REPUBLIC OF UGANDA

Uganda Vision 2040

CERTIFICATE OF COMPLIANCE FOR THE ANNUAL BUDGET FOR FY 2016/17

Assessment Report

By

The National Planning Authority

(Made under Section 13 (7) of Public Finance Management Act, 2015)
1st April 2017

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In line with the Public Finance Management Act, 2015 under sections 13(6) and 13(7), the National Planning Authority has assessed the consistency of the Annual Budget for FY 2016/17 with the National Development Plan, Charter for Fiscal Responsibility and the National Budget Framework Paper.

The assessment has established that the Annual Budget for the FY 2016/17 is 58.8 percent compliant to the Second National Development Plan (NDPII).

Overall, the Annual Budget for FY 2016/17 was found to be moderately satisfactory in terms of planning and budgeting processes, macroeconomic performance, release and expenditure outturn performance and physical performance of NDPII Core projects.

The summary performance of the four different levels of assessment is given in the table below.

Compliance at the various assessment levels

S/n	Level of Assessment	Weighted Score	Classification
1	Macroeconomic	48.1	Unsatisfactory
2	National Strategic Direction	74.2	Satisfactory
3	Sectors/MDAs	60.1	Moderately satisfactory
4	Local Governments	51.8	Moderately satisfactory
5	**Overall score (weighted)**	**58.8**	**Moderately satisfactory**

The detailed assessment report covering the above four levels is attached.

Kisamba Mugerwa
Chairperson, National Planning Authority

Classification Criteria:
0-49% (Unsatisfactory); 50-69% (Moderately satisfactory); 70-89% (Satisfactory); 90-100% (Outstanding)

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LIST OF ACRONYMS

Abbreviation	Description
AB	Annual Budget
ADB	African Development Bank
AG	Auditor General
AGITT	Agriculture Technology Transfer
AICAD	African Institute for Capacity Development
ANC	Anti Natal Care
ARVs	Anti-Retro viral
ASSIP	Accountability Sector Investment Plan
AWP	Annual Work Plan
BFP	Budget Framework Paper
Bn	Billion
BoP	Balance of Payments
BoU	Banks of Uganda
BPO	Business Process Outsourcing
BTTB	Background to the Budget
BTVET	Business, Technical and Vocational Education Training
CAIIP	Community Agriculture Infrastructure Improvement Programme
CDD	Community Driven Development
CFR	Charter for Fiscal Responsibility
CNDPF	Comprehensive National Development Planning Framework
CoC	Certificate of compliance
COMESA	Common Market for Easter and Southern Africa
DSC	District Service Commissions
EAC	East African Community
EACAA	East African Civil Aviation Academy
ECD	Early Childhood Development
EMoC	Emergency Obstetric Care
ERA	Electricity Regulatory authority
ESO	External Security Organization
FALP	Functional Adult Literacy Programme
FIEFOC	Farm Income Enhancement and Forest Conservation
FY	Financial Year
GDP	Gross Domestic Product
GKMA	Greater Kampala Metropolitan Area
GoU	Government of Uganda
GTS	Global Telecom System
HC	Health Centre
HIV/AIDS	Human Immune Virus / Acquired Immune Deficiency Syndrome

HPP	Hydro Power Plant
ICT	Information Communication Technology
IDA	International Development Agency
IGG	Inspector General of Government
ISO	Internal Security Organization
IT	Information Technology
JAB	Joint Admissions Board
JCRC	Joint Clinical Research Centre
JLOS	Justice Law and Order Sector
KCCA	Kampala Capital City Authority
KIDP	Karamoja Integrated Development Programme
LDC	Law Development Centre
LED	Local Economic Development
LG	Local Government
LLINs	Long Lasting Insecticide-treated Nets
LRDP	Luwero Rwenzori Development Programme
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MATIP	Markets & Agriculture Trade Improvement Project
MATIP	Markets & Agriculture Trade Improvement Project
MC	Municipal Councils
MDA	Ministries Departments and Agencies
MDGs	Millennium Development Goals
MEMD	Ministry of Energy and Mineral Development
MoFPED	Ministry of Finance Planning and Economic Development
MoH	Ministry of Health
MoLG	Ministry of Local Government
MPS	Ministerial Policy Statement
MTEF	Medium Term Expenditure Framework
NAS	National Ambulance Services
NBFP	National Budget Framework Paper
NCDC	National Curriculum Development Centre
NCDs	Non-Communicable Diseases
NCHE	National Council for Higher Education
NDC	National Defense College
NDP	National Development Plan
NEMA	National Environment Management Authority
NHATC	National High Altitude Training Centre
NHSTC	National Health Service training colleges
NOC	Northern Corridor
NPA	National Planning Authority

NTCs	National Teachers Colleges
NTNT	National Trade Negotiation Team
OVC	Orphans and Vulnerable Children
PERF	Performance
PFMA	Public Finance Management Act
PHC	Primary Health Care
PIP	Public Investment Plans
PISD	Project on Irrigation Scheme Development
PLE	Primary leaving examinations
PMTCT	Prevention of Mother to Child Transmission
PPP	Public Private Partnerships
PRDP	Peace Recovery Development Programme
PSM	Public Sector Management
PTC	Primary Teachers Colleges
PWDs	People With Disabilities
Q	Quarter
R&D	Research and Development
REA	Rural Electrification Agency
REE	Rare Earth Elements
S/n	Serial Number
SACCOs	Savings and Credit Cooperative Society
SBA	Skilled Birth Attendants
SBFP	Sector Budget Framework Paper
SCORE	Sustainable Comprehensive Responses
SDP	Sector Development Plans
SDS	Social Development Sector
SEMMA	Strengthening Effective Mobilization, Management and Accounting for the Use of Public Resources
SGR	Standard gauge Rail
SIP	Sector Investment Plan
SNE	Special Needs Education
TB	Tuberculosis
TDMS	Teacher Development and Management System
TMEA	Trade Mark East Africa
UDB	Uganda Development Banks
UDC	Uganda Development Cooperation
UETCL	Uganda Electricity Transmission Company limited
UHRC	Uganda Human Rights Commission
UNEB	Uganda National Examinations Board
UNHRO	Uganda National Health Research Organization

UNMA	Uganda National Meteorological Authority
UNMHCP	Uganda National Minimum Health Care Package
UPDF	Uganda Peoples Defense Forces
UPE	Universal Primary Education
UPOLET	Universal Post O Level Education and Training
UPPET	Uganda Post Primary Education and Training
URA	Uganda Revenue Authority
URSB	Uganda Registrar Services Bureau
USD	United States Dollars
USE	Universal Secondary Education
UShs	Uganda Shillings
USMID	Uganda Support to Municipal Development Project
UWEP	Uganda Women Entrepreneurship Programme
VF	Vote Function
WfAP	Water for Agriculture Production
WTO	World Trade Organization
YLP	Youth Livelihood Programme

KEY MESSAGES

1. For the second National Development Plan (NDPII) middle income goal to be attained by 2020, the annual budgets of the remaining NDPII period need to target much higher growth rates to compensate for the very low growth performance in the first two years of NDPII implementation. The budget should therefore be more targeted on growth enhancing NDPII identified interventions and projects.

2. The planning capacity of the country requires urgent strengthening at all levels. For example, out of the sixteen (16) sectors, only seven (7) have development plans approved and aligned to the NDPII. Six (6) sectors have draft plans that are aligned although not approved and three (3) sectors have no plans. Further, out of the 130 MDAs, only nineteen (19) have approved plans that are aligned to the NDPII. Out of 133 Local Governments, only twenty-six (26) have development plans that are approved and aligned to NDPII.

3. The macro framework for the budget FY2016/17 is not properly aligned to the NDPII macro framework. As a result, key macro targets have not been achieved in the period under assessment.

4. At the national strategic level, the Annual Budget (AB) is more compliant as it is better aligned to NDPII strategic direction. Nevertheless, the AB is not compliant and consistent in translating the strategic direction of NDPII into sector/MDA/LG specific interventions.

5. Weaknesses in budget implementation and performance (releases and expenditure outturns) are constraining fiscal/budget policy effectiveness to drive the NDPII growth targets. This is mainly attributed to the weak Public Investment Management System as reflected in the delays in projects implementation.

6. Several core projects that are key in achieving the NDPII targets remain either unprepared or unbudgeted for or unfinanced and therefore are not or under implemented. These projects are mainly in the NDPII priority Sectors.

7. Off budget financing within most sectors has posed serious challenges to harmonized implementation, monitoring and effective achievement of results. A number of sectors/MDAs and local governments have off-budget support that is not integrated into the overall planning and budgeting processes.

8. The challenge of collecting and spending Non-Tax Revenue at source without clear and aligned development planning and budgeting processes still persists. Most of the funds collected and spent at source are not linked to the achievement of common NDPII national targets and results.

9. Sectors with an effective Sector Wide Approach (SWAp) tend to perform better in planning, budgeting, implementation and reporting than those with weak sector coordination mechanisms.

10. Transfers to Local Governments are still inadequate to support effective delivery of the expanded development mandate, as well as drive local economic development. The transfers are currently 13.1 percent of the total national budget, which is way below the NDPII target of 30 percent.

EXECUTIVE SUMMARY

Background

The issuance of the Certificate of Compliance (CoC) is a requirement under the Public Finance and Management Act (PFMA) 2015, Section 13 (7). CoC aims at ensuring that the National Budget, comprising the Sector, MDA and Local Government (LG) budgets focus on implementation of the National Development Plans (NDPs). This requirement guarantees that planning and budgeting frameworks are aligned to achieving Vision 2040 through the NDPs. In particular, the Section 13 (6) requires that the National Budget Framework Paper (NBFP) and Annual Budget (AB) should be aligned to the NDPs.

The Public Finance and Management Act, 2015 Section 13 (6) of the PFMA requires that the AB shall be consistent with the NDP, the Charter of Fiscal Responsibility (CFR) and the NBFP. To implement Section 13 (6) of PFMA, Section 13 (7) requires a CoC for the AB of the previous financial year to accompany the AB for next financial year issued by the NPA.

In light of the PFMA requirement, the assessment for compliance of the AB is in line with sections 13 (6) and 13 (7) of the PFMA, 2015. The compliance has been assessed on basis of consistence of the AB with the NDP and NBFP.

Methodology

To prepare the FY2016/17 CoC, as for FY2015/16, a step-wise assessment approach is undertaken at four different levels namely: Macroeconomic, National, Sector/MDA and LG. In the first step, the macroeconomic level assesses whether the AB macroeconomic targets are geared towards attaining NDPII medium-term macroeconomic targets and outcomes. In the second step, the national level assesses whether the AB strategic direction is consistent with the NDPII strategic direction. In the third step, the sector/MDA level assesses whether the AB strategic direction is translated into sector/MDA specific interventions to deliver the NDPII. Lastly, the LG level assesses whether the LG interventions are focused towards delivering the NDPII targets and outcomes. For FY2016/17, the overall compliance score is a weighted average of these different levels at 20, 20, 40 and 20 percentage weights, respectively.

Key Findings

The FY2016/17 AB is less compliant when compared to the FY2015/16 AB. Specifically, the FY 2016/17 AB is 58.8 percent compliant compared to 68.2 percent in FY2015/16. The overall decline in compliance scores in the FY2016/17 is mainly attributed to the declining performance at macro level of 48.1 percent compared to 71.4 percent of FY2015/16, and the below average performance for LGs at 51.8 percent that was not part of the FY2015/16 compliance assessment. Nonetheless, at the national strategic level, the FY2016/17 AB performance is 74.2 percent compliant, which closely compares with the 75.4 percent compliance for FY2015/16. Also, some improvements were registered at sector level at 60.1 percent in FY 2016/17 compared to 58.6 percent of FY 2015/16. This improvement is mainly attributed to minor improvements in planning. The detailed findings at all the levels of assessment are presented in Section 2.

At the national strategic level, the Annual Budget (AB) is more compliant as it is better aligned to NDPII strategic direction. Nevertheless, the AB is not compliant and consistent in translating the strategic direction of NDPII into sector/MDA/LG specific interventions. Specifically, implementation weaknesses are limiting the attainment of NDPII goal.

At macroeconomic level

i) Attaining the NDPII macroeconomic targets and outcomes, particularly the middle-income target by 2020 will be a challenge without accelerating implementation of NDPII.

ii) Weak budget implementation, particularly towards NDPII growth enhancing sectors has partly contributed to weaker macroeconomic outcomes, thereby slowing the pace to middle-income target. While at the level of budgeting process, the AB is compliant to NDPII, this is not the case for the expenditure outturns, indicating that there are sector/MDA implementation challenges. This limits efficient and effective delivery of growth enhancing NDPII priority interventions which has in turn resulted into slow growth outcomes. It is possible to attain higher growth outcomes of at least 7.0 percent envisaged under the NDPII, and accelerate progress to middle income status if budget implementation is strengthened.

iii) Weak private sector credit growth below the NDPII target is further constraining Uganda’s growth potential and efforts for Middle income target.

iv) Weak domestic resource mobilization particularly for Non-Tax Revenue (NTR) limits appropriate financing of NDPII interventions and puts pressure on borrowing.

At National Strategic Level

i) At the national strategic level, the AB is more compliant as it is better aligned to NDPII strategic direction. Nevertheless, the AB is not compliant and consistent in translating the strategic direction of NDPII into sector/MDA/LG specific interventions.

ii) Several core projects that are key in achieving the NDPII targets remain either unprepared or unbudgeted for or unfinanced and therefore are not or under implemented. These projects are mainly in the NDPII priority Sectors.

At the sector and MDA level

With regard to planning, out of the 16 sectors, only seven (7) have development plans approved and aligned to the NDPII. These are: Public Administration; Legislature; ICT; Health; Energy; Defense; and Social Development Sectors. Six (6) sectors have draft plans that are aligned although not approved: Lands, Housing and Urban Development; Justice Law and Order; Accountability; Agriculture; Environment and Education and three (3) sectors have no plans, that is Works and Transport, Tourism, Trade and Industry, and Public, Sector Management

i) Weak Public Investment Management System has resulted into weak budget performance on releases and expenditure outturns which had led to delayed implementation of projects.

ii) Overall, off budget financing within most sectors has posed challenges to harmonized implementation, monitoring and effective achievement of results. A number of sectors/MDAs and local governments have off-budget support that is way above the direct budget financing and is not integrated into the overall planning and budgeting processes, which leads to duplication of effort, double accountability and reporting issues and diversionary implementation.

iii) As in FY2015/16 CoC assessment, the challenge of collecting and spending Non-Tax Revenue at source without clear and aligned development planning and budgeting processes still persists. Most of the funds collected and spent at source are not linked to the achievement of common NDP national targets and results.

iv) Most of the priority interventions identified in NDPII were targeted in the sector plans and budgets. However, the allocations were too thinly spread to generate the desired impacts to meet the NDP II targets. For instance, UCDA targets increasing coffee production from 4.3 million to 20 million bags by 2020 and a number of interventions are required to realize this goal. However, in the budget allocations for FY 2016/17, over 80 percent of the budget was allocated only to raising, purchase and distribution of seedlings. In addition, the budget is too low to realize the desired target.

v) A number of MDAs that budget through the sectors where they do not contribute to the sector's objectives. This creates challenges to the effective planning and budgeting within the sector wide approach. These institutions include: Uganda Aids Commission (Vote 107), and Internal Security Organization under Office of the President; Presidential Initiatives on Banana Industrial Development (PIBID), National Housing and Construction Corporation (NHCC) and Uganda clean cooking supply chain expansion project under Accountability Sector.

vi) Sectors with an effective Sector Wide Approach (SWAp) tend to perform better in planning, budgeting, implementation and reporting e.g. JLOS, than those with weak sector coordination mechanisms.

vii) Some MDAs have huge recurrent budgets which are at times also reflected in projects. Most projects are of an operational nature rather than focusing on key strategic/development issues of the sector. This is common for the "support to Vote" projects. These projects have been recurring without specific start and end timeframes and specific performance targets thus subjecting them to budget misuse. There is need therefore, to review all sector projects and refocus them to the key development agenda of the sector.

viii) Also, there is increasing development expenditure in some cases that is not accompanied by proportionate allocation for the required recurrent expenditure. For example, constructions of regional service delivery infrastructure not accompanied by adequate operational funds hence rendering the infrastructure idle and non-functional.

ix) Non-rationalization of budget cuts. Overall, where institutions received budget cuts, there was no review of planning and budgeting processes for proper re-prioritization. As a result, budget cuts affect overall performance of key institutional deliverables. Therefore, there is need for institutions to review their budgets in consultation with planning units.

At the Local Government level

i) The budget transfers from the central government are not corresponding to the devolved and delegated mandates of LGs. Whereas the provision of services is devolved, the sectors have largely decentralized management of wages and pension and retained budgets for core LG services such as; infrastructure provision in vocational, tertiary and secondary education, construction of health centres and district hospitals, among others. This has distorted the planning and budgeting at the LG level.

ii) Whereas the decentralization policy specifically outlines the devolved functions to LGs that should be the basis for LG planning and budgeting, the local economic development has evolved to include previously un-devolved functions such as tourism, industrialization, water for production, energy, ICT, among others. This may call for policy and budget review.

iii) Alignment of strategic interventions of LGDP to the NDPII is still weak for some sectors while relatively strong for traditional decentralized service sectors.

Recommendations

1. It is important that the budget comprehensively takes into consideration the key NDPII priorities and targets. Notably among others, with the current low levels of growth, the Budget should take into consideration higher growth targets for the next financial years to compensate for the low growth in FY2015/16 and FY 2016/17 so as to remain on course with the NDPII per capita income targets. This should be supported by effectively and efficiently implementing the appropriate fiscal/budget policy focused on NDPII growth enhancing priorities.

2. All sectors, MDAs and LGs ought to develop their Development Plans that are aligned to the NDPII in terms of content and timeframe. Therefore, all Sector and MDAs annual work plans and Budgets must be informed by their respective Plans. Specifically, in regard to missions abroad, they are independent votes, financed directly from the consolidated fund and therefore are required to produce strategic plans in line with NDPII.

3. NPA should work with all stakeholders to strengthen the planning capacity in Government and at all levels.

4. All sectors and MDAs should prioritize and expedite the implementation of NDPII core projects. The Prime Minister's Delivery Unit should follow up to ensure implementation is on course.

5. The legal and policy frameworks for MDAs that collect and spend Non-Tax Revenue at source should be reviewed to enhance alignment of their activities and budgets towards achievement of NDPII and the Uganda Vision 2040 objectives and goals.

6. Ministry of Finance, Planning and Economic Development should rationalize development budgeting in view of the required recurrent/operational expenditure so as to maximize return/performance from project expenditure.

7. The Ministry of Finance, Planning and Economic Development should put in place a system to capture off budget resources and integrate them in the budgeting process in a timely manner.

8. The Office of the Prime Minister should spearhead a process to review and rationalize the composition of sectors and MDAs with a view of streamlining the strategic functioning of Government. This rationalization should ensure that all MDAs plan and budget through sectors where they contribute to the sector objectives and outputs. In addition, OPM should enhance sector coordination through strengthening the Sector Wide Approach.

9. There is urgent need to review the decentralization policy and the national budgeting frameworks to incorporate the local economic development and other emerging functions. Additionally, there is need to clarify roles of the sectors/MDAs and LGs with respect to devolved functions.

SECTION ONE

1.0 INTRODUCTION

1.1 Legal Basis

The issuance of the Certificate of Compliance (CoC) is a requirement under the Public Finance and Management Act (PFMA) 2015, Section 13 (7). The CoC is aimed at ensuring that the National Budget, comprising the sector, MDA and local government budgets, are focused on implementation of the National Development Plans (NDPs). This requirement guarantees that planning and budgeting frameworks are aligned to achieving Vision 2040 through the NDPs. In particular, Section 13 (6) requires that the Budget Framework Paper (BFP) and Annual Budget (AB) should be aligned to the NDPs.

The Public Finance and Management Act, 2015 Section 13(6) requires that the AB shall be consistent with the NDP, the Charter of Fiscal Responsibility (CFR) and the Budget Framework Paper (BFP). Section 13 (6) of PFMA, Section 13 (7) requires a CoC for the AB of the previous financial year to accompany the AB for next financial year issued by the NPA. In light of the PFMA requirement, the assessment for compliance of the AB is in line with sections 13 (6) and 13 (7) of the PFMA, 2015. The compliance has been assessed on basis of consistence of the AB with the NDP and NBFP.

Overall, the PFMA 2015 provisions on the CoC strengthens implementation of national priorities as identified in the national planning frameworks – Vision 2040, NDPs, sector and MDA strategic plans and local government plans. Therefore, the PFMA, 2015, seeks to align the budgeting process to the planning process and to ensure that the national budget implements agreed priorities, programs/projects and plans.

1.2 The Planning and Budgeting Processes

1.2.1 The Planning Process

In 2007, the Government of Uganda (GoU) approved the 30-year National Vision to be implemented through: Three (3) 10 year plans; six (6) 5 year NDPs; Sector Development Plans (SDPs); Local Government Development Plans (LGDPs); Annual Work Plans (AWPs) and budgets. **This, together with the detailed bottom-up and top-down development planning processes, constitute the Comprehensive National Development Planning Framework (CNDPF) that defines the planning process in Uganda**.

As part of the National Vision, Government of Uganda approved the Vision Statement of "A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years". To operationalize this statement Government formulated the Uganda Vision 2040 that provides the overall strategies and priorities for transforming Uganda into a competitive upper middle income within 30 years. Vision 2040 also outlines the 5-year target milestones to be achieved over the 30-year period. To this end, two 5-year NDPs have since been developed to operationalize the Vision 2040. Besides providing the 5-year strategic direction and priorities, the NDPs provide annualized macroeconomic targets, including the real sector and fiscal expenditure and monetary targets, which are critical for the budgeting processes.

Following the weak implementation of the NDPI (2010/11-2014/15), the CoC was included in the PFMA, 2015, to enhance alignment of the budgeting process and implementation of the NDPs. The second NDP covers the period 2015/16 – 2019/20.

1.2.2 The Budgeting Process

The budget process is a cycle that runs through the entire financial year (table 1). This process is participatory. It begins with the review and update of the Medium-Term Expenditure Framework (MTEF), and a country Portfolio Performance Review between July and August each year. This is followed by the zonal local government Budget consultative workshops, the sector review meetings and the first national Budget consultative workshop that take place between September and November. Subsequently, all Sector Working Groups and Local governments begin the task of preparing Budget Framework Papers (BFPs) and, which lead to the preparation of the draft National BFP. Once Cabinet approves the draft National BFP, it is presented to all stakeholders in a national budget workshop called the Public Expenditure Review Meeting. Each Accounting Officer prepares and submits a Budget Framework Paper by 15th November. The Final National BFP is then submitted to parliament by 31st December of every year

In practice, the above processes run concurrently with those of the Presidential Advisory Committee on the Budget (PACOB), which are aimed at ensuring that the ruling party's participation in the determination of the resource envelop and budget priorities, for ownership and political correctness of the ensuing policies. PACOB is chaired by H.E the President and its recommendations are harmonized with those of the National BFP, by the Parliamentary Committee on Budget and the Ministry of Finance, before the Budget is finalized.

Parliament reviews and approves the BFP by the 1st of February, of each year. The Ministers and Chief Executives responsible for votes submit to Parliament, by the 15th of March, the Ministerial policy statements outlining performance of their MDAs to be used as a basis for discussions that inform the Parliamentary budget appropriations.

According to the PFMA 2015, the Minister is required, on behalf of the President, present the proposed annual budget of a financial year to Parliament, by the 1st of April of the preceding financial year. This is then followed by the development of the Background to the Budget and the detailed development of budget estimates for each Ministry and institution. The Ministry of Finance, in close consultation with the Parliamentary Committee on Budget, then compiles these into the draft estimates of revenue and expenditure and starts preparation of the Budget Speech, which must be presented, to Parliament by the 15th day of June of each year.

Parliament approves the annual budget by the 31st of May of each year considering and approving the annual budget and work plan of Government for the next financial year. The annual budget is effective from the 1st of July of each year and it should be consistent with the National Development Plan, the charter of fiscal responsibility and the budget framework paper.

In light of this budget process, the PFMA, 2015, seeks to align the budget process to the planning process and ensure that the budgets facilitate and support implementation of national strategic plans.

Table 1: The Budgeting process

No.	Key Process	Timelines
1.	Review and update of the Medium-Term Expenditure Framework (MTEF), and a country Portfolio Performance Review	July – August
2.	First Budget consultative workshop	October – November
3.	Sector Working Groups and Local governments begin preparation of BFPs and Ministerial Consultations	November
4.	Presentation of draft National BFP to Cabinet	November
5.	Public Expenditure Review Meeting	November
6.	MDAs submit BFPs	15th November
7.	Submission of Final National BFP	31st December
8.	Parliament reviews and approves the BFP	1st February
9.	MDAs submit Policy Statements	15th March
10.	Presentation of the Annual Budget and Certificate of Compliance to Parliament	1st April
11.	Approval of the annual budget by Parliament	31st May
12.	Presentation of the Budget Speech to Parliament	By 15th June
13.	Implementation	Effective 1st July

1.3 Use of the CoC in Budget and Plan Implementation Oversight

The CoC to the Budget and the attendant detailed report are required to be submitted to the Parliament of Uganda to support execution of oversight functions, particularly regarding budget appropriation. The CoC report provides insight into the extent of alignment of the budget framework papers (BFPs) and budgets to the NDPs, instruments through whose implementation the National Vision 2040 is to be realized.

The CoC is also intended to inform Cabinet decision making and the review of implementation of budgets and Plans during Cabinet retreats and policy formulation meetings. Other oversight users of the CoC include the Office of the Auditor General and Non-State Actors, that may use the findings and recommendations to inform their oversight activities.

The NPA, sectors, MDAs and local governments are expected to use the CoC recommendations to improve performance towards achievement of the NDP and Vision 2040 targets and goals. Overall, the CoC scores may serve as a key guide for corrective performance measures and reprimand for recurring planning and budgeting weaknesses.

1.4 Organization of the report

The report is a presented in five sections, namely: (i) Introduction; (ii) Overview of the FY 2015/16 Certificate of Compliance; (iii) Methodology and Data Sources; (iv) Assessment Results for FY 2016/17; (v) Conclusions and Recommendations. In particular, the introduction provides information on the legal basis for producing the Budget Certificate of Compliance (CoC), some contextual highlights of the budgeting and planning processes and an outline of the technical uses of this report.

The second section of the report provides an overview of the full assessment of the FY2015/16, whose half annual assessment was presented to accompany the Budget for FY 2016/17. The section also presents highlights of the scope and methodology of the FY2015/16 CoC.

The third section presents the detailed assessment framework of assessment for the FY2016/17 CoC, which comprises the scope, methodology and data sources. The detailed methodologies, approaches and scoring criteria for the five levels of the assessment (Macroeconomic level, National strategic level, Sectoral level, MDA level and Local Government level) are illustrated in this section.

The fourth section of the report presents the results of the analysis obtained. This section is presented in four sub-sections; Overall results, results of the assessment of the national level, sector and MDA assessment and local government level assessment. Each of the sub-sections provides an overview of the results of the respective sub-sections covering; the planning (existence of relevant plans or key outputs/outcomes aligned to NDPII), budgeting processes (alignment of the NBFP and Annual Budgets) to the NDPII and budget performance (allocation against release outturn) results.

Lastly, section five gives the summary findings, conclusions and recommendations.

SECTION TWO

2.0 OVERVIEW OF THE CERTIFICATE OF COMPLIANCE FOR THE ANNUAL BUDGET FOR FY 2015/16

2.1 Background and Scope

The 2015/16 Certificate of Compliance was prepared and issued by the National Planning Authority in line with sections 13 (6) and 13 (7) of the PFM Act, 2015. A framework was developed to measure the level of compliance of the FY2015/16 Annual Budget (AB). Compliance was assessed on the basis of consistency of the AB and National Budget Framework Paper (NBFP) with the NDPII. The assessment framework used the NDPII as a benchmark against which budgeting instruments and outcomes were expected to be consistent. The assessment covered three broad levels: the Macroeconomic level assessment; NDP National Strategic Direction level assessment; and Sector level assessment.

2.2 Summary of Findings

Overall, the FY2015/16 Annual Budget (AB) was 68.3 percent compliant at half year assessment and 69.4 percent compliant after taking into account a full year (four quarters) of assessment. This was due to some improvement in release performance. This overall assessment was an average performance at the three broad levels. At the Macro level, the AB was 72.3 percent compliant while at the National Strategic level assessment, the AB was 75.4 percent complaint and at Sector and MDA level it was 60.0 percent complaint. The detailed summary of the final full year assessment results is given in Annex 1.

At Macro level, the following were the key findings;

i) While the AB GDP growth and per capita targets were consistent with the NDPII, this target was not attained, a factor that may constrain the realization of NDPII target of middle income status by 2020.

ii) Although the AB was consistent with the NDPII domestic resource targets more effort was required to improve on other sources of revenue. While the FY2015/16 AB targeted policy and administrative measures to raise more revenues, it did not provide for the PPP financing of core projects.

iii) The AB Gross International Reserves target was lower than the NDPII target. Although the AB projection of the international reserves for the medium term planned a gradual improvement to about 4.5 months of imports, this was still lower than the NDPII target of 5.4 months of imports and by the end of the financial year, the reserves stood at 3.9 months of imports.

At National Strategic Level, the following were the key findings;

i) Although the AB provided support for employment creation, it was still below the NDPII desired targets. Key areas that required attention were: job creation, entrepreneurship, creativity and innovation and access to financial services. The AB did not allocate resources for areas of creativity and innovation for creative industries yet this is a priority in NDP.

ii) The AB specified objectives for enhancing human capital development; however, key NDPII priorities remained unfunded. These included reviewing the ECD Policy, re-designing the curriculum and programmes for scaling up critical nutrition outcomes and immunization among others.

At the sector and MDA level, the following were the key findings;

i) Of the 17 sectors analyzed, only 8 had Sector Development Plans of which only 3 were aligned to the NDPII in terms of both content and timeframe. Also, most MDAs did not have strategic plans. The general lack of strategic plans and non-alignment of Budget process instruments to the Sector Development Plans and NDPII contributed to low sector compliance levels. It is worthwhile to note that for those sectors that had approved and aligned strategic plans, the levels of compliance were generally higher than those without strategic plans.

ii) Several MDAs continued to register increased Non-Tax Revenue which they spent at source, in line with statutory provisions, without due adequate oversight scrutiny and alignment to NDPII. The issue of NTR collected and spent at source without the necessary declaration and inclusion into the National Annual Budget complicated compliance assessment of these MDAs to the NDP and its overall targeted results.

iii) Budgeting (Output Budget Tool and BFPs) and sector and MDA strategic planning instruments that were not aligned to the NDP made alignment of sector budget priorities to the NDP a big challenge.

2.3 Summary of recommendations and actions taken

The FY 2015/16 Certificate of Compliance made a number of recommendations. The key ones, including the assessment reports are shown in table 2.

Table 2: Summary of 2015/16 COC Recommendations and actions taken during FY2016/17

SUMMARY OF KEY RECOMMENDATIONS	ACTIONS TAKEN
The Budget should take into consideration a higher growth target for the next financial years to compensate for the low growth out-turn projected in 2015/16 so as to remain on course with the NDPII per capita income targets	The FY2016/17 annual budget growth target is 5.5 percent slightly below the NDPII target of 5.9 percent. The growth target of 5.5 percent for FY2016/17 is higher than the growth outturn for FY2015/16 of 4.8.
All sectors and MDAs should have strategic development plans that are aligned to the NDPII in terms of content and timeframe.	Currently, 7 out of 17 sectors have finalized their development plans compared to only 3, as at 1st April 2016. This has been further entrenched in the FY2017/18 Budget call circulars.
The AB should prioritize interventions aimed at employment creation by focusing attention on: industrialization, value addition in key priority areas, skills development (centers of excellence), entrepreneurship, creativity and innovation and access to financial services	The FY 2016/17 Budget prioritizes implementation of the Skilling Uganda project, as the main strategy for employment creation. However, there is still lack of a clear institutional framework for coordinating employment creation initiatives across all sectors.
Sectors should prioritize and expedite the implementation of NDPII core projects.	The Budget for FY2016/17 prioritizes implementation of key infrastructure projects such as the SGR, completion of on-going roads works, the source of the Nile development and agriculture and energy projects.

SECTION THREE

3.0 METHODOLOGY AND DATA SOURCES

3.1 Methodology

The overall compliance of the AB to the NDPII, as for FY2015/16, a step-wise assessment approach is undertaken at four different levels namely: Macroeconomic, National, Sector/MDA and LG. In the first step, the macroeconomic level assesses whether the AB macroeconomic targets are geared towards attaining NDPII medium-term macroeconomic targets and outcomes. In the second step, the national level assesses whether the AB strategic direction is consistent with the NDPII strategic direction. In the third step, the sector/MDA level assesses whether the AB strategic direction is translated into sector/MDA specific interventions to deliver the NDPII. Lastly, the LG level assesses whether the LG interventions are focused towards delivering the NDPII targets and outcomes. For FY2016/17, the overall compliance score is a weighted average of these different levels at 20, 20, 40 and 20 percentage weights, respectively. See the Technical Note for details.

At the Macro level, compliance assesses whether the AB is consistent with the Charter for Fiscal Responsibility (CFR) on one hand and the NDPII on the other hand. The CFR is assessed for consistency with NDPII. As such, the overall compliance score at this level of assessment is two-step weighted sum of: first step-90 percent for the AB, and; second step-10 percent for CFR. The first step is further divided into two weighted stages at: 30 percent for budgeting process and 70 percent for actual budget performance compliance with NDPII. The actual budget performance is attached a higher weight than planning since actual implementation counts more in the realization of the NDPII results. Within the budgeting process stage an additional two-stage weighted sore is used: 40 percent for BFP and 60 percent for the AB. The AB carries a higher weight than the BFP since the BFP is an indicative estimate that informs the AB and ultimately the AB is the final operational tool comprising allocations that implements the NDPII.

At the National level, compliance is assessed at five broad NDPII focus areas: the NDPII Theme; Objectives; Development strategy; National Priorities; and Core projects. The overall score at this level is a weighted sum of these focus areas with each contributing 20, 20,15, 15, and 30 percent respectively to the final score. These NDPII broad focus areas are disaggregated and further broken down to form checklist items that have been drawn from the NDPII Results and Reporting Framework. The details of each focus area assessment are provided in the Annex to this report.

At Sector level, compliance is assessed at four levels of alignment to NDPII, namely: i) sector planning instruments; ii) sector projects; iii) budgeting instruments; and iv) actual budget performance. At Planning instruments level, sectors/MDAs are assessed upon whether they have a strategic plan that is aligned to NDP. Budgeting instruments level, assesses whether the budgeting process (BFP and AB) is geared towards delivering the NDPII. The sector/MDA Projects level assesses whether sector projects in the Ministry of Finance PIP are consistent with NDPII PIP. The sector/MDA budget performance level goes further to assess whether actual budget implementation is in line with NDPII strategic direction. The overall sector compliance score at this level is a weighted sum at all these levels with 20 for sector planning instruments, 10 for sector projects, 40 for budgeting instruments, and 30 percent for actual budget performance. MDA level assessment is similar to sector level assessment. The details of each level assessment are provided in the Annex.

At Local Government (LG) level, assessment is done at three levels of alignment to NDPII, namely: i) LG planning instruments; ii) budgeting instruments; and iii) actual budget performance. At Planning instruments level, LG are assessed upon whether they have a District Development Plan (DDP) /Municipality Strategic Plan that is aligned to NDPII. Budgeting instruments level assesses whether the budgeting process (AWP, BFP and AB) is geared towards delivering the NDPII. The budget performance level goes further to assess whether the actual budget implementation is in line with NDPII. The final score at this level is a weighted sum of 40 percent for planning instruments, 20 percent for LG budgeting process, and 40 percent for budget performance. The overall score is a weighted sum of 30 percent for DDP and 70 percent for the AB.

3.2 Data Sources

Data to assess compliance of the AB to NDPII were obtained from official sources that include: the NDPII, NDPII Results and Reporting Framework, NDPII Public Investment Plan, National Budget Framework Paper, Background to the Budget, Budget Speech, Annual Budget estimates, three year MoFPED Public Investment Plan for 2016/17 & 2018/19 and Semi Annual Budget Performance Report. Also, sector, MDA and LG specific consultations, interviews and discussions were carried out to facilitate further understanding of the sector and MDA issues.

At the sector/MDA level, in particular, the assessment utilized: Sector Development Plans and MDA Strategic plans, where they exist; MDA BFPs for FYs 2016/17 and 2017/18, Ministerial Policy statement for FYs 2015/16 and 2016/17, Cumulative progress report up to Q4 for FY 2015/16 and up to Q2 for FY 2016/17. For Departments and Agencies that do not have votes, such as public corporations and state enterprises, assessment was based on Strategic Plans, Annual work plans and budgets, Cumulative progress reports up to quarter 4 for FY2015/16 and half year cumulative progress reports for FY2016/17.

At the Local Government level, the assessment was based on the Local Government Development Plans (LGDPs), quarter 2 physical progress report for FY2016/17, the Annual Work plan and the Budget and the performance contracts for FY 2016/17.

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SECTION FOUR

4.0 RESULTS OF THE ASSESSMENT OF COMPLIANCE OF THE ANNUAL BUDGET FOR FY2016/17 TO NDPII

4.1 OVERALL ASSESSMENT OF BUDGET COMPLIANCE

The FY2016/17 Annual Budget (AB) is less compliant when compared to the FY2015/16 Annual Budget. Specifically, the FY 2016/17 Annual Budget is 58.8 percent[1] compliant compared to 68.2 percent in FY2015/16. The overall decline in compliance scores in the FY2016/17 is mainly attributed to the declining performance at macro level of 48.1 percent compared to 71.4 percent of FY2015/16, and the below average performance for Local Governments at 51.8 percent that was not part of the FY2015/16 compliance assessment. Nonetheless, at the broad national strategic level, the FY2016/17 annual budget performance is 74.2 percent compliant, which closely compares with the 75.4 percent compliance for FY2015/16.

4.2 MACRO LEVEL COMPLIANCE ASSESSMENT

4.2.1 Overall Assessment

At the macroeconomic level, the FY2016/17 Annual Budget (AB) is 48.1 percent compliant with the NDPII which is substantially lower than the benchmark of 70 percent. Furthermore, it is also lower than FY2015/16 level of 72 percent. Specifically, while the CFR is fully aligned (that is, 100 percent) to the NDPII, alignment at budgeting level at 44.5 percent and budget outturn at 34.5 percent are way too low and pull down the overall macroeconomic level performance. The CFR assessment is restricted to the measurable objectives for fiscal responsibility that is fiscal balance (including grants) and public debt objectives which are found to be in line with the NDPII targets. The FY2016/17 significant decline in macroeconomic level compliance is attributed to the weaker alignment between strategic planning and budgeting when compared to the alignments of FY2015/16 when NDPII targets where closely aligned with AB targets, at least at planning level.

This weak compliance at macroeconomic level makes it even harder to attain the overall NDPII macroeconomic targets and goals, particularly with regard to achieving the middle-income status by 2020. The NDPII identifies three critical growth areas: Agriculture, Tourism, and Minerals, Oil and Gas; and fundamentals: Infrastructure and Human Capital Development that should drive Uganda to lower middle income status by 2020. As such, the AB was to be geared towards achieving set macroeconomic fundamentals as defined within NDPII the four macroeconomic accounts framework.

[1]Classification Criteria: 0-49% (Unsatisfactory); 50-69% (Moderately satisfactory); 70-89% (Satisfactory); 90-100% (Outstanding)

A detailed breakdown of the results within the four macroeconomic accounts of real, fiscal, external and monetary follows.

4.2.2 Real Sector Assessment

At real sector level, it is unlikely that the middle-income target will be attained unless the current weak growth is compensated for in the remaining NDPII period. The FY2016/17 AB is 60 percent compliant with regard to economic growth targets. This is much lower than the compliance level benchmark of 70 percent. This weak compliance arises due to both the NBFP and the AB growth target of 5.5 percent which is lower than the NDPII target of 5.9 percent. Furthermore, the projected growth outturn by the end of the FY 2016/17 at 4.5 percent is even much lower than the NDPII target. The upshot of this scenario is the slow pace towards the middle-income target. Consequently, the projected outturn of per-capita income by June 2017 is USD 715 is less by close to 20 percent of the NDPII projected value for FY2016/17 of USD 889. The slow growth is partly attributed to the failure of the AB to effectively and efficiently implement growth enhancing interventions[2] as defined in NDPII. The details are in the compliance assessment in specific sector analysis that gives the extent to which FY2016/17 AB was mis-aligned to delivering the NDPII targets for accelerating growth.

4.2.3 Fiscal Sector

At the Fiscal policy objectives level, the FY 2016/17 AB is 60 percent compliant which falls short of the benchmark of 70 percent. This aggregate score is arrived at after scoring four parameters of the fiscal policy objectives: (i) frontloading of infrastructure spending; (ii) consolidation of expenditure in the last two FYs of NDPII implementation; (iii) increased domestic resource mobilization and harnessing of new sources of finance and; (iv) increasing expenditure on human capital development.

At frontloading of infrastructure spending policy objective, while the FY2016/17 AB is compliant at budgeting instruments level it is not compliant at budget outturn level. Both NBFP and AB are compliant with the NDPII. The NBFP indicates that Government focus during FY 2016/17 is on sustaining the development and maintenance of strategic infrastructure with emphasis on energy and transport to accelerate the country's competitiveness. In addition, the MTEF for the next 5 years reflects an increase in infrastructure spending. Similarly, the Annual Budget Speech (Pg.6) re-affirms Government’s commitment to frontloading infrastructure spending. For the spending on human capital development, particularly education and health much as it is increasing in nominal terms it is actually declining as a share of GDP as per the MTEF in the NBFP. With regard to consolidation of expenditure in the final two years of the NDPII period both the NBFP and AB indicate a decline in financing from 6.4 percent to 3.4 percent of GDP in line with the East African Monetary Union Protocol.

[2] Key interventions include frontloading infrastructure expenditure, strengthen human capital development and harnessing identified opportunities.

The AB expenditure outturn for infrastructure and other key priority sector spending is not compliant to NDPII, an indication of serious implementation challenges. On average, the sector expenditure outturn performance is just 29.3 percent compliant with the NDPII. This is too low for the AB fiscal policy to drive the NDPII targets. Key sectors such as Works and Transport, Energy, Tourism, Trade and Industry, Water and Environment, Health have all registered lower spending levels than anticipated in NDPII. This leads to lower public investment than planned for faster growth in NDPII. Furthermore, each of these sectors' share in the total budget is not compliant with the NDPII.

At domestic resource mobilization objective, FY2016/17 AB is compliant to NDPII but there are limited strategies to mobilize new sources of revenue, particularly Non-Tax Revenue. The NDPII set out to annually increase domestic revenues by 0.5 percent of GDP, the NBFP and AB have similar targets. The NBFP (Pg. 12) sets a target of 14.3 percent which is slightly above NDPII's target of 14 percent and 14.8 percent in the AB (BTBB Pg.149). However, NDPII also puts emphasis on harnessing new sources of financing beyond the traditional sources which efforts are missing in the NBFP and AB. In addition, the projected revenue outturns for 2016/17 will increase from 13.6 to 13.9 percent of GDP which falls within the benchmark compliance level. There is also a projected reduction in the NTR from 0.38 percent to 0.31 percent with no set strategies to address the challenges in its administration.

On overall average spending as a percentage of GDP objective, while the FY2016/17 AB is compliant at budgeting instruments level it is not compliant at budget outturn level. There is a compliance level of 84 percent for both the NBFP and AB with the NDPII. But at projected budget outturn, compliance of 20 percent is much lower than the benchmark level. The NDPII projected overall average spending to stand at 22 percent of GDP with the peak of 23 percent of GDP expected in 2016/17, and consolidation of spending by the end of the Plan period. The overall average spending for the medium term in NBPF is 20.42 which is lower than 22 percent projected in NDPII. The peak in spending in NBPF is in FY18/19 with consolidation thereafter. The AB (Budget Speech 2016/17) indicates expenditure to GDP of 22.4, which is slightly below the NDPII projection of 23 percent. There is consistent consolidation in spending beyond FY 2016/17 up to FY20/21. The projected outturn though by June 2017 is likely to be 17.1 percent of GDP compared with 23.4 percent which creates a deviation of 27 percent.

At Fiscal Balance objective, while the CFR and the AB are compliant to the NDPII target, the outturn is not. As in the NDPII, the CFR also targets a decline in the Fiscal Balance from 4.3 percent to 3 percent by 2021. The NBFP and AB are compliant at 72 percent since their targets are 6.4 and 6.6 percent respectively which represents a slight deviation from the NDPII target of 7.4 percent. The projected outturn of the fiscal deficit for FY2016/17 is 3.5 percent which falls below the 7.4 percent NDPII target. This lower deficit may imply existing challenges encountered in financing budgeted investment projects.

At overall public debt NDPII targets level, both the CFR and AB are compliant with NDPII, however, the AB is not compliant at specific domestic and external debt levels. The AB (NBFP, AB and outturns combined) is 73 percent compliant and the CFR is 100 percent compliant. The NBFP targets a gross public debt of 36.4 percent of GDP close to the NDPII target of 38.2 percent. The AB projected gross public debt 39.1 percent is also close to the NDPII value of 38.2 percent. But, the projected outturn by June 2017 is 36.9 percent which is also close to the NDPII target. As such, the component of gross public debt in nominal terms set out in the NBFP and AB is compliant with the NDPII targets.

Furthermore, the AB is 60 percent compliant with the NDPII at domestic and external debt targets. The NBFP and AB domestic debt to GDP targets for FY 2016/17 are set at 12.5 and 12.8 percent, respectively. These targets are below the NDPII target of 14.9 percent. Furthermore, the projected outturn by the end of the FY 2016/17 is 14.0 percent which is within the NDPII target. For the external debt both the NBFP and the AB set the target at 26.4 percent and 26.3 percent respectively which is above the NDPII target of 23.3 percent. This represents a compliance level of 60 percent. The projected outturn revealed that by the end of FY 2016/17, external debt to GDP will be 21.3 percent, which is lower than the target NDPII target. This further indicates that the anticipated external financing sources have not yet materialized to finance NDPII investments.

4.2.4 External Sector

The external sector assesses compliance using two indicators that is gross international reserves and the current account balance.

Much as the projected outturn for gross international reserves in months of imports is compliant with the NDPII projections, the NBFP and AB targets are not. The projected outturn of gross international reserves for imports is 4.6 months which is above the NDPII target of 4.3 months. Both the NBFP and AB have no targets for this indicator yet they had them in the previous year's budget. Hence a score of zero is awarded to the NBFP and AB which means non-compliance.

In regards to the compliance of the Current Account Balance targets in the NBFP and AB with the NDPII, there is non-compliance. Whereas the NBFP and AB do not indicate their targets, the projected outturn of current account balance is estimated at 6.4 percent of GDP which is lower than the NDPII target of 10.7 percent.

4.2.5 Monetary Sector

Private sector credit growth is not compliant to NDPII target. This is further constraining Uganda's growth potential and efforts for Middle income target. Private sector credit is projected to grow at 7.5 percent which is lower than the NDPII target of 12.4 percent. Whereas there are no targets set out in the NBFP and AB regarding money supply and non-government sector credit growth, the projected outturns for these two parameters fall short of the benchmark of compliance. Specifically, money supply growth outturn is projected to be 10.7 percent which is lower than the NDPII target of 14.2 percent.

4.2.6 Key emerging issues

In light of the above compliance assessment the following key messages are implied:

i) Attaining the NDPII macroeconomic targets and outcomes, particularly the middle-income target by 2020 will be a challenge without fundamental policy shifts to accelerate the implementation of NDPII. The policy shifts would include: increased value added exports; enhanced tourism development, marketing and promotion; increased investment in minerals development and formalization of the activities under the mineral sector, among others.

ii) Weak budget implementation, particularly towards NDPII growth enhancing sectors has partly contributed to weaker macroeconomic outcomes, thereby slowing the pace to middle-income target. While at the level of budgeting process, the AB is compliant to NDPII, this is not the case for the expenditure outturns, indicating that there are sector/MDA implementation challenges. This limit efficient and effective delivery of growth enhancing NDPII priority interventions which has in turn resulted into slow growth outcomes. Therefore, it is possible to attain higher growth outcomes envisaged under the NDPII, and accelerate progress to middle income status if budget implementation is strengthened.

iii) Weak private sector credit growth below the NDPII target is also constraining Uganda's growth potential and efforts for Middle income target.

iv) Weak domestic resource mobilization particularly for Non-Tax Revenue limits appropriate financing of NDPII interventions and puts pressure on domestic borrowing source that worsens the private sector credit.

v) Going forward, a detailed macroeconomic framework indicating macroeconomic targets for the annual budget should be provided together with the AB.

vi) The final CFR should be prepared and disseminated, comprising annualized Economic and Fiscal targets that detail out the Government fiscal position. The CFR should also provide a breakdown of revenue forecasts (petroleum and non-petroleum) and the assumptions of the fiscal forecasts.

4.3 NATIONAL STRATEGIC LEVEL COMPLIANCE ASSESSMENT

4.3.1 Overall Assessment

Overall, the budget for FY2016/17 was 74.2 percent compliant to the NDPII at the level of the national strategic direction. This performance is close to the previous financial year's performance which was at 75.4 percent. The failure to attain full alignment was largely attributed to the weak focus on indicators in the areas of: Employment targets at theme/goal level; production, productivity and value addition outputs and outcomes at objective level; skills development and harnessing the demographic dividend at development strategy level; and transport infrastructure development (pending projects) as well as Minerals, Oil and Gas at priority level. Generally, on core projects, it is worthwhile to note that key flagship projects such as iron ore and phosphates processing plants stagnated and yet these are key drivers of agricultural development and the construction industry.

4.3.2 Key Findings

1) Theme/Goal level

The FY2016/17 budget was 85.4 percent aligned to the NDPII at Theme level. The assessment at this level was undertaken at four aggregated sub levels comprising: competitiveness; inclusive growth; sustainable wealth creation; and employment. While competitiveness and inclusive growth sub levels were highly compliant, there was less noted compliance at employment and sustainable wealth creation sub levels. Generally, the identified causes of non-full compliance at goal level were: low performance of the AB arising from non-allocation of resources to address environmental pollution, unmet family planning needs (budget only addressed family planning supplies and did not target it the priority as national programme), establishment of light manufacturing industries and to creative and performing arts. The sub-level performance is further explained in the sections below.

At the level of competitiveness, the NBFP and AB were both 100 percent compliant to NDPII. In this regard, two key areas were assessed including: Ease of doing business and Global Competitiveness. The checklists focused on the alignment of the NBFP and AB with respect to: closing the infrastructure gap, creating a skilled and healthy population, enhancing branding and standardizing the country's products and services as well as acquisition of market access opportunities through bilateral and regional engagements and agreements.

In regard to Sustainable Wealth Creation, the NBFP was 100 percent aligned to the NDPII, while the AB was only 67 percent aligned The areas assessed include: promoting value addition and light manufacturing; increasing national forest cover and economic productivity of forests; facilitating environmentally sound technologies for manufacturing; increasing the country's resilience to the impacts of climate change; increasing the national wetland coverage; and addressing the unmet need for family planning. The low performance of the AB level assessment is attributed to the non-allocation of resources for addressing environmental pollution **in respect to employment, the NBFP and AB were 83 percent and 67 percent compliant respectively.** The areas assessed include: establishing light manufacturing industries; establishing agro-processing industries to create jobs; promoting the services sector; strengthening the capacity for entrepreneurship among the youth and women; improving access to financial services; and enhancing creativity and innovation with the overall aim of creating jobs. Areas of non-alignment include: non-commitment by the NBFP towards establishment of light manufacturing industries; and non-allocation of funds to creative and performing arts.

As regards to Inclusive Growth, the NBFP and AB were 100 percent and 90 percent compliant to the NDP. The areas assessed included: development of formerly war ravaged areas; community mobilization for development; addressing inequality within and among different regions; implementation of appropriate social protection systems and measures; addressing vulnerability among children, youth, PWDs and women; improving the functionality of LGs for effective service delivery; increasing local investments and expanding local revenue base; enhancing effective participation of communities in the development process; expanding local revenue base; and improving planned urban development.

2) NDPII Objectives Assessment

In FY2016/17, the budget was 74 percent compliant to NDPII at objective level. At this level, budget assessment was based on the four (4) broad objectives of NDPII comprising of: (i) Sustainably increasing production, productivity and value addition in key growth opportunities; (ii) Increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness; (iii) Enhancing Human Capital Development; and (iv) Strengthening mechanisms for quality, effective and efficient service delivery. While the budget was more compliant at objectives 2 and 4, there was less compliance at the 1st and the 3rd objectives. Key areas of concern at objective level were: limited commitment of the NBFP and lack of allocation of resources in the AB for promoting the development of small scale manufacturing, elimination of dumping, promotion of reservoirs and water bodies, supporting ECD, re-designing the curriculum for BTVET and higher education as well as establishment of the regional skills development centers of excellence in the key priority areas. Specific assessment against the NDPII objectives is presented as follows:

Increasing sustainable production, productivity and value addition in key growth opportunities: The NBFP and AB were 82 percent and 54 percent compliant with the plan respectively. The areas assessed in this regard include: Addressing challenges in the selected thematic technical areas; Agro-processing; Light Manufacturing; Mineral Beneficiation; Labor productivity; and Management of environmental resources. It should be noted that there was no commitment observed in the NBFP and no allocation of resources in the AB for promoting the development of small scale manufacturing, elimination of dumping, as well as promotion of water for production (reservoirs and water bodies).

Concerning, Increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness, the NBFP and AB were both 88 percent compliant. The areas assessed included: Transport, Energy, Water and ICT infrastructure. The assessment of these areas indicated that NBFP and AB were both aligned to the NDPII at 88 percent each. However, both the NBFP and AB fell short in the area of establishing ICT incubation hubs/centers.

Concerning enhancing Human Capital Development, the NBFP and AB were 90 percent and 79 percent aligned to the NDPII, respectively. The areas assessed include: implementation of Early Childhood Development (ECD); provision of good quality primary education; provision of good quality secondary education; re-designing the curriculum to facilitate proficiency, talent and relevant skills development; strengthening science and technology education at graduate level; increasing literacy and numeracy rates; establishment of 5 regional skills development centers of excellence in the key priority areas; and training of health professionals at all levels. Others are: scaling up critical nutrition and immunization outcomes; improving maternal health; providing access to sexual and reproductive health care services; reducing premature deaths due to communicable diseases; developing and upgrading health infrastructure; increasing staffing levels; developing service delivery standards; strengthening referral systems; management of emerging diseases; increasing access to safe water supply in urban/rural areas; and improving urban/rural sanitation and hygiene services.. The weak alignment is attributed to the non-prioritization of resources to: ECD programs, re-designing of the curriculum to facilitate BTVET and higher education, as well as establishment of the 5 Regional skills development centers of excellence in the key priority areas.

The NBFP and AB were both 100percent compliant in regard to strengthening mechanisms for quality, effective and efficient service delivery. The areas assessed include: strengthening citizen participation in the development processes; enforcement of the regulatory framework and streamlining the inspection function; legal and regulatory reforms in the judicial system; administrative reforms in the judicial system; strengthening the oversight agencies to effectively detect, investigate, report and prosecute corruption cases; and strengthening public service reforms.

3) Development Strategies

In FY 2016/17, the AB strategy was averagely 79 percent compliant with the NDPII at development strategies level. Precisely, the NBFP and AB were 91 percent and 78 percent compliant to the NDPII development strategies. At this level of assessment, the 8 NDPII development strategies formed the basis upon which checklists were generated. These strategies include: fiscal expansion for frontloading infrastructure investment; industrialization; fast tracking skills development; export oriented growth; a quasi-market approach; harnessing the demographic dividend; urbanization; and strengthening governance. Non-compliance was more pronounced in the strategies of Fast-tracking Skills Development and Harnessing the Demographic Dividend. Specifically, key areas of concern include: Non-prioritization of the centers of excellence, providing training for specialized expertise especially in the mineral, oil and gas, energy and transport infrastructure areas, improving access to family planning services, nutrition as well as reforming the education system to increase the years of schooling. The specific assessment and findings are presented as below:

Fiscal Expansion for Frontloading Infrastructure Investment: The NBFP and AB were both 100 percent compliant. The areas assessed include: harness concessional and semi concessional financing and other development support facilities that are targeted to accelerate investment in infrastructure and human development; maintain macroeconomic stability and a conducive environment; and maximizing competitiveness regionally and internationally.

Industrialization: The NBFP and AB were each 83 percent consistent with the NDPII. The areas assessed include: promoting value addition through agro-processing and mineral beneficiation; light manufacturing; transfer of value addition technologies; agri-business skills to women; supporting private sector to establish technology incubation centers; and promoting technological innovation importation and adoption of low cost technology. There is, however, marked inconsistence in commitment of financing towards light manufacturing.

Fast tracking skills development: The NBFP and AB were 67 percent and 33 percent aligned to the NDPII, respectively. The areas assessed include: establishing five centers of excellence; identifying and training specialized expertise especially in the mineral, oil and gas, energy and transport infrastructure areas; and enacting reforms in education and training curricula. This poor alignment is attributed to the lack of specific allocation for establishing centers of excellence and commitment by both the NBFP and AB towards identification and training of specialized skills in the mineral, oil and gas, energy and transport infrastructure areas.

Export Oriented Growth: The NBFP and AB were both 100 percent compliant. The areas assessed include: investment in key energy, ICT and transport infrastructure to lower the cost of doing business; increasing private sector competitiveness; and diversifying the export basket to include processed commodities.

A Quasi-Market Approach: The NBFP and AB were 100 percent and 67 percent compliant respectively. The areas assessed include: investment in key strategic infrastructure; increasing private sector participation in the key growth areas; and creating strategic partnerships with the private sector PPPs for investment in infrastructure, human capital, minerals, oil and gas, tourism and agriculture. The AB did not allocate funds towards increasing private sector participation in the key growth areas.

Harnessing the demographic dividend: The NBFP and AB were 100 percent and 33 percent compliant, respectively. The areas assessed include: improving access to family planning services; improving nutrition; reforming the education system to increase the years of schooling; and enhancing the level of skill and innovation of the labor force. The AB did not allocate funds towards improving access to family planning services (as a programme), nutrition, as well as towards reforming the education system to increase the years of schooling.

Urbanization: The NBFP and AB were each 67 percent aligned to the NDPII. The areas assessed include: accelerating planned and guided urbanization; ensuring a critical link between urbanization and modernization of agriculture; and reorganizing communities into cooperatives to utilize their increased incomes to contribute to the creation of vibrant provident funds. Although the AB allocated funds to market access for urban agriculture, there is no clear link between urbanization and modernization of agriculture.

Strengthening governance: The NBFP and AB were both 100 percent aligned to the NDPII. The areas assessed include: protection of human rights; rule of law; free and fair political and electoral processes; transparency and accountability; government effectiveness and regulatory quality; effective citizen participation in development processes; and peace, defense and security of the citizens and the country indicators.

4) Priority/Key Result Areas Level

In FY 2016/17, the budget was 73 percent compliant with the NDPII at Priority level. The 5 NDPII priority areas formed the basis upon which checklists for assessment were generated. These priorities included: agriculture; tourism; minerals, oil and gas; Human Capital Development; and Infrastructure development. It should be noted that while there was relatively high compliance in the 3 priority areas of: tourism; agriculture; and human capital development, compliance was very low for infrastructure development as well as minerals, oil and gas. It was noted that there was limited prioritization for: strengthening the mineral dressing laboratory; incentivizing the private sector to invest in value addition in the minerals sector; application of scientific and technological methods for surveying, and development of a mineral development master plan. In addition, the budget did not prioritize strategic roads; increasing and improvement of airports save for Entebbe. Specifically, the breakdown of assessment at each level is presented as below:

Agriculture: The NBFP and AB were 94 percent and 83 percent aligned to the NDPII, respectively. The areas assessed include: strengthening research; building key human resource capacity; technology adaptation and transfer (including modern irrigation); enhancing extension services; increasing access to and use of critical farm inputs; promoting sustainable land use and soil management; increasing access to agricultural finance; improvement of the stock of rural road network especially feeder, community and trunk roads; construction and upgrading of strategic roads and the rail system; and improvement of the stock and quality of storage facilities for crops, livestock and fish products. Others are: promoting large scale agro-processing; facilitating equal access to appropriate agro-processing machinery and equipment; enforcement of standards to ensure high quality of local agricultural produce; improving market information flow; developing capacities of existing farmers’ organizations, cooperatives and producer associations so as to reap from economies of scale; expanding market access through regional and international protocols and Uganda missions abroad; and deepening ICT access to facilitate market information sharing.

It should however be noted that the AB falls short on allocation of resources for promoting sustainable land use and soil management, as well as deepening ICT access to facilitate market information sharing.

Tourism development: The NBFP and AB were both 100 percent aligned to the NDPII. The areas assessed include: aggressive marketing of the prioritized tourism products in all source markets; promotion of domestic tourism through cultural, regional cluster initiatives and national events; provision of reliable and affordable sustainable energy, water, and ICT facilities in tourism centers; diversifying the country's tourism products; upgrading of strategic airfields; construction and maintenance of strategic tourism roads; investing in water transport to support tourism activities; improving infrastructure in the national parks; and skilling the staff in the hospitality industry.

Minerals, Oil and Gas: The NBFP and AB were 67 percent and 33 percent aligned to the NDPII, respectively. The areas assessed include: exploitation and value addition of selected minerals such as. uranium, iron ore, limestone/marble, copper/cobalt, phosphates and dimension stones; strengthening the mineral dressing laboratory (value addition laboratory) in the department of geological surveys and mines (DGSM); incentivizing the private sector to invest in increased value addition in the minerals sector; acquisition of critical mass of specialized skills including geo-scientists, engineers, geo-economists, technicians, as well as artisans with competitive skills; application of scientific and technological methods for surveying; and developing a mineral development master plan.

The NBFP is not committed towards acquisition of critical mass of specialized skills and the AB does not allocate funds to; strengthening the mineral dressing laboratory, incentivizing the private sector to invest in increased value addition in the minerals sector, supporting application of scientific and technological methods for surveying, and development of a minerals development master plan.

Human Capital Development: In this regard, the NBFP and AB were 96percent and 87percent consistent with the NDPII, respectively. The areas assessed include: increasing the proportion of deliveries in health facilities and births attended to by skilled health personnel; increasing antenatal care availability and accessibility; safe delivery and postnatal care; reducing adolescent pregnancies; improving the net secondary school completion rate in an effort to keep the teenagers in school; scaling up nutrition especially among women of reproductive age; continued reduction of mother to child HIV/AIDS transmission; eliminating gender-based drivers to maternal and neonatal mortality; reducing incidences of morbidity and mortality; and scaling up critical nutrition interventions outcomes especially for children below 5-years.

Others are: implementation of Early Childhood Development (ECD); increasing enrolment, retention and completion of the primary schooling cycle, with specific interventions for the girl child; provision of good quality education; talent identification and nurturing; facilitating timely 'self-selection' into different trades that may not necessarily require acquisition of advanced schooling; enhancing nutrition while at home and at school; re-designing of the curriculum to facilitate proficiency, talent and relevant skills development; designing appropriate vocational training courses; providing adequate and appropriate sexual and reproductive health information and services; gender responsive skilling; redesigning education curricula in the formal education system and the vocational training institutions; skills development programme designed and tailored to the industrialization strategy; providing adolescent reproductive health services right from schools and training institutions; mass malaria treatment for prevention to gradually eliminate malaria parasites.

Infrastructure development: The NBFP and AB were found to be 63 percent and 52 percent consistent with the NDPII, respectively. The areas assessed include: increase in the total paved national road network (Oil and gas roads, Tourism roads); Standard Gauge Railway (SGR); improvement of airports; marine transport; Power generation capacity; exploration and refining of oil and gas; mitigation of water shortages for production; and ICT coverage. The NBFP and AB did not prioritize strategic roads such as Karugutu-Ntoroko road, Kabwoya–Buhuka, Hamurwa-Kerere-Kanungu/Buleme-Buhoma-Butogota-Hamayanja-Ifasha-Ikumba, Ishasha-Katunguru, Kisoro-Rubuguli-Muko, Kabale-Bunyonyi, Nakapiripiriti-Muyembe, Apoka Lodge-Kotido, Kampala Southern by-pass, and Kampala-Bombo Express way. Also, the NBFP and AB did not target improvement of airports such as Kasese, Kidepo, Moroto, Mbale, Kisoro and Packwach and revival of the National Airline, as planned by the NDPII.

5) Core projects

The FY2016/17 budget was 65 percent compliant with the NDPII at core projects level. The NDPII highlights 39 core projects classified under 5 broad areas of; Agriculture, Tourism, Minerals, Oil and Gas, Infrastructure Development (Energy, Transport and ICT), Human Capital Development (Health, Education, Social Development) as well as Economic Management and Accountability as detailed in the proceeding analysis. However, generally, core projects under ICT, Tourism and Social Development were more compliant than those under education and sports, minerals oil and gas as well as agriculture. At core projects level, the releases of external financing which form a major proportion of the financing could not be assessed. This was because the existing budget progress performance reports such as the semi-annual performance report did not capture such releases except for Karuma and Isimba Hydropower dams. Key flagship projects such as iron ore and phosphates processing industries had stagnated and yet these would drive agriculture, and the construction industry. The specific analysis at core projects level is highlighted as follows:

The AB was 54 percent aligned to the Agriculture core projects. Inconsistence in both the NBFP and AB was reflected in two of the five projects which were not included among the planned out puts for FY2016/2017, that is, the Storage Infrastructure and the Phosphate industry in Tororo.

Regarding the Tourism Marketing and Product Development core projects, the NBFP and the AB were 100 percent aligned to the NDPII. This high score is attributed to the allocation of funds for development of Source of the Nile. However, the project is still at formative level.

The AB was 80 percent consistent with NDPII Infrastructure core projects. The infrastructure core projects comprised: Energy, Transport, Minerals, Oil and Gas, as well as ICT. The NBFP and AB were 83 percent and 76 percent consistent with the NDPII, respectively. The NBFP and the AB, however, did not prioritize the Albertine Region Airport, Development of Iron Ore and Steel Industry, the Kampala - Bombo Express highway, as well as Karugutu-Ntoroko road and Kabwoya–Buhuka roads.

Regarding Human Capital Development core projects, the AB was 56 percent compliant with NDPII. The NDPII Human Capital development core projects prioritized include: Renovation of 25 Selected General Hospitals; Mass Treatment of Malaria for Prevention; Comprehensive Skills Development; Uganda Women Entrepreneurship Programme (UWEP); Youth livelihood Programme (YLP). The NBFP was 50 percent consistent with the NDPII. Two out of the five projects were not reflected in the NBFP, that is; Mass Treatment of Malaria for Prevention and Comprehensive Skills Development. The AB on the other hand was 67 percent aligned to the NDPII. It was noted that whereas funds were allocated from the Global Fund for AIDS, TB and Malaria, there was no specific allocation for the Mass treatment of malaria project.

The AB was 61 percent compliant with NDPII core projects on Quality, Effective and Efficient Service Delivery which include: Strengthening Effective Mobilization, management and Accounting for use of Public Resources (SEMMA), Revitalization of UDC and Recapitalization of UDB. The NBFP and AB were 67 percent and 100 percent consistent with the NDPII, respectively. The NBFP score was low due to lack of commitment towards recapitalization of UDB and revitalization of UDC. It is worthwhile to note that Post Bank was prioritized over UDB in terms of budget allocation.

4.3.3 National Level Recommendations

i) Prioritizing centers of excellence for skills development, and redesigning the BTVET curriculum needs to be fast tracked. This would provide appropriate skills for the energy, mineral, oil and gas sector.

ii) The Budget did not prioritize family planning as a programme but rather focused on the supply of commodities. This is a critical element in the achievement of the middle-income status that should be prioritized by the NBFP and AB as programme that greatly contributes to reducing fertility rate and population growth rate.

iii) There is need to expand the scope of the budget reporting (including the budget performance reports) to capture both internal/GoU and External Financing.

iv) There is need for sectors to undertake scheduling of physical performance to reflect actual stages of project implementation.

v) Regarding alignment of annual budget to international and regional development agenda and protocols, there is need to: (i) domesticate SDGs to facilitate tracking of their implementation. Since SDGs are country specific and should be integrated within the national budget instrument, going forward the sector should report on the progress towards implementation of the SDGs and outcomes realized.

4.4 SECTOR/MDA LEVEL ASSESSMENT

The compliance assessment at the Sector level was undertaken at four (4) levels: the existence and alignment of planning frameworks; Sector PIP projects (excluding core national projects); the alignment of the Budget Framework Paper and the Annual budget to the NDPII; and budget performance (release and expenditure outturn). At all these levels, scores were awarded in line with section 3.1 of the assessment criteria for sectors. At this level, the FY 2016/17 AB is 60.1 percent compliant, an improvement from 58.6 percent of FY 2015/16.

4.4.1 AGRICULTURAL SECTOR

The NDPII outlines four strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Increasing agricultural production and productivity; (ii) increasing access to critical farm inputs; (iii) Improving agricultural markets and value addition; and (iv) improving service delivery through strengthening the institutional capacity of MAAIF and its agencies. The Agricultural Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.1.1 Overall Sector compliance

Overall, the Agriculture sector is 58 percent compliant to NDPII which is substantially below the minimum target of 70 percent. In particular, the sector is 61.0, 75.0, 60.0 and 47.0 percent complaint at sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII, respectively. The specific details are presented below and the performance of the MDAs is summarized in table 3.

4.4.1.2 Development and existence of planning processes

At this level, the sector is 61 percent compliant. The sector has a draft strategic plan (Agriculture Sector Strategic Plan - ASSP) that is aligned to NDPII in terms of priorities and timelines. However, of the seven MDAs in the sector, only one Uganda Coffee Development Authority (UCDA) has an approved strategic plan, three (DDA, CDO and NARO) have draft strategic plans aligned but not yet approved. NAGRIC and NAADS have only drafts that are yet to be reviewed for alignment to the NDPII.

4.4.1.3 Sector projects alignment

At this level, the sector is 75 percent compliant. Of the 49 projects prioritized in NDPII PIP, 35 (71 percent) are in the MFPED PIP and receive funding. The remaining 14 (19 percent) projects are yet to be developed. However, two projects not prioritized by the NDPII are being funded: Multi-sectoral food safety and nutrition project; NAADS – KCCA. Implementation of projects not prioritized in the NDPII distorts the planning and budgeting function of Government.

4.4.1.4 Alignment of the BFP and Annual Budget

At this level, the sector is 60 percent compliant. This is a weighted score comprising 62.0percent and 59.0 percent for the BFP and AB percent, respectively. Though the sector budget targets most of the priority NDPII interventions, several allocations were too low to meet the NDPII targets. The NBFP and AB either focus or did not fund or underfunded the following priority interventions: value addition established through PPPS; operational and efficient MAAIF structures; increased acreage under irrigation; farmers accessed and used fertilizers; agriculture mechanization; operational single spine extension system; promoting sustainable land use and soil management; as well as deepening ICT access to facilitate market information sharing. Also, some of the prioritized interventions were missing in the BFP and AB for instance; operationalization of the commercialization fund and increased access to agricultural financial services.

4.4.1.5 Budget performance

At this level, the sector scored 47 percent compliant. This was attributed to a low score on expenditure outturn (23 percent) though the score on release outturn (71 percent) was relatively high. The score on expenditure outturn was low because only three agencies, NARO, NAADS and DDA were able to spend to this level above 90 percent of their releases.

4.4.1.6 Summary MDA Level Performance

Table 3: Summary of Agriculture Sector MDA Compliance Assessment (percent)

S/N	*MDA*	*Planning*	*PIP*	*Alignment*		*Budget performance*	*Total Score*
				BFP	*AB*		
	Sector	***61***	***75***	***62***	***59***	***47***	***58***
1	*MAAIF*	*25*	*76*	*66*	*66*	*0*	*39*
2	*NARO*	*50*	*87*	*82*	*82*	*60*	*70*
3	*NAGRC*	*25*	*100*	*86*	*86.7*	*50*	*65*
4	*NAADS*	*25*	*91*	*88*	*100*	*60*	*71*
5	*UCDA*	*100*	*100*	*88*	*88*	*50*	*80*
6	*DDA*	*75*	*50*	*88*	*100*	*40*	*71*
7	*CDO*	*75*	*67*	*100*	*88*	*50*	*73*

4.4.1.7 Key emerging issues

i. Most of the priority interventions identified in NDPII were targeted in the sector plans and budgets. However, the allocations were too thinly spread to generate the desired impacts to meet the NDP II targets. For instance, UCDA targets increasing coffee production from 4.3 million to 20 million bags by 2020 and a number of interventions are required to realize this goal. However, in the budget allocations for FY 2016/17, over 80 percent of the budget was allocated only to raising, purchase and distribution of seedlings. Support to provision of extension services to farmers to enhance management of seedlings was inadequate. In addition, the budget is too low to realize the ambitious target.

ii. The assessment has noted poor adherence to project timelines arising from delays in approvals, commencement and full implementation of projects. Some flagship projects are far behind schedule. For example: while the Agricultural Cluster Development Project (USD 150 million) was planned to start in July 2013, the project is still at inception stage; so are the projects on Enhancing National Food Security through Increased Rice Production in Eastern Uganda (UShs. 85 Billion), and the Regional Pastoral Livelihood Improvement Project (UShs 120 Billion). Given that these are strategic projects for the sector, such long delays negatively impinge upon the achievement of the project, ASDP and NDPII targets. Therefore, the sector needs to strengthen the areas for fast-tracking their implementation.

iii. Delayed implementation of the single spine extension system has perpetuated a weak extension system. While resources have been allocated to implement the single spine extension system, little attention has been given, in terms of budget allocation, to provision of logistical support for extension services.

iv. There is need to balance priorities within the agricultural value chain. For instance, whereas the bulk of the budget of NAADS is on seeds and seedlings, there is limited focus on complementary aspects such as agro-chemicals for pests and diseases, fertilizers, value addition and provision of extension services.

v. CDO demonstrated ability to forge partnerships with the Uganda Ginners and Cotton Exporters' Association under the PPP to support production enhancing inputs. This initiative should be scaled up to other MDAs

4.4.2 TRADE, INDUSTRY AND TOURISM SECTOR

The NDPII outlines seven strategic objectives under Trade, Industry and Cooperatives, which are intended to be the main budget drivers over the Plan period. These are: (i) Increase the share of manufactured goods and services in total exports (ii) Improve Private Sector competitiveness (iii) Increase market access for Uganda's goods and services in regional and international markets (iv) Improve the stock and quality of trade infrastructure (v) Promote the formation and growth of cooperatives (vi) Enhance the capacity of cooperatives to compete in domestic, regional and international markets and (vii) Increase the diversity in type and range of enterprises undertaken by cooperatives.

Under Tourism, five objectives are given which include: (i) Increase Market share for tourism (ii) Increase and diversify the stock of tourism products (iii) Increase the stock of human capital along the tourism value chains and create new jobs (iv) Improve coordination, regulation and management of the tourism sector and (v) Increase conservation of natural and cultural heritage. The results of this assessment are given in the sections below.

4.4.2.1 Overall sector assessment

Overall, the Tourism, Trade, and Industry is 53.0 percent compliant. In particular, the sector is 56.0, 46.0, 73.0 and 30.0 percent at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the MDA performance summarized in Table 7.

4.4.2.2 Development and existence of planning processes

At this level, the sector is 56.0 percent compliant. The weak performance is attributed to the absence of approved plans among most of the MDAs. On top of the sector not having a strategic plan, only four (4) of the eleven (11) MDAs under the sector namely; MTIC, MTWA, UTB and UWEC have aligned and approved plans. Three (3) MDAs namely; HTTI, UWRTI and MTAC do not have plans.

4.4.2.3 Sector projects alignment

The sector is 46.0 percent compliant. Out of the 26 projects in the NDPII PIP, 16 projects are in MoFPED PIP. The priority NDPII projects that are not included in the MoFPED PIP are; Regional Integration Implementation Programme, Border Markets and Export Related Infrastructure, Jua-Kali Business Incubation and Infrastructure development, Second Trade Capacity Enhancement Project, Support to SMEs for value addition, Local Market Infrastructure Development, Support to Non-Agricultural and Cooperatives Revitalization for increased production and productivity, among others.

4.4.2.4 Alignment of BFP and AB to the NDPII

The sector is **73.0 percent compliant at this level of assessment.** This is a weighted average score of 72.0 and 73.0 percent for the BFP and AB, respectively. The sector prioritized a number of NDPII interventions within the budget, however, there are key sector NDPII priority areas that are not considered which include; Establishment of Satellite border markets, Establishment of agricultural commodity marketing fund, supporting tourism sites with utilities and ICT related services, Re-establishment of cooperatives based inputs delivery system, Re-vitalization of the Uganda Development Corporation, among others.

4.4.2.5 Budget performance

The Sector is 28.0 percent compliant at this level of assessment. This is an average weighted score of 44.0 and 12.0 percent of AB release and expenditure outturn, respectively. This weak performance is attributed to the low releases by half year and weak absorption by the MDAs especially UEPB, UNBS, and UTB.

4.4.2.6 Summary MDA level Performance (percent)

Table 4: Summary Tourism, Trade and Industry Sector MDA level Performance (percent)

S/N	MDA	Planning	*PIP*	Alignment		Budget performance	Total Score
				BFP	AB		
	Sector	***56***	***46***	***72***	***73***	***30***	***53***
1	Ministry of Trade, Industry & C0-operatives	100	19	73	100	50	74
2	Ministry Tourism, Wildlife & Antiquities	100	100	79	100	50	82
3	Uganda Tourism Board	75	100	100	100		65
4	Uganda Export Promotion Board	75	-	100	100	10	68
5	Uganda Development Corporation	25		3	50		
6	Hotel Tourism & Training Institute	0					
7	Uganda Wildlife Education Centre	100					
8	Uganda Wildlife Research Training Institute	0		100	100		
9	Uganda Free Zones Authority	75		50	50		
10	Uganda National Bureau of Standards	75	100	86	100	30	72
11	Management Training and Advisory Centre	0		100	100		

4.4.2.7 Key emerging issues

i. There is poor budget absorption within the sector. On average, 22.8 percent of the released budgets remained unspent by sector MDAs at half year.

ii. A number of subventions (non-Vote MDAs) within the sector have huge annual budgets but do not have strategic plans. These include: UWA, UDC and HTTI. The lack of vote status for UDC and UFZA undermines effective planning, budgeting and implementation.

iii. The revitalization of UDC has continued to be hampered by inadequate budget allocations to support key NDPII priority areas including: industrial development; increased adoption of efficient production and manufacturing technologies; regional incubation centers; establishment of the industrial fund; among others.

4.4.3 ENERGY SECTOR ASSESSMENT

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period under the energy sub-sector. These are: (i) Increase power generation capacity to drive economic development (ii) Expand the electricity transmission grid network (iii) Improve Energy Efficiency (iv) Promote use of alternative sources of energy. (v) Improve the policy, legal and institutional framework and (vi) Build capacity in the energy sector.

Under minerals sub-sector, the seven objectives were set: (i) Establish the geological and mineral potential of the country (ii) Increase monitoring and regulation in the mining sector (iii) Increase regulations for trade in mineral commodities (iv) Increase private sector investment in the Mineral sector (v) Increase geothermal energy in the country (vi) Increase response to mitigate seismic risk (vii) Increase the stock of skilled human capital along the mineral development value chain.

Under the oil and gas sub-sector, three objectives were set and these are: (i) Increase the exploitation of oil and gas production (ii) Increase efficiency and effectiveness in the management of Uganda's oil and gas resource potential (iii) Increase efficiency in extraction of oil and gas resources.

The Energy, Minerals and Oil and Gas Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.3.1 Overall Sector Performance

Overall, the Energy Sector is 64.4 percent compliant. In particular, the sector 64.0, 86.0,50.0 and 77 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 5.

4.4.3.2 Existence of planning frameworks

At this level, the sector is 64.0 percent complaint. Specifically, the Sector and the Ministry of Energy and Mineral Development have SDPs that are aligned to the NDPII in both content and time horizon. Furthermore, the planned activities in the SDPs are annualised as per the NDPII objectives from 2015/16 to 2019/20. On the other hand, all the other MDAs under the sector; ERA, REA, UEGCL, UETCL, and UEDCL have Strategic Plans that are aligned to the NDPII in content but not in time horizon and this is the reason the sector scored low at this level of assessment. All these MDAs scored 50percent at this level.

4.4.3.3 Sector projects alignment

The sector is 86.0 percent compliant at this level of assessment. Of the 51 projects in the NDPII for the sector, 40 projects are integrated in the MFPED PIP project profiles. Of the 40 projects in the PIP profiles, 5 are for the oil and gas subsector and only 2 for the mineral subsector.

All the MDAs in the energy sub- sector performed well at this level as most of their related projects are in the PIP profile; MEMD – 87 percent, ERA – 85 percent, REA – 88 percent, UEDCL – 71 percent, UETCL – 93percent and UEGCL – 100 percent. UEDCL performed relatively low at this level because two (2) projects; West Nile Grid Extension Program-GBOBA and Energy for Rural Transformation III, out of the seven (7) under their mandate of those listed have not yet started and therefore are not in the PIP profile. One project which had been planned for in the NDPII, "Kabulasoke-Kiboga Hoima transmission line and associated sub-stations", will not be implemented because it has been overtaken by events. The project has been replaced by the Hoima-Nkenda & Hoima-Kinyara transmission lines and associated substations.

Three projects appear in the MoFPED PIP profiles but are not listed in the NDPII priority projects. The projects were introduced mainly to facilitate the activities in the Albertine region. These include:

- Project 1387: 2*220KV Kawanda Line Bays at Bujagali 220/132/33KV Substation, 268/9,
- Project 1409: pg 285: Mirama - Kabale 132kv Transmission Project, and
- Project 1426, pg 287: Grid Expansion and Reinforcement Project -Lira, Gulu, Nebbi to Arua Transmission Line

4.4.3.4 Alignment of the BFP and AB to the NDPII

The sector is 50.0 percent compliant at this level of assessment. This comprises 57.0 percent and 47.0 percent alignment of BFP and AB respectively to the NDPII objectives and interventions. The low sector score at the BFP & AB alignment to NDPII is due to the neglect of the mineral subsector interventions (e.g. establishing the mineral potential of Karamoja region, geochemical and geophysical surveys, among others) and the slow realization of achievement of objectives and intervention under the oil and gas subsector (e.g. constructing the oil refinery and many activities under the objective of increasing the efficiency in transportation, storage, handling and security of stock of petroleum products).

Most of the objectives and interventions being undertaken by the sector are under the energy subsector e.g. dams and power extension line and accompanying substations, have funding and are on-going.

4.4.3.5 Budget performance

The sector is 77.0 percent compliant. This is a weighted score comprising 83.0 and 70.0 percent for budget release and expenditure outturn. By the end of Q2, while the sector received only 42.0 percent, UETCL attained more than the annual budget estimates and the MEMD attained only about 76percent. Of the released funds, 98.4percent had been spent by the MDAs by end of Q2. Furthermore, for the FY 2015/16, the sector received less than 25.5percent of their allocated budget and spent 99.9percent of the released funds by end of June 2016. This trend might imply that the Ministry is very likely to receive less of the funds allocated to it for the current FY year. If this trend continues, it might impact on the planned activities of the sector thus hindering service delivery.

By the end of Quarter two, UETCL and REA had received 105 and 6.91percent more funds than what is expected respectively (half of the allocated budget) and had spent 100percent and 94.1percent of the funds. This indicates that while the absorption capacity of the MDAs is high, the amount of funds required for their activities was never released.

4.4.3.6 Summary MDA level Performance

Table 5: Summary of Energy Sector MDA level Performance (percent)

	MDA	Planning	PIP	Alignment		Budget Performance	Total Score
				BFP	AB		
	Sector	**100**	**86**	**57**	**47**	**77**	**64.4**
1.	MEMD	100	87	56	47	50	50
2.	ERA	50	85	85	85	80	76.4
3.	REA	50	88	100	100	80	83
4.	UEDCL	50	71	100	100	50	72
5.	UETCL	50	93	100	100	100	83.3
6.	UEGCL	50	100	100	100	50	72.1

4.4.3.7 Key emerging issues in the Energy Sector

i) In the FY 2016/17, the sector continued to budget for thermal capacity payments even when the generators are not being utilised. Out of the UGX 111.935 Billion allocated and released to MEMD in Q1 and Q2 under Vote 017, UGX 73.957 Billion (66.07percent) was earmarked for paying thermal capacity charges on stand-by thermal generator plants (Electro Maxx in Tororo (50 MW) and Jacobsen in Namanve (50 MW). And in the FY 2015/16, out of the total release of UGX 90.09 Billion to UETCL, UGX 42.50 Billion (52.82percent) was for thermal capacity charges.

ii) Two (2) MDAs namely UEGCL & UEDCL that plan under the sector, are coordinated directly by MoFPED. This creates challenges to the effective planning and budgeting within the sector wide approach.

iii) The development of the mining industry is hampered by lack of laws on mining and minerals, the laws governing land and access to land, inadequate funding for mineral exploration, monitoring and inspection of mining operations as well as inadequate laboratory equipment to analyze the geological and geochemical samples. All these are not prioritized in the sector budgets.

4.4.4 WORKS AND TRANSPORT SECTOR

The NDPII outlines four strategic objectives for the sector which are intended to be the main budget drivers over the Plan period. These are: (i) Develop adequate, reliable and efficient multi modal transport network in the country; (ii) Improve the human resource and institutional capacity of the Sector to efficiently execute the planned interventions. (iii) Improve the National Construction Industry (iv) Increase safety of transport services. The Works and Transport Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below and summarized in Table 6.

4.4.4.1 Overall Sector Compliance

Overall, the Works and Transport Sector is 56.5 percent compliant. In particular, the sector was 17.0, 68.0, 67.0, and 65.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. This implies that the sector is weak at both planning and budgeting for consistency with the NDPII. The details are given in the section below.

4.4.4.2 Development and existence of planning processes

At this level, the sector is 17.0 percent compliant. Specifically, the Uganda Road Fund (URF) and the Civil Aviation Authority (CAA) have strategic plans which are approved, aligned to the NDPII objectives in content but not in terms of timeframe. Therefore, URF and CAA scored 50.0 percent each at this level while the other MDAs scored 0 due to lack of Development Plans. Furthermore, three of the five MDA's in the sector namely, MoWT, Uganda National Roads Authority (UNRA) and Uganda Railway Cooperation (URC) do not have strategic plans.

4.4.4.3 Sector projects alignment

The sector is 68.0 percent compliant at this level of assessment. Of the 212 projects identified in the NDPII for the sector, 6 were not due for implementation for FY2016/17, 77 are not included in the MoFPED PIP. The key projects that are not lined up for financing under the MoFPED PIP include: Kabaale International Airport Development Phase 1; Revival of the National Airline Project; Upgrade of Kasese and Arua International Airport; number of key strategic roads; among others.

4.4.4.4 Alignment of NBFP and AB to NDPII

The sector is 65.0 percent compliant at this level of assessment. This comprises 76.0 percent and 64.0 percent alignment of NBFP and AB respectively to the NDPII objectives and interventions. This is because most of the NDPII interventions/objectives were undertaken by the sector. However, the sector did not deliver on some key objectives such as developing the Transport Sector MIS, establishment of a National Road Safety Authority and a Multi- Sectoral Transport Regulatory Authority, establishment of the second-generation road fund, among others.

4.4.4.5 Budget performance

At this level, the sector is 65.0 percent compliant. This comprises a weighted score of 40.0 percent and 89.6 percent for AB release and expenditure outturn, respectively. The weak performance on budget release is a result of UNRA, CAA and URF receiving less funds than expected by 15.6, 13.6 and 10.9 percent by half year, respectively.

Table 6: Summary Works and Transport Sector MDA level Performance (percent)

S/n	MDA	Planning	PIP	Alignment		Budget performance	Total Score
				BFP	AB		
	Sector	**17**	**68**	**76**	**64**	**65**	**56.5**
1	MoWT	0	73	65	64	100	62.8
2	UNRA	0	68	89	78	39.3	52
3	CAA	50	29	100	33	50	49.2
4	URF	50	-*	0	0	50	25
5	URC	0	-*	-**	-**	75	22.5

* URF and URC have no assigned projects.

4.4.4.6 Key emerging issues

i. The sector is still facing critical public project preparation and implementation challenges especially related to project readiness. A significant number of Sector NDPII projects are yet to commence and are behind schedule in the second year of NDPII. Notably, 77 NDPII priority projects are not yet integrated in the MoFPED PIP.

ii. The sector has not prioritized the development of legislation and inclusive development for management of water transport, which has hampered the development of water transport.

iii. Road maintenance budget has decreased from FY2014/15 then stagnated yet the maintenance backlog keeps on growing.

4.4.5 HEALTH SECTOR

The NDPII outlines four strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) To contribute to the production of a healthy human capital through provision of equitable, safe and sustainable health services. (ii) To increase financial risk protection of households against impoverishment due to health expenditures (iii) To address the key determinants of health through strengthening inter-sectoral collaboration and partnerships (iv) To enhance health sector competitiveness in the region, including establishing Centres of excellence in heart, cancer, renal care domains; and diagnostic services. The Health Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.5.1 Overall Sector Compliance

Overall, the Health Sector is 51.0 percent compliant to NDPII, which is a decline from 53.8 percent in the previous year. Specifically, the sector was 21.0, 88.4, 58.51, and 48.4 percent complaint at sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII, respectively. The less than satisfactory performance is attributed to the lack of strategic plans in most MDAs (see table 7) and the low budget release and expenditure outturn. The specific details are presented below and the performance of the MDAs is summarized in table 4.

4.4.5.2 Development and existence of planning processes

In regard to existence and alignment of planning frameworks to the NDPII, the Health Sector is 21.0 percent complaint. While overall, the health sector has an approved SDP that is fully aligned to the NDPII in terms of objectives, priority interventions, projects and costing, as well as the timeframe, only three of the 23 MDAs under the sector have approved and aligned Strategic Plans. These MDAs with strategic plans are: Uganda AIDS Commission; Health Service Commission; and National Medical Stores. The rest of the MDAs either have no plans or have draft plans that are not aligned to the NDPII.

4.4.5.3 Sector Projects alignment

The sector scored 88.5 percent compliance at project level assessment. Of the 46 sector projects in the NDPII PIP 43 are included in the MFPED PIP. The projects not yet considered in the PIP include: Revitalization of Uganda Blood Transfusion Service Infrastructure; Health Facility Quality of Care Assessment Programme; Construction of Maternity Ward- Masaka Regional Referral Health; and Public Health Laboratory Strengthening Project. In terms of implementation time lines, majority of the sector projects are on track.

4.4.5.4 Alignment of NBFP and AB to NDPII

At this level of assessment, the Health Sector is 58.5 percent complaint. This weak performance is attributed to the inadequate addressing of the determinants of health, health promotion and disease prevention and health sector financing. On the other hand, the sector has prioritized health infrastructure, equipment and maintenance; procurement and supply of medicines and other health supplies; and HIV/AIDS and TB Control. In addition, the sector has prioritized: Maternal, Neonatal and Child health and clinical health services. While there has been improvement in prioritizing human resources for health, including recruitment, in-service training and specialized training, it remains inadequately financed.

The weak performance at this level is further explained by the existing gaps which include: essential clinical care to the evolving health care needs; community health care and education; adolescent reproductive health services; nutrition interventions; National Health Insurance scheme; strengthening the private sector role in health care delivery and investment in specialized care; health research, among others.

4.4.5.5 Budget performance

At this level, the health sector is 48.4 percent compliant to NDPII. A majority of the MDAs in the sector achieved 50 percent and above score on budget performance (release and expenditure outturn). This weak performance is attributed to low release and expenditure outturn for most MDAs within the sector. For example, the Cancer Institute registered a release of 45 percent and an expenditure outturn 62 percent.

4.4.5.6 Summary MDA level Performance

A summary of the sector performance is given in Table 4.

Table 7: Summary of Health Sector MDA Compliance Assessment (percent)

S/N	MDA	Planning	PIP	BFP &AB Alignment	Budget performance	Total Score
	Sector	**21**	**88.4**	**58.5**	**48.4**	**51**
1.	Ministry of Health	0	83.33	55.35	50.00	45.47
2.	Uganda Heart Institute	25	100	63.71	50.00	55.48
3.	Uganda Cancer Institute	25	100	70.4	0	43.16
4.	Uganda AIDS Commission	100	100	88.89	50.00	80.56
5.	Health Service Commission	100	100	61.43	61.43	63.57
6.	National Medical Stores	100	100	92.86	100	97.14
7.	Uganda Blood Transfusion Service	0	50	82.5	50.00	53.00
8.	Mulago Hospital Complex	0	100	78.08	50.00	56.23
9.	Butabika Hospital	0	100	81.82	57.73	57.73
10.	Arua Referral Hospital	0	100	48.33	50.00	44.33
11.	Fort Portal Referral Hospital	0	100	55.39	50.00	47.16

12.	Gulu Referral Hospital	0	100	54.28	90.00	58.71
13.	Hoima Referral Hospital	25	100	46.26	50.00	48.51
14.	Jinja Referral Hospital	25	100	36.24	50.00	44.5
15.	Kabale Referral Hospital	25	100	48.56	50.00	49.42
16.	Masaka Referral Hospital	25	100	55.57	50.00	52.23
17.	Mbale Referral Hospital	25	100	49.82	50.00	49.93
18.	Soroti Referral Hospital	0	100	55.84	50.00	47.35
19.	Lira Referral Hospital	0	100	53.01	50.00	46.20
20.	Mbarara Referral Hospital	25	100	47.22	50.00	48.89
21.	Mubende Referral Hospital	0	100	49.88	40.00	41.95
22.	Moroto Referral Hospital	0	100	41.92	50.00	41.77
23.	Naguru Referral Hospital	25	100	50.25	50.00	50.10

4.4.5.7 Key emerging issues

i) There continues to be a challenge of planning among the MDAs in the sector with only three (Uganda AIDS Commission, Health Service Commission and National Medical Stores) out of twenty-three having strategic plans. There is urgent need to address planning weaknesses in the sector, particularly in Referral hospitals.

ii) Overall, there are specific priority NDPII Health sector focus areas that received inadequate attention in the FY2016/17 AB. These areas include;

   a. Addressing the determinants of health, nonetheless, there are efforts to improve child nutrition and sanitation with a sanitation project under the MoH established.

   b. Increasing financial risk protection of households against impoverishment due to health expenditures. The sector developed a Health Insurance Bill (2012), however its passage has been over delayed and there is no budget allocation to fast track its finalization, approval and implementation. The sector has also developed a health financing strategy and plans to provide for a Medical Credit Fund for private health sector players. However, these actions are not allocated any funds, making it unclear on how they will be achieved.

   c. Enhancing health sector competitiveness in the region, including establishing centers of excellence in heart, cancer, renal care domains and diagnostic services. There are no specific indications of PPPs for building centers of excellence.

iii) The budget allocation and actual release of resources to the Heart and Cancer Institutes is still inadequate given that there are a number of unfunded priorities which include: construction and equipping a six-level block to solve the bad congestion and space shortage at the Institute; supporting expatriate staff for coronary bypass and valve surgery; attraction of super specialists especially intensivists for critical care management, among others.

iv) There is inadequate rationalization of recurrent budgets given development budget expenditures. While health infrastructure development and renovation of existing facilities has been prioritized, recurrent budgets to support other priority interventions such as human resources for health, Primary Health Care, health research, NCD among others, remain inadequate. This leads to underutilization of the health infrastructure investments.

v) There is a risk of unsustainable financing of the health sector due to the overreliance on external financing from development partners. Notably, out of the total approved budget of UGX 1.85 trillion for FY 2016/17, 47.2 percent is external financing.

vi) All the regional referral hospitals are implementing Primary Health Care interventions; including immunization, antenatal care and family planning, which shouldn't be the main function of a referral hospital. There is need to review and strengthen the Regional Referral Hospitals with the view of redirecting them to focus on their primary function.

vii) There is low absorption capacity in majority of the MDAs in the sector which affects service delivery.

4.4.6 EDUCATION SECTOR

The NDPII outlines three strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Achieve equitable access to relevant and quality education and training; (ii) Ensure delivery of relevant and quality education and training; and (iii) Enhance efficiency and effectiveness of education and sports service delivery at all levels. The Education Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.6.1 Overall Sector Compliance

Overall, in FY2016/17 the education sector is 61.0 percent compliant to the NDPII, which is an improvement from last financial year's score of 49.4 percent. Specifically, the sector was 31.0, 92.0, 75.0 and 53.0 percent compliant at sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII respectively. The specific details at each level are presented below.

4.4.6.2 Development and existence of planning processes

At this level, the Education sector is 31.0 percent compliant. The weak performance at this level is attributed to the absence of approved and aligned plans for all the sector MDAs. The details are given in Table 8.

4.4.6.3 Sector projects alignment

The Education sector is 91.6 percent compliant at this level. Of the 49 NDPII sector projects, sixteen (16) are not included in the MoFPED PIP. These are: Support to Gulu University; Relocation of Shimoni PTC; Support to innovation-EV car project; Construction of MOES headquarters; Support to USE; Tororo Roads and Railway Polytechnic (TRRP); OFID-funded Vocational Educational (VE) Project; Technology Innovations; Skills for production, enterprise, development and wealth creation (SPEDA) Development; e- Learning project; Support to Technology and Innovation; Post Primary skills training and employability project; Eastern and Southern African Statistics Development project; Ministry of Education & Sports and Local Authorities; Support to other Scientists; and Support to Technology and Innovation. Nonetheless, some of these projects are already under implementation by the sector.

Further, there are projects that are in the MoFPED PIP but not in the NDPII PIP. Many of these are however recurring items under the sector budget. These include: Schools' Facilities Grant, Support to Lira University Infrastructure Development; Support to NCDC Infrastructure Development; Support to Kabale University Infrastructure Development; Support to Soroti University Infrastructure Development; and Construction of secondary schools.

4.4.6.4 Alignment of NBFP and AB to NDPII

At this level, the Education sector is 75.0 percent compliant. This level of compliance is the weighted score at two levels, comprising the NBFP and AB scores at 69 percent and 78 percent, respectively.

Generally, the Budget process instruments are more aligned to NDPII interventions on quality and efficiency in delivery, mainly of primary education. The Budget process instruments also prioritize attainment of higher enrolments in primary and secondary levels. However, key NDPII priority interventions that are not adequately addressed include: Early Childhood Education and Development (ECD); school feeding; skills development and employability; and sports related interventions. Further, the suggested intervention to have a government aided primary school per parish is not included in the budget. In addition, non-alignment is noticed for interventions aimed at employability of youths including: planned support for skills development; skills certification; and talent identification and development.

4.4.6.5 Budget performance

At this level, the Education sector is 53.0 percent compliant. The half year sector release outturn was 99.0 percent, while the expenditure outturn was 79.4 percent. At release performance, however, some institutions including, Soroti University, UMI, Muni University, Gulu University and Lira University received less than the expected resources by half year. This inadequate release performance has continued since the previous financial year (2015/16), where the sector received 90 percent of the approved allocations. At expenditure outturn performance, weak absorption is a challenge with Soroti University being one of the extreme cases which absorbed only 55 percent of its release.

4.4.6.6 Summary MDA level Performance

Table 8: Summary of Education Sector MDA Compliance Assessment (percent)

S/n	MDA	Planning	PIP	Alignment		Budget performance	Total Score
				BFP	AB		
	Sector	**31**	**92**	69	78	**53**	**61**
1.	MoES	0	95	66	77	20	45.1
2.	ESC	50	100	83	67	50	63.7
3.	Mak	50	83	58	69	30	53.6
4.	MUST	25	100	48	67	0	39
5.	GU	50	50	68	60	10	43
6.	KYU	0	100	56	72	90	64
7.	BU	50	100	68	64	80	70
8.	MU	25	100	52	58	50	53
9.	MUBS	25	100	60	68	100	71
10.	UMI	50	100	61	74	50	63
11.	SUN	25	100	58	58	25	38.1
12.	KAB	0	100	14	70	30	40
13.	UNEB	50	100	29	100	90	78
14.	NCDC	50	100	65	90	50	68
15.	LIRAUNI	25	100	17	68	50	51

4.4.6.7 Key emerging issues

i. There are still capacity gaps for development planning within the sector as demonstrated by the delayed production of the Sector and MDA development plans. There is need to strengthen planning capacity within the sector, especially in the areas of development planning, management information systems, project development, in order to enhance implementation.

ii. Whereas there has been growth in UPE and USE enrollment, there has not been a corresponding growth in access to student loans by poor students at tertiary levels. There is need to synchronize growth in UPE and USE enrolment and access to student loans by poor students.

iii. ECD is being implemented by different departments of government such as MoH, MoGLSD and MoES, in a fragmented manner due to lack of a comprehensive ECD policy approach. This has affected the integration of ECD into the basic education subsector as a foundation for future human capital development.

iv. The CoC findings indicate that the budget for FY2016/17 does not prioritize school feeding and offers no support to alternative policy programs such as community mobilization and school farming activities.

v. The NDPII highlights career counselling and job placement as some of the strategic avenues for changing mind sets of both parents and students. These are, however, missing from the budgeting processes.

vi. Whereas the NDPII PIP indicates the critical sectoral projects that need to be funded for realization of the sector objectives, it is noticed that some are not being considered for funding

4.4.7 SOCIAL DEVELOPMENT SECTOR

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Promote decent employment opportunities and labour productivity (ii) Enhance effective participation of communities in the development process (iii) Improve the resilience and productive capacity of the vulnerable persons for inclusive growth (iv) Improve the capacity of youth to harness their potential and increase self-employment, productivity and competitiveness (v) Promote rights, gender equality and women's empowerment in the development process and (vi) Improve the performance of the SDS institutions. The Social Development Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.7.1 Overall Sector Performance

Overall, the Social Development Sector is 57.8 percent compliant. In particular, the sector is 50.0, 53.8, 72.3 and 45.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 9.

4.4.7.2 Development and existence of planning processes

At this level of assessment, the sector is 50.0 percent compliant. Whereas the sector has an approved Sector Development Plan which is aligned to the NDPII, none of the sector MDAs has an approved and aligned development plan.

4.4.7.3 Sector Projects alignment

The sector is 53.8 percent complaint at this level of assessment. Of the 13 NDPII sector projects, only 7 are integrated in the MoFPED PIP. Some of the projects not integrated include: Strengthening culture and creative industries, Promotion of children and youth community rehabilitation, among others.

4.4.7.4 Alignment of the BFP and AB to the NDPII

The sector is 72.3 percent compliant at this level of assessment. This is a weighted score comprising 73.0 and 72.0 percent for budget release and expenditure outturn, respectively. Despite prioritizing a number of NDPII sector interventions, some prioritizes are still left out and these include: development of a national sexual harassment policy; elimination of child marriage; increasing participation of youth in economic and social activities within EAC region; development of a modern cultural center; among others.

4.4.7.5 AB Performance

The Sector is45 percent compliant at this level of assessment. This is a weighted score comprising 50.0 and 40.0 percent for budget release and expenditure outturn, respectively. In terms of budget outturn, the sector received about 87 percent of the expected resources by half year and spent about 93 percent of the released resources.

4.4.7.6 Summary of MDA performance

Table 9: Summary of Social Development Sector MDA level Performance (percent)

No.	Sector	Planning & Budgeting	PIP	NBFP	AB	Budget performance
	Sector Level	**50**	**54**	**73**	**72**	**45**
1.	MGLSD	0	50	46	40	36
2.	EOC	50	100	97	50	74

4.4.7.7 Key Emerging Issues

i) The MGLSD needs to develop its Strategic plan that will guide implementation of the institution mandate in line with NDPII priorities than the sector development sector plan (SDSP). The Equal Opportunities Commission should develop a new Strategic plan that considers the NDPII timelines than the current 2013/14-2017/18.

ii) The MGLSD needs to put in place and operationalize an integrated M&E system for ease of coordination than the stand alone existing systems such as LMIS, NGBV database, among others.

iii) The sector has two (2) core national projects –Women Economic Empowerment (WEP) and Youth Livelihood Program (YLP) in addition to other programmes. However, a lot requires to be done in rolling out the WEP programme to all districts than current 20 districts. Also, the Social protection program for Senior Citizens Grants (SCG) needs to be rolled out country wide than the current 40 districts targeted in FY 2016/17. Also, the scope and coverage should be widened to include other social security mechanisms to include the informal sector and social assistance to other vulnerable groups as envisaged in the NDPII.

iv) Other activities that need to be prioritized for funding and implementation during the plan period include: align the youth beneficiaries with the proposed affirmative action of attaching them to public institutions and business establishments; provide business support to beneficiaries under YLP and WEP; Establishment and implementation of productivity centres at national and regional levels; construction of a modern library and cultural centre; tax rebates and incentives for youth and women entrepreneurs; and modern technology accessed by entrepreneurs.

4.4.8 WATER AND ENVIRONMENT SECTOR

The Water and Environment sector is mandated to promote and ensure rational and sustainable utilization, development and effective management of water and environment resources for socio-economic development of the country. The sector is comprised of five MDAs namely; Ministry of Water and Environment (MWE), National Environment Management Authority (NEMA), National Water and Sewerage Corporation (NWSC), National Forestry Authority (NFA) and Uganda National Meteorological Authority.

4.4.8.1 Overall Sector Compliance

Overall, the sector is 52 percent compliant to NDPII. The sector scored 54 percent at planning frameworks alignment, 54 percent at PIPs alignment and 72 percent at the level of alignment of the sector BFP and the Annual Budget. At the Annual Budget performance level, the sector scored 22 percent.

4.4.8.2 Development and Existence of Planning Processes

At this level of assessment, the sector is 54 percent compliant to NDPII. The sector has a draft SDP (2015/16-2019/20) that is aligned to the NDPII but not approved. Of the five MDAs in the sector, only National Environment Management Authority (NEMA) has an approved strategic plan that is aligned in both content and timeframe. National Water and Sewerage Corporation (NWSC) has an approved strategic plan aligned to the NDPII in terms of content but not in time frame (2016-2021). National Forest Authority (NFA) has a draft strategic plan that is aligned to the NDPII in both content and timeframe but not approved. Uganda National Meteorological Authority (UNMA) does not have a strategic plan.

4.4.8.3 Alignment of BFP and AB to NDPII Sector Objectives and Interventions

At this level of assessment, the sector is 72 percent compliant to the NDPII. The BFP is 65 percent while the AB is 75 percent aligned to the NDPII. Several NDPII priority interventions are either unprioritized or unbudgeted for or underbudget in the NBPF and the AB. These include: improving water quality, increasing access to rural water supply; enhanced collaboration among stakeholders; sewerage and waste connections to the main sewer line; provision of in country water security guards; markets for wetland products developed and 3 forestry plans developed; rain water harvesting interventions promoted; water quality improved; sustainable and functional water facilities; National Water Resource Information Center established; stock of ENR goods and services improved and forest development in the urban context enhanced. Others not compliant include: Legal and institutional framework for WRM reviewed and developed; Catchment Management Plans integrated and identified climate change (CC) adaptation measures implemented; A Water Resource Institute for in-country human resource capacity development for water resources management established; and Forest development in urban context enhanced.

4.4.8.4 Sector Projects Alignment

At this level of assessment, the sector is 54 percent compliant to the NDPII. Of the 36 projects in NDPII PIP pipeline, only 4 are in the MoFPED PIP, leaving 32 projects un prepared. The four in NDPII pipeline projects are: Lake Victoria Water and Sanitation Project Phase II (LVWATSAN II), Large Rural Piped Water Supply Schemes project, Support to Meteorology and Farm Income enhancement and forest conservation project Phase II. There are 6 projects in the MoFPED PIP and not in the NDPII PIP.

4.4.8.5 Budget Performance

At this level of assessment, the sector scored 22 percent. At release performance, the sector scored 20 percent while it scored 24 percent at expenditure outturn performance. Specifically, MWE scored 74 percent, NEMA scored 20 percent, NFA scored 20 percent, UNMA and NWSC scored 0 percent. MWE received 12.3 percent more than the 50 percent requirement for the two quarters, NEMA received 25.7 less than the actual, NFA received 18 percent less than the actual, UNMA received 32 less than the actual while NWSC received 24.3 less than the actual financial resources.

Table 10: Summary MDA Level Performance

S/N	MDA	Planning	PIP	Alignment		Budget performance	Total Score
				BFP	AB		
	Sector	**54**	**54**	**65**	**75**	**22**	**52%**
1.	Ministry of Water and Environment	75	53	63	75	70	70%
2.	National Forestry Authority	25	100	60	50	20	42%
3.	National Environment Management Authority	100	100	61	73	20	64%
4.	Uganda National Meteorology Authority	25	100	100	100	0	55%
5.	National Water and Sewerage Corporation	50	100	67	89	0	51%
6.	Sector	54	54	65	75	22	

4.4.8.6 Key Emerging Issues

i. Most of the priority interventions identified in NDPII were targeted in the sector plans and budgets. However, the allocations were too thinly spread to generate the desired impacts to meet the NDP II targets. Consequently, the sector's annualized targets are way below the NDPII costed implementation strategy targets.

ii. A majority of NDPII projects are unprepared. Only four out of the 36 NDPII water and environment sector projects appear in the MoFPED PIP. These are: Lake Victoria Water and Sanitation Project Phase II (LVWATSAN II), Large Rural Piped Water Supply

Schemes project, Support to Meteorology and Farm Income enhancement and forest conservation project Phase II. There are 6 projects in the MoFPED PIP and not in the NDPII PIP while there are 33 projects in the NDPII PIP that are excluded from the MoFPED PIP.

iii. Implementation weaknesses evidenced by low budget performance.

4.4.9 LEGISLATURE

The NDPII outlines four strategic objectives for the sector which are intended to be the main budget drivers over the Plan period. These are: (i) Increase efficiency and effectiveness in the enactment of legislation on any matter for peace, order, development and good governance of Uganda (ii) Strengthen the institutional capacity of Parliament to independently undertake their constitutional mandates effectively and efficiently (iii) Improve citizen participation and contribution in promoting rule of law, transparency and accountability in the provision of services to achieve equitable and sustainable development and (iv) Improve collaboration and networking amongst development institutions. The Legislature Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets in the section below.

4.4.9.1 Overall Sector Compliance

Overall, the Legislature sector is 61.0 percent compliant. In particular, the sector was 100.0, 100.0, 40.0, and 50.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sub-sections and Table 11.

4.4.9.2 Development and existence of planning processes

At this level, the sector is 100 percent compliant. The sector has a strategic plan that is approved and aligned to the NDPII in content and timeframe.

4.4.9.3 Sector projects alignment

The sector is 100.0 percent compliant at this level of assessment. The NDPII PIP has no project on Legislature, however, the sole Sector project on Rehabilitation of Parliament which is catered for in the Sector BFP and Ministerial Policy statement exists in the MoFPED PIP and was planned to be implemented in the FY2016/17.

4.4.9.4 Alignment of the BFP and AB to the NDPII

The sector is 40.0 percent compliant at this level. The weighted score is 40.0 percent for both the BFP and AB. This weak performance is attributed to inadequate prioritization of key NDPII interventions which include: Increasing involvement of Local Governments in Parliament business; Production of evidence based legislations; Enactment of laws to strengthen credibility of electoral processes; Empower political parties to participate in the development process; and Review of corruption related legislation, among others.

4.4.9.5 Budget performance

The sector is 50.0 percent compliant at this level of assessment. This is a weighted score of 100.0 and 0 percent for budget release and expenditure outturn, respectively. The zero percent weighted expenditure outturn is a result of receiving more than the expected resources by half year and failing to spend 15.0 percent of the released resources.

4.4.9.6 Summary MDA level Performance

Table 11: Summary of Legislature Sector MDA level Performance (percent)

MDA	Planning	Alignment		Budget performance	Projects performance	Weighted Performance score
		BFP	AB			
Legislature	100	40	40	50	100	**61**

4.4.9.7 Key emerging issues

i) There is delayed enactment of key priority laws and regulations curtailing the relevant development processes. These laws include: Infrastructure bond bill; the Genetically Modified Organisms bill; the Reviewed KCCA bill; among others.

4.4.10 PUBLIC ADMINISTRATION SECTOR

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Improve policy development and implementation effectiveness across all priority sectors.; (ii) Improve the national M&E systems for increased service delivery, efficiency, and effectiveness (iii) Attract new investment opportunities in infrastructure and mineral development and secure markets for the Agriculture and Tourism sectors (iv) Increase the human capital stock in the NDP II priority areas (v) Improve democracy and governance for increased stability and development (vi) Improve systems, infrastructure and capacity of the sector secretariat. The Public Administration sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets.

4.4.10.1 Overall Sector Compliance

Overall, the Public Administration Sector is 68.0 percent compliant. In particular, the sector is 55.0, 82.0, 74.0 and 63.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 12.

4.4.10.2 Development and existence of planning processes

At this level of assessment, the sector is 55.0 percent compliant. Out of four sector MDAs, one, namely MoFA, has an approved and aligned plan. Office of the President, State House and Electoral Commission have draft strategic plans.

4.4.10.3 Sector projects alignment

The sector is 82.0 percent at this level of assessment. Of the thirty-three (33) NDPII sector projects, 27 are integrated in the MoFPED PIP with six (6) projects yet to be integrated: National Integrated Foreign Service Communication System project (ICS); Construction, rehabilitation and acquisition of property for Uganda Mission Abroad; Strengthening Mission in Beijing; Retained Project and Capacity building in commercial and economic diplomacy project and Acquisition of Land for Construction of Government MDA Offices.

4.4.10.4 Alignment to BFP and approved budget

At this level, the sector is 74.0 percent compliant. This is a weighted score comprising 78.0 percent and 73.0 percent for the BFP and AB, respectively. Key NDPII sector interventions that were not prioritized include: Sector service delivery standards; establishment of a national service programme to strengthen patriotism; capacity building for RDCs; among others.

4.4.10.5 Budget performance

At this level, the sector is 63.0 percent compliant. This is a weighted score comprising 78.0 percent and 73.0 percent for budget release and expenditure outturn respectively.

4.4.10.6 Summary MDA level Performance

Table 12: Summary of Public Administration Sector MDA level Performance (percent)

S/n	MDA	Planning	PIP	Alignment		Budget performance	Total Score
				BFP	AB		
	Sector	**55**	**82**	**78**	**73**	**63**	**68**
1.	Electoral Commission	25	50	100	100	50	65
2.	Office of the President	25	100	100	100	80	79
3.	State House	25	100	100	100	70	76
4.	Ministry of Foreign Affairs	100	100	100	100	50	83

4.4.10.7 Key emerging issues

1) Missions abroad are independent votes and receive money from the consolidated fund therefore; they should produce independent strategic plans with special focus on commercial diplomacy.
2) The sector attracted supplementary budgets in FY2015/16 and given the more than 50 percent budget release already experienced at half year, the sector is likely to attract a supplementary budget in FY2016/17 and this impacts on budget credibility.

3) A number of MDAs that budget through the sector do not contribute to the sector's objectives. This creates challenges to the effective planning and budgeting within the sector wide approach. These institutions include: Uganda Aids Commission (Vote 107) that could fit better under the Health sector budgeting process; and Internal Security Organization that would plan and budget better under Defense and Security sector budgeting process.

4.4.11 KAMPALA CAPITAL CITY AUTHORITY

Kampala Capital City Authority (Vote 122) is a central agency that manages the Capital City of Uganda. In accordance to sector wide approach, the Authority falls within Public Sector Management and the operations of the authority are cross cutting in nature given its uniqueness to cover the following sectors: Agriculture; Education; Health; Water and Environment; Social Development; Accountability; Public Sector Management; Works and Transport; and Urban Planning and land-use. This Authority has the capacity to raise local revenue to support a number of initiatives. They have also leveraged their position to fundraise for a number of social services within the city enclave that include; education, health among other social services.

4.4.11.1 Overall Compliance

Over all KCCA score is 64 percent compliant. In particular, the score is 75.0, 84.0, 44.0 and 36.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections.

4.4.11.2 Development and existence of planning processes

At this level, KCCA is 75.0 percent compliant. The Authority has an approved plan that is aligned to the NDPII in-terms of content, although the plan is not aligned in terms of timeline.

4.4.11.3 Projects Alignment

KCCA is 44.0 percent compliant at this level of assessment. Out of the thirty-two (32) NDPII KCCA projects, only 14 are integrated in the MoFPED PIP. The priority NDPII projects that are not yet integrated include: Pilot Non-Motorized Transport; Kampala Physical Plan Development Project; Development of a Kampala City Local Economic Development Strategy; GIS upgrade and Comprehensive Street Naming and Addressing Project: Market infrastructure improvement project (USAFI); Development of the Kampala City Climate Change Resilience Strategy (ecological systems, climate change adaptation & Mitigation); Revaluation of properties and Open Public spaces preservation project.

4.4.11.4 Alignment of BFP and AB to the NDPII

KCCA is 84.0 percent compliant at this level of assessment. This is a weighted score comprising 84.0 percent at both BFP and AB, respectively. Whereas the KCCA prioritized most of the NDPII interventions, a number of key focus areas remained unbudgeted for. These include: Integrating the different transport modes in the city; Reviewing existing legislation to improve the function of KCCA; Upgrading and revitalizing declining areas within Kampala City; and Development and implementation of the Kampala Tourism Development Plan; among others.

4.4.11.5 Budget performance

KCCA is 36.0 percent at this level of assessment. This is a weighted score comprising 56.0 percent and 16.0 percent for budget release and expenditure outturn, respectively due to low expenditure outturn of 37 percent against a release outturn of 14.5 percent at the half year.

4.4.11.6 Summary MDA level Performance

Table 13: Summary of KCCA MDA level Performance (percent)

S/n	MDA	Planning	PIP	Alignment		Budget performance	Weighted performance Score
				BFP	AB		
1.	KCCA	75	44	84	84	36	64

4.4.11.7 Key emerging issues

i) The authority is still facing critical public project preparation and implementation challenges especially with regard to project readiness. A significant number of authority NDPII projects are yet to commence and are behind schedule in the second year of NDPII. Notably, 14 NDPII priority projects are not yet integrated in the MoFPED PIP.

ii) The delay in reviewing the KCCA Act, has contributed to the delayed implementation of the development programs such as the Greater Kampala Metropolitan Area.

4.4.12 DEFENSE AND SECURITY SECTOR

The NDPII outlines seven strategic objectives which are intended to be the main budget drivers of the defense and security sector budget over the Plan period. These are: (i) Improve capability of defense and security forces (ii) Strengthen internal and external security (iii) Enhance defense and security infrastructure (iv) Enhance Research and Development (R&D) (v) Enhance production for wealth creation and self-sustainability (vi) Establishment of National Service and (vii) Improve Administration, Policy and Planning. The Defense and Security sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.12.1 Overall sector performance

Overall, the Defence and Security sector is**64 percent complaint.** In particular, the sector is 38.0, 19.0, 76.0 and 80 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 14.

4.4.12.2 Development and existence of planning processes

At this level, the sector is 38 percent compliant. Whereas the sector has an approved and aligned development plan, none of the sector MDAs has prepared the requisite strategic plans.

4.4.12.3 Sector projects alignment

At this level, the sector is 19.0 percent compliant. Out of the twenty-three (23) NDPII priority sector projects, only four (4) are integrated in the MoFPED PIP. Those integrated include: Strengthening of ISO; Defence equipment project; UPDF peace keeping mission; and Strengthening ESO. The weak performance at this level is attributed to the slow process of initializing projects to make them ready for integration into the MoFPED PIP and implementation.

4.4.12.4 Alignment to the BFP and AB to the NDPII

The sector is 76.0 percent compliant at this level of assessment. This is a weighted score comprising 76.0 percent for both BFP and AB. Whereas the sector prioritizes most of the NDPII interventions, a number of interventions remained unbudgeted for. The unbudgeted sector NDPII interventions include: establishment of a National Defence College (NDC) and Institute for Security Studies (ISS).Other factors that affected performance include: limited budgetary commitment to establishing mechanisms for defense to participate in primary, secondary and industrial production; limited budgetary focus to national infrastructure development; and lack of budgetary provision for the National Service Programme.

4.4.12.5 Budget performance

The sector is 80.0 percent compliant at this level of assessment. This is a weighted score comprising 67.0 percent and 93.3 percent for both budget release and expenditure outturn, respectively. With the exception of Ministry of Defense and Veteran Affairs that received 66.0percent of the expected resources and spent 96.3 percent, all other sector MDAs received 100 percent and spent all expected resources. The weak budget performance of the sector is mainly attributed to the low release to MoDVA at half year of FY2016/17.

4.4.12.6 Summary MDA level Performance

Table 14: Summary of Defense and Security Sector Level Performance (percent)

S/N	MDA/Vote	Planning	PIP	BFP & AB Alignment	Budget performance	Total
1.	Defence and Security sector	38	19	76	80	**64**
2.	MoDVA	25	17	76	40	**49**
3.	ESO	25	14	67	100	**63**

4.4.12.7 Key emerging issues

i) The fragmented planning and budgeting for ISO, partially lying in Public Administration and Defence and Security sector, undermines the focus of the Agency towards attainment of the NDPII ISO priorities and interventions. There is need for a dedicated Vote for ISO under Office of the President to enhance performance towards achievement of intended NDPII results.

ii) The performance of the security sector NDPII projects is unsatisfactory as indicated in subsection 4.4.12.3 above. This calls for strengthening of projecting planning, budgeting and implementation within the sector.

iii) ISO, ESO and MoDVA require to fast track preparation of their respective strategic plans in order to facilitate greater alignment of the sector priorities to the NDPII.

4.4.13 JUSTICE LAW AND ORDER SECTOR

The NDPII outlines three strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Improve policy, legislative and regulatory framework (ii) Enhance access to JLOS services particularly for vulnerable persons and (iii) Promote Accountability and the Observance of Human Rights. The Justice Law and Order Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.13.1 Overall Sector compliance

Overall, the sector is 70.0 percent compliant. In particular, the sector is 54.0, 85.0, 85.0 and 57 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 15.

4.4.13.2 Development and existence of planning processes

At this level, the sector is 54.0 percent compliant. The sector has a draft Sector Development Plan that is aligned to the NDP in terms of priorities and timeline. Nonetheless, out of the 13 Institutions/votes, only one (1); Uganda Police Force has an approved and aligned development plan. Seven (7) institutions namely; Judiciary, Uganda Law Reform Commission, Directorate of Citizenship and Immigration Control, the Directorate of Government Analytical Laboratory, Judicial Service Commission, Uganda Human rights Commission, and Uganda Prisons Service have draft plans that are aligned to the National Development Plan and not yet approved. Two of the Institutions (Uganda Registration Services Bureau, and Ministry of Internal Affairs Headquarters) have working drafts yet to be submitted to NPA for assessment of alignment to the NDPII. Three (3) of the Institutions have no development plans and have not started developing their plans. These institutions include; Directorate of Public Prosecutions, Ministry of Justice and Constitutional Affairs and Law Development Centre.

4.4.13.3 Sector projects alignment

The sector is 85 percent compliant at this level of assessment. Most of the sector NDPII projects had been integrated in the MoFPED PIP. Examples of projects that had not yet been integrated in the MoFPED PIP include; Support to Uganda Prisons Service farms, Construction of the second maximum security prison, Construction of 40 one stop JLOS service points at district level, Establishment of the Regional Offices for Uganda Registration Bureau Services (URBS) among others.

4.4.13.4 Alignment of the BFP and AB to the NDPII

The sector is 85 percent compliant at this level of assessment. This is a weighted score of 85.0 percent for both the BFP and AB. Whereas most of the sector outputs are aligned to the NDPII objectives and interventions, there is limited and in some cases no prioritization of outputs targeting the objective on promoting accountability and the observance of Human Rights. Specifically, key intervention areas that received less or no focus for most of the sector institutions include; adoption and implementation of Anti-corruption measures, the promotion of human rights observance in JLOS institutions, promotion of accountability in transitional Justice, and profiling of vulnerability and elimination of discrimination in access to services.

Also, it was noted that there were some gaps in the chain of justice hence affecting the overall performance of the sector. For example, the turn-around time for delivery of judgments is affected by the growing case backlog and high turn-around time for undertaking forensic analysis for criminal cases that is undertaken by the Directorate of Government Analytical Laboratory. Hence, this requires a comprehensive sector approach to deal with harmonization of service delivery standards across all the relevant stakeholders.

Overall, there is need to strengthen synergies, within the sector. As a result, there is also need to assess progress on the attainment of key sector specific results in line with key NDP indicator framework, identify key value chain bottlenecks and measures to address them. There is also need to strengthen inter-sectoral linkages especially where some institutions within the JLOS impact or are affected by operations by other sectors. For example, some elements within the Ministry of Internal Affairs, (e.g. the NGO Bureau, Community Service, National Focal Point on Small Arms and Light Weapons), Law Development Centre, and others directly relate with other sectors like; Social Development Sector, the Security and Defense Sector, Education Sector among others.

Also, a number of deliverables by some institutions are not reported in the planning and budgeting framework. Whereas most institutions deliver on key sector areas of focus, the planning still focuses on operational functions without linking these to strategic institutional roles. For example, Uganda Human Rights Commission, despite its enormous mandate and roles, the Budget documents only captured operational planning requirements like procurement of office equipment, and vehicles instead of the strategic institutional roles that these are meant to serve. Law Development Centre also undertakes a number of initiatives that are not reported in the planning and budgeting framework. For example, LDC undertakes para-legal training of women, an initiative that contributes to the promotion of human rights yet this is not reported in the plans and budgets. As a result, there is need for enhancing sector institutional capacity in strategic budgeting informed by development plans.

4.4.13.5 Budget performance

The sector is 50 percent compliant at this level of assessment. This a weighted score comprising 83.0 percent and 31.0 percent for budget release and expenditure outturn, respectively. Whereas the sector had received all the expected resources by half year, about 13.0 percent had not been spent.

4.4.13.6 Summary MDA level Performance

Table 15: Summary JLOS MDA level Performance (percent)

S/n	MDA/Vote	Planning	PIP	BFP & AB Alignment	Budget performance	Total
	Sector	**54**	**85**	**85**	**57**	**70**
1.	Ministry of Justice &Constitutional Affairs	0	100	56	50	**47**
2.	Judiciary	75	100	69	90	79
3.	Uganda Law Reform Commission	75	100	79	50	**71**
4.	Directorate of Citizenship & Immigration Control	75	100	81	0	**57**
5.	Directorate of Public Prosecutions	0	100	67	30	**46**
6.	Directorate of Government Analytical Laboratory	75	100	79	50	**61**
7.	Judicial Service Commission	75	100	69	90	**80**
8.	Law Development Centre	0	100	78	90	**68**
9.	Ministry of Internal Affairs	25	100	84	30	**57**
10.	Uganda Human Rights Commission	75	100	32	70	**59**
11.	Uganda Police Force	100	100	81	70	**83**
12.	Uganda Prisons Service	75	40	89	80	**78**
13.	Uganda Registration Services Bureau	25	0	70	70	**54**

4.4.13.7 Key emerging issues

i) The effective SWAP approach has supported increasing understanding of sectoral strategic direction within the JLOS MDAs. Most institutions within the sector are able to strategically link their plans to the sector result areas. However, the MDA performance is partly affected by the lack of comprehensive development plans and detailed institutional annual work plans that consolidate all the institutional activities and deliverables including those financed through GoU direct MTEF, sector SWAP funds, and Off-budget support. There are parallel reporting lines for the different funding sources across all institutions. Specifically, there was non-detailed harmonization of SWAP funds within the institutional direct MTEF Annual Budgets. It was difficult to track the funds at vote level and there was no harmonized reporting which allows room for duplication. Therefore, all institutions should develop annual work-plans and produce quarterly and annual performance reports detailing all activities implemented with financing from all sources.

ii) Some of the MDAs have huge recurrent budgets which are at times also reflected in projects. Most projects are of an operational nature rather than focusing on key strategic/development issues of the sector. This is common for the “support to Vote” projects. These projects have been continuous over a long period of time without specific start and end timeframes and specific performance targets thus subjecting them to budget misuse. There is need therefore, to review all sector projects and refocus them to the key development agenda of the sector.

iii) Also, there is increasing development expenditure in some cases that is not accompanied by proportionate allocation for the required recurrent expenditure. For example, constructions of regional service delivery infrastructure not accompanied by adequate operational funds hence rendering the infrastructure idle and non-functional. Therefore, there is need to rationalize development budgets in view of the required recurrent/operational expenditure so as to maximize return/performance from project expenditure.

iv) Non-rationalization of budget cuts. Overall, where institutions received budget cuts, there was no review of planning and budgeting processes for proper re-prioritization. As a result, budget cuts affect overall performance of key institutional deliverables. Therefore, there is need for institutions to review their budgets in consultation with planning units

4.4.14 ACCOUNTABILITY SECTOR

The NDPII outlines eight strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Increase the Tax to GDP ratio (ii) Increase access to finance (iii) Increase private investments (iv) Reduce interest rates (v) Improve Public Financial Management and consistency in the economic development framework (vi) increase insurance penetration (vii) Increase national savings to GDP ratio and (viii) Increase the level of capitalization and widen investment opportunities in the capital markets. The Accountability Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.14.1 Overall sector compliance

Overall, the Accountability Sector is 70.0 percent compliant. In particular, the sector is 78.0, 100.0, 77.0 and 45.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the sections below.

4.4.14.2 Existence and alignment of relevant Planning Frameworks

At this level, the sector is 78.0 percent compliant. The score is an improvement compared to the previous Financial year 2015/16 (60 percent). This is attributed to the near finalization of the draft Accountability Sector Investment Plan (ASSIP) that is aligned to NDPII sectoral objectives and interventions. In addition, unlike for the previous assessment, the respective MDAs under the sector atleast each has a draft Strategic or approved Plan. Table 15 provides details on progress by Accountability Sector MDAs in development of the respective Strategic Development Plans.

Table 16: Summary of Progress by Accountability Sector to finalize the respective SDPs

S/N	MDA	Progress on Strategic Development Plan (SDPs)
1	SECTOR	Has a draft Sector Development Plan that is aligned to the NDPII but not yet approved
2	MoFPED	Has a draft SDP that is aligned to NDPII but not yet approved
3	OAG	OAG's strategic plan is approved and aligned to the NDPII. However, it lacks targets for better tracking of performance.
4	UBOS	UBOS strategic plan is aligned in terms of content to the NDPII but not by time frame (FY2013/14 -2017/18).
5	IG	The plan is approved and aligned to the NDPII.
6	DEI	The strategic plan is still a draft but alignment to NDPII content and time frame but lacks the results/M&E framework with annualized targets.
7	URA	The plan is approved and aligned to the NDPII.
8	PPDA	The plan is approved and aligned to the NDPII content and not the time frame
9	FIA	The Draft plan is aligned but not yet approved.
10	BoU	It has an approved plan and it is aligned to NDPII content and not in time frame (2012-2017)
11	URBRA	URBRA's strategic plan is approved and aligned.
12	CMA	The draft Strategic Plan is aligned to the NDPII
13	NSSF	Approved plan and aligned to NDPII but not timeframe.

14	UDBL	UDBL has an approved strategic plan but it is not aligned to the NDPII. However, it is in the process of developing a new one that will be aligned to the NDPII.
15	UIA	The strategic plan is aligned and approved though it lacks the detailed M&E framework to track implementation.
16	PSFU	PSFU has a strategic plan (FY 16/17 to 19/2020) that is aligned to NDPII in content and not time frame.
17	IRA	The Strategic plan (FY 2012/13 - 2016/17) is approved and aligned to NDPII content but not time frame.
18	EPRC	The Strategic plan (FY 2013/14 - 2016/17) is approved and aligned to NDPII content but not in time frame.

4.4.14.3 Sector projects alignment

The sector is 100.0 percent compliant at this level of assessment. All NDPII sector projects that are due for implementation in FY2016/17 are integrated in the MoFPED PIP. However, there were some projects that were not aligned to sectoral objectives and these include: Uganda clean cooking supply chain expansion project; Presidential Initiatives on Banana; and support to the Uganda National Council of Science and Technology (UNCST). These projects require to be placed in other sectors where they share common objectives and would harness better synergies.

4.4.14.4 Alignment of BFP and AB to the NDPII

At this level of assessment, the sector is 77 percent complaint. This is a weighted score comprising 73.0 percent and 79.0 percent for BFP and AB, respectively. Whereas most of the sector outputs are aligned to the NDPII objectives and interventions, some are yet to be prioritized. For example, the issuance of infrastructure bonds, The Pension Sector Law, streamlining and strengthen the inspection function, development of service and service deliverance standards, among others.

4.4.14.5 Budget performance

The sector is 45.0 percent compliant at this level of assessment. This is a weighted score comprising 58.0 percent and 33.0 percent for budget release and expenditure outturn, respectively. The weak performance at this level is attributed to the low release and expenditure outturn. Particularly, with the exception of MoFPED, OAG, URA and FIA, the rest of the institutions received less than the expected releases at half year, with only URA spending all the received resources.

4.4.14.6 Summary MDAs/Vote level Performance (percent Percentages)

Table 17: Summary Accountability Sector MDA level Performance percent

Sno.	Votes/MDAs	Planning	PIP	BFP & AB Alignment	Budget performance	Total
1.	Accountability Sector	78	100	77	45	**70**
2.	Ministry of Finance Planning and Economic Development (MFPED)	75	91	87	80	**83**
3.	Office of Auditor General (OAG)	75	100	91	50	**76**

4.	Uganda Bureau of Statistics (UBOS)	75	100	88	30	**69**
5.	Inspectorate of Government (IG)	100	100	67	30	**66**
6.	Directorate of Ethics and Integrity (DEI)	75	100	57	20	**54**
7.	Uganda Revenue Authority (URA)	100	100	78	100	**91**
8.	Public Procurement and Disposal of Public Assets (PPDA)	75	100	100	00	**65**
9.	Financial Intelligence Authority (FIA)	75	100	100	50	**80**
10.	Bank of Uganda (BoU)	75	-	-	-	**75**
11.	Uganda Retirements Benefits Authority (URBRA)	100	-	-	-	**100**
12.	Capital Markets Authority (CMA)	75	-	-	-	**75**
13.	Uganda Investment Authority (UIA)	75	-	-	-	**75**
14.	Uganda Development Bank Limited (UDBL)	50	-	-	-	**50**
15.	National Social Security Fund (NSSF)	75	-	-	-	**75**
16.	Private Sector Foundation Uganda (PSFU)	75	-	-	-	**75**
17.	Economic Policy Research Centre (EPRC)	75	-	-	-	**75**
18.	Insurance Regulatory Authority (IRA)	75	-	-	-	**75**

4.4.14.7 Key emerging issues

i) The minimal recapitalization of UDBL with only 5.7 billion in FY 2016/17 continued to limit access to long term development finance by the private sector.

ii) The UBOS website based dissemination of historical time series data is limited to short term Abstract and Survey Publications, which limits access to the Bureau's cumulative data banks. Budgeting for dissemination of this critical data is lacking within the UBOS budgeting frameworks. This affects the demand and convenient usability of statistics to facilitate national development.

iii) A number of MDAs that budget through the sector do not contribute to the sector's objectives. This creates challenges to the effective planning and budgeting within the sector wide approach. These institutions and projects include: National Council of Science and Technology (UNCST); Presidential Initiatives on Banana; and Uganda Clean Cooking Supply Chain Expansion Project.

iv) The delay in the enactment of the Retirement Benefits liberalization law has caused a delay in the implementation of the pension sector reforms.

4.4.15 PUBLIC SECTOR MANAGEMENT

The NDPII outlines six objectives for the sector which are intended to be the main budget drivers over the Plan period. These are: (i) improve coordination, and harmonization of policy, planning, budgeting, and monitoring and evaluation at national and local government levels; (ii) improve recruitment, development and retention of a highly skilled and professional workforce; (iii) improve public service management, operational structures and systems for effective and efficient service delivery; (iv) steer Uganda's regional integration agenda in accordance with the objectives of the treaty for establishment of EAC; (v) coordinate the development of capacities for mitigation, preparedness and response to natural and human induced Disasters; and (vi) enhance national response capacity to refugee emergency management. The Public Sector Management assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and corresponding predetermined outcomes and output targets. The results of this assessment are given in the sections below.

4.4.15.1 Overall Sector Compliance

Overall, Public Sector Management is52.7 percent compliant. In particular, the sector is 48.0, 100.0, 53.0 and 37.1 percent compliant at sector planning, projects planning, budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 18.

4.4.15.2 Development and existence of planning processes

At this level, the sector is 48.0 percent complaint. The PSM sector has no Sector Development Plan. In addition, out of the nine (9) MDAs under the sector, only two (2) had Plans aligned in content and time frame namely: NPA and MoPS. OPM has a draft plan that is aligned to NDPII in content and time frame. Four (4) MDAs that include; MEACA, PSC, MoLG and LGFC have Strategic Plans that are not aligned to the NDPII in terms of time frame; and two MDAs that include ULGA and UAAU have no plans.

4.4.15.3 Sector projects alignment

At this level, the Sector is 100.0 percent compliant. All NDPII sector projects are integrated in the MoFPED PIP.

4.4.15.4 Alignment of the BFP and AB to the NDPII

The PSM sector is 53.0 percent compliant at this level of assessment. This is a weighted score comprising 55.0 percent and 52.0 percent for BFP and AB, respectively. The weak performance at this level is attributed to the non-prioritization of most NDPII sector interventions among which include: rationalization and harmonization of policies and planning to support public service delivery; coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system; and coordinated timely responses to disasters and emergencies.

4.4.15.5 Budget performance

The sector is73 percent compliant at this level of assessment. This is a weighted score comprising 46.0 percent and 29.0 percent for budget release and expenditure outturn, respectively. The weak performance is attributed to the low release and expenditure performance. Particularly, about 7.0 percent of the expected resources were not released and 13.4percent of the released resources were not spent.

4.4.15.6 Summary MDA level Performance

Table 18: Summary of Public Sector Management MDA level Performance (percent)

S/N	MDA/Vote	Planning	PIP	BFP & AB Alignment	Budget performance	Total
1.	Public Sector Management Sector	48	100	53	73	**63**
2.	National Planning Authority (NPA)	100	100	86	60	82
3.	Ministry of Public Service (MoPS)	100	100	89	50	**81**
4.	Office of the Prime Minister (OPM)	75	100	61	50	**64**
5.	Ministry of East Africa & Constitutional Affairs (MEACA)	50	100	60	100	**74**
6.	Public Service Commission (PSC)	50	100	100	100	**90**
7.	Ministry of Local Government (MoLG)	50	100	100	50	**75**
8.	Local Government Finance Commission (LGFC)	50	100	91	60	**74**
9.	Uganda Local Government Association	0				**00**
10.	UAAU	0				**00**

4.4.15.7 Key emerging issues

i) There specific NDPII priority intervention that did not receive focus in the budget that include: addressing national response capacity to refugee emergency management; policy reviews; and full operationalization of the PM's delivery unit to coordinate and fast track implementation of key NDPII core projects.

ii) The development budgets for some projects under the OPM, have been spent on recurrent activities and intangible outputs. This has been especially common where projects are receiving external financing and/or are pacification/special projects, e.g. Teso, Bunyoro, Luwero, etc. Also, some projects have activities/outputs that are similar to those planned under recurrent programmes. A case in point is support to information and national guidance as recurrent programme design to addressing national guidance issues.

iii) Ever since the inception of MEACA, most of the mandate has not been implemented. Much need to be done in this ministry in matters of Economic and political integration of the community

4.4.16 LANDS, HOUSING AND URBAN DEVELOPMENT SECTOR

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Increase access to housing for all income groups, for rental and owner occupation (ii) Reduce slums and informal settlements (iii) Increase access to affordable housing finance (iv) Improve utilization, protection and management of land and land based resource for transforming Uganda's economy. (v) Improve availability of land for development and (vi) Improve and modernize land administration services/system. The Lands, Housing and Urban Development Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below

4.4.16.1 Overall Sector Compliance

Overall, the Lands, Housing and Urban Development Sector is 65.1 percent compliant to NDPII. In particular, the sector is 75, 57.1, 54.4 and 70.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 19.

4.4.16.2 Development and existence of planning processes

At this level, the sector is 75 percent compliant. Specifically, the Sector and the Ministry of Lands, Housing and Urban Development have an approved development plan that is aligned in content and timeframe to the NDPII. However, while the Uganda Land Commission has an approved strategic plan, it is not aligned to the NDPII in terms of the time horizon.

4.4.16.3 Sector projects alignment

At this level, the sector is 57 percent compliant to NDPII. This is because a majority of the project ideas in the NDPII are yet to be developed into bankable projects. Specifically, eight (8) projects out of the nineteen (19) projects in the NDPII are in the MFPED PIP.

4.4.16.4 Alignment of NBFP and AB to the NDPII

At this level, the sector is 57 percent compliant. This is a weighted score comprising 56.0 percent and 54.0 percent for BFP and AB, respectively. This weak alignment is attributed to the sector NDPII priority interventions that are either not targeted, unfunded or underfunded. These include: increased housing finance institutions, improved rural housing; identify and register cultural land, increased availability of land for economic and infrastructure development; operationalization of

National Land Fund; Establishment of a National Spatial data infrastructure; strengthen land rights for poor and vulnerable groups; increased access of land by women and youth among others.

4.4.16.5 Budget performance

At this level, the sector is 70.0 percent compliant. The sector scored 100 percent in release outturn performance, however, expenditure outturn was low at 40 percent, implying low absorption capacity. This is attributed to the lengthy procurement processes since the released funds are majorly for big infrastructure projects such as roads under USMID programme. The Uganda Land commission received 7.4 percent more funds than the approved budget because of additional funding for compensation of land owners at Entebbe International Airport. By end of Q2, the ULC utilized over 100 percent of the approved budget raising questions on how they will implement activities in the remaining quarters.

Table 19: Summary MDA level Performance for Lands, Housing and Urban Development

	MDA	Planning	PIP Assessment	Alignment to NDP II		Budget Performance	Total Score
				BFP	AB		
	Sector	**75**	**57**	**56**	**54**	**70.0**	**65.1**
1.	MoLHUD	100	57	60	55	50	62
2.	ULC	50	100	40	40	90	63

4.4.16.6 Key emerging issues

i) National Housing and Construction Corporation (NHCC) is a critical catalyst for the housing and human settlements improvement unfortunately its planning and management is in the finance sector and this renders the lands sector unable to plan and guide its critical input into the sector.

ii) Lack of an enabling law to support operation of the Uganda Land Commission.

iii) ULC has one budget item and this is limiting explicit budget for the Land Fund. The land fund requires a separate budget line for adequate operationalization.

4.4.17 ICT SECTOR ASSESSMENT

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period. These are: (i) Increase access to ICT infrastructure to facilitate exploitation of the development priorities (ii) Enhance the usage and application of ICT services in business and service delivery (iii) Increase job creation through ICT research and development (iv) Increase the stock of ICT skilled and industry ready workforce (v) Improve the information security system to be secure, reliable, resilient and capable of responding to cyber security threats and (vi) Improve the legal and regulatory frameworks to respond to the industry needs. The ICT Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

4.4.17.1 Overall Sector Performance

Overall, ICT Sector is 51.0 percent compliant. In particular, the sector is 67.0, 60.0, 66.0 and 16.0 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections and the performance of the MDAs is summarized in Table 20.

4.4.17.2 Development and existence of planning processes

At this level, sector is 67.0 percent compliant. The sector has an approved development plan that is aligned to the NDPII and out of the UBC (7) MDAs under the sector, two (2) namely UCC and UICT have approved and aligned plans. The rest have either draft plans or no plans at all.

4.4.17.3 Alignment of BFP and AB to the NDPII

The sector is 66.0 percent at this level of assessment. This is a weighted score comprising 73.0 and 64.0 percent for NBFP and AB. Whereas the sector objectives and interventions are focused in line with the NDP II priorities, some of the key priorities are unfunded. These include: a National Postal and Courier Services Master Plan to exploit opportunities in e-Government and e-Commerce; transforming Uganda Institute for Information and Communications Technology (UICT) into an ICT center of Excellence.

4.4.17.4 Budget performance

The sector is 16.0 percent compliant at this level of assessment. This is a weighted score comprising 20.0 and 12.0 percent for budget release and expenditure outturn, respectively. Out of the budget allocation of UGX. 199.23bn, the sector received less than half of the expected resources at half year. Further, the sector absorption capacity is very low as much of the released funds had not been utilized. Also, despite ICT contributing 2.5percent of GDP and UGX. 484.4 billion in tax revenue collections in 2015, the sector budget has not increased significantly.

4.4.17.5 Sector projects alignment

The sector is60.0 percent compliant at this level of assessment. Whereas most of the NDPII projects for the sector are integrated in the MoFPED PIPI, a number of NDPII projects are yet to be integrated, which include: Developing an Integrated ICT Environment for Effective Service Delivery; and implementation of the NBB infrastructure IV.

4.4.17.6 Summary MDA level Performance

Table 20: Summary of ICT Sector MDA level Performance (percent)

	MDA	Planning	PIP Assessment	Alignment to NDP II		Budget Performance	Total Score
				BFP	AB		
	Sector	**67**	**60**	**73**	**64**	**16**	**51**
1.	MoICT	0		50	50	50	45
2.	NITA	50	100	58	58	0	43
3.	UCC	100	100	50	50	0	50
4.	POSTA	50	100	67	67	-	47
5.	UICT	100	100	100	0	-	57

4.4.17.7 Key emerging issues

The following emerging issues within the sector call for attention;

i) The connectivity of local governments (LGs) to the NBI is still low and there are inadequate ICT complementary services

ii) There is limited budgetary focus on operationalizing the e-government master plan albeit the presence of many parallel ICT projects.

iii) Implementation of ICT Parks has not been prioritized by the budget. There is therefore need to fast-track establishment of the Parks and the model regional incubation centers/hubs to support innovation and job creation.

iv) The UICT requires legal independent status and increased funding to enhance its visibility as a regional center of excellence, as planned under the NDPII.

v) Planning, budgeting and expenditure outturn reporting for the Non-Tax Revenues within the UCC and POSTA are weak and the expenditure outturns, in particular, are not consistent with the NDPII overall and sector objectives and interventions.

4.5 LOCAL GOVERNMENT LEVEL ASSESSMENT

Local Governments (LGs) are responsible for the delivery of functions and services including but not limited to: primary, secondary, special and technical education; trade; hospitals (other than those providing referral and medical training); health centers, dispensaries and aid posts; the construction and maintenance of feeder roads; the provision and maintenance of water supplies; agricultural extension services, land administration and surveying; and community development. Local governments finance their operations through government transfers, local revenue collections and donor support. Government transfers are received in form of: (i) conditional grants which are tied to deliver specific agreed upon functions; (ii) District Development Equalization Grant (DDEG) which are transferred to LGs to bridge gaps in service delivery; and (iii) District/Urban unconditional grant). At this level, 133 (111 Districts and 22 Municipalities) LGs were assessed. In this assessment, it was not possible to assess LG budget performance as reconciled release and expenditure outturn data were not readily available. Therefore, the data for FY2015/16 was used to analyze the LG budget performance.

4.5.1 Overall score

Overall, the Local Governments are 51.8 percent compliant to the NDPII. This score is a weighted aggregate of Planning and Budgeting processes which are 71.4 percent and 22.4 percent aligned, respectively. The detailed scores at each LG level assessment are presented below.

4.5.2 Alignment of Local Government Development Plans(LGDPs) to NDPII

At this level, Local Governments' plans are 71.4 percent compliant to the NDPII. Out of the 133 LGs assessed, 26 have their plans approved by the local authorities and cleared by NPA, 96 LGs have their plans approved, reviewed by NPA but not finalized and 11 LGs have no plans. The assessment at this level was premised on time horizon and alignment of LGDPs to NDPII objectives and strategic direction. It was observed that LGs did not prioritize NDPII key strategic areas including; tourism, trade and industry, water for production, skills development, value addition and Physical Planning. This is mainly attributed to structural challenges within the decentralization policy framework. The details of this assessment are in Annex 2.

4.5.3 Alignment of LGDP and AWPB to NDP II

At this level, LGs are 22.4 percent compliant. This level of compliance is a weighted score of the alignment of the LGDP and Annual Work-plans and Budgets. The weak score at this level is attributed to: the conditional nature of grants comprising over 80 percent of the funding, with funding areas that are already pre-determined by the sectors; varying and unpredictable direct donor support; and low local revenue collections. The detailed analysis is explained below.

Agriculture: All LGDPs have interventions that focus on agricultural production and productivity as required by NDPII. They prioritize the twelve crops identified in NDPII. To some extent, LGs have catered for interventions for increasing access to high value critical farm inputs such as; fish fries, piglets and seedlings, control of disease and pests, training farmers, establishing demonstration gardens, among others. However, there are few interventions to address water for production even for districts in the cattle corridor. Also, there are limited interventions that target value chain activities like processing, storage and transportation. In addition, agricultural mechanization and promotion of use of fertilizers have not been prioritized by most LGs.

The AWPBs in most of the LGs are aligned to the NDPII priority interventions of increasing production and productivity, increasing food security and household incomes as well as improving quality of farm products. All the LG AWPB have activities that tend to address these strategic interventions of NDPII such as; control of disease out-breaks both in crops and livestock, supply of quality fingerlings to farmers and equipment to support honey processing. Others are: establishment of demonstration centers, construction of small animal clinics, training farmers in value addition, standard and quality regulation in livestock and crop products, mobilization and supervision of cooperatives, strengthening the human resource capacity of production department, promotion and adoption of improved crop varieties that are disease resistant and early maturing and supervision and monitoring. However, LGs did not budget for marketing, storage, appropriate technology for mechanization, market information and access to agriculture financial services.

Water for Production: Most LGs did not prioritize water for production, strengthening water user committees and community involvement in their plans. Water for production was mainly planned for by LGs in the cattle corridor. However, most of the LG AWPBs for FY 2016/17 did not allocate funds to provide water for production. Less than half of AWPBs included activities such as conducting training sessions for private sector, construction of solar power water supply system, forming and training water user committees.

Health: All LGDPs have interventions focusing on the minimum health care package including maternal, neonatal and child health and clinical health services, HIV/AIDS and TB control, capacity building including recruitment, in-service training and career development training, Village Health Teams (VHTs), upgrading of HCs, health infrastructure development, supply of medical equipment, equipment and maintenance; procurement and supply of medicines and other health supplies. There is limited focus on adolescent reproductive health services; nutrition activities and hygiene and sanitation. However, most of the LGs have not planned for; NCDs, Oral and Mental health. In the FY 2016/17 AWPB, all the LGs allocated funds to address Human resources, community empowerment, infrastructure, clinical services, HIV/AIDS, and quality of care. However, there is general lack of budgeting for nutrition, mental health, oral health, Non-communicable Diseases, TB, Maternal & Child health and Surveillance.

Education: LGs made efforts to align to the NDPII intervention by mainly focusing on; increasing school enrolment in primary schools, construction of classrooms, teachers' houses, latrines and school inspection. In most of the LGs, there is limited focus on Early Childhood Development (ECD), programs for the vulnerable groups/children, school management structures (SMC, PTA, and Boards) and partnerships with private sector providers of education services. The AWPBs do not budget for ECD, school feeding, specific programs that target vulnerable groups, sports activities, partnerships at all education levels and strengthening management capacity of SMCs and BoGs in schools and institutions.

Skills Development: LGDPs do not prioritize skills training institutions under PPPs, non-formal skills' providers and support Uganda Vocational Qualifications Framework (UVQF) through providing instructional materials and training infrastructure. Most of these functions whereas are devolved, they are implemented at sector level. While the AWPBs provide for support to vocational and technical where they exist, however, this is mainly in form of wages and salaries with little resources supporting instructional materials and infrastructure. There is a weak link between LGs and private providers of vocation Institutions.

Works: Overall LGDPs prioritized construction, rehabilitation and maintenance of District, Urban and Community Access Roads using both machine and labour based methods. This is through establishing appropriate road designs, road committees and building staff capacity. On a case by case basis, tourism roads and bridges have been prioritized. Nevertheless, AWPBs did not allocate resources for reviewing road construction designs and standards, building capacity of technical staff, approval of structural plans and operationalization of the building control Act.

Tourism: LGDPs did not explicitly prioritize tourism. This is because majority of the tourism strategic interventions under the sector are not funded under the financing framework of LGs. However, complementary interventions such as roads, water, electricity, sanitation among others have been addressed elsewhere in the LGDPs. Also, the AWPBs did not budget for specific interventions in the tourism sector.

Industrial Development: With respect to Industrial Development the LGDP did not prioritize the development of policy, legal and regulatory frameworks to support establishment of MSMEs, physical planning for industrial areas linked to spatial plans and e-governance system. In addition, providing land for agro-processing and well equipped institutions to build capacity of the population is not prioritized. The AWPBs also did not allocate funds for NDPII priority interventions on industrial development.

Energy: Some LGDPs have prioritized the promotion of renewable energy technologies through the use of energy saving stoves. They have also budgeted for the implementation of technological innovations in energy generation and conservation.

Physical Planning and Urban Development: LGDPs have prioritized recruitment of Physical Planners, development of Physical Development Plans in urban areas in line with the Physical Planning Act, 2010. There are also efforts to improve and strengthen a competitive urban economy through undertaking interventions that promote hygiene, mobility, social service delivery among others. Overall, AWPBs did not provide for Physical planning. The physical planning function at local level is very weak and uncoordinated. A few capacity building activities are delivered by the central government and donors, but most of the LGs have not provided specific resources for this function. This is because there is no government grant dedicated physical planning, land administration and surveying.

Lands and Housing: LGDPs prioritized land administration through supporting District Lands Boards and Area Land Committees to function. However, municipalities have not established mechanisms to stop development of slums. In addition, there are no plans to sensitize communities on effective land use for poverty reduction and also LGs are not providing land for investment.

With the exception of the District Land Board and sometimes the Area Land Committee, activities under the lands and housing sub sector at LG level are largely not funded.

Natural Resources and Environment: Some LGDPs have prioritized the Restoration and maintenance of degraded fragile ecosystems; increasing of the sustainable use of the environment and natural resources; afforestation and reforestation and sustainable management of forests. AWPBs allocate resources for interventions aimed at restoration of degraded fragile ecosystems. The institutional framework to support the sustainable use of environment and natural resources is being supported through the budget. However, LGs are generally not providing for enactment of ordinances to enforce the sustainable use of natural resources.

Social Development: Most LGDPs did not prioritize interventions that promote decent employment opportunities and labour productivity. They also did not adequately provide for positive mind set; establishment of modern culture centres; Child protection and social assistance for vulnerable persons' systems at institutional and community level; specific interventions to promote rights, gender equality and women's empowerment in the development process have not been prioritized. Indeed, while most AWPBs, to some extent, budgeted for promotion of children's rights, protection against all forms of abuse and empowerment of women in the development process, they did not allocate resources towards key interventions such as: promotion of decent employment opportunities and labour productivity; community Libraries and resources centres; modern cultural centres; and rehabilitation centres among others. This was largely due to the fact the central government had not provided budget lines.

Justice, Law and Order: Both the LGDPs and AWPBs did not prioritize enactment of Bye laws and ordinances; Community sensitization programmes on laws and ordinances; implementation of the informal justice and family disputes' framework; dissemination of translated Laws; and implementation of the Legal Aid Policy.

Administration and Management: All LGDPs prioritized recruitment and retention of staff, planning, budgeting, reporting and coordination of implementation of government programmes. Also, there is evidence that LGs prone to refugees and emergency situations planned for some interventions aimed at restoring the status quo. However, there is weak attention to development of capacities for mitigation, preparedness and response to natural and human induced disasters and refugees. All AWPBs also prioritized recruitment and retention of staff, planning, budgeting, reporting and coordination of implementation of government programmes.

Accountability, Local Economic Development and Financial Services: LGDPs prioritized mobilization for formation of community interest groups, collection of revenue from rental, utilities and agencies. However, registration of informal sector players, rental properties, utilities and businesses were not included in the Plans. Also the Plans did not provide for establishing databases for Local businesses and linking them to financial institutions through enhancing infrastructure services and LG websites. The AWPBs allocated funds for mobilization and formation of Community interest groups as well as collection of revenue from rental, utilities and agencies. However, while majority of the LGs budgeted for registration of informal sector players, rental properties, utilities and businesses, others did not. In addition, budgets did not provide for establishing databases for local businesses and linking them to financial institutions through enhancing infrastructure services and LG websites.

Audit function: The LGDPs did not prioritize dissemination of information on corruption, community empowerment to demand for accountability and also to ensure a functional LGPAC and oversight function is in place. Most LGDPs did not prioritize building capacity for PDUs and strengthen capacity for procurement.

While all AWPBs provide for the functionality of oversight functions (conducted by LGPAC, DEC, council) and supported by the audit departments, these are inadequately funded to effectively oversee the service delivery system. It was also identified that many AWPBs did not provide for strategic interventions aimed at reducing corruption or increasing accountability.

Information and Communication Technology: All the Local Governments assessed did not have planned interventions to address ICT requirements of the NDPII save for establishment of resource centers with internet connections

4.5.4 Budget Performance

It was not possible to assess LG budget performance for FY2016/17 because reconciled release and expenditure outturn data were not readily available. Therefore, the data for FY2015/16 was used to analyze the LG budget performance. In the FY2015/16, on average, LGs received 94 percent of their approved budget allocations. Budget outturns for 30 LGs exceeded the approved budget estimates while more than 33 LGs realized less than 90 percent budget outturns. Over performance of budgets was attributed to late commitment from donors (after the budgeting process); and emergency activities especially in the Health Department.

The assessment further reveals that 103 LGs performed below the approved budget estimates mainly as a result of shortfalls in local revenue collection, low release performance of government transfers, and failure by Development Partners to fulfill their commitments. These are illustrated in the annex 2.

At the department level, there are skewed budget outturns especially towards recurrent expenditure under administration and statutory bodies. Just like at LG budget performance level, there is selective budget overruns at department level especially health, administration, statutory bodies and education. The assessment also reveals that following functions are highly underfunded: Development Planning, Physical planning, natural resources management, housing and urban development as well as the audit.

4.5.5 Emerging Issues

i) Whereas the decentralization policy specifically outlines the devolved functions to LGs that should be the basis for LG planning and budgeting, the local economic development has evolved to include previously un-devolved functions such as tourism, industrialization, water for production, energy, ICT, among others. This may call for policy and budget review.

ii) Whereas the provision of services is devolved, the sectors have largely decentralized management of wages and pension and retained budgets for core LG services such as; infrastructure provision in vocational, tertiary and secondary education, construction of health centres and district hospitals, among others. This has distorted the planning and budgeting at the LG level.

iii) Transfers to Local Governments are still inadequate to support effective delivery of the expanded development mandate, as well as drive local economic development. The transfers are currently at 13.1 percent of the total national budget, which is way below the NDPII target of 30 percent.

iv) There are marked disparities between the approved budget and outturns for transfers to LGs. The revised budgets affect budget credibility.

v) There is inadequate capacity (funding and human resource) for most of the District Planning Units to deliver an integrated LGDP, incorporating plans of Lower Local Councils.

vi) Alignment of strategic interventions of LGDP to the NDPII is still weak for some sectors while relatively strong for traditional decentralized service sectors.

vii) The national budget does not provide for funding of critical LG services including; physical planning, surveying, housing, industrial and agribusiness parks, audit function as well as sustainable management of natural resources.

4.5.6 Recommendations

i) There is urgent need to review the decentralization policy and the national budgeting frameworks to incorporate the local economic development and other emerging functions. Additionally, there is need to clarify roles of the sectors/MDAs and LGs with respect to devolved functions.

ii) There is need to provide budget lines and corresponding financing for critical unfunded decentralized services such as physical planning, surveying, housing, industrial and agribusiness parks, audit function as well as sustainable management of natural resources.

iii) There is need to expand the delivery mechanisms of key strategic interventions prioritized in the NPDII through increasing discretionary financing of LGs.

iv) There is need to establish a national development planning capacity building project.

SECTION FIVE

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

In conclusion, the assessment of the Annual Budget for FY 2016/17 was undertaken at four different levels, namely: Macroeconomic, National, Sector/MDA and LG. Overall, the FY2016/17 AB is less compliant at 58.8 percent when compared to the FY2015/16 AB at 68.2 percent. The overall decline in compliance in the FY2016/17 is mainly attributed to the declining performance at macro level of 48.1 percent down from 71.4 percent in FY2015/16 and the low performance for LGs at 51.8 percent. Nonetheless, at the national strategic level, the FY2016/17 AB performance is 74.2 percent compliant, which closely compares with the 75.4 percent compliance for FY2015/16.

It should be noted that, at the national level, the AB is more compliant as it is better aligned to NDPII strategic direction. However, the AB is not consistent in translating the strategic direction of NDPII into sector/MDA/LG specific interventions. The assessment also reveals that implementation weaknesses are limiting the attainment of key NDPII results. The assessment further shows that the AB macro framework is not consistently aligned to the NDPII macro framework and as a result, key macro targets have not been achieved in the period under assessment. For the NDPII middle income goal to be attained by 2020, the annual budgets of the remaining NDPII period need to target much higher growth rates to compensate for the very low growth performance in the first two years of NDPII implementation. The budget should therefore be more targeted on growth enhancing NDPII identified interventions and projects.

The planning capacity of the country also requires urgent strengthening at all levels. Generally, many sectors, MDAs and LGs continue to budget and operate without Development Plans that would provide a linkage of the institutional budget to the NDPII strategic direction.

The following section therefore presents the key recommendations arising out of the assessment of the Annual Budget for 2016/17.

5.2 Recommendations

1) It is important that the budget comprehensively takes into consideration the key NDPII priorities and targets. Notably among others, with the current low levels of growth, the Budget should take into consideration higher growth targets for the next financial years to compensate for the low growth in FY2015/16 and FY 2016/17 so as to remain on course with the NDPII per capita income targets. This should be supported by effectively and efficiently implementing the appropriate fiscal/budget policy focused on NDPII growth enhancing priorities.

2) All sectors, MDAs and LGs ought to develop their Development Plans that are aligned to the NDPII in terms of content and timeframe. Therefore, all Sector and MDAs annual work plans and Budgets must be informed by their respective Plans. Specifically, in regard to missions abroad, they are independent votes, financed directly from the consolidated fund and therefore are required to produce strategic plans in line with NDPII.

3) NPA should work with all stakeholders to strengthen the planning capacity in Government and at all levels.

4) All sectors and MDAs should prioritize and expedite the implementation of NDPII core projects. The Prime Minister's Delivery Unit should follow up to ensure implementation is on course.

5) The legal and policy frameworks for MDAs that collect and spend Non-Tax Revenue at source should be reviewed to enhance alignment of their activities and budgets towards achievement of NDPII and the Uganda Vision 2040 objectives and goals. The consolidation of all Non-Tax Revenue into the consolidated fund should be considered.

6) Ministry of Finance, Planning and Economic Development should rationalize development budgeting in view of the required recurrent/operational expenditure so as to maximize return/performance from project expenditure.

7) The Ministry of Finance, Planning and Economic Development should put in place a system to capture off budget resources and integrate them in the budgeting process in a timely manner.

8) The Office of the Prime Minister should spearhead a process to review and rationalize the composition of sectors and MDAs with a view of streamlining the strategic functioning of Government. This rationalization should ensure that all MDAs plan and budget through sectors where they contribute to the sector objectives and outputs. In addition, OPM should enhance sector coordination through strengthening the Sector Wide Approach.

9) There is urgent need to review the decentralization policy and the national budgeting frameworks to incorporate the local economic development and other emerging functions. Additionally, there is need to clarify roles of the sectors/MDAs and LGs with respect to devolved functions.

Annexes

Annex 1: Summary of assessment at all levels

S/N	Level of assessment	2015/16	2016/17	Areas of Non-compliance
A	**Macro level Assessment**	**72**	**48.1**	The FY2016/17 significant decline arises as a result of a weaker alignment between strategic planning and budgeting functions unlike in the FY2015/16 when NDPII targets were closely aligned with AB targets, at least at planning level. **Key areas of noncompliance:** Growth targets; GDP per capita targets; domestic revenue targets; expenditure outturn on HCD (Education & health), Priority sector allocations lower than NDP (Energy, Works & Transport, Tourism, Trade & Industry, Water & Environment); fiscal balance; primary balance; private sector credit growth
B	**National Level Assessment**	**75.4**	**74.2**	Stagnation is largely attributed to the weak focus on indicators in the areas of: Employment targets at theme/goal level; production, productivity and value addition outputs and outcomes at objective level; skills development and harnessing the demographic dividend at development strategy level; and transport infrastructure development (pending projects) as well as Minerals, Oil and Gas at priority level. On core projects, key flagship projects such as iron ore and phosphates processing plants stagnated **Key areas of noncompliance: At goal level**, causes of non-full compliance were due to the low performance of the AB due to non-allocation of resources for addressing environmental pollution and the unmet need for family planning and the non-commitment by the NBFP towards establishment of light manufacturing industries and non-allocation of funds to creative and performing arts. **At objective level**, key areas of concern were limited commitment of the NBFP and lack of allocation of resources in the AB for promoting the development of small scale manufacturing, elimination of dumping, promotion of reservoirs and water bodies, supporting ECD, re-designing the curriculum for BTVET and higher education as well as establishment of the regional skills development centres of excellence in the key priority areas. **At development strategies level**: Non-compliance was more pronounced in the strategies of Fast-tracking Skills Development and Harnessing the Demographic Dividend. Specifically, key areas of concern include: Non-prioritization of the centres of excellence, providing training for specialized expertise especially in the mineral, oil and gas, energy and transport infrastructure areas, improving access to family planning services, nutrition as well as reforming the

				education system to increase the years of schooling. **At Priority/ KRA**, while there was relatively high compliance in the 3 priority areas of: tourism; agriculture; and Human Capital Development, compliance was very low for infrastructure development as well as minerals, oil and gas. there was limited prioritization for: strengthening the mineral dressing laboratory; incentivizing the private sector to invest in value addition in the minerals sector; application of scientific and technological methods for surveying, and development of a mineral development master plan. It addition, the budget did not prioritize strategic roads; increasing and improvement of airports save for Entebbe, as well as finalizing the migration from analogue to digital terrestrial broadcasting. **At core projects level**, core projects under ICT, Tourism and social development were more compliant than those under education and sports, minerals oil and gas as well as agriculture. Key flagship projects such as iron ore and phosphates processing industries had stagnated and yet these would drive agriculture, and the construction industry
C	**Sector level**	**58.6**	**60.1**	
1	Agriculture	56.1	57	The sector has a draft strategic plan that is aligned to NDPII, approved by top management but not signed by the Minister. In addition, of the seven MDAs in the sector, only one (UCDA) has an approved Plan; three (MAAIF, NAGRIC and NAADS) have only drafts plans; two (DDA and CDO) have draft strategic plans aligned but not yet approved while NARO has a strategic plan with content aligned to NDP II but expiring 2017/18. Though the sector budgets targets most of the priority NDPII interventions, several allocations were too low to meet the NDPII targets. **Key areas of noncompliance include:** Implementation of the Single Spine Agricultural Extension system; Increase in access to agricultural finance services; Enhancement in access to and use of fertilizers by both women and men; Operationalization of the commercialization fund; Operationalization of the new MAAIF structure
2	Tourism	55.8		
3	Tourism, Trade and Industry	58.3	53.4	The slow performance is attributed to the low budget performance due to inadequate absorption of released funds. Sector scored average in the entrenchment of planning processes as well as under the prioritization of NDPII projects. The sector has no SDP although a number of MDAs have individual Sub-sector strategic plans which are aligned to NDPII namely; MTIC, UWEC and MTWA. UEPB, UNBS, UTB and UFZA have aligned plans but not yet approved while HTTI and UWRTI have no strategic plans. **Key areas of noncompliance include:** Establish satellite border markets; Establish ten 20,000 MT capacity silos and sixty 5000MT warehouses in strategic boarder points and locations across the country; Review and upgrade Kigumba Cooperatives College as a center of academic excellence in cooperatives skills development; Establish an Agricultural Commodity Marketing Fund to promote collective marketing; Support and facilitate cooperative society members to acquire mechanization, irrigation equipment, farm level post-harvest handling technologies

				and other appropriate technologies; Revitalize Uganda Development Corporation (UDC); and Control the spread of invasive species
4	Energy & Mineral Development	53.4	64.5	Only, the sector and MEMD have SDPs that are approved and aligned to the NDPII. All the other MDAs under the sector that include; ERA, REA, UEGCL, UETCL, and UEDCL have Strategic Plans that are aligned to the NDPII in content but not in time horizon. The sector performed above average at all levels of assessment except alignment of BFP & AB (50%) to the NDPII objectives and interventions. The low sector score at the BFP & AB alignment to NDPII is due to the neglect of the mineral subsector interventions (e.g. establishing the mineral potential of Karamoja region, geochemical and geophysical surveys, among others) and the slow realization of achievement of objectives and intervention under the oil and gas subsector (e.g. constructing the oil refinery and many activities under the objective of increasing the efficiency in transportation, storage, handling and security of stock of petroleum products).
5	Health	52.9	51	The decline in performance is explained by the lack of strategic plans in most MDAs and the low budget expenditure in majority of the agencies. The sector has on the other hand has an SDP that is approved and aligned to NDPII. **Key areas of noncompliance include:** The objectives of addressing the determinants of health, health promotion and disease prevention and health sector financing. Specifically, non-compliance areas include: establishment of a National Institute of Public Health to increase focus on determinants of health, health promotion, as well as public health emergencies; establishment of a functional National Referral System from community to national levels as well as referral abroad; implementation of innovative health financing mechanisms that reduce the direct healthcare burden on households, dependence on external financing and more sustainable (Including design & implementation of a National Health Insurance scheme; and development of innovative purchasing and payment mechanisms for efficient use of health resources); strengthening the private sector role in health care delivery and investment in specialized care (including enhancing health sector competitiveness in the region, by developing centers of excellence in heart, cancer, renal care domains; and diagnostic services); increased prioritization and resource allocation to health research.
6	Education	49.4	60.4	The sector's performance is constrained by low status of planning and budget performed which are at 31 percent and 53 percent compliant to the NDPII. Whereas the sector now has a draft development plan in place, 19 percent i.e. 3 MDAs do not have a strategic plan at all, while 37 percent have non-aligned drafts and 44 percent have approved strategic plans but not aligned to the NDPII. **Key areas of noncompliance include:** under the BFP, less alignment is noticed in relation to Early Childhood education and Development (ECD), feeding in schools, skills development and employability, and sports related interventions. Further, there is no intention to actualize the suggested intervention to have a government aided primary school per parish
7	Water &	55.7	51.8	The sector has a draft SDP (2015/16-2019/20) that is aligned to the NDPII but not approved. Of the five

	Environment			MDAs, it is only NEMA that has an approved strategic plan, NWSC has an approved strategic plan that is aligned to the NDPII in terms of content but not in time frame (2016-2021), NFA has a draft strategic plan aligned to the NDPII in terms of content and timeframe while UNMA have a strategic plan that was discussed by stakeholders. **Key areas of noncompliance include:** Modernize solid waste management and treatment in the rural growth centres and fish landing sites; Develop and review legal and institutional framework for WRM; Establish a Water Resource Institute for in-country human resource capacity development for water resources management; Develop and implement ecosystem management and restoration plans; Expand knowledge base of ecological and socioeconomic value of wetlands among stakeholders; Promote implementation of sustainable management of forests through restoration of natural forests on protected and private land; and Scale up agro-forestry-based alternative livelihood systems.
8	Works and Transport	72.4	55	The Sector's low performance is majorly as a result of non-existence and alignment of planning frame works (17percent). Specifically, the sector lacks a SDP while three of the five MDA's in the sector namely, MoWT, UNRA and URC don't have strategic plans. **Key areas of noncompliance include:** developing the Transport Sector MIS; establishment of a National Road Safety Authority and a Multi- Sectoral Transport Regulatory Authority; establishment of the second-generation road fund; and Revive the National Airline.
9	Social Development	65.1	57.7	Although the sector has an approved Sector Development Plan which is aligned to the NDPII, MGLSD doesn't have a strategic plan and EOC has an approved but not aligned plan in timeframe (2013/14 -2017/18). **Key areas of noncompliance include:** Strengthen functionality of the minimum wage and Advisory Board; Develop and operationalize work ethic skills in the formal and informal sectors; Support Research, innovation and creativity in both formal and informal sector; Establish a national and regional framework for youth participation in economic and social activities within the EAC region; Support entrepreneurship through tax rebates to create employment opportunities; Formulate a national sexual harassment policy; strengthen systems to implement SDS.
10	ICT	68.6	50.8	The sector has a SDP and out of the seven (7) MDAs within the sector, four (4) have Strategic Plans while three (3) do not yet have plans. While the majority of the plans and activities are aligned to the planning framework, the PIP and budget performance is relatively low largely due to the low outturns. **Key areas of noncompliance include:** Promote production and use of low-cost locally assembled devices in collaboration with the private sector; Establish regional information access centres; Promote the use of ICT tools for trade, service delivery and exchange of information; Develop a coherent strategy for mass sensitization and awareness about ICTs; Establish an ICT Research and Innovation fund to support ICT innovation; Develop a framework for collaboration between research institutions, academia and industry including ICT internship programme; Review, develop and implement ICT training curriculum at all levels of the education system; Develop and implement targeted capacity building for teachers in incorporating ICT in pedagogy;

11	Lands, Housing & Urban Development	41.3	65.1	The Sector and the MoLHUD have approved SDPs that are aligned to the NDPII. However, the Uganda Land Commission has got an approved strategic plan that is not aligned to the NDPII in terms of time horizon**. Key areas of noncompliance include:** Promotion and ensuring availability and affordability of housing finance; promotion of rural housing development schemes; Identify, assess, inventory and register Government land; Strengthened land services to provide land for priority economic development areas and infrastructure corridors; operationalization of National Land Fund; Establishment of a National Spatial data infrastructure; strengthening land rights for poor and vulnerable groups; Increased access of land by women and youth are either not explicitly targeted or unfunded or underfunded.
12	Justice, Law & Order	71.0	70.4	The sector has a draft SDP that is aligned to the NDP in terms of priorities and timeline. Nonetheless, out of the 13 Institutions/votes, only one (1) i.e. Uganda Police Force has an approved and aligned development plan. **Key areas of noncompliance include:** adoption and implementation of Anti-corruption measures; the promotion of human rights observance in JLOS institutions, promotion of accountability in transitional Justice, and profiling of vulnerability and elimination of discrimination in access to services
13	Public Administration	58.3	67.7	The Sector has a SDP which is approved and aligned to the NDPII. Out of the 4 MDAs in the Sector, only the MOFA has an approved Strategic Plan aligned to the NDPII while Office of the President, State House and Electoral Commission have draft strategic plans. This explains the Sector performance of 55percent at this level. **Key areas of noncompliance include:** Establishment of a sector M&E system to track the implementation of key government policies, programs and projects in NDPII priority areas; Strengthening the capacity of RDCs and LGs to effectively monitor and report on the implementation of the NDPII priority areas; Initiate and develop a national strategy for attracting cooperation assistance for human capital; Establishment of a National Service program to strengthen patriotism; and Development of the sectors service delivery standards.
14	Legislature	70.3	61	Legislature has an approved strategic plan for FY 2016/17-2019/20. Despite 100% sector score on planning frameworks and PIP, low performance is manifested by the sector's failure to have its planned activities in the BFP and AB aligned to the NDPII, and poor budget performance (40 percent and 50 percent respectively). **Key areas of non-compliance include:** Promote application of human rights based operations in government operations; Promote peace and security in the country through enacting laws and investigating cases of abuse of civil liberties; Enact laws to strengthen credibility of electoral processes in Uganda; Review appropriate legislation to facilitate elimination of corruption, Introduce measures to strengthen availability and visibility of evidence based support to legislative process; Empower political offices; Institute a system of linkages between LG, constituencies and the national Parliament; Empower Parliament to effectively play its role in the national budget processes and oversee equitable and sustainable national development.

15	Accountability	41.3	70	The improved performance is attributed to the more existence and alignment of respective MDA Investment plans to NDPII; and better release and absorption of resources by the sector to facilitate the implementation of the NDPII. However, although the sector has a Sector Development plan that is aligned to the NDPII, its yet to be approved. Of the Sector MDAs, only IG, URA and URBRA have approved Plans. **Key areas of non-compliance include:** Streamlining the non-standard VAT tax exemptions; Development of mechanisms for exploiting capital gains tax; Establishment of a commonly accepted, industry-wide curricula and mandatory certification for professional banking staff; Implementation of the bankruptcy reform legislation to boost commercial banks' willingness to lower their lending rates and improve loan; Develop a National Local Content Policy; Fast-tracking the implementation of the National Health Insurance Scheme and develop systems to ensure operational efficiency; Transforming the public service pension into a savings contributory scheme; Development of a mechanism for local credit rating; Develop, adopt and main stream national value systems; and Establishment of national service delivery standards.
16	Public Sector Management	50.7	62.7	The none existence of final plans by the sector and MDAs explains the low performance. In particular, the PSM Sector has no Sector Development Plan. In addition, of the nine MDAs assessed: only two had Plans aligned in content and time frame (NPA and MoPS). **Key areas of non-compliance include:** lack of rationalization and harmonization of policies and planning to support public service delivery; lack of a coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system; and the lack of a coordinated timely responses to disasters and emergencies
17	Security	61.0	63.9	Whereas the sector has an approved SDP, none of the three sector MDAs (MoDVA, ESO and ISO) has an approved development Plan. **Key areas of non-compliance include:** None establishment of a National Defence College (NDC) and Institute for Security Studies (ISS); Lack of harmonization of the intra-sectoral and multi-agency coordination and operations; Lack of establishment of mechanisms for defense to participate in primary, secondary and industrial production; Lack of regulatory frameworks to guide and support involvement in national infrastructure development; and absence of a mechanism to establish a National Service System.
D	Local Government		51.8	
Total Compliance		**68.3**	**58.8**	

Annex 2:Local government performance assessment summary sheet

Sno	Local Government	Planning process score (%)	Alignment		Overall District Score (%)
			LGDP (%)	AWPB (%)	
1	Abim	75	41.9	30.5	58.6
2	Adjumani	100	39.6	39.6	75.8
3	Agago	75	33.3	24.7	55.9
4	Alebtong	75	29.8	17.2	53.4
5	Amolatar	50	20.8	8.5	34.9
6	Amudat	75	31.7	17.2	53.6
7	Amuria	50	27.5	13.4	37.1
8	Amuru	50	42	40.4	46.4
9	Apac	50	14.4	11.8	35
10	Arua	75	36.9	27	57
11	Arua MC	50	27.8	23.9	40
12	Budaka	100	13.5	12.6	65.1
13	Bududa	75	10.5	8	48.5
14	Bugiri	50	29.2	23.4	40.1
15	Buhweju	75	29	35.8	58.5
16	Buikwe	100	19	31.4	71.1
17	Bukedea	25	15.3	7.1	18.8
18	Bukomansimbi	75	18.3	23.9	53.9
19	Bukwo	25	11.1	7.4	18.4
20	Bulambuli	50	21.3	12.5	36.1
21	Buliisa	75	26.9	19.9	53.8
22	Bundibugyo	75	25	26	55.3
23	Bushenyi	25	15.5	15.3	21.1
24	Bushenyi - Ishaka MC	100	16.1	16	66.4
25	Busia	75	27.4	24.9	55.3
26	Butaleja	50	16.7	15.7	36.4
27	Butambala	25	0	8.1	17.3
28	Buvuma	75	19.1	20	52.9
29	Buyende	75	8.4	18.8	51.3
30	Dokolo	75	24.8	16.9	52.7
31	Entebbe MC	100	28.1	32.3	72.4
32	Fort portal MC	100	12.1	11.6	64.7
33	Gomba	50	13.4	28.6	39.6
34	Gulu	75	14.1	21.4	52.7
35	Gulu MC	75	37.7	32.2	58.5

Sno	Local Government	Planning process score (%)	Alignment		Overall District Score (%)
			LGDP (%)	AWPB (%)	
36	Hoima	100	36.6	23.9	71.1
37	Hoima MC	75	11.1	10.5	49.3
38	Ibanda	100	21.6	20.6	68.4
39	Iganga	50	25	26	40.3
40	Iganga MC	75	16	17.2	51.7
41	Isingiro	100	15.9	17.4	66.8
42	Jinja District	75	22.6	24.2	54.5
43	Jinja MC	75	20.2	24.5	54.3
44	Kaabong	75	18.9	13.2	51
45	Kabale	75	26	26.6	55.6
46	Kabale Municipal	75	29.9	38.4	59.3
47	Kabarole	75	12.2	12.4	49.9
48	Kaberamaido	75	17.3	10.7	50.1
49	Kalangala	50	33	29.5	42.2
50	Kaliro	100	7.3	5.6	62.4
51	Kalungu	50	37.8	34.7	44.3
52	Kamuli	75	31.7	37.9	59.4
53	Kamwenge	100	25	27	70.6
54	Kanungu	75	32.5	11	52
55	Kapchorwa	25	7.7	5.4	17.4
56	Kasese Dist	75	29.9	38.4	59.3
57	Kasese MC	75	11.7	14.3	50.4
58	Katakwi	75	18.7	14.2	51.2
59	Kayunga	75	19.9	25.8	54.6
60	Kibaale	100	20.5	14.1	66.4
61	Kiboga	50	27.2	22	39.4
62	Kibuku	100	22.8	22.6	69.1
63	Kiruhura	75	19.7	15.9	51.8
64	Kiryandongo	75	56.8	42.3	63.7
65	Kisoro	75	8.9	24.3	52.9
66	Kitgum	50	11.1	8.3	33.7
67	Koboko	100	34.2	30	72.5
68	Kole	50	22.5	27.5	40.4
69	Kotido	25	22	15.7	22
70	Kumi	50	21.6	17.1	37.4
71	Kween	50	13.7	8.8	34.1
72	Kyankwanzi	75	18.6	21.3	53.2

Sno	Local Government	Planning process score (%)	Alignment		Overall District Score (%)
			LGDP (%)	AWPB (%)	
73	Kyegegwa	50	26.9	10.3	36.1
74	Kyenjojo	75	49.8	34.3	60.6
75	Lamwo	75	11.7	14.7	50.5
76	Lira	75	13.8	8.7	49.1
77	Lira MC	75	15	9.1	49.3
78	Luuka	75	38.5	69.9	69.2
79	Luwero	100	27.2	14.5	67.3
80	Lwengo	75	16	26.4	54.3
81	Lyantonde	75	11.8	25	53.4
82	Manafa	50	6.1	4.6	32
83	Maracha	75	4.7	3.1	46.4
84	Masaka	75	36.5	34.4	59
85	Masaka MC	75	30.5	34.2	58.2
86	Masindi	100	26.2	23.8	69.8
87	Masindi MC	75	25.8	17.6	53
88	Mayuge	100	15.9	22.1	68.1
89	Mbale	100	9.1	15.2	65.3
90	Mbale MC	25	13.9	7.9	18.9
91	Mbarara	75	43.6	32.6	59.4
92	Mbarara MC	50	7.7	15.6	35.3
93	Mitooma	100	21.1	11.6	65.8
94	Mityana	75	23.6	19.4	53.3
95	Moroto	75	30.8	30.4	57.2
96	Moroto MC	75	8.4	19.5	51.5
97	Moyo	100	11	26	68.6
98	Mpigi	75	33.1	35.4	58.9
99	Mubende	50	11.7	39.1	42.4
100	Mukono	100	25.2	30.9	71.7
101	Mukono MC	100	34.4	21.2	70.1
102	Nakapiripiriti	75	36.4	30.6	57.9
103	Nakaseke	50	11.3	25.6	38.5
104	Nakasongola	25	26.9	24.5	25.1
105	Namayingo	75	32	12.2	52.3
106	Namutumba	75	33.8	30	57.5
107	Napak	75	4.7	3.1	46.4
108	Nebbi	75	37.8	39.4	60.6
109	Nebbi	75	37.5	39.4	60.5

Sno	Local Government	Planning process score (%)	Alignment		Overall District Score (%)
			LGDP (%)	AWPB (%)	
110	Ngora	75	19.6	13.5	51.1
111	Ntoroko	75	35	27.1	56.8
112	Ntungamo	50	25	27	40.6
113	Ntungamo MC	50	5.4	18	35.7
114	Nyoya	75	55.2	25.7	58.8
115	Otuke	75	55.1	40.5	63
116	Oyam	75	49.2	31.9	59.8
117	Pader	75	28.4	0	48.4
118	Pallisa	50	21.8	13.9	36.5
119	Rakai	25	12.4	11.8	19.8
120	Rubirizi	100	13.8	15.8	66.1
121	Rukungiri District	100	13.8	15.8	66.1
122	Rukungiri MC	75	18.5	18.5	52.4
123	Sembabule	50	25.5	26.4	40.5
124	Serere	100	22.7	20.8	68.5
125	Sheema	75	39.4	37.2	60.1
126	Sironko	25	16.5	12.9	20.6
127	soroti	75	24.2	31.6	56.8
128	Soroti MC	75	23.1	21.3	53.7
129	Tororo	75	9.2	12.8	49.7
130	Tororo MC	75	7.9	55	61.3
131	Wakiso	100	18.6	14.1	66.2
132	Yumbe	100	39.7	31.5	73.6
133	Zombo	75	35	23.4	55.8

Annex 3: SUMMARY STATUS OF PLANNING FRAMEWORKS

1. SECTOR LEVEL

S/N	SECTOR	SDP performance	Comment
1	Public Administration	4	Strategic plan approved and aligned to the NDPII
2	Legislature	4	Strategic plan approved and aligned to the NDPII
3	ICT	4	Strategic plan approved and aligned to the NDPII
4	Health	4	Strategic plan approved and aligned to the NDPII
5	Energy	4	Strategic plan approved and aligned to the NDPII
6	Security	4	Strategic plan approved and aligned to the NDPII
7	Social Development	4	Strategic Plan approved and aligned to the NDPII
8	Land, Housing & Urban Development	3	Strategic plan is aligned to NDPII though runs from 2014/15 to 2018/19 outside the NDPII horizon
9	Justice, law and Order	3	The sector has a draft plan which is aligned in-terms of the priorities and timeline
10	Accountability	3	The sector Development plan is aligned to the NDPII not yet approved.
11	Agriculture	3	Has a Strategic Plan that is aligned to NDP II but not yet approved
12	Environment and Natural Resource	3	Draft aligned to NDPII in terms of timeframe and content but not yet approved.
13	Education	1	A draft is in place (2015/2016-2019/2020)
14	Works and Transport	0	No approved plan. However the sector is currently drafting the new sector plan, draft not yet submitted to NPA
15	Tourism, Trade and Industry	0	No sector development plan
16	Public, Sector Management	0	PSM has no Sector Development Plan (SDP)

2. MDA LEVEL

S/No	Ministry, Department & Agency	MDA Development Plan performance	Remarks
1	IG	4	Approved and aligned to NDPII
2	URA	4	Approved and aligned to NDPII
3	URBRA	4	Approved and aligned to NDPII
4	Uganda Coffee Development Authority (UCDA)	4	Approved and aligned to NDPII
5	Ministry of Energy and Mineral Development (MEMD)	4	Approved and aligned to NDPII
6	Uganda AIDS Commission (UAC)	4	Approved and aligned to NDPII
7	Health Service Commission (HSC)	4	Approved and aligned to NDPII
8	National Medical Stores (NMS)	4	Approved and aligned to NDPII

9	Uganda Communications Commission (UCC)	4	Approved and aligned to NDPII
10	UICT	4	Approved and aligned to NDPII
11	UPF	4	Approved and aligned to NDPII
12	Ministry of Lands Housing and Urban Development (MLHUD)	4	Approved and aligned to NDPII
13	Ministry of Foreign Affairs (MoFA)	4	Approved and aligned to NDPII
14	National Environmental Management Authority (NEMA)	4	Approved and aligned to NDPII
15	National Planning Authority (NPA)	4	Approved and aligned to NDPII
16	MoPS	4	Approved and aligned to NDPII
17	Ministry of Trade, Industry and Cooperatives (MTIC)	4	Approved and aligned to NDPII
18	Ministry of Trade Wildlife and Antiquities (MTWA)	4	Approved and aligned to NDPII
19	Uganda Wildlife Education Centre (UWEC)	4	Approved and aligned to NDPII
20	MAAIF	3	Draft plan is aligned to NDPII. It has been approved by top management but not yet signed by the Minister.
21	Ministry of Finance Planning and Economic Development (MoFPED)	3	Has an aligned draft SDP but not yet approved.
22	Ministry of Water and Environment (MWE)	3	Draft aligned to NDPII in terms of timeframe and content but not yet approved.
23	Office of Auditor General (OAG)	3	OAG's strategic plan is approved and aligned to the NDPII. However it lacks targets for better tracking of performance.
24	Uganda Bureau of Standards (UBOS)	3	UBOS strategic plan is aligned in terms of content to the NDPII but not by time frame because it from 2013/14 -2017/18.
25	DEI	3	The strategic plan is still a draft but alignment to NDPII content and time frame but lacks the results/M&E framework with annualised targets.
26	PPDA	3	The plan is approved and aligned to the NDPII content and not the time frame
27	Financial Intelligence Authority (FIA)	3	The Draft plan is aligned but not yet approved as FIA is a new vote which is less than one year.
28	Bank of Uganda (BoU)	3	It has an approved plan and it is aligned to NDPII content and not the time frame (2012-2017)
29	Capital Markets Authority (CMA)	3	The draft Strategic Plan is aligned to the NDPII content with the emphasis of implementing the CMA reform recommendations in the capital market development master plan.
30	National Social Security Fund (NSSF)	3	Approved plan and aligned to NDPII business but not timeframe. More deals with government business when government issues instruments in the security Market.

31	Uganda Investment Authority (UIA)	3	The strategic plan is aligned and approved though it lacks the detailed M&E framework to track implementation.
32	Private Sector Foundation Uganda (PSFU)	3	PSFU has a strategic plan that is aligned to NDPII in content and not time frame it runs from FY 16/17 to 19/2020.
33	IRA	3	The Strategic plan is approved and aligned to NDPII content but not time frame. The plan runs from the FY 2012/13 - 2016/17.
34	Economic Policy Research Centre (EPRC)	3	The Strategic plan is approved and aligned to NDPII content but not time frame. The plan runs from the FY 2013/14 - 2016/17.
35	CDO	3	Have a draft plan that is aligned to NDPII but not yet approved
36	Diary Development Authority (DDA)	3	Has a Strategic Plan that is aligned to NDP II but not yet approved
37	Judiciary	3	The institution has a draft plan that is aligned to the NDPII
38	ULRC	3	The institution has a Draft plan in place hat is aligned to the sector Plan and NDPII
39	DCIC	3	The draft strategic development plan was finalized. Consultation with NPA required for harmonization of timing with NDPII which has been effected and ready for final printing
40	Directorate of Governmental Analytical Laboratory (DGAL)	3	Draft Plan in place. The development of the plan is in process, which will end on 13th March 2017. In the process of developing
41	JSC	3	The institution has a draft plan in place that is aligned to the Sector Plan and the NDPII
42	UHRC	3	The institution has a draft plan in place
43	UPS	3	Finalized and not yet signed off (not yet approved and published) and already submitted to NPA. Aligned to JLOS SIP and NDPII
44	Office of the Prime Minister (OPM)	3	OPM has a Strategic Plan that is aligned to the NDPII in contents and timeframe but not signed off
45	Uganda Export Promotion Board (UEPB)	3	Aligned but not approved
46	Uganda National Bureau of Standards (UNBS)	3	Aligned but not approved
47	Uganda Free Zones Authority (UFZA)	3	Aligned but not approved
48	Uganda Tourism Board (UTB)	3	Aligned but not approved
49	UDBL	2	UDBL has an approved strategic plan but it is not aligned to the NDPII. However it is in the process of developing a new one that will be aligned to the NDPII.
50	Equal Opportunities Commission (EOC)	2	EOC has an approved but not aligned plan in timeframe (2013/14-2017/18).
51	National Agricultural Research Organization (NARO)	2	NARO has a strategic plan which is expiring 2017/18, the content is aligned to NDP II

52	Education Service Commission (ESC)	2	Approved but not aligned. The existing plan expires June 2017 (2012/13-2016/17)
53	Makerere University (MUK)	2	Approved but not aligned with the key elements and priorities of NDPII (2008-2018)
54	Gulu University (GU)	2	Approved by not aligned with the key elements and priorities of NDPII (2009/10-2018/19)
55	Busitema University (BU)	2	Whereas the plan is approved, it is not aligned within the NDPII timeframe and content(2014/15-2018/19)
56	Uganda Management Institute (UMI)	2	Approved but not aligned particularly on timeframe
57	Uganda National Examinations Board (UNEB)	2	Approved but not aligned. The existing plan expires June 2017 (2012/13-2016/17)
58	National Curriculum Development Centre (NCDC)	2	Approved but not aligned. The existing plan expires June 2017 (2012/13-2016/17)
59	National Water and Sewerage Corporation (NWSC)	2	NWSC has an approved strategic plan aligned to the NDPII in terms of content but not timeframe
60	Electricity Regulatory Authority (ERA)	2	Approved but not aligned particularly on timeframe
61	Uganda Electricity Generation Company Ltd (UEGCL)	2	Approved but not aligned particularly on timeframe
62	Uganda Electricity Transmission Company Ltd (UETCL)	2	Approved but not aligned particularly on timeframe
63	Uganda Electricity Distribution Company Ltd (UEDCL)	2	Approved but not aligned particularly on timeframe
64	REA	2	Approved but not aligned particularly on timeframe
65	NITA	2	Plan is not aligned by time horizon - runs from 2013/14 - 2017/18
66	POSTA	2	Plan is not aligned by time horizon - runs from 2013 - 2018
67	ULC	2	Strategic plan approved not aligned
68	MoEACA	2	MEACA has a Strategic Plan that is not aligned to the NDPII in terms of timeframe though to some extent the contents are aligned. The strategic plan is running from 2017/18 to 2019/20
69	PSC	2	PSC has a strategic Plan that is not aligned to the NDPII in terms of time frame. The Plan runs from 2012 to 2017. PSC is in preparations for having a new strategic plan
70	LGFC	2	SIP expired in 2015/2016. However, the BFP objectives are consistent with NDP II Sector objectives and in the process of formulation a New Strategic Plan procured. Pg. 7 of BFP - Annex 2 of Annual Work plans 2016-17.
71	Ministry of Local Government (MoLG)	2	The Ministry has a Strategic Plan but not aligned to the NDPII in terms of time frame. The LGSSP is for the period 2013-2023
72	HTTI	2	Approved but not aligned to NDPII;2012/13 - 2016/17
73	Civil Aviation Authority (CAA)	2	The plan is aligned in terms of content but not

			aligned in the time horizon
74	URF	2	The plan is aligned in terms of content but not aligned in the time horizon
75	Ministry of Defence	1	Draft plan in place
76	National Animal Genetics Research and Data Bank Centre - NAGRCNAGRIC	1	Has a draft strategic plan
77	National Agricultural Advisory Services (NAADS)	1	Have operational guidelines, have started the process of developing the strategic plan now in draft form
78	National Forestry Authority (NFA)	1	First Draft was submitted to NPA for review were corrective comments were reverted
79	Mbarara University of Science and Technology (MUST)	1	Whereas the content of the draft is to a great extent aligned to the NDPII, its timeline is not (2016/17-2025/26). Moreover, it is yet to be approved and there are some gaps within the document that would require redress
80	Muni University (MU)	1	Draft aligned to the NDPII timeframe but not aligned with all the suggested priorities and structure
81	Makerere University Business School (MUBS)	1	Draft plan in place not aligned
82	Uganda Heart Institute	1	It has a draft 10 year strategic plan 2015/16-2024/2025
83	Uganda Cancer Institute	1	It has a draft 10 year strategic plan 2015/16-2024/2025
84	Hoima Referral Hospital	1	Agency indicates to have a draft strategic Plan but NPA has not received it, besides that strategic plan is for the period 2011/12-16/17
85	Jinja Referral Hospital	1	Agency indicates to have a draft strategic Plan but NPA has not received it, besides that strategic plan is for the period 2011/12-16/18
86	Kabale Referral Hospital	1	Have a 30 year plan (2010-2040) though NPA is yet to receive it
87	Masaka Referral Hospital	1	Agency has a plan for 2012-2016/17 though not received by NPA
88	Mbale Referral Hospital	1	Draft received, reviewed, comments provided by NPA but Agency has not yet reverted
89	Mbarara Referral Hospital	1	Strategic Plan not received, but Agency indicates that plan is available for 2013-2017, hence not aligned
90	China -Uganda Friendship Hospital	1	Agency indicates to have a strategic plan but it is not shared it with NPA
91	Ministry of Internal Affairs (MoIA)	1	Draft Plan produced and ready for submission to NPA for Review of alignment
92	URSB	1	Has a draft plan yet to be submitted to NPA
93	Electoral Commission (EC)	1	Draft in place. Its objectives are not aligned to the NDPII.
94	Office of the President (OP)	1	Draft plan is still work in progress
95	State House (SH)	1	Draft in place
96	External Security Organisation	1	A draft Strategic Plan exists

97	Uganda Development Corporation (UDC)	1	Draft plan exists
98	UNMA	1	First Draft discussed in a stakeholder consultative meeting. Revised draft not yet shared.
99	MoES	0	No plan submitted
100	Kyambogo University (KYU)	0	No plan submitted
101	SUN	0	No plan submitted
102	KAB	0	No plan submitted
103	LIRAUNI	0	No plan submitted
104	Ministry of Health	0	The MoH priorities are integrated in the HSDP as the sector lead Agency
105	Uganda Blood Transfusion Service	0	No strategic Plan
106	Mulago Hospital Complex	0	Agency indicates to have a draft strategic Plan but NPA has not received it
107	Butabika Hospital	0	No strategic Plan
108	Arua Referral Hospital	0	Agency indicates to have a draft strategic Plan but NPA has not received it
109	Fort Portal Referral Hospital	0	Agency indicates to have a draft strategic Plan but NPA has not received it
110	Gulu Referral Hospital	0	No strategic Plan
111	Soroti Referral Hospital	0	No strategic Plan submitted
112	Lira Referral Hospital	0	No strategic Plan submitted
113	Mubende Referral Hospital	0	No strategic Plan submitted
114	Moroto Referral Hospital	0	No strategic Plan submitted
115	National Drug Authority	0	It is not a vote but gets subvention from MoH hence guidance is needed on how to handle
116	MoICT & NG	0	The Ministry doesn't have a plan
117	Ministry of Justice and Constitutional Affairs (MoJCA)	0	No plan in place
118	Directorate of Public Prosecutions (DPP)	0	The Institution has no plan in place
119	Law Development Centre (LDC)	0	The institution has no draft plan in place
120	Internal Security Organisations	0	Has a draft template of the Strategic Plan
121	Ministry of Gender Labour and Social Development (MGLSD)	0	No plan submitted
122	Management Training and Advisory Centre (MTAC)	0	No plan submitted
123	UWRTI	0	No plan submitted
124	Ministry of Water and Transport (MoWT)	0	There is currently no approved plan. However they are drafting a new sector plan, draft not submitted to NPA
125	Uganda National Roads Authority (UNRA)	0	The new strategic plan they are drafting has not been presented to NPA yet,
126	URC	0	URC has not submitted an approved plan to NPA, However NPA is aware process is ongoing.
127	UPA	0	No plan submitted

128	NAT	0	No plan submitted
129	ULGA	0	No Plan submitted
130	UAAU	0	No plan submitted
131	Kampala Capital City Authority (KCCA)	3	The Strategic Plan is in line with the NDPII content; However, the plan runs from 2014/15-2018/19 outside the NDPII horizon

Annex 4: Methodology of The Certificate of Compliance Assessment

3.0 Methodology

The overall compliance of the AB to the NDP is derived from a step-wise assessment approach undertaken at four different levels namely: Macroeconomic, National, Sector/MDA and LG. In the first step, the macroeconomic level assesses whether the AB macroeconomic targets are geared towards attaining NDPII medium-term macroeconomic targets and outcomes. In the second step, the national level assesses whether the AB strategic direction is consistent with the NDPII strategic direction. In the third step, the sector/MDA level assesses whether the AB strategic direction is translated into sector/MDA specific interventions to deliver the NDPII. Lastly, the LG level assesses whether the LG interventions are focused towards delivering the NDPII targets and outcomes. For FY2016/17, the overall compliance score is a weighted average of these different levels at 20, 20, 40 and 20 percentage weights, respectively.

Algebraically, the overall compliance score is:

$$AB_{compliance} = w_m * C_{macro} + w_n * C_{national} + w_s * C_{sector} + w_{lg} * C_{lg} \quad (1)$$

Where,

$AB_{compliance}$, is the Overall AB alignment to the NDP

C_{macro} is the overall joint compliance mark at macroeconomic level of the budget framework, the annual budget and actual performance (outturn) with the NDPII;

$C_{national}$, Is the compliance score at national level

C_{sector} Is the overall sector performance;

C_{lg} Is the overall integrated compliance mark at Local Government level;

w_m Is weight attached to Macro-economic level assessment (i.e. w_m=0.2);

w_n Is weight attached to National level assessment (i.e. w_n=0.3);

w_s Is weight attached to sector level assessment (i.e. w_s=0.3) and

w_{lg} Is the weight attached to Local Government assessment (i.e. w_{lg}=0.2)

The details of the different levels compliance assessment framework are presented below.

3.1 Macro level Assessment Criteria

At the Macro level compliance assesses whether the AB is consistent with the Charter for Fiscal Responsibility (CFR) on one hand and the NDPII on the other hand. The CFR is assessed in consistency with NDPII. As such, the overall compliance score at this level of assessment is two-step weighted average of: first step-90 percent for the AB, and; second step-10 percent for CFR[3].

The first step is further divided into two weighted stages at: 60 percent for budgeting and 40 percent for actual budget performance compliance with NDPII. The actual budget performance

[3]Since the CFR is in the first place expected to be aligned with the plan compliance to it is given a lower weight of 10percent while alignment to the NDP is weighted higher at 90percent.

carries a lesser weight than budgeting since at the time of assessment information is incomplete (i.e half versus full year assessment). Within the budgeting stage an additional two weighted stages is carried out at: 40 percent for BFP and 60 percent of AB. The AB is carries a higher weight than the BFP since the BFP is an indicative process that informs the AB and ultimately the AB is the final operational tool that implements the NDP.

Algebraically the Macro level Compliance score is:

$$C_{macro} = \left\{\left\{\frac{(\sum_{i=1}^{n}\sum_{BF,AB}(w_{BF} * IndScore_{BF,i} + w_{AB} * IndScore_{AB,i}))}{n * r} * 100\%\right\} * W_{BF \cup AB} + \left\{\frac{\sum_{j=1}^{m} IndScore_{PERF,j}}{m * r} * 100\%\right\} * W_{PERF}\right\} * W_{B \cup P \perp CFR} + \left\{\frac{\sum_{k}^{z} IndScore_{CFR,k}}{z * r} * 100\%\right\} * W_{CFR} \quad (2)$$

Where

C_{macro} is the overall joint compliance mark at macroeconomic level of the budget framework, the annual budget and actual performance (outturn) with the NDPII;

$IndScore_{BF,i}$ is the compliance score of the NBFP for a particular indicator, i;

$IndScore_{AB,i}$ is the compliance score of the AB for a particular indicator, i;

$IndScore_{\boldsymbol{PERF,j}}$ is indicator j's compliance score for outturn or actual performance (PERF).

$IndScore_{CFR}$ is indicator k's compliance score of the BFP with the CFR; for all values of k ranging from 1 to z;

w_{AB} is the weight attached to contribution of the Annual Budget to overall compliance with the NDP (i.e., $w_{AB} = 0.6$);

w_{BF} is the weight attached to contribution of the National Budget Framework Paper to overall compliance with the NDP (i.e., $w_{BF} = 0.4$; $w_{AB} + w_{BF} = 1.0$);

$W_{BF \cup AB},$ is the weight attached to the joint compliance score for both BF and AB in for all indicators (i.e., $W_{BF \cup AB} = 0.7$);

W_{PERF} is the weight attached to the contribution of performance outturns for all indicators in relation to the joint contribution of BF and AB in overall compliance (i.e., $W_{\mathbf{PERF}} = 0.3$; $W_{BF \cup AB} + W_{\mathbf{PERF}} = 1.0$);

$W_{BUP\ \ CFR}$ is the weight attached to the compliance of the budget to the NDP given that compliance with the charter for fiscal responsibility is also required (i.e, $W_{BUP\ \ CFR} = 0.9$);

W_{CFR} is the weight attached to the compliance of the budget to the charter for fiscal responsibility (CFR), given that the charter is expected to be compliant with the NDPII (i.e. $W_{CFR} = 0.1$; $W_{BUP\ \ CFR} + W_{CFR} = 1.0$);

BF, AB, CFR are notations for National Budget Framework Paper, the Annual Budget and the Charter for Fiscal Responsibility respectively;

i, j, k is the i-th, j-th or k-th indicator out of the total number of indicators assessed.

r	is the highest number of points attainable in the assessment of each indicator (i.e., r=5);
n, m, z	is the total number of indicators assessed for compliance (i.e., n=44, m=44, and z=2) and
Σ	is a summation notation, indicating that there is addition across indicators (n or m) or across the documents assessed (BF and AB) and performance.

The individual indicator (based on objectives, strategies, and targets) score is premised on the ability indicator to remain within a 30 percent deviation from the level set in the NDPII. The 30 percent deviation is based on the fact that divergence of a specific indicator within that range in one financial year may not significantly affect realization of the desired target and the objective over the medium-term period. The actual indicator score is based on a six (6) point scale ranging from 0 to 5, in the following manner: (i) 0: points awarded if the deviation is 30 percent and above; (ii) 1 point is awarded if the deviation is between 24 and 29 percent; (iii) 2 points are awarded if the deviation is 18 and 23 percent; (iv) 3 points are awarded if the deviation is 12 and 17 percent; (v) 4 points are awarded if the deviation is 6 to 11 percent; and (vi) 5 points(for full compliance) are awarded if the deviation is 0 to 5 percent.

3.2 National level assessment

At National level compliance is assessed at five broad NDPII focus areas: the NDPII Theme; Objectives; Development strategy; National Priorities and; Core projects. The overall score at national level is a weighted average of these focus areas with each contributing 20% to the final score. These NDPII broad focus areas are disaggregated and further broken down to form checklists. Therefore, the national level compliance is represented as follows:

$$C_{national} = \frac{C_{theme} + C_{objective} + C_{strategy} + C_{priorities} + C_{Progress}}{5} \qquad (3)$$

Where,

C_{theme} Compliance of the Budget at the theme level of the National level assessment

$C_{objective}$ Compliance of the Budget at the objective level of the National level assessment

$C_{Strategy}$ Compliance of the Budget at the Development Strategy level of the National level assessment

$C_{priorities}$ Compliance of the Budget at the Development priority level of the National level assessment.

$C_{Cproject}$ Is the core projects performance score;

3.2.1 The Theme Level assessment

This level of assessment examines whether the AB and NBFP are consistent with NDP II at theme level. The NDPII Results Framework indicators have been adopted. The KRA column is further breakdown into indicators and a checklist column against which assessment at this level is gauged.

At this level, the alignment of the NBFP and AB to the NDP contribute 100% of the total weighted score in a ratio of 30% to 70% respectively. The total contribution of the theme level assessment to overall national level compliance is 20%. Algebraically this can be represented as follows:

$$C_{theme} = \left\{ \left[\left(\frac{\sum_{i=0,1} NBFPS_i}{n} \right) * wNBFP + \left(\frac{\sum_{i=0,1} ABS_i}{n} \right) * wAB \right\} \quad (4)$$

Where

C_{theme}	Compliance of the Budget at the theme level of the National level assessment
$NBFPS_i$	is the Score of the alignment of NBFP to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no).
ABS_i	the Score of the alignment of AB to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no).
$wNBFP$	is the weight attached to the NBFP score which is 30% of the overall compliance.
wAB	is the weight attached to the AB score which is 70% of the overall compliance at this level.

3.2.2 The objective level assessment

This level of assessment examines whether the AB and NBFP are consistent with NDP II at objective level. The NDPII Results Framework indicators have been adopted. The Key Result Area (KRA) column is further breakdown into indicators and a checklist column against which assessment at this level is gauged. At this level, the alignment of the NBFP and AB to the NDP contribute 100% of the total weighted score in a ratio of 30% to 70% respectively. The total contribution of the theme level assessment to overall national level compliance is 20%.

Algebraically this can be represented as follows:

$$C_{Objective} = \left\{ \left[\left(\frac{\sum_{i=0,1} NBFPS_i}{n} \right) * wNBFP + \left(\frac{\sum_{i=0,1} ABS_i}{n} \right) * wAB \right\} \quad (5)$$

Where

$C_{objective}$	Compliance of the Budget at the objective level of the National level assessment;
$NBFPS_i$	is the Score of the alignment of NBFP to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);
ABS_i	the Score of the alignment of AB to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);
$wNBFP$	is the weight attached to the NBFP score which is 30% of the overall compliance

wAB is the weight attached to the AB score which is 70% of the overall compliance at this level.

3.2.3 Development strategy level assessment

This level of assessment examines whether the AB and NBFP are consistent with NDP II at development strategy level. The KRA column is breakdown into indicators and a checklist column against which assessment at this level is gauged. At this level, the alignment of the NBFP and AB to the NDP contribute 100% of the total weighted score in a ratio of 30% to 70% respectively. The total contribution of the development strategy level assessment to overall national level compliance is 20%.

Algebraically this can be represented as follows:

$$C_{Strategy} = \left\{ \left(\frac{\sum_{i=0,1} NBFPS_i}{n} \right) * wNBFP + \left(\frac{\sum_{i=0,1} ABS_i}{n} \right) * wAB \right\} \quad (6)$$

Where

$C_{Strategy}$ Compliance of the Budget at the Development Strategy level of the National level assessment.

$NBFPS_i$ is the Score of the alignment of NBFP to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);

ABS_i the Score of the alignment of AB to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);

$wNBFP$ is the weight attached to the NBFP score which is 30% of the overall compliance

wAB is the weight attached to the AB score which is 70% of the overall compliance at this level.

3.2.4 National Priorities

This level of assessment examines whether the AB and NBFP are consistent with NDP II at National Priorities level. The KRA column is breakdown into indicators and a checklist column against which assessment at this level is gauged. At this level, the alignment of the NBFP and AB to the NDP contribute 100% of the total weighted score in a ratio of 30% to 70% respectively. The total contribution of the development strategy level assessment to overall national level compliance is 20%.

Algebraically this can be represented as follows:

$$C_{priorities} = \left\{ \left(\frac{\sum_{i=0,1} NBFPS_i}{n} \right) * wNBFP + \left(\frac{\sum_{i=0,1} ABS_i}{n} \right) * wAB \right\} \quad (7)$$

Where

$C_{priorities}$	Compliance of the Budget at the Development Strategy level of the National level assessment.
NBFPSi	is the Score of the alignment of NBFP to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);
ABSi	the Score of the alignment of AB to the NDPII checklist indicator where 1 is scored for compliance (yes) and 0 for noncompliance (no);
$wNBFP$	is the weight attached to the NBFP score which is 30% of the overall compliance and
wAB	is the weight attached to the AB score which is 70% of the overall compliance at this level.

3.2.5 Assessment of Core Projects

The assessment of core projects is done at three levels: alignment of core projects to NBFP and AB; Core projects budget performance and progress on implementation of core projects which are allocated are weighed at 30, 40 and 30 respectively.

Algebraically this can be represented as follows:

$$C_{Cproject} = w_{pba} * CProject_{BFPAB} + w_{cbp} * Cproject_{CABperf} + w_{pp} Project_{progress} \quad (8)$$

Where,

$C_{Cproject}$	Is the core projects performance score;
$Cproject_{BFPAB}$	is the core project alignment of the sector BFP and AB to the NDP;
$Project_{progress}$	Is the performance score for progress of implementation of projects;
w_{pba}	is the weight attached to alignment of core projects to NBFP and AB ($w_{pba} = 0.3$);
w_{cbp}	Is the weight attached to core projects budget performance ($w_{cbp} = 0.4$)
w_{pp}	Is the weight attached to progress of implementation of core projects ($w_{pp} = 0.3$).

3.2.5.1 Alignment of core projects to NBFP and AB

At this level of assessment, it is considered that NBFP and AB prioritizes the implementation of core projects. Therefore, the NBFP and AB are assessed to identify whether they prioritized the implementation of core projects. The scoring criteria at this level is a binary scale where a score of one (1) is allocated if the core project is prioritized in the NBFP or AB and a zero (0) otherwise.

Algebraically this can be represented as follows:

$$CProject_{BFPAB} = w_{BFP} * \left\{\frac{\sum_i^n IndScore_{\ BFP,i}}{n} * 100\right\} + w_{AB} * \left\{\frac{\sum_j^m IndScore_{\ AB,j}}{m} * 100\right\} \quad (9)$$

Where

$Cproject_{BFPAB}$	is the core project alignment of the sector BFP and AB to the NDP;
$IndScore_{BFP,i}$	is the indicator score for i^th core project in NBFP;
$IndScore_{AB,j}$	Is the indicator score for j^th core project in AB;
w_{BFP}	Is the weight attached to the alignment of core projects in the BFP (w_{BFP}=0.3);
w_{AB}	Is the weight attached to the alignment of core projects in the AB (W_{AB}=0.7);
BFPAB	is the notations for Budget Framework Paper and Annual Budget
BFP	is the notation for Budget Framework Paper
AB	is the notation for Annual Budget
n, m	is the number of core projects scored in the BFP and AB respectively;i, j is the i^th & j^th core project in the BFP and AB respectively;
	Is the summation notation, indicating that there is addition across indicators

3.2.5.2 Core Projects Budget Performance

At the core project level, annual budget performance compliance is premised on the ability of projects budgets outturn to remain within 10 percent from the level set at the time of approval of the annual budgets. The deviation of 10 percent is premised on the fact that divergence of such magnitude during the course of execution of the core projects in just one single year will significantly affect the attainment of planned outputs and targets.

The scoring decision for the core projects budget outturn is thus decided on a six-point scale ranging from 0 to 5, in the following order. (i) if 10%> deviation score 0 else (ii) if 8%>= deviation <10% score 1 else (iii) if 6%>= deviation <8% score 2 else (iv) if 4>= deviation <6 score 3 else (v) if 2>= deviation < 4 score 4 else (v) if deviation <2 score 5. The score of 5 represents a full compliance.

Algebraically this can be represented as follows:

$$Cproject_{CABperf} = \frac{\sum_j^m IndScore_{\ j}}{m*r} * 100 \qquad (10)$$

Where,

$CProject_{CABperf}$	Is the core projects level annual budget performance;
$IndScore_j$	Is the Indicator score for j^{th} core project;
m	Is the total number of core projects assessed;
	Is the summation notation, indicating that there is addition across indicators;
CABperf	Is the notation for core projects Annual Budget performance;
AB	Is the notation for Annual Budget;
r	is the maximum score that can be awarded to the sector/MDA budget performance.

3.2.5.3 Progress on implementation of Core Projects

To track the progress of implementing the core projects, Project performance is assessed. In this case, 0% is awarded if the project has not started, 25% if it is undergoing feasibility, 50% if the project is ready for implementation, 75% if it is ongoing but below schedule and a score of 100% if the project is on schedule.

3.3 Sector level assessment

At Sector level compliance is assessed at four levels of alignment to NDP, namely: i) sector planning instruments; ii) sector Public Investment Planning (PIP); iii) budgeting instruments; and iv) actual budget performance. The overall sector compliance score is thus a weighted sum at all these levels with 20, 10, 40, and 30 percent weights awarded for the different levels respectively.

Algebraically, the sector level compliance score is:

$$C_{sector} = \{w_p * Planning_{comp} + w_{BA} * Sector_{BFPAB} + w_{abp} * Sect_{ABperf} + w_{pip} * Sector_{PIP}\} \quad (11)$$

Where,

C_{sector}	Is the overall sector performance;
$Planning_{comp}$	Is the overall compliance score for existence of planning frameworks;
$Sector_{BFPAB}$	is the sector alignment of the sector BFP and AB to the NDP;
$Sect_{ABperf}$	Is the sector level AB performance;
$Sector_{PIP}$	is the overall score for sector PIP alignment to the NDPII and NDP PIP;
w_a	Is the weight attached to the alignment of planning and budgeting instruments (w_a=0.2);
w_{BA}	Is the weight attached to the sector BFP and AB performance (w_a=0.4);

w_{abp} Is the weight attached the sector AB performance (w_{abp}=0.3); and

w_{pip} Is the weight attached to the sector PIP projects performance (w_{pip}=0.1)

The details of the different sector levels compliance assessment at sector are presented below.

3.3.1 Sector Development Plan alignment

This level of Sector compliance assessment assesses whether the sector planning instruments are consistent with the NDPII. Towards this end, a 5-point scale scoring criteria is used: (0) is awarded if the sector/MDA does not have a plan; (1) is awarded if a sector/MDA has a draft plan but did not submit to NPA for review; (2) is awarded to a sector/MDA with an approved plan but not aligned to NDP; (3) is awarded if a sector/MDA has an aligned plan but not approved and (4) is awarded if a sector/MDA has an approved and aligned plan to NDP. The final score is an average score based on the performance of MDAs in the sector.

Therefore, algebraically the sector planning compliance score is:

$$Planning_{comp} = \frac{\sum_i^n IndScore_i}{n*r} * 100 \qquad (12)$$

Where

$Planning_{comp}$ Is the overall compliance score for existence of planning frameworks;

$IndScore_i$ Is the indicator score for existence of sector development plan or MDA strategic plan;

n Is the number of MDAs and sector;

r Is the maximum possible score for an indicator (r=4);

i Is the i^{th} sector/MDA out of the total number of Sector/MDAs assessed;

Is the summation notation, indicating that there is addition across indicators

3.3.2 Sector BFP & AB Alignment to NDPII

Planning aside, this level of assessment, assesses whether sector budgeting is geared towards delivering the NDPII. Therefore, the sector Budget Framework Papers (BFPs) and Annual Budgets (ABs) are assessed for alignment to the NDPII. This assessment is based on the NDPII results and reporting framework. The NBFP and AB here are assessed independently by crosschecking whether the interventions and respective outputs are being planned and budgeted. The overall score at this level is a weighted sum: 40 percent for BFP and 60 percent for AB.

To score the assessment, a binary scale scoring criteria is used, where: one (1) is allocated if the output or intervention is in the BFP or AB and a zero (0) otherwise. The assessment takes into account the fact that not all interventions or outputs are applicable to all the sectors in that particular year. Therefore, where the intervention or output is not in applicable to a sector in the current year, that record is removed from the assessment by entering "not applicable" in the respective record. Therefore, the alignment of sector objectives, interventions and Outputs is derived as follows.

$$Sector_{BFPAB} = w_{BFP} * \left\{\frac{\sum_i^n IndScore_{BFP,i}}{n} * 100\right\} + w_{AB} * \left\{\frac{\sum_j^m IndScore_{AB,j}}{m} * 100\right\} \quad (13)$$

Where,

$Sector_{BFPAB}$	is the sector alignment of the sector BFP and AB to the NDP;
$IndScore_{BFP,i}$	is the i^{th} intervention or output score for the sector BFP;
$IndScore_{AB,j}$	Is the j^{th} Intervention or output score for the sector AB;
w_{BFP}	Is the weight attached to the sector BFP alignment to the NDP;
w_{AB}	Is the weight attached to the sector AB alignment to the Plan;
n, m	is the number of outputs scored in the BFP and AB respectively; i, j is the i^{th} & j^{th} output in the BFP and AB respectively;
	Is the summation notation, indicating that there is addition across indicators

3.3.3 Sector Budget performance alignment to NDPII

This level of assessment assesses whether actual budget outcomes are consistent with the realization of NDPII. Since both budget releases and expenditures are equally important in determining budget performance towards achievement of NDP, the final score at this level is an average score of releases and expenditure outturns scores.

Therefore, algebraically the sector score at this level is:

$$Sect_{ABperf} = \frac{\frac{\sum_j^m IndScore_j}{m*r} * 100 + \frac{\sum_j^m Expenditure_j}{m} * 100}{2} \quad (14)$$

Where,

$Sect_{ABperf}$	Is the sector level AB performance;
$IndScore_j$	Is the Indicator score for j^{th} sector/MDA;
$Expenditure_j$	is the money spent by the j^{th} sector;
m	Is the total number of sector and MDAs;
	is the summation notation, indicating that there is addition across indicators;
ABperf	is the notation for Annual Budget performance;
AB	Is the notation for Annual Budget;
r	is the maximum score that can be awarded to the sector/MDA budget performance;

The annual budget performance compliance is premised on the ability of sector/MDA level outturn to remain within 10 percent from the level set at the time of approval of the annual budgets. A deviation of 10 percent is premised on the fact that divergence of such magnitude during the course of execution of the annual budgets will significantly affect the efficiency and effectiveness and therefore deter the sectors from attaining the outputs as set out in the Plans.

A six-point scale is used for scoring compliance at this level, with: (i) if 10%> deviation score 0 else (ii) if 8%>= deviation <10% score 1 else (iii) if 6%>= deviation <8% score 2 else (iv) if 4>= deviation <6 score 3 else (v) if 2>= deviation < 4 score 4 else (v) if deviation <2 score 5.

3.3.4 PIP alignment to NDPII

At this level of assessment, assesses the AB to establish whether: First, sectors are implementing projects consistent with NDPII priorities and PIP projects. Second, that the PIP produced by Ministry of Finance, Planning and Economic Development is consistent with NDPII priorities. To assess at this level, a binary scale scoring criteria is used, where one (1) is awarded if the sector project is consistent with NDPII or the five-year PIP produced by the National Planning Authority and a zero (0) otherwise. The assessment takes into account the fact that not all PIP projects were planned to be implemented in the current financial year. Therefore, the individual score for PIP alignment is derived as follows.

$$Sector_{PIP} = \frac{\sum_i^n IndScore\ _i}{n} * 100 \qquad (15)$$

Where,

$Sector_{PIP}$ is the overall score for sector PIP alignment to the NDPII and NDP PIP;

$IndScore_i$ is the indicator score for i^{th} PIP project;

PIP is the notation for PIP;

n, is the number of PIP projects assessed;

i, Is the i^{th} PIP assessed;

Is the summation notation, indicating that there is addition across indicators

3.4 Ministry, Department and Agency (MDA) level assessment

The assessment at the MDA level is similar to the one at the sector level. Each MDA is assessed using the criteria adopted at the sector such as weights, scores, levels of assessment and approach. Ideally aggregation of MDA level assessment should be consistent with the sector level performance.

3.5 Local Government (LG) assessment

At Local Government (LG) level, assessment is done at three levels of alignment to NDPII, namely: i) LG planning instruments; ii) budgeting instruments; and iii) actual budget performance.

At Planning instruments level, LG are assessed upon whether they have a District Development Plan (DDP) /Municipality Strategic Plan that is aligned to NDPII. Budgeting instruments level assesses whether the budgeting process (AWP, BFP and AB) is geared towards delivering the NDPII. The budget performance level goes further to assess whether the actual budget implementation is in line with NDPII. The final score at this level is a weighted sum of 40 percent for planning instruments, 20 percent for LG budgeting process, and 40 percent for budget performance. The overall score is a weighted sum of 30 percent for DDP and 70 percent for the AB.

Algebraically the score is as follows:

$$C_{lg} = W_{dP} * LGDP_{Perf} + w_{ABP} * AB_{perf} + W_{DA} * DDPAB_{da} \qquad (16)$$

Where

C_{lg}	Is the overall integrated compliance mark at Local Government level;
$LGDP_{Perf}$	is the performance score for existence of LGDP;
AB_{perf}	Is the performance score for the local government annual budget;
$DDPAB_{da}$	Is the performance score for alignment of the DDP and AB priorities;
W_{dP}	is the weight attached to the contribution of LGDP to alignment of planning and budgeting instruments to the NDPII;
W_{DA}	Is the weight attached to the alignment of priorities for both the LGDP and AB to the NDPII.
W_{ABP}	Is the weight attached to the performance of local government annual budget;
dp	is the notation for development plan;
DA	is the notations for District Development Plan and annual budget;
AB	is the notation for annual budget;
perf	is the notation for budget performance

3.5.1 Local Government Development Plan compliance

This level assesses the existence of planning frameworks at LGs. The Scoring Criteria at this level is: a score of zero (0) is awarded if the local government does not have a LGDP; a score of one (1) is awarded if a local government has a draft LGDP but did not submit to NPA for review; a score of two (2) is awarded to a local government with an approved LGDP but not aligned to NDP; a score of three (3) is awarded if a local government has an aligned LGDP but not approved and finally a core of four (4) is awarded to a local government that has an approved LGDP and aligned to NDP.

Algebraically this can be represented as follows:

$$LGDP_{Perf} = \frac{IndScore}{r} * 100 \qquad (17)$$

Where,

$LGDP_{Perf}$,	is the overall score for the existence of planning frameworks;
$IndScore$,	is the indicator score for Local Government; and
r,	is the maximum score for LGDP;

3.5.2 Alignment of LGDP and AB priorities to NDPII strategic Interventions

At this level, the priorities of the LGDP and Annual budget are assessed for alignment to the NDPII strategic Interventions. The assessment of the LGDP and the LG AWB is based on the results and reporting framework for LGs. A binary scale is used to score, where one (1) is allocated if the strategic intervention or output is in the BFP or AWB and a zero (0) otherwise. The assessment takes into account the fact that not all strategic interventions or outputs are applicable to all the LGs. Therefore, where the strategic intervention or output is not in applicable to a local government, that record is removed from the assessment by entering “Not Applicable” in the respective record.

Algebraically this can be represented as follows:

$$DDPAB_{da} = \left\{ w_{ddp} * \left\{ \frac{\sum_i^n IndScore_{\,ddp\,,i}}{n} * 100 \right\} + w_{AB} * \left\{ \frac{\sum_j^m IndScore_{\,AB\,,j}}{m} * 100 \right\} \right\} \qquad (18)$$

Where

$DDPABC_{da}$	Is the performance score for alignment of LGDP and AB priorities to NDPII strategic Interventions;
$Indscore_{ddp\,,i}$	Is the score for alignment of priority i in the LGDP to the NDPII;
$Indscore_{AB\,,j}$	Is the score for alignment of output j in the AB to the NDPII;
w_{ddp}	Is the weight attached to the LGDP alignment to the NDPII;
w_{AB}	Is the weight attached to the AB alignment to the NDPII;
	Is the summation notation, indicating that there is addition across indicators (n,m);
DA	is the notations for LG Development Plan and annual budget
ddp	is the notation for District Development Plan
AB	is the notation for annual budget

i, & j is the i^{th} or j^{th} output out of the total of outputs assessed

n and m	is the Total number of outputs assessed for compliance

3.5.3 Local Government Budget compliance

At the Local Government level, budget compliance is premised on the ability of district departments’ budget allocation and outturn to remain within 10 percent from the level set at the time of approval of the annual budgets. The deviation of 10 percent is premised on the fact that divergence of such magnitude during the course of execution of the annual work plans and budgets will significantly affect the efficiency and effectiveness and therefore deter the LG from attaining the overall LG goals and objectives as set out in the LGDP and AWB.

The scoring decision is thus decided on a six-point scale ranging from 0 to 5, in the following order. (i) if 10%> deviation score 0 else (ii) if 8%>= deviation <10% score 1 else (iii) if 6%>= deviation <8% score 2 else (iv) if 4>= deviation <6 score 3 else (v) if 2>= deviation < 4 score 4 else (v) if deviation <2 score 5. The score of 5 represents a full compliance.

$$AB_{perf} = \frac{\sum_{c=1}^{z} IndScore_{\ Bperf\ ,c}}{z*r} * 100 \quad (19)$$

Where

AB_{perf} Is the performance score for the AB performance at local government;

$Indscore_{Bperf\ ,c}$ Is the indicator score for department c in the LG;

Is the summation notation, indicating that there is addition across indicators

z is the total of departments in the local government

r is the maximum indicator score attainable

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