-conflict situations, this planning should be linked to the evolving peace process, integrating political, security, human rights, humanitarian and development objectives. Objectives of gender equality and environmental sustainability need to underpin the planning process.
4. The initial framework for strategic action, which is adapted to the urgency of early recovery, should address priority foundational activities of the national and international system's response and evolve into a broader and more comprehensive strategy over time. Strategies and programmes must build on emergency and crisis activities which have been undertaken. All relevant partners shall work closely together on strategic planning and the transition to longer-term mechanisms.
5. Full commitment is given to align early recovery efforts with national priorities and to support national actors in strategic planning and coordination of early recovery. Such support should be rendered through effective co-ordination and the broadest possible partnership between national actors, UN Missions, UN Country Teams, the World Bank, regional organisations, bilateral donors, NGOs, CSOs and, as appropriate, the private sector.
6. High quality senior UN leadership at the country level is of utmost importance to fulfil the UN's role in early recovery. To this end, selection processes, training, deployment, and early recovery coordination and implementation mechanisms must be strengthened.
7. In line with the Paris Declaration principles on alignment and harmonisation, joint real-time evaluations and other learning mechanisms of early recovery efforts should be supported and findings need to be fed back into programming.

TOWARDS STRONGER EARLY RECOVERY CAPACITIES

Agreed objectives:

8. Existing national capacities and networks should be identified through capacity assessments, and fully integrated into programming and early capacity development efforts. Where capacity gaps exist, the strengthening of national capacities following a crisis needs to be supported as

soon as possible. Appropriate strategies to address national and local capacity gaps are required to ensure that such efforts are adequately planned and funded.

9. When national capacity has been severely challenged by the crisis, the imperative to act in early recovery might require recourse to supplementary (external) capacity. This can include the use and strengthening of existing implementation capacities of operational actors on the ground, and, where appropriate and requested, the use of stand-by pools of civilian experts for deployment at short notice, in order to augment national capacity to the extent possible and following realistic assessments of actual human resources. External capacity will work with and build national and local capacity wherever possible and should be informed by a strong understanding of structures, capacities and programmes that were in operation and effective prior to and during the crisis.

10. Appropriate expertise identified through South-South and regional cooperation should be the preferred mechanism for deployment of civilian expertise wherever possible, and should be supplemented by other international civilian expertise wherever necessary.

11. The UN's recovery coordination capacity should be strengthened on a predictable basis tailored to country-specific needs. Existing coordination mechanisms led by the Deputy Special Representative of the Secretary General/Humanitarian Coordinator/Resident Coordinator should be the starting point in this regard.

12. Fragility, crisis prevention, strategic planning, and recovery expertise within the multilateral and bilateral organisations and NGOs should be increased.

13. There is a need to coordinate and share information on common codes of conduct and standards for international civilian crisis response capacity to ensure optimal use of existing and evolving capacities such as (i) deployable bilateral capacities; (ii) deployable bilateral capacities serving multilateral needs; and (iii) multilateral civilian capacity.

14. A coordinated approach to recruitment and remuneration by international actors of local staff is needed to ensure that national capacities are not depleted. Also, temporary funding of civil service salaries and modernisation of the civil service should be supported as necessary.

Endnotes

- 1 'Political economy analysis is concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time. When applied to situations of conflict and crisis, political economy analysis seeks to understand both the political and the economic aspects of conflict, and how these combine to affect patterns of power and vulnerability ... A political economy approach should incorporate a wide historical and geographical perspective, explain why the relative power and vulnerability of different groups changes over time, and explain how the fortunes and activities of one group in society affect others'. See Collinson (2003).
- 2 A more detailed analysis of the survey findings is included in International Alert (2008).
- 3 UNDP (2008).
- 4 CWGER (2008).
- 5 NYU Centre on International Cooperation (CIC) (2008).
- 6 By "peacebuilding" here are meant any efforts aiming to prevent the outbreak, continuation or recurrence of violent, armed conflict. This includes activities that seek to transform those attitudes, behaviours, relationships and structural conditions that facilitate violence.
- 7 UK Prime Minister Gordon Brown, speech delivered in New Delhi, India, 21st January 2008, referenced in NYU Centre (CIC) (2008).
- 8 The UN Peacebuilding Support Office has been tasked to help prepare the forthcoming report, which is to make practical recommendations to enhance the UN system's response in this area. See also www.un.org/peace/peacebuilding/
- 9 NYU Center on International Cooperation (CIC) (2008), p.4.
- 10 Ibid.
- 11 NYU CIC (2008), p.10.
- 12 Ibid.
- 13 Ministry of Foreign Affairs (MFA) Denmark (2008).
- 14 Sarah Pavanello, 24th November 2008, "What does 'early recovery' mean?", ODI, online blog, accessible at <http://blogs.odi.org.uk/blogs/main/default.aspx>.
- 15 NYU CIC (2008).
- 16 Sarah Pavanello, 24 November 2008, "What does 'early recovery' mean?", ODI, online blog, accessible at <http://blogs.odi.org.uk/blogs/main/default.aspx>
- 17 Cluster Working Group on Early Recovery (CWGER) in cooperation with the UNDG-ECHA Working Group on Transition, Guidance Notes on Early Recovery, April 2008, p.1.
- 18 The ILO for example is currently running a project to adapt its Local Economic Development approach to post-crisis contexts, in what is called Local Economic Recovery programming. This aims to stimulate economic activity and employment at the local level, and reintegrated populations impacted socially and economically by a crisis. For more information, see <http://ler.itcilo.org>. Also, SEEP (2008).
- 19 Lwanga-Lunyiigo (1989).
- 20 Ibid.
- 21 Kony has adopted various names for his army during the long course of the conflict. See Behrend (1999).
- 22 For background on the conflict in Northern Uganda see: C. Dolan (2005); L. Hovil and Z. Lomo (2004); R. Gersony (1997); S. Finnstrom (2003); and Human Rights Watch (2005a).
- 23 J.D. Barkan (2005).
- 24 See Office of the Prime Minister (OPM) (2007), p.2.
- 25 See for example IPIS (2005); H. Wasswa (2007). Reports of LRA profiteering from mineral exploitation in DRC also exist, see "Stop LRA Now, says Aronda", *New Vision*, 23rd July 2008.
- 26 "Ghost soldiers delayed end of northern war", *Daily Monitor*, 29 May 2008; "More ghost soldier reports expose UPDF failure to end Kony War", *Sunday Monitor*, 11 May 2008.
- 27 "Corruption prolonged LRA war, says insider", *Daily Monitor*, 10th September 2007, interview with Betty Bigombe.
- 28 Ibid.; see also L. Hovil and Z. Lomo (2004). Also President Museveni quoted in *New Vision*, 29th November 1996: 'It is true that in the past army officers were doing business out of the suffering of the people of Acholi and they did not want it [the war] to end'.

- 29 See S. Stedman (1997).
- 30 See Amnesty International (1990); Amnesty International (1992); and Acholi Religious Leaders Peace Initiative (2001). Also Museveni's address to Langi and Acholi councils and elders: 'Sometimes our own un-disciplined soldiers took advantage of the breakdown of law and order caused by the rebellion and committed atrocities against the civilian population', quoted in *New Vision*, 28th March 1994.
- 31 "LRA sticks to its guns, yet ready to sign peace deal", *All Africa.com*, 27th March 2008. Much has been written about the impact of the ICC arrest warrants on the peace process, with opinion divided between those pushing for accountability and international justice for perpetrators of war crimes — see Allen, T. (2006); and Human Rights Watch (2005b). "ICC takes decisive step for justice in Uganda"; and those arguing that compromise in the interests of peace is necessary—and that the one-sided nature of the ICC move which does not address the culpability of the UPDF with regard to civilian abuses fundamentally limits its validity. Others argue that Kony has skilfully used the arrest warrants to buy time as he works out his options in a post-Khartoum environment, i.e., after Khartoum stopped funding LRA following the signing of the Sudanese Comprehensive Peace Agreement (in theory). For a summary of views, see P. Clark and N. Waddell (2008).
- 32 A number of different theories have been offered. Some argue that certain UPDF soldiers were profiting from the conflict and hence not motivated to fight the LRA forcefully—see "Corruption prolonged LRA war, says insider", *Daily Monitor*, 10th September 2007. Others see in the government's response to the conflict a deliberate revenge for Acholi opposition to the NRM project during the 1980s – see H. Behrend (1999). Many highlight the international community's failure to give any attention to the war as a further reason for its duration – see M. Schomerus (2008a), in A. Griffiths and C. Barnes (Eds.) (2008).
- 33 Inter-Agency Standing Committee in Uganda, December 2007 report.
- 34 OCHA (2008). p.1.
- 35 Ibid.
- 36 By mid-2008, this variance still persisted. OCHA (2008); CAP Mid-Year Review Uganda (2008).
- 37 The full text of these agreements is available at www.beyondjuba.org.
- 38 Associates Foundation Ltd (2008, unpublished).
- 39 CSOPNU (2006).
- 40 International Alert (2006).
- 41 Gulu and Amuru District Development Plans 2007–10.
- 42 SWAY (2008).
- 43 Ibid. p.5.
- 44 Phuong Pham et al. (2007). The SWAY study puts the figure even higher at more than one-third of male and one-fifth of female youths reporting abduction.
- 45 Ibid.
- 46 See for example Amuru and Gulu District Development Plans 2007–10.
- 47 OPM (2007), p.9. For further information on costs of the LRA conflict, see CSOPNU (2006).
- 48 Professor Maggie Kigozi, executive director of the Uganda Investment Authority (UIA), presentation made to UIA conference on investment in Northern Uganda, Kampala, June 2008.
- 49 Associates Foundation Ltd. (2008, unpublished), op. cit.
- 50 Others such as sex work, that is known to have increased during the conflict and into its aftermath, did not emerge from the International Alert survey but have been documented elsewhere.
- 51 It should be noted that most traders, save for a few in well-established towns like Gulu, Lira and Kitgum, derive their capital primarily from agriculture; trading is for the most part a supplementary income-generating activity.
- 52 Associates Foundation Ltd (2008, unpublished), op.cit.
- 53 Ibid.
- 54 The geographic spread of this ambitious planning document—with a price tag of US\$600 million—is large: covering 40 districts from West Nile through to Karamoja, and including the LRA-affected areas that are the focus of this report, OPM (2007).
- 55 "Shs1 trillion for North Peace Plan", *New Vision*, 18th July 2008.
- 56 While the SOs provide a broad framework for intervention, the PRDP does not elaborate how implementation should proceed, either with regard to coordination, in terms of appropriate leads from line ministries and how these would work with the OPM; or the actual activities under the priority programming area headings identified. By mid-2008, only two of the SWGs had advanced a strategy for Northern Uganda as part of implementation of the PRDP. The UNDP Resident Representative's office has developed a "PRDP Monitoring Table" that sources all current relevant activities underway based on District Development Plans, and other government programmes such as the Karamoja programme for DDR, the National Agricultural Advisory Services (NAADS), etc. This document could

- also be developed to include a dimension on other programmes sponsored by development partners and even NGOs.
- 57 The local administration staffing gap in the Acholi sub-region is at 63.2%, with a wage bill gap of 54.4%; the figures for Lango are a 51.1% staffing gap, with a 50.3% wage gap. See PRDP (2007), p.35. The creation of a number of new districts in 2006 only added to the severe challenges faced. While the PRDP SO1 includes a programme on Local Government Enhancement, which if successful could go some way to addressing this capacity gap, until its effects are realised, local government is simply not equipped to play its part fully in the processes envisaged.
- 58 In November 2007, 20 cases of embezzlement of Northern Uganda Social Action Fund (NUSAF) monies were registered by the High Court in Kitgum – and there have been many other such cases related to NUSAF, as well as its predecessors. According to a recent report, a total of Shs 2.5 billion NUSAF funds are missing, see “Shs 2.5bn of NUSAF funds missing”, *New Vision*, 11th July 2008.
- 59 “Funds for North misused – MPs”, *Daily Monitor*, 23rd April 2008.
- 60 See C. Dolan “Is the PRDP a three-legged table?” Keynote speech given at NGO seminar for Scandinavian-based international NGOs working in Northern Uganda, 10th April 2008.
- 61 The ambiguities of this section of the PRDP, which includes reference to developing a sugar industry in Gulu, Amuru (as well as Adjumani) Districts; setting up a bio-fuel industry in the north; as well as fruit processing and the Karuma power project, have perhaps contributed to the extremely politicised debate that has emerged on these issues. The section later concedes that with regard to north-central Uganda, the priority will be on returning people to their homes, despite the fact that earlier the sugar industry development in Acholi is highlighted. Its general thrust, however, echoes earlier papers issued by government such as the position paper on service delivery on national peace and development plan for Northern Uganda published by the Ministry of Lands, Housing and Urban Development in September 2006, which, while asserting the government’s desire to improve security of land tenure for people in Northern Uganda, also envisages a systematic effort to turn land customarily owned into title land and to replace the family small-holder agricultural system with large cooperatives with mechanised farming. See Land and Equity Movement in Uganda (2006).
- 62 The NRM party is extremely unpopular in Northern Uganda, mustering only 8% of total votes in the 2006 elections (extracted from Electoral Commission of Uganda data). The question of land greatly influences this unpopularity. The fact that much of the population was moved into IDP camps during the 1990s as a result of government policy, into what at first were called “protected villages”, has for long fuelled the view that government exploited the LRA insurgency as a means of alienating the Acholi from their land. These perceptions have been through various incarnations over the decades, becoming more aggravated and entrenched as time passes. R. Gersony (1997). Op. cit., pp.59–60; RLP (2004). Op. cit. According to a recent World Bank survey on land and conflicts (discussed in further detail in the report), 23% of Northerners interviewed felt that the government, army and rich people have taken significant interest in their land without clearly elaborating their motives. See M.A. Rugadya et al. (2008).
- 63 The official NUSAF website is at <http://www.nusaf.go.ug/>
- 64 “Will Balaalo and land define the 2011 elections?” *Sunday Monitor*, 20th January 2008; “Land Act: Why is Baganda breathing fire on changes?” *Daily Monitor*, 13th November 2007.
- 65 OPM (2007), p.8.
- 66 NORAD (2008), p.29.
- 67 Ibid.
- 68 The UN Office for the Coordination of Humanitarian Affairs (OCHA) responsible for coordinating humanitarian agencies and NGO interventions in crisis situations around the world announced that it was working towards phasing out by mid-2009.
- 69 This is Uganda’s equivalent of a Poverty Reduction Strategy Paper.
- 70 Under the global oversight of the Inter-Agency Standing Committee, lead UN agencies in 11 cluster areas have been appointed from within the UN system to coordinate the plethora of agencies operating in emergency zones, including Northern Uganda, together with government (in Uganda specifically the Chief Administrative Officers—CAO—at district level). The 11 cluster areas include Camp Coordination and Management; Governance, Infrastructure and Livelihoods; Education; Health, Nutrition and HIV and AIDS; Water, Sanitation and Hygiene, Food Security and Agricultural Livelihoods; Protection; Gender-Based Violence; Child Protection; Human Rights and Law. See www.humanitarianreform.org for more information.
- 71 As a direct result of donor support to the Juba peace process and the renewed focus on the recovery of Northern Uganda that emerged during the months of peace that ensued, funding for humanitarian

intervention across different areas dried up. While in theory spending should have been picked up by the development desks of the various agencies, the intricate discussions regarding the PRDP, and the need to work through the implications of this new framework for existing spending led to a significant delay in programme design and commitments.

- 72 Such aspects include working even more explicitly than was the case during the emergency phase to build capacity of communities or local government representatives (for example, a project digging boreholes may now add a component building the capacity of community members to maintain these in the longer term); or introducing a livelihood component to project activities (the Gender-Based Violence cluster is currently developing a programme together with FAO that includes a focus on agricultural livelihoods; the Camp Coordination and Management cluster has worked with ASV, Samaritan's Purse and the Christian Children's Fund to give out ox ploughs and toolkits to returnees and vulnerable families).
- 73 There is a perception particularly among development practitioners that such agencies do not have the right skills-set to deal with the new challenges. In response, humanitarian actors feel that their long years of expertise and relationship-building in the region are being sidelined by a competitor who has to date failed to deliver.
- 74 Nourse et al. (2007).
- 75 Chairman Norbert Mao, remarks at UIA regional workshop, Gulu, February 2008.
- 76 This includes for example Mukwano, and Dunavant Uganda Ltd.
- 77 M. Kigozi 'Investment, trade and tourism opportunities in Northern Uganda'. Presentation at UIA conference on Northern Uganda, 6th June 2008.
- 78 M.A. Rugadya et al. (2008). Op. cit.
- 79 Ibid. See also Refugee Law Project (2007).
- 80 There have already been reports of deaths associated with land conflicts, see for example, "Five killed in Lira land dispute", *New Vision*, 23rd July 2008.
- 81 The World Bank study found that the statutory decentralised land administration structures 'would be sufficient to handle land services delivery in a post-conflict situation, but almost the entire infrastructure is not on the ground'. M.A. Rugadya et al. (2008).
- 82 Ibid.
- 83 Key stakeholders are the District Farmers Association, Concerned Parents' Association, Church of Uganda; among international NGOs, the Norwegian Refugee Council (NRC), International Rescue Commission (IRC), Oxfam, CARE, World Vision, Food for the Hungry, ICRC, CRS, AVSI, AWF, CARITAS, IIRR, ACRED, ACF, and PREMIERE URGENGE; among UN Agencies, FAO, WFP, and UNHCR; among government and donor-supported programmes, NUSAF (World Bank), District Livelihood Support Program (IFAD); NAADs. Other planned interventions include NUSAF II, which will start in July 2009. It has a livelihoods component that will include acquisition of productive assets, organising communities for value addition, youth skills training and income-generating opportunities. See OPM (2007), p.55-59.
- 84 Associates Foundation Ltd. (2008, unpublished). Op.cit.
- 85 Capital constraints are not unique to Northern Uganda. Only 38% of Ugandans country-wide have access to financial services, and of these 18% (2.4 million people) are served by formally regulated institutions, 3% (400,000 people) by the semi-formal institutions like SACCOs and NGO MFIs, and 17% (2.2 million) by informal groups such as ASCAs, ROSCAs, Village Savings Loans Associations (VSLAs) [see National survey on access to financial services in Uganda, 2007]. The government recognises microfinance as an important strategy for increasing access to financial services for low-income households and micro and small enterprises. Microfinance is included in major policy frameworks like PEAP and the Plan for Modernisation of Agriculture. A separate department has been set up under the Ministry of Finance, Planning and Economic Development to oversee microfinance, and there is a Minister of State for Microfinance.
- 86 VSLAs are self-selected groups, usually of 15-30 members, who voluntarily come together to save and lend money to members. They have by-laws to govern their operations, and they keep their own records. Members meet on a weekly basis to collect savings, loan repayments, and advance new loans. They normally lend all the money collected, and the records (together with any balance) are kept in a cash box, often with three padlocks and the keys kept by three different people as a security check. At the end of the agreed-on period (usually 6-12 months), the savings plus the interest from loans are shared among members. Members are mostly women, but men are beginning to get involved.
- 87 Interviews with various development agencies conducted for this report highlighted concerns that the strategy brings back memories of failed government programmes in the past that ended up becoming a burden to the taxpayer while distorting the market – especially the Rural Farmers Scheme 1989-

- 90, Entandikwa (start-up scheme) 1996–98, Poverty Alleviation Project 1998, Rural Farmers Scheme 1998–90, and the Youth Enterprise Scheme 2000–01.
- 88 There is a substantial body of literature exploring gender and power dynamics in microfinance programmes around the world, see A. M. Goetz and R. Sen Gupta (1995); Longwe (1997); and S. Feiner and D. Barker (2004).
- 89 Phuong Pham et al. (2007).
- 90 Women’s Commission for Refugee Women and Children (2007).
- 91 Amarasuriya et al. (2009).
- 92 Women’s Commission for Refugee Women and Children (2007).
- 93 At the national level, the government agencies involved in road rebuilding are the Ministry of Works and Transport, Ministry of Local Government, OPM, Ministry of Finance Planning and Economic Development, and the recently formed Uganda National Road Authority. Education, health, and water and sanitation infrastructure is overseen through the respective ministries and SWGs. Key development partners are the World Bank, AfDB, DANIDA and EU. There is a coordination unit in the Ministry of Finance, and a Road Sector Working Group, which is chaired by the MoFPED Permanent Secretary. At district level there are regular meetings chaired by the CAO on specific areas. Other initiatives include the Community Agriculture and Infrastructure Implementation Programme by the Ministry of Local Government with funding from AfDB (starting in 2009 in Acholi and Teso sub-regions as well as Lira District, with a focus on roads, bridges and markets); and the USAID Linkages Programme in Kitgum, Pader, Amoratar, Arua and Katakwi.
- 94 Interview with EC official, February 2008.
- 95 Interestingly, the smaller USAID SPRING programme is alone among agri-business support programmes in explicitly factoring in a conflict-sensitive and peacebuilding lens to its programme design. How this effort will play out in practice remains to be seen as at time of writing, the programme has yet to launch, but given the potential conflict risks associated with agri-business, it is to be hoped that the lessons learnt during its implementation may be taken up by other interventions as a combined effort to ensure that agri-business fulfils its role as a key positive element of the Northern Ugandan peace economy.
- 96 Mukwano Industries for example has partnered up with USAID and Danida to develop an outgrower scheme that, according to the company, now reaches 35,000 farmers who produce sunflower seeds for its oil production. See “Mukwano builds \$20m oil plant in Lira”, *Daily Monitor*, 19th May 2008.
- 97 International Alert (2005).
- 98 J. Hanlon (1996). Hanlon cites the case of Mozambique where investments by South Africans and other foreign firms marginalised local people in the process of development.
- 99 For example, Alert has been working in Colombia to help extractive industry companies integrate conflict-sensitivity into their work.
- 100 Peacebuilding organisations working with companies at different levels, and in several different countries, include CDA, Search for Common Ground, and International Alert.
- 101 See for example Schomerus (2008b). Also M. Feil, D. Klein, and M. Westerkamp (2009, forthcoming).
- 102 Schomerus (2008b).
- 103 NYU CIC (2008).
- 104 Ibid.
- 105 See <http://www.missionfnnewyork.um.dk/en/menu/dkandtheUN/news/EarlyRecoveryPolicyForum.htm>

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