

PARISH DEVELOPMENT MODEL

REDUCING POVERTY AMONG THE URBAN POOR IN UGANDA.

EVALUATING THE EFFECTIVENESS AND INCLUSIVENESS OF THE PARISH DEVELOPMENT MODEL IN KAMPALA

Owusu-Sekyere, Enoch^{1,2,3} – Nantongo, Mary⁴ – Galiwango, Henry⁵ Aboutahab Assem^{6,1}

¹ Department of Economics, Swedish University of Agricultural Sciences, Uppsala, Sweden

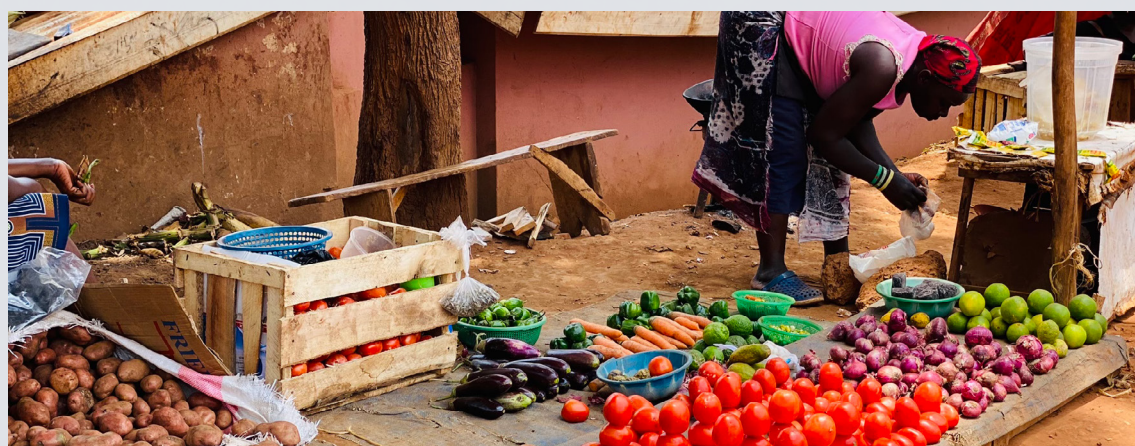
² Department of Agricultural Economics, Extension & Rural Development, University of Pretoria, South Africa

³ Department of Agricultural Economics, University of the Free State, Bloemfontein, South Africa

⁴ Department of Applied Economics, Makerere University Business School, Uganda

⁵ Makerere University, College of Agricultural and Environmental Sciences, Kampala, Uganda

⁶ The Nordic Africa Institute, Uppsala, Sweden



In 2019/2020, poverty estimates from the Uganda Bureau of Statistics (UBOS) revealed that 8.3 million Ugandans, or 20.3% of the population, lived below the national poverty line¹ of \$1 per person per day (UBOS, 2021).

However, a broader multidimensional poverty assessment² showed that 42.1% of the population experienced poverty when considering deprivation in basic services (UBOS, 2022). In response to these challenges, the Ugandan government launched the Parish Development Model (PDM) in February 2022, aiming to improve the welfare of millions of poor citizens.

The PDM is a new initiative among several poverty alleviation programs implemented since the 1990s. It stands out for its innovative approach, which involves devolving decision-making power and financial resources to local levels. The parish, as the smallest administrative unit, serves as the main platform for planning, implementation, and accountability. The PDM is the main implementation mechanism for the third National Development Plan (NDP III), marking a shift towards more localized and participatory poverty reduction efforts (Republic of Uganda, 2022).

¹ Uganda's national poverty line reflects the cost of meeting basic caloric requirements and is set using the cost-of-basic needs method to measure the level of poverty. The method estimates the expenditure needed to satisfy the basic caloric requirement of 3000kcal per adult equivalent and basic non-food needs of the poorest 50% of Ugandans (UBOS poverty map). The old national poverty line of 1USD per person per day was set in 1999 based on the 1992 consumption basket (UBOS UNHS report 2021).

² Uganda produced its first Multidimensional Poverty Index (MPI) Report in 2022 based on the 2019/20 Uganda National Household Survey (UNHS) data. The MPI takes into account multiple dimensions of human welfare such as health (access to health services, improved water and toilet facilities), education (years of schooling and school attendance), living standards (asset ownership, housing condition and crowding, energy access), employment and financial inclusion (child labour, productive employment and access to finance services). The MPI supplements the conventional one-dimensional measure of wellbeing - the poverty line -, which analyses poverty based on monetary indicators usually income or household expenditure (consumption).

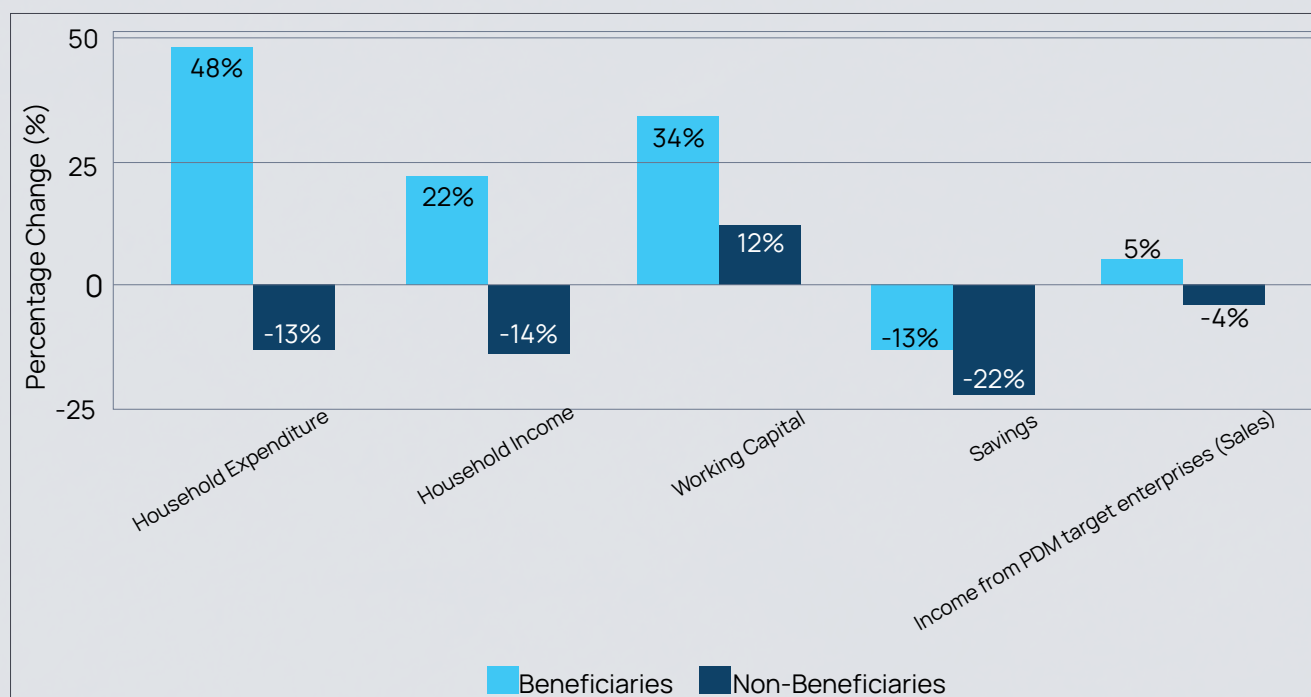
Methods

- We collected data from a representative sample of 1,045 respondents through a baseline survey conducted in November 2023 and a follow-up survey in September 2024.
- The sample included 588 PDM beneficiaries (56%) and 457 non-beneficiaries (44%).
- Quantitative analysis utilized panel data to compare poverty indicators between PDM beneficiaries and non-beneficiaries at two points: baseline (before PDM fund disbursement) and endline (nine months after disbursement).
- Various panel data models, including fixed effects, random effects, and pooled regression econometric models, were applied to estimate the impact of PDM on different poverty indicators.
- Qualitative analysis employed thematic analysis to explore the underlying drivers of the observed outcomes.
- Theoretically, the study adopted a theory of change approach, alongside governance and sustainable livelihoods frameworks, to provide deeper insights and nuanced explanations for the results.

Key Findings

- The PDM positively impacted livelihoods across key poverty indicators, including income, consumption, working capital, and food security.
- The program is inclusive, involving men, women, youth, and the poorest. However, men and youth participated less actively than women.
- In terms of distributional effects, PDM improved working capital and food security for all demographic groups, including men, women, and youth.
- PDM also increased incomes and consumption expenditures for both men and women, but had no significant impact on youth.
- For the poorest households, PDM increased working capital and consumption expenditure. Incomes and savings for this group were not significantly improved.
- Overall, PDM did not lead to an increase in savings among beneficiaries, largely due to inflation and the tendency for additional PDM income to be spent on consumption rather than being channelled to savings.
- The youth were the only demographic group for whom PDM led to increased savings, likely because they have lower expenditures and fewer financial responsibilities. However, as noted above, income and consumption benefits for the youth were limited due to their low engagement with the program.
- PDM's implementation strategy differed from previous poverty reduction programs by emphasizing decentralization and inclusivity, empowering the urban poor to take decisions that could help them escape poverty.
- There was initial skepticism and reluctance to engage in PDM, particularly among men and youth, due to historical mistrust of the ruling government among residents in Kampala and a lack of confidence in government programs.

Changes in key poverty indicators between baseline and endline for beneficiaries and non-beneficiaries

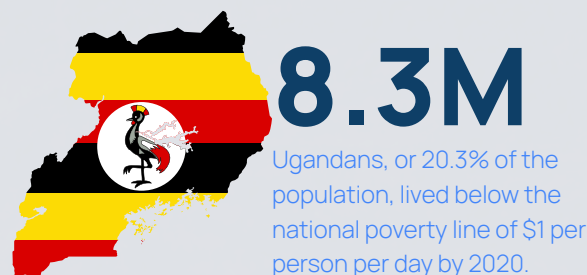


Policy Implications

- The PDM program has shown substantial positive impacts on the livelihoods of poor urban dwellers in Kampala. Accordingly, it should be expanded to support more households. Further, activation of other PDM pillars such as the social services and infrastructure pillars will enhance service delivery and overall impact of PDM.
- The program has, however, not effectively engaged or benefitted all vulnerable groups. So there is a need to tailor PDM eligibility criteria to accommodate the diverse capacities and vulnerabilities of different demographic groups, especially youth and men, to ensure broader engagement in the program.
- PDM also failed to increase savings among beneficiaries. To address this, the implementation of PDM's planned savings scheme should be prioritized to help beneficiaries save more effectively.
- PDM implementers and policy makers should also strengthen measures to encourage savings and investment by implementing strategies to shift income benefits from consumption to savings and investment, through for example addressing the high consumption expenditures and inflationary pressures. Continued financial literacy training and the implementation of the savings scheme are essential to overcome this challenge.
- Many beneficiaries have not adequately invested in their enterprises, resulting in lower-than-expected capital growth. There is therefore need to implement measures that ensure that beneficiaries fully utilize PDM funds for their intended enterprises. Strategies could include peer-to-peer monitoring, instituting reporting requirements and better oversight by local leaders.
- The institutional framework of PDM, which balances decision-making and resource allocation between local, subnational, and national levels, has been key to its success. However, more technical and financial resources are needed, particularly at the parish level, where resources are currently insufficient.
- Engaging diverse stakeholders will aid the provision of the much needed technical and financial resources needed for successful implementation and sustainability of the ambitious and resource intensive program. While PDM's implementation framework provides for their engagement, current implementation largely lacks the participation non-state actors including private sector, civil society, religious and cultural institutions.
- Inflation and other external factors, such as climate change could undermine PDM's effectiveness. Therefore, we recommend more vigilant monitoring of broader economic, political, and environmental factors, that may impact the program's effectiveness.
- There is need to foster community trust in PDM implementers through sustained engagement beyond initial mobilization efforts, particularly to address historical political mistrust.

Conclusions

The Uganda bureau of Statistics estimated that 8.3 million Ugandans, or 20.3% of the population, lived below the national poverty line of \$1 per person per day by 2020. Based on the findings, we conclude that the PDM model could be used as a tool to tackle poverty faced by millions of Ugandans.



Acknowledgments

The Network of Impact Evaluation Researchers in Africa (NIERA) funded this study through a research grant from the Hewlett Foundation. NIERA also provided overall administrative support for the project.

The support from United States International University-Africa, Department of Applied Economics, Makerere University Business School (MUBS), PDM Secretariat, Kampala Capital City Authority (KCCA), The Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), PDM SACCO Chairpersons, Assistant Ward Administrators and Local Council members, are greatly appreciated.

We also acknowledge the support from Richard Abataki Wani and Swinnerstone Miheso Eugene.

Funding

This work has been supported by the William & Flora Hewlett Foundation through the NIERA's Demand Driven Research Initiative (DDRI) Program. The funder had no role in design of the research or preparation of this policy brief."

Key References:

Republic of Uganda, 2021. Implementation Guidelines for Parish Development Model 30 <https://www.kamuli.go.ug/sites/files/Implementation%20Guidelines%20for%20FOR%20%20PARISH%20MODEL%20OPERATION%20%20minister%20revised%20feb.pdf>

Uganda Bureau of Statistics, UBOS (2021). Uganda National Household Survey 2019/2020. Kampala, Uganda https://www.ubos.org/wp-content/uploads/publications/09_2021Uganda-National-Survey-Report-2019-2020.pdf

Uganda Bureau of Statistics, UBOS (2022). Multidimensional Poverty Index. Kampala, Uganda https://www.ubos.org/wp-content/uploads/publications/08_2022Multi_Poverty_Dimensional_Index_Report_2022.pdf

Engage with us:



info@nieraglobal.org



@NIERA_EA



nieraglobal.org



The Network of Impact Evaluation Researchers in Africa



@nieraglobal.bsky.social



HQ Nairobi Pramukh Towers, Westland's Road, 6th Floor, Room 610,



P.O. Box 11750-00400, Nairobi, Kenya