Financing Mechanisms for Disaster Preparedness, Mitigation and Prevention in Uganda
Financing Mechanisms for Disaster Preparedness, Mitigation and Prevention in Uganda

was produced by the Civil Society Budget Advocacy Group (CSBAG) with support from the OXFAM Uganda. The contents of this publication are the responsibility of CSBAG and the EOC and not our development partners.

© July 2018
Civil Society Budget Advocacy Group (CSBAG)
P.O. Box 660, Ntinda
Plot 11 Vubya Close, Ntinda Nakawa Rd
Fixed Line: +256-755-202-154
E-mail: csbag@csbag.org
Web www.csbag.org

All rights reserved. No part of this publication may be reproduced, or reprinted in any form by any means without the prior permission of the copyright holder. CSBAG encourages its use and will be happy if excerpts are copied and used. When doing so, however please acknowledge CSBAG.
In 2016, a total of 564.4 million people were reported to have been affected by disasters which was far higher than the annual average of 224 million in the period between 2006 and 2015.
1.0 Introduction

2.0 Legal and policy context of disaster preparedness, mitigation and prevention

3.0 Financing disaster preparedness, mitigation and prevention

3.1 Financing Channelled through the OPM
3.2 Disaggregation of Recurrent Expenditure
3.3 Funding at Local Government Level
3.4 Financing Channelled through other MDAs.
3.5 External (Donor) Financing

4.0 Proposed financing Mechanisms and framework

5.0 References

Annex 1: multi-hazard early warning probability map (including incidents reported) from unews - november to december 2017
Annex 2: Hazard and risk profiles of the study districts
Annex 3: Case Study of how Uganda Red Cross Society has used Forecast Based Financing

List of figures

Figure 1: Trends in Recurrent Expenditure (UGX Billions)**
Figure 2: Overall Trends in Disaster Related External Financing to Uganda (USD Millions)
Figure 3: Channels through Which Disaster Related External Funding in Uganda is Distributed (in Million USD)
Figure 4: Distribution of External Project Funding in 2016 (n=10.6 USD Million in 2015 constant prices)

List of tables

Table 1: Aggregated Disaster/Hazard Occurrence and Effects in Uganda
Table 2: Disaggregation of government of uganda expenditure (UGX Billions)
Table 3: Budget performance of prevention and mitigation programmes (Billion UGX)
Definitions

Disaster as a serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts.

Preparedness is taken to mean knowledge and capacities developed by governments, response and recovery organizations, communities and individuals to effectively anticipate, respond to and recover from the impacts of likely, imminent or current disasters.

Prevention is taken to refer to activities and measures taken to avoid existing and new disaster risks. To the extent possible, prevention measures seek to completely reduce chances of recurrence of disasters as well as reducing risk (vulnerability and exposure).

Mitigation is taken to mean the lessening or minimizing of the adverse impacts of a hazardous event. Mitigation actions/measures are taken with recognition that while the adverse impact of hazards cannot be fully prevented, their magnitude/scale and severity can be significantly lessened.
1 Introduction
Uganda similar to many countries around the world experiences disasters with relatively predictable frequency, especially the naturally occurring kind. Over the years, as the prediction of disaster occurrence has become more reliable (mostly due to improving technology), the catastrophic effects of disasters on human life have also declined. In 2016, the world experienced 342 disasters due to natural hazards which were below the annual average of 376 experienced between the period 2006 and 2015. In 2016 still, the natural disaster related death toll of 8,733 was the second lowest since 2006, far below the annual average of 69,827 over the period between 2006 and 2015 (Guha-Sapir, Hoyois, and Below, 2016).

However, while the catastrophic effects of natural disasters have declined, the number of people affected by disasters increased in 2016 compared to the preceding years in the decade. In 2016, a total of 564.4 million people were reported to have been affected by disasters which was far higher than the annual average of 224 million in the period between 2006 and 2015. These natural disasters were reported to have cost the world an estimated USD 154 billion in economic damages which was 12% above the annual average over the period 2006-2015 (Guha-Sapir et al, 2016).

In Uganda, the 2016 World Disasters Report indicates that a total of 1,244 people were killed by disasters between the period 2006 and 2015. Over the same period, 4,345,797 people were affected by disasters, representing an 11% increase from the number of those affected in the preceding reference period of 1993 – 2005.

Given the effects that disasters have on economies and individuals, there is growing recognition among policy actors, of the need to have disaster risk reduction mainstreamed into government policies, plans and programmes. While this has been attained through policies underpinned by a greater understanding of the effects of disasters on economies and livelihood, Uganda continues to face challenges in managing disasters and reducing risk. At the heart of these challenges is the limited availability of funds.

It is against such a background that the Civil Society Budget Advocacy Group (CSBAG) with support from Oxfam Uganda commissioned a study to assess the financing mechanisms and spending targets for disaster preparedness, mitigation and prevention in Uganda. In commissioning the study, CSBAG sought to establish the “existing financing mechanism and spending targets for Disaster Preparedness, Mitigation and Prevention in Uganda”.

While CSBAG recognises that Uganda faces a wide range of disasters, the analysis in this study has to the extent possible been limited to those that are geophysical and hydro-meteorological in nature. As illustrated in Table 1, these disasters have had the greatest catastrophic, displacement and damage/loss effects on Ugandans over the reference period of this study (FY 2012/13 to FY 2016/17) with the exception of calendar year 2013. In addition, the geo-physical and hydro-meteorological hazards/disasters often have a major causal or catalytic relationship with other forms of disasters such as the biological and technological.

---

1 See The National Policy For Disaster Preparedness and Management, 2011
Table 1: Aggregated Disaster/Hazard Occurrence and Effects in Uganda

<table>
<thead>
<tr>
<th>Year</th>
<th>Disaster Subgroup</th>
<th>Occurrence</th>
<th>Total deaths</th>
<th>Total Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Biological</td>
<td>3</td>
<td>156</td>
<td>5,980</td>
</tr>
<tr>
<td></td>
<td>Hydrological</td>
<td>2</td>
<td>18</td>
<td>18,432</td>
</tr>
<tr>
<td></td>
<td>Technological</td>
<td>2</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>2013</td>
<td>Biological</td>
<td>3</td>
<td>28</td>
<td>218,497</td>
</tr>
<tr>
<td></td>
<td>Hydrological</td>
<td>1</td>
<td>13</td>
<td>25,445</td>
</tr>
<tr>
<td></td>
<td>Technological</td>
<td>1</td>
<td>31</td>
<td>10</td>
</tr>
<tr>
<td>2014</td>
<td>Technological</td>
<td>2</td>
<td>308</td>
<td>41</td>
</tr>
<tr>
<td>2015</td>
<td>Technological</td>
<td>2</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>Geophysical</td>
<td>1</td>
<td>4</td>
<td>590</td>
</tr>
<tr>
<td></td>
<td>Hydrological</td>
<td>2</td>
<td>15</td>
<td>11,000</td>
</tr>
<tr>
<td></td>
<td>Technological</td>
<td>2</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>Biological</td>
<td>1</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Hydrological</td>
<td>1</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Technological</td>
<td>1</td>
<td>14</td>
<td>17</td>
</tr>
</tbody>
</table>


CSBAG recognises that there are several definitions of what constitutes a disaster. However, for purposes of this study, the UNISDR definition is adopted. It defines a disaster as a serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts. In addition, conceptual definitions of other disaster related concepts used in this study are drawn from the UNISDR definitions adopted by United Nations General Assembly on 2nd February, 2017 (UNISDR, 2016). These definitions are also consistent with the provisions in the Uganda’s National Policy for Disaster Preparedness and Management.

Thus for purposes of table 1, **biological hazards** include bacteria, viruses or parasites, as well as venomous wildlife and insects, poisonous plants and mosquitoes carrying disease-causing agents. **Geophysical hazards** include earthquakes, volcanic activity and emissions, and related geophysical processes such as mass movements, landslides, rockslides, surface collapses and debris or mud flows. **Hydro-meteorological hazards** include tropical cyclones, floods, drought; heat-waves and cold spells; and coastal storm surges. Finally, **Technological hazards** include industrial pollution, nuclear radiation, toxic wastes, dam failures, transport accidents, factory explosions, fires and chemical spills.

In order the structure the study, the assessment of the financing mechanisms and spending targets for disaster preparedness, mitigation and prevention in Uganda was specifically conducted along the following objectives:

- To establish the existing funding mechanisms/modalities for Disaster Preparedness, Mitigation and Prevention services in Uganda
- To ascertain the Government of Uganda allocations and expenditure on disaster preparedness and risk management in Uganda from financial year 2012/13 – Financial Year 2016/17
- Propose a funding framework for management for Disaster Preparedness, Mitigation and Prevention interventions in Uganda.

Ultimately, findings of this study are envisaged to support CSBAG’s “efforts of formulating alternative budget policy options for public financing to reduce the risk and effects of disaster preparedness in Uganda”.
Legal and policy context of disaster preparedness, mitigation and prevention
2.1 Progress registered in the Legal and policy context of disaster preparedness, mitigation and prevention

On the policy front, Uganda’s current National Development Plan (NDP II, 2015/16 – 2019/20) provides an over-arching policy and planning framework for the country. The NDP II emphasises the need to build resilience among communities, establishment of a reliable and efficient early warning systems and decentralisation of disaster risk reduction and management. The plan also emphasises the need for an earthquake administration policy as well as a policy and legal framework to enforce seismic safety standards especially in the country’s mineral development. Many of these provisions have already been implemented as highlighted by the success attained in the two years of implementing the Sendai Framework alluded to below.

Sendai Framework for Disaster Risk Reduction (2015-2030): Overall, Uganda along with the rest of the world is now operating under the Sendai Framework for Disaster Risk Reduction (2015-2030), which has four major building blocks/priority areas. These include understanding disaster risk; strengthening disaster risk governance to manage disaster risk; investing in disaster risk reduction for resilience; and enhancing disaster preparedness for effective response and to “Build Back Better” in recovery, rehabilitation and reconstruction. A cursory look at the four priority areas reveals reduction of risk as the principle underpinning the Sendai Framework.

Two years into the implementation of the Sendai Framework, Uganda has made significant progress on all four priorities of the framework. A National Platform for Disaster Risk Reduction now exists and meets monthly and 75% of the Districts have functional Disaster Management Committees. In addition, a National Emergency Coordination and Operations Center (NECOC) is now operational. With support from the UNDP, the NECOC has developed and published multi hazard risk profiles and maps for 116 districts in Uganda. NECOC is also in the process of developing a National Risk Atlas. Furthermore, NECOC publishes a multi-hazard monthly bulletin covering the entire country (OPM, 2017).

District Disaster Management Committees: The establishment of the District Disaster Management Committees has been instrumental in institutionalising the early warning systems at local government level. In all the study districts, the committees were found to be functional and at the forefront of managing disaster preparedness and prevention in their respective districts.
We have formed a disaster management team right from sub-county to district level, and I am the head of this team. The team works with other departments to ensure that disaster prevention interventions are mainstreamed. We also provide early warning information, for example, local radios have provided air time to the district and the district is able to provide information to the community for example such as occurrence of pests, epidemic human disease like cholera, we educate communities on prevention, and response measures...Chief Administrative Office Respondent

District Contingence Plans: The districts of Sironko, Kasese, Arua, Kotido, and Kaabong focused on this assessment have also made progress as each has developed a Contingence Plan as one of the strategies in place to prepare/mitigate/prevent natural disasters. Districts have also gone ahead to map common disasters in their areas and taken action including resettling some of the people from the worst affected areas as well as soliciting for funds from development partners to fund their risk reduction.

We are working very closely with the office of the prime minister to resettle communities which are living in very vulnerable areas and we have done all the mapping including capturing the bio data of all the people to be relocated like in Masaba sub-county. We earmarked to relocate close to 200 households in Busupa and Bukinjare and some other parishes...Respondent in Sironko

The National Policy on Disaster Preparedness and Management (2011): Uganda’s National Policy on Disaster Preparedness and Management (2011) is very progressive in its provisions for the management and reduction of risk in the country despite what its name suggests. The goal of the policy is to “establish institutions and mechanisms that will reduce the vulnerability of people, plants and wildlife to disasters in Uganda.” Despite preceding the Sendai Framework in its enactment, the policy explicitly articulates the management of risk in Uganda. In recognising the multi-sectoral nature of disaster risk reduction and management, the policy explicitly provides for the roles of the various MDAs of government in the management of risk.

As the policy undergoes revision to be fully aligned to the Sendai Framework (OPM, 2015), it is imperative that it completely provides the framework for Uganda to completely shift from managing disasters to managing risk. Additionally, gaps remain in the financing of the policy as the subsequent sections of this report highlight.

Existing gaps in the Legal and policy context of disaster preparedness, mitigation and prevention.

The progress noted in the previous section notwithstanding, some challenges remain as outlined in this section

Lack of a law to govern disaster risk reduction and management: All operations geared towards disaster risk reduction and management is currently governed by provisions in different sector laws that are well documented (NECOC, 2015). Uganda’s 1995 Constitution under its XXIII social and economic objective provides that “The State shall institute effective machinery for dealing with any hazard or disaster arising out of natural calamities or any situation resulting in general displacement of people or serious disruption of their normal life.” Similar to many key issues that the Constitution provides for, a specific Act of Parliament ought to be enacted to operationalize the provision. While literature indicates that the process is underway to develop and enact a Uganda National Disaster Preparedness and Management Act, the draft Bill is yet to be tabled before Parliament.
Disaster Preparedness and Management Commission: Uganda’s Constitution (Article 249) also provides for the establishment of a Disaster Preparedness and Management Commission “to deal with both natural and man-made disasters”, which is yet to be operationalized. Without a specific law to govern government’s work on disasters, the composition of such a committee is not defined and neither are its specific duties. Adopting lessons from similar countries such as Namibia, literature from the OPM proposes that such a commission if established is tasked with the monitoring, evaluation and reporting on disaster risk reduction and management to Uganda’s Parliament.

Inconsistency in operationalizing the Contingency Fund: In addition, the Public Finance Management Act, (PFM Act, 2015 as amended) provision for funding the management of disaster preparedness, mitigation and prevention is yet to be operationalized. Section 26 of the PFM Act, 2015 establishes a Contingencies Fund which in every financial year is meant to be replenished with an amount equivalent to 0.5% of previous year’s total appropriated national budget. The sole purpose of the Fund as per the PFM Act, 2015 (as amended) is to finance Uganda’s Disaster response. However, the Fund has not yet been operationalized since the PFM Act, 2015 was enacted into law.

The State shall institute effective machinery for dealing with any hazard or disaster arising out of natural calamities or any situation resulting in general displacement of people or serious disruption of their normal life.
3 Financing disaster preparedness, mitigation and prevention
CSBAG recognises that under the Sendai Framework, priority has shifted to managing and reducing risk. However, the reference period for the study (FY 2012/13 – FY 2016/17) is one in which disaster related financing was predominantly on preparedness, mitigation and prevention. Similar to other development programmes in Uganda’s expenditure, disaster preparedness, mitigation and prevention are also funded by both government of Uganda and its development partners with local governments at the forefront of budget implementation.

There are many Ministries, Departments and Agencies (MDAs) of government that are involved in financing disaster preparedness, prevention and mitigation. These are complemented by the development partners, non-government organisations (both local and international) as well as the private sector. The roles of each of the MDAs are defined in the National Policy for Disaster Preparedness and Management. Overall, the Policy designates the Department of disaster Preparedness and Management under the Office of Prime Minister as the lead agency responsible for disaster preparedness and management. The department coordinates disaster risk reduction, prevention, preparedness and mitigation in the country. However, while the department coordinates all the MDAs in the Disaster Risk Reduction (DRR) sector, mitigation and prevention is primarily undertaken by other MDAs in the DRR sector which has implications on the financing of disaster preparedness, prevention and mitigation.

3.1 Financing Channeled through the office of the prime minister (OPM)

Overall, Government of Uganda expenditure on disaster preparedness, mitigation and prevention is categorised into recurrent (wage and non-wage) and development/capital (Government of Uganda – GoU and External Financing/Donor) expenditure. GoU financing for disaster preparedness, mitigation and prevention has over the study years been mostly directed towards development purposes. This often includes acquisition of land to resettle displaced persons, purchase of motor vehicles as well as construction, maintenance or acquisition of buildings. On the other hand the non-wage recurrent budget is the one utilised by OPM to cater day to day needs in disaster preparedness, mitigation and prevention.

Table 2: Disaggregation of government of Uganda expenditure (UGX Billions)

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>FY 2012/13</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget Out-turn</td>
<td>Budget Out-turn</td>
<td>Budget Out-turn</td>
<td>Budget Out-turn</td>
<td>Budget Out-turn</td>
</tr>
<tr>
<td>Wage</td>
<td>0.41</td>
<td>0.38</td>
<td>0.39</td>
<td>0.18</td>
<td>0.41</td>
</tr>
<tr>
<td>Non-Wage</td>
<td>7.42</td>
<td>7.32</td>
<td>8.53</td>
<td>8.54</td>
<td>7.24</td>
</tr>
<tr>
<td>GoU Development</td>
<td>5.08</td>
<td>10.23</td>
<td>60.16</td>
<td>60.07</td>
<td>13.22</td>
</tr>
<tr>
<td>Donor Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Computations from Annual Budget Performance Reports

The development generally experienced high levels of budget performance across all the study years with FY 2015/16 and 2016/17 being the exception. In such years, the low budget performance is generally attributed to insufficient funds and associated budget cuts. In years such as FY 2012/13 where the budget outturns outweighed the approved budget, this pattern is attributed to supplementary budgets.
The expenditure in table 5 however needs further disaggregation in order to isolate what was actually spent on disaster management, preparedness and prevention. This is due to the fact that both disaster and refugee related expenditures are housed under the same programme (under the same vote function prior to FY 2016/17). Therefore, in order to arrive at what was actually spent on disaster preparedness, mitigation and prevention, the money under OPM’s Disaster Preparedness and Refugees Management programme was scrutinised using the narratives of highlight of vote performance section in the budget performance reports and the relevant expenditure was captured. Given the structure of the narratives, this disaggregation is only limited to the recurrent expenditure. In addition, expenditure on Management of Special Programs is also excluded because despite it resonance with risk reduction among disaster prone communities it is primarily aimed at reducing general vulnerabilities not necessarily arising out of disaster effects.

3.1.2 Disaggregation of Recurrent Expenditure

From analysing the recurrent budgets, the major purposes to which government of Uganda directed its funding include defective preparedness and response to disasters; coordinating clearance of mined and contaminated areas, returning and resettlement of Internally Displaced Persons (IDPs) and settlement/ voluntary repatriation of refugees, Refugees ; as well as provision of relief to disaster victims.

Financing Disaster more than managing and reducing disaster: CSBAG analysis revealed that Government of Uganda is still spending the bulk of its resources on managing and responding to disaster as opposed to managing and reducing disaster risk. This can be attributed to both the perpetual nature of the conflicts in neighbouring South Sudan, Burundi and Democratic Republic of Congo. However, it could also be driven by the perpetual nature of some of the disasters faced in some parts of Uganda such as the floods in Kasese and Teso, the landslides in Bududa and drought in Karamoja sub-region. These naturally occurring hazards continue to affect many Ugandans annually despite their relatively predictable patterns. See Figure 1 below for more details

Figure 1: Trends in Recurrent Expenditure (UGX Billions) **

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Outturn</th>
<th>Budget Outturn</th>
<th>Budget Outturn</th>
<th>Budget Outturn</th>
<th>Budget Outturn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013/14</td>
<td>4.632</td>
<td>7.872</td>
<td>5.394</td>
<td>4.662</td>
<td>4.85</td>
</tr>
<tr>
<td>FY2014/15</td>
<td>2.586</td>
<td>2.513</td>
<td>2.79</td>
<td>2.72</td>
<td>0.629</td>
</tr>
<tr>
<td>FY2015/16</td>
<td>1.389</td>
<td>1.371</td>
<td>0.04</td>
<td>0.034</td>
<td>0.072</td>
</tr>
<tr>
<td>FY2016/17</td>
<td>2.478</td>
<td>2.477</td>
<td>2.478</td>
<td>2.737</td>
<td>2.737</td>
</tr>
</tbody>
</table>

Source: Computations from Annual Budget Performance Reports

** A very small proportion of the funds were directed towards clearance of mined and contaminated areas in FY 2012/15 (UGX 0.034 Bn) and in FY 2013/14 (UGX 0.072 Bn). Thus the intervals of 5 on scale of the graph obscure these allocations and can only be seen upon close inspection of the stacked column for the FY 2013/14 budget.
Over expenditure in recurrent budgets: The budget performance patterns in recurrent expenditure over the study years reflect over expenditure in majority of the study years (Financial Years 2012/13, 2015/16 and 2016/17) especially in relation to provision of relief to victims of disasters. This is mostly due to supplementary budgets which arise out the number of refugees and disasters outweighing the planned numbers. In FY 2016/17, a supplementary budget of UGX 5 Billion was given to OPM of which UGX 4 Billion was directed towards provision of relief to victims of the disasters. The issue was observed in financial year 2016/17 with a supplementary budget of UGX 25 Billion directed towards provision of relief to disaster victims (this explains the major variations/spikes in the outturns of the respective years depicted in Figure 1).

Recurring pattern of supplementary budgets: While disasters are often classified as emergencies, the recurring pattern of supplementary budgets over the years is a cause for concern given the relatively predictable nature of the geo-physical and hydro-meteorological hazards/disasters that Uganda faces. The additional cause for concern is that the patterns of supplementary budgets have persisted in the face of greatly improving early warning systems and capacities at local government level.

3.2 Funding at Local Government Level

No direct funding to Local Governments: We posit that the mismatch between the persistence of supplementary budgets discussed in the preceding sub-section and the existence of reliable early warning systems and capacities at local governments can be attributed to the outlay of the Government of Uganda funding for disaster management, preparedness and prevention. Ideally, the local governments which are at the forefront of dealing with disasters, prevention and preparedness should have funding specific to these functions. However, all the study districts reported not having any funds for their disaster management, preparedness and prevention functions.

*We have never received any direct funding from the office of Prime minister which is the coordinating office but we receive support in kind, of items example foods, so we have never received any funding...*

*Respondent from one the Chief Administrative Offices*

The local governments that have some available local revenue often allocate this to respond to disasters and due to these resources being meagre the local governments often find themselves reaching out to development partners and Office of the Prime Minister for assistance.

*We allocate some little part of the local revenue to for the disaster management team to carry out its activities. This is only for monitoring, we have always emphasized that each department should mainstream disaster issues, and we are serious about this...*

*Local Council Respondent*

The limited funding or lack thereof at local government level directed towards disaster management, preparedness and prevention has therefore rendered the implementation of the District Contingency Plans highly improbable. Furthermore, the conditional nature of the grants received at local government level has rendered it difficult for local governments to utilise the District Level Contingency Planning Methodology that many of them have their capacity built in. The methodology has mostly been restricted to the development of District Contingency Plans with no room.
Although we had disaster contingency plan which was developed in the district with support from Red Cross and other partners, its implementation is a problem because of limited funding, but the other funds come in indirectly through the development partner and like I mentioned, we have UNICEF. We have Uganda Red Cross; we have CARITAS and a number of others. Directly we also get support from the ministry of Health depending on the nature of our breaks and of course OPM...

Respondent from a Chief Administrator’s Office

CSBAG proposes that if the funding for disaster management, preparedness and provision is to be more effective, there has to be a specific grant directed towards the same at local government level. Alternatively, disaster elements should be incorporated into the grant allocation formulae for local governments in order to make mainstreaming disaster preparedness, management and prevention into sector budgets more effective. As Uganda realigns its spending towards risk management and reduction, it is local governments best placed to spear head this under the auspices of the OPM. Funding should therefore be directed to them to fulfil this mandate.

3.3 Financing Channelled through other MDAs.

Mainstreaming DRR in sector budgets is the approach used to fund prevention and mitigation while contingency planning caters for preparedness and response. Consultations with the OPM revealed that while no funds are sent directly to local governments for disaster response, the MDAs under the different sectors have mainstreamed disaster risk management in their respective development plans and budgets and this has enhanced DRR resilient planning and budgeting at local government level. Thus the grants sent to the local governments by the respective MDAs are meant to fund activities that cater for disaster proofing of all sectors (prevention and mitigation). For instance, the Ministry of Works and Transport has increased its budgets to cater for the new road designs that are flood proof. Additionally, the agricultural sector through the National Agricultural Research Organisation has placed funding towards the development, multiplication and distribution of drought and disease resistant species of plants. The Ministry of Water and Environment (MoWE) and the National Forestry Authority have focussed on elements of, wetland protection and tree planting while the National Environment Management Authority (NEMA) is involved in protecting and safeguarding the environment.

While mainstreaming DRR into sector budgets has been beneficial for contingency planning at both central and local government levels, it is difficult to trace prevention and mitigation related funding from the sector budgets. It is worth pointing out that not all environmental expenditure has direct disaster prevention and mitigation components to it. Thus for this analysis, only programmes from MoWE, NEMA, and the Uganda National Meteorological Authority are considered for analysis (UNMA). The funding from the programmes identified within these MDAs is summarised in table 6. Overall, the funding for these programmes has exhibited fluctuating trends over the years. However, what is most notable is the low level of budget performance amongst these programmes. Analysis of the Annual Budget Performance Reports indicates that there were wide variances between the approved budget estimates and the funding released to the MDAs for the programmes. The low levels of budget performance are consistent across all the years under review.
Table 3: Budget performance of prevention and mitigation programmes (Billion UGX)

<table>
<thead>
<tr>
<th>Programme/Vote Function</th>
<th>FY2012/13</th>
<th>FY2013/14</th>
<th>FY2014/15</th>
<th>FY2015/16</th>
<th>FY2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoWE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weather, Climate and Climate Change</td>
<td>6.1</td>
<td>10</td>
<td>5.3</td>
<td>4.5</td>
<td>5.6</td>
</tr>
<tr>
<td>Water for Production</td>
<td>21.4</td>
<td>29.3</td>
<td>20.1</td>
<td>19.5</td>
<td>32</td>
</tr>
<tr>
<td>NEMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Management</td>
<td>5.5</td>
<td>7.9</td>
<td>8.4</td>
<td>7.7</td>
<td>9.1</td>
</tr>
<tr>
<td>UNMA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Meteorological Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Compilations from Annual Budget Performance Reports

Under the MoWE, the water for production programme is aimed at ensuring resilience of farmers against drought. It has mostly been implemented in areas of Karamoja and West Nile. The funding under NEMA was directed towards environmental law enforcement especially in the protection of wetlands and catchment areas. The establishment of the UNMA has been instrumental in the strengthening of the early warning systems across the country.

3.4 External (Donor) Financing

A cursory look at table 5 and one observes the missing data for external financing directed towards disaster management, preparedness and prevention. There is a dearth of literature on external financing directed towards dealing with disasters in Uganda. The national budget documents are devoid of the data and it is disparate across the various global databases and available literature. For consistency, the data utilised in this section is strictly drawn from the OECD.Stat online database. Another challenge that characterises disaster related external financing data is that it is often aggregated with humanitarian assistance making its analysis difficult. Thus special care was taken to isolate disaster related funding from humanitarian assistance by considering the long and short descriptions of the funding from the various donors.

Overall, disaster related external financing to Uganda has largely experienced an increasing trend across the years under study (2012 – 2016). This could be explained by the fact that during the years under study, Uganda has faced several geo-physical and hydro-meteorological disasters with the number of people affected rising each passing year.
Throughout the study years, the external funding has been in the form of grants to the recipient entities. This disaster related external funding has mostly been channelled through three major avenues namely Public Sector (budget support), Multilateral organisations, Non-Governmental Organisations (NGOs) and Civil Society (CSOs). Analysis of the CRS data revealed that the funding has mostly been channelled through project funding to NGOs and CSOs except in 2014 when it was mostly channelled through multi-lateral agencies (see figure 3). For instance, the close to 6 Million USD disaster related funds spent in 2016 the largest proportion (39%) was channelled through NGOs and CSOs followed by another large proportion (32%) for which the channel was not reported. The public sector (budget support) accounted for 29% of this external funding.

Source: Computations from OECD.Stat Credit Reporting System (CRS) Accessed on 11th May, 2016
Disaggregating the project funding over this period, reveals that Uganda has had thirteen major development partners namely Agency for International Development, Germany, Ireland, Belgium, IDA, Korea, Japan, Norway, UNDP, UNICEF, WFP, WHO. Taking 2016 alone, the major sources of the disaster related project funding were Japan, World Food Programme and the United Nations Development Programme as illustrated in Figure 4.

Figure 4: Distribution of External Project Funding in 2016 (n=10.6 USD Million in 2015 constant prices)

Source: Computations from OECD.Stat Credit Reporting System (CRS) Accessed on 11th May, 2016

Regarding purpose, the project funding was put to three major uses. More than half (54%) of the project funding was for emergence response, 41% was for Disaster Prevention and preparedness. The remaining 5% was put to disaster related reconstruction Relief and rehabilitation.

This disaster related external funding has mostly been channelled through three major avenues namely Public Sector (budget support), Multilateral organisations, Non-Governmental Organisations (NGOs) and Civil Society (CSOs).
Proposed financing mechanisms and framework
Considering that Uganda is in the process of transitioning away from focusing on disaster management, preparedness and prevention to emphasising management and reduction of disaster risk in its development planning, CSBAG proposes that the structure of financing disaster related activities is also made consistent with this shift.

Furthermore, Uganda has built and strengthened early warning systems at local government level, in addition to this; there is also resident capacity in the use of the District Level Contingency Planning Methodology in most of the local governments. However as highlighted in section 4.1.2 of this report, there is a mismatch between the planning and the financing at local government level. This is likely one of the major causes of the persistent supplementary budget pattern observed across the study years. As such, there are to financing mechanisms that CSBAG proposes for Government to adopt and these include **Forecast Based Financing Mechanism** as well as introduction of a specific **local government development grant** to fund disaster prevention. Alternatively, government could consider **incorporating a disaster prevention parameter to all conditional grants** transferred to local governments.

**Proposal 1:** It is against such a background that the **Forecast Based Financing Mechanism** is proposed in the financing of Uganda's intended approach of disaster risk management and reduction. This innovative framework/mechanism has been piloted by the International Red Cross and Red Crescent in Uganda and Togo to tremendous success (see annex 3 for Uganda's Case Study).

The IRCC defines Forecast Based Financing as “a mechanism for releasing humanitarian funding triggered by a pre-established forecast threshold, to ensure rapid mobilization of pre-planned activities to reduce risks, enhance preparedness and improve response”. The IRCC put it simply thus; “A humanitarian agency and stakeholders like meteorological services and communities at risk agree on selected actions that are worth carrying out once a forecast reaches a certain threshold of probability. Then each action is allocated a budget to be activated when a forecast is received”. The World Food Programme which is also implementing the mechanism in nine (9) countries of Bangladesh, Dominican Republic, Guatemala, Haiti, Nepal, Niger, Zimbabwe, Philippines and Sudan defines Forecast Based Financing as “mechanism whereby early preparedness and community level actions are pre-planned based on credible forecasts, and are funded and implemented **before** the disaster strikes. These actions minimize losses and damages caused by climate hazards, and reduce the need for humanitarian assistance in their aftermath”.

It is important to note that Forecast Based Financing does not replace current disaster programming but rather complements it. Its ability to close the gap Uganda is facing in linking the capacities built at local government level with government financing is why it is highly recommended by this study. Therefore, while mainstream programming continues, Forecast Based Financing can be utilised in the allocation of funds from the country's Contingency Funds.

**Proposal 2:** A Local Government Development grant ought to be instituted to fund disaster prevention at local government level. Without such a grant, the contingency planning at local government will continue to be ineffective. Alternatively, government could consider **incorporating a disaster prevention parameter to all conditional grants** transferred to local governments. Such an appropriation can be conditionally tied to financing contingency plans in districts mostly affected by disasters. The additional merit of this approach is that such a parameter in the grant allocation formulae ensures that districts affected by disasters are the main beneficiaries of such financing in light of the limited nature of resources.
Step 1: Risk analysis was conducted to understand the levels of vulnerability and exposure. Vulnerability and capacity assessments were conducted to identify and understand the hazards, people at risk, existing vulnerabilities and capacities. Historical impact data of the hazards was also assessed through participatory games.

Step 2: The URCS in collaboration with the Uganda National Meteorology Authority identified the available forecasts (national and international); taking into consideration the quality of available forecasts and the lead time provided, it was decided to use a global forecast, the Global Flood Awareness System (GloFAS), jointly developed by the European Commission and the European Commission Centre for Medium-Range Weather Forecast (ECMWF). The team carried out a forecast verification analysis to understand the probability of acting in vain.

Step 3: Early actions were identified based on identified risk that could be reduced, possible impact, and thresholds and lead times provided by the forecast. URCS focused on the three thematic areas of water access, storage and hygiene, food security and water diversion. Early actions such as prepositioning of relief stocks and distribution of relief items were identified as some of the actions to be implemented once the trigger was activated.

Step 4: URCS, the Climate Centre and the National Meteorology Authority representative defined the danger levels for flood for the respective target area, upon which a trigger would be activated and action taken. The teams agreed to consider the 1-in-2-year flood event as the ‘danger level’, and to act when there was a 50 per cent probability of this flood happening.

Step 5: A study was conducted to define the triggers for humanitarian action.

Step 6: The URCS developed institutional guidelines that provided a framework on when to trigger and actions to be implemented. The standard operating procedures (SOPs) stipulated the roles and responsibilities of each department and the branch. In addition, the SOPs define the amount of funds needed to implement the early action, how and when to access it. These funds, held by the German Red Cross in-country, should be easily accessible when a trigger is issued.

Step 7: The Standard Operating Procedures were tested during a simulation exercise and validated at a stakeholders’ forum that included NGO representatives and local government. The URCS simulation was based on a hypothetical trigger and mobilized communities within 24 hours to raise awareness of an impending flood, and suggested actions to be implemented. Items such as water storage containers, soap and water purification tablets were prepositioned at the branch ready for distribution the next day.

Step 8: The URCS activated the Standard Operating Procedures twice based on a trigger alert, of potential flooding in four villages and distributed relief items such as soap, water purification tablets, water storage cans, hoes, food storage bags and wood pallets to 367 families. The URCS received trigger alerts on 12 November 2015 and again on 20 April 2016 of possible flooding within 30 days and the National Meteorology Authority was able to confirm the forecast. On the 13 November 2016, relief items were transported from national headquarters and prepositioned at the branch. Communities were mobilized and verified on the 14 November and distribution of relief items took place the next day. Communities started digging trenches and continued all through the lead time. Officials from the district local government participated in the distribution of items and sensitization of communities on actions to take before the flooding occurs.

Step 9: An evaluation was conducted to facilitate learning and identify areas for improvement. For example, the team will revise the SOPs and conduct an in-depth analysis for the selection of actions.”

Annex 3: Case Study of how Uganda Red Cross Society has used Forecast Based Financing
5

References


National The National Policy For Disaster Preparedness And Management, 2011


Annex 1: Multi Hazard Early Warning Probability Map (Including Incidents Reported) From U-News - November To December 2017


Annex 2: hazard and risk profiles of the study districts

MAP 1: KASESE DISTRICT HAZARD AND RISK MAP

Map 2: kotido district hazard and risk map

Map 3: Kaabong district hazard and risk map

Source: http://www.necoc-opm.go.ug/northern/kaabong/kaabong.html Accessed on 12th May, 2018

Map 4: Arua district hazard and risk map


Map 5: Sironko district hazard and risk map
