

**THE NET ECONOMIC COST OF THE
CONFLICT IN THE ACHOLILAND SUB-
REGION OF UGANDA**

COMMISSIONED BY
**Civil Society Organisations for Peace in Northern
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Executive Summary

Background and Purpose of Study

Acholiland in northern Uganda has suffered from persistent insecurity since the mid-1980s. For the past 16 years, the Lord's Resistance Army (LRA) and its predecessors have waged a civil war against the Government of Uganda and terrorised the civilian population of Gulu, Kitgum and Pader. Neighbouring districts have also been affected. The massive disruption, dislocation and displacement and suffering of the people in the region is well-known and well-documented.

In early 2002 a group of civil society organisations (CSOs) came together in a campaign to encourage policymakers to find a peaceful solution. Civil war and internal armed conflicts are increasingly recognised as major drags on developing economies; Paul Collier's estimate that such conflicts, on average, cost countries 2.2% of their GDP is generally accepted as valid. However, the group of CSOs recognised that no specific estimate had been derived for the conflict in Northern Uganda; they recognised the cost in terms of human suffering and suspected that the economic loss to the nation was even higher, given the vicious nature of this seemingly endless war.

The group engaged a team of consultants to conduct the research necessary to derive a first approximation of what this war in the Acholi region and other parts of the North is costing Uganda. The CSOs knew that the cost to the region was substantial and suspected it must also be reducing the growth of the Ugandan economy as a whole. If their assumption was proven to be correct, the CSOs expected that this might influence policy makers and donors to put more resources into the search for sustainable end to the conflict. It is widely recognised and repeatedly emphasised that development and eradication of poverty are incompatible with the continuation of a state of internal war. It is hoped that the study whose results are presented here will help all parties to the conflict comprehend the full costs of the conflict on the national economy and the benefit which will accrue to the country by its prompt and sustainable resolution.

Methodology, Limitations and Caveats

The main cost elements of the model were suggested by the CSO group which commissioned the work and other elements were added as participants pointed out new costs not initially recognised. With one exception, those most knowledgeable concerning each cost element were consulted. That exception is the military, due to the sensitivity of such information. Therefore, consultants took the conservative approach of estimating that one quarter of the published figures for recurrent military expenditures be attributed to the war in the north; the military development budget was excluded. The only district which could be visited during fieldwork was Gulu because of the grave deterioration in security accompanying the upsurge in fighting in July and August 2002. Losses over the years of animals, standing crops, and lost income from crop and livestock production were based on the assessment of Government officers in Gulu, and estimates were made for Kitgum and Pader. These estimates of production were compared with estimates of expected production levels based on growth rates from the World Bank's Agricultural Sector Memoranda. For cash crops British American Tobacco and the Cotton Development Organisation provided data on actual and potential production for the region's principal cash crops. Only partial figures were available from Gulu on infrastructure destroyed or lost from being abandoned for years on end; these figures were included in the model. On-going efforts are being made by CSOs operating in Kitgum to obtain similar information, but these data are not available in time to be included

in this report. When the data become available, they can be added to the model and total costs will rise accordingly. Humanitarian assistance was excluded since this basically replaces production foregone due to conflict. An attempt was made to estimate the difference between the development assistance the region received and what it could have expected to receive had the region not been so insecure as to preclude the establishment or effective operation of many donor-funded programmes. These estimates are also only partial and the total is expected to rise as additional information becomes available. There was considerable reticence at least initially even from authorities and some NGOs and international agencies on providing financial figures on the cost of their programmes. Many heads of departments recognised impacts on their programmes but few were able to add up the damage, and fewer still were willing to provide estimates of the magnitude of these losses. Because of chronic understaffing due to the inability to recruit and retain staff, the districts in the war zone have been unable to fully account for funds received from central government and to accurately estimate their own revenue losses. They acknowledge that their tax collections (especially graduate tax) are minimal and their dependence on grants from central government, heavy. One result of the study was to confirm large discrepancies between figures generated by local authorities and those published at national level for the same districts by the same Ministries, or between different agencies generating what should be comparable figures. Many studies, the Demographic and Health Survey being but one example, have been conducted nationwide but have excluded fieldwork in the districts of Acholiland because of the state of insecurity, confirming once again that the truth (at least, as generated by statistically representative surveys) is the first casualty of war.

Nevertheless, the consultants are satisfied that the estimate made here places a lower limit on the cost of the war in Acholiland to the country. As information not included in the model becomes available, the estimate of the cost of the war will rise. It is also expected that others interested in this conflict with more time and resources than those generously allotted to consultants for this study, may acquire additional data and make other assumptions in their fields of expertise which change the estimate of the various component costs; however, the consultants strongly believe that on aggregate such changes and additions will add to the total rather than subtract from it.

Main findings and conclusions

Over the past 16 years, this war has cost over 1.33 billion dollars, which on average represents over 3% of annual GDP. When the model is more fully developed, it is believed that total cost will be found to be closer to 4% of GDP. Over the years military expenses have accounted for 28% of the cost of the conflict. Losses related to agriculture and livestock which are the mainstays of the region almost equal the proportion of costs related to military expenditure. Tourism has suffered significantly as gun-shy tourists choose other destinations instead of Uganda; almost 15% of the costs are attributable to lost income from tourism. The war is one of Uganda's major public health problems, with over 10% of the cost attributable to taking care of health problems related to the war. Additional losses can be measured in lost output from a population whose health has been a major casualty of war. The cost of lives lost is incalculable but for the purpose of the model has been estimated at over 2.5% of total costs based on the value of lifetime production lost. The war knows no geographic bounds and is now spilling over into other regions; however, even while confined to Acholiland, the conflict has had an impact on neighbouring districts (also over 2.5% of the total in aggregating all these districts) and has a noticeable effect on their contribution to national GDP. Given the strong positive relationship between primary education and farm income, disruption of education by the war has a cost (0.5% of the total) and will affect rural

development for years to come. People have fled with the clothes on their back and have lost all their worldly possessions, sometime more than once; these costs have been estimated at 1% of the total. No one in his right mind will make major investments in a war zone; private investments lost or not made have been conservatively estimated at 0.5% of total costs. Government at all levels has lost revenues as a result of the conflict and together with donors has been unable to make the kinds of public investment needed for development of the region (estimated at over 1% of the total). Some of the investments they have made will be frozen in IDP camp and will become redundant as the camps empty out and the population returns to its homes at the end of the conflict. Environmental degradation as a result of overexploitation of the environment by a rural population concentrated in overcrowded camps equivalent to small cities also has a cost. The loss of some of the region's most skilled people to migration to other districts or overseas also is a cost to the region and to Uganda. Over the years the cost comes to an average of about US\$100 million per year. The war is costing Uganda over 3% of its GDP. It reduces Uganda's ability to deal with the myriad problems it faces and to take advantage of the many opportunities available to the country and to its people.

Main recommendations

Uganda has already lost or spent over US\$1.33 billion on a seemingly endless war. In economic terms this is a sunken cost, water over the dam, worth thinking about only as a guide to future actions.

The main recommendation of the study is for readers to reflect on one single question:

Can Uganda afford to lose close to \$100 million every single year – i.e. almost the equivalent value of the entire budget of the World Bank's new Northern Uganda Social Action Fund?

Unless the country can afford to throw away \$100 million a year and to watch its youth die in combat or of boredom in the camps, then it must do whatever is necessary to resolve the conflict peacefully. When faced with a similar situation a decade ago Government and Teso insurgents negotiated a peace along the lines of what is now being proposed. Then, the donor community and the civil society organisations came in behind Government's programmes and provided the resources necessary to harness the strength and resilience of the people to bring about a strong recovery from that conflict. There is every reason to expect similar results in the Acholi region once the conflict is settled and an even stronger impact of such a settlement on growth in a national economy which is suffering as a consequence of prolonged war.

Experience elsewhere and discussions with businessmen and women as part of this consultancy reveal that a tremendous injection of investment will take place within the first few years after the end of the war, followed by long period of steady but lower growth thereafter. The outlook right now is favourable for the principal cash crops in the region, very favourable in the case of the major crop (tobacco). The losses estimated in this study point the way for public investments needed by Government and the donor community to hasten this process of development. The experience gained in Teso and Lango can make support for regional development in Acholiland and adjacent regions more efficient and speed the translation of development assistance into improved welfare for people in the region and for increased income for the country as a whole.

Cost of the Conflict in Acholiland

1 Background to the Study

At various times, people in Uganda frustrated at the years of conflict have asked how much it was costing. At first people thought that the question had been studied and the study was archived somewhere gathering dust. When it became apparent, that no such study had been done, a consortium of CSOs working in the north discussed the need for such a study (see terms of reference in annex 3 and analysis paper in annex 4). They hoped that, if people really understood what the war was costing the country in addition to the suffering of the people affected, it might provide an additional impetus for peace. Unlike other studies which ask people to imagine how their fellow Ugandans were suffering, this kind of study would point out to people in a position to do something about it, how this endless and (for the most part) low-key war was costing them where it hurts most – in the pockets of all Ugandans. The upsurge in the fighting following the initiation of Operation Iron Fist in May 2002 increased people's interest in the conflict and brought home its costs on a daily basis. The timing of the study could not have been better.

1.1 History of the Conflict

The roots of the conflict go back at least as far back as the war of liberation when the massacres in the Luwero triangle by the UNLA which included a high proportion of Acholis against the NRA. Following NRA's victory in 1986 elements of the UNLA regrouped in Sudan and began attacking the UPDA (predecessor of the UPDF) and against civilians in Acholiland. By 1987 Alice Lakwena's Holy Spirit Mobile Force began, succeeded in 1988 by her father's Holy Spirit Movement, which gave rise to Kony's Lord's Resistance Army (LRA). Only the first two of these insurgencies (UNLA and Alice Lakwena's Force) seemed to have much support within the Acholi community, which was alienated by the abuses committed by the UPDA. It seems likely that the atrocities committed by the LRA on the civilian population have cost it any support it might have garnered in the community. The LRA seems to have no coherent programme beyond the overthrow of the Museveni government and acted in an unpredictable and violent manner which made realisation of whatever objectives it may have had, beyond self-perpetuation, unachievable. Until recently, the support of the Sudanese Government facilitated the survival of the LRA and perpetuated it as a credible force, which was replenishing its ranks periodically by the abduction of children. With this support, even in times of relative peace, the threat of potential attacks never left the minds of people trying to live in the region, and limited their options for making a living (return to a livestock-based production system, was impossible).

1.2 Principal Costs of the Conflict

Direct military expenditure on the conflict is recognised as a major cost to the national economy. However, other costs are also significant. These include loss of life, physical assets destroyed or lost through the lack of maintenance. There are also external loans guaranteed by Government, and for which it has had to assume responsibility when the businesses they financed (mostly ranches) were looted and destroyed.

Health care costs have also increased as a result of the conflict. The national economy suffers through the loss of tax revenue, loss of foreign exchange from sales of cash crops (tobacco and cotton principally), and from the lower productivity of a poorly educated work force as a result of lower attendance at schools during most of the period and low educational performance of students in Acholiland's educational institutions. Non-food costs and the cost of housing a large segment of the population in IDP camps also represents a cost, even if it is born by donors as humanitarian assistance.

There has been considerable outmigration from the region. Other parts of Uganda, like Masindi, have benefited from a large influx of people who tend to have above average qualifications and levels of education, such as the large numbers of teachers who migrated to Masindi. There are also a significant number of external migrants to UK, Canada and the United States; these represent a net loss to Uganda. Tourism has suffered as a result of the conflict in Acholiland as well as those in other parts of Uganda particularly conflict in the western part of the country.

Some areas of the country like West Nile and to a lesser extent Lira district which have not borne the brunt of the conflict have suffered nonetheless through loss of investment and higher costs due to insecurity along the roads to the region; some of the costs that these regions have borne represent a net loss to the country rather than simply a displacement of activity to other regions. As the war grinds to a halt and is replaced by a peacetime economy, a good part of the investment in physical infrastructure in the IDP camps will become redundant, as most of the population of the camps will return to their places of origin. Donor funds are also lost as donors chose not to implement project in the region because of security considerations, reduce allocations or fail to implement certain components of projects. Some donor investment is displaced to other regions and therefore does not represent a net loss to Uganda, but a substantial part of it is lost entirely as programmes or components which cannot be implemented, or at least not implemented safely, are simply cancelled. Private investments follow the same pattern as do donor investments.

There were large initial losses as animals rustled or eaten and crops were abandoned or destroyed as rural people were forced to flee their villages right before harvest. Houses, their contents and farm implements were looted and burned. The loss of animals also reduced income from livestock sales and the contribution of livestock products (milk) to family nutrition. Even during those periods of relative peace, the area of land which could be cultivated was also drastically reduced due to lack of animal traction for land preparation. This situation led to major losses of food crop production needed to supplement WFP food rations and hence malnutrition; it dramatically reduced the area that could be planted to cash crops to provide cash for the non-food items families need. Increased incidence of preventable diseases, war-related injuries not properly treated, inadequate antenatal and maternal health care and a higher proportion of the population affected by HIV/AIDS and higher resulting mortality from inadequate health care are all related to the impacts of conflict on the health care system; these impacts are reflected in the reduced productivity of family labour. All these costs are added together to reach a barebones estimated total cost of the conflict over the years. This cost is compared with GDP to estimate the drag the conflict is having on the national economy.

The following sections provide a narrative explanation for the figures which were used to estimate the overall cost of the conflict, and which are summarised in section 4 and in the table in annex 1.

1.2.1 Military Expenditures

The figures for the cost of military expenditures for the conflict in Acholiland are taken from the annual “Background to the Budget” obtained from the Ministry of Finance (MFPED) library. After reviewing figures, consultants decided to exclude military development expenditures since it was believed that most such expenditures were made in Kampala or elsewhere in the country and not in the region itself and, until Operation Iron Fist, not much heavy equipment was dedicated to the war in the north. Therefore, only recurrent expenditures presented in “Background...” were considered.

Because of the sensitivity of defence spending, it was not possible to obtain accurate estimates of the cost of military activity associated with the LRA rebellion. Discussions with public sector staff, NGOs, and donors on what percentage of the budget to allocate to the conflict in Acholiland. Various cost shares were proposed, and consultants in the end decided to apportion 25% of the recurrent costs presented in the budget document as the share of military expenditure attributable to the war.

The assumption consultants have made is believed to err on the low side, since this conflict has absorbed a major part of the attention and resources of the army. In establishing a highly mobile, well-supported force with good communications and limited air support, Government must be dedicating a very high percentage of military resources to the Operation Iron Fist campaign in 2002. Even in previous years, a significant part of the forces were stationed in the region and additional resources were provided to Local Defence Units (LDUs). The kind of development the region has achieved (bars, eating establishments and the like) has focused on capturing part of the salaries of armed forces personnel.

The consultants believe that when the military history of the war and the economic history of the conflict which has lasted nearly a generation is written, that its actual cost will be found to be higher than the 25% of military expenses used in this model.

1.2.2 Loss of Life

Loss of life in the conflict is hard to estimate. Large losses have occurred in the civilian population. UPDF losses are also substantial though hard to estimate. Published reports of losses are generally thought to underestimate Government casualties.

Civilian losses are estimated at no less than about 750 per year, including years when the level of the conflict was low and those like 2002 when fighting is intense. In the four months since Operation Iron Fist started, civilian losses in Uganda (not counting Sudanese civilian deaths) cannot have been less than 1000. Assuming 750 people were lost per year, the total for the whole period is 12,320 dead.

No published figures of aggregate UPDF, LDU and police losses were found; the army and not the police are the main targets of the rebels. It seems unlikely that losses were less than 200 per year, and that figure has been used for annual losses. Based on the assumption of 200 members of the armed forces killed each year, the total is 3,200 soldiers.

Rebel losses are very substantial. Estimates have been made of the number of children abducted (14,000) and, deducting for those who have escaped or been released, it appears that about 9,000 children are unaccounted for. If perhaps 2,000 are still alive and in LRA captivity, that leaves 7,000 unaccounted for and presumed dead. (Since dispensaries and drug supplies are major targets for rebels, it can be assumed that they have major health problems from battle-sustained injuries, malaria, HIV/AIDS, etc.; mortality from this injuries and disease must be very high indeed given the lack of proper medical care.) Assuming losses include some voluntary recruits in addition to those inducted into the ranks through capture, then it seems likely that the rebels have lost no less than 500 people per year, for a total of 8,000 people.

In all 23,520 people are estimated to have died in the conflict.

It is assumed that the average age of those lost is 21 and that given a life expectancy of 41 years, they could have been expected to have 20 years productive life ahead of them. Then the loss to the economy by the premature deaths of civilians and combatants from both sides is estimated based on a regional per capita GDP (45% of national GDP) of US\$0.20 (twenty US cents per day) times 365 days in a year.

Therefore the cost of loss of life is \$1.7 million per year or \$34.3 million dollars for the whole period.

1.2.3 Loss of physical assets

The only figures available on physical assets destroyed in the conflict are those that were supplied by District Engineering Officer from Gulu. Kitgum could not be visited for security reasons and availability of flights; staff of two NGOs recently offered to obtain information from district officers but have not as yet reported back with the requested information. Figures from Pader for recent years also are not available. Incident reports are prepared by local authorities and are collected by the Office of the Prime Minister's Office for Disaster Preparedness; however, the reports are not normally aggregated and therefore information from this source was also not available by the time this study was concluded. Thus the total for the model refers only to those assets reported destroyed in Gulu; the total will rise substantially when information from the other districts can be incorporated. The estimate is very conservative and has probably missed many assets which, when added will raise the total. For example, a health professional from Kitgum reported that the health centre in which he worked had been completely destroyed. However, it is reported that some of the schools built with donor support during times of relative tranquility, are being looted when the villages are attacked or are abandoned by the population during times of increased strife. Thus some investments made in recent years to build or rehabilitate infrastructure will have to be made again and even recently constructed structures may need to be rehabilitated before they can be used.

As a general rule, destruction of assets was not a major focus of the LRA. Their major interest has been in looting what goods they can carry, particularly drugs from health centres and food from IDPs and from shops. Vehicles were often burned, but the structures themselves were usually not destroyed. However, it is likely that many of the buildings left unoccupied for years at a time and not receiving periodic maintenance, will not be suitable for reoccupancy when the conflict ends. Therefore their loss as useful assets should be considered as a cost of the conflict even if their loss is not due to being put to the torch. In any case, costs are likely to rise when more complete information on the loss of public property becomes available.

The total cost of assets destroyed in Gulu is estimated at \$1.45 million.

1.3 Health Costs

The conflict has had a severe impact on the health of the population of the region. Among the areas mentioned by health professionals are the following:

- Malnutrition
- Malaria
- HIV/AIDS and STDs
- Tuberculosis and acute respiratory infections (ARIs)
- Diarrhea
- Trauma
- Immunisable diseases
- Skin infections
- Delayed treatment impacts: vesico vaginal fistula (VVF), bone infections, etc.
- Psychological trauma (staff and general population)
- Budget

A statistically valid assessment of the true conditions in the region is precluded by the lack of studies. The 2001 Health and Demographic Survey though purporting to be representative of the entire North, was not conducted in the Acholi region due to security concerns. Therefore, it is presumed that most indicators are worse in Acholiland than the figures given which are based on survey data gathered in West Nile, Karamoja, Teso and Lango.

1.3.1 Malnutrition

The first consequence of the conflict has been generalised malnutrition among children. Before the conflict cases were so rare that they were shown to new staff so that they would be able to recognise the few cases that came in. Now whole wards are dedicated to rehabilitating malnourished children. Sub-treatment units have had to be set up in rural areas as well as at the main hospitals. Numbers of malnourished children decline during periods of relative peace and at harvest time (from September through November or December). Mothers are faced with the alternative of taking the malnourished child for treatment or taking care of their other children who will otherwise be left at home alone. Despite their best efforts, the ration which WFP, Government and NGOs are able provide is insufficient alone to provide sufficient calories and a balanced diet to the population. The population, formerly well-fed through the product of farming and livestock activities, is now concentrated in a small

number of IDP camps, devoid of animals and unable to access sufficient land to farm within walking distance of the camps. While malnutrition is most noticeable in children, it is also observed in adults. Children who are malnourished over long periods never recover fully and can suffer permanent damage affecting their mental and physical productivity. Willet Weeks reported that half the children were stunted and one third, wasted; UNICEF reported 30% stunted in 2001. For purposes of the model, consultants have assumed that over their lifetime, children who are stunted will show a loss of productivity of 10% compared to those who are not, since stunting affects both physical and intellectual capacity. They attribute the malnutrition causing the stunting to impoverishment as a result of the war.

1.3.2 Malaria

Malaria is the biggest killer of children and adults, and increased morbidity from the disease has a major impact on productivity. Sleeping indoors reduces the risk of exposure; use of mosquito nets adds significantly to protection from the disease. When people return to their areas to farm, they often sleep in the bush to hide from rebel attacks, leaving themselves fully exposed to attacks by mosquitoes. During periods of high intensity of combat and threats of rebel attack, people often sleep on the verandas of major towns and at Lacor hospital (up to 40,000 at the height of the current attacks in 2002), with absolutely no protection from mosquitoes. The disease is debilitating at the least and frequently fatal if left untreated. A course of treatment can cost over US\$5 and may have to be repeated two or more times in the course of the year, if preventive measures are not taken. Severe cases of malaria are treated by transfusions; in Gulu which has a blood bank such cases are usually cured, whereas in Kitgum (an hour away by road in normal times) severe cases often die when the road become insecure during an upsurge in fighting because Kitgum has no blood bank and depends on Gulu for its blood supply.

1.3.3 HIV/AIDS

The war has been responsible for most of the poverty and moral degeneration in the region. The prestige of elders has declined with the loss of livestock and their inability to provide adequately for their families. Sex has become a commodity, and in many areas, the only people with money are soldiers. In a buyers' market, women and girls have little choice in making sure that condoms are used. Rape, particularly by soldiers from the Army (but also by rebels) is common, and has gone largely unpunished. Women and girls taken by the LRA are routinely raped shortly after capture and many are turned over as "wives" for LRA officers. An article in one newspaper quoting GUSCO said that 85% of the female abductees who returned were affected by STDs; the HIV/AIDS rate was not reported but must be high because of the high correlation between other STDs and HIV/AIDS. Low levels of education, itself in part a consequence of the conflict, make efforts to communicate with the population at risk difficult and thus to help them to understand how to reduce risks of contracting HIV/AIDS.

Population movement and displacement has broken down structures in the society which kept the prevalence of HIV/AIDS low during the 1980s. Gulu is now one of the worst affected districts (4th of all districts in the country), with a reputed 16% of the

population affected. In sentinel hospitals located in urban centres throughout Uganda, 8% of women using these antenatal clinics tested HIV positive. In Gulu recent antenatal testing put the proportion of those testing positive at 12%. Assuming that the difference between these two sample proportions is valid for populations from which they are drawn, 4% more of the population in Gulu is assumed to be affected; it is assumed that this same proportion holds for Kitgum and Pader, which are affected by similar conditions to Gulu but for which no information is available. Those who are HIV positive can be expected to die of AIDS in the next few years. For the purposes of the model, this difference in the proportions of the two populations is attributed to the conflict as a cost. The time dedicated to the care of AIDS victims by family members and friends also detracts from productive activities and should be imputed as a cost of the conflict.

1.3.4 Tuberculosis and acute respiratory illnesses (ARIs)

Increased incidence of tuberculosis is one of the results of the AIDS pandemic. As a result of over-crowding in the IDP camps and lack of adequate housing in rural areas abandoned as a result of war, transmission of tuberculosis is rampant. So where one person has the disease, it is often transmitted to other family members, all of whom have to be treated. Treatment takes eight months and is quite costly. In areas far from hospitals, cases go untreated and those affected often die. Cold, sleeping rough and in the bush, lack of blankets, etc. leads to an increased incidence of respiratory ailments of all kinds; overcrowding and poor hygiene assures there rapid transmission of these diseased within the family unit.

1.3.5 Diarrhea

Water supply and sanitation problems are rife in camps due to heavy demand especially in the camps. Conditions in latrines are often appalling despite efforts of the population, local government and the donors, and so many residents do not use them. Boreholes break down under heavy use and the population draws water from unsafe sources. Oral-fecal contamination, transmission by flies and other problems related to over-crowding lead to diarrheal diseases. An outbreak of cholera was arrested in Gulu in the year 2000 but shingella is common.

1.3.6 Skin Diseases and Tropical Ulcers

Tropical ulcers had almost disappeared as a problem since they respond to prompt treatment, but have now returned. Many other skin diseases are also common. Lack of sufficient access to water may be a factor in many skin diseases. Also, failure to obtain early treatment for skin diseases and tropical ulcers, for example, when there is an upsurge in fighting, leads to serious problems, which are harder and more expensive to treat.

1.3.7 Delayed Treatment Impacts

Pregnant mothers often cannot come for antenatal care due to the conflict. Many of them end up with ruptured uterus or vesico- vaginal fistula (VVF) urinary problems due to not having a necessary caesarean section and because mothers are too young, marrying early because of the lack of alternatives in the camps.

Superficial wounds and tissue infections are easy and cheap to treat at an early stage with antibiotics. However, if left untreated (as when travel is unsafe during times of heightened conflict), these wounds often become infected and infections go on to enter the bones; bone infections take months or even 2-3 years to treat, require more staff time and require special and more expensive antibiotics.

According to staff at Lacor Hospital, some types of cancer, if detected early, are treatable. However, delays incurred while waiting for a lull in fighting often take it past the point where treatment is possible, leading to unnecessary deaths among cancer sufferers.

1.3.8 Trauma

In Gulu Hospital at the height of insecurity, trauma becomes the number three cause for hospital admission: gunshot wounds, panga wounds, landmine injuries, etc. During times of relative calm, it is reduced to 7th or 8th. These injuries are costly to treat and take up staff time, medicines, etc. which otherwise would be dedicated to elective cases. Also, infections associated with trauma often result in bone infections. Septic trauma cases tie up beds for a long period of time; so non-trauma cases have to be treated on the floor, increasing the rate of infections and leading to reinfection. Thus, cases not directly related to war are affected as an indirect consequence of the war, which ties up hospital beds and other resources decreasing their availability for non-war-related cases, increasing the costs of treating them and decreasing the effectiveness of the care which can be given.

There are approximately 6000 amputees in the northern region which includes Karamoja; they are attended to by the Orthopaedic Workshop of Gulu Hospital. Assuming that two thirds of them at least are from Acholiland, there would be 4000 or so amputees needing attention. The average cost of each prosthesis is US\$120. Continued funding to take care of people needing prostheses is now in doubt.

1.3.9 Immunisable diseases

Immunisation requires constancy and follow-through on schedule. Immunisation in the camps is easier because the population is concentrated in one place. However in times when the conflict becomes serious, when camps are burned and when people flee from one place to another, following a schedule for immunisation becomes almost impossible. Epidemics of diseases which are easy to control with a programme of immunisation, such as measles, break out frequently in the overcrowded camps when they are affected by attacks or threats serious enough to cause the population to move rapidly to other places. The director of Gulu hospital was very concerned about the threat of outbreaks of immunisable diseases like measles as a result of current fighting (September 2002).

1.3.10 Indicators of Health

Commonly used indicators of public health (life expectancy at birth, maternal mortality, infant mortality, etc) are unavailable for the region since the war started. The most recent figures date from the 1991 census, though UNICEF may have more

recent figures. In 1991, infant mortality was 172 per 1000 live births in the region, whereas in Uganda the average for the same year was 97 (and is now 88). In 1991 maternal mortality was 700 per 100,000 live births compared to the national average for the entire country of 550 (currently is 505). Life expectancy at birth was 40.9 years compared to the national average of 48.1. Accessibility of health facilities is rated based on a maximum acceptable walking distance of 5 kms. Only 29% of the population of Gulu live within 5 kms of basic health facilities compared to the national average of 49%. The number of people per doctor in Gulu and Kitgum districts in 1992 were 38,922 and 42,338 people respectively against the national average of 27,140 people (NUSAF Operations Manual) and probably has deteriorated since then.

1.3.11 Infrastructure

For the most part, health facilities have not been targeted for destruction by rebels who have been more interested in looting their medicine and supplies. However, many health facilities have had to be abandoned due to insecurity and lack of trained people willing to staff them. In Gulu, about 10 health posts (one third of rural units) closed. In Kitgum a hospital which was recently built was totally destroyed. Some health units including buildings at the Gulu Hospital were built with funds from NURP I; however, the impact of the project's health component was diluted when its coverage was expanded from the attending exclusively to the North to providing coverage to the nation as a whole.

1.3.12 Psychological Trauma

The entire population is affected to a greater or lesser degree by psychological trauma from the war. How this affects their ability to function effectively and how it affects their productivity and income-earning potential is not clear. Some studies have noted the resilience of people affected by war in general and by the conflict in Acholiland in particular. However, the war must have had some impact on the collective mental health of the population of the region, and it seems likely that this would affect their income earning potential by some amount, perhaps 1% of lifetime expected income.

Some staff were abducted from Lacor Hospital. Although there were later released, hospital staff and staff from more remote clinics often run away whenever there appears to be a threat of rebel attack.

1.3.13 Staffing

Staff nomenclature has changed because of shift to health sub-districts, so comparisons are complicated, but the number of staff is clearly not sufficient. Filling staff positions is difficult and there are numerous vacancies. It is extremely difficult to attract doctors, nurses and midwives to the district and even worse to try to take them out to rural areas because of the insecurity. The health service in Gulu operates at 50% of qualified staffing levels. As a result, it is not possible to keep many clinics open on a continuous basis.

1.3.14 Funding & Budget

Data on funding for health is difficult to obtain. AVSI has invested between \$10 and 15 million in the region, most of it in health. However, most donors have avoided the region, preferring to operate in regions where access is easier and security better. As a result there is a large disparity between funding for health in Acholiland and funding going into other regions where problems are less severe. This situation may change in the future as new donors start taking an interest in health in the North.

Lacor Hospital normally has a budget of Ush 2.5 billion. However, expenditures on war victims and associated higher health care costs necessitated by the conflict make it impossible to provide basic care to the population with this budget. Other hospitals and health care institutions are also struggling to meet the costs of the conflict and to provide adequate care for the patients who find their way to their doors.

2 Opportunity Cost to the National Economy

2.1 Loss of tax revenue

The base figure of \$762,000 is for Gulu only and covers the base year of 1985. Subsequent years are estimated at the annual rate of growth of 3.6% per year.

Figures were not available for Kitgum and Pader. Lost revenue for these two districts is excluded due to lack of data. When data do become available, the figure will rise significantly, perhaps by 40% when Kitgum and Pader are included. Gulu is the largest city in the region and a majority of government and private activities are concentrated there, but economic activity is also significant in the other two districts for which data are not available. Authorities from Kitgum recently were quoted in the news (late August 2002 in the Monitor newspaper) to have stated that recent fighting had cost them Ush 750 million in revenues since the only taxes they could collect were from civil servants stationed in town.

2.2 Lost Foreign Exchange

Foreign exchange has been generated by the region in significant amounts by sales of tobacco and cotton despite the conflict. (These items are covered in cash crops section under agricultural losses.) Virtually all tobacco (98% or more) is exported, so earnings are virtually all in foreign currency. Farmers are paid in local currency at the equivalent of \$0.70 per kilo of tobacco. Over 80 percent of the lost foreign exchange earnings relate to potential earnings from tobacco which are unrealised due to the conflict. British American Tobacco Company (BAT) is providing strong support to its tobacco farmers in Gulu and Kitgum ("middle north" district in BAT parlance). It gives technical advice, access to inputs, operation of 5 buying sheds (out of 25 which were built in the mid-1970s and were open for buying in the past). The big producing area is West Nile (Arua) but all farmers in that region who want to grow tobacco, already are growing it. BAT is looking toward the middle north region to increase production for its plant in Kampala. Worldwide demand for tobacco of the type produced in northern Uganda (flue-cured Virginia) is soaring, and regardless what opinion a person holds on the issue of smoking, from the standpoint of farmers, tobacco is a high-value crop and virtually the only crop at present which is commercially profitable if a farmer hires labour. BAT expects production to rise rapidly to levels that would have already been achieved in the absence of the war and to continue rising. BAT is addressing the constraint of availability of fuelwood by encouraging farmers to plant woodlots sufficient to provide the fuel used in the tobacco-drying process. Instead of the 500 T (tonnes) which is its current production, the district could be producing 6,000 T by now, with a potential to increase to 10,000-15,000 T in the future, for which market demand is assured. The difference between actual production and potential production is a cost not just to the region but to the country and is included as "lost foreign exchange" the model.

In addition to BAT, another company Mastermind also buys tobacco in the north. Its purchase for the entire north are estimated at 6,000 T, of which only part come from the Acholi region. Mastermind reportedly buys tobacco but does not provide inputs or technical assistance.

Cotton earnings are low due to low production and low international prices. However, cotton is a crop which farmers in the region are familiar with, is worthwhile as a small farmer crop when grown with family labour and with proper technology to improve yields, and has a ready international market in competition with long staple cotton from Egypt and the United States. With the support given by the Cotton Development Organisation (CDO), the ginner's association and the entry of two international cotton companies into the market in the northern region, this crop is poised to make a rapid comeback in those regions in the North which have attained peace or relative peace (Lira, Soroti districts, etc). By the same token, cotton could be expected to rapidly regain its role as a major cash crop in Acholiland. There is underutilized ginning capacity at West Acholi Cooperative Union and the roads to Lira and other areas are good, allowing buyers from there to enter the region with their transport and to compete for farmer's cotton once the conflict is settled. Lost exports of cotton are included in the "lost foreign exchange" line of the model.

It should be mentioned that cotton is the crop which traditionally has prepared the seedbed for finger millet and other food crops (which follow in rotation after cotton). Thus reductions in cotton acreage has food security implications for the region. These losses are real and are captured as part of the reduced acreage in food crops and are included in the "lost farm income" line of the model.

2.3 Loss of output due to lack of education

We have assumed that children constitute 52% of the population and that of these, children of primary school age account for 26%. Out of those in this age group, only 50% have been going to school until the mid-1990s. The drop out rate of this category was assumed at 80%. A study Denninger and Okidi (2001) based on nationwide cross-sectional data shows that there is a strong positive relationship between years of primary school education and the value of farm production; the study shows an increase of 5% for every year that the head of household has attended primary school. Based on this information, consultants have assumed that as a result of the conflict farmers growing up in the past 16 years received on average 2 years less primary school education than otherwise would have been the case. The value of output lost due to this loss of education has been estimated at 10% for the region.

2.4 Out-migration

During the colonial period, the region was a source of labour for the Army and the sugar and tea plantations, so the region has always been characterised as a net exporter of people to other parts of the country. It should be noted that in the past sons and daughters of Acholiland sent back significant remittances and invested in the region, principally in the form of cattle. However, expulsion from the region has become more significant during the long drawn out conflict with the LRA. Census figures for 1981 and 1991 show a loss of population from Gulu and Kitgum of 55,000 and 15,000. A whole new community of 40,000 people developed near Masindi. Half the teachers from Gulu district are said to have left the district as part of this migration, with most of them settling in Masindi. Remittances to the region are believed to have been reduced as migrants tend to bring other family members to live with them in Kampala and the other new places of residence they have adopted;

investments in the region, unlike the case of migrants from other parts of Uganda are negligible because the insecurity does not provide a good climate for investment.

It is generally believed that the more qualified people are more likely to leave the districts affected by the war. Most migrate within Uganda but some of migrants (estimated at 5% of the total leaving the region), also leave the country. These migrants include some of the most qualified people, with many of them migrating to the UK, Canada and the US. Consultants have assumed that migrants (had they stayed in the Acholi region) would have earned the same per capita GDP as Uganda's general population. Based on these assumptions the loss to the country is \$0.37 million over the past 16 years. Remittances, few of which reach the Acholi region itself, are not considered in the model.

The assumption concerning earnings of migrants is extremely conservative since people with the motivation and skills to go abroad in fact represent a huge loss to the region and to the country. This loss is undoubtedly much greater than the per capita GDP (the value included in the model). Other assumptions could reasonably be made and would lead to higher estimates of the loss to Uganda of the departure of this segment of the population. However, these were beyond the time and resources available for this study.

2.5 Tourism

Tourism accounted for almost a quarter (24.9%) of export revenues in the year 2001. At this point in time more than 15 years after the NRM government came to power, tourism should have been much farther along than it is and should be making a much larger contribution to GDP than it is doing now. One major factor in the failure of tourism to attain its full potential has been on-going conflict. Conflict in Uganda is widely reported overseas in the media. The murders of 11 students in Murchison Falls National Park and of several tourists in Western Uganda were widely reported internationally; both of these incidents had a severe impact on tourism in general and on arrivals to the parks where they occurred in particular. Recent fighting between the UPDF and the LRA and the peace initiatives sponsored by the churches and Acholi leaders has featured prominently in the international news. Reports of conflicts anywhere in the country affect decisions of tourists when deciding on whether or not to choose Uganda as a holiday destination. Tourists' knowledge of Ugandan geography is not extensive, so fighting in the north affects their possible choice of the country as a vacation destination even if their itinerary includes only Kampala and southwestern parks. Those who do come certainly will not add Murchison or Kidepo to their trip as a result of security considerations and travel advisories put out by their governments and embassies. (Paraa Camp at Murchison was virtually empty in late August 2002 – the height of the European and US holiday season – due largely to the fighting in Acholiland.) Low numbers of tourist arrivals, as a consequence of these reports, also affect hotel construction and other investments in the sector.

A masterplan written in the early 1990s identified tourism as a major growth sector in contributing to the development of Uganda. It projected annual increases in tourist arrivals of 25% per annum. Those knowledgeable in the sector (Ministry of Tourism and Uganda Tourist Board) provided consultants with figures on arrivals in Uganda and their frank assessment of what would have happened had peace prevailed in the

sector in the years since the NRM came to power, the prorating of responsibility for losses with respect to the potential relating to the conflict in Acholiland and other conflicts, and expenditures by tourists in the country. Discussions also covered probable impacts of a prompt resolution of the conflict in Acholiland.

Had the coming of the NRM government to power coincided with the end of all conflicts, the masterplan's assumption of 25% growth would have been correct for about 2 years. After that all suitable accommodation would have been occupied during peak periods during the year as a result of this growth. Consultants have adopted the assumption of 25% growth for the first two years after 1985. Subsequently, consultants assume that arrivals would have been constrained by capacity of hotels and other facilities and growth would have fallen to about 20%. New construction would have been called forth by full occupancy but would still have constrained expansion of tourism to 20%. Expenditures are based on actual expenses as estimated by the 2001 survey carried out by the Ministry for that purpose. If the estimate of \$700 spent per tourist seems low, it is because many tourists are still low-cost backpackers and have an average stay of only 6 days. (Expenditures are projected backward in time using a discount rate of just under 4% since data for the beginning of the period are not available.) The Ministry of Tourism and the Uganda Tourist Board are now targeting their advertising toward a more upscale market of tourists, and, if this campaign is successful, the average expenditure per visitor should rise in the future. Thus, if the conflict is soon resolved, the number of visitors, the average amount spent and the number of days spent in Uganda, all are expected to rise. Ending this conflict which is the last of Uganda's major conflicts to be resolved is a key element in successful implementation of Uganda's tourism strategy.

The conflict in Acholiland is not the only conflict which has affected tourist arrivals. Because other conflicts than the war in Acholiland have affected tourism, consultants have estimated that one third (33%) of the losses in tourism are attributable to the conflict with the LRA.

Lost tourism revenues have cost the economy \$185 million over the period of the conflict.

2.6 National Level Impacts of the Conflict for Arua and the West Nile

People living in West Nile (Arua, Moyo, Nebbi, Ajumani and Yumbe) have vivid memories of their own conflictive past. The region suffered immensely in the war which threw out Idi Amin in 1979, and most of the population was in exile from 1988-1993 and when they returned, they found most of the infrastructure and most activities of the regional economy devastated. The period 1994-1997 saw the region in chaos as a result of two rebel movements (the West Nile Bank Front based in Sudan and the Congo and Uganda National Rescue Front). The people of West Nile are therefore well-attuned to the conflict in Acholiland and acutely aware of its impacts on their region. These impacts can be divided into four main categories:

- 1) Impact on development programmes and projects;
- 2) Impact on the cost of transport
- 3) Impact on the quality of life
- 4) Impact on the prices of the commodities the region sells

At each level there are direct impacts and in-direct long-term impacts. Overall, the conflict has a strongly negative impact on the region. These impacts on the region translate into losses for the national economy. It is these losses to the national economy, which the model attempts to capture. Losses to the regions themselves are greater since there is some displacement of activity from regions more affected by insecurity to those less affected. Estimation of losses to particular regions is left to local authorities, economists working with them and others interested in the development of particular regions, such as those of West Nile.

2.6.1 Impact on development programmes and projects

The region is affected directly when development projects earmarked for West Nile have to be cut back or eliminated. As an example, after a recent visit by top Japanese diplomatic staff, a decision was reportedly reached to eliminate the rehabilitation of three hospitals (in Yumbe, Moyo and Ajumani) from the list 21 hospitals to be rehabilitated, due to insecurity along the roads into the district and the higher cost of transport. Indirect impacts of such a decision are poorer health care and less satisfactory levels of indicators of public health of the general population. These impacts are included elsewhere in the model as they affect Acholiland itself. Health services will be measurably poorer and the public health of the region noticeably affected by the failure to rehabilitate these hospitals. Like this project, many others might have reached the region but have not due to the insecurity and the perception on the part of donors that the region is part of the “North” and therefore not secure. Furthermore, the amount that can be done with a given level of project resources is also reduced by impacts on transport costs (discussed below). All products coming into the region have to be transported over the two roads both of which pass through Acholiland. When fighting flares up after contracts have been signed, contractors come back to renegotiate and to pass along higher costs of materials such as cement, steel rods, etc., reducing the amount of work that can be accomplished with a given amount of Government or project resources.

Some of the development assistance in the region has gone for refugees. Local authorities have had trouble convincing UNHCR of the advisability of sharing infrastructure (such as schools) between refugees and the local community. When the refugees leave, much of the investment which has been put into the camps will be stranded. Investments will have been made which are no longer serviceable or which are will not be useful to serve the needs of the local community whose needs are likely to be much more modest and to require resources spread over a large area rather than concentrated in the small area allotted to the camps.

2.6.2 Impact on the cost of transport

All products coming into the region have to come in over one of two roads: 1) Arua via Karuma-Pakwach (117 kms) or 2) Arua via Ajumani and Gulu (97 kms). Either way all transport has to pass through the Acholiland. During times of increased conflict, such as the present (late August 2002), Kenyan cement which normally costs Ush 16,100 now costs Ush 25,000, a 12 mm iron bar which cost Ush1500 in May, now is Ush 2500-3000, sugar which should be Ush 1200 costs Ush 1500 (and sometimes reaches as high as Ush 2500). When several tanker trucks were hit two

years ago, the price of petrol rose to Ush 2500-3000 (if it could be found at all) instead of Ush 1550; diesel was at Ush 2000 instead of Ush 1150.

During these times of increased fighting, fuel is smuggled in from the Congo in jerrycans, leading to major losses of Government revenue. Ordinary citizens pay higher prices for petrol, diesel and kerosene for cooking. Government and managers of donor-funded projects see their funds dwindle as their own transportation expenses sky-rocket and the goods and materials they buy from outside the region all cost more due to a risk premium and to higher prices as a result of their scarcity in the local market. During such times not many trucks are available as owners are not willing to risk their trucks or merchandise. There are problems with insurance coverage for vehicles during disturbances and questions as to whether or not insurance companies will cover losses such as the two trucks burnt during the recent fighting (August 2002). Often truck transport is delayed for two or three days until the road is made secure and the risk of attack reduced, all of which represents a cost to the region. At times essential goods are not available at all. This affects the local market and also reduces earnings from exports to the Congo and southern Sudan, both of which are major markets for West Nile.

2.6.3 Impact on the quality of life

The quality of life of the people of the region is reduced by the higher prices people pay for basic goods, the loss of benefits due to fewer donor projects, poorer services due to lower local government revenues. The price level in general in West Nile is higher than in other parts of Uganda due to the long distances goods must be transported from Kampala; this situation is normal for remote regions since pan-territorial pricing of goods is not an efficient price policy and the price of goods local markets need to reflect the cost of transporting them to that market. However, upsurges in fighting generate risk-premiums for those willing to risk their trucks to run the gauntlet of possible rebel attacks and monopoly profits for those having goods in their warehouse with the region. Prices for essential goods rise dramatically, affecting the entire population and lower income groups in particular. These price rises are a direct consequence of the war outside the region and have a serious impact on the wallets of the people of the region.

2.6.4 Impact on the prices of the commodities the region sells

Just as nearly all manufactured items consumed in the region come in by road, all the commodities produced in the region move by road toward the centre and the Kampala market. Insecurity affects prices traders in the region are willing to offer for products farmers produce. Competition is reduced as the number of traders willing to risk their vehicles and to come into the region to buy products declines as a consequence of the threat posed by fighting in Acholiland. High-value, non-perishable products like tobacco continue to move, but the higher costs have to be reflected back to producers as lower prices. Such products can stand to wait until there is a lull in the fighting. More marginal products (such as most food crops which these days are also grown as cash crops for sale as well as for family consumption) may be driven from the market as risks reduce prices by enough to make them unprofitable. At various times timber dealers from Congo and produce dealers from West Nile cannot find trucks willing to move products to market in the south. Information was not available to consultants on

product prices but if there are interruptions in the ability to move products out of the district and to the major market (Kampala), prices of products like beans, simsim (sesame), etc of necessity must fall; few business people are willing to take the risk of buying farm products which they may not be able to move to the market on time, tying up their capital and warehouses instead of turning over their money and space rapidly. Production of perishable products is, of course out of the question when there is any doubt in the ability to transport at the time it is ready to market.

The costs of these impacts have been conservatively estimated as follows:

- 1) Impact on development programmes and projects (\$3.9 million);
- 2) Impact on the cost of transport (\$10.8 million);
- 3) Increased cost of living and reduction in the quality of life (\$8.5 million) and
- 4) Impact on the prices of the commodities the region sells (\$8.0 million).

The total cost to Uganda of the Acholi conflict's impact on West Nile is:

- 1) In recent years, donor programme cutbacks for hospitals amount to about \$2.5 million and NGOs have scaled back development programmes worth another \$1 million, while cost increases in contracts of up to 15% have cost another \$0.4 million. Total losses on donor programmes are \$3.9 million.
- 2) An estimated 5 trucks have been burnt with their loads (\$300,000) and equal amount for the cost of delays and higher cost of using alternative routes such as the ferry, travel through Murchison National Park, etc. of an equal amount (\$300,000). Transport costs are estimated to be higher by \$0.6 million per year.
- 3) Increased cost of living and reduced quality of life cannot have been less than \$1 per person per year of the conflict as prices of essential commodities have risen during periods of insecurity (estimated at one month per year), equal to \$472,000 (\$0.472 million) per year.
- 4) Lost government revenue through smuggling from the Congo and other lost tax collection is estimated at \$0.5 million per year.
- 5) Lost revenue to farmers, exporters and other producers in the region due to lower product prices offered as a result of the conflict have not been included due to the lack of information available to consultants (\$0.0 million per year).

Based on these assumptions, the total costs in West Nile for the 16 years the conflict has lasted is at least \$32.2 million.

2.7 Impacts on Lira

Lira district may have benefited in some ways over the years due to the displacement of some activities from Gulu and the other districts as a result of the conflict. However, there have also been some costs to the district due to the insecurity spilling over the boundaries and affecting economic activity there. Some of these losses are losses to the district and to the country as a whole as programmes are cancelled, people refuse to move to take jobs in the district because of security fears, etc. Costs of this type are conservatively estimated at \$157,000 per year (that is, as 10% of those of West Nile).

Thus the total costs for Lira for the 16 years the conflict has lasted is at least \$2.8 million.

2.8 Lost Donor Programmes

Interest and ability of donor-funded programmes to operate in Acholiland has been limited by the insecurity created by the conflict. During the time that this study was being carried out (July and August 2002) expatriate staff of most NGOs and international organisations was forbidden to travel to Kitgum. Most of the NGOs working there pulled out their staff, at least temporarily. In Gulu district, travel outside of Gulu town itself was restricted. Even in the past, fighting has interfered with Government and donor activities. At the time World Bank and Government were evaluating the NURP project, heightened conflict impeded evaluation and audit staff from visiting Gulu and Kitgum, meaning that 42% of programme resources could not be covered by the project completion report. The head of the Agricultural Secretariat of the Bank of Uganda noted the same problem in an interview with one of the consultants; commenting on discrepancies in agricultural data for Gulu and Kitgum districts, he said that most of their missions to the two districts had had to be cancelled because every time a mission was scheduled, fighting seemed to flare up and travel to the districts, particularly to rural areas, became impossible.

Restrictions of this sort limit the ability to design programmes to serve the region. To the extent that programmes are diverted to another part of the country, the country as a whole does not lose directly in economic terms, even though the region does. For example, a health project complementary to NURP was supposed to focus exclusively on the north; however, because of insecurity in Acholiland at the time it was being implemented, the programme was made nationwide instead of specifically targeting the north. This change diluted its impact on health within the region as resources originally targeted exclusively to the region, ended up being shared with the entire country. Thus, total project resources going to Uganda remained unchanged by the diversion of the programme from the poorest region in the country, although the region most in need of such resources received fewer resources than initially proposed. In other projects, however, resources targeted to Acholiland many not be easily transferred to other regions; in cases where they cannot be shifted geographically within the country, then there is a direct loss to the country as well as to the region. For example, the EU has a national credit programme which may exclude Acholiland because of concern about the impact of insecurity on loan repayment; unless these resources are re-programmed to other regions, the country as a whole would lose. More directly, it has a Euro 4 million programme specifically for Acholiland; if any components of that project have to be cancelled or reduced, it may not be easy to get Brussels to approve their reallocation to other regions; such a case would imply a direct loss to the region.

However, in either case there can be an enormous cost indirectly. Resources targeted at areas like Acholiland which have severe public health problems (as reflected higher infant and maternal mortality rates, a higher proportion of the population infected with HIV/AIDS, lower life expectancy at birth, etc), have a greater impact than when they are dedicated to areas already having greater access to health care and better facilities. Simply put, there is more “bang for the buck (dollar)” when programmes target areas which are woefully underserved, as is the case with Gulu, Kitgum and

Pader districts. Minimum investments can be expected to yield significant benefits in terms of greater improvements in public health than are obtainable when the same resources are dedicated to other regions. Common sense makes it clear that when the same level of resources is directed to areas which are already well served, it takes more resources per person to achieve marginal improvements. So simply shifting resources from areas where impacts are lower from poorer areas where impacts can be expected to be higher, reduces the impact of the investment on Uganda's poverty eradication targets.

Development expenditures for the period 1998/99-2002/3 are recorded by the Ministry of Finance as totalling:

District	U.Shs (Billion)	US\$ (Million)	
Gulu	78.158	43.42	
Kitgum	58.090	32.23	
Pader	4.141	2.30	(included in Kitgum until 2001/02)
Total	140.389	78.95	(of which, 10% = \$7.90 million)

It is alleged that additional resources were planned to be allocated to these three districts but at some point in the process were removed due to security risks some donors found to be unacceptable. The case has been made credibly to the consultants that some cases of this type do exist and that resources have been removed which under normal (i.e. peaceful) circumstances would have gone to the districts. Therefore, for the purposes of this model, consultants assume that additional resources beyond those allocated would have been 10%. Thus during the 5 year period, \$7.90 million would have been lost to the districts. Consultants further assume that half of these resources were reprogrammed to other districts and half were entirely lost to Uganda. Based on these assumptions, there would have been a loss of \$3.95 million to the country as a result of the conflict during this five year period (\$0.79 million per year). Assuming the same proportion of donor resources and reprogramming held through out the 16 years of the conflict \$25.28 million would have been lost to the region and \$12.64 million to the country. This amount is included in the model as a starting point. Other analysts may be able to come up with a more precise estimate.

2.9 “Frozen” investments to IDP camps

Furthermore, if one assumes that the war will end, some of the resources invested in the camps will become redundant. The experience from camps in Katakwi is that some of the internally displaced people become accustomed to the urban lifestyle of the camps and don't go back to their areas of origin when the reason for their concentration in the camps ends. However, most of the people will go back. For purposes of the model, consultants estimate that 15% of the people will remain and make use of the infrastructure put in place as a result of government and donor programmes. Because the infrastructure is grossly inadequate for the population of the overcrowded IDP camps, it is assumed that 30% the infrastructure in place will be useful to the population which remains in the camps after the end of the war. Therefore 70% of the investment will be sunken investment which is redundant for the size population remaining in the camps. Using this approach, the investments in IDP camps over the period 1998/99-2002/3 were as follows and are based on data

provided by the Ministry of Finance (MFPED) for donor programmes (which provided most of the support for the camps in the three districts):

District	Ush (Billion)	US\$ (Million)
Gulu	1.912	1.06
Kitgum	1.912	1.06
Pader	0.000	0.00
Total	3.824	2.12

Assuming that only 15% of the population remains in the places where the camps are now located and that these places turn into permanent trading centres well served by infrastructure (i.e. using 30% of the infrastructure at a reasonable rate of utilisation and without long lines and with shorter wait times at the water-tap and for using the latrines compared to the situation prevailing now in the camps), then seventy percent of the investment will be redundant, amounting to \$1.48 million (70% of \$2.12m). This estimate does not cover the 16 years of the conflict but only the period for which the data are presented, since the IDP camps were only established a year or so prior to the start of the data set and therefore have been in existence for approximately the same amount of time as the time period covered by the data.

2.10 Private Investment in the Region

Until the beginning of the conflict and the rustling and looting which accompanied it, wealthy people both in the region and even those who had moved to Kampala and elsewhere invested part of their disposable income in livestock (mainly cattle), which were kept in their villages of origin. Further investment in livestock was precluded once the war started, since animals were certain to be looted, slaughtered or just plain killed out of spite during attacks by the rebels, Karamajong, or the army. Those in a position to do so, began investing in town, in buildings, shops, hotels and bars. Gulu saw tremendous growth as those who could afford to, moved into town from rural areas. In a way, the shock of seeing all the livestock disappear almost overnight did encourage people to invest in buildings rather than livestock and, once the conflict is over, the memory of these losses will keep the livestock population down to levels which are sustainable and which reflect their value in production of milk, provision of animal traction and off-take from the herd for sales of animals for meat; keeping of animals for prestige purposes and as a store of wealth is expected to diminish.

However, the kinds of investment which spur development and which are found in regions where peace reigns and which have a large population, agricultural and export market potential have not materialised in Acholiland. Small maize mills, rice mills and oilseed-crushing mills have been built in towns. However, no large scale factories have been established, as current production levels do not justify the investments necessary to establish them, and questions about security still inhibit potential investors from making large-scale investments in the region.

Various major investments in Gulu were identified to the study team as having been proposed but that investors had desisted before making them, or in some cases, had made part or all of the investments and then been forced to abandon them, or watch them looted before they could go into production. Some investments have gone to

other parts of the country (such as the new Coca-Cola bottling plant, which was put in Mbarara); in these cases, they do not represent a net loss to the country but simply a shift from one region to another. However, there may be some net loss to the country if their earnings would have been higher in the north where they would have served the export market to Congo and southern Sudan. Part of the proposed Vitafoam investment has been moved to Jinja, but about half has never been made anywhere. The failure of the oilseed industry to meet its potential and for crushing plants to develop represents a net loss to the country. The same holds true for the ginnery which was rehabilitated and then burnt by rebels; the cost of the rehabilitation was picked up by Government and was paid to African Development Bank.

<u>Item</u>	<u>Loss to region (US\$)</u>	<u>Lost to Uganda (US\$)</u>
Coca-Cola bottling plant	8.0	2.0
Oilseed mill plants	2.0	2.0
Ginnery	1.0	1.0
Mattress/sewing factory	0.8	0.4
Internet cafés (6)	0.2	0.2
Telephone service for Kitgum	1.0	1.0
Total	13.0	6.6

No proposed investments for Kitgum were discussed with the study team, whose travel to the district was precluded by fighting. Therefore, except for investment in telephone service which by now would have been in place, consultants have not been able to estimate lost private investment in Kitgum and Pader districts.

Total losses to Uganda as a result of investments not made in the region therefore are not less than \$6.6 million.

3 Direct Costs to Acholiland

3.1 Loss of Livestock

Like other regions in the north (Karamoja, Teso, Lango), Acholiland was largely a cattle-based economy. Cattle were a source of power and prestige, a store of wealth earned from cash crops (which, in the past, were tobacco and cotton). Sales of livestock were available to finance educational expenses for growing children and to face family medical expenses and other domestic emergencies. Most land was prepared in large tracts with the use of ox-power. Cattle also constituted the bride price by which young men acquired a wife. Rituals such as cleansing and atonement involved the slaughter of goats or other animals. The District Veterinary Officer for Gulu calculated that by 1985 there were 185,000 cattle (not counting suckling calves) in the district; within two years as a result of rustling, forced sales and slaughter to avoid theft, and disease brought on by the inability to provide of veterinary care, their numbers had been reduced to less than 1,000. Today, after public and private restocking efforts, their numbers have risen to a little over 5,000 head of cattle. Reductions in the goat and sheep population (each estimated at about 100,000 adult animals) were also dramatic, and though their numbers have recovered somewhat, particularly for goats (now 50,000; sheep 18,000), they have not reached pre-conflict levels. Only the number of pigs (which are not as easily driven and which can be kept in confined areas) has risen from less than 1,000 to about 18,000.

It is hard for urban people, who major assets are immobile and whose savings are kept in financial institutions, to fully comprehend the loss involved when virtually all the livestock of an animal-based economy disappear almost overnight. Wealthy men, of high prestige within the community, lost all their wealth, in some case in a single night. The ability of families to meet necessary expenditures was lost and their ability to meet domestic crises was eliminated. A fiercely independent population whose surplus production fed other parts of the country became dependent overnight and for years thereafter on hand-outs from Government, WFP, and NGOs. Their ability to farm what land they could reach on foot in times of relative peace was vastly reduced by the lack of ox-power and the ploughs and yokes needed to harness it. Losses in Kitgum and Pader were reportedly just as dramatic, although unquantified here.

The model estimates the value of domestic cattle at \$100 each, exotic cattle on the ranching schemes at \$160. Goats are valued at \$8, sheep, the same (\$8) and pigs at \$11. Total losses of livestock and the value of lost livestock production (off-take at various rates depending on species is estimated and valued) is estimated to be \$99.04 million over the analysed period.

3.2 Agriculture Losses

3.2.1 Loss of Standing Crops

Rural people were forced by the UPDF to assemble in trading centres and then to move to displaced persons camps; these forced moves were usually without warning, frequently at gunpoint. In some cases when villagers did not want to leave, their villages were shelled. People were forced to leave with the clothes on their back and

with what few possessions they could carry. Because of the time of year at which this forced move to “protected villages” was carried out, people were about to harvest their crops (within another two months). From their standpoint, this harvest was almost an almost complete loss, calculated at \$9.31 million (equivalent to the loss of one year’s farm income). It is possible that the UPDF harvested something but in most cases crops were simply destroyed to keep them from falling into rebel hands.

3.2.2 Food Crops

The rural population first moved to trading centres for its own protection and later was concentrated in IDP camps. In both cases, particularly when the entire displaced population was forced into only about 40 camps, people were forced to live far from their farms. Long walking distances cut down on the time people had to work on their land even during times of relative peace. Meanwhile, all land with easy walking distance of the camps was subjected to intensive use and degradation. Some areas were mined, and because mine fields were not mapped, when one person fell victim to a mine, large surrounding areas became off-limits to the population, taking much larger areas out of production than those which were actually mined. Women who bore principal responsibility for food crop production were frequently mistreated and raped by members of whichever force encountered them, be it rebels or UPDF. Men found by the UPDF farther than whatever commanders consider “normal” distances from camp are said to be mistreated, suspected of collaboration with rebels. Together with the loss of animal traction to prepare land, the impact of these changes on food crop production was severe, leading to a reduction of about 50% of the area planted between 1986 and 1997. After 1997 until 2001 there was a gradual increase in the area planted as relatively peaceful conditions prevailed until mid-2002 with the coming of Operation Iron Fist.

Food crop production was reduced because of reduction in the area which could be planted and in the yields as a result of limitations on labour input, lack of inputs, failure to follow normal crop rotation practices on land planted near the camps, etc. Nevertheless, most families achieved some production of food crops and this production was sufficient to keep people from starving completely, although not sufficient to prevent widespread malnutrition, especially among children.

Upland rice production in particular seems to be increasing in recent years, with new mills being established to mill the rice. It is treated as a cash crop and can bring farmers a good return on their investment. Upland rice is one crop whose production will rise substantially in both Gulu and parts of Kitgum districts, if peace comes to the region.

Lost agricultural production has been computed based on the World Bank’s Agricultural Memoranda which show increases of 4.8% and 3.2% for the country as a whole over the period of the conflict and on the reductions mentioned above coupled with a 50% reduction in the area of crops in Acholiland. From 1997 until 2001 increases reported by the DAO in Gulu have been included in the model. Total losses of food crops are \$148.9 million for the period.

3.3 Cash Crops

Total losses are estimated at \$30.2 million dollars over the period. If peace is established in the region, the major cash crops are poised for a very rapid take-off, especially tobacco for which a large export market exists. (This figure is captured in section 1.4.2 on foreign exchange earnings foregone.)

3.3.1 Tobacco

Tobacco is the major cash crop in the region. There is a potential output in the region of 6,000 T which could have been achieved by 2002. It is only crop in the region which is commercially profitable. Its potential production has been interpolated between actual estimated production in 1985 of 500 T and potential production in 2002. Export earnings from tobacco have been discussed elsewhere in this report. Suffice it to say that despite their desperate need to produce enough food for their families to supplement the rations they received from WFP, many tobacco farmers continued to grow tobacco, even on small plots of rented land near the camps. Once farmers have experienced the good earnings which are achievable when tobacco is grown according to advice given by BAT and dried properly after the harvest, they are loath to abandon the crop, using its proceeds to meet non-food needs of the family or to buy food.

3.3.2 Cotton

Cotton was estimated using the WB Agricultural Sector Memoranda projections of 4.8% and 3.2% in more recent years. In 1985 there were 647 T and 1,176 T in 2002. Cotton as a crop is coming back in the North as efforts by the Cotton Development Organisation (CDO) and the Uganda Ginners and Cotton Exporters Association (UGCEA) begin to pay off and as new international cotton companies become established in the region. Further increases are likely to occur as soon as the security situation permits. Export earnings from cotton have been discussed elsewhere in this report and offer a good potential for small farmers as soon as peace is established.

3.4 Houses and household goods destroyed

It is assumed that 500,000 people have been displaced and that each family (average 6 people) had an average of two huts per family. Each hut is assumed to be worth Ush 70,000. Thus total losses for the huts people lost upon moving to trading centres or IDP camps is \$6.48 million. In the camps themselves, people have suffered similar losses which consultants have not been able to quantify, not knowing how many huts have been burnt in the camps nor to what extent WFP and other donors has taken responsibility for helping families rebuild after rebel attacks.

Most families previously had livestock and with them, the yokes, ploughs, and other equipment to make use of their oxen for animal traction. Families also had handtools. In an area where there were two major cash crops (tobacco and cotton), most families also had bicycles (current value about Ush 95,000). Putting a minimal value on clothes, kitchen utensils, jerrycans, etc, consultants estimate that each family had on average household goods worth Ush 210,000. They also assume that most families

lost most of these assets on fleeing to the IDP camps. As with the houses themselves, many families have lost their possessions again when rebels looted the IDP camps they were living in. Total losses of family possessions are put at \$13.07 million.

3.5 Soil and Environmental Degradation and Land Rendered Useless by Landmines

The concentration of up to 40,000 basically rural people in one place can have dramatic effects on the surrounding environment and resources, particularly soil. Several other camps are over 20,000 and many more are in the 10,000 and above range. Thirty-five camps were recorded and the total population given as 447,000 thousand. Average camp size according to data for mid-2000 presented by Weeks (March 2002) is 12,800 persons.

Where a rural population, cooking with fuelwood and charcoal and wanting to grow crops to supplement their food rations, is concentrated in a small area, dramatic environmental degradation is to be expected. Around the outskirts of the camp, contamination from fecal material and urine must be massive. Most burnable vegetation with a 2 hour walking distance (7 kms) must have been used. In fact, it is reported that in some places all trees, including fruit trees, have been cut down for fuel. With no other economic activity, large numbers of people (perhaps 1% of the population, or 5000 people) must be engaged in making charcoal and cutting firewood for sale each using about 5 hectares per year over the 16 years of conflict. All land within 8-10 kms that is in any way suitable for agriculture must be being farmed, with fallow periods, if not being skipped entirely, reduced to a year or so.

Land area	Classification	Hectares in 35 camps	Recovery Costs @\$2/ha & \$1/ha
Within a radius of 7 kms of a camp	Denuded, very intensively farmed	538,790	1,077,580
Within a radius of 8-10 kms of a camp	Vegetation reduced, Intensively farmed	610,092	610,092
Within walking dis- tance of a road	Selectively cut for firewood and charcoal	400,000	-
Grand Total		1,548,882	1,687,672

When there are no alternatives, people mine the soil and loot the environment, abandoning traditional practices and conservation practices promoted by extension staff. The fact is that they have no choice but to act as they do. Assuming that whatever species of trees might be required to reforest this land at a minimal rate (72 trees per hectare for severely affected land and 36 on less badly affected land) cost no more than eucalyptus seedlings (Ush 50 each), a total of \$1.69 million would be required to help this land recover. Additionally, the land would have to be left fallow for two years in the case of less intensively farmed land and 3 years for the land nearest the camps to regenerate natural soil fertility (no fertiliser is used except on tobacco). It will take a number of years for the land most intensively used to regenerate its fertility. Leaving the land fallow will be an option if peace comes

because vast areas now closed to farming by fear of rebel attacks or mistreatment by the army will again become available. Some land will also require soil conservation measures.

Some land in the region will have been rendered useless by anti-personnel land mines. These areas need to be marked immediately, but in a region with relatively extensive land resources, should not affect overall production, though some villages may have significant parts of their landbase rendered useless. These areas should receive first priority for mine removal operations. No estimates were available to consultants to estimate the areas affected and the costs that might be incurred to remove mines.

4 Findings and Conclusions

The war is understood to be the single factor most responsible for the low level of development of the Acholi region. However, what this study shows is that it also a significant factor holding back the development of Uganda as a whole. The total cost of the war in Acholiland to the country has been estimated conservatively at close to US\$1.3 billion over the period of the conflict. This estimate will rise when information from Kitgum and Pader becomes available and gaps in information for regions like West Nile and Lango are filled in by people knowledgeable about the development of these regions. The information available to consultants is sufficient to paint a clear picture of the impact of the conflict, which is costing Uganda over 3 percent of its GDP.

The main cost items contributing to the \$.13 billion total are as follows, ranked according to their contribution from highest to lowest:

Rank	Cost Item	Percentage	Mlns (US\$)
1	Direct Military Expenditure	27.58	367.2
2	Loss of Income from Crops	15.96	212.5
3	Reduction in Tourism	13.90	185.0
4	Increased Medical Costs	10.38	138.2
5	Loss of Output due to Ill Health	7.47	99.5
6	Loss of Income from Sales of Livestock	4.80	63.9
7	Loss of Livestock (Cattle)	2.61	34.8
8	Loss of Life.	2.58	34.3
9	Costs Related to West Nile	2.42	32.2
10	Loss of Foreign Exchange Earnings	2.27	30.3
11	Loss of Houses	1.46	19.4
12	Loss of Tax Revenue	1.42	18.9
13	Loss of Donor Funds due to conflict	1.01	13.4
14	Loss of Crop due to Forced Move to Camps	1.00	13.3
15	Loss of Household Goods and Tools	0.98	13.1
16	Loss of Investments due to Conflict	0.50	6.6
17	Loss of Production/Income due to Illiteracy	0.50	6.6
18	Cost of Externalising Debt	0.26	3.5
19	Impact of War related to Lira District	0.24	3.2
20	Environmental and Land Degradation Costs	0.13	1.7
21	Frozen Investments in IDP Camps	0.11	1.5
22	Roads and Bridges Destroyed (Gulu only)	0.10	1.3
23	Outmigration	0.03	0.4
24	Cost of Government Offices Destroyed	0.01	0.1
	Total	100%	1,331.3

Direct military expenditure is the biggest single contributor with over one quarter of the total, although if all the categories of agriculture (livestock rustled, the crop lost in move to camps, crop income, and livestock income) including lost foreign exchange from cash crops are aggregated together, they vie with military expenditure in terms

of the total losses at \$355 million (26.6% of the total). Losses to neighbouring districts, particularly West Nile (but also Lango) are also significant. Public health is also a major casualty of the conflict, both directly through increased outlays on medical care and also through lower productivity and lost output due to higher incidence of time lost as a result of illness and injuries related to the conflict; when grouped together in this way, public health losses account for almost a fifth (17.9%) of total losses attributable to the war. Tourism is also a big loser in the conflict accounting for \$138 million or almost 14% of total losses. While human life is truly priceless, lives lost in the conflict have been valued for purposes of the model in terms of the lost income which would have been earned; with conservative estimates of numbers killed and low value placed on lost earnings, loss of life accounts for \$34 million, or 2.6% of the total.

The donors and Government have provided large amounts of humanitarian assistance to keep the population displaced by the war alive at least, even if the quality of life during these years is abysmal, which is a huge loss but one which consultants have not felt capable of adequately modelling. Many of the investments in the camps will be frozen and will not be able to move with the people when the conflict is resolved and people disperse and move back to their places of origin. The model shows some of what they have lost personally in terms of their homes and tools and worldly possessions. Most of these will have to be replaced and the population assisted in resettling. The war has made district and local government heavily dependent on central and donor funding to provide services, even at a low level. Some of these losses have been estimated, although returns are incomplete. Rapid improvement in government revenues would be one of the first benefits from making peace in the region. Rapid improvement in government revenues would be another.

The environment has suffered some degradation particularly around the camps, but can be expected to come back with some external assistance and reduction of excess pressure on limited areas as the population disperses to the low density type of settlement which prevailed in the past. Minefields will have to be marked and some areas will have to be de-mined, but the cost attributable to lost to production through landmines has not been included in the model.

The cost of lost animals and Government assumption of external debt (ADB loan for cattle ranches) provide some estimate of the resources which would be needed for a restocking programme which would be needed to re-establish livestock enterprises and to provide animal traction for increasing food and cash crop production. Based on experience in Teso and Lango regions which resolved a similar conflict a decade ago, self-sufficiency in food and production of surpluses for sale in other parts of the country can be achieved relatively quickly in the aftermath of conflict; with fast-growing demand for tobacco and the revival of cotton, farmer income from cash crops and foreign exchange earnings would grow rapidly once this conflict is settled.

There is also a pent-up demand for private investment and large numbers of major investment projects, which are held in abeyance until the conflict is resolved. There would be an immediate spurt in investment in the first few years after peace comes to the region followed by a sustained period of substantial growth based on the natural aptitudes of the region and its people and the prospect for good demand both domestically and abroad, including regional markets in Congo and Sudan, for the

kinds of products the region can produce. The key to these developments is an end to the war and the establishment of the kind of security, which promotes investment in profitable and socially desirable enterprise.

Annex 1: spreadsheet showing annual estimates for each element considered in the study



"annex 1 for final
report.xls"

Annex 2: Bibliography

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Annex 3: Terms of reference

Estimating the net economic cost of insecurity in the Acholi sub region of Uganda

1 Background and purpose

Acholiland in Northern Uganda has suffered from persistent insecurity since the mid 1980s. For over ten years, the Lords Resistance Army (LRA) has waged a civil war against the Government of Uganda. The LRA has viciously targeted the people of the sub-region, causing insecurity and terror in Gulu, Pader and Kitgum, and parts of neighbouring districts. This has led to massive and persistent disruption, hardship, dislocation and suffering. An informal group of civil society organisations (CSOs) has come together in 2002, in a campaign to persuade and help policy makers to find a peaceful solution. The social and human suffering is well documented, but although generic international research suggests that the cost of civil war is equivalent to about 2.2% of GDP growth foregone¹, there has been no specific analysis of the cost of insecurity in Acholiland. The CSOs have therefore decided to engage a consultant to conduct secondary and primary research to estimate the economic cost of the insecurity in the sub region. It is expected that the results of this study will show that the civil war and resultant insecurity in the sub-region has had a significant economic cost, not only to the people of the sub region itself, but to the entire nation. If so, they will be used to formulate appropriate advocacy messages, e.g. at the donor/Government consultative meetings planned for November 2002. Since it is widely recognised – and repeatedly emphasised – at policy level that development and the eradication of poverty in Uganda depends on significant increases in GDP per capita, it is expected that this will be a powerful line of advocacy.

2 Objectives

The overall objective of the study is **to estimate the net economic cost – both to the Acholi sub-region and to the national economy – of the insecurity which has prevailed in the Acholi sub-region of Uganda since 1986.**

Among the components of this:

- The budgetary cost to the central and local Government of waging war, as well as tax revenues foregone.
- The cost of replacing destroyed infrastructure.
- The opportunity cost of traditional economic activities (largely in the primary sector) which have been reduced or eliminated due to displacement of populations and loss of assets such as livestock; and where appropriate, the replacement cost of those assets.
- The cost of economic opportunities foregone, including an estimate (with supporting assumptions) of probable economic growth opportunities which might reasonably have existed in the sub-region were it not for the insecurity. (E.g. tourism, agriculture/livestock, cash crops and value added processing, export opportunities, mineral exploitation, etc.)
- The economic advantages accruing to the sub region due to the insecurity (e.g. aid funds for displaced persons; remittances...) should also be factored in.
- An estimate, using objective normal assumptions, of the economic cost of social dislocation, e.g. uneducated youth, preventable morbidity and mortality, etc.

¹ Report of CSO meeting: Northern Uganda, Day of Analysis. January 2002.

3 Suggested timing

There are two events at which it would be extremely useful to have the results of this study: the August MPs meeting about the economy of the north, and the annual donor/GoU consultative meetings in November. The sooner we can get started, the better. The time allocated for the study is approximately 30 days, made up roughly as follows:

- Preparation time: 3 days
- In country: 23 days, of which up to 10 in the field, the remainder in Kampala
- Finalising study: 4 days.

However, this will be discussed with the consultant, who will propose a methodology for the study.

4 Outputs

The consultant will prepare a draft report for circulation and comments at the end of his/her stay in Uganda. S/he will present this and gather immediate feedback at a meeting in Kampala. After an agreed time interval of around three weeks, to allow for feedback by email, s/he will revise and submit the final report. While it will be based on solid and normal assumptions which would be acceptable in a peer review, the report will be written in language appropriate for readers who are not specialist economists. The detailed data and assumptions/models used will be submitted as annexes.

5 Management and preparation

The consultant will be contracted by CARE Uganda on behalf of the steering committee of the CSO group. CARE, in consultation with the steering committee will manage the consultancy, organise transport, lodging, supplies, etc., and will also contract an Acholi speaking research assistant who can double as interpreter in the field. The consultant will provide his/her own laptop computer. CARE will provide consumables.

CARE with the advice and assistance of steering committee members will identify key informants for interview by the consultant, and who can provide essential data. We will collect as much secondary data as possible prior to the consultant's work beginning – e.g. pre-war economic data. Other CSOs will contribute by identifying resources in their organisations who can participate.

Documents to be provided to the consultant will include:

- The anguish of Northern Uganda, Robert Gersony, 1997
- Report of Entebbe CSO meeting: Northern Uganda, Day of Analysis
- Pushing the envelope: moving beyond protected villages in Northern Uganda. Willet Weeks for OCHA, March 2002
- Recent Oxfam study on livelihoods in the north.

6 Competencies and experience

The consultant will be an economist, with experience of analysing the economic cost (including opportunity cost) of conflict, preferably in an African context. S/he will be an independent minded professional, a well organised self-starter with tact, and good oral and written communication skills. S/he will have practical experience of economic modelling.

Annex 4: Continuing Conflict In Acholiland: An Objective Civil Society Organisation Perspective

1 Introduction

Acholiland comprises mainly the three districts of Gulu, Kitgum and Pader, with a combined population – overwhelmingly Acholi people – of around 900,000. Since the Movement's 1986 accession to power, this sub-region has undergone a series of conflicts, and many Acholi people feel they are economically and politically marginalised. The discussion paper is in three main sections: a description of poverty in the sub-region; a broad analysis of the roots of the conflict and poverty; and suggested advocacy areas, including:

- A campaign for national reconciliation, based on the example of the Acholi sub-region.
- The urgent need to revisit the option of peaceful negotiation between the Lord's Resistance Army and the Government, rather than military action against Lords Resistanced Army (LRA) camps in Sudan.
- A rational approach to the return of internally displaced persons (IDPs), which respects their right to security, livelihood, services and decision making.
- An aggressive implementation of the Amnesty Act.

The aim of this paper is to provoke a discussion of the underlying causes of insecurity. It does not claim to be comprehensive, but to provide an analytical framework within which to plan appropriate actions. It draws on presentations and discussions at two meetings of Civil Society Organisations for Peace in Northern Uganda (CSOPNU) held on 30th-31st January and 17th May, 2002. Those meetings were held to identify key factors contributing to the conflict in Northern Uganda, and to seek consensus on potential advocacy strategies for CSOs, in pursuit of peace.

2 Poverty in the Acholi sub-region

The ongoing conflict between the Government and the Lord's Resistance Army has resulted in massive population displacement. About 500,000 people² live in very poor conditions in IDP camps, where they have been since the mid 1990s. Although they receive food rations from the World Food Programme, these are basic and often irregular, and are no substitute for the nutrition which would be available to most households back on their homesteads. Rural Acholi household livelihoods are traditionally based on agro-pastoralism. But very few livestock remain in the sub-region; and most households are unable to cultivate, as they are too far from their fields – which in some cases may also be mined. Displaced households thus have few means of production.

Conditions in the camps are bad. As stated in a recent UN report³: “Sanitation is inevitably poor, and exposure to communicable diseases high. Social conditions are a matter of universal concern: parents feel, in particular, that they are losing control over their children's behaviour. Sexual promiscuity is perceived to be unacceptably high, with correspondingly high rates of sexually transmitted diseases, including HIV. Girls and women turn to prostitution in the absence of other economic outlets, boys to brawling, to petty crime, to rape, and in some cases to armed banditry.” A ratio of 217 persons per latrine was documented in one instance⁴. Malnutrition rates are high, e.g. in Gulu 30% of under-five children in Gulu are stunted; and only 15% are fully immunised.⁵

² OCHA Uganda, Humanitarian Update, April-May 2002

³ W. Weeks/OCHA, Pushing the Envelope, March 2002

⁴ Needs and Trends Assessment in IDP camps in Kitgum District, J.J. Oloya & S. Namara, 1998

⁵ UNICEF 2001 baseline survey, Gulu District.

Although basic education is available in the camps, attendance and achievement rates are below those elsewhere in Uganda. There is a lack of qualified teachers and other resources; households cannot afford costs not covered by the Universal Primary Education (UPE) programme; and the protected village environment is uncondusive to learning.

The sub-region was once a leading food producer, helped by reliable rainfall, fertile soils, and a low population density. With access to the markets of Eastern and Central Uganda, the economic prospects of the region were good. However, that potential remains unexploited, affecting not only the people of the area, but also the national economy. A World Bank study of countries with civil conflict estimates the cost of civil war at 2.2% of GDP growth foregone⁶. It seems likely that GDP growth in the Acholi sub-region has been either negative or minimal for several years: very little agricultural or pastoral activity has been conducted since 1995. The capital and income value of lost cows alone must be very high. This must also have reduced economic growth in Uganda as a whole. Household incomes compared to the rest of Uganda are low: the north is the only region where the proportion of households below the poverty line actually increased (from 60% to 66%) between 1997 and 2000.⁷

Meanwhile, it can only be imagined how the terror caused by constant fear of harassment and attack affects psychological health, and how long-term residence in IDP camps affects the self esteem of adults and adolescents. The traditional role of men as providers has been eroded, and they feel the loss of their cattle – an important cultural symbol as well as household savings – particularly acutely. As always in IDP situations, women find themselves taking up much of the slack, and suffering most abuse. A whole generation of youth has come of age in the alienating environment of the IDP camps, with a distorted cultural and moral reference point. The LRA has abducted thousands of children and adults, many of whom have been brutally socialised to a violent life. Those who have been able to escape face enormous difficulties readjusting to a normal life, after constant violence and brutality. Some may never be able to readjust. All these conditions will leave a legacy of widespread social and psychological damage which will have lasting adverse effects on the Acholi community if they are not thoroughly addressed.

The human rights of the affected population are unmet in a number of important respects. Their entitlement to security is compromised – to the extent that attacks have taken place even within “protected” IDP camps. The right of children to be protected from the consequences of war has been widely violated. Women and girls have suffered from sexual abuse. Many IDPs perceive that their right to freedom of movement has been restricted, and report that they are not yet allowed to go home. Overall, an argument can be made that the right of the population of the sub region to have their plight taken seriously by central Government – to have sufficient resources and political will applied to the search for a solution – has not been met.

This is not to say that the central Government has ignored the problems of the sub-region, or that the situation is not complex. Efforts by Mrs Betty Bigombe, the minister in charge of the north, in the early 1990's to seek a peaceful solution seemed promising, although they foundered at least partly because of a lack of consistency with the approach being pursued by other arms of Government. This reflected a lack of trust within sections of Acholi

⁶ In *The Cost of Insecurity and Conflict in Northern Sudan*, S. Namara cites World Bank estimates of the cost of civil war at 2.2% of national GDP growth foregone.

⁷Challenges & prospects for poverty reduction in Northern Uganda, MoFPED, March 2002.

community, and between the Government and the north, leading to the loss of a vital opportunity to end the conflict peacefully. More recently, the Government has shown that more resources are flowing to the north – e.g. increases in UPE funds; and the recently agreed \$100 million NUSAF programme which is about to begin. The Prime Minister's Office includes a special Minister for the North. A recent discussion paper from the Ministry of Finance, Planning and Economic Development makes a strong case for increased investment in poverty reduction and an end to insecurity in the north. And the Government has worked closely with OCHA recently, to develop an official IDP policy. But these and other positive interventions seem destined to be unsuccessful in securing an end to the conflict and consequent reduction of poverty in Acholi sub region, unless they are part of a clear, transparent and coherent guiding policy on resolving the conflict in the North, as well as the factors which underpin it. This does not yet seem to exist. Given the very close collaboration in policy making which exists between the Government and international donors, one is forced to assume that donors are complicit in the Government's inability to develop and promote a coherent solution. The conditionalities which donors have publicly placed before the Government recently have focused on issues such as military involvement in DRC, and the Political Organisations Bill, but not on a concerted and equitable effort to resolve the northern insecurity.

The lack of a concerted Government response has meant that the role of CSOs is crucial. NGOs and CBOs provide essential services, especially to IDPs and returning abductees; many have also advocated for improved conditions, and some CSOs such as the Acholi Religious Leaders Peace Initiative and the Concerned Parents Association have been prominent in promoting a peace process, and the safe return of abducted children.

In an ironic twist, after years in which the plight of IDPs has been largely ignored, the Government has recently been saying that IDPs will return home in 2002, and proposed an aggressive timetable for this. This appears unrealistic, given the prospects for peace, the timing of the agricultural seasons, and the preparations that would be required to assist this process. In the light of the recent activity by the Ugandan army against the LRA in the Sudan, it would seem that the spurt of initiatives regarding IDPs was prompted by anticipated military success in Sudan. It now appears that events in Sudan will continue to preoccupy the Government, and a coherent plan for IDP returns may not be immediately forthcoming.

OCHA recently suggested that 200,000 IDPs might return home in 2002, and a further 160,000 in 2003, leaving about 150,000 who may never return, but would opt to stay on in permanent settlements that would replace the IDP camps⁸. The details have yet to be established, but it would put the IDPs at new risk, were they to return home without the tools and inputs with which to restart economic activities, nor the public services to which they are entitled. Nor is it in any way certain that security will be sufficiently improved for this to happen. Without a clear government policy, and given past reports (e.g. Weeks/OCHA's recent report) that the treatment of IDPs returning home has been inconsistent, it is important to avoid a situation in which IDPs would end up returning home against their will.

3 Analysis

3.1 Background

British colonial rule in Uganda followed the classic "divide and rule" pattern, accentuating the pre-existing ethnic divisions in a colony (later a country) with several large, and many

⁸ OCHA presentation at Entebbe Day of Analysis meeting

smaller ethnic groups. Uganda is often conveniently divided into the North, dominated by Luo and Nilotics; the Centre, dominated by a balance of power between the Bantu-speaking Baganda and Banyoro; and the South and West, dominated by the Bantu-speaking Banyokole and related groups. In the British scheme, the North was considered a labour reserve for southern plantations, and a source of army recruits, and was marginalised in economic development plans. National governance since independence has been characterised by a series of crises with their roots in these ethnic and regional divisions; in the underlying identification of many Ugandans with their own ethnic group, rather than with citizenship of Uganda the nation state; and in the identification of each of the two main political parties with the two mainstream churches.

After independence, power was progressively consolidated by Northerners, led by Milton Obote, a Lango from Lira. Obote came to power through democratic means, leading the protestant-based Uganda People's Congress (UPC), but during the following years he marginalised other political representation, including the catholic church-linked Democratic Party (DP), and non-northern ethnic groups. His flirtation with the USSR was his downfall, and in 1971 Idi Amin, his army chief, took power in a coup said to have been supported by the British, Israeli and American governments.

Amin was no ideologue, and to begin with was content to implement the policies suggested by his backers, and to represent the interests of the Sudanic speaking peoples from the north-west. His reign quickly degenerated into anarchic misrule however, until he was eventually removed by an invading Tanzanian army of "liberators" in 1979. Obote – a personal ally of Tanzanian president Julius Nyerere – was then returned to power in a rigged election, after which he proceeded to reassert the ascendancy of the northerners – and like the British, relied on the Acholi people as a main source of his army recruits.

In 1981, Yoweri Museveni, (himself from the west), went "to the bush", and proceeded to wage an increasingly daring and successful guerrilla war against the state. Other groups – many representing particular ethnic groups or regional interests, including a faction of Amin's army – subsequently joined this campaign, united by their opposition to Obote rather than by a common ideology. Many atrocities against civilians were committed by the armed forces during this time. Rebels fighting to topple the Government were also known to target perceived UPC sympathisers. In 1985, Obote was toppled by his Acholi generals, but they were unable to resist the rebellion, and in January 1986 Museveni's growing National Resistance Army (NRA) entered Kampala and took control.

Over the following years they pacified the country, and much of Uganda has since enjoyed the fruits of stability, economic recovery, and an experiment with a home-grown democratic Movement system. This system notes the sharp vertical divisions in Ugandan society due to religious and ethnic differences, and assumes that political parties would inevitably become defined by allegiance to such groupings (as was certainly the case until the 1980s). No active political parties are therefore allowed: instead all citizens are said to belong to the Movement. This "big tent" mechanism has been remarkably effective in neutralising (or co-opting) potential opponents. But, increasingly, the Movement has come to be seen as monopolising political space while operating as a de facto political party. This has spurned agitation for the opening up of political space to allow for other parties, including the old UPC and DP to operate freely.

Despite the consensus politics of the Movement, it lacked a mechanism for reconciliation. Although the Human Rights Commission appointed in 1987 to investigate past abuses of human rights produced a report after years of hearings, very few legal cases have been brought against those who perpetrated human rights abuses under past regimes. That Commission of Inquiry was inquisitorial and focused on exposing the wrongs of the past rather than bringing about healing. There has been no “Truth and Reconciliation Commission” or similar formal process through which perpetrators can publicly express remorse for their crimes, so that the victims or their heirs can put the past behind them. Instead, wrongs done by individuals or institutions in the past continue to be blamed on *current* members of ethnic groups associated with those institutions.

Thus, for example, the entire Acholi people are seen by some fellow citizens as somehow guilty of the wrongs perpetrated against others in the 1980s *by soldiers who happened to be largely Acholis*. This might explain some non-Acholis' indifference to or even support for suffering inflicted upon the Acholi people. Meanwhile, many Acholis also see things in this polarised way, and are convinced that “westerners” (i.e. the groups perceived as dominating the current Government) are out to get revenge, while the Baganda are seen as dominating the economic sectors. Some Acholis themselves often speak of other Ugandans as foreigners – i.e. as “other”. Unfortunately, without a reconciliation process and a proper national civic education, these kinds of self-fulfilling perceptions seem destined to continue dominating Ugandan politics, and endangering stability.

3.2 The Lords Resistance Army

Despite the general pacification of Uganda, peace has not yet returned to Acholiland. After the NRA had taken Kampala, remnants of the defeated Ugandan (largely northern) army fought on in the north under the banner of the UPDA – Uganda People’s Democratic Army – until a negotiated settlement was reached in 1988. However, while some UPDA leaders were integrated into the army and the Movement, mutual suspicion between the NRA and the Acholi people continued to influence relations. In late 1986 these were reflected in a popular Acholi uprising (the Holy Spirit Movement, (HSM)) led by Alice Lakwena, a spiritualist. She gathered a large force (partly consisting of UPDA) which had some success, until it was comprehensively routed near Jinja in October 1987. Lakwena fled into exile, but the torch was carried on, first by her father Severino Lukoya, and since 1989 by a cousin named Joseph Kony, whose Lord's Resistance Army continues to fight a low level guerrilla war with the UPDF to this day.

Kony is based in Southern Sudan, and has been supported and protected by the Sudanese government. This relationship mirrors Kampala’s alleged support to John Garang’s SPLA rebels, who are fighting the Khartoum government. Since December 1999, when the two countries signed a peace agreement in Nairobi, Khartoum and Kampala have agreed several times on measures to improve bi-lateral relations: Khartoum’s support for Kony, and Kampala’s support for Garang, are both supposed to be eliminated. However, these agreed measures were not fully honoured by either government. During 2001, the Khartoum government appeared to withdraw logistical support from the LRA. For its part, Uganda’s support for Garang will not easily be dropped, although it might be tempered, given a number of deep-seated factors including Kampala's sympathy with the non-Muslim Southern Sudanese who are marginalised within Sudan. This was exemplified by Uganda's lone African vote against Khartoum at the recent European Union sponsored resolution against Sudan in the UN.

The USA and its allies have long supported the SPLA, and considered Khartoum as a pariah which sponsors terrorists. But Khartoum has now distanced itself from extreme anti-Zionist Islamism, and is actively seeking favour with the USA. IGAD has recently, after a dormant period, undergone something of a resurgence. These geo-strategic factors may be changing as a result of the US “war on terrorism” which has seen it declare the LRA a terrorist organisation. All this may, over time, lead to a marginalisation of the LRA, as it becomes increasingly irrelevant in the larger picture. However, a marginalised LRA is not necessarily a defeated LRA, and its new-found hunger may make it even more dangerous to Uganda and Ugandans.

One immediate and urgent concern is the impact of Operation Iron fist—the name of the UPDF mission to defeat Kony within Sudan. Since March 2002, the Uganda army has, by agreement with the Sudanese government, been operating within Sudan. As a result, the LRA has now fled its camps outside Juba and split into smaller groups, the biggest of which is headed by Kony and is now based in the Ikatong hills just north of the Ugandan border. Others have reportedly crossed back into Uganda. The LRA has in the process of the campaign overrun some Sudanese government positions, killing a number of senior Ugandan and Sudanese officers and men. Encounters between the UPDF and the LRA within Sudan are reported to have resulted in large numbers of Kony fighters being killed. Very few prisoners seem to have been taken. Such episodes give credence to the fears that military action will simply wipe out scores of abducted Acholi young and do nothing to promote reconciliation. Sudanese civilians have now also come under attack by the LRA, causing population displacement in the areas in which it has operated.

The LRA’s stated objective is bizarre: nominally, a society governed according to the Ten Commandments. However, the sub-text is that Kony seeks the demarginalisation of the Acholi people. Paradoxically, his strategy is to terrorise the Acholi people themselves. This may reflect one of the roots of Lakwena’s HSM in the inter-generational conflict between returning young Acholi soldiers, demobilised after the NRM victory, and the traditional Acholi elders: many Acholi leaders had not supported the Okello junta, and they persuaded these returning soldiers to surrender to the NRA. When relations between the NRA and the Acholi population later turned sour, the young soldiers blamed these leaders for having trapped them.

Varying numbers of LRA fighters roam within Uganda, targeting rural communities, stealing supplies, and only very occasionally engaging UPDF in firefights. They frequently abduct young boys and girls, some of whom are used as porters before being released. Others are killed. During the war in the north, several thousand children have been forced into the LRA, mostly through a process of brutalisation in which they are actively socialised to violence⁹. Thus, the tragic situation, in which the alienated sons and daughters of rural Acholi wage a terror campaign against the very communities from which they were abducted. After many years of war and suffering, most Acholis hope for the defeat or complete neutralisation of Kony, despite any lingering sympathy which some may feel for his underlying aims due to the perception that they are being marginalised by the Government. The presence of their unwilling sons and daughters in Kony’s ranks creates genuine dilemmas for the community.

⁹ About 29,000 people have been abducted in the north since 1990, including some 10,000 children. About 5,500 of these children have not returned. Many will have died; some may have been sold into slavery, or be working within Sudan, having escaped the LRA. The LRA is thought to number about 4,000, including 800 females and 1,000 children born within the Sudan. The remainder are classified as “fighters” (UNICEF).

Despite this, local leaders have at times mobilised active resistance to the insurgency, even using traditional weapons.

The fiercest fighting between LRA and UPDF prior to Operation Iron Fist took place in the mid 1990s. Since then the civil war has fluctuated, but in general was waged at a low level. During this time there were few obvious military successes reported against the LRA. In the mid 1990s, large numbers of Acholi were gathered into IDP camps. These are officially termed “protected villages”, but there have been repeated instances of attacks on, and abductions from the camps: the protection is clearly insufficient. In many camps, the UPDF presence is not only insufficient, but is based in the interior of the camp, so the camp residents are effectively a human shield. Some commentators have denounced them as “concentration camps”, meaning that they are for control, rather than protection, and implying that the UPDF regards civilians as allies of the LRA. In support of this argument, IDPs interviewed by OCHA claim that they are “not allowed” to return home, and that those who have gone home have been maltreated by UPDF, accused of being rebel sympathisers.

3.3 The Prospects for Peace

In 1999, the conflict reached a kind of lull. But in December 1999 the LRA once again became active. In 2001, the conflict once again dimmed. An Amnesty Act was passed in 2000, allowing complete amnesty for all rebels who unconditionally renounce the armed struggle. This was in line with the wishes of the people of the north. However, few LRA members have taken advantage of this so far. They seem to fear revenge by Kony – either on themselves and family members, or on comrades left behind in Sudan. Some also understandably fear maltreatment at the hands of the UPDF, or are simply afraid that their communities will refuse to have them back. Information about the amnesty is distorted by the LRA leadership, to reinforce these fears. But the Amnesty Commission is under-resourced, and has not delivered fully: e.g. the “resettlement package” and indemnity-from-prosecution certificates to which amnesty beneficiaries are entitled, have not been provided. Public statements by senior Government figures, expressing scepticism about the amnesty, have inspired confusion about this important policy. A further potential area of confusion is the recent Terrorism Act. Stakeholders are still unsure about whether this is consistent with the terms of the Amnesty Act, or whether it will supersede or negate it in any way. The eligibility of minors to the amnesty is also uncertain.

Talks between Khartoum and Kampala have progressed gradually. After re-establishing diplomatic relations there was sufficient consensus to allow for the military action in Southern Sudan. In 2001, the Chairman of Gulu District Council opened direct negotiations with a group of LRA at Awoo Nyim, outside Gulu. The UPDF co-operated in this process by guaranteeing a demilitarised zone within which the talks could be held. However, in April 2001, a local peace initiative with some junior rebel commanders led by Fr. Tarcisio, a Roman Catholic priest, then based at Pajule, and a traditional chief, Rwot Joseph Oywak was foiled after the UPDF stormed the venue. Later in July, a new attempt by rebels to come out in Pajule was reportedly aborted by a similar attack. Many children surrendering in recent months have been kept long in the military barracks. All these give rise to a perception that not everyone is in favour of peaceful resolution of the conflict – or at least suggest the lack of a clear policy being implemented consistently by all Government agencies. As with all wars, some people benefit economically from the current state of affairs, *kulira mu kavuyo*¹⁰ and

¹⁰ Luganda: literally; “*eating during the confusion*”, an expression describing those who take advantage of upheavals for personal gain.

these may be working against the peace. It is worth noting that, despite the good intentions of the various leaders and groups pursuing peace, none of the talks have yet involved the central Government and the LRA leadership face to face. Nor does there appear to be any overall co-ordination of the many peace efforts to ensure consistency and complementarity.

The military conduct of the war has been difficult. The UPDF is an institution, which – in the words of the Government – is not yet fully professionalised. And the war itself is complex: most LRA combatants are child abductees. There are therefore humanistic and political difficulties in using all the military might at the UPDF's disposal. The kind of "surgical strikes" associated with the likes of the SAS and the US Special Forces are probably beyond the UPDF's capability. So in some ways their hands are tied. This question is especially pertinent now in the light of Operation Iron Fist. The temptation for the Government to try for a final military solution will have been great, but the attendant risks of the operation are high. Casualties among the (abducted) ranks of the LRA, are liable to strengthen the perception among Acholi people that the Government does not value the lives of their children. This would invariably perpetuate the cycle of unreconciled mistrust.

Another feature of this civil war is that it masks other local violence. The recent OCHA report spoke of "multiple agencies, including but not limited to the LRA, preying upon the Acholi people". Some "LRA attacks" are widely assumed to be the work of others: e.g. local thugs or bandits; commercial interests protecting their monopolies; or simply underpaid and ill-disciplined UPDF soldiers. The neighbouring Karomojong people have taken advantage of the insecurity to carry out raids, particularly into Pader district, involving rape, murder and robbery.

More insidiously, some civil servants or military officers may have reasons and opportunity to prolong the war for personal gain. As an entity, the Ugandan Government is still a relatively weak institution, due to its colonial and post-colonial history. It is far from clear if there is a common government policy with regard to the war in the sub-region – a situation which can be easily manipulated by those with an interest, whether economic, political, or simply based on a desire for revenge, in prolonging the conflict, and therefore the suffering and poverty of the people. Ultimately, one is compelled to ask the question: why has this apparently tractable, low level conflict not been brought to a halt, either by military or political action, during over ten years of chronic and acute human suffering? Other examples of local insecurity in Uganda have been successfully neutralised within a shorter time, so why not this one? The forces working against peace appear to be stronger than those working for it.

4 Conclusion, and possible avenues of advocacy

In conclusion: the people of the Acholi sub-region are enduring higher levels of poverty than most fellow Ugandans, as a direct result of the conflict in the region since 1985. And until the conflict with the LRA is over, there is no hope that this situation will significantly improve. Bringing the current conflict to a speedy and successful resolution, and breaking the cycle of violence in the region, needs to be given the highest attention and priority, by Government, donors, the affected people, all Ugandans, the international community and local and global civil society. But the Government has so far been unable to end the war (either by force or negotiation) – or at least to provide a greater level of protection to its citizens.

Despite the deep and serious problems faced by the people of the sub-region, the Government does not appear to have accorded them an appropriate level of priority. The Acholi situation

receives relatively little publicity from the Government, e.g. in major speeches or press releases. Although resource allocation to the North has improved in the past couple of years, this has yet to have much impact on poverty in the sub-region. In any case, economic growth is the key to poverty reduction, and an agro-pastoral economy simply cannot function while the population is confined to IDP camps. Since the Government has failed to provide a security and political framework allowing for a sustainable revitalisation of economic and cultural life, the Government gives the impression that it lacks the political resolve to tackle the problems of the sub-region effectively. In other words, the Acholi people are being marginalised by the centre. This is creating a situation of increasing poverty in the sub-region, while much of the remainder of the country shares the benefits of economic growth.

Such statements are easy to make, and must be substantiated, even if only with qualitative examples: the Amnesty commission is under-resourced and unsupported, and senior politicians have given the impression they are against it. When recently a senior Government official declared that “rebels” have no right to amnesty, no-one in a senior position publicly contradicted him. The President himself is on record as saying he signed the Amnesty Act against his own better judgement. The peace negotiations, meanwhile, have been uncoordinated, and have yet to feature any real discussions between the leadership of the LRA and the Government. The desperate plight of the IDPs – their insecurity and their poverty – has persisted for years unchecked. There does not seem to be a clear government strategy for the resolution of the conflict, the return home of the IDPs, and the resumption of economic activity.

This indicates a lack of sufficient political will to find and implement an effective solution, which in turn finds its roots in the fragility and fragmentation of the Ugandan nation state, and the absence of any reconciliation or healing process.

Uganda is in many ways not yet the sum of its component parts. Its history has highlighted internal divisions far more than national unity. Neither the Government nor the civil society in the remainder of Uganda regularly expresses the plight of the Acholi people as a “Ugandan problem”: it is rather seen as an “Acholi problem”. Senior Government representatives have made remarks along the lines of “they made their bed, let them lie in it”. Similarly, many Acholi people themselves see the rest of Uganda as “other”. When people do discuss this topic, it tends to be in terms of “sharing the national cake”, when in fact is as much about participating equally in *baking* the national cake. In fact, there is little overt discussion of this, even by the international community, which is thus colluding in the deception. Although this national fragmentation issue is raised here in the context of the Acholi sub-region, it is equally valid for other parts of the country and other ethnic groups. It has the potential to destabilise Uganda in the future, and lead the country once again down the path of conflict and disintegration.

4.1 Advocacy Issues

Several advocacy issues are suggested by the foregoing analysis.

- A campaign on the subject of national reconciliation, based on the example of the Acholi sub-region. This would aim for the plight of the Acholi people to be understood and recognised by other Ugandans as a problem affecting “us” – i.e. fellow Ugandan citizens – rather than “them”, and also showing how the conflict in one part of the country is dragging the economy down. Ultimately, the aim would be to expose the way in which “papering over the cracks” is creating a time bomb which threatens all of Uganda’s progress. This could include:

- a co-ordinated media campaign in all languages;
- sensitisation by CSOs throughout Uganda;
- research into the economic cost of the war, with the results to be used as arguments for the *national* benefit of *sub-regional* peace;
- the “packaging” of details about the poverty and suffering caused, to media, opinion leaders and decision makers;
- writing an objective history of Uganda with a specific focus on understanding the tension between national and other identities;
 - creating a forum for discussing practical paths to national reconciliation and atonement – for example with Parliament playing a greater role.
- Lobby for an immediate reassessment of the objectives and methods of the military intervention in Sudan and for a recommitment by the governments of Uganda and Sudan to pursuing peaceful initiatives to resolving the LRA conflict. In particular, a co-ordination and consolidation of all the various peace initiatives should be undertaken. Civil society peace initiatives should be encouraged and built upon, not hijacked or sidelined.
- Critically understand the gist of the Sudan/Uganda agreements and assess their potential to bring about lasting peace.
- Lobby for and help devise a single, coherent and transparent government policy with regard to the search for peace *and recovery* in the Acholi sub region. The Government should harmonise its position and speak with one voice on these issues.
- Lobby for a rational approach to the voluntary return of IDPs, which respects their right to security, livelihood, services and participation in decision making. E.g.
 - Raise awareness within the IDPs on their rights, to help empower them to challenge government inactivity, and prevent abuses.
 - Help identify a representative leadership of the IDPs with whom the Government can consult on security and return issues, and which can follow up on rights issues.
 - Use the document “Let my people go” to form the basis of meetings with IDPs to find out under what conditions they would return home.
- Lobby for a more aggressive implementation of the Amnesty, and to ensure that the implementation of the Terrorism Act does not negate its terms. This would include resources to allow the commission to implement its mandate effectively, as well as a longer-term mandate (currently the Amnesty Act has to be renewed every six months).
- Lobby with donors to have them understand their complicity in “papering over the cracks”, and suggest ways in which their role could be more effectively deployed to support reconciliation.
- Lobby for a concerted effort to end the corruption which hinders the development of the sub region.