THE REPUBLIC OF UGANDA

Uganda Vision 2040

# THE CERTIFICATE OF COMPLIANCE FOR THE ANNUAL BUDGET FY2019/20

## ASSESSMENT REPORT

ISSUED BY

## THE NATIONAL PLANNING AUTHORITY

(MADE UNDER THE SECTION 13 (7) OF PUBLIC FINANCE MANAGEMENT ACT, 2015)

1ST APRIL 2020

THE REPUBLIC OF UGANDA

Uganda Vision 2040

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| 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 |
| Billion | Billion |
| BoP | Balance of Payments |
| BoU | Banks of Uganda |
| BPO | Business Process Outsourcing |
| BTTB | Background To The Budget |
| 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 | Grate 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 City Council 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 |

| | |
|---|---|
| PSI | Policy Support Instrument |
| 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 |
| 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 Educattion and Training |
| URA | Uganda Revenue Authority |
| URSB | Uganda Registrar Services Bureau |
| USD | United States Dollars |
| USE | Universal Secondary Education |
| 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 |

THE REPUBLIC OF UGANDA

# CERTIFICATE OF COMPLIANCE
# OF
# THE ANNUAL BUDGET FY2019/20

(Made under the Section 13 (7) of Public Finance Management Act, 2015)

1. This is to certify that the FY 2019/20 budget has been assessed in relation to the Second National Development Plan (NDPII) 2015/16-2019/20 as required under section 13(6) and 13(7) of the Public Finance Management Act, 2015 (PFM Act, 2015).

## 1.0 INTRODUCTION

### 1.1 Background

2. The issuance of the Certificate of Compliance (CoC) is a requirement as provided for by the Public Finance and Management Act (PFMA) 2015, Section 13 (6) and 13 (7). The CoC is aimed at entrenching the implementation of National Development Plans (NDPs) by the National Budget. In particular, the Sections 9 (3) and 13(6) require that the National Budget Framework Paper (NBFP) and Annual Budget (AB) respectively be aligned to the NDPs. Section 13(6) requires that the Annual Budget (AB) shall be consistent with the NDP, the Charter of Fiscal Responsibility (CFR) and the NBFP.

### 1.2 Objective of the Certificate of Compliance

3. The overall objective of the Certificate of compliance is to ensure that development planning and budgeting frameworks are aligned for achieving Uganda Vision 2040, through the NDPs.

## 2.0 ASSESSMENT AND FINDINGS

### 2.1 Assessment

4. To prepare the certificate of compliance, National Planning Authority (NPA) developed an assessment framework that was used to measure compliance of the AB. In line with the legal requirement, the compliance has been assessed on the basis of consistence of the AB and NBFP with the NDP. The assessment framework uses NDPII as a benchmark against which budgeting instruments and outcomes should be consistent. The framework covers four broad levels of assessment that include the: Macroeconomic; NDP National Strategic; Sector/MDA; and Local Government.

5. The Annual Budget is “satisfactory” if the score is 80% -100%; “moderately satisfactory” if the score is 60% - 79%; and “unsatisfactory” if the score is less than 60%.

### 2.2 Key Findings

6. **Overall, the alignment of the FY 2019/20 AB is unsatisfactory at 59.7 percent.** This score represents a decline from the previous FY2018/19 where the Annual Budget was found to be moderately satisfactory at 60 percent. In FY2019/20 assessment, Macro level compliance declined to 44.5 from 54.1 percent in FY2018/19, National level compliance improved to 72.3 from 62.8 percent in FY2018/19, Sector Level compliance remained nearly the same at 58.4 percent for both years, and Local Governments compliance declined to 64.8 percent from 66.4 percent in FY2018/19.

7. The main reasons for the decline in compliance for FY2019/20 are: low absorption capacity of the released funds mainly at sector level; slow progress on project implementation and failure to attain the planned NDPII targets. Table 1 illustrates the weighted scores of the different levels of assessment for the AB of FY 2019/20.

**Table 1: Weighted Scores of Compliance**

| No. | Level of assessment | Weighted Score | Classification |
|---|---|---|---|
| 1. | Macroeconomic Compliance | 44.5 | Unsatisfactory |
| 2. | National Strategic Direction | 72.3 | Moderately satisfactory |
| 3 | Sectors/ MDAs | 58.4 | Unsatisfactory |
| 4 | Local Governments | 64.8 | Moderately satisfactory |
| | **Overall Score (Weighted)** | **59.7** | **Unsatisfactory** |

#### 2.2.1 Macroeconomic Level

8. **At this level, the compliance of the AB for FY2019/20 to the NDPII is unsatisfactory at 44.5 percent**. This compliance is lower than the FY2018/19 compliance level of 54.1. This low compliance is attributed to non-attainment of key NDPII macroeconomic targets of: growth, GDP per capita, external grants, interest payments, primary and fiscal balance. The rebasing of GDP also had effects on the ratios of; revenue, external and domestic debt, private sector credit, fiscal deficit. The key messages from the macroeconomic Assessment include majorly the following:

9. **There is lower growth of 6.3 percent than the NDPII projected growth of 6.8 percent for FY2019/20.** The lower growth outturns are attributed to: a) the increase in global tensions that negatively impact on global trade and FDI inflows; b) the geopolitical tensions in the Great Lakes region and South Sudan; c) delays in undertaking the Final Investment Decision (FID) in the oil and gas sector; d) inefficiencies in public investment management especially infrastructure development; and e) low completion rate of core projects which are the major pre-requisites and enablers of high growth. It is therefore recommended that Government should strengthen Public Investment Management Systems as one of the means of increasing returns on public investments, fast track the FID of the oil and gas sub-sector, sustainably grow exports in order to boost GDP growth as well as support the development of light manufacturing as means of establishing first level import replacement industries.

10. **The higher growth attained in the last three years owing to recovery in agriculture, sustained growth in industry and continued investment in public infrastructure by Government has not resulted in faster growth in GDP per capita.** GDP per capita that is projected at USD920 by the end of FY2019/20 is lower than the NDPII target of USD1,039. Over the NDPII period,

agriculture grew by an average of 7.5 percent while industry by 9.6 percent. However, manufacturing grew by an average of 5.4 percent which is lower than the growth in real GDP. It is therefore recommended that to profit from agriculture, investment in small and medium scale value-addition technologies at farm level should be given priority in order to catalyse local production. Further, to sustainably grow per-capita incomes, agro-processing and light (assembling) manufacturing organized in industrial and business parks should be fast-tracked.

11. **The lower middle-income target has not been achieved within the NDPII period. Nevertheless, the country's GDP per capita is on an upward trend and NDPIII projects GDP per capita at USD1,064 by FY2021/22.** To fast track the attainment of middle-income status drive, the Program approach embedded in the NDPIII which seeks to build synergies among implementers to leverage efficient resource use, with better coordination of development interventions be fully adopted across Government.

12. **The NDPII target of re-balancing of resources has not materialised.** The NDPII assumption that resources would move away from infrastructure development to human capital development towards the end of the Plan period has not been achieved. The Works and Transport budget projected by NDPII for FY2019/20 was 11.5 percent while the AB for FY2019/20 put it at 19.8 percent. On the other hand, Education and Health sectors that were allocated 10.3 and 8.0 percent in the Annual Budget compared to NDPII target of 19.8 and 14.7 percent, respectively.

13. **The overall average level of compliance of the AB sectoral expenditure outturns over the NDPII period stood at only 22.5 percent against the 70 percent benchmark**. Going forward, there is need to increase scrutiny of the budgetary allocations and ensure that the appropriated resources are spent in the priority areas.

14. **Tax revenue collections have improved over the NDPII period although more efforts to curb leakages are required.** Despite the decline in the tax revenue to GDP from 14.7 percent to 12.6 percent in FY2018/19 following the rebasing of the GDP, the tax revenue collections have been on an increase throughout the NDPII period rising from UGX11,180.56 Bn in FY2015/16 to UGX16,163.01 Bn in FY18/19. One major concern has been the minimal gains in VAT collections ranging between 3.5 and 3.8 percent of GDP over the NDPII period owing to VAT exemptions and zero-rated supplies. Government should remove unnecessary VAT exemptions to curb revenue leakages, limit zero-rated supplies as far as possible and review the policy on deeming to allow VAT system to function normally.

15. **The weaknesses in coordination of Government business between URA and the relevant authorities as well as the failure to share vital information between Government Agencies to facilitate tax collection contributes to dismal performance of NTR.** Indeed, the Auditor General's Report for FY2018/19 revealed that UGX54 Bn was never collected due to non-coordination between URA and the Gaming board. It is necessary to fast track the standardization and integration of data systems in the country especially among MDAs to support revenue collection. The National Identification Registration Authority (NIRA) and other registration services agencies ought to facilitate the use of available data for revenue collection enhancement.

16. **The growing interest payments which currently stands at 10.8 percent of the budget is a risk to fiscal sustainability**. Interest payments which is above the NDPII targets of 7.3 percent of the budget is gradually shrinking the fiscal space.

17. **The Fiscal deficit of 5.2 percent in the NBFP of FY2019/18 is above the NDPII target of 4.3 percent.** While the fiscal deficit was expected to decline towards 3 percent as per the EAC macroeconomic convergence criteria and the Charter of Fiscal Responsibility, this has not happened. This has been due to the need to reduce the infrastructure deficit and enhance the country's competitiveness. Beyond that, to sustainably address the financing deficit, the country needs to mobilize more domestic revenues to self-finance its development while also renegotiating the stance on the EAC convergence criteria.

18. **The nominal public debt to GDP at 40.9 percent in FY2019/20 is below the NDPII target of 43 percent, hence compliant.** Furthermore, in present value terms, total public debt is sustainable and is projected to increase to 31.1 percent of GDP at the end of FY2019/20, and peak at 38.8 percent in FY2024/25. Despite the sustainability of the country's public debt, there are a number of risks to the debt portfolio that need to be addressed**.** The risks to the debt portfolio that need to be addressed include the lower growth of exports, the rising debt servicing burden that has resulted from increasing domestic borrowing as well as the sluggish growth in domestic tax collections.

19. **Private sector credit to GDP at 11.7 percent is below the NDPII target of 13.9 percent.** In fact, private sector credit to GDP during the NDPII period has stagnated between 11-12 percent despite the loose monetary policy stance that the country has had for most of the NDPII period. Besides, the limited available private sector credit in the economy is being channelled to non-productive sectors and enterprises such as Building, Mortgage, Construction and Real Estate. To enable the growth of private sector credit, Government needs to limit borrowing from the domestic market. In addition, Government needs to develop the financial sector and its infrastructure in an effort to catalyse the mobilization of domestic savings and investments.

### 2.2.2 NDPII National Strategic Level

20. **Overall, at National Strategic Level the AB is moderately satisfactory at 72.3 percent.** The AB theme, goal, objectives and development strategies are aligned to the NDPII. In particular, the intent of the budget on addressing NDPII thematic areas of competitiveness, wealth creation, employment and inclusive growth is satisfactory. However, there are some specific areas of non-compliance at this level which include;

    a. **The compliance of the AB at NDPII core projects is unsatisfactory at 42.6 percent**. Out of all NDPII core projects, only 8.33 percent are on schedule (Karuma Hydroelectricity Power Project, Isimba HPP, and Road Construction Equipment for LGs), 35.4 percent are ongoing but below schedule, 14.6 percent are undergoing feasibility, and 33.3 percent have not yet started. A detailed performance of core projects is attached as annex of the main report.

    b. **The compliance of the AB with regard to the NDPII industrialization strategy is unsatisfactory at 58 percent**. This non-compliance is due to, AB not having NDPII industrialization strategic interventions on; developing agri-business skills for women and promotion of local small-scale light manufacturing particularly in assembling, metal fabrication, and packaging. Nonetheless, the FY2019/20 AB provided for NDPII strategic interventions on; reviewing the tax system to support domestic production and promoting competitiveness of local manufacturing; increasing the percentage of MSMEs with access to business incubation; and industrial infrastructure.

c. **The AB with regard to NDPII Human Capital Strategy on skills development is non-compliant.** Although skills development has largely been financed in the AB, there is a lot of duplication of efforts, have limited impact and do not support generation of adequate industrial ready skills. First, the NDPII strategic intervention of producing internationally certified workforce is underfunded. This implies that, there is limited preparedness of Ugandans in taking up employment opportunities in emerging sectors specifically oil and gas. Secondly, skills development interventions are spread thinly across many sectors hence generating insignificant impact. In particular, majority of the skilling interventions are spread in the sectors of education, social development, oil and gas, science and technology, among others.

d. **The AB with regard to NDPII interventions on environmental sustainability is non-compliant.** Whereas the NDPII placed more emphasis on addressing water and air pollution, as well as facilitating the adoption of environmentally sound technologies for manufacturing, the AB did not allocate adequate financing to support these interventions. There were no budgeted interventions on addressing the challenge of water and air pollution resulting from inadequate sanitation facilities, unsafe disposal of municipal and industrial waste, as well as emissions from increased traffic and reconditioned motor vehicles.

### 2.2.3 The sector and MDA level

21. **Overall, the AB is unsatisfactory at 58.4 percent.** This performance is largely explained by the low expenditure outturn for development budget across majority of the institutions. In particular, the compliance of the projects and budget performance are unsatisfactory at an average of 50.1 percent and 51.9 percent, respectively. Nonetheless**,** the AB has satisfactory compliance with regard to existence of planning frameworks (81.6 percent) and moderately satisfactory performance at the level of NBFP and AB alignment to NDPII interventions (70.5 percent).

22. **Six out of the eighteen sectors have MDAs without Strategic Plans, that are aligned to the NDPII.** These sectors are; Trade & Industry, Tourism, Energy and Mineral Development, Works and Transport, Accountability, Science, Technology & Innovation. While the Plan is in its final year of implementation, the following MDAs have operated and expended government resources without Strategic Plans aligned to NDPII: UEPB, MTAC, UWA, UWRTI, UEGCL, UETCL, UEDCL, REA, CAA, Uganda Airlines, URF, URC, NSSF, UIA, PSFU, EPRC, UMRA, UNCST, KIIRA Motors and PIBID.

23. **There are capacity gaps in a number of sectors with regard to timely absorption of funds which significantly implementation of sector and MDA plans.** This problem is partly attributed to allocating implementation funds to projects that are still under preparation and initial procurement stages.

24. **The AB with regard to Programme-based budgeting is non-compliant.** The majority of sectors and MDAs are still budgeting on the basis of outputs instead of results. This is largely due to lack of an overarching national framework to guide the design and conceptualization of programmes. However, this is expected to improve with the transition towards programme-based planning as guided by the NDPIII development programmes.

25. **The AB is unsatisfactory at sector /MDA project level**. The low compliance is largely due to delays in implementation of especially externally financed projects. A number of sector projects for NDPII delayed commencement and those under implementation had slow progress. The capacity to deliver donor projects is low due to procurement delays. For instance, in the Energy sector, the Grid Rural electrification project only absorbed 21 percent of the funds released due to delays in giving "No objection" to procurement processes by Development Partners. Further, Land acquisition challenges continue to slow down project implementation. For instance, the Energy for Rural Transformation III project absorbed only 2.3 percent of the funds released due to land compensation challenges. The Land Fund, which is established by law to facilitate land banking and increase access to land for government projects has not been operationalized.

26. **Increased use of pre-financing arrangement outside the NDPII financing framework**. This type of financing is creating contingent liabilities and is a risk on public debt. A number of projects especially under works and transport sector are being financed under pre financing arrangement, for instance, the oil roads projects.

27. **The inadequate operationalization of regional service delivery centres still persists.** Several sectors have made massive investments in regional service delivery structures however, majority remain underutilized. The development expenditures in a number of sectors are not accompanied by the corresponding recurrent budget hence limiting operationalization of Government investments.

28. **With regard to tourism, noncompliance is attributed to lack of AB interventions to promote domestic tourism.** The AB did not consider financing NDPII interventions for promoting domestic tourism rather, much focus is on promoting international tourism that is highly fragile.

29. **Sectors continue to receive off-budget support which undermines planning and budgeting process.** The sectors of Education, Health and Social development continue to receive off budget financing which often diverts efforts of implementing key priority interventions. For example, a study by the MoFPED and UNICEF indicates that out of about Ushs 5,185 bn of health care financing in FY2018/19, Ushs 2,876.7 bn (55%) was off-budget. This may explain the less than satisfactory expenditure performance of the GOU Budget.

### 2.2.4 At the Local Government Level

30. **Alignment at LG level is moderately satisfactory at 64.8 percent.** This is attributed to the continued misalignment of the plans and Annual work plans to NDPII. Most of the resources are recurrent in nature i.e. wages (79.9%) implying none financing of priorities.

31. **The AB is non-compliant on Central Government transfers to LGs.** The **t**otal budget transfers to LGs is only 12.3 percent compared to the 30 percent NDPII target. A number of MDAs have continued to retain funds meant for LGs for direct implementation of interventions and projects for functions that are devolved to LGs.

32. **LG Annual Budgets are non-compliant on own source revenue annual targets.** The own source budget performance is unsatisfactory at 37 percent in FY2019/20. LGs have continued to

depend more on central government transfers and are not paying particular attention to achieving own local revenue targets as expected.

### 2.2.5 SDG Assessment

33. **The 2019/20 budget is 63 percent compliant to the SDGs.** This is a slight increment from the previous FY2018/19 budget (60.9 percent). The budget scored highly in goals;1, 5, 6, 16, and 17 owing to substantial allocation of resources towards the areas of; poverty reduction, water and sanitation, gender, and peaceful and inclusive societies. On the other hand, low performance was found in goals 11, 12, and 13 scoring 50 percent and below. The budget is weak in the following specific areas below: (i) SDG 8, the budget had limited attempts to improve resource efficiency in consumption and production and endeavoring to decouple economic growth from environmental degradation; and (ii) SDG 10, the budget underperformed due to inadequate strategies for providing appropriate technologies to women and other vulnerable groups. With regard to SDG 11, the budget had no clear strategies on promoting and enforcing the use of pollution mitigating technologies in industrial parks and developing green belts and leisure parks. Furthermore, SDG 12 the budget had no clear strategies for developing and implementing programmes on sustainable consumption and production patterns. Lastly, with respect to SDG 14, the budget had limited support to strategies aimed at conserving fisheries resource, as well as development of research capacity and marine technology transfer.

### 2.2.6 East African Community Protocols Alignment

34. **The AB for FY2019/20 is non-satisfactory at 55.1 percent to the East Africa Community protocols**. The AB was substantially non-compliant in the following areas: Business services sector (12.5 percent); Information and Communication Technology (16.7 percent); Financial services sector (33.3 percent); Agriculture and food security (41.7 percent); Peace and security sector including Defense sector (44.4 percent). The detailed analyses by sectors are provided in 7.1. Key issues emerging include: slow pace in resolving issues that led to closure of Uganda Rwanda boarder; weak collaboration among partner states in management of emergencies such as outbreak of Ebola, COVID-19 and desert locusts; and weak collaboration on development of cross border projects such as standard gauge railway and electricity transmission among others.

## 2.3 Recommendations

35. In view of the findings of the assessment made and in the spirit of strengthening the alignment of development plans and budget for desirable results, the following recommendations are put forth:

1. There is need to fast-track the alignment of the programme-based budgeting to the comprehensive and integrated Program Approach to Planning. The programme-based approach to planning will require:

   a) Strengthening the programme implementation and coordination function of Office of the Prime Minister (OPM);
   b) Reviewing the budgeting instruments and description of AB programmes to reflect the NDPIII programmes starting with FY2020/21; and
   c) Institutionalizing processes for integrated planning, budgeting, reporting, monitoring and evaluation at programme level.

2. The architecture of Government should be reviewed in line with the programme approach to planning, budgeting, implementation, M&E and reporting. This is one of the means of addressing inefficient resource use arising out of the duplication of mandates by implementing Agencies.

3. To accelerate economic growth prospects and real per capita incomes, Government needs to increase investment in productivity-enhancement interventions and economic activities with the strongest backward and forward linkages. For example, in food and cash crops, agro-processing, dairy and animal husbandry and tourism.

4. Government should remove unnecessary VAT exemptions, limit zero-rated supplies and review the policy on deeming to allow VAT system to function normally so as to curb revenue leakages, especially on VAT. In effect, the Domestic Revenue Mobilization Strategy (DRMS) proposals aimed at strengthening tax policy and administration need to be implemented.

5. Prioritise standardization and integration of data systems in the country especially between NIRA, URA, URSB and other relevant MDAs to support revenue collection and the development of the digital economy.

6. Resources freed from the multi-year commitments should be prioritized for fast-tracking investments in NDP core projects. Government should fast-track the implementation of key core projects such as the Oil pipeline, Oil Roads, Express Highways, Bukasa port, and the petroleum refinery. The annual budget should be focused on delivering these and other NDP flagship projects.

7. Government should review all the existing pre financing arrangements and in future it should be highly constrained in order to manage the risk on debt and contingent liabilities. The Ministry of Finance, Planning and Economic Development (MoFPED) should quantify the contingent liability arising from pre financing arrangements and these should further be studied inline with NDPIII financing frameworks.

8. Government should design a system to capture and integrate all off-budget support into the national planning and budgeting processes. In particular, there is need to mainstream off-budget donor financing into the development budget and develop a tracking system for CSO financing. This can be studied with the case of the current donor basket financing under the JLOS Sector.

9. The AB should adequately provide for operation and maintenance of existing investments to maximize returns, minimize wastage of public resources and avoid idle public investments.

10. There is need to increase public investment in key productive areas of the economy through increased capitalization of strategic corporations of UNOC, UDB, UTL, and UDC among others.

11. There is need for a deliberate strategy to promote domestic tourism as well as development of a robust integrated information management system between the Missions Abroad, MDAs and other stakeholders, to consolidate the gains in foreign tourism

12. In order to increase efficiency of public resources, there is need to consider direct transfer of resources to Local Governments for interventions implemented at that level instead of using

Government subventions. The MDAs should focus on strengthening their supervisory, policy and technical guidance roles.

The summary of assessment at all levels is attached.

Prof. Obwoya Kinyera Sam
**FOR: CHAIRPERSON**

**Table 2: Summary of Assessment at all levels**

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| **A** | **Macro level Assessment** | **72** | **48.1** | **41.9** | **54.1** | **44.5** | There is an overall decline in macroeconomic alignment of the AB to the NDPII macroeconomic targets from 54.1 percent in FY2018/19 to 44.5 percent in FY2019/20. This low compliance is attributed to non-attainment of key NDPII macroeconomic targets of: growth, GDP per capita, external grants, interest payments, primary and fiscal balance. The rebasing of GDP also had effects on the ratios of; revenue, external and domestic debt, private sector credit, fiscal deficit among others.<br><br>The decline in the score is a reflection of a decline in compliance of NBFP, AB, and AB outturns in FY2019/20. The level of macroeconomic alignment of the NBFP declined from 47% to 40%, from 49% to 37.6% for AB while the CFR score remained constant at 100%.<br><br>**The specific areas of compliance existed** with respect to adherence to the objective of sustained economic growth of 6.3% though it was less than target of 6.8%; stable single digit inflation; alignment of recurrent expenditure targets; public debt; and Gross international reserves.<br><br>**Key areas of noncompliance**: GDP growth targets despite improvement, they are still insignificant to propel the country to middle income status; GDP per capita targets and performance outturns; expenditure outturns in Agriculture, Energy, Works and transport, HCD (Education, health, Water and Environment, & social development), Security, JLOS, PSM and Security Sectors were non-aligned to the NDPII; external grant targets; development expenditure targets; primary balance; and Net domestic financing were all not aligned. |
| **B** | **National Level Assessment** | **75.4** | **74.2** | **59.3** | **62.8** | **72.3** | This improved performance is attributed to the continued consistence of the NBFP and AB targets to the indicators of the NDPII. However, the none prioritization of the core projects continues to constrain achievement of NDPII objectives with 42.6% performance.<br><br>**Key areas of noncompliance**: At **goal/theme** level, non-full compliance was due to: (i) Competitiveness - Although the NBFP provided for adequate |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | instructors and instructional materials for vocational and technical institutions with, it was not allocated funds in the AB. (ii) Sustainable wealth creation –the NBFP interventions identified do not address manufacturing. In addition, interventions to control pollution is not prioritized in BFP. (iii) **Employment** - Whereas the NBFP identifies reviewing the tax system to support domestic production and promote competitiveness of local manufacturing as one of the key interventions to drive growth, there was no budgetary support towards establishment of light manufacturing industries in Uganda to create jobs. The value addition interventions were skewed towards agro-processing. (iv) Inclusive growth - The AB and NBFP provided for community mobilization activities and funds across various Sectors of Government, however, these are duplicative, scattered and do not provide for harnessing of synergies. Furthermore, the funds allocated for Social Protection for vulnerable groups are not sufficient to address extreme poverty. **At objective level,** key areas of non-compliance were: **Objective 1**: Inconsistency is also with regard to agricultural extension services with allocation of only 17 percent in BFP: there is no explicit focus in the budget on promoting the development of small-scale manufacturing - assembling, metal fabrication, packaging, etc. Furthermore, there were no projects proposed under the MSME programme. no commitment made towards its revival of the productivity center. **Objective 2**: The NBFP identified commencement of the rehabilitation of Tororo-Gulu railway line as one of the areas that will contribute to reducing transportation costs. However, this is not explicitly highlighted in the AB. With regard to ICT infrastructure, while the NBFP prioritized extending the NBI to 100 MDAs, LGs, Priority User and special interest Groups, the annual budget did not provide funds for the project. Further, Although UGX 11.95 Bn was proposed to be allocated to the output on Innovators and Innovation Hubs, there was a gap of UGX 7 Bn for establishing a model ICT hub and BPO centre in Northern Uganda to create employment and minimize the dependency on foreign ICT solution. **Objective 3**: The AB's focus was weak in establishing ECD centres, low completion rates at primary (61.5%), Lower secondary (37.8%) and upper secondary (12.7%); access and quality services remain low. **Objective 4**: the resources allocated for enforcement of regulatory frameworks and inspection are scattered across various Sectors of Government and are not adequate to enable the desired changes in improving the civil service. **At development strategies level:** Non-compliance was most pronounced in the area of: industrialization (58 percent). |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | The NBFP targeted to improve the percentage of MSMEs with access to business incubation and industrial infrastructure to 12%; however, only the Food Technology Incubations II at Makerere University was provided for in the AB. **At core projects level** – Performance has continued to be slow at 42.6%. The Standard Gauge Railway (SGR) project has not started due to financing challenges; low financing of the Hoima Refinery; limited progress on the Tourism Marketing and Product Development Project covering the areas of Namugongo, Kagulu Hills and Source of the Nile due to the low funding of the tourism Sector. |
| **C** | **Sector level** | **57.7** | **60.1** | **53.2** | **58.21** | **58.36** | |
| 1 | Agriculture | 56.1 | 57 | 50.9 | 58.1 | 58.5 | The Sector experienced insignificant improvement in performance alignment to NDPIII at project planning, budgeting instruments and budget. The weak performance is as a result of poor budget releases and project performance. Low budget release, expenditure and project implementation delays were especially high for externally financed projects.<br><br>**Key areas of noncompliance include:** Development of the prioritized agricultural commodities; enhanced access to and use of fertilizers by both women and men; increased access to water for agricultural production; private Sector investment in value addition; investment in storage infrastructures to reduce post-harvest losses; and Operationalization of the commercialization fund. |
| 2 | Tourism | 55.8 | | | | 55.9 | The none alignment at planning level is as a result of the failure by UWA and UWRTI to have strategic plans which are aligned to NDPII. Less than satisfactory project performance is because of the weak absorption capacity in some MDAs and slow progress of implementation of projects. For instance, the source of the Nile project received 60% while the other projects got more than 100 percent at half year. There is weak absorption in projects as evidenced by MDAs not being able to spend more than 90 percent of available funds.<br><br>**Key areas of noncompliance include:** Supporting protected areas and tourism sites with utilities and ICT related services; establishing recognized tourism institutions as centres of excellence; development of tourism standards |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | development framework, tourism coordination framework and tourism Information Management System; and protection of identified Historical and cultural heritage resources |
| 3 | Trade and Industry | 58.3 | 53.4 | 48.5 | 49.7 | 59.3 | The performance improved by 15.9% from the previous Period. Planning improved from 33.3% to 50%. This weak performance is attributed to poor release of funds, low absorption and slow project preparation thereby hindering implementation. The total budget allocated for implementation of projects was shs. 56.5bn of which only 23% was released at the time of review. Specifically, only 2 out of 12 projects under implementation received at least 50 percent of the approved budget. Some projects like Produce Storage facilities, Border Markets, Support to non-agricultural high value chain, Jua Kali Business, Co-operatives revitalization have never received any funding although they remain list on MFED PIP.<br><br>**Key areas of noncompliance include:** Elimination of NTBs, Establishment of satellite border markets in the districts of Amuru, Kabale, Ntoroko, Tororo, Busia, Kitgum, and Manafwa; Establishing ten 20,000 MT capacity silos and sixty 5000MT warehouses in strategic boarder points and locations across the country; re-establishment of the co-operative based inputs delivery system; Supporting cooperative society members to acquire mechanization and irrigation equipment, farm level post-harvest handling technologies and other appropriate technologies.; Development of agro-processing Industrial parks; Fast tracking commercial exploitation and processing of key minerals especially iron ore, and dimension stones; Strengthening the legal and policy environment to support industrialization agenda; and Establishing national and regional technology incubation centres for nurturing SMEs and start-up enterprises. |
| 4 | Energy & Mineral Development | 53.4 | 64.5 | 41.9 | 50.5 | 42.1 | The decline in performance is explained by the poor performance at all levels. Only, the Sector and the Petroleum Authority of Uganda have approved plans that are fully aligned to the NDPII. This improved from 14.3% to 43% as a result of PAU acquiring an aligned plan. The low absorption at project level is attributed to the lack of readiness for project implementation especially aspects of the land acquisition and procurement delays. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | **Key areas of noncompliance include**: Establishing the mineral potential of Karamoja region and promoting the development of Rare Earth Elements (REE). Implementation of the objectives and interventions in the oil and gas sub-sector, such as the construction of the refinery and downstream petroleum infrastructure have progressed rather slowly i.e. below the NDP II targets |
| 5 | Health | 52.9 | 51 | 51.7 | 51.2 | 52.8 | The sector has continuously performed at average level. Despite full compliance at planning level, there is low compliance at project and budget implementation levels. The unsatisfactory budget performance for the sector was on account of very low utilization of the funds released having scored 37.9% at this level.<br><br>**Key areas of noncompliance include:** Community empowerment through implementation of the CHEWS; financial risk protection of households against impoverishment due to health expenditures through implementation of the National Health Insurance Scheme (NHIS); Mass treatment of malaria for prevention; Reviewing and re-alignment of the essential health package including essential clinical care to the evolving health care needs of the population; Strengthening dental services such as screening for and treatment of oral diseases particularly among primary school children; Promoting availability of services for mental, neurological and substance use; Training specialists in Cardiology, Oncology, Nephrology, Diagnostics and Management; Accrediting the Uganda Heart Institute, Uganda Cancer Institute, the Supra National Reference Laboratory and Schools of Public Health to be regional training centres; and addressing the key determinants of health through strengthening inter-sectoral collaboration and partnerships. |
| 6 | Education | 49.4 | 60.4 | 50.9 | 56.3 | 60.3 | Despite improvement in alignment is greater at Sector's planning frameworks (100%) and BFP & annual budget (91.8%), to the NDPII, non-compliance still manifests in Sector projects (32.7%), and budget performance (43.2%). While the Sector registered a significant improvement in the overall Sector projects' budget outturn, poor performance is mainly noticed in regard to expenditure outturn.<br><br>**Key areas of noncompliance include: Primary** - Non-compliance is manifested by low attainment particularly in Maths and Reading (about 50% of |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | all primary pupils achieved below the defined subject proficiencies), low transition rate from P7 to S1 (at 61% against NDPII target of 83%), limited progress on implementation of school feeding policy guidelines, fewer than targeted teachers houses being planned for construction, and the less than targeted number of infrastructure (particularly classrooms) planned for construction. **Secondary education** - access remains an area of non-compliance with NER remaining below the NDPII targets. For instance, only 24% of Ugandans within the secondary school age are enrolled in secondary education against the NDPII target of atleast 40%. Non-compliance on this target is mainly explained by the low transition rates from primary to secondary schools, fewer secondary schools available, the prohibitive school fees/dues that the Sector has failed to effectively regulate in both public and private schools and the PPP policy reversal. **Tertiary** - planning for improved skills mix for increased employability and entrepreneurship of Ugandans. Relatedly, the country's skills triangle remains inverted with more university graduates and less technicians and vocationalists. Also, contrary to the NDPII's requirement for a review and strengthening of the standard setting and quality assurance systems at all levels and in particular higher education, no plans are carried in both of the budgeting tools (AB and BFP) of the Sector. It is hence difficult to assess how the Sector is adequately addressing standards and quality assurance in tertiary institutions. |
| 7 | Water & Environment | 55.7 | 51.8 | 51.2 | 56.1 | 54.1 | Despite alignment at sector and MDA planning level (100%), the sector continues to register un satisfactory performance at projects planning (58.7%) and budget performance (19%) hence an overall decline of about 2%. The poor release and expenditure outturn across all sector MDAs accounts for this low performance. The low expenditure outturn is attributed to mainly administrative challenges such as; delayed access to IFMS, delayed submission of invoices by service providers, incomplete procurement processes to effect payment and delayed evaluation of land to effect payment of PAPs.<br><br>**Key areas of noncompliance include:** Development and implementation of early warning systems (sector specific early warning products in support of climate change adaptation.); development of forest management plans; Households connected to the sewer line, establishment of functional sludge |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | management facilities; development of wetland management plans; and district wetland ordinances developed. |
| 8 | Works and Transport | 72.4 | 55 | 58.0 | 61 | 61.2 | The improvement is insignificant as CAA, URF and URC failed to produce Development plans aligned to NDPII. The average performance is majorly due to low absorption capacity of the released funds, by close of quarter two. This is partly attributed to the Ministry of Finance releasing funds to externally funded projects with unfulfilled conditions or not yet ready for implementation. Examples of projects where expenditure was low include; Hoima International Airport phase I where 239.3 Bn was released but only 41.3Bn was spent, Development of new Kampala port in Bukasa where UGX53.1 Bn was released but only 2.58 Bn was spent, Hoima-Wanseko Road (83Km) where 244.12 Bn was released but nothing was spent, and Mbale – Bubulo – Lwakhakha (41km) where only 18.36 Bn was spent out the released 37 Bn.<br><br>**Key areas of noncompliance include:** Standard gauge rail development (Uganda Section); Develop inland water transport; upgrade Air Navigation Services Infrastructure to achieve a globally interoperable air navigation system to provide a seamless service; and establishment of the Second-Generation Road Fund to effectively control the revenue from Road User Charges for road maintenance. |
| 9 | Social Development | 65.1 | 57.7 | 65.0 | 64.0 | 55.4 | The Sector continues to experience poor/low budget release than planned, at all levels but majorly at budget performance (29.3%). In particular, the Sector scored 33.3% on budget release and 26.7% on budget expenditure. Three (3) new projects (Chemical Safety & Security (CHESASE); “Integrated Community Learning for Wealth Creation (ICOLEW)”; and “Strengthening Social Risk Management and Gender Based Violence” Projects are in the MFPED PIP and were not planned in the NDPII PIP<br><br>**Key areas of noncompliance include:** Development of the LMIS, establishment of a functional Productivity center; construction and establishment of the business shelters; limited number of inspections at workplaces; no support towards Community Information system (CIS); construction of the National library building and public libraries, establishment and equipping of tele-centers; establishment of youth skills centers; and the |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | National Service and Youth service schemes not prioritized. Although there has been some attempt on mindset change interventions integrated in youth programmes and communication mobilization strategy to address behavioral change under YLP. A fund to support artists and innovations was also proposed but was never implemented for creative industry. |
| 10 | ICT | 68.6 | 50.8 | 49.8 | 60.8 | 62.3 | The slight improvement in performance is as a result of improvement in alignment of budget process instruments to NDPII. Also, the sector and all its MDAs have approved strategic plans aligned to NDPII. However, the sector didn't absorb all the projects resources received by the second quarter. This poor absorption of funds released was registered in the previous FY as well. It is attributed to the inadequate releases for counterpart funding and delays in the procurement processes.<br><br>**Key areas of noncompliance include:** the development of a national addressing system is not included and yet this is a base register that would facilitate e-commerce, reinforce national security, ease the provision public services, aid and emergency services; network and internet connectivity of all LGs to the NBI to ensure efficient operations across Government is also not captured and the number districts that are connected have stagnated around 39 districts; transformation of the postal network into a one stop centre for Gov`t services and Completion of the digital migration and UBC revamp programme as a National Public Broadcaster. |
| 11 | Lands, Housing & Urban Development | 41.3 | 65.1 | 52.9 | 45.6 | 60.7 | The improved score arises from improvement in budget process instruments and budget performance levels of alignment to the NDPII. However, unsatisfactory performance has been realized at sector planning (33%) and projects planning (44.5%). Out of the 16 sector priority projects in the NDPII, six (37.5%) are integrated in the PIP and are under implementation. There is therefore need the need to develop capacity for project preparation along the PIM process to secure financing. Also, going forward all MDAs should develop their strategic plans aligned to NDPIII.<br><br>**Key areas of noncompliance include:** Improvement and strengthening a competitive urban economy; Improved policy framework for the establishment and management of cities and other urban areas; Increased availability of and |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | access to serviced land for urban expansion and investment; Reduced slums and informal settlements, Promotion and access to affordable housing and affordable housing finance, and operationalization of the National land fund to increase access to housing-related inputs through land banking. |
| 12 | Justice, Law & Order | 71.0 | 70.4 | 57.0 | 62.6 | 58.8 | Un satisfactory performance arises from the poor performance at projects (39.2%) and budget performance (44.3%). Overall, there is generally low absorption of development funds across almost all the JLOS institutions. In addition, whereas most institutions received most of the quarterly funds, a number of them had not spent much of the released funds. About 162.8 billion (20.5% of released funds) of the funds released was unutilized.<br><br>**Key areas of noncompliance include:** Development and implementation of measures to promote human rights observance in JLOS institutions; Empowerment of the citizenry to demand and access JLOS services |
| 13 | Public Administration | 58.3 | 67.7 | 50.1 | 71.8 | 61.8 | The reversal in performance is depicted from poor performance at both projects planning (31.3%) and budget performance (54.4%) levels of alignment to the NDPII. The reason for this score is due to the fact that some funds released for implementation of the projects are not spent due to lengthy procurement process which has a negative impact on project implementation. For example, Electoral Commission had over 21.458bn unspent by end of Q2 FY 2019/20. Similarly, State House did not spend all the funds released to a total of 1.000Bn due to deferred expenditure on the Jet maintenance set to happen in January 2020.<br><br>**Key areas of noncompliance include:** Establishment and strengthening of missions in strategic locations; increase in the number of commercial attaches to missions abroad; Development of strategies to attract skilled Ugandans in the Diaspora, to support the NDP II priority Sectors; Establishing a National Service program to strengthen patriotism; Strengthening Sector linkages in planning systems, communication, coordination and collaboration; Development of the Sectors service delivery standards among others. |
| 14 | Legislature | 70.3 | 61 | 52.8 | 55.3 | 53.0 | Despite 100% compliance at Sector planning level, performance was unsatisfactory at project planning (7.5%), budget instruments (83.7%) and budget performance (52.0%). Specifically, the Sector spent only 20.1% of the |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | released resources to implement Rehabilitation of Parliament project. In addition, the project is below schedule in performance.<br><br>**Key areas of non-compliance include:** Review and Strengthen a mechanism for Clearing backlog of Constitutional reports. |
| 15 | Accountability | 41.3 | 70 | 55.7 | 57.6 | 58.5 | At planning level, the Sector continues to have MDAs with no strategic plans. In particular, out of 23 MDAs, the following do not have approved strategic plans. These include: UIA, NSSF, PSFU, EPRC, UMRA and MSC. Unsatisfactory performance has been realized at projects planning (42.2%) and budget performance (46.0 %) levels of alignment to the NDPII. This weak performance was mainly attributed to the low absorption of released funds for the projects. These projects include; Support to OAG, Support to IG, Support to MFPED, Development of Industrial Parks, Competitiveness and Enterprise Development Project (CEDP),Support to PPDA, Support to FIA, Skills Development Project, Support to UBOS, Construction of the IG Head Office building Project, REAP KRA (1A,2A),1B, (2B&3A),(3B,4A,4B, and 5.<br><br>**Key areas of non-compliance include:** Introduction of the long-term infrastructure bonds; Develop a mechanism of Local Credit rating; Development of a National Local Content Policy; and Creating specialized funds for Uganda Development Corporation (UDC) targeting NDPII prioritized areas. |
| 16 | Public Sector Management | 50.7 | 62.7 | 47.8 | 55.4 | 57.5 | The improvement is at planning (100%) and budget process instruments (72.1%). All the 7 MDAs (NPA, OPM, MoLG, MEACA, MoPS, PSC and LGFC) have approved strategic plans aligned to the NDPII both in terms of content and timeframe. Unsatisfactory, is realized at project planning (34.9%) and budget performance (51.4%).<br><br>**Key areas of non-compliance include:** Development and institutionalization of a National value system; Development and implementation of coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system; Development and implementation of a National Communication Strategy on EAC integration; Development and implementation of a contingency plan for refugee emergencies; Harmonizing |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | LG policies, laws and regulations with those at the national level; Reviewing the decentralization policy with the view of rationalizing the structures and institutions in LGs; Exploiting investment opportunities in LGs; Establishing and maintaining waste management systems for LGs; Establishing regulations and standards to guide urban development; Redesigning the fiscal decentralization architecture to provide for provision of adequate and sustainable local government financing to deliver on their mandate as provide for in the decentralization policy framework. |
| 17 | Defence and Security | 61.0 | 63.9 | 67.7 | 72.5 | 79.7 | The Sector improved by 9.9 percentage points. At planning level, all MDAs have approved and aligned strategic plans to the NDPII both in terms of content and timeframe. This good performance is because the Sector was able to relatively spend all its releases.<br><br>**Key areas of non-compliance include:** Establishment of the National Service Program; Food and Beverages Production Project for dry rations in Kakiri; Defence Research, Science and Technology Centre (DRSTC)-Lugazi; Finalizing the construction of the National Military Museum (NMM), Establishment and Development of an Engineer Division, Establishment of the National Defence College (NDC), Construction of Dormitories and the Institute of Security and Intelligence Studies (ISIS), and construction of headquarters for MoDVA, ISO and ESO. Nonetheless it is important to note the Sector is undertaking a number of feasibility studies to embark on these projects: Construction of 30,000 Housing Units (finalized); Institute of Security and Intelligence Studies (ISIS); ISO Headquarters; and others including the National Military Museum (NMM) which are ongoing. |
| 18 | Science, Technology & Innovation | | | | | 79.9 | The improved performance is as a result of compliance at projects planning, budget process instruments and budget performance. However, the Sector with all its MDAs except UIRI have no strategic plans aligned to NDPII and time horizon.<br><br>**Key areas of non-compliance include:** Development of the STI information management system; Provision of adequate state-of-the art STI infrastructure; Development of policies in the Sectors where STI application is relevant. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| D | Local Government | | 51.8 | 62.2 | 66.4 | 64.8 | The stagnation in performance is attributed to the continued misalignment of the plans and Annual work plans to the NDPII. Despite sustained release performance, most of the resources are recurrent in nature / wages (79.9%) implying none financing of priorities. Performance at the three levels is as follows:<br><br>1. **Alignment of LGDPs to NDPII.** This was 93.6 percent compliant, 1.1 percentage points lower than for FY2018/19. This is because more 16 LGs i.e. 168 compared to 152 in previous FY have been assessed, 8 of which (Butambala, Pallisa, Amudat, Moroto, Kapchorwa, Mbale Lugazi Municipal Council and Kira Municipal Council) did not submit their Development Plans to NPA for review for alignment with NDPII.<br><br>2. **Alignment of LG AWP and Budget to NDPII.** LGs are 58.3 percent compliant. The compliant is slightly higher compared to the 53.5 percent achieved in the FY2018/19, largely due to a sustained poor focus on the NDPII outputs.<br><br>3. **LG Budget Allocations and Performance.** LGs 73 percent compliant at this level. However, a small proportion of LG transfers is wage (9.2%), which leaves very little for local development priorities. |
| **Total Compliance** | | **68.3** | **58.8** | **54.0** | **60.0** | **59.7** | |

# SECTION ONE:

# 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 is expected to guarantee that planning and budgeting frameworks are aligned to achieving Uganda Vision 2040 through the NDPs. In particular, the Section 13 (6) requires that the Budget Framework Paper (BFP) and Annual Budget (AB) should be aligned to the NDPs.

**The PFMA, 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).** 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 National Planning Authority (NPA).

**Overall, the PFMA 2015 provisions on the CoC strengthens implementation of national priorities as identified in the national planning frameworks – Uganda 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 and programs/projects.

## 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. Uganda 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.

### 1.2.2 The Budgeting Process

**The budget process is a cycle that runs through the entire financial year (table 1.1)**. 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 first national Budget consultative workshop that take place between September and November, the zonal local government Budget consultative workshops and the Sector review meetings. Subsequently, all Sector Working Groups and Local governments begin the preparing Budget Framework Papers (BFPs) and Ministerial Policy Statements, which lead to the formulation of the draft NBFP. Once Cabinet approves the draft NBFP, it is presented to all stakeholders at 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.

**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 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 on behalf of the President, presents 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 formulates 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.** The annual budget is effective from the 1st of July of each year and it is expected to 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' main goal is to facilitate and support implementation of national strategic plans.

**Table 1.1: 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 | $15^{th}$November |
| 7. | Submission of Final National BFP | $31^{st}$December |
| 8. | Parliament reviews and approves the BFP | $1^{st}$February |
| 9. | MDAs submit Policy Statements | $15^{th}$March |
| 10. | Presentation of the Annual Budget and Certificate of Compliance to Parliament | $1^{st}$ April |

| No. | Key Process | Timelines |
|---|---|---|
| 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 is 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 BFPs and ABs to the NDPs, instruments through whose implementation the National Vision 2040 is to be realized. In particular, FY2019/20 CoC provides information to guide Parliament in the appropriation of the FY2020/21 budget.

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.

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

The international community should use the CoC to gauge Uganda’s commitment to achieving the international agenda that is delivered through Budget interventions and allocations. This framework integrates alignment of the Budget on different international agenda and cross cutting issues, including SDGs, Climate Change, HRBA, ICT and HIV/AIDS. However, these will be further developed to support comprehensive reporting on the agendas in the forthcoming CoCs under the third NDPs.

To the general public, the CoC helps to inform them about the transparency, consistency and effectiveness of planning and budgeting processes in the country and whether the budgets are compliant to the agreed NDP priorities. It further sets a milestone in Uganda’s Budgeting process and transparency that is regarded as best practice in level of transparency and information provided.

## 1.4 Organization of the Report

The report is a presented in nine sections. 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 presents the detailed assessment framework for the FY2019/20 CoC, which comprises the methodology and data sources. The detailed methodologies, approaches and scoring criteria for the four levels of the assessment (Macroeconomic level, National level, Sectoral/MDA level and Local Government level) are illustrated in this section.

The third section of the report provides an overview of the full assessment of the COC for the Annual Budget for FY2018/19 based on full year data.

The fourth section of the report presents the results of the assessment for consistency of the FY2019/20 Annual Budget to NDPII obtained using the methodologies given in section three above. This section is presented in four sub-sections; Macro level assessment results, results of the National level assessment, Sector and MDA level 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), Public Investment Plan (PIP) implementation progress, budgeting processes (alignment of the NBFP and Annual Budgets) to the NDPII and budget performance (allocation against release outturn) results.

The fifth, sixth and seventh sections of the report presents the assessment of crosscutting issues, Sustainable Development Goals (SDGs) and East African Community (EAC) Protocols.

The eighth section of the report provides an overview of the FY2020/21 Annual Budget alignment to NDPIII. In particular, it assesses the intent and direction of the Budget with regards to the NDPIII. The details of this assessment will however, be in next year's (FY2020/21) CoC. This section is largely to provide Parliament with preliminary results on alignment of the FY2020/21 BFP and MPSs to inform the oversight function in the approval of FY2020/21 budget. Also, the section provides an assessment of the FY2020/21 BFP to climate change interventions in NDPIII.

Lastly, the final section gives the conclusion and recommendations.

# SECTION TWO:

# METHODOLOGY

## 2 Methodology for Assessment of Annual Budget Compliance

The FY2019/20 CoC uses the same methodology as the FY 2018/19 CoC.

**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 Local Government (LG) levels. In the first step, the macroeconomic level assesses whether the AB macroeconomic goals are geared towards attainment of NDPII broad macroeconomic goals. The second step, the national level assessment, broadly establishes whether the AB strategic direction is consistent to deliver the NDP broad strategic direction. The third step, the Sector/MDA level assessment, establishes whether the AB broad strategic direction is translated into Sector/MDA specific results to deliver the NDP. And lastly, the LG level assessment goes another step further to assess whether Sector/MDA level strategic direction is translated into LG results to deliver the NDP. The overall compliance score is a weighted average of these different levels at 20, 30, 30 and 20 percent weights for each level respectively.

**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 and 70 percent for actual budget performance compliance with NDPII. The actual budget performance carries a higher weight than budgeting since actual implementation counts more to realization of the NDPII. Within the budgeting stage an additional two weighted stages is carried out at: 40 percent for BFP and 60 percent of 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 that implements the NDP.

**At the national level, compliance is assessed at four broad NDPII areas**. These are: the NDPII Theme/Goal; Objectives; Development strategies, and Core projects. The overall score at this level is a weighted sum of these focus areas with each contributing 20, 25, 25, 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 drown from the NDPII Results and reporting framework.

**At Sector level, Compliance is assessed at four levels of alignment to NDPII**, namely: i) Sector planning instruments; ii) Sector Public Investment Planning (PIP); iii) budgeting instruments; and iv) actual budget performance.

For the planning instruments component, Sectors/MDAs are assessed upon whether they have a strategic plan that is aligned to NDP. The budgeting instruments component assess whether the budgeting process (BFP and AB) is geared to delivering NDPII priorities. The Sector/MDA Public Investment Planning level assesses whether Sector projects in the PIP are consistent with NDPII

PIP. Further, this level assesses whether Sector projects are being implemented as planned through both release and outturn project budget performance. The budget performance level assesses whether actual budget execution and implementation is in line with NDPII strategic direction. The overall Sector level compliance score is a weighted sum of 10, 30, 30, and 30 percent weights assigned to the 4 components. MDA level assessment is similar to Sector level assessment.

**At Local Government (LG) level, assessment is done at three levels of alignment to NDPII**. These are: i) LG planning instruments; ii) budgeting instruments; and iii) actual budget performance. At Planning instruments level, LGs are assessed upon whether they have a Local Government Development plan that is aligned to NDP. Budgeting instruments level, whether the detailed Annual Work Plan and budget is geared to delivering NDPII anticipated results. The budget performance level assesses whether the releases are according to approved budget estimates. The final score at this level is a weighted sum of 10 percent for planning instruments, 70 percent for LG budgeting process, and 20 percent for release performance.

The assessment of the FY2020/21 Annual Budget was based on the NDPIII results framework. It involved assessing whether the BFP prioritized NDPIII higher level and programme level results. In addition, the Ministerial Policy Statements (MPSs) for FY2020/21 were also used to check if the budget prioritized NDPIII programmes interventions.

### 2.1 Data Sources

Data to assess the compliance of the AB to NDPII was sourced from different sources that included: 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 and Semi-Annual Budget Performance Report. Further, Sector, MDA and LG specific consultations, interviews and discussions were also carried to understand Sector issues.

At the Sector/MDA level, the assessment utilized: Sector Development Plan and MDA Strategic plans (FY2015/16-2019/20), MDA BFPs for FY2018/19 and FY2019/20, MPSs for FY2018/19 and FY2019/20, National Budget Framework Paper (NBFP) for FY2019/20 and FY2020/21, Annual and Semi and Annual budget performance reports, feasibility study reports. For MDAs that do not have votes, such as public corporations and state enterprises, assessment was based on Strategic Plans, Annual work plans and budget, Cumulative progress reports up to quarter 4 for FY2018/19 and half year cumulative progress report.

At the Local Government level, the assessment was based on the Local Government Development Plan (LGDP), releases by MoFPED by quarter three, the Quarter 4 physical progress report for FY2018/19 and Annual Work plan and Budget for 2019/20.

# SECTION THREE:

# RESULTS OF FY2018/19 ASSESSMENT FOR CONSISTENCY OF THE AB TO NDPII (BASED ON FULL YEAR ASSESSMENT)

## 3 Background and Scope

This full year assessment aims to take care of the un assessed period such that the overall Financial year results on alignment of the Budget to NDP is ascertained. It also tries to confirm the comprehensiveness of the half year assessment issued on the 1st of April, 2019 for purposes of approving the budget for FY2019/20. The time at which the half year assessment of the CoC was undertaken, only information on two quarters was available and used. The assessment like the half year assessment covered four broad levels: Macroeconomic Level; NDP National Strategic Level; Sector and MDA/Vote Level; and LG Level.

### 3.1 Summary of Findings

**Overall, the FY2018/19 Annual Budget (AB) was moderately satisfactory at 60 percent compliance at half year assessment and at 65.4 percent compliance after taking into account a full year (four quarters) of assessment.** The full year assessment updates the assessment framework with four quarters budgetary release and outturn data. Key findings at the four levels include:

### 3.2 Key Findings at Macro Level

**At this level, the FY2018/19 Annual Budget is un satisfactory at 49.7 percent down from the half year score of 54.1 percent.** Specifically, while the Charter of Fiscal Responsibility (CFR) is 100 percent aligned to the NDPII, alignment at budgeting level is at 47.6 percent, budget outturn at 35.6 percent and budgeting instruments (NBFP) at 48.2 percent. This decline in full year performance which was largely pronounced in lower outturns can partially be attributed to the rebasing of GDP which changed the trajectory of the following variables: Private Sector Credit to GDP; debt to GDP; fiscal deficit; primary balance; and revenue to GDP. In addition, a number of sector expenditure outturns were not in sync with the planned NDPII allocations. The sectors of: Public Administration; Legislature; Accountability; Lands, Housing and Urban development; JLOS, ICT; Defence and Security, Water and Environment, Social Development among others registered higher expenditure outturns than planned. And above all interest payments exceeded the planned level by over 60 percent.

### 3.3 Key findings at National Strategic Level

At this level, compliance is assessed at four broad NDPII areas: the NDPII Theme/Goal; Objectives; Development strategies; and Core projects. The overall score at this level is a weighted sum of these focus areas with each contributing 20, 25, 25, 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 drown from the NDPII Results and reporting framework.

### 3.3.1 Overall Assessment at National level

**Overall, the full-year assessment for FY2018/19 established that the Annual Budget was moderately satisfactory at 72.5 percent compliance to the NDPII strategic direction up from 64.6 percent at half-year assessment.** This is a weighted score of 79, 91, 81 and 45.8 percent for NDPII Theme/ Goal; Objectives; Development strategies, and Core projects, respectively. It should be noted that the half-year assessment only considered alignment of the budget instruments (NBFP and AB) and budget performance at two quarters to NDPII. However, the full-year assessment now takes regard of budget outturn (release against approved allocations and expenditure/absorption). The improvement in the budget compliance for FY2018/19 at full year assessment is attributed more to the improved absorption of the released funds.

### 3.3.2 Theme/Goal Level

**At this level, the 2018/19 Annual Budget was moderately satisfactory at 79 percent compliance up from 67.4 percent at half year.** This performance is attributed to the improved absorption of resources against the released funds for key interventions. However, for some key interventions, the releases were far less than the approved budget. For example; only 61.1 percent of allocated resources for the Entebbe Airport Rehabilitation Phase 1 was released; only 75.5 percent for establishment of Zonal Agro-Processing facilities; and 75.8 percent for Soroti Fruit Factory. Similarly, only UGX157Bn was released out of 264Bn that was allocated for Affirmative Action Programs. In addition, there was no release for supporting establishment of light manufacturing industries.

Going forward, it is recommended that greater focus be given to ensuring release of the appropriated resources.

### 3.3.3 NDPII Objectives

**Overall, the FY2018/19 Annual Budget was satisfactory at 91 percent compliance at the objective level up from 90.4 percent at half-year assessment.** The budget outturn was 94 percent compliant with the NDPII assessment parameters of: sustainably increasing production, productivity and value addition in key growth opportunities; increasing the stock and quality of strategic infrastructure to accelerate the country's; enhancing human capital development; and strengthening mechanisms for quality, effective and efficient service delivery. The performance at the Objectives level is also attributed to improved release of resources for key interventions against the approved allocations, which averaged above 93 percent. However, there are some instances where the releases were not in line with the approved budget, for example, only UGX 74.22 Bn of UGX 96.9 Bn (78.6 percent) allocated for the Regional Communication infrastructure was released; and UGX 4.48 Bn out of UGX 7.98 Bn approved allocation for Soroti Fruit Factory.

In view of the inadequacies identified above, it is necessary to refocus the budget on the key interventions aimed at achieving the NDPII objectives

### 3.3.4 Development Strategies

**Overall, the FY2018/19 Annual Budget was satisfactory at 81 percent compliance at the development strategies level up from 67 percent at half-year assessment.** At this level, eight NDPII development strategies formed the basis for the assessment, including: 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

The full-year performance at this level is also attributed to improved release resources for key interventions against the approved allocation, which averaged 90 percent for all assessed parameters. However, there are few cases where the release was not adequate, for example: only 77.4 percent and 60.6 percent of approved funds for Urban Commercial and Production Services under KCCA and the Meat Export Support Services project was released. Similarly, only UGX98.7Bn was released for Development Policy and Investment Promotion under the accountability Sector against the approved UGX132.9Bn. This programme also includes private Sector development services. There are also many instances where the releases were not satisfactorily absorbed, for example: only 42.4 percent of funds released for the Physical Planning and Urban Development programme was spent and only 67.2 percent for Urban Commercial and Production Services under KCCA.

### 3.3.5 Core Projects

**Overall, the FY2018/19 Annual Budget was unsatisfactory at 45.8 percent at the core projects level up from 38.5 percent at half-year assessment.** The budget release and expenditure performance were 28.3 and 57.5 compliant to the NDPII, respectively. Despite the improvement by about 19 percent, the project performance is still un satisfactory. Most of the core projects spent below 90 percent of the resources released for their implementation. These are: Agriculture Cluster Development Project (49 percent); Markets & Agriculture Trade Improvement Project (MATIP II), 68.9 percent; Masaka-Mbarara Transmission Line (8.4 percent); Kabale- Mirama Transmission Line (35.7 percent); Kibuye-Busega- Mpigi (8.2 percent), Upgrading of Kapchorwa-Suam Road (61.4 percent); Renovation of 25 Selected General Hospitals (Kawolo and Busolwe; Kayunga and Yumbe General Hospitals), 0.34 percent; ICT National Backbone Project (89.1 percent) among others.

## 3.4 Key findings at the Sector and MDA level

**At this level, the FY2018/19 AB was moderately satisfactory at 63 percent compliance.** The respective Sector assessment is detailed below.

### 3.4.1 Agriculture Sector

**The Agriculture Sector was moderately satisfactory at 61.5 percent compliance up from 58.1 percent at half-year assessment**. In particular, the Sector was 100, 74.4, 47.5 and 49.7 percent compliant at Sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII, respectively. The underperformance in the alignment of budgeting instruments (BFP and AB) to NDPII is attributed to failure by the sector to achieve the planned output targets as specified in NDPII and the Agricultural Sector Strategic Plan. For example, with regard to value of exports targets, only maize, hides and skins and dairy among all the commodities were able to meet the export targets, the remaining 10 priority commodities and 4 strategic ones failed. Coffee exports were $416.2m against a target of $921.9m, tea achieved $88.8m against 134.1m, while cotton achieved $54.2 against a target of 245.8m. Similar shortfalls occurred in production volumes as only dairy achieved its targets.

The Sector also underperformed in budget performance with a score of 45.4 percent. This score is a weighted sum of 41.7 and 47.9 budget outturn and expenditure respectively. The low budget outturn highlights the wide deviation between budget allocation and budget release. Of the total 9 votes in the Sector, only NAADs and the budget for Local Governments received the total funds budgeted allocated.

### 3.4.2 Energy and Mineral Development Sector

**The Sector was unsatisfactory at 58.2 percent compliance up from 50.5 percent at half-year assessment**. This is a weighted score comprising 14.3, 69.5, 61.8 and 58.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The Sector received UGX 1,712.74 billion out of the allocated UGX 1,756.7 billion which is 97.5 percent budget outturn. The Sector spent UGX 1,277.63 billion, which is 74.6 percent of the received amount. The weak performance was attributed to program; 0301 on energy planning, management and infrastructure development, where 852.64Bn was released and 488.35Bn was spent, thus, 95.7 percent release out of which only 57.3 percent was spent. The rest of the programs were above 90 percent in expenditure. The challenges associated to this bad absorption include land acquisition for infrastructure projects as well as vandalism which has persisted in the energy Sector, delayed release of counterpart funds among others.

On the implementation of projects, the Sector is registered a 69.5 percent and 51.2 percent project release and expenditure outturn. The low performance is as a result of low releases to the Sector projects particularly the rural electrification projects as well as the low budget absorption. For instance, Grid Rural Electrification Project IDB 1, code 1354, received only 11.72 percent GOU Funds 11.82Bn of 100.88Bn allocated, and spent 11.62Bn, which is 98.31 percent of the released amount. Muzizi HPP, Energy for rural Transformation III, Promotion of Renewable Energy & Energy Efficiency (PREEP), strengthening development and production of oil and gas resources, exhibited the worst absorption rates of 5.53 percent, 15.44 percent, 9.95 percent and 8.43 percent respectively. The low absorption is attributed to the lack of readiness for project implementation especially aspects of land acquisition by compensation of Project Affected Persons (PAPs) and procurement delays due to lack letter of no objection from kfw and this has affected almost all world bank funded projects, lack of counterpart funding on the side of GOU among others. It is recommended that urgent attention is paid to increasing releases towards meeting the energy and minerals Sector project budgets as well as fast-track the hinderances to funds absorption to improve on the Sector performance.

### 3.4.3 Tourism

**The Sector was moderately satisfactory at 64.1 percent compliance.** This had been assessed under Tourism, Trade and Industry sector at half year before it was split and elevated to Tourism sector. The 64.1 percent performance is a weighted score comprising 33.3, 76.7, 56.9 and 69.0 for Sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. The Tourism, Wildlife and Antiquities received UGX 185.932 against approved budget of UGX117.942 which was 157.64 percent. The expenditure against budget outturn was 61.91 percent. On the implementation of projects, release against allocation towards, Tourism, Wildlife and Antiquities Sector projects was 89.9 percent. The expenditure outturn on Tourism, Wildlife and Antiquities Sector projects was 100 percent. All the 5 priority projects in NDPII were MFPED PIP and received funding although below the approved level hence affecting their implementation.

### 3.4.4 Tourism, Trade and Industry

**The Sector unsatisfactory at 52.9 percent compliance up from 49.7 percent at half-year assessment.** This is a weighted score comprising 33.0, 38.9, 56.9 and 69.5percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The Trade, Industry and Co-operatives Sector received UGX 153.047 billion out of the budgeted UGX 161.742 billion which is 94.62 percent budget outturn. The Sector spent UGX 150.066 billion, which is 98.05 percent of the received amount.

On the implementation of projects, release against allocation towards, Trade, Industry and Co-operatives Sector projects was 61.66 percent. The expenditure outturn on Trade, Industry and Co-operatives Sector projects was 78.74 percent. However, only 12 out of the 28 NDPII PIP projects are in the MoFPED PIP. The priority NDPII projects that are not included in the MoFPED PIP are; Great Lakes Trade Facilitation, Border Markets and Export Related Infrastructure, Jua-Kali Business Incubation and Infrastructure Development, Industrial and Technological Development, Second Trade Capacity Enhancement Project, Support to SMEs for Value Addition, Local Market Infrastructure Development, Quality Infrastructure and Standards Programme, Support to Non-Agricultural and Cooperatives Revitalization for increased production and productivity, among others.

### 3.4.5 Works and Transport Sector

**The Sector was moderately satisfactory at 65.2 percent compliance to NDPII up from 61.0 percent at half-year assessment.** Specifically, the Sector was 50.0, 54.0, 71.2, and 75.2 percent compliant for planning frameworks, Project performance, BFP & AB Alignment and Annual Budget performance respectively. There was slow progress on some projects, and low releases to some MDAs and low absorption of released funds in some projects such as Kibuye-Busega-Mpigi where UGX99.21 Bn was not spent, Hoima-Butiaba-Wanseko road where UGX93.45 Bn was not spent, Kapchworwa-Suam where UGX 36.12 Bn was not spent, Muyembe-Nakapiripirit where UGX 43.08 Bn was not spent. With exception of UNRA that had budget and expenditure out turns of 82.2 percent and 88.6 percent respectively, and all other MDAs received and spent over 95 percent of their approved budgets. The Ministry of Works and Transport received 121 percent of its apportioned budget due to a supplementary budget approved for payment of a supervision consultant for Kabaale Airport, and for procurement of aircrafts for the National Airline Project.

### 3.4.6 ICT and National Guidance Sector

**The Sector was unsatisfactory at 54.4 percent compliance to NDPII down from 60.8 percent at half-year assessment.** Specifically, the Sector was 100, 24, 77.1, and 54.4 percent compliant for planning frameworks, Project performance, BFP & AB Alignment and Annual Budget performance respectively. The weak performance at this level was majorly as a result of poor releases and absorption within the Sector. Also, some key NDPII interventions have remained unfunded though planned for by the Sector.

### 3.4.7 Education Sector

**The education Sector was moderately satisfactory at 75.7 percent compliance up from 56.3 percent at half-year assessment.** This is a weighted score comprising of 100, 75.1, 68 and 75.7 percent scores in planning frameworks, project performance, budget instruments and budget performance, respectively. This satisfactory performance is on account of the education Sector prioritizing NDPII interventions, good budgetary allocation and expenditure performance for almost all MDAs. For instance, the Education Sector received UGX 1,398.417bn out of the budgeted UGX 1,485.246bn which is 94.2 percent budget outturn. The Sector spent UGX 1,403.114bn, which is more than 100 percent of the received amount. On the implementation of projects, the release against allocation towards education Sector projects was UGX 479.13bn (112.4 percent) of budgeted allocation while the expenditure outturn was 92.9 percent.

### 3.4.8 Health Sector

**The health Sector was moderately satisfactory at 65.6 percent compliance up from 51.2 percent at half-year assessment.** Specifically, the Sector performed at 88.0, 80.7, 56.2 and 52.6 percent at planning, project implementation, budget process instruments (BFP and AB) and annual budget performance, respectively. This satisfactory performance is on account of 83 percent of the health Sector MDAs having approved strategic plan and also prioritizing NDPII interventions in the annual budget. However, budgetary allocation and expenditure performance was moderately satisfactory. For instance, the health Sector received only UGX 1352.435 bn out of the budgeted UGX 1805.894bn which is 74.9 percent budget outturn. The Sector spent UGX 1181.094bn, which is only 87.3 percent of the received amount. On the implementation of projects, the release against allocation towards health Sector projects was UGX 484.8 bn (98.84%) of the budgeted allocation while the expenditure outturn was 107.9 percent.

### 3.4.9 Justice Law and order Sector

**The Sector was moderately satisfactory at 76.6 percent compliance up from 62.6 percent at half-year assessment**. This is a weighted score comprising 71.0, 68.0, 85.0 and 78.6 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Justice Law and Order Sector received UGX 1,533.74 billion out of the allocated UGX 1,383 billion which is 110.9 percent budget outturn. The Sector spent UGX 1,518 billion, which is 98.98 percent of the released resources. This is an improvement in performance compared to the half year CoC assessment of 62.6 percent. The improvement in performance was largely due to improvements in Sector projects alignment from 51 percent to 68 percent reflecting improvement in utilization of development resources. Also, improvement was due to, increased use of released resources leading to improvement in annual budget performance from 42.7 percent to 78.6 percent. None the less, some key issues identified by half year assessment still remain. In particular, the midway implementation-abandoned interventions rendering initial efforts and resources spent wasteful were not finalized. For example, the Uganda Police Force (UPF) Started developing the Crime Preventers Policy and a study on the escalation of indiscipline in FY 2016/17 however, these were abandoned midway before their completion and are not existent in subsequent workplans and budgets. Also, the inadequate operationalization of regional service delivery centers.

### 3.4.10 Lands Housing and Urban Development Sector

**The Sector was unsatisfactory at 44.8 percent compliance down from 45.6 percent at half-year assessment**. This is a weighted score comprising 33.0, 40.0, 67.3 and 40.0 percent compliance at Sector planning, projects planning, budget process instruments and budget performance levels of alignment to the NDPII respectively. The Sector received UGX 252.713 billion out of the allocated UGX 229.733 billion which is 110.002 percent budget outturn. The Sector spent UGX 182.985 billion, which is 72.40 percent of the received amount. Sector MDA budget outturn was 105.69 percent and 137.54 percent for MLHUD and ULC respectively. The high budget outturn for MLHUD is attributed to 12.106 bn supplementary budget received to cater for: 1) Buganda Kingdom Claims, 2) operations of the Commission of Inquiry, and; 3) compensation for Amuru sugar works. On the other hand, the high budget outturn of ULC is attributed to receiving arrears to cater for compensation of absentee landlords under the land fund and ground rent for the Catholic Church land at Nsambya. The low absorption by the MLHUD (69.1percent.) is attributed to contractual challenges, for example by the end of the FY, the Consultant to develop Physical Development Plans had not delivered wholly per the contract terms, and lack of project readiness in terms of land acquisition and compensations. The quite low expenditure on the part of ULC (74.6 percent) is attributed to late release of funds in quarter four that did not allow enough time to spend.

### 3.4.11 Public Sector Management

**The Sector was moderately satisfactory at 67.1 percent compliance up from 55.4 percent at half-year assessment.** This is a weighted score comprising 70.0, 55.3, 69.7 and 75.4 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The Public Sector Management Sector received UGX 585.1bn out of the budgeted UGX 820.7bn which is 71.3 percent budget outturn. The Sector spent UGX 579.3bn, which is more than 98.3 percent of the received amount. On the implementation of projects, the release against allocation towards Public Sector Management Sector projects was 45.2 percent while the expenditure outturn was 78.9 percent. Since most of the Sector projects are aimed at enhancing rural livelihoods and balanced regional development, which are critical for equitable development within the Ugandan society, it is recommended that all planned funds should be released.

### 3.4.12 Water and Environment

**The Sector was moderately satisfactory at 71.8 percent compliance up from 56.1 percent at half-year assessment**. In particular, the Sector was 100, 70.5, 74.4 and 61 percent compliant at Sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII, respectively. The underperformance in the alignment of budgeting instruments (BFP and AB) to NDPII is attributed by failure to achieve the planned output targets as specified in NDPII and the Sector Strategic Plan.

### 3.4.13 Social Development

**The Sector was unsatisfactory at 59.8 percent compliance down from 64.0 percent at half-year assessment**. This is a weighted score comprising 67.0, 66.3, 75.4 and 61.4 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively The Social Development Sector received UGX 171.326 billion out of the budgeted UGX 201 billion which is 75.4 percent budget outturn. The Sector spent UGX 164.326, which is 95.91 Percent of the received amount. On the implementation of projects, the release against allocation towards Social Development Sector projects was 116.7 percent. The expenditure outturn on social Sector projects was 100.6 percent. The Sector experience budget reduction on youth livelihood programme (YLP) and no Development partner support was received towards green jobs (PROGREL) and Strengthening Safeguards, Safety and Health at Workplaces (SSASHEW)project.

### 3.4.14 Kampala City Council Authority

**KCCA was unsatisfactory at 54.3 percent compliance down from 65.7 percent at half-year assessment.** This is a weighted score comprising 100, 57.1, 90.4 and 00.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively. The Authority received UGX 415.42 billion out of the allocated UGX 503.47billion and from it, only UGX 368.35 billion was spent. This showed a poor absorption rate by the Authority as well as low outturn from Ministry of Finance, Planning and Economic Development.

Under projects, the Authority registered 57.1 percent under both release and outturn at the end of the year. This was mainly explained by the fact that even though some projects are listed under KCCA, the funding and implementation of these projects have their funding captured in the Sectors of Health; Tourism, Trade and Industry; Local Government; and Works and Infrastructure. Additionally, some of the projects listed receive their funding from KIIDP for example; Kampala Roads and drainage improvement project, GIS upgrade and Comprehensive Street Naming and Addressing Project, among others. It is recommended that projects not directly under KCCA be moved to their respective MDAs.

### 3.4.15 Accountability Sector

**The Sector was moderately satisfactory at 75.5 percent compliance up from 57.6 percent at half-year assessment**. This is a weighted score comprising **74.0, 66.5, 77.0** and **83.5 percent** compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The good Sector performance was majorly attributed to by the great Budget performance that was realized during the full year assessment for FY 2018/19. During FY 2018/19, the Accountability Sector received UGX 1,075.714 billion out of the approved UGX 1,096.587 billion, which was 101.9 percent budget outturn. It spent UGX 1,041.312 billion, which was 95 Percent of the received amount. Out of the 9 Votes under the Accountability Sector, 6 votes fully realized their approved budgets and the 3 were unable to realize releases that were commensurate to their Approved budgets. These institutions included: PPDA, FIA and DEI. On the implementation of projects, the release against allocation towards Accountability Sector projects was 95 percent. The expenditure outturn on Accountability sector projects was 88.2 percent.

### 3.4.16 Defense and Security Sector

**The Sector was satisfactory 84.1 percent compliance up from 72.5 percent at half-year assessment**. This is a weighted score comprising 100.0, 60.0, 86.7 and 100.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively. The Defense and Security Sector received UGX 2,324.89 billion out of the allocated UGX 2,114.91 billion which is 109.928 percent budget outturn. The Sector spent UGX 2,323.85 billion, which is 99.96 percent of the received amount. All Sector MDAs had budget release and expenditure outturns over 98 percent. On the implementation of projects, the Sector registered 137 percent and 84 percent project release and expenditure outturns by end of the FY2018/19. It is further recommended that the Sector fast tracks implementation of the identified NDPII projects.

### 3.4.17 Public Administration Sector

**The Public Administration Sector was satisfactory at 89.7 percent compliance up from 71.8 percent at half-year assessment.** Specifically, the Sector performed at 100, 83.7, 86.9 and 95.2 percent at planning, project implementation, budget process instruments (BFP and AB) and annual budget performance, respectively. This excellent performance is on account of the Sector and its MDAs having strategic plans that are aligned to the NDPII, good budget allocation, expenditure performance and adequate prioritization of NDPII interventions. For instance, the Public Administration Sector received UGX 1239.866bn out of the budgeted UGX 985.229bn which is 125.8 percent budget outturn. The Sector spent UGX 1230.519bn, which is only 99.8 percent of the received amount. On the implementation of projects, the release against allocation towards Public Administration Sector projects was UGX 40.504bn (58 percent) of the budgeted allocation while the expenditure outturn was UGX 43.98 bn which is 84.2 percent.

### 3.4.18 Legislature

**The Legislature sector was moderately satisfactory at 73.2 percent compliance up from 55.3 percent at half-year assessment.** In particular, the sector was 100, 40.4, 94.7 and 76 percent compliant at sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. The improved performance was greatly attributed to the good alignment of the Budget Framework Paper (BFP) and the Annual Budget (AB) to the NDPII.

## 3.5 Key findings at the Local Government level

**Overall, the LG Annual Budget was moderately satisfactory at 67.0 percent compliance to the NDPII up from 66.4 percent at half-year assessment**. This is a weighted score of 94.7, 53.6 and 99.9 percent for LGDP, alignment of AWP and AB performance, respectively. The slight increase in the budget compliance for FY2018/19 at full year assessment is attributed to improvement in budget performance from 97.4 percent.

**Annual Budget performance**

The performance for central government transfers was 99.9 percent performance. Information on budget performance for Local revenue and donor funding could not be obtained.

**Table 3.1: LG Budget Performance**

| Number of LGs | Total Grants Allocation to LGs | Total releases (Q1, Q2, Q3 and Q4) | Release Performance |
|---|---|---|---|
| All LGs | 3,145,736,057,114 | 3,143,095,290,774 | 99.9 |

# SECTION FOUR:

# RESULTS OF THE FY2019/20 ASSESSMENT FOR CONSISTENCY OF THE ANNUAL BUDGET TO NDPII

## 4 OVERALL BUDGET COMPLIANCE FOR FY2019/20

**The FY2019/20 Annual Budget (AB) is less compliant when compared to the FY2018/19 Annual Budget. Specifically, the FY2019/20 AB is un satisfactory at 59.7 percent compliance compared to the FY2018/19 Annual Budget that was moderately satisfactory at 60 percent.** The overall decline in compliance scores in the FY2019/20 is mainly attributed to the decline in performance at Macro and Local Government levels while the Sector Level remained nearly the same for both years. However, there was an improvement in performance at National level. The main reasons for the decline in compliance for FY2019/20 are: low absorption capacity of the released funds mainly at Sector level; slow progress on project implementation and failure to attain the planned NDPII targets.

## 4.1 MACRO LEVEL COMPLIANCE ASSESSMENT

The NDPII macroeconomic strategy was largely underpinned by the desire to maintain macroeconomic stability while at the same time improving Uganda's competitiveness in the region. To achieve this, the Plan targeted an average growth in real GDP of 6.3percent, single digit inflation both for core and headline inflation, increase in domestic revenue by an average of 0.5 percent of GDP annually, managing debt sustainably, managing fiscal deficit within planned levels as well as ensuring external balance. As a consequence, the economy was expected to attain the lower middle-income category by FY2019/20.

### 4.1.1 Overall Assessment

**There is an overall decline in macroeconomic alignment of the AB to the NDPII macroeconomic targets for the FY2019/20 compared to FY2018/19 arising from misalignment across the macroeconomic Sector accounts**. Consequently, the compliance score for FY2019/20 stands at 44.5 percent compared to 54.1 percent score for the previous FY2018/19. This overall decline in macroeconomic alignment of the AB to the NDPII macroeconomic targets for the FY2019/20 arises from non-attainment of key NDPII macroeconomic targets and partially the rebasing of the national accounts. Consequently, the NBFP, AB, and AB outturns' compliance to the NDPII declined save for the Charter of Fiscal Responsibility (CFR) that maintained the same score for both years. The level of macroeconomic alignment of the NBFP declined from 47 percent to 40 percent, from 49 percent to 37.6 percent for AB while the CFR score remained constant at 100 percent.

**Over the entire five-year period of the NDPII implementation, macroeconomic level alignment of the AB to the Plan has registered a steady decline from 72 percent in FY2015/16 to 48.1 in FY2016/17, to 41.9 in FY 2017/18 and closing in at 44.5 percent in FY2019/20**. The ultimate impact of such gradual decline in the macroeconomic alignment is the slowdown in the achievement of the set targets of the Plan. Hence the overall macroeconomic level assessment suggests that the country will not attain the middle-income goal by end of FY2019/20 following the underperformance of the macroeconomy.

The following sections provide a description of the compliance of various macroeconomic Sector accounts of Real, Fiscal, Monetary and External

### 4.1.2 Real Sector Assessment

**The overall real Sector assessment reveals a 62 percent level of compliance in FY2019/20 which is below the 70 percent benchmark. It also indicates an improvement in real sector alignment from the previous FY2018/19 that was 54 percent.** This largely signals lower deviations in real GDP growth rates; inflation targets as well as real GDP per capita growth rates. Whereas real GDP growth rates in the last three years has averaged over 6 percent, the gains have not been substantial enough to offset the lower growth outturns registered in the first two years of NDPII implementation. The average growth rates in real GDP for NDPII stands at 5.5 percent lower than the planned target of 6.3 percent.

**There is lower growth of 6.3 percent in the NBFP than the NDPII projected growth of 6.8 percent for FY2019/20 hence affecting the pace of socioeconomic transformation.** Much as growth has been on an upward trajectory in the last three years mainly owing to recovery in agriculture, sustained growth in industry and continued investment in public infrastructure by Government, it has not resulted in faster growth of GDP per capita that is projected at USD920 by the end of FY2019/20 compared to the NDPII target of USD1,039. Both external and internal factors have contributed to lower growth rates. The main external factor is the increase in global tensions that negatively impact on global trade and FDI inflows. The internal factors include among other things, delays in undertaking the Final Investment Decision (FID) in the oil and gas Sector, inefficiencies in public investment especially infrastructure development, and low completion rate of core projects which are the major pre-requisites and enablers of high growth. Besides, the growth in exports to GDP from 10.6 percent in 2016/17 to 11.5 percent in 2018/19, it was not high enough to offset the increase in imports from 15.5 percent to 19.7 percent during the same period. It is therefore necessary to sufficiently boost public investment management systems, fast track the FID in the oil and gas production projects and sustainably grow exports in order to boost GDP growth.

**The higher growth attained in the last three years owing to recovery in agriculture, sustained growth in industry and continued investment in public infrastructure by Government has not resulted in faster growth in GDP per capita.** With GDP growth rate over the NDPII falling below the planned levels, coupled with a non-declining population growth rate of 3.03 percent and marginal increases in exports, the increase in GDP per capita have been less than desired. Infact, GDP per capita that is projected at USD920 by the end of FY2019/20 is lower than the NDPII target of USD1,039. Over the NDPII period, agriculture grew by an average of 7.5 percent while industry by 9.6 percent. However, manufacturing grew by an average of 5.4 percent which is lower than the growth in real GDP. It is therefore recommended that to profit from agriculture, investment in small and medium scale value-addition technologies at farm level should be given priority in order to catalyse local production. Further, to sustainably grow per-capita incomes, agro-processing and light (assembling) manufacturing organized in industrial and business parks should be fast-tracked.

### 4.1.3 Fiscal Sector

**At fiscal policy objectives level, the FY2019/20 AB is 36.4 percent compliant which is way below the 70 percent benchmark**. The fiscal policy objective alignment drastically declined from 47.5 percent in FY2018/19 to 36.4 percent in FY2019/20. The four fiscal policy components that are scored to arrive at the above score include: (i) overall Sectoral allocations against the NDPII targets; (ii) revenue and expenditure objectives; (iii) the fiscal balance and (iv) the public debt.

**Whereas the size of the AB has been increasing, the overall Sectoral allocations reveal that the AB expenditure outturns are compliant at only 20 percent level with the NDPII targets in FY2019/20**. The NBFP and the AB are 21.2 percent and 24 percent compliant to the NDPII Sectoral allocations which is an indication of a significant disparity between plans and budgets. Where some acceptable level of compliance of the Sectoral allocations and the AB outturns exists, it is largely in non-priority Sectors of the NDPII such as Public Administration, Lands, Housing and Urban Development, Information Communication Technology. The overall average level of compliance of the AB Sectoral expenditure outturns over the NDPII period stood at 22.5 percent against the 70 percent benchmark. The highest level of compliance of 35 percent was registered in FY2015/16 and the lowest of 17.5 percent was in FY2016/17 and for the last three years of implementation it has been at around 20 percent. The likelihood of not attaining the desired NDP goals increases with unsatisfactory compliance of Sectoral expenditure outturns with the NDP planned allocations. Going forward, to turn Plans and their intents into reality through actual financing, there is need to increase scrutiny of the NDP allocations and ensure that the voted resources are spent in the earmarked areas.

**The AB allocations to the productive and human capital development sectors and their projected expenditure outturns FY2019/20 are lower than those planned in the NDPII. to the productive sectors.** Agriculture Sector NDPII allocation for FY2019/20 is 5.4 percent yet the projected expenditure outturn is only 2.6 percent for the same period. Energy and Mineral Development Sector NDPII allocation for FY2019/20 is 8.8 percent although the projected expenditure outturn stands at 3.5 percent. The human capital development Sectors that have a high bearing on poverty reduction and shielding the population against vulnerability have also had lower AB outturns especially with Education and Health registering a decline of over 45 percent. With the productive Sectors receiving less resources than planned, it becomes difficult for the economy to register higher growth rates. Furthermore, for social economic transformation to be achieved, both public and private investments in productive Sectors of the economy need to be given higher priority.

**The NDPII target of re-balancing of resources has not materialized.** Broadly, NDPII's strategy of increasing infrastructure investment expenditure in the first 2-3 years of the Plan period would be followed by increased expenditure in human capital development infrastructure and overall fiscal consolidation. The assumption that resources would move away from infrastructure development to human capital development towards the end of the Plan period has not been achieved. The Works and Transport budget projected by NDPII for FY2019/20 was 11.5 percent while the AB for FY2019/20 put it at a higher target of 19.8 percent. On the other hand, Education and Health sectors that were allocated 10.3 and 8.0 percent in the Annual Budget compared to NDPII target of 19.8 and 14.7 percent, respectively. In essence, the AB has not reduced the infrastructure budget and neither has it increased the human capital development budget to the levels of NDPII. Going forward, there is need to re-balance the country's meagre resources between infrastructure and other sectors to facilitate the growth process.

**The continued allocation of resources to non-priority Sectors that are over and above what is planned is distortionary, undermines attainment of development results and ought to be discouraged.** Sectors such as Legislature, Accountability, Justice, Law and Order, Defence and Security, Public Sector Management and Social Development have higher expenditure outturns than planned and this denies other Sectors resources to spend. In FY 2019/20, for instance, Legislature and Accountability as well as Public Sector Management, received over 50 percent more than planned resources. This constitutes inefficiency in resource allocation which distorts development results and outcomes. Besides, the existence of duplications in mandates of Government MDAs and the increase in administrative units is a drain on the existing meagre resources. It is therefore recommended that the meagre resources are spent effectively and efficiently in line with NDP priorities. To improve allocative efficiency and therefore achieve better development outcomes, the adoption of the Program approach in the implementation of Government programmes should be adopted as per NDPIII. And the rationalization of Government MDAs and other administrative units should fit within the Program approach once it is implemented.

**The FY2019/20 tax revenue targets are compliant at 60 percent which is below the 70 percent benchmark. Actual tax revenue collections have improved although more efforts to curb leakages are required.** Despite the decline in the tax revenue to GDP from 14.7 percent to 12.6 percent in FY2018/19 following the rebasing of the GDP, the tax revenue collections have increased from UGX11,180.56 Bn in FY2015/16 to UGX16,163.01 Bn in FY18/19. And by the end of the first half of FY2019/20, tax revenue collections stood at UGX8,583.45 Bn. While there have been gains registered in collection of Pay As You Earn (PAYE) and Corporate Income Tax (CIT) which has increased from 3.82 percent of GDP in FY2015/16 to 4.27 percent in FY2018/19, the gains in VAT collections have been minimal ranging between 3.5 and 3.8 percent of GDP during the same period owing to VAT exemptions and zero-rated supplies. Since there is room for improving tax policy and administration, it is imperative that Government removes unnecessary VAT exemptions to curb revenue leakages, limit zero-rated supplies as far as possible and review the policy on deeming to allow VAT system to function normally (Ministry of Finance Planning and Economic Development a, 2019). Generally, Government ought to fast-track the proposals and strategic interventions of the Domestic Revenue Mobilisation Strategy (DRMS 2019/20-2023/24) in order to facilitate improvements in tax collection.

**There are weaknesses in coordination of Government business especially in sharing of vital information and data between URA and the relevant authorities which has partially impeded Non-Tax Revenue performance. As a results** NTR collections have only increased marginally from UGX474.79 Bn (0.37 percent of GDP) in FY2018/19 to UGX518.17 Bn at the end of the first half of FY2019/20. Evidence of poor coordination of Government entities is further adduced in the Auditor General's Report for FY2018/19 which revealed that, UGX54 Bn was never collected due to non-coordination between URA and the Gaming board. Furthermore, a total of UGX.393.7 Bn was never collected due to failure by URA to access IFMS data, a number of expatriates do not pay PAYE due to failure by the Directorate of Immigration to share work permits issued with URA , a number of instruments are registered by the Ministry of Lands without paying the requisite stamp duty [1].

To facilitate effective NTR collections and delivery of Government Services it is critical that a shared platform to enable the smooth flow of information in Government is instituted. It is necessary therefore to fast track the standardization and integration of data systems in the country especially among MDAs to support revenue collection.

**External grants in FY2019/20 are compliant at only 20 percent which makes the case for domestic revenue mobilization even stronger than before**. Both budget and project support are highly volatile and unpredictable. Project support fell from 0.81 percent of GDP in FY2015/16 to 0.47 percent in FY2018/19 while budget support had a marginal increase from 0.34 percent to 0.46 percent during the same period. Financing development plans with volatile grants is likely to stall some development projects and results. It is therefore recommended that bolstering domestic revenue mobilization efforts is prioritized in order to raise sufficient domestic resources.

**While recurrent expenditure is projected to be fully compliant at 100 percent in FY2019/20, the development expenditure is non-compliant at 65.7 percent**. One major concern though in the recurrent expenditure components is the growing size of interest payments which are above the NDPII allocations. For example, as a percentage of GDP they rose from 1.5 percent in FY2015/16 to 2.0 in FY2018/19 and of more concern is that the biggest share of over 80 percent is paid to domestic creditors. As a proportion of the total budget for FY2019/20, interest payments are projected at 10.8 percent. Increased domestic interest payments have ramifications of shrinking the fiscal space and thereby making it difficult to significantly improve the development budget allocations. Moreover, increased domestic interest payments signal Government domestic borrowing which presents the risk of crowding out private Sector credit that has stagnated between 11-12 percent of GDP in the NDPII period. The development expenditure outturn is projected above the NDPII target at 8.8 percent which has implications on the accumulation of debt given the fact that there is a financing deficit of close to 6 percent. It is therefore recommended that the development expenditure budget is aligned with the NDP especially core projects so as to enable the generation of desired development results and outcomes. Similarly, to address the high recurrent expenditure emanating from domestic interest payment, the capital markets development is important and be prioritized to support the creation of various financing options other than the use of current domestic refinancing.

**Whereas the fiscal deficit was expected to decline towards 3 percent as per the EAC macroeconomic convergence criteria and the Charter of Fiscal Responsibility, this has not happened as the deficit now stands at 5 percent.** The Fiscal deficit is compliant only at 60 percent level in FY2019/20. Its projected outturn of 5 percent which is lower than the 8.7 percent and 5.3 percent in the AB and NBFP respectively but higher than the NDPII's target of 4.3 percent. The failure of the fiscal deficit to decline towards 3 percent signals need for more financing requirements to drive social economic transformation. It also signals lower tax effort by the authorities resulting in low domestic revenue mobilization. To sustainably address the financing

[1] Office of the Auditor General of Uganda (2019), Report of the Auditor General to Parliament For the Financial Year Ended 30th June 2019, GoU, Kampala.

deficit, Uganda needs to collect more domestic revenue to self-finance its development. It is also recommended that Uganda renegotiates the EAC convergence criteria to achieve meaningful integration in the near future.

**The gross public debt in FY2019/20 AB is compliant at 80 percent. However, there are a number of risks to the country's debt portfolio that need to be addressed**. The latest Debt Sustainability Analysis (DSA) Report for Uganda for 2018/19 reveals that the stock of total public debt grew from USD10.74 Bn at end June 2018 to USD12.55 Bn (UGX 46.36 Trillion) by end June 2019. Of this, external debt was USD8.35 Bn (UGX 30.85 Trillion), while domestic debt was USD4.2 Bn (UGX 15.51Trillion). Nominal total public debt is projected to increase to 40.9 percent of GDP in FY2019/20, before peaking at 49.5 percent in FY2023/24. In present value terms**,** total public debt is projected to increase to 31.1 percent of GDP in FY2019/20, and peak at 38.8 percent in FY2024/25 (Ministry of Finance Planning and Economic Development b, 2019).The risks to the debt portfolio that need to be addressed include the lower growth of exports, the rising debt servicing burden that has resulted from increasing domestic borrowing as well as the sluggish growth in domestic tax collections.

### 4.1.4 External Sector

**The external Sector account is 67.5 percent compliant to the NDPII largely attributed to low deviations in the gross international reserves and the current account balance outturns and the NDPII targets**. While the current account deficit is aligned, it is moving towards 10 percent which is a signal of increase in imports compared to exports. However, with a projected decline in future project imports for infrastructure in the medium term and an import replacement strategy in the offing the current account balance will improve. in. The buildup in the international reserves is also expected to increase once the Final Investment Decision in the oil Sector is taken since commercial production will boost export earnings.

### 4.1.5 Monetary Sector

**Private Sector Credit growth is 60 percent compliant to NDPII below the 70 percent benchmark**. In FY2019/20, it stood at 11.7 percent below the NDPII target for the period of 13.9 percent. Moreover, despite the loose monetary policy stance that the country has had for most of the NDPII period, private sector credit has stagnated between 11-12 percent which signals low levels of private sector credit in the economy. Besides, the limited available private sector credit in the economy is being channeled to non-productive sectors and enterprises such as Building, Mortgage, Construction and Real Estate. To enable the growth of private sector credit, Government needs to limit borrowing from the domestic market. In addition, Government needs to develop the financial sector and its infrastructure in an effort to catalyze the mobilization of domestic savings and investments.

### 4.1.6 Key emerging issues

i. **There has been a gradual decline in macroeconomic level compliance from 72 percent in FY2015/16 to 44.5 percent in FY2019/20.** The ultimate impact of such gradual decline in the macroeconomic alignment is the slowdown in the achievement of the set targets of the Plan since the AB is the primary tool for implementing the NDPII. Going forward, macroeconomic level alignment should be the first step towards attaining the Plan's results.

ii. **There is lower growth of 6.3 percent than the NDPII projected growth of 6.8 percent for FY2019/20.** The lower growth outturns are attributed to: a) the increase in global tensions that negatively impact on global trade and FDI inflows; b) the geopolitical tensions in the Great Lakes region and South Sudan; c) delays in undertaking the Final Investment Decision (FID) in the oil and gas sector; d) inefficiencies in public investment management especially infrastructure development; and e) low completion rate of core projects which are the major pre-requisites and enablers of high growth. It is therefore recommended that Government should strengthen Public Investment Management Systems as one of the means of increasing returns on public investments, fast track the FID of the oil and gas sub-sector, sustainably grow exports in order to boost GDP growth as well as support the development of light manufacturing as means of establishing first level import replacement industries

iii. **Much as growth has been on an upward trajectory in the last three years owing to recovery in agriculture, sustained growth in industry and continued investment in public infrastructure by Government, it has not resulted in faster growth of GDP per capita that is projected at USD920 by the end of FY2019/20 lower than the NDPII target of USD1,039**. Over the NDPII period, agriculture grew by an average of 7.5 percent while industry by 9.6 percent. However, manufacturing grew by an average of 5.4 percent which is lower than the growth in real GDP. It is therefore recommended that to profit from agriculture, investment in small and medium scale value-addition technologies at farm level should be given priority in order to catalyse local production. Further, to sustainably grow per-capita incomes, agro-processing and light (assembling) manufacturing organized in industrial and business parks should be fast-tracked.

iv. **The lower middle-income target has not been achieved within the NDPII period. Nevertheless, the country's GDP per capita is on an upward trend and NDPIII projects GDP per capita at USD1,064 by FY2021/22.** To fast track the attainment of middle-income status drive, the Program approach embedded in the NDPIII which seeks to build synergies among implementers to leverage efficient resource use, with better coordination of development interventions be fully adopted across Government.

v. **The NDPII target of re-balancing of resources has not materialized.** The NDPII assumption that resources would move away from infrastructure development to human capital development towards the end of the Plan period has not been achieved. The Works and Transport budget projected by NDPII for FY2019/20 was 11.5 percent while the AB for FY2019/20 put it at 19.8 percent. On the other hand, Education and Health sectors that were allocated 10.3 and 8.0 percent in the Annual Budget compared to NDPII target of 19.8 and 14.7 percent, respectively.

vi. **The likelihood of not attaining the desired NDP goal and objectives increases with unsatisfactory compliance of Sectoral expenditure outturns with the NDP planned allocations.** The overall average level of compliance of the AB Sectoral expenditure outturns over the NDPII period stood at 22.5 percent against the 70 percent benchmark.

Going forward, to turn Plans and their intents into reality through actual financing, there is need to increase scrutiny of the NDP allocations and ensure that the voted resources are spent in the earmarked areas.

vii. **Tax revenue collections have improved over the NDPII period although more efforts to curb leakages are required.** The actual tax revenue collections have been on an increase throughout the NDPII period rising from UGX11,180.56 Bn in FY2015/16 to UGX16,163.01 Bn in FY18/19 owing to better performance in PAYE and CIT. One major concern has been the minimal gains in VAT collections ranging between 3.5 and 3.8 percent of GDP over the NDPII period owing to VAT exemptions and zero-rated supplies. Since there is room for improving tax policy and administration, it is imperative that Government removes unnecessary VAT exemptions to curb revenue leakages, limit zero-rated supplies as far as possible and review the policy on deeming to allow VAT system to function normally.

viii. **The weaknesses in coordination of Government business between URA and the relevant authorities as well as the failure to share vital information between Government Agencies to facilitate tax collection contributes to dismal performance of NTR.** Indeed, the Auditor General's Report for FY2018/19 revealed that UGX54 Bn was never collected due to non-coordination between URA and the Gaming board. It is necessary to fast track the standardization and integration of data systems in the country especially among MDAs to support revenue collection.

ix. **The growing interest payments which currently stands at 10.8 percent of the budget is a risk to fiscal sustainability**. Interest payments which is above the NDPII targets of 7.3 percent of the budget is gradually shrinking the fiscal space.

x. **The Fiscal deficit of 5.2 percent in the NBFP of FY2019/18 is above the NDPII target of 4.3 percent.** While the fiscal deficit was expected to decline towards 3 percent as per the EAC macroeconomic convergence criteria and the Charter of Fiscal Responsibility, this has not happened. This has been due to the need to reduce the infrastructure deficit and enhance the country's competitiveness. Beyond that, to sustainably address the financing deficit, the country needs to mobilize more domestic revenues to self-finance its development while also renegotiating the stance on the EAC convergence criteria**.**

xi. **The nominal public debt to GDP at 40.9 percent in FY2019/20 is below the NDPII target of 43 percent, hence compliant.** Furthermore, in present value terms, total public debt is sustainable and is projected to increase to 31.1 percent of GDP at the end of FY2019/20, and peak at 38.8 percent in FY2024/25. Despite the sustainability of the country's public debt, there are a number of risks to the debt portfolio that need to be addressed**.** The risks to the debt portfolio that need to be addressed include the lower growth of exports, the rising debt servicing burden that has resulted from increasing domestic borrowing as well as the sluggish growth in domestic tax collections.

xii. **There is limited private Sector credit growth in the economy and the limited credit available is being channeled to non-productive activities such as building, mortgage, construction, and real estate.** To enable the growth of private Sector credit, Government needs to limit borrowing from the domestic market. In addition, Government needs to develop the financial sector and its infrastructure in an effort to catalyze the mobilization of domestic savings and investments.

## 4.2 NATIONAL STRATEGIC LEVEL COMPLIANCE ASSESSMENT

**At the national level, compliance is assessed at four broad NDPII areas: the NDPII Theme/Goal; Objectives; Development strategies, and Core projects.** The overall score at this level is a weighted sum of these focus areas with each contributing 20, 25, 25, 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.

### 4.2.1 Overall Assessment

**Overall, the Annual Budget for FY2019/20 is 72.3 percent aligned to the NDPII Strategic direction.** This level of alignment is an increase from 58.2 percent in FY2018/19. This is a weighted score of 84.9, 84.1, 89, and 42.6 percent for NDPII Theme/Goal; Objectives; Development strategies, and Core projects, respectively. The detailed assessment and reasons for variance in scores is given at the different levels in the sections below.

### 4.2.2 Theme/Goal Level

**At theme level, the FY2019/20 Annual Budget is 84.9 percent aligned to the NDPII Goal/Theme**. This is a weighted score of 90.4 percent and 82.5 percent for the NBFP and AB, respectively. The assessment at this level used indicators on the NDPII parameters of: competitiveness, wealth creation, employment and inclusive growth. The detailed scores of the AB and NBFP as well as the justification for performance for the different components of the NDPII theme are highlighted below.

i) **On competitiveness, the NBFP is 100 percent aligned while the AB is 92 percent aligned to the NDPII.** The two areas assessed under this are; (a) Doing Business Environment (improving business registration and licensing, transparency in land administration, access to Credit/finance, access to electricity, trade across borders, labor market regulation,); and (b) Global Competitiveness (acquisition of market access opportunities, enhancing branding and standardizing the country's products and services, closing the infrastructure gap, and creating a skilled and healthy population Macro-economic stability and technological readiness). The alignment at this level was affected by lack of budgetary allocation to the NDPII competitiveness strategies on; National Response Strategy for Elimination of Non-Tariff Barriers (NRSE-NTB's), as well as the provision of vocational and technical institutions with adequate instructors and instructional materials.

ii) **On sustainable wealth creation, the NBFP is 75 and the AB is 67 percent aligned**. The NDPII areas assessed under this aspect are: 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 alignment at this level was affected by lack of budgetary allocation to the NDPII sustainable wealth creation strategies on; facilitating environmentally sound technologies for manufacturing to control pollution.

iii) **On Employment, the NBFP is 92 percent aligned while the AB is 83 percent aligned**. The areas assessed are: establishing light manufacturing and agro-processing industries to create jobs; promoting the services Sector to create jobs; strengthening the capacity for entrepreneurship among the youth and women; improving access to financial services; and enhancing creativity and innovation. The alignment at this level was affected by lack of budgetary allocation to the NDPII employment creation strategies on; establishment of light manufacturing industries in Uganda to create jobs. Further, majority of the other value addition interventions were skewed to agro processing and left out other key opportunities like, minerals. Nonetheless, the NBFP identifies the need to review the tax system to support domestic production and promote competitiveness of local manufacturing as one of the key interventions to drive growth.

iv) **On inclusive growth, the NBFP is 95 percent aligned while the AB is 80 percent aligned**. The areas assessed are: development formerly war ravaged areas; community mobilization for development; addressing inequality within and among different regions; implementing 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; eradicating extreme poverty for all people everywhere; and improving planned urban development. The non-alignment at this level is because the grants allocated to LGs are not adequate to meet the NDPII target of 30 percent. In addition, whereas the AB and NBFP provided for community mobilization activities and funds across various Sectors of Government, most of these are duplicative, scattered and do not provide for harnessing of synergies. Furthermore, the funds allocated for Social Protection for vulnerable groups are not sufficient to address extreme poverty in line with the NDPII.

### 4.2.3 NDPII Objectives

**Overall, the Annual Budget for FY2019/20 is 84.1 percent aligned at the NDPII objective level**. This is a weighted score of 97.7 percent and 78.2 percent for the NBFP and AB, respectively. The assessment at this level was based on the 4 NDPII objectives which include: (1) Increasing sustainable 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; (iv) and Strengthening mechanisms for quality, effective and efficient service delivery. The detailed assessment by objective are highlighted in the following sections.

**Objective 1: Increasing sustainable production, productivity and value addition in key growth opportunities.** The areas assessed under objective 1 are: Addressing challenges in the selected thematic technical areas; agro-processing; light manufacturing; labor productivity; mineral beneficiation; management of environment and natural resources.

**The Annual Budget is 84.1 percent aligned to the first objective of the NDPII.** This is a weighted score of 90.9 percent and 79.5 percent for the NBFP and AB, respectively. The areas of non-alignment are largely with regard to water for agricultural production. Whereas provision of on-farm water is what significantly contributes to the increase in area under irrigation, there is a low budget allocation for on-farm water of only Shs. 1.88Bn compared to the NDPII target of 36.62Bn for the Project on Irrigation Scheme Development in Central and Eastern Uganda (PISD). Nonetheless, the AB provided for Shs. 95 Bn under the Ministry of Water for increasing water for production.

In addition, the NDPII provided for establishment of productivity centers at national and regional levels. However, there is still no commitment made towards its revival of the productivity center. In addition, the promotion of culture and creative industries remains under funded in the social development Sector as well as the development of labor market information systems which remains largely non-functional.

**Objective 2: Increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness.** The areas assessed are: Transport (roads and bridges, SGR, air and water transport); Energy (Exploitation of renewable energy sources, water (access and storage capacity), Water and ICT.

**The Annual Budget is 91.3 percent aligned to the second objective of the NDPII**. This is a weighted score of 100.0 percent and 88 percent for the NBFP and AB, respectively. With regard to transport, the AB did not provide for rehabilitation of the meter gauge railway line as one of the areas that will contribute to reducing transportation costs in line with the NDPII. Also, with regard to ICT infrastructure, the AB did not allocate resources for extending the National Backbone Infrastructure (NBI) to 100 MDAs, LGs, Priority User and special interest Groups, in line with the NDPII. Further, the NDPII intervention on establishing a model ICT hub and BPO centre to create employment and minimize the dependency on foreign ICT solutions remained underfunded.

**Objective 3: Enhancing Human Capital Development.** The areas assessed are: Equitable access to well-coordinated, quality, equitable and inclusive ECD services; equitable access to quality education services; increased skills development; increased access to quality health services.

**The Annual Budget is 84 percent aligned to the third objective of the NDPII.** This is a weighted score of 100.0 percent and 77 percent for the NBFP and AB, respectively. In particular, the AB did not provide for a number of NDPII interventions. First, the AB did not provide for establishing ECD centers attached to government primary schools. Nonetheless, the BFP provided for training of ECD teachers. Also, there is low performance compared to NDPII targets in a number of Human Capital Development areas. The areas of underperformance with regard to education include; low completion rates at primary (61.5 percent), Lower secondary (37.8 percent) and upper secondary (12.7 percent); high Pupil/Student Classroom Ratios, low community participation and teacher absenteeism that have consequently affected delivery of education services. With regard to health, access to quality services remains low making Uganda lag behind in realizing Universal Health Coverage.

Nonetheless, there was improvement in maternal mortality, which declined from 438 in 2012/13 to 336 deaths per 100,000 live births in 2018/19. Significant progress has also been made in the provision of specialized medical care in gynecology. A modern state of the art women's hospital with a capacity of 320 beds was recently opened in Mulago.

**Objective 4: Strengthening mechanisms for quality, effective and efficient service delivery.** The areas assessed included: strengthening citizen participation in the development processes; enforcement of the regulatory framework and streamline the inspection function; improvement of the quality of the civil service; improvement of access to justice across the country; administrative reforms in the judicial system; strengthening the oversight agencies to effectively detect, investigate, report and prosecute corruption cases; and strengthening public service reforms.

**The Annual Budget is 80 percent aligned to the fourth objective of the NDPII**. This is a weighted score of 100. percent and 71 percent for the NBFP and AB, respectively. In particular, key NDPII interventions for strengthening mechanisms for effective and efficient service delivery remained underfunded. These underfunded interventions include; improving the quality of the civil service, strengthening citizen participation in the development processes and enforcing the regulatory framework and inspection. Furthermore, the resources allocated for enforcement of regulatory frameworks and inspection are scattered across various Sectors of Government and are not adequate to enable the desired changes in improving the civil service.

### 4.2.4 Development Strategies

**The FY2019/20 Annual Budget is 89 percent aligned to the NDPII at the development strategies level**. This is a weighted score of 94 percent and 87 percent for the NBFP and AB, respectively. At this level, eight NDPII development strategies formed the basis for the assessment. These are: 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. The assessment for each of the strategies is highlighted below:

(i) **Fiscal Expansion for Frontloading Infrastructure Investment: The NBFP and AB are both 100 percent aligned to the NDPII respectively at this level.** The areas assessed are: harnessing concessional and semi concessional financing and other development support facilities that are targeted to accelerate investment in infrastructure and human development; maintaining macroeconomic stability and a conducive environment; and maximizing competitiveness regionally and internationally. Despite strong alignment, it wasn't possible to identify specific budget allocation for establishment of a database of suppliers of exports as well as promoting of Business Outsourcing Centers to facilitate services of exports, as one of the NDPII strategies to support private Sector to meaningfully participate in the trade blocs such as EAC, COMESA, AGOA and other bilateral agreements for market access.

(ii) **Industrialization: The NBFP and AB are 83 percent and 58 percent aligned respectively to the NDPII at this level.** The areas assessed are: 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. The AB did not provide clear strategies and financing for developing agri-business skills for women in line with the NDPII. Also, whereas the NDPII identified reviewing the tax system to support domestic production and promote competitiveness of local manufacturing as one of the key interventions to drive growth, the AB didn't allocate funds to particularly promote local light manufacturing. In addition, the NDPII targeted to improve the percentage of MSMEs with access to business incubation and industrial infrastructure; however, the AB, only provided financing to the Food Technology Incubations at Makerere University.

(iii) **Fast Tracking Skills Development: The NBFP and AB are 100 percent and 67 percent aligned to the NDPII respectively at this level.** The areas assessed are: 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. In particular, the AB did not prioritize the establishment of the five centers of excellence throughout the NDPII period.

(iv) **Export Oriented Growth: The NBFP and AB are 100 percent and 83 percent aligned to the NDPII respectively at this level**. The areas assessed are: 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. The Support to Agro Processing & Marketing of Agricultural Products Project, which is key to diversifying the exports was not allocated funds in the AB.

(v) **A Quasi-Market Approach: The NBFP and AB are both 100percent aligned to the NDPII at this level.** The areas assessed are: 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 provided financing for capitalization of UDB and UDC. In particular, funds were allocated through the Uganda Development Corporation (UDC) for investment in the Atiak Sugar Factory and for the Public Private Partnership (PPP) Unit services in the MoFPED.

(vi) **Harnessing the demographic dividend: The NBFP and AB are both 100 percent consistent at this level.** 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 labor. NDPII strategies for harnessing the demographic dividend were adequately considered in the AB.

(vii) **Urbanization: The NBFP and AB are 83 percent and 100 percent aligned to the NDPII respectively at this level**. The areas assessed are: 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. Under this, the AB did not provide for the NDPII intervention of ensuring a critical link between urbanization and modernization of agriculture. The NBFP only provided for urban Commercial and Production Services under KCCA ignoring other urban areas.

(viii) **Strengthening Governance: The NBFP and AB are both 86 percent aligned to the NDPII at this level**. 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. The AB did not provide for development of a law to enable effective provision of legal aid services and NDPII Community Mobilization, Culture and Empowerment interventions remained largely underfunded.

### 4.2.5 Core Projects

**The Annual Budget for FY2019/20 was unsatisfactory at 42.6 percent compliance with the NDPII at core projects level.** This is a weighted score of 64.1 percent, 39.1 percent and 40.1 percent for project physical implementation progress, project funding releases and expenditure against release performance, respectively. The assessment at this level is based on the 42 NDPII core projects. A detailed summary of the performance of core projects is presented in table 3.

**FY 2019/20 being the last year of the NDPII implementation, only 5 percent of the core projects are completed and about 62 percent of the NDPII core projects will either not be implemented or will be implemented behind schedule.** Out of the total 42 projects, only two (2) projects an equivalent of 4.7percent have been completed. These are; Isimba Hydro Power Plant whose implementation is at 98 percent and was commissioned in March, 2019 and the Road Construction (Earth Moving) equipment. Also, 33 percent of the core projects (14 projects) are still under implementation and are on schedule for completion within the NDPII period. Further, 19 percent (8 projects) are under implementation but behind schedule while 30.9 percent (13 projects) of the core projects have only completed feasibility studies. In addition, 9.5 percent (4 projects) of the projects are still undergoing feasibility studies while 4.7 percent (2 projects) have not started. A detailed summary of the performance of core projects is presented in table 4.1.

***Table 4.1:*** **Summary progress on implementation of NDPII core projects**

| | PROJECT | STATUS |
|---|---|---|
| | **COMPLETED** | |
| 1 | Isimba Hydro Power Plant | Implementation is at 98%. Commissioned on 21st March, 2019. |
| 2 | Road Construction (Earth Moving) equipment | Completed and launched |
| | **UNDER IMPLEMENTATION AND ON SCHEDULE** | |
| 1 | Karuma Hydro Power Plant | Implementation is at 93.06%. Commissioning date was extended. |
| 2 | National Grid Extension including Regional Power Pool | On schedule (89% of the works are complete) |
| 3 | Phosphate Industry in Tororo | Phase I of the project was completed and launched which accounts for 50% implementation. |
| 4 | Markets & Agriculture Improvement Project | On schedule with a progress averaging at 40%. Procurement for construction of 7 markets completed in February 2018, implementation at 25% average. Procurement for construction of other 3 markets completed in May 2018, implementation at 15% average. Procurement of the 11th market is in the final stages. |
| 5 | The Entebbe Airport Rehabilitation | Project implementation is on schedule, 42% of works are complete. |

| | PROJECT | STATUS |
|---|---|---|
| 6 | Upgrading of Kapchorwa – Suam road | The Civil Works contract was signed on 7 May 2018. Physical works commenced on 1 October 2018 and completion date is 1 October 2021. Time elapsed is 16.67%. Compensation for Project Affected Persons (PAP) is at 93% and land acquisition is at 93.69%. |
| 7 | Uganda Women Entrepreneurship Programme (UWEP) | On schedule (66.1% disbursement). Project outputs are not clear. |
| 8 | Youth Livelihoods Programme (YLP) | On schedule (61% disbursement). Project financing was cutoff due to lack of clear impact. |
| 9 | Entebbe Expressway | 98.74 % cumulative physical progress |
| 10 | Albertine Region Roads | Kyenjojo to Kabwoya - The cumulative progress as of March 2019 was 59.64% of works<br>Kigumba – Bulima - 15.5% of the physical works had been completed<br>Bulima - Kabwoya - The cumulative progress as of end of March 2019 is 78.75% of works |
| 11 | Renovation of 25 Selected General Hospital | Renovation of 25 General Hospitals on schedule. |
| 12 | Rwenkunye – Apac – Lira – Kitgum – Musingo road | Acholibur- Kitgum - Musingo 86.4km road's overall 100% cumulative physical progress was attained as at end of quarter two of FY 2018/19.<br>Rwenkunye-Apac-Puranga (191 Km) section, Design study for the road was completed. Under procurement for works. |
| 13 | Albertine Region Airport (Kabaale international airport-Hoima) | On Schedule at 22.57% |
| 14 | Mass treatment of Malaria | Recurrent activity |
| | **UNDER IMPLEMENTATION BUT BEHIND SCHEDULE** | |
| 1 | ICT National Backbone Project | Implementation behind schedule 60% (On Schedule - Phase 4 funds negotiation in progress) |
| 2 | Agriculture Cluster Development Project | Implementation is below schedule and the capital component is only 8 percent. Only 15 percent of the project has been delivered |
| 3 | Marketing and Product Development Project for Namugongo | Implementation behind schedule (only 20% of project delivered). Development completed for a Master plan (including BOQs and architectural designs for public infrastructure) and a strategic environment and social impact analysis (SEA) for the Source of the Nile, is ongoing. Low financing of the sector has constrained project development. |
| 4 | Comprehensive Skills Development Programme | Efforts of skills development are scattered. There are 12 projects implemented by different MDAs all engaged in skills development. This project is highly funded though results are meagre. |
| 5 | Revitalization of UDC | Project is ongoing. |
| 6 | Recapitalization of UDB | Implementation behind schedule. Shs. 364bn provided out of required Shs. 500bn. |
| 7 | Industrial Substations | Overall cumulative progress is 67%<br>Namanve. Substations progress is as: Luzira- 99%; Iganga- 99%; Namanve South- 99%; Mukono- 99%. Transmission Lines progress: Namanve South-Luzira - 10%; Namanve North-Namanve South – 45%; Mukono T-off - 55% and Iganga T-off - 30% |
| 8 | Farm Income Enhancement and Forest Conservation | Only 35 percent of the project has been delivered |
| | **FEASIBILITY COMPLETED, READY FOR IMPLEMENTATION** | |

| | PROJECT | STATUS |
|---|---|---|
| 1 | Hoima Oil Refinery | Feasibility finalized, RAP finalized up to 98.3%, Investor Secured, Final End Engineering Designs finalized. |
| 2 | Grid Extension in North East, Lira and Buvuma Islands | Feasibility finalized, RAP ongoing for 50% of area, under tendering |
| 3 | Kabale – Mirama Transmission line | Feasibility finalized, RAP at 10%, tendering ongoing |
| 4 | Kampala – Jinja Expressway | Feasibility for the project was finalized and sourcing of financing is ongoing. The project is being appraised by JICA for funding. |
| 5 | Kibuye – Busega Express Highway | Feasibility finalized (Kibuye - Busega discussions are on-going with potential financiers.) |
| 6 | Kampala Southern bypass | Feasibility finalized (procurement of contractor ongoing) |
| 7 | Busega – Mpigi expressway | Feasibility finalized. Under procurement |
| 8 | Rwenkunye – Apac – Lira-Kitgum-musingo | - Detailed Designs completed<br>- Under procurement for Works |
| 9 | Masaka – Mbarara Transmission Line | Feasibility, RAP at 90%, tendering ongoing |
| 10 | Kampala - Bombo Express highway. | Feasibility Study finalized. Detailed Design ongoing. |
| 11 | Bukasa Port | Feasibility Study, Preliminary designs and Master Plan Finalised. Preparatory works slated to start in the next financial year |
| 12 | Oil related Infrastructure Projects (Oil roads) | Discussions are underway with EXIM Bank of China to provide financing for the following roads: Hoima-ButiabaWanseko; Masindi-Biiso; Kaseeta-Lwera via Bugoma Forest; Wanseko-Bugungu; Buhimba-Nalweyo-Kakindu-Kakumiro;<br>Lusalira-Nkonge-Ssembabule; Kyotera-Rakai;<br>KabaleKiziranfumbi; Tangi Gate Bridge; Bridge<br>After Paraa Crossing; Hohwa-Nyairongo-Kyarushesha (Front End Engineering Design and procurement process for contractor ongoing) |
| 13 | Ayago Hydro Power Plant | Feasibility completed |
| | **ONGOING FEASIBILITY STUDIES** | |
| 1 | Marketing & Product Development Project for Source of the Nile | Feasibility Study and master plan in progress |
| 2 | Standard Gauge Rail | Feasibility study, RAP and negotiation of financing ongoing. Tanzania is to implement a similar railway type at almost half the price of Uganda per lane km. |
| 3 | Strengthening Effective Mobilization, management and Accounting for use of Public Resource (SEMMA) | PFM Reforms on going under FINMAP basket funded project, DPs involved; Norway, Germany, EU, Denmark and UK among others<br>(Feasibility study ongoing) |
| 4 | Development of Iron Ore and Steel Industry | Project is under feasibility supported by EU. |
| | **NOT YET STARTED** | |
| 1 | Storage Infrastructure | At Concept Note |
| 2 | Mass treatment of Malaria | Recurrent activity |

### 4.2.6 Key Emerging Issues

1 **Overall, the Annual Budget intent reflects the NDPII strategic direction with regard to the theme, strategies, objectives and core projects**. This implies that, the Budget Strategy for the FY 2019/20 Annual Budget is largely informed by the Plan.

2 **At least 80 percent of the core projects will not be completed by the end of the NDPII, posing a big challenge for the achievement of middle-income status as it had been envisaged by 2020.** There is slow implementation of NDPII core projects as 62 percent of the projects will either not be implemented of will be implemented behind schedule. FY 2019/20 being the last year of the NDPII implementation, out of the total 42 projects, only two (2) projects have been completed and only 33 percent of the core projects are still under are on schedule for completion within the NDPII period. Others are either behind schedule or at different stages of preparation.

3 **There continues to be a number of budgetary interventions towards implementing the NDPII interventions on skills development, however, these are extremely scattered and have not yielded the required impact.** Over the NDPII period, several skills development interventions are scattered in the sectors of Education, Health, Social Development, Energy and Mineral Development, Water and Environment among others but are spread too thin to yield the desired results. Also, there have been slow progress towards the development NDPII skills development centers of excellence as well as international certification of critical skills in emerging sectors of the economy.

4 **All value addition interventions are skewed towards agro-processing with less attention to other NDPII opportunities especially minerals.** The FY 2019/20 AB does not provide financing to explicitly support value addition for other key opportunities especially minerals. Also, there is need for additional budgetary support towards establishment of light manufacturing industries to create jobs.

5 **There is no explicit attention towards addressing the challenge of water and air pollution.** The AB has no specific budgetary intervention to address environmental concerns resulting from inadequate sanitation facilities, unsafe disposal of municipal and industrial waste, as well as emissions from increased traffic and reconditioned motor vehicles, among others. There is need to fast-track implementation of NDPII interventions on adoption of environmentally sound technologies for manufacturing to control pollution.

## 4.3 SECTOR AND MDA LEVEL ASSESSMENT

**At this level, the alignment of the FY2019/20 Annual Budget is un satisfactory at 58.4 percent.** The compliance assessment at the Sector level was undertaken at four (4) main levels: the existence and alignment of planning frameworks, Sector projects (excluding core national projects), the alignment of the Budget Framework Paper and the Annual budget targets to the NDPII, and level of budget performance (release and expenditure performance). At all these levels, scores were awarded in line with section 2 of the assessment criteria for Sectors.

### 4.3.1 Agriculture 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 that follow.

#### 4.3.1.1 Overall CoC Performance

#### 4.3.1.2 Performance of the Sector

**Overall, the Agriculture Sector AB is unsatisfactory at 58.5 percent compliance to NDPII.** In particular, the Sector is 100, 77.1, 45.4 and 39.0 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 sub-sections below.

#### 4.3.1.3 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance.** The Sector has an approved strategic plan that is aligned to the NDPII. Additionally, all MDAs of the Sector have approved strategic plans that are aligned to the NDPII in timeline and content. As the completion of ASSPII nears, MAAIF has already started the process of development of the new ASSP III for the 2020/2021- 2024/2025 period.

#### 4.3.1.4 Sector Projects Alignment

**At this level, the Sector is moderately satisfactory at 77.1 percent compliance to NDPII.** This is a weighted score of 58.6, 90.0 and 55.2 percent for budget release, expenditure out-turn and project performance (progress of implementation of projects), respectively. The weak performance is as a result of poor budget releases and project performance. Low budget release, expenditure and project implementation delays were especially high for externally financed projects. These externally funded projects include: The Agricultural Cluster Development Project, ACDP; The Regional Pastoral Livelihoods Resilience Project; Multi-Sectoral Food Safety and Nutrition Project the Agricultural Value Chain Development Project, AVCDP, National Oil Palm Project, NOP and; Enhancing National Food Security through increased Rice Production in Eastern Uganda. The budget out-turn for all externally financed projects was at 27.3 percent for the half-year assessment. With a total budget of UGX 331.97 billion, externally financed projects contribute 63.7 percent of MAAIF (UGX 520.09 billion) budget and therefore their poor performance significantly affects the overall performance of the Ministry. This is mainly due to delays in project preparation and inefficiencies in implementation. This causes high turnaround time in activity implementation especially procurement because of long iterative processes of approvals by the funders as often the Ministry has to seek no objections on fund requests for activities.

#### 4.3.1.5 Alignment of the BFP and Annual Budget

**At this level, the sector is unsatisfactory at 45.4 percent compliance to NDPII.** This is a weighted score comprising of 47.1 and 47.9 percent for BFP and AB respectively. The assessment observed a variance between the sector plan targets, the BFP and AB. Big variances were especially observed between NDPII targets and, BFP and AB. However, the BFP and AB were well aligned. For a number of output performance indicators across almost all the sector priority intervention areas, the NDPII targets were higher than those in the annual budgets. For instance, while in the ASSPII and NDPII the sector targeted to treat 7,550,000 animals under the mandatory and free vaccination programme against the four major endemic livestock diseases of: Foot and Mouth Disease (FMD); the Contagious Bovine Plueropneumonia (CBPP), the peste de petits ruminants (PPR), and anthrax, only 2,100,000 animals were planned in the FY 2019/20. Other interventions that were under targeted or dropped include; slaughter houses in urban markets, establishment of regional laboratory facilities, recruitment and deployment of agricultural extension workers, registration and certification of agro-inputs dealers, water for agricultural production, aquaculture parks, etc.

#### 4.3.1.6 Budget Performance

**At this level, the Sector is unsatisfactory at 39.0 percent compliance to NDPII.** This is a weighted score of 75.0 and 16.0 percent for budget outturn and expenditure outturn, respectively. The percentage of released budget that was spent was 68.3, 83.3, 71.6,74.6, 91.1, 59.8 and 75.4 respectively for MAAIF, NARO, NAGRC, NAADS, UCDA, DDA and UCDO respectively. Therefore, the low expenditure outturn was because only one agency, UCDA was able to spend above 90 percent of the released funds. The unsatisfactory score on budget performance for MAAIF was due to a zero score on both budget release and expenditure outturn arising from releases and expenditures of less than 90 percent. The poor budget performance under MAAIF is attributed to the poor performance of donor supported projects that account for the largest share of the Ministry budget.

The Sector has 10 externally funded projects that are all under MAAIF (Vote 010). With a budget of UGX. 356.28 billion, externally financed projects contribute 68.4 percent of the MAAIF budget (UGX 520.89) and 33.8 percent of the total Sector budget (UGX. 1054.14 billion). A look at the top five projects in terms of budget of these donor-supported projects shows low budget releases and low expenditure of the approved budget in FY2019/20. The Agricultural Cluster Development Project which is in the fourth year of implementation had a budget of UGX. 114.49 billion but 26.4 percent was released while expenditure was 14.1 percent. The Regional Pastoral Livelihood Improvement Project had a budget of UGX. 53.64 billion and the release was 51.4 percent of which expenditure was 42.5 percent. The project on Enhancing National Food Security through increased Rice Production in Eastern Uganda had a budget of UGX. 41.58 billion, it received 1.3 percent while expenditure was 1.1 percent of the annual budget. The Multi Sectoral Food Safety & Nutrition Project had a budget of UGX. 23.28 billion, received 51.5 and spent 51.2 percent. The National Oil Palm Project (NOPP) with a budget of 68.25 billion, received 16.3 percent and spent 9.25 percent. With a total budget of UGX. 356.3 billion, the average release was 29.7 percent while the expenditure was 22.3 percent.

Compared to GOU supported projects, externally financed projects hold a significant share of the development budget of the Ministry and an improved efficiency in their performance will stimulate improved performance of the Sector to realize NDPII targets.

#### 4.3.1.7 Summary MDA level Performance

**Table 4.2: Summary of Agriculture Sector and MDA level Performance (%)**

| S/N | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100.0 | 77.1 | 41.7 | 47.9 | 45.4 | 39.0 | 58.5 |
| 2 | MAAIF | 100.0 | 74.5 | 58.4 | 62.5 | 65.9 | 0.0 | 52.1 |
| 3 | NARO | 100.0 | 70.0 | 60.0 | 90.0 | 72 | 16.0 | 57.4 |
| 4 | NAGRIC | 100.0 | 97.5 | 52.5 | 50 | 51.5 | 40.0 | 66.7 |
| 5 | NAADS | 100.0 | 100.0 | 100 | 71.4 | 88.6 | 40.0 | 78.6 |
| 6 | DDA | 100.0 | 70.0 | 100 | 100 | 100 | 32.0 | 70.6 |
| 7 | UCDA | 100.0 | 97.5 | 83.3 | 83.3 | 83.3 | 52.0 | 79.9 |
| 8 | UCDO | 100.0 | 100 | 80.0 | 75.0 | 78.0 | 32.0 | 73.0 |

#### 4.3.1.8 Key emerging issues

i) **Delays in implementation of externally financed projects** continues to hinder the attainment of Sector targets. While it was expected that Sector projects for NDPII would be winding up by the end of FY2019/20, delayed commencement and progress during implementation has hindered their full operation, thus affecting the realization of the anticipated NDPIII targets. For example, the project on Enhancing National Food Security through increased Rice Production that was planned to start in 2013 was delayed for 5 years and only started in 2018. The total funding of the project is USD 34.05 million and is funded jointly by the Government of Uganda and the Islamic Development Bank. So far in its second year of implementation, the project has spent only 2.97 percent of the budget. Another externally financed projects behind schedule is the Agricultural Cluster Development Project.

ii) **Poor implementation planning** has led to accumulation of big arrears especially for UCDA, totaling to UGX 94.3 Billion for seedlings which has created inefficiencies in the coffee industry. While UCDA had planned to distribute 150 million seedlings per year in its strategic plan, this was scaled to 300 million seedlings but the budget provided by MFPED was insufficient to cover this procurement need. Secondly, UCDA was advised to re-align its internal resources to cater for these arrears which led to underfunding of other areas in the value chain.

iii) **The declining budget allocation to the Sector continues to undermine efforts towards full exploitation of the Sector potential**. While the budget allocation to the Sector has increased, the proportion of the agricultural Sector budget to the national budget continues to decline. The share of the agricultural Sector budget to the national budget declined from 4.5percent in FY 2016/17 to 3.8 percent for FY 2017/18 and FY 2018/19 and then to 3.2 percent for FY 2019/20. The low budget allocations to the agricultural Sector has hindered the implementation of key NDPII planned interventions.

iv) **Lack of a clear strategy to guide NAADS investment in agro-processing and value addition** might lead to wastage of government resources. NAADS has shifted its priorities from primary production; purchase seeds, and seedlings to support to the procurement of value addition equipment and agro-machinery and direct support to factories such as Nyoowa, Kayunga, etc., which is good. However, the approach has not been well studied and planned in a vertically integrated manner. It only addresses nodes on a value chain. This might lead to wastage of government resources and emergency of white ‘elephants. Additionally, the beneficiaries of these investments lack capacity – both managerial and financial – to efficiently utilize them.

### 4.3.2 Works and Transport Sector

The NDPII outlines four strategic objectives which are intended to be the main budget drivers over the Plan period under the Works and transport Sector. These are: (i) Develop adequate, reliable and efficient multimodal 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 the safety of transport Services and Infrastructure.

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.

#### 4.3.2.1 Overall CoC Performance of the Sector

**Overall, the Works and Transport Sector budget is moderately satisfactory at 61.2 percent**. In particular, the Sector is 50.0, 53.5, 72.3 and 61.6 percent compliant at Sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively. The Sectors’ performance is almost similar to FY2018/19 score of 61.0 percent. The specific details are presented in the sub-sections below.

#### 4.3.2.2 Development and existence of planning processes

**At this level, the Sector is unsatisfactory at 50.0 percent compliance to NDPII.** The average performance is attributed to the absence of approved and aligned plans to the NDPII, for the three sector MDAs. These are: URF, URC and UCAA.

#### 4.3.2.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 53.4 percent compliance to NDPII.** This is a weighted score of 46.3 percent for budget release, 54.3 percent for expenditure outturn and 70.3 percent project performance. The average performance is majorly due to low absorption capacity of the released funds, by close of quarter two. This is partly attributed to the Ministry of Finance, Planning and Economic Development (MoFPED) releasing counterpart funds to externally funded projects with unfulfilled conditions or those that are not yet ready for implementation. Examples of projects where expenditure was low include; Hoima International Airport phase I where 239.3 Bn was released but only 41.3Bn was spent, Development of new Kampala port in Bukasa where UGX53.1 Bn was released but only 2.58 Bn was spent, Hoima-Wanseko Road (83Km) where 244.12 Bn was released but nothing was spent, and Mbale – Bubulo – Lwakhakha (41km) where only 18.36 Bn was spent out the released 37 Bn.

#### 4.3.2.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 72.3 percent compliance to NDPII.** This is a weighted score comprising of 70.3 percent for the BFP and 73.6 percent for the AB. The improved performance indicates the sectors' increased progress towards implementing NDPII interventions. However, none prioritized interventions still exists implying less than 100 percent achievement of sector objectives by end of NDPII. These include: development of Standard gauge rail (Uganda Section); development of inland water transport; upgrading Air Navigation Services Infrastructure to achieve a globally interoperable air navigation system to provide a seamless service; and establishment of the Second-Generation Road Fund to effectively control the revenue from Road User Charges for road maintenance. There are variations between the Works and Transport Sector indicators and targets in the Sector Development Plan and the budget instruments, with those in NDPII. For indicators where targets exist, they are much lower or higher than the NDPII targets. For instance, the NDPII target for International Air Passenger traffic was 2,161,485 passengers but NBFP target is 1,837,167 passengers. Similarly, the target for construction and rehabilitation of the national road network was 6000 km for FY2019/20 but it is 5,191 km in NBFP. The NDPII target for number of km of DUCAR Network maintained was 29,500 km yet was found to be 27,508 km in the BFP.

#### 4.3.2.5 Budget Performance

**At this level, the Sector budget is moderately satisfactory at 61.6 percent compliance to NDPII.** This is a weighted score of 64.0 and 60.0 percent for budget outturn and expenditure outturn, respectively. The Sector had an average outturn of 47.6 percent, of which individual MDAs; MoWT, UNRA, URF, UCAA, and URC received 61.7 percent, 41.4 percent, 49.6 percent, 52.6 percent and 42.8 percent of their approved budgets, respectively. The overall Sector expenditure was at 78 percent by close of second quarter, where MoWT, UNRA, URF, UCAA, and URC spent 72.3 percent, 77.8 percent, 98.9 percent, 99.2 percent and 100 percent, of the released funds, respectively.

The Sector's budget performance is greatly affected by budget cuts, and low absorption capacity especially on externally financed projects.

#### 4.3.2.6 Summary of MDA Level Performance

**Table 4.3: Summary of Works and Transport Sector and MDA level Performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | **Sector** | 50.0 | 53.5 | **70.3** | **73.6** | 72.3 | 61.6 | **61.2** |
| 2 | MoWT | 100 | 36.3 | 50.0 | 66.7 | 60.0 | 40.0 | **50.9** |
| 3 | UNRA | 100 | 58.7 | 68.0 | 72.0 | 70.4 | 8.0 | **51.1** |
| 4 | URF | 0.0 | 100* | 93.3 | 33.3 | 57.3 | 100.0 | **77.2** |
| 5 | URC | 0.0 | 100* | 100 | 100 | 100.0 | 76.0 | **82.8** |
| 6 | CAA | 0.0 | 100 | 91.1 | 100 | 96.4 | 100.0 | **88.9** |

*The score allocated for MDA that do not implement any project.

#### 4.3.2.7 Key Emerging Issues

i. **All oil roads have not been disaggregated and were banded together under project code 1176 Hoima-Wanseko Road and this constrains independent tracking**. Oil roads were banded together under project code 1176 Hoima-Wanseko Road to ease payment of contractors under the critical oil roads, since some roads did not have project codes. However, by close of quarter two, UGX244.12 Bn were released under external financing for the same project yet no expenditure was made. For that matter, works on most oil road projects have lagged behind schedule due to delayed payment of contractors.

ii. **The Sector received 47.6 percent of its appropriated funds, with UNRA receiving 41.4 percent (1,656.32 Bn out of 3,999.07 Bn) of its allocated budget**, by close of quarter two. The financial deficit of UGX 343.215 Bn by Q2 has a pronounced implication on implementation of the Sector's projects especially that UNRA is the largest implementor in the Sector.

iii. **There is lack of consistency in reporting systems within the Sector**. For instance, the figures reported for the approved budget, released, and spent funds in the annual Sector performance report vary considerably from those submitted by the Sector MDAs to the Ministry of Finance, Planning and Economic Development (MoFPED). For this assessment, figures reported to MoFPED were considered.

iv. **The development of Bukasa Port is progressing at a slow pace.** Phase 1 that includes preparation of a Masterplan, preliminary design, and preparatory works and services such as access road construction, fencing, dredging, pilling and swamp surcharging, were expected be completed by June 2019 to pave way for construction works but haven't been completed to-date. There is need to fast track compensation of PAPs, to clear the site for the dredging works.

v. **UCAA and URC receive merge resources from the Government of Uganda**. However, the two institutions internally raise revenue (NTR) which facilitates their activities. Last FY UCAA collected UGX231.4 Bn out of which UGX158.8 Bn (68.6percent) was spent by close of the Financial Year. The saving made was committed on projects that were ongoing. Relatedly, URC internally raised revenue amounting to UGX29.17 Bn during the FY but its expenditure is not clear.

### 4.3.3 Energy Sector

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period for 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 the minerals sub-Sector, seven objectives were set in the Plan. These are: (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 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.

#### 4.3.3.1 Overall CoC Performance of the Sector

**Overall, the AB for the Energy and Mineral Development Sector is unsatisfactory at 42.1 percent**. In particular, the Sector is 22.2, 48.3, 42.4 and 42.4 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 sub-sections below.

#### 4.3.3.2 Development and existence of planning processes

**At this level, the Sector is unsatisfactory at 22.2 percent compliance to NDPII.** Only the Sector and the Petroleum Authority of Uganda (PAU) have approved plans that are fully aligned to the NDPII in terms of objectives, priority interventions, projects, as well as the timeframe. The rest (6) of the MDAs under the Sector namely MEMD, UETCL, UEGCL, UEDCL, REA and ERA have aligned Strategic Plans 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 0 at this level of assessment.

#### 4.3.3.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 48.3 percent compliance to NDPII.** This is a weighted score of 64.3, 37.9 and 60 percent for budget release, expenditure outturn and project status, respectively. The low performance is as a result of low releases to the Sector projects particularly the rural electrification projects as well as the low budget absorption. The low absorption is attributed to the lack of readiness for project implementation especially in aspects of the land acquisition and procurement delays. For instance, the Grid Rural Electrification project only absorbed 21 percent of the funds released to it due to delays in giving "No objection" to procurement processes by some Development partners. Similarly, the Energy for Rural Transformation III project absorbed only 2.3 percent of the funds released due to land compensation challenges.

In terms of project implementation performance, the Sector scored 63 percent implying that some of the projects have not kicked off as planned. For instance, projects such as Muzizi HPP and Lira-Gulu-Agago 132kV line are at the procurement stage while others such as construction of the oil refinery and the Mbale-Mbulamuti 132kV, transmission line were still at feasibility stage by Mid NDP II.

#### 4.3.3.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is unsatisfactory at 42.4 percent compliance to NDPII.** This is a weighted score comprising 38.9 percent for the BFP and 44.8 percent for the AB. The low score at this level is attributed to the non-prioritization of key NDP II interventions in the mineral sub-Sector such as: establishing the mineral potential of Karamoja region and promoting the development of Rare Earth Elements (REE). Furthermore, the implementation of the objectives and interventions in the oil and gas sub-Sector, such as the construction of the refinery and downstream petroleum infrastructure have progressed rather slowly, below the NDPII targets. Finally, the Sector has incomplete and inconsistent output targets in the Sector Development Plan and the budget instruments (BFP and MPS).

#### 4.3.3.5 Budget Performance

**At this level, the Sector is unsatisfactory at 42.4 percent compliance to NDPII.** This a weighted score comprising 76 percent and 20 percent for budget release and expenditure outturn, respectively. The weak performance at this level is attributed to low releases and low expenditure outturn. For instance, only 25.7 percent of the budget was released to REA and 46.6 percent released to PAU for the period FY2019/20. However, all Sector Votes with exception of UNOC, were unable to absorb at least 90 percent of the released funds. This is attributed to delayed procurement in a number of projects funded by the development partners including World Bank, African Development Bank, Kuwait for International Development, Development Arab Fund and Exim Bank.

For instance; for the Grid Rural Electrification project, IDB 1, half-year performance reveals that out of the UGX 45.06 billion released, only UGX 9.8 billion was spent and this was majorly attributed to delays in obtaining "No Objection" to procurement processes by development partners. Similarly, for the Energy for Rural Transformation project III, half year performance reveals that out of the UGX 52.15 billion released, only UGX 1.24 billion of the same was spent thus, a difference of UGX 50.91Billion. This is attributed to procurement delays for some schemes, as a result of a requirement by the World Bank to have compensation done before a "No Objection" is given for construction works which greatly delayed project implementation. The same project absorbed only UGX 2.9 billion out of UGX 37.66 billion in the financial year 2018/19.

#### 4.3.3.6 Summary MDA level Performance

**Table 4.4: Summary of Energy Sector and MDA level Performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 22.2 | 48.0 | 38.9 | 44.8 | 42.4 | 42.4 | 42.1 |
| 2 | MEMD | 100.0 | 44.5 | 47.4 | 56.3 | 52.8 | 40.0 | 51.2 |
| 3 | UETCL | 0.0 | 81.0 | 70.0 | 50.0 | 58.0 | 100.0 | 71.7 |
| 4 | REA | 0.0 | 36.7 | 100.0 | 66.7 | 80.0 | 0.0 | 35.0 |
| 5 | UEGCL | 0.0 | 45.3 | 50.0 | 50.0 | 50.0 | 100.0 | 58.6 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 6 | UEDCL | 0.0 | 100.0 | 50.0 | 50.0 | 50.0 | 100.0 | 75.0 |
| 7 | ERA | 0.0 | 100.0 | 54.3 | 54.3 | 54.3 | 76.0 | 69.1 |
| 8 | PAU | 100.0 | 100.0 | 65.8 | 59.3 | 61.9 | 40.0 | 70.6 |
| 9 | UNOC | 0.0 | 100.0 | 56.2 | 54.5 | 55.2 | 100.0 | 76.5 |

*Source: NPA Assessment, 2020*

**NB**: UETCL and UEDCL receive funds from MEMD. They largely depend on NTR generated. Similarly, ERA depends on NTR.

#### 4.3.3.7 Key Emerging Issues

i) Only PAU and the sector have strategic plans that are fully aligned to the NDP II both in timeframe and content. The rest of the MDAs do not have strategic plans with exception of UNOC that has a corporate strategy and/or a marketing plan.

ii) **Capacity to deliver donor projects within the sector is low** leading to procurement delays that impinge project execution. For instance, the Grid Rural electrification project only absorbed 21 percent of the funds released due to delays in giving "No objection" to procurement processes by some Development partners, the Energy for Rural Transformation project III, half year performance reveals that out of the UGX 52.15 billion released, only UGX 1.24 billion of the same was spent thus, a difference of UGX 50.91Billion.

iii) **Challenges in land acquisition slow project implementation**. For instance, the Energy for Rural Transformation III project absorbed only 2.3 percent of the funds released due to land compensation challenges.

iv) **Some key interventions continue to be unfunded priorities** such as, establishing the Mineral potential of Karamoja region by implementing 20 percent of high resolution airborne geophysical survey.

v) **Some MDAs within the sector continue to spend the non-tax revenue at source**, such as UETCL, ERA, UEGCL and UEDCL. This is contrary to the previous financial year recommendation requiring the NTR to be first collected to the consolidated fund before it is allocated. In addition, there are loopholes in reporting lines where these continue to report to MoFPED rather than to MEMD.

vi) There is **no published financial information regarding revenues and expenditure in some of the Energy Sector Agencies.** For instance, the submission in the state enterprises and Public Corporations are estimated values of projected revenue and expenditure, and therefore have no actual figures because they are not captured in the budget performance reports.

### 4.3.4 Tourism Sector

The NDPII outlines five strategic objectives which are intended to be the main drivers for budget of the Tourism Sector over the plan period. These are: i) aggressive marketing for tourism; ii) product development and diversification; iii) human skills development; iv) increasing the stock of human capital along the tourism value chains; and v) improving coordination, regulation and management of the tourism Sector. The Tourism Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding outcome and output targets. The results of this assessment are given in the sections below.

#### 4.3.4.1 Overall CoC Performance of the Sector

**Overall, the AB for the Tourism Sector is unsatisfactory at 55.9 percent.** In particular, the Sector was 71.4, 53.6, 58.9 and 50.0 percent compliant at Sector planning, projects performance, budget instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the sub-sections below.

#### 4.3.4.2 Development and Existence of Planning Processes

**At this level, the Sector is moderately satisfactory at 71.4 percent compliance to NDPII.** The good performance is attributed to existence of a Sector plan and all the MDAs (MTWA, UTB, UWEC and UHTTI) with exception of UWA and UWRTI) having strategic plans which are aligned to NDPII.

#### 4.3.4.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 53.6 percent compliance to NDPII.** This is a weighted score of 83.3, 40.0 and 45.8 percent for budget release, expenditure outturn and project status, respectively. This moderately satisfactory performance is attributed to weak absorption capacity in some MDAs and slow progress of implementation of projects. Overall, of the UGX 10.23bn planned projects budget, the Sector received UGX 6.78bn (66.3 percent) by the half year of the FY2019/20. The source of the Nile project received 60 percent while the other projects got more than 100 percent at half year.

There was observed weak absorption in projects as evidenced by MDAs not being able to spend more than 90 percent of available funds. For instance: under support to Uganda Tourism Board project, none of the released funds was spent, followed by development of source of the Nile (18.2 percent) and development of museums and heritage sites for cultural promotion (84.8 percent). Three projects performed well as follows: Establishment of Regional Satellite Wildlife Conservation Education Centres in Uganda (100 percent), Establishment of Lake Victoria Tourism Circuit to enhance tourism around Entebbe and its neighborhoods (100 percent) and Mt. Rwenzori Tourism Infrastructure Development Project (MRTIDP) (92.2 percent).

#### 4.3.4.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is unsatisfactory at 58.9 percent compliance to NDPII.** This is a weighted score comprising 65.8 and 54.3 percent for the BFP and AB, respectively. The un satisfactory score is attributed to the Sector meeting some planned targets but it also important to note that the Sector did not prioritize some key results. For instance, supporting protected areas and tourism sites with utilities and ICT related services; establishing recognized tourism institutions as centres of excellence; development of tourism standards development framework, tourism coordination framework and tourism Information Management System; and protection of identified Historical and cultural heritage resources.

#### 4.3.4.5 Budget Performance

**At this level, the Sector is unsatisfactory at 50.0 percent compliance to NDPII.** This is a weighted score comprising 100 percent and 16.7 percent for budget release and expenditure outturn, respectively. This weak score is attributed to poor absorption for 5 of the 6 MDAs. Specifically, while the Sector budgeted for UGX 329.8bn, it had received UGX 200.7bn (60.8 percent) by the first half of the FY2019/20. All the MDAs received more than 100 percent of the half year budgets. In terms of expenditure, five of the six MDAs spent not more than 90 percent of their received funds as follows: MTWA (83.3 percent), UTB (72.1 percent), UWEC (58.8 percent), UWA (70.4 percent), and UWRTI (50.6 percent). HTTI spent 100 percent of the budget.

#### 4.3.4.6 Summary of MDA level Performance

**Table 4.5: Summary of Tourism Sector and MDA level Performance (%)**

| S/N | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| **1** | **SECTOR** | **71.4** | **53.6** | **65.8** | **54.3** | **58.9** | **50.0** | **55.9** |
| 2 | MTWA | 100.0 | 28.6 | 50.8 | 29.1 | 37.8 | 40.0 | 42 |
| 3 | UTB | 100.0 | 7.5 | 83.3 | 33.3 | 53.3 | 0.0 | 28.3 |
| 4 | UWEC | 100.0 | 95.0 | 66.7 | 0.0 | 26.7 | 40.0 | 58.5 |
| 5 | HTTI | 0.0 | 26.6 | 100.0 | 100.0 | 100.0 | 84.0 | 63.2 |
| 6 | UWA | 0.0 | 62.5 | 55.6 | 57.1 | 56.5 | 32.0 | 45.3 |
| 7 | UWRTI | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | 40.0 | 72.0 |

#### 4.3.4.7 Key Emerging Issues

i) Some MDAs request for money when they are not yet ready to absorb it hence depicting low absorption or poor planning. It also means that there is non-adherence to the procurement plan by the sector.

ii) None release or low release of project funds have negatively affected Sector performance

iii) The fragile nature of the Sector calls for deliberate strategy to promote domestic tourism otherwise dependence on international travels are becoming riskier.

### 4.3.5 Trade and Industry Sector

The NDPII outlines seven strategic objectives which are intended to be the main budget drivers of the Trade and Industry Sector. 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. The Trade and Industry Sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding outcome and output targets. The results of this assessment are given in the sections below.

#### 4.3.5.1 Overall CoC Performance of the Sector

**Overall, the Trade and Industry Sector budget is unsatisfactory at 59.3 percent.** In particular, the Sector is 66.7, 36.5, 65.3 and 73.6 percent compliant at Sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the sub-sections below.

#### 4.3.5.2 Development and Existence of Planning Processes

**At this level, the Sector is moderately satisfactory at 66.7 percent compliance to NDPII.** The weak performance is attributed to existence of a Sector and a few MDAs (MTIC, UEPB, UNBS and UDC) with exception of MTAC, with strategic plans which are aligned to NDPII.

#### 4.3.5.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 36.5 percent compliance to NDPII.** This is a weighted score of 16.6, 47 and 30.9 percent for budget outturn, expenditure and project implementation status, respectively. This weak performance is attributed to poor release of funds, low absorption and slow pace of project preparation thereby hindering implementation. The total budget allocated for implementation of projects was UGX. 56.5bn of which only 13.7bn was released by end of the second quarter in the FY2019/20. Specifically, only 2 out of 12 projects under implementation received at least 50 percent of their approved budgets. In terms of expenditure, 7 out of the 12 projects spent less than 90percent of the received funds. The implementation of projects has been largely slow as several projects are still undergoing feasibility studies namely: Integrated Iron and Steel; Lake Katwe processing project and Moroto Cement Project among others. Some projects like Produce Storage facilities, Border Markets, Support to non-agricultural high value chain, Jua Kali Business, Co-operatives Revitalization have never received any funding.

#### 4.3.5.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 65.3 percent compliance to NDPII.** This is a weighted score of 34.8percent and 85.6 percent for the BFP and AB, respectively. This moderately satisfactory performance is attributed to the Sector prioritizing NDP II interventions. Several key interventions have however not been prioritized, for instance: Elimination of Non-Tariff Barriers, Establishing satellite border markets in the districts of Amuru, Kabale, Ntoroko, Tororo, Busia, Kitgum, and Manafwa.; Establishing ten 20,000 MT capacity silos and sixty 5000MT warehouses in strategic boarder points and locations across the country; re-establishment of the co-operative based inputs delivery system; Supporting cooperative society members to acquire mechanization and irrigation equipment, farm level post-harvest handling technologies and other appropriate technologies; Developing agro-processing Industrial parks.; Fast tracking commercial exploitation and processing of key minerals especially iron ore, phosphates, and dimension stones; Strengthening the legal and policy environment to support industrialization agenda; and Establishing national and regional technology incubation centres for nurturing SMEs and start-up enterprises among others.

#### 4.3.5.5 Budget Performance

**At this level, the Sector is moderately satisfactory at 73.6 percent compliance to NDPII.** This is a weighted score comprising 100 percent and 56 percent for budget release and expenditure outturn, respectively. This satisfactory performance is attributed to good budget release performance and moderately good absorption capacity. Specifically, the Sector budget allocation was UGX. 178.7bn of which 109.9bn (61.5 percent) had been released by end of the second quarter of the FY2019/20. In terms of expenditure, MTIC, UNBS, UDC, and MTAC spent more than 90percent of the received funds and only UEPB had low absorption at 64.5 percent.

#### 4.3.5.6 Summary MDA level Performance

**Table 4.6: Summary of Trade and Industry sector and MDA level Performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| **1** | **SECTOR** | **66.7** | **36.5** | **34.8** | **85.6** | **65.3** | **73.6** | **59.3** |
| 2 | MTIC | 100.0 | 45.0 | 33.1 | 71.6 | 56.2 | 32.0 | 49.9 |
| 3 | UEPB | 100.0 | 0.00 | 25.0 | 40.0 | 34.0 | 40.0 | 32.2 |
| 4 | UNBS | 100.0 | 74.0 | 70.0 | 50.0 | 58.0 | 76.0 | 72.4 |
| 5 | UDC | 100.00 | 40.0 | 33.3 | 83.3 | 63.3 | 100.0 | 71.0 |
| 6 | MTAC | 0.00 | | | | | | |

#### 4.3.5.7 Key Emerging Issues

i) The existence of Non-tariff barriers (NTBs) is threatening the gains and the benefits of regional integration, despite the Sector earmarking the regional markets.

ii) Micro, Small and Medium enterprises (MSMEs) are critical for a country. However, the existing interventions do not show their importance and hence undermining their contribution.

### 4.3.6 Water and Environment Sector

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period for the Water and Sanitation sub-Sector. These are: (i) increasing access to safe water in rural and urban areas; (ii) increasing sanitation and hygiene levels in rural and urban areas; (iii) increasing functionality of water supply systems; (iv) incorporating gender concerns, (v) implementing water resources management reforms and (vi) promoting catchment based integrated water resources management, increasing the provision of water for production facilities and their functionality.

Under the Environment and Natural Resources sub-Sector, the six objectives were set in the Plan: (i) protecting, restoring, and maintaining the integrity of degraded fragile ecosystems; (ii) increasing sustainable use of environment and natural resources; (iii) increasing national forest cover and economic productivity of forests; (iv) increasing the national wetland coverage; (v) increasing the functionality and usage of meteorological information systems; and (vi) increasing the country's resilience to the impacts of climate change. The results of this assessment are given in the sections below.

#### 4.3.6.1 Overall CoC Performance of the Sector

**Overall, the Water and Environment Sector AB is unsatisfactory at 54.1 percent.** In particular, the Sector is 100, 58.7, 69.4 and 19.0 percent compliant at Sector planning, projects planning, budget process instruments and budget performance levels of alignment to NDPII, respectively. The specific details are presented in the sub-sections below.

#### 4.3.6.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance.** The Sector and its MDAs have approved Development and Strategic plans aligned to the NDPII in terms of content and timeframe. The MDAs within the Sector are; Ministry of Water and Environment, National Environment Management Authority, National Forestry Authority, National Water and Sewerage Corporation and the Uganda National Meteorological Authority.

#### 4.3.6.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 58.7 percent compliance to NDPII.** This is a weighted score comprising of 80, 46 and 66.4 percent for budget outturn, expenditure outturn and project implementation respectively. Although the budget outturn is impressive, the expenditure outturn is low across all Sector MDAs indicating capacity gaps in absorption of financial resources. Additionally, overall project implementation progress starts at 66.94 percent in the last year of the NDPII. This is unsatisfactory and an indicator that majority of the projects are behind schedule and may thus have to be carried forward to the NDPIII for completion. The Sector has six projects under implementation but not reflected in the NDPII. These are; Water Services Acceleration Project (SCAP), Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation Project, Multilateral Lakes Edward and Albert Integrated Fisheries and Water Resources Management (LEAFII), Water for production Regional Center (North), Water for Production Regional Center (East) and Water for Production Regional Center West.

#### 4.3.6.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 69.4 percent compliance to NDPII.** This is a weighted score of 73.8 percent and 66.6 percent for the BFP and AB, respectively. The majority of the NDPII interventions have been captured in the Sector BFP and AB although most of the actual Sector planned targets as indicated in the BFP and AB are below the NDPII targets. This makes the achievement of the Sector's NPDII targets unlikely given that this is the last year of the plans' implementation. Key among under targeted interventions include: number of forest management plans developed, number of households connected to the sewer line, functional sludge management facilities established, number of wetland management plans developed, number of tourists in the forest industry, number of natural resource valuation studies undertaken and number district wetland ordinances developed. At the same time, the Sector also has some actual planned targets that are over and above the NDPII on a few targets. Key among these include the number of tree seedlings distributed albeit the Sector needs to follow up and ensure a high survival rate of these seedlings.

#### 4.3.6.5 Budget Performance

**At this level, the Sector is unsatisfactory at 19 percent compliance to NDPII.** This is a weighted score of 40 and 5.0 percent for budget outturn and expenditure outturn, respectively. The poor budget and expenditure outturn across all Sector MDAs accounts for this low performance. Although NEMA and NFA had an impressive budget outturn score of 80 percent having received more than 50 percent of the approved budget as per the half year assessment, they scored 0 at expenditure outturn having failed to absorb the released financial resources by the end of the second quarter. MWE and UNMA scored 0 at budget outturn and 20 and 40 percent respectively at expenditure outturn. This implies that although the two MDAs received less than the required resources by end of the half year, they were unable to fully absorb the meagre resources released. The Sector attributes low expenditure outturn to mainly administrative challenges such as; delayed access to IFMS, delayed submission of invoices by service providers, incomplete procurement processes to effect payment and delayed evaluation of land to effect payment of Project Affected Persons.

#### 4.3.6.6 Summary MDA level Performance

**Table 4.7: Summary of Water and Environment Sector and MDA level Performance (%)**

| S/N | MDA | Planning | PIP | Alignment | | Budget performance | Total Score |
|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | | |
| | **Sector** | **100.0** | **58.7** | **73.8** | **66.6** | **19.0** | **54.1** |
| 1. | Ministry of Water and Environment | 100.0 | 59.3 | 71.6 | 70.9 | 12.0 | 52.8 |
| 2. | National Forestry Authority | 100 | 35 | 60.0 | 85.7 | 32 | 52.7 |
| 3. | National Environment Management Authority | 100 | 10 | 72.3 | 71.7 | 32 | 44.2 |
| 4. | Uganda National Meteorology Authority | 100 | 10 | 71.4 | 71.4 | 24 | 41.6 |

#### 4.3.6.7 Key emerging issues

i) **All MDAs within this sector have low absorption capacity**. There is need to streamline the planning, budgeting and execution processes to improve the turnaround time for better absorption of allocated funds.

ii) The achievement of NDPII targets on access to water and sanitation in rural and urban areas, is largely unlikely since the Sector's actual planned targets are below the NDPII targets in the plan's last year of implementation. The same applies to development of wetland and forest management plans and natural resources valuation studies.

iii) There is duplication of projects across several programmes. Key among these include Water Management Development Project and Integrated Water Resources Management

Development Project that are budgeted for under three recurrent programmes namely; policy support and planning management, water resources management and urban water supply and sanitation. This has led to channeling resources to the same focus areas under different interventions.

iv) Several projects that were earmarked for forestry management did not make it to the PIP. This has greatly affected the forestry coverage as a percentage of total land area of the country. These include; Hill tops and fragile areas tree planting projects, restoration of degraded natural forests on protected and private land, forest governance and capacity building project, strengthening forest institutions responsible for forest management and development and tree seedlings development project.

v) Majority of the projects are behind schedule while several projects especially those on environment and natural resources are not funded. Projects that are below schedule include; Urban Water Reform, support to National Forestry Authority, piped water in rural areas, Urban Water Reform, Water and Sanitation Development Facility East and Enhancing communities to climate change. Some of the NDPII projects under the sector that are not ready for funding include; rural hygiene and sanitation promotion project, improved urban sanitation and hygiene services, GKMA water supply and sewerage expansions and extensions, NWSC-Albertine Graben, support to rain water harvesting, large gravity flow scheme project, multi-village piped water system, Hill tops and fragile areas tree planting projects, restoration of degraded natural forests on protected and private land, forest governance and capacity building project, strengthening forest institutions responsible for forest management and development and tree seedlings development project. It is pertinent to ensure that projects especially on forestry management are ready and captured by the NDPIII and PIP.

### 4.3.7 Information and Communication Technology (ICT) Sector

The NDPII outlines eight strategic objectives which are intended to be the main budget drivers over the Plan period for the ICT Sector. 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; (vi) Improve the legal and regulatory frameworks to respond to the industry needs; (vii) Improve coordination, and harmonization of policy, planning, budgeting, and M&E at National and Local Government levels; (viii) Improve public service management, operational structures and systems for effective and efficient service delivery. 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 indicators and targets. The results of this assessment are given in the sections below.

#### 4.3.7.1 Overall CoC Performance of the Sector

**Overall, the ICT Sector AB is moderately satisfactory at 62.3 percent.** In particular, the Sector is 100, 40, 82.4 and 52 percent compliant at Sector planning, projects planning, budget process instruments and budget performance levels of alignment to NDPII, respectively. The specific details are presented in the sub-sections below.

#### 4.3.7.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** The ICT Sector and the corresponding MDAs that include MoICT & NG, NITA, UCC, POSTA, UICT, UBC and Media Centre all have their respective development plans aligned to the NDPII in terms of priorities and timeframe. The specific details are presented in the following sections.

#### 4.3.7.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 40.0 percent compliance to NDPII.** This is a weighted score of 100.0, 0.0 and 100 percent for projects budget release, expenditure outturn and status of implementation of projects. The poor performance is as a result of the Sector's failure to absorb all projects resources received by the second quarter of FY2019/20. This is attributed to the inadequate releases for counterpart funding, as well as delays in the procurement processes that affects implementation of some project activities. Nevertheless, all the 5 projects prioritized in the NDPII are integrated in the MoFPED PIP. Out of the 5 projects, one (1) project; National Transmission backbone project phase 3 was completed in FY2016/17. Two projects; Developing an Integrated ICT Environment for Effective Service Delivery Project and implementation of the NBI phase IV project have been incorporated as one of the modules in the RCIP project. Two (2) projects; Regional Communication Infrastructure Programme (RCIP); Strengthening Ministry of Information and Communications Technology, are currently being implemented. However, not all the funds received for the projects were utilized. RCIP and Strengthening Ministry of Information and Communications Technology spent 61.7 percent and 88.3 percent of the received funds respectively.

#### 4.3.7.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 82.4 percent compliance to NDPII.** This is a weighted score of 86 percent and 80 percent for the BFP and AB, respectively. This implies that many of the NDPII interventions have been included in the BFP and consequently allocated funds in the Annual Budget through the Ministerial Policy Statements. However, a number of key NDPII interventions have not been captured in the BFP and this will have a negative impact on the Sector's overall performance. For instance, the development of a national addressing system is not included and yet this is a base register that would facilitate e-commerce, reinforce national security, ease the provision public services, and emergency services. Network and internet connectivity of all LGs to the NBI to ensure efficient operations across Government is also not captured and the number districts that are connected to the NBI have stagnated around 39 districts; transformation of the postal network into a one stop centre for Gov`t services and Completion of the digital migration and UBC revamp programme as a National Public Broadcaster among others

#### 4.3.7.5 Budget Performance

**At this level, the ICT Sector is unsatisfactory at 52 percent compliance to NDPII.** This is a weighted score comprising 40.0 percent and 60.0 percent for budget release and expenditure outturn, respectively. Performance at this level has not improved when compared to FY 2018/19 results. The reason for the weak budget performance of the Sector remains the low absorption capacity of some MDAs within the sector. This is attributed to the inadequate releases for counterpart funding and delays in the procurement processes.

Half year assessment indicates that only two MDAs (MoICT&NG, NITA) out of the six Sector agencies had received all their half year budget allocation. However, of the funds released, MOICT, NITA, UCC, POSTA and UICT managed to spend 84, 69, 98.5, 98.2 and 100 percent respectively. Overall, the weak budget performance of the Sector is mainly as a result of the low absorption capacity by some agencies and the low budget outturn.

#### 4.3.7.6 Summary MDA level Performance

**Table 4.8: Summary of the ICT Sector MDA level performance (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Total Score |
|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | |
| 1 | **Sector** | 100 | 40.0 | 82.4 | 52 | 82.4 | **62.3** |
| 2 | MoICT & NG | 100 | 40.0 | 84.9 | 40.0 | 84.9 | **59.5** |
| 3 | NITA | 100 | 40.0 | 79.8 | 40.0 | 79.8 | **57.9** |
| 4 | UCC | 100 | - | 63.3 | 60.0 | 63.3 | **77.0** |
| 5 | POSTA | 100 | - | 66.7 | 60.0 | 66.7 | **78.0** |
| 6 | UICT | 100 | - | 60.0 | 60.0 | 60.0 | **76.0** |

*Source: NPA Assessment, 2020*

#### 4.3.7.7 Key Emerging Issues

i) Key elements such as infrastructure, skills, systems integration need to be addressed if ICT is to reach its potential and improve efficiency and effectiveness, increase productivity, reduce costs of doing business and improve service delivery.

ii) Last mile connectivity to the LGs is still very low at 40 districts in 2019/20 from 39 in 2018/19. Progress has been made regarding the establishment of the National Backbone Infrastructure however, there is need to prioritize this activity for improved service delivery in the LGs.

iii) Various MDAs have automated processes and developed e-solutions however, these systems are not integrated and key base registers that need to be used by both public and private sector to support innovations such as the National Identification database are also not easily accessible. Integration of systems should be fast tracked.

iv) Some MDAs have established their own data centers alongside the National data center citing that the National data center doesn't meet their requirements. The sector has set up a national data center and a disaster recovery for the MDAs to minimize costs of data center hardware and software procurements, maintenance and operations in Government. In order to ensure that these facilities are fully utilized, the MDA specific datacenters should also be considered as National resource and designed to host services of other MDAs with similar requirements.

v) Funding to the sector is still low with a number of key interventions in the NDPII unfunded. They include: Post and addressing system, turning postal network into a one stop centre for Gov't services, and Transforming the Uganda Institute of Information and Communications Technology at Nakawa into a Center of Excellence for ICT among others.

### 4.3.8 Health Sector

The NDPII outlines four strategic objectives which are intended to be the main budget drivers over the Plan period for the Health Sector. 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; and (iv) to enhance health Sector competitiveness in the region, including establishing centers 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 targets. The results of this assessment are given in the sections below.

#### 4.3.8.1 Overall CoC Performance of the Sector

**Overall, the Health Sector AB is unsatisfactory at 52.8 percent.** In particular, the Sector 100, 55.2, 49.4 and 37.9 percent compliant at Sector planning, projects planning, budget process instruments and budget performance levels of alignment to NDPII, respectively. The specific details are presented in the following sections.

#### 4.3.8.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** This is attributed to 24 of 28 Health Sector MDAs having approved plans that are aligned to NDPII. The four new Agencies (Mulago Specialized Women and Neonatal hospital, Kiruddu, Kawempe and Entebbe hospitals) took effect this FY. Since they were curved out of Mulago Hospital, the assumption for this assessment was that they had strategic plans.

#### 4.3.8.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 55.2 percent compliance to NDPII.** This is a weighted score of 73.5, 41 and 85.1 percent for budget outturn, expenditure and project implementation status, respectively. While project implementation has improved from FY 2018/19, it is still low due to the discrepancy between the budget, releases and actual budget utilization. The improvement in FY 2019/20 is due to the fact that all MDAs that had infrastructure development projects were all on schedule and are ending in FY 2019/20, save for Mbale RRH. All retooling projects were on schedule. The new hospitals/votes (Kiruddu, Mulago Women and Kawempe) were under Mulogo Complex and were finalized last FY. These hospitals only had retooling projects for one year, which and were on schedule. The UCI, UHI, UAC, UBTS, HSC, and NMS all had only retooling projects and were all on schedule.

#### 4.3.8.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is unsatisfactory at 49.4 percent compliance to NDPII.** This is a weighted score of 65.5 percent and 38.7percent for the BFP and AB, respectively. The Sector included a good number of the NDPII outputs and targets in its BFP, many of which were subsequently allocated funds in the Ministerial Policy Statements. That notwithstanding, a number of interventions and corresponding outputs and targets remained planned for in FY 2019/20 like the case of the FY 2018/19. These include: Community empowerment through implementation of the Community Health Worker's Strategy (CHEWS); financial risk protection of households against impoverishment due to health expenditures through implementation of the National Health Insurance Scheme (NHIS); Mass treatment of malaria for prevention; Scale-up the integrated community case management of malaria and other childhood illnesses; Review and re-align the essential health package including essential clinical care to the evolving health care needs of the population; Intensifying advocacy, communication and social mobilization for increased funding and responsive awareness for Tuberculosis; Strengthening dental services such as screening for and treatment of oral diseases particularly among primary school children; Promoting availability to services for mental, neurological and substance use; Training specialists in Cardiology, Oncology, Nephrology, Diagnostics and Management; Accrediting the Uganda Heart Institute, Uganda Cancer Institute, the Supra National Reference Laboratory and Schools of Public Health to be regional training centres; Promoting export of locally produced medical products and services and addressing the key determinants of health through strengthening inter-Sectoral collaboration and partnerships.

The Sector made good progress in the areas of: increased access to ART at 86 percent general population and 95 percent among pregnant mothers due to having 100 percent of eligible (from HC III upwards) health facilities providing ART; 100 percent of HIV positive clients screened and treated for TB; operationalizing the Supervision, Monitoring and inspection strategy whereby 75 percent of LGs and RRHs were supervised quarterly and 80 percent of districts had a functional feedback mechanism.

#### 4.3.8.5 Budget Performance

**At this level, the Sector is unsatisfactory at 37.9 percent compliance to NDPII.** This is a weighted score of 83.7 percent and 7.4 percent for release outturn and expenditure outturn, respectively. The unsatisfactory budget performance for the Sector was on account of very low utilization of the funds released.

Overall, 24 of the 28 MDAs had a release outturn of above 90 percent except MoH, UCI, Kiruddu and Mulago Specialized Women Hospital. However, budget expenditure in the Sector has remained very low over the NDPII Period. The overall budget expenditure was 7.1 percent. The National Medical Stores were the only best budget expenditure performers at 80 percent, followed by UCI, UBTS, and Masaka RRH all at 40 percent. The rest of the MDAs, including the MOH all scored less than 10 percent budget expenditure. For instance, the Ministry of Health received 353 billion and only spent 176.61 billion.

### 4.3.8.6 Summary MDA level Performance

**Table 4.9: Summary of Health Sector and MDA level performance (%)**

| SN | MDA | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| **1** | **Health Sector** | **100** | **55.2** | **65.5** | **38.7** | **49.4** | **37.9** | **52.8** |
| 2 | Ministry of Health | 100.0 | 32.3 | 78.6 | 54.1 | 63.9 | 0.0 | 38.8 |
| 3 | Uganda Heart Institute | 100.0 | 40.0 | 33.3 | 11.1 | 20.0 | 40.0 | 40.0 |
| 4 | Uganda Cancer Institute | 100.0 | 64.0 | 69.5 | 64.7 | 66.6 | 24.0 | 56.4 |
| 5 | Uganda AIDS Commission | 100.0 | 32.5 | 60.0 | 72.0 | 67.2 | 40.0 | 51.9 |
| 6 | Health Service Commission | 100.0 | 40.0 | 50.0 | 100.0 | 80.0 | 40.0 | 58.0 |
| 7 | National Medical Stores | 100.0 | 100.0 | 100.0 | 50.0 | 70.0 | 88.0 | 87.4 |
| 9 | Uganda Blood Transfusion Service | 100.0 | 76.0 | 90.0 | 50.0 | 66.0 | 64.0 | 71.8 |
| 10 | Mulago Hospital Complex | 100.0 | 53.3 | 78.9 | 91.3 | 86.3 | 40.0 | 63.9 |
| 11 | Butabika National Referral Hospital | 100.0 | 17.5 | 68.0 | 92.3 | 82.6 | 40.0 | 52.0 |
| 12 | Arua Regional Referral Hospital | 100.0 | 94.0 | 83.4 | 52.1 | 64.7 | 40.0 | 69.6 |
| 13 | Fort Portal Regional Referral Hospital | 100.0 | 23.8 | 81.6 | 79.2 | 80.2 | 40.0 | 53.2 |
| 14 | Gulu Regional Referral Hospital | 100.0 | 89.2 | 64.3 | 62.1 | 63.0 | 40.0 | 67.6 |
| 15 | Hoima Regional Referral Hospital | 100.0 | 95.1 | 45.3 | 42.2 | 43.5 | 40.0 | 63.6 |
| 16 | Jinja Regional Referral Hospital | 100.0 | 63.8 | 84.1 | 84.1 | 84.1 | 40.0 | 66.4 |
| 17 | Kabale Regional Referral Hospital | 100.0 | 38.8 | 62.0 | 88.9 | 78.1 | 40.0 | 57.1 |
| 18 | Masaka Regional Referral Hospital | 100.0 | 97.5 | 79.3 | 81.4 | 80.6 | 64.0 | 82.6 |
| 19 | Mbale Regional Referral Hospital | 100.0 | 24.8 | 70.0 | 52.0 | 59.2 | 40.0 | 47.2 |
| 20 | Soroti Regional Referral Hospital | 100.0 | 7.5 | 94.1 | 89.2 | 91.1 | 32.0 | 49.2 |
| 21 | Lira Regional Referral Hospital | 100.0 | 97.5 | 87.7 | 100.0 | 95.1 | 40.0 | 79.8 |
| 22 | Mbarara Regional Referral Hospital | 100.0 | 48.3 | 69.6 | 86.7 | 79.9 | 40.0 | 60.5 |
| 23 | Mubende Regional Referral Hospital | 100.0 | 29.8 | 0.0 | 52.0 | 31.2 | 40.0 | 40.3 |
| 24 | Moroto Regional Referral Hospital | 100.0 | 100.0 | 66.3 | 28.3 | 43.5 | 40.0 | 65.1 |
| 25 | Naguru Regional Referral Hospital | 100.0 | 36.3 | 80.0 | 53.7 | 64.2 | 40.0 | 52.1 |
| 26 | Uganda Virus Research Institute | 100.0 | 37.5 | 80.0 | 80.0 | 80.0 | 92.0 | 72.9 |
| 27 | Kawempe Referral Hospital | 100.0 | 100.0 | 66.9 | 69.5 | 68.5 | 40.0 | 72.5 |
| 28 | Mulago Women & Neonatal Hospital | 100.0 | 100.0 | 72.3 | 69.5 | 70.6 | 0.0 | 61.2 |
| 29 | Kirrudu Referral Hospital | 100.0 | 100.0 | 72.3 | 69.5 | 70.6 | 0.0 | 61.2 |
| 30 | Entebbe Referral Hospital | 100.0 | 100.0 | 72.3 | 69.5 | 70.6 | 40.0 | 73.2 |

#### 4.3.8.7 Key Emerging Issues

i) **Overall, budget absorption in all the MDAs in the Sector has repeatedly remained low**. By the end of financial year 2018/19 the Sector only spent 40.8 percent of the funds released. Likewise, the mid-year expenditure for FY2019/20 was only at 7.4 percent, which is very poor. The Ministry of Health has consistently had poor budget absorption capacity which affects service delivery. This may be **attributed to the high off -budget funding compelling** the sector to concentrate more on the off-budget support activities. Remedial measures need to be instituted to help improve health sector budget absorption. For instance, a study by the MoFPED and UNICEF indicates that out of about Ushs 5,185 bn of health care financing in FY2018/19, Ushs 2,876.7 bn (55%) was off-budget.

ii) The Sector does not seem to follow specific building standards for the regional referral hospitals. It is not clear what kind of buildings a regional referral hospital should have and how they should look like. The Sector should thus ensure that building and operational standards for referral hospitals are in place.

iii) Non-communicable diseases are on the rise yet the capacity to handle and manage them is not being developed at a commensurate rate to counteract the rise. There are inadequacies in budget allocation, leading to gaps in human resources, infrastructure and access to affordable medicines.

iv) The Sector is enhancing its competitiveness in the Region through establishing a center of excellence in oncology for the East African Region, the central public health laboratory center in Butabika, support to Uganda Virus research institute, and cardiovascular services among others. Correspondingly, the Uganda heart institute has made a number of breakthroughs including open heart surgeries and cardiac catherization's making it one of the best centers in the region. The Heart Institute and two regional cancer Centre's feasibility studies were completed, budget codes were allocated and financing is being solicited to commence the projects.

v) The Sector continues to pay little attention on health promotion and disease prevention interventions in line with NDPII health objective of; addressing the determinants of health. The Community Health Workers Strategy (CHEWS) meant to empower communities to promote good health was repealed by Cabinet in 2017 and the position has not changed since then. Therefore, the Sector working in collaboration with other Sectors should design an alternative strategy to address the health promotion and disease prevention at community level.

vi) Efforts towards increasing financial risk protection of households against impoverishment due to health expenditures are slow. The National Health Insurance Bill (2014), was approved by Cabinet in 2019, presented to Parliament, but has not yet been passed into law.

vii) The operations of the HCIV and HCIII are largely overstretched. This is evident from the high OPD attendances, high hospital deliveries and high number of children being immunized in all regional referral hospitals. These are functions that the lower health centers should be performing. This has led to limited focus on their core mandate and functions of providing specialized services, research, training and support supervision and instead focused on offering primary health care services like antenatal care, immunization, and unspecialized OPD attendances. Therefore, there is need to address issues affecting functionality through raising public awareness of the standards of care expected at all levels of health care coupled with a proper referral system.

viii) Lack of adequate skilled personnel remains a critical challenge for the health Sector. At 48 percent, 42 percent and 27 percent of senior consultants, consultants, and medical officers' special grade of the approved structure respectively, most of the Regional Referral Hospitals are not able to attract and retains senior staff. For hospitals that are acting as teaching hospitals, the wage discrepancy between University and Ministry staff continues to cause a shortage in the health Sector. The other contributory factor is that all regional referral hospitals were found to not to have sponsored any staff for further studies to fill the critical positions. Regional referral hospitals need to budget for staff development in order to fill in the critical areas.

ix) Functionality of the of the national health referral system needs to be strengthened so as to improve on the Sector indicators. This may be strengthened through the establishment of a 24-hour functional ambulance system in the country, among others.

x) Little emphasis is being put in research to generate innovative ways of tackling existing health challenges. This is evident in the absence of financial support to research activities.

### 4.3.9 Education Sector

The NDPII outlines seven strategic objectives which are intended to be the main budget drivers of the education Sector budget 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. This assessment hence evaluates the alignment of the education Sector planning and budgeting towards achieving these objectives and the corresponding pre-determined output indicator targets. The results of this assessment are given in the sections below.

#### 4.3.9.1 Overall CoC Performance of the Sector

**Overall, the Education Sector budget is moderately satisfactory at 60.3 percent**. In particular, the Sector is 100, 32.7, 91.8 and 43.2 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 sub-sections below.

#### 4.3.9.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** This is because all the 15 MDAs of the Sector have aligned strategic plans. This has been the case since FY2018/19.

#### 4.3.9.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 32.7 percent compliance to NDPII.** This is a weighted score of 57.0, 11.1 and 88.9 percent for budget outturn, expenditure and project implementation status, respectively. While the Sector registered a significant improvement in the overall Sector projects' budget outturn, poor performance is mainly noticed in regard to expenditure outturn. For instance, the Sector has only managed to spend 34percent of the total half year projects' budget outturn. This is evidence of low absorption capacity of the project budget releases. Most of the projects with the lowest expenditure outturn relate to Skills Development. These include: Skills Development Project (only 15percent spent), OFID-funded Vocational Educational (VE) Project (only 19percent spent), Albertine Region Sustainable Development project (only 28.7percent spent), Development of BTVET (only 29percent spent), and the National High-Altitude Training Centre (NHATC, only 9.4percent spent). In the previous FY 2018/19, the same list of projects had the lowest expenditure outturns.

Hitherto, two NDPII projects remain unfunded and these are: Construction of MOES headquarters and Tororo Roads and Railway Polytechnic (TRRP). On the other hand, 10 projects of those being implemented are not in the NDPII and majority of these relate to supporting institutional retooling of the various Sector MDAs. These include: Institutional Support to: Busitema University; Muni University UNEB; Mbarara University; Gulu University; Lira University Infrastructure Development; Kabale University Infrastructure Development; Kabale University – Retooling; Support to Soroti University Infrastructure Development and Soroti University - Retooling.

#### 4.3.9.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 91.8 percent compliance to NDPII.** This is a weighted score of 91.7 percent and 91.9percent for the BFP and AB, respectively. At the primary education sub Sector, more compliance is noticed in the planning for enrolment and access with current Net Enrolment Ratio (NER) at 96percent against the NDPII target of 100percent. This improvement is mainly explained by the continued investment in UPE and the school per parish policy, although information on progress of the latter policy is not available. At the secondary education sub-Sector, compliance is noticed in regard to gender parity with the ratio of girls to boys almost converging (currently at 0.98). In addition, the Sector has made significant progress in regard to providing continuous professional development to secondary school science teachers through the SESEMAT programme.

At the tertiary education sub-Sector, the Sector is compliant in terms of planning for more students accessing the student's loans for higher education with a cumulative figure of about 8,000 students accessing higher education loans against the planned target of 5297. However, access to higher education loans is gender and disability insensitive. For instance, only 27percent and 0.1percent of the beneficiaries of the loan scheme are female and persons with disability respectively. Further, the Sector surpassed the NDPII target on TVET enrolment and as well achieved 100% on the target relating to the establishment of regional skills development centres of excellence. Nonetheless, some reports indicate under-utilization of such facilities. On the other hand, the Sector is non-compliant with regard to planning for improved skills mix for increased employability and entrepreneurship of Ugandans. For instance, while the country's strategic direction is to prioritize STEM/STEI, TVET and Sports, the Sector has failed to achieve the desired ratio of graduates in science and technology to Arts (currently at 2:5 viz NDPII target of 3:5). Relatedly, the country's skills triangle remains inverted with more university graduates and less technicians and vocationalists. Also, contrary to the NDPII's requirement for a review and strengthening of the standard setting and quality assurance systems at all levels and in particular higher education, no plans are carried in both of the budgeting tools (AB and BFP) of the Sector. It is hence difficult to assess how the Sector is adequately addressing standards and quality assurance in tertiary institutions.

#### 4.3.9.5 Budget Performance

**At this level, the Sector is unsatisfactory at 43.2 percent compliance to NDPII.** This is a weighted score of 88 percent and 13.3 percent for release outturn and expenditure outturn, respectively. The poor budget performance is mainly attributed to very poor expenditure outturn. For instance, while 14 out of 15 MDAs received atleast 96 percent of their half year budget for FY 2019/20, only three MDAs (MUBS, Busitema University, and UNEB) had impressive expenditure outturns all above 90percent. Some of the MDAs with the worst scores for expenditure outturn include: Ministry of Education (spent only 50.5percent of the budget), Soroti University (spent only 52.5percent), and UMI (spent only 57.8percent). This is evidence to conclude that whereas in the past, budget underperformance was mainly due to low budget outturn, this financial year, it is low expenditure outturn.

From the MTEF, the Sector MDA budgets for FY2020/21 have been either kept constant or are likely to suffer reductions. One of the casualties is Vote 013 (Ministry of Education and Sports) with an impending 17percent budget decline. This implies that the Sector shall only maintain the status quo with no new interventions and hence limited hope for improvement.

#### 4.3.9.6 Summary MDA level Performance

**Table 4.10: Summary of Education Sector and MDA level Performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| **1** | **Sector** | **100** | **32.7** | **91.7** | **91.9** | **91.8** | **43.2** | **60.3** |
| 2 | MOES | 100 | 48.1 | 87.5 | 91.7 | 90.0 | 40.0 | 63.4 |
| 3 | ESC | 100 | 40.0 | 63.6 | 83.1 | 75.3 | 40.0 | 56.6 |
| 4 | MAKERERE UNIV | 100 | 100 | 71.3 | 62.2 | 65.9 | 40.0 | 51.7 |
| 5 | MBARARA UNIV | 100 | 67.5 | 69.4 | 55.1 | 60.8 | 52.0 | 64.1 |
| 6 | GULU UNIV | 100 | 10.0 | 99.1 | 100 | 99.6 | 32 | 52.5 |
| 7 | KYAMBOGO UNIV | 100 | 37.5 | 88.1 | 91.6 | 90.2 | 40.0 | 60.3 |
| 8 | BUSITEMA UNIV | 100 | 100 | 100 | 98.1 | 98.9 | 52.0 | 85.3 |
| 9 | MUNI UNIV | 100 | 100 | 100 | 100 | 100 | 0.00 | 70.0 |
| 10 | MUBS | 100 | 40.0 | 55 | 70.8 | 64.5 | 100 | 71.3 |
| 11 | UMI | 100 | 40.0 | 74.0 | 97.2 | 87.9 | 40.0 | 60.4 |
| 12 | SOROTI UNIV | 100 | 100 | 40.6 | 69.4 | 57.9 | 16.0 | 62.2 |
| 13 | KABALE UNIV | 100 | 100 | 84.7 | 92.9 | 99.3 | 40.0 | 78.9 |
| 14 | UNEB | 100 | 64.0 | 53.9 | 56.1 | 55.2 | 76.0 | 68.6 |
| 15 | NCDC | 100 | 34.0 | 76.5 | 67.0 | 70.8 | 40.0 | 53.4 |

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 16 | LIRA UNIV | 100 | 100 | 83.3 | 80.0 | 81.3 | 40.0 | 76.4 |

### 4.3.9.7 Key emerging issues

i) **The poor expenditure outturns reported under budget and projects performance confirm capacity gaps in the Sector MDAs.** These inhibit MDAs abilities to timely absorb budget releases which significantly constrains the execution of the Sector MDA plans and hence the NDPII
.

ii) **There is non-compliance within the high leverage Sector strategic interventions and projects** including: skills development projects (extremely low expenditure outturn), school inspection and higher education quality assurance, teacher accommodation, pupil transition, school feeding, school fees regulation, modularization of vocational curriculum, and classroom infrastructure.

iii) **There is acute shortage of reliable data to assess progress on key education indicators** including: the updated proportion of learners reaching the defined proficiency levels in maths, literacy, and core sciences; institutions reaching the Basic Requirements and Minimum Standards (BRMS), School feeding and the STEM/STEI capacity in the tertiary institutions.

iv) **The Sector is still performing poorly in ensuring that children who enroll in P1 stay on to finish P7** despite hitting the survival rate target currently at 38percent against the NDPII target of 33percent. Non-compliance is manifested by low attainment particularly in Maths and Reading (about 50percent of all primary pupils achieved below the defined subject proficiencies), low transition rate from P7 to S1 (at 61percent against NDPII target of 83percent), limited progress on implementation of school feeding policy guidelines, fewer than targeted teachers houses being planned for construction, and the less than targeted number of infrastructure (particularly classrooms) planned for construction.

v) **Access to secondary education remains an area of non-compliance with NER remaining below the NDPII targets,** albeit the latter being a really modest target. For instance, only 24percent of Ugandans within the secondary school age are enrolled in secondary education against the NDPII target of at least 40percent. Non-compliance on this target is mainly explained by the low transition rates from primary to secondary schools, fewer secondary schools available, the prohibitive school fees/dues that the Sector has failed to effectively regulate in both public and private schools and the PPP policy reversal. Further, contrary to the current government strategic direction of prioritizing STEM/STEI, the Sector continues to register high failure rates in sciences at S4. Available evidence points to inadequate science infrastructure, and science teachers as some of the causes of low science pass rates.

vi) **The Sector surpassed the NDPII target on TVET enrolment and as well achieved 100 percent on the target** relating to the establishment of regional skills development centres of excellence. Nonetheless, some reports indicate under-utilization of such facilities. On the other hand, the Sector is non-compliant with regard to planning for improved skills mix for increased employability and entrepreneurship of Ugandans. For instance, while the country's strategic direction is to prioritise STEM/STEI, TVET and Sports, the Sector has failed to achieve the desired ratio of graduates in science and technology to Arts (currently at 2:5 viz NDPII target of 3:5). Relatedly, the country's skills triangle remains inverted with more university graduates and less technicians and vocationalists. Also, contrary to the NDPII's requirement for a review and strengthening of the standard setting and quality assurance systems at all levels and in particular higher education, no plans are carried in both of the budgeting tools (AB and BFP) of the Sector. It is hence difficult to assess how the Sector is adequately addressing standards and quality assurance in tertiary institutions.

### 4.3.10 Security Sector

The NDPII outlines seven strategic objectives which are intended to be the main budget drivers of the 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 output indicators targets. The results of this assessment are given in the sections below.

#### 4.3.10.1 Overall CoC Performance of the Sector

**Overall, the Security Sector is budget is moderately satisfactory at 79.7 percent.** In particular, the Sector is 100, 67.8, 84.7 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 sub-sections below.

#### 4.3.10.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** All Sector Agencies including Ministry of Defence and Veteran Affairs (MDVA), External Security Organization (ESO) and Internal Security Organization (ISO) having finalized their Institutional Development Plans. In addition, the Sector Plan is also available.

#### 4.3.10.3 Sector Projects Alignment

**At this level, the Sector is moderately satisfactory at 67.8 percent compliance to NDPII.** This is a weighted score of 80.0, 66.7 and 38.1 percent for budget outturn, expenditure and project implementation, respectively. The Sector has displayed poor implementation progress over the NDPII period. In the NDPII period, the Sector has failed to implement its key projects including: Establishment of the National Service Program; Food and Beverages Production Project for dry rations in Kakiri; Defence Research, Science and Technology Centre (DRSTC)-Lugazi; Finalizing the construction of the National Military Museum (NMM), Establishment and Development of an Engineer Division, Establishment of the National Defence College (NDC), Construction of Dormitories and the Institute of Security and Intelligence Studies (ISIS), and construction of headquarters for MoDVA, ISO and ESO. Nonetheless it is important to note the

Sector is undertaking a number of feasibility studies to embark on these projects: Construction of 30,000 Housing Units (finalized); Institute of Security and Intelligence Studies (ISIS); ISO Headquarters; and others including the National Military Museum (NMM) which are ongoing.

#### 4.3.10.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 84.7 percent compliance to NDPII.** This is a weighted score at 86.7 percent and 83.3 percent for the BFP and AB respectively. Whereas the Sector continues to be among the high funded areas by government, it has remained slow in financing and implementing key interventions required for economic transformation, including establishment of National Service (NS) and financing of innovation and prototype development. Worldwide, militaries are expected to spearhead innovation for economic transformation. Moreover, the Sector has not included supporting innovation and establishment of NS among its unfunded priorities for next FY.

#### 4.3.10.5 Budget Performance

**At this level, the Sector is satisfactory at 80 percent compliance to NDPII.** This is a weighted score comprising 80 percent for budget release, 80 percent for expenditure outturn. This good performance is because the Sector was able to relatively spend all its releases. In particular ESO spent 99.1 percent of its releases, MoDVA - 97.6 percent, while ISO spent 94.5 percent of its releases.

#### 4.3.10.6 Summary MDA level Performance

**Table 4.11: Summary of Security Sector and MDA level Performance (%)**

| # | Sector/MDA | Planning | PIP | Alignment | | | Budget Performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100.0 | 67.8 | 86.7 | 83.3 | 84.7 | 80.0 | 79.7 |
| 2 | MoDVA | 100.0 | 90.3 | 90.0 | 82.8 | 85.7 | 68.0 | 83.2 |
| 3 | ISO | 100.0 | 55.0 | 65.5 | 100.0 | 86.2 | 100.0 | 82.4 |
| 4 | ESO | 100.0 | 100.0 | 77.8 | 100.0 | 91.1 | 84.0 | 92.5 |

*Source: NPA Assessment, 2020*

#### 4.3.10.7 Key Emerging Issues

1. **The Sector failed to implement most of its projects over the NDPII period.** These include Establishment of the National Service Program; Food and Beverages Production Project for dry rations in Kakiri; Defence Research, Science and Technology Centre (DRSTC)-Lugazi; Finalizing the construction of the National Military Museum (NMM), Establishment and Development of an Engineer Division, Establishment of the National Defence College (NDC), Construction of Dormitories and the Institute of Security and Intelligence Studies (ISIS), and construction of headquarters for MoDVA, ISO and ESO.

### 4.3.11 Social Development Sector

The NDPII outlines six strategic objectives for the Social Development Sector which are intended to be the main budget drivers over the Plan period. These include: (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 the six objectives and the corresponding pre-determined output and outcome targets. Other institutions under the Sector but are not votes and therefore no strategic plans include: National Children Authority (NCA), National Council for Disability (NCD), National Youth Council (NYC), National Council for Older Persons (NCOP) and National Women Council (NWC). The Local Government Vote 501-850 under SD is also not covered under this section but in LG assessment section. The results of this assessment are given in the sections below.

#### 4.3.11.1 Overall CoC Performance of the Sector

**Overall, the Social Development Sector AB is unsatisfactory at 55.4 percent**. In particular, the Sector is **67.0, 67.1, 70.8** and **62.5** percent compliant at Sector planning, projects planning, budget instruments and budget performance, respectively. The specific details are presented in the following sub-sections

#### 4.3.11.2 Development and Existence of Planning Processes

**At this level, the Sector is moderately satisfactory at 67.0 percent compliance to NDPII.** Whereas the Social Development Sector and EOC have approved Plans, the Ministry of Gender Labour and Social Development (MGLSD) does not have an approved strategic plan.

#### 4.3.11.3 Sector Projects Alignment

**At this level, the Sector is moderately satisfactory at 67.1 percent compliance to NDPII.** This is a weighted score of 80.0, 56 and 78.1 percent for budget outturn, expenditure outturn and project performance, respectively. All the ten (10) Sector projects are aligned to the Sector objectives. However, three (3) new projects (Chemical Safety &Security (CHESASE); "Integrated Community Learning for Wealth Creation (ICOLEW)"; and "Strengthening Social Risk Management and Gender Based Violence" Projects are in the MFPED PIP and were not planned in the NDPII PIP. Implementation for new projects started in FY2017/18 with allocation of 1.7Bn, 4.46Bn and 15Bn respectively.

The key Sector projects constraints are: limited funding towards the national rollout to all districts for SAGE program; reduced funding towards YLP and UWEP; and unreliable and inconsistent release performance from MFPED which has caused payment delays and project implementation.

#### 4.3.11.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 70.8 percent compliance to NDPII.** This is a weighted score comprising 77.3 and 67.4 percent for budget release and expenditure outturn, respectively. The NDPII key strategic interventions that were still not prioritized or implemented yet include: development of the LMIS, establishment of a functional Productivity center; construction and establishment of the business shelters; limited number of inspections at workplaces; no support towards Community Information system (CIS); construction of the National library building and public libraries, establishment and equipping of tele-centers; establishment of youth skills centers; and the National Service and Youth service schemes not prioritized. Although there has been some attempt on mindset change interventions integrated in youth programmes and communication mobilization strategy to address behavioral change under YLP. A fund to support artists and innovations was also proposed but was never implemented for creative industry.

#### 4.3.11.5 Budget Performance

**At this level, the Sector is moderately satisfactory at 62.5 percent compliance to NDPII.** This is a weighted score comprising 77.3 and 67.4 percent for budget release and expenditure outturn, respectively. By the end of the second quarter, EOC received 54.5 percent of its allocated budget and absorbed 75.4 percent while MGLSD received less than 50 percent of its allocated budget (33.3 percent) and absorbed 93.8 percent.

The total Off Budget for the SDS for FY2019/20 is Ugx. 46.686Bn compared to Shs 58.119Bn in 2018/19. The Off-budget support is mainly from Development partners, namely; DFID and Irish Aid; DVV International; UNICEF; UNDP, UNFPA and Government of Ireland (Irish Aid). The donor funding not approved by parliament was for implementation of the Social Risk and Gender-Based Violence Management Project and green jobs (PROGREL).

#### 4.3.11.6 Summary MDA level Performance

**Table 4.12: Summary of Social Development Sector and MDA level performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 67 | 67.1 | 70.8 | 62.5 | 65.8 | 29.3 | 55.4 |
| 2 | MGLSD | 0.0 | 74.9 | 71.7 | 81.1 | 77.3 | 24.0 | 52.9 |
| 3 | EOC | 100.0 | 40.0 | 91.4 | 51.4 | 67.4 | 40.0 | 54.2 |

*Source: NPA Assessment, 2020*

#### 4.3.11.7 Key emerging issues

i) **No funds for Youth enterprises (YLP) were released** while recovery is at 51% (70.6bn). The projects is expected to recover 35.84Bn which should be used as a revolving fund to support new beneficiaries. Limited funding could not accommodate all the approved projects from the Local Governments

ii) There is **overwhelming demand from women groups for UWEP** funds VS available resources. The fund for women enterprises was very small and could not accommodate all the approved projects from the Local Governments. There is need for expansion of UWEP including enhancing the budget and strengthening recovery of funds. However, the is need to support entrepreneurial skills and capacities among women in business.

iii) **GBV shelters and related services** that were initially developed with support of Development partners have not been mainstreamed in annual plans. They need to be integrated in NDPIII priorities of Government under new GBV programmes.

iv) **National Roll-out will cover all Older persons aged 80 years** and above while retaining all currently enrolled beneficiaries aged 60 years. However, not all elderly person has been registered by NIRA yet. The Sector should strengthen mechanisms of triangulation/validation of information on beneficiaries.

v) **Public Service effective in February 2019 decentralized Pension and gratuity management to Ministries, Agencies and Local Governments. Reforms in the Public Sector Pensions Scheme** need to be supported after Cabinet approval. These include the three schemes for teachers, government employees and university lecturers that will be regulated under UPBRA. There is need to develop more products for the informal Sector under NSSF (e.g. Voluntary Membership Plan only exists).

vi) **So many Direct support and livelihood support interventions exist** but its not easy to identify/monitor all the beneficiaries (YLP, YCVF, NUSAF3, LIPW, Special Grant for PWD, SAGE, among others.

vii) **Social Insurance -** Health Insurance coverage < 2% of the population and most of the Health Insurance is provided through Private Health Insurance (estimated 700,000 persons). By the close of FY 2018/19 there were 21 Community-Based Health Insurance (CBHI) Schemes covering 138,000 members. Cabinet in June 2019 approved National Health Insurance Bill (NHI) which has been deferred again by the President.

viii) **Insufficient labour inspection.** In total, 14 percent of the total number of children in the country (aged 5-17) are engaged in child labour (UBOS 2017). This affects productivity, increases school dropout rates, child poverty, teenage pregnancies, child abuse and increases the national disease burden. In addition, there is high number of Occupational Accidents and Illness at about 78 percent of workers in Uganda classified as vulnerable due to increase in accidents attributed to limited awareness of labour standards and lack of enforcement of safety rules. There are also few labour officers both at the headquarters and in the districts - only 75 district labour officers out of 134 districts and 47 Municipalities.

ix) **Increased trafficking in persons and poor welfare of migrant workers** – this is due to lack of a system to establish the number of job seekers place by external recruitment agencies making it hard to monitor the licensed recruitment agencies. The Ministry should increase monitoring, awareness, suspending/cancelling of licenses, monitoring visits and inspections, Inter-agency cooperation and digitalization of clearance of migrant workers, BLAs /MOUs, review of regulations and improve enforcement capacity.

#### 4.3.12 Public Administration Sector

The NDPII outlines six strategic objectives under the Public Administration Sector 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, and; (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. The results of this assessment are given in the sections below.

##### 4.3.12.1 Overall CoC Performance of the Sector

**Overall, the Public Administration Sector AB is moderately satisfactory at 61.8 percent.** In particular, the Sector is 100, 31.3, 86.9 and 54.4 percent compliant at Sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII respectively. The specific details are presented in the following sub-sections

##### 4.3.12.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance.** The Sector, Ministry of Foreign Affairs, Electoral Commission, Office of the President and State House all have approved plans aligned to the NDPII in term of content and timeframe.

##### 4.3.12.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 31.3 percent compliance to NDPII.** This is a weighted score of 75.0, 0.0 and 87.5 percent for budget outturn, expenditure outturn and project implementation status respectively. The reason for this score is due to the fact that some funds released for implementation of the projects are not spent due to the lengthy procurement process that has a negative impact on project implementation. For example, the Electoral Commission had over 21.458bn unspent by end of Q2 FY2019/20. Similarly, State House did not spend all the funds released totaling to 1.000Bn due to deferred expenditure on the Jet maintenance set to happen in January 2020. This has had a major effect on the score for project implementation for the respective institutions and on the score of the Sector as a whole. Furthermore, the project on construction of Headquarters, Regional and District offices for the Electoral Commission is not yet undertaken.

##### 4.3.12.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 86.6 percent compliance to NDPII.** This is a weighted score of 79 and 92 for alignment of BFP and AB outputs to NDPII respectively.

#### 4.3.12.5 Budget Performance

**At this level, the Sector is unsatisfactory at 54.4 percent compliance to NDPII.** This is a weighted score comprising 100.0 and 24.0 percent for budget release and expenditure outturn, respectively. The major reason for this score is the low absorption of released funds by some MDAs within the Sector. For example, State House had variances in their budget releases due to a supplementary release on the classified expenditure item owing to a few unforeseen issues. On the other hand, only 35.9percent of the Development budget was released of which only 76.4percent of this was spent due to the need to reserve funds for a scheduled routine maintenance for the Presidential Jet. Similarly, the Ministry of Foreign Affairs had spent only 34.5 percent of the released amount at end of Q2. Electoral commission spent only 45.7 percent of the released funds at the end of Q2. This poor absorption capacity in the three MDAs affected the overall performance of the Sector.

#### 4.3.12.6 Summary MDA level Performance

**Table 4.13: Summary of Public Administration Sector and MDA level performance (%)**

| SN | Sector/MDA | Planning | PIP | Alignment | | | Budget Performance | Overall score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| | **Sector** | **100** | **31.3** | **79** | **92** | **86.9** | **54.4** | **61.8** |
| 1 | Electoral Commission | 100 | 35 | 80 | 92 | 87 | 40 | 54 |
| 2 | Office of the President | 100 | 99 | 71 | 91 | 83 | 76 | 87 |
| 3 | State House | 100 | 10 | 80 | 89 | 85 | 76 | 61 |
| 4 | MOFA | 100 | 40 | 60 | 54 | 57 | 40 | 51 |

#### 4.3.12.7 Key emerging issues

i) **There is low absorption of released budgetary funds within the sector.** Under the Ministry of Foreign Affairs, the low absorption of released funds was largely on two accounts; (a) the item concerned with hosting of the G77 Summit where over 85percent of the funds have already been released. The summit which had earlier on been anticipated to take place in November, 2019 was confirmed for April 2020 and; (b) the delays in the procurement processes for capital development expenditures. Note that out of the 54.08bn approved budget (including arrears), 68percent had been released as at end of Q2. From the amount released, 34.5percent had been spent by the end of the Quarter. State house had variances in their budget releases due to a supplementary release on the ***classified expenditure item*** owing to a few unforeseen issues. On the other hand, only 35.9percent of the Development budget was released. Only 76.4percent of this was spent due to the need to reserve funds for a scheduled routine maintenance of the Presidential Jet.

ii) The Electoral commission spent only 45.7percent of the released funds at the end of Q2 and the reasons given for this low absorption include; i) This was due to the extension of the Update of National Voters Exercise which forced extending the activities to subsequent quarter. This exercise affected funding of the elections of Special Interest Groups (SIGS) since it required additional funding, ii) The need to verify the beneficiaries especially the update officers who had to be paid through e-cash iii) Adjustments in the roadmap meant that some of the activities had to be pushed to the subsequent quarters and; iv) Lengthy procurement processes.

iii) **The low absorption of funds released for project implementation need to be addressed.** Some funds released for implementation of the projects were not spent due to the lengthy procurement process that have a negative impact on project implementation for the entire Sector. For example, the Electoral Commission had over 21.458bn unspent by end of Q2 FY 2019/20. Similarly, State House did not spend all the funds released totaling of 1,000Bn due to deferred expenditure on the Jet maintenance set to happen in January 2020. This has had a major effect on the score for project implementation for the respective institutions and on the score of the Sector as a whole. Further, the project on construction of Headquarters, Regional and District offices for the Electoral Commission is yet to start.

iv) **There is inadequate funding for voter education and training.** Voter education is important in strengthening electoral processes and increasing citizen participation to have free and fair elections. Therefore, the Commission should intensify voter education and training for fair and free elections.

v) **The country still has arrears in payment of international membership fees.** Most missions abroad are facing this dilemma of arrears in membership fees to various international organizations for example World Trade Organization. This has resulted in Uganda being placed under administrative measures with adverse effects that Uganda delegates cannot be nominated to preside over WTO bodies where it could be influential. Such occurrences ruin the image of Uganda and in addition to hindering the country's effective participation in different bodies especially in the committee on Budget, Finance and Administration.

vi) **Lack of an integrated information management system between the Missions Abroad and MDAs has resulted into missed opportunities for the government on international and regional projects, activities and conferences.** Missions abroad are facing a problem of insufficient timely feedback from MDAs on various aspects including data and statistics that can be used by the missions to effectively execute their mandates *(lack of information sharing and delays in dissemination of information by MDAs).* There is need to establish a system where information flow from the various MDAs can be readily accessed by the different missions abroad depending on their location.

vii) **There is inadequate financial, human and logistical support for Missions Abroad.** Most missions site insufficient allocations for capital development as a major challenge. This has a negative impact on handling wide areas of accreditation including promotion of commercial diplomacy. Similarly, these missions handle multiple accreditations that require human resource for this to be finalized effectively but no additional staffing has been granted to the Missions despite repeated requests. For example, the Mission in Ethiopia that handles both ordinary and extraordinary summits, scheduled, unscheduled committee and subcommittee and bureau meetings of the AU, IGAD, UNECA as well as the eight Regional Economic Communities (RECs) of Africa. The effectiveness of the Missions Abroad can be improved by providing sufficient funding to enable them carry out mission activities.

#### 4.3.13 Legislature Sector

The NDPII outlines four strategic objectives under the Legislature 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 in promoting rule of law, transparency and accountability in the provision of to achieve equitable and sustainable development; and (iv) Improve collaboration and networking amongst development institutions. The Sector assessment therefore evaluates the extent of the alignment of its planning and budgeting towards achieving the four objectives and the corresponding pre-determined outcome and output targets. The results of this assessment are given in the sections below.

#### 4.3.13.1 Overall CoC Performance of the Sector

**Overall, the Legislature Sector budget is unsatisfactory at 53.0 percent.** In particular, the Sector was 100.0, 7.5, 83.7 and 52.0 percent compliant at Sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sub-sections below.

#### 4.3.13.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** The Sector has an approved strategic plan. In particular, the objectives and strategies of the Sector Development plan are consistent with the NDPII Sector Objectives and interventions. The time horizon of the sector plan was reviewed to rhyme with the NDPII time frame.

#### 4.3.13.3 Sector Projects Alignment

**At this level, the Sector is un satisfactory at 7.5 percent compliance to NDPII.** This is a weighted score of 0, 0 and 75 percent for budget release, expenditure outturn and project implementation, respectively. The Sector project on Rehabilitation of Parliament exists in the PIP. The zero percent is a result of failure to spend over 90 percent of the released funds. The Sector spent 20.1 percent of the released resources to implement the project. Additionally, the project performance score is 75 because this is an ongoing project though it is behind schedule. The Sector BFP and Ministerial Policy Statement indicate that implementation of the project was planned for FY 2016/17.

#### 4.3.13.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 83.7 percent compliance to NDPII.** This is a weighted score of 97.3 and 74.7 percent for the BFP and AB, respectively. The NDPII key Strategic intervention that was not prioritized was: Review and Strengthen a mechanism for Clearing backlog of Constitutional reports.

#### 4.3.13.5 Budget Performance

**At this level, the Sector is unsatisfactory at 52 percent compliance.** This is a weighted score of 100.0 and 20.0 percent for budget release and expenditure outturn, respectively. The average performance was attributed to the low absorption of the released funds mainly on the Rehabilitation of Parliament Project.

#### 4.3.13.6 Summary MDA level Performance

**Table 4.14: Summary of Legislature Sector and MDA level Performance (%)**

| Sector | Planning | PIP | Alignment | | | Budget Performance | Overall Score |
|---|---|---|---|---|---|---|---|
| | | | BFP | AB | BFP&AB | | |
| Legislature | 100 | 7.5 | 97.3 | 74.7 | 83.7 | 52.0 | 53.0 |

#### 4.3.13.7 Key Emerging Issues

i) The Sector has a low absorption capacity mainly at project implementation level. For example, the Sector project of Rehabilitating of Parliament didn't fully absorb its released funds for the half year period of FY 2019/20. The Sector spent 20.1 percent of the released resources to implement the project. By end of Q2 only 3percent of the progress on construction had been reported which is below the planned target. The delays in acquisition of the CHOGM gardens to provide adequate operating space to the contractor, and approval of the design improvements as well as delays in appointing the Sub-Contractor for the heavy steel fabrication works have greatly been responsible for the underperformance of the sector.

ii) The Budgeting Documents were not arranged according to Vote and Sub vote functions which limited the better alignment to the Strategic Plan that is in line with the NDP. Therefore, there is need to consider the Vote functions and sub vote functions arrangement in the development of the Budgeting documents in order to improve on the alignment and reporting of achievements.

### 4.3.14 Lands Housing and Urban Development

The NDPII outlines thirteen strategic objectives under the Lands Housing and Urban Development Sector 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; vi) Improve and modernize land administration services/system; vii) Increase capacity and support proper institution of Land Valuation Services; viii) Improve equity in access to land, livelihood opportunities and tenure security of vulnerable groups; ix) Operationalize the Physical Planning Act, 2010 to support orderly and sustainable development; x) Improve urban development through comprehensive physical planning; xi) Improve the policy framework for the establishment and management of cities and other urban areas; xii) Improve and strengthen a competitive urban economy, and; xiii) Increase availability of and access to serviced land for urban expansion and investment. This report provides an assessment of alignment of the Sector planning and budgeting processes towards the achievement of the above set objectives. The results of this assessment are given in the sections below.

#### 4.3.14.1 Overall CoC Performance of the Sector

**Overall, the LHUD Sector budget is moderately satisfactory at 60.7 percent.** In particular, the Sector scored 33.3, 44.5, 76.6 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.

#### 4.3.14.2 Development and Existence of Planning Processes

**At this level, the Sector is unsatisfactory at 33.3 percent compliance to NDPII** and has stagnated from the previous assessment period of FY2018/19. The constant score follows NPA's recommendation that the MDAs in the Sector concentrate on producing the 3rd year Sector and MDA development plans as opposed to developing one-year MDAs development plans. Going forward, the Sector should prepare Strategic Plans for its Votes, separate from a Sector Development Plan (SDP), aligned to the Third National Development Plan (NDPIII).

#### 4.3.14.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 44.5 percent compliance to NDPII.** This is a weighted score of 100, 16.7 and 45.0 percent for budget release, expenditure outturn and project implementation, respectively. Two (2) projects are likely to be completed in the next FY. These include: Support to National Physical Development Planning and Support to Uganda Land Commission. Out of the 16 Sector priority projects in the NDPII, six (37.5percent) are integrated in the PIP and are under implementation. These are: Uganda Support to Municipal Development Project Additional Funding (USMID-AF), Support to National Physical Development Planning, Support to MLHUD, Competitiveness and Enterprise Development Project (CEDP), Albertine Region Sustainable Development Project, and Support to ULC. While some of these projects may exit the PIP next FY, the Hoima Oil Refinery Proximity Project has been newly enrolled in the PIP but has not taken off yet due to financing challenges. The majority of the project ideas (62.5 percent) in the NDPII are yet to be developed, indicating the need to develop capacity for project preparation within the sector, along the PIM processes to secure financing.

There is a challenge of low absorption (51.6percent) for external funding projects, such as, USMID, ARSDP and CEDP. This is attributed to contractors not delivering on time, compensation delays and land acquisition challenges.

#### 4.3.14.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 76.6 percent compliance to NDPII.** This weighted score comprises of 58.8 and 86.5 percent for BFP and AB alignment respectively. Some of the sector output indicators are not captured in the BFP and AB. These include: number of acreages acquired by government for economic and infrastructural development, number of government housing units by Sector, number of slums upgraded, number of rural housing units built, acreage of land bank acquired in rural and urban. Data gaps exist, and will require the Sector to set up a Monitoring and Evaluation system to track the actual activities undertaken and report on progress.

#### 4.3.14.5 Budget Performance

**At this level, the Sector is moderately satisfactory at 70.0 percent compliance**. This is a weighted score of 100 and 50 percent for budget release and expenditure outturn, respectively. The good performance is attributed to timely releases of funds which enables the Ministry to effectively execute its mandate. For example, in FY2018/19, Government released 100percent of the approved budget for MLHUD. In addition, a supplementary budget (12.106bn) was released to MLHUD to cater for: i) Buganda Kingdom Claims, ii) operations of the Commission of Inquiry, and; iii) compensation for Amuru Sugar Works, increasing Uganda's domestic debt stock. The recurrent to development budget runs as high as 3:1.

In FY 2018/19, government released 100percent of the approved budget for ULC, however, a significant proportion (50.77percent) comprised arrears, leaving only 21.043bn for the Vote to execute its mandate. The arrears were to cater for compensation of absentee landlords under the land fund and ground rent for the Catholic Church land at Nsambya. In the same assessment period, ULC received a supplementary budget amounting to 11.7bn to further cater for the outstanding arrears for the Catholic Church land at Nsambya, increasing further Uganda's domestic debt stock. On the other hand, of the ULC approved budget (40.573bn) in FY2019/20, the vote received 85.3percent by quarter two. However, it was noted that 71 percent of the approved budget was for compensation of the Church of Uganda land at Entebbe for the expansion of the airport and clearing outstanding ground rent arrears for the Catholic Church land at Nsambya leaving just a little of the budget for the execution of the mandate of ULC, that could compromise their performance on planned activities.

#### 4.3.14.6 Summary MDA level Performance

**Table 4.15: Summary of the LHUD Sector and MDA level performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 33.3 | 44.5 | 61.7 | 86.5 | 76.6 | 70.0 | 60.7 |
| 2 | MLHUD | 100.0 | 30.7 | 58.1 | 83.8 | 73.5 | 40.0 | 53.3 |
| 3 | ULC | 0.0 | 97.5 | 50.0 | 80.0 | 68.0 | 100.0 | 79.7 |

*Source: NPA Assessment 2020*

#### 4.3.14.7 Key Emerging Issues

i) **The Lands, Housing and Urban Development Sector votes have not been able to develop specific Strategic plans in the NDPII period.** Going forward, MLHUD and ULC should prepare respective Strategic Plans separate from a Sector Development Plan (SDP).

ii) **Only 37.5percent of the NDPII Sector projects have been integrated in the MFPED PIP, indicating gaps in project preparation**. There is need for the Sector to build capacity in project preparation along the Public Investment Management (PIM) process with the aim of securing financing. This will improve the Sector performance and ensure that NDPII is satisfactorily achieved.

iii) **The budget instruments need to strongly address targets for output indicators in the SDP and National Development Plan.** Whereas targets for output indicators are clearly annualized in the SDP and NDPII results framework, there are inconsistencies in the targets indicated in the BFP and AB, making it difficult to make a comprehensive assessment at these levels. It was also noted that the two core interventions of ULC were not tackled, namely: operationalizing the national land fund and management of government land. ULC did not achieve its targets on its key output indicators, namely: number of titles processed and issued to lawful and bonafide occupants, and number of titles processed for MDAs. There is need to have clear indicators that are in line with the national development planning frameworks and a Monitoring and Evaluation system to enable the capture of relevant information and report on their performance.

iv) **The Land Fund, which is established by law to facilitate land banking and increase access to land for government projects has not been operationalized.** The concept of land banking needs to be fast-tracked so that government secures land for future infrastructure development projects. For instance, the planned infrastructure corridors in the country will require land banks. The Sector should provide guidelines on how land banking can be managed. A database indicating how much land is owned by government both in the urban and rural is critical to guide planning decision making and implementation of government infrastructure and economic projects. While the National Land Policy (NLP), National Urban Policy (NUA) and the Land Acquisition, Resettlement and Rehabilitation Policy have been developed, guidelines to operationalize these and facilitate land banking are yet to be developed.

v) **The Housing programme remains unprioritized amidst the acute housing deficit (2.2m units) in 2018 and is projected to increase further to 8 million housing units by 2030 if the backlog is not addressed.** Uganda Vision 2040 emphasizes the need to provide access to decent, adequate, safe and affordable housing with basic facilities for all. Although, positive strides in form of legislations, policy formulation and institutional frameworks have been taken, implementation has largely not met the country's housing targets. The sector is delivering housing that is not affordable to the majority of the low and middle-income households and the vulnerable groups, in terms of purchase or rental prices. Interventions to address access to adequate and affordable housing are critical to mitigating potential insecurity arising from the proliferation of informal settlements. The National Housing and Construction Company (NHCC) that should be contributing to the housing agenda of the LHUD Sector is still housed under the Ministry of Finance and Economic Development.

vi) **The Sector interventions meant to address the current urban challenges remain underfunded.** These includes addressing sprawl, developing low-density settlements, slums and informal settlements, pervasiveness of socio-spatial segregation, mismatch between where people live and work, isolated concentration of poverty severed from economic opportunities, and under-investment in public infrastructure, making our cities a costly business environment. Strict development control, dedicated planning and design assisted by viable financial plans will ensure that the urban areas develop an enabling environment to attract employment generating economic activity and function as transformational drivers of sustainable development.

vii) **There is no enabling policy, legal and institutional framework to operationalize the newly created cities**. The key Sector interventions required to improve the policy framework for establishment and management of cities and other urban areas, remain unfunded. There is need to be put in place a legal and institutional framework to facilitate harmonious, orderly and smooth transition of selected urban authorities to higher urban status, such as cities. In addition, a rigorous criterion for readiness assessment, appraisal, selection and prioritization of cities for actual implementation needs to be developed to guide the planning and development of new cities and other urban centers.

#### 4.3.15 Kampala Capital City Authority (KCCA)

Kampala Capital City Authority (Vote 122) is a central agency that manages the Capital City of Uganda. In accordance with the Sector wide approach, the Authority falls within the Public Sector Management sector but quite uniquely, due to its uniqueness, the Authority is cross-cutting in the following Sectors: Agriculture; Education; Health; Water and Environment; Social Development; Accountability; Works and Transport; and Urban Planning and land-use. KCCA's focus is to improve service delivery in the city through harmonization of the institutional and legislative framework, physical infrastructure development, improving people's livelihoods and incomes and protection of the natural environment. The assessment therefore evaluates the alignment of its planning and budgeting with particular focus on the FY2019/20 towards the NDP objectives and the corresponding outcome and output targets. The results of this assessment are given in the sections below.

##### 4.3.15.1 Overall CoC Performance of the Sector

**Overall, the KCCA budget is moderately satisfactory at 62.3 percent.** In particular, KCCA is 100.0, 52.9, 81.5 and 40.0 percent compliant at Sector planning, projects planning, budget process instruments and budget performance, respectively. The specific details are presented in the following sections;

##### 4.3.15.2 Development and Existence of Planning Processes

**At this level, KCCA is satisfactory at 100.0 percent compliance to NDPII.** The Authority has an approved strategic plan whose objectives and interventions are focused towards achieving the overall goal of the NDP II.

##### 4.3.15.3 Sector Projects Alignment

**At this level, KCCA budget is unsatisfactory at 52.9 percent compliance to NDPII.** This is a weighted score of 00.0, 80.0 and 49.2 percent for budget release, expenditure outturn and project performance, respectively. The average performance is due to low absorption of funds as well as significant deviation from planned budgets for example under KIIDP, in FY2018/19, UGX 157.26 billion was planned for but only 95 billion was released, and by Q2 of FY2019/20, , UGX 82 billion was released and only 21 billion was spent. There are some projects that the Authority proposed to be dropped which include; the Kampala fish farming project and Kalerwe agricultural market construction project.

KCCA also has projects that are of a recurrent nature which include: Hospital improvements in various Health Centres; Schools' improvement plans; Revaluation of properties; and Open public spaces preservation. Furthermore, there are projects that are ready for implementation but have not yet commenced or are being undertaken as components in other projects. Examples of these include; Open Public spaces preservation project, Development of a Kampala City Local Economic Development Strategy and the Market infrastructure improvement project (Kasubi).

#### 4.3.15.4 Alignment of the BFP and Annual Budget

**At this level, KCCA is satisfactory at 81.5 percent compliance to NDPII.** This is a weighted score of 74.8 and 86.0 percent of the BFP and AB, respectively. There are some variations between the NDPII targets and the budget instruments in the sense that the targets are either too high from the NDP II; for instance: the NDP targeted 80 youth livelihood project while the BFP targeted 200; the NDP targeted training 450 people under the employment information bureaus to facilitate access to jobs while the BFP targeted 1000; the NDP targeted 160 kms of drainage channels maintained while the BFP targeted only 75kms, among others. Furthermore, whereas KCCA prioritizes most of the NDP II interventions, a number remain unbudgeted for, for instance; Strengthen wetland conservation and management, streamline parking and management of public transport systems, and Upgrade and revitalize declining areas within Kampala City, among others.

#### 4.3.15.5 Budget Performance

**At this level, KCCA is unsatisfactory at 40.0 percent compliance to NDPII.** This is a weighted score of 100.0 and 00.0 percent for budget outturn and expenditure outturn, respectively. The Authority was allocated 541.72 billion for the FY2019/20. The Outturn by Q2 was 283.12 billion of which only 156.93 billion was absorbed. This low absorption is attributed to delayed civil and construction works for roads and other public infrastructure due to accumulated compensations arising from various civil suits against the Authority.

#### 4.3.15.6 Summary MDA level Performance

**Table 4.16: Summary of KCCA level Performance (%)**

| S/N | MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | KCCA | 100 | 52.9 | 74.8 | 86.0 | 81.5 | 40 | 62.3 |

#### 4.3.15.7 Key Emerging Issues

i) Accumulated compensations arising from various civil suits against the Authority delay the implementation of projects which causes failure to absorb money by the Authority that ultimately results to penalizing by Ministry of Finance in form of budget cuts for example under KIIDP, the Contract for Relocation of Umeme lines (JICA project) has just been signed and the Purchase of ROW in UGX 1,427,972,088 has just been paid as compensation for the Naguru Close.

ii) There are variations in the measurement of indicators set under the KCCA which makes measurement of results a challenge. Majority of the planning documents like the NDP II and Strategic Plans measure indicators in terms of numbers for example; Revenue collected against target (bn), while the budget instruments like the BFP and MPS measure indicators in terms of percentages for example; Proportion of NTR collected against target. There is need for UBOS to set a standard measurement for indicators (either in percentages or numbers) which can be adopted in all the planning documents for uniformity.

iii) Some of the projects listed under KCCA are just components under KIIDP for example; Kampala roads and drainage improvement project, GIS upgrade and Comprehensive Street Naming and Addressing Project, and the Open Public spaces preservation project, among others and therefore their budgets are tied to KIIDP. It is recommended that KCCA give detailed project profiles for the above mentioned since they are considered crucial in the NDPII.

iv) Lack of funding towards projects that are in the PIP for example; the completion of Busega market and the proposed construction of other markets including USAFI and Kasubi. There is need to prioritize the funding areas of the Authority by MOFPED in order to realize the NDPII targets.

#### 4.3.16 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.

##### 4.3.16.1 Overall CoC Performance of the Sector

**Overall, the Accountability Sector budget is unsatisfactory at 58.7 percent compliance.** In particular, the Sector is 74, 42.2, 82.3 and 46 percent compliant at Sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections.

##### 4.3.16.2 Development and Existence of Planning Processes

**At this level, the Sector is moderately satisfactory at 74.0 percent compliance to NDPII.** Out of 23 MDAs of the Sector, the following do not have approved strategic plans. UIA, NSSF, PSFU, EPRC, UMRA and MSC.

##### 4.3.16.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 42.2 percent compliance to NDPII.** This is a weighted score of 65.2, 24.3 and 80.4 for budget outturn, expenditure outturn and project performance respectively. This weak performance was mainly attributed to the low absorption of released funds for the projects. These projects include; Support to OAG, Support to IG, Support to MFPED, Development of Industrial Parks, Competitiveness and Enterprise Development Project (CEDP),Support to PPDA, Support to FIA, Skills Development Project, Support to UBOS, Construction of the IG Head Office building Project, REAP KRA (1A,2A),1B, (2B&3A),(3B,4A,4B, and 5.

### 4.3.16.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 82.3 percent compliance to NDPII.** This is a weighted score comprising 78.2 percent and 85.0 percent for BFP and AB respectively. The satisfactory performance is attributed to less deviations in the indicators and targets in the planning and budgeting instruments, which comprise the alignment of the planning and budgeting instruments to the NDPII. The NDPII key Strategic interventions that were not prioritized by Accountability Sector included: Introduction of the long-term infrastructure bonds; Developing a mechanism of Local Credit rating; Development of a National Local Content Policy; and Creating specialized funds for Uganda Development Corporation (UDC) targeting NDPII prioritized areas.

### 4.3.16.5 Budget Performance

**At this level, the Sector is unsatisfactory at 46.0 percent compliance.** This is a weighted score comprising 77.5 and 2.5 percent for Budget outturn and expenditure outturn respectively. The unsatisfactory performance is attributed to the low absorption of the released funds among all Accountability Sector Vote institutions.

### 4.3.16.6 Summary MDA level Performance

**Table 4.17: Summary Accountability Sector and MDA Level Performance (%)**

| S/N | Sector/MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP&AB | | |
| **1** | **Accountability Sector** | **74** | **42.2** | **77.9** | **85.9** | **82.7** | **46.0** | **58.7** |
| 2 | MoFPED | 100 | 50.3 | 92.3 | 91.5 | 92.0 | 40 | 64.7 |
| 3 | OAG | | 37.5 | 84.6 | 100 | 93.8 | 40.0 | 51.4 |
| 4 | UBOS | 100 | 7.5 | 70.0 | 75.0 | 73.0 | 40.0 | 46.2 |
| 5 | IG | 100 | 37.5 | 81.8 | 66.2 | 72.4 | 40 | 55 |
| 6 | DEI | 100 | 100 | 30.8 | 100 | 72.3 | 24.0 | 64.1 |
| 7 | URA | 100 | 49.5 | 80.0 | 61.8 | 69.1 | 52 | 62.1 |
| 8 | PPDA | 100 | 7.5 | 85.0 | 81.7 | 83.0 | 0 | 37.2 |
| 9 | FIA | 100 | 40 | 65.7 | 85.0 | 77.3 | 24.0 | 52.4 |
| 10 | UIA | 0 | 7.5 | 85.7 | 88.6 | 87.4 | 0.0 | 28.5 |
| 11 | NPC | 100 | - | - | - | - | - | 100 |
| 12 | BoU | 100 | - | - | - | - | - | 100 |
| 13 | URBRA | 100 | - | - | - | - | - | 100 |
| 14 | CMA | 100 | - | - | - | - | - | 100 |
| 15 | NSSF | 0 | - | - | - | - | - | 0 |
| 16 | UDB | 100 | - | - | - | - | - | 100 |
| 17 | UFZA | 100 | - | - | - | - | - | 100 |
| 18 | IRA | 100 | - | - | - | - | - | 100 |
| 19 | LGRB | 100 | - | - | - | - | - | 100 |
| 20 | PSFU | 0 | - | - | - | - | - | 0 |
| 21 | EPRC | 0 | - | - | - | - | - | 0 |
| 22 | UMRA | 0 | - | - | - | - | - | 0 |

| S/N | Sector/MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP&AB | | |
| 23 | MSC | 0 | - | - | - | - | - | 0 |

*Source: NPA Assessment, 2020*

#### 4.3.16.7 Key Emerging Issues

i) The Off-Budget Support and its respective source of funding is not included in some of the Accountability Sector institutional budgeting instruments like: URA and FIA. For example, under the approved workplan for the JAR-SRC funding under European Union these institutions have benefited but not reflected in their respective budget documents like the MPS. There is need for all the Budget support funds to be declared in the respective Budget documents as provided in the PBS.

ii) The Anti-Corruption Initiatives, as a cross cutting issue, are not mainstreamed in any of the Accountability Sector Institutions' Budget Documents for FY 2020/21 as highlighted in the NDPIII Governance and Security program.

iii) There are hardly any reports on the vote performance of the cross-cutting issues and yet they were budgeted for. This raises the mixed feelings on their implementation which is contrary to the NDP's objectives. Therefore, is need to report on performance of the cross-cutting issues that were budgeted for in order to track their implementation and realization.

### 4.3.17 Science, Technology and Innovation

The NDPII outlines four strategic objectives which are intended to be the main budget drivers over the plan period. These are: (i) Enhance the integration of science and technology into the national development process; (ii) Increase transfer and adoption of technologies; (iii) Enhance R&D in Uganda; and (iv) improve the STI legal and regulatory framework. The results of this assessment are given in the sections below.

#### 4.3.17.1 Overall CoC Performance of the Sector

**Overall, the ST&I Sector is moderately satisfactory at 79.9 percent.** In particular, the Sector is 17, 83.8, 85.0, 92.0 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.

#### 4.3.17.2 Development and Existence of Planning Processes

**At this level, the Sector is unsatisfactory at 17 percent compliance to NDPII.** All MDAs within the Sector except MoSTI have approved strategic plans. The Sector Development Plan is aligned in content (objectives and interventions) but not in time horizon. Both SDP and KMC Strategic plans took effect in the 2018/2019 financial year while PIBID's revised strategic plan takes effect in the 2019/2020 financial year. UIRI's Strategic plan ends in financial year 2019/2020.

#### 4.3.17.3 Sector Projects Alignment

**At this level, the Sector is satisfactory at 83.8 percent compliance to NDPII.** This is a weighted score of 50, 100 and 87.5 percent for budget outturn, expenditure outturn and project performance, respectively. Out of the six projects in the Sector, four are in the MoFPED PIP. Two projects from the NDP II PIP have evolved into other projects. The Support to Innovation - EV Car Project evolved into the Kira Motor Corporation project which is included in the MoFPED PIP. Government Support to Scientists project evolved into the Innovation Fund which involves the STI, ICT and Education Sectors. Despite lower budget releases, high expenditure outturn indicates a good budget absorption for all the projects hence the good score.

In terms of project implementation performance, the Sector scored 87.5 percent with the KMC project being ahead of schedule despite difficulties caused by the weak soil profile and heavy rains at the initial stages. Cost overruns on the construction project were offset by funds released from the reduction of electronic buses to be assembled from three to two. The reduction was necessary because the exchange rate is much higher than it was at the time of allocation making the funds insufficient.

#### 4.3.17.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is satisfactory at 85 percent compliance to NDPII.** This is a weighted score comprising 100 and 75 percent for BFP and AB respectively. Whereas there was a mismatch in the NDPII and MoSTI indicators, the interventions were largely the same. The ministry's biggest allocations were on KMC, PIBID, Innovation fund and National Science, Technology, Engineering and Innovation Skills Enhancement Project (NSTEISEP). UIRI's budget was largely R&D, skilling and commercialization activities.

#### 4.3.17.5 Budget Performance

**At this level, the Sector is satisfactory at 92.0 percent compliance**. This is a weighted score comprising 92. and 92 percent for Budget outturn and expenditure outturn, respectively. The budget performance for 2018/19 was low mainly due to low releases. MoSTI only received 31 percent of its approved budget, and 61 percent of that was subsequently released to subventions. Only the ministry failed to absorb more than 90 percent of released funds.

#### 4.3.17.6 Summary MDA level Performance

**Table 4.18: Summary STI Sector and MDA level performance (%)**

| S/N | MDA | Planning | Projects performance | Alignment | | | AB performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | **SECTOR** | **17** | **83.8** | **100.0** | **75.0** | **85.0** | **92.0** | **79.9** |
| 2 | MoSTI | 0 | 100.0 | 91.7 | 85.7 | 88.1 | 100.0 | 86.4 |
| 3 | UIRI | 100 | 67.5 | 100.0 | 73.3 | 84.0 | 60.0 | 73.5 |
| 4 | UNCST | 0.0 | 0.00 | 100.0 | 83.3 | 90.0 | 100.0 | 57.0 |
| 5 | Kiira Motors | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 90.0 |
| 6 | PBID | 0.00 | 0.00 | 100.0 | 75.0 | 85.0 | 100.0 | 55.5 |

#### 4.3.17.7 Key Emerging Issues

i) The SDP's results framework only has baselines and targets for 2040 but it does not provide for annual assessments. This will affect the Sector's performance and eventually the NDP performance in a way that activities might not be sequenced in their implementation as desired to achieve the overall NDP targets and also makes resource allocation and monitoring of performance difficult. Going forward for NDPIII, there is need to provide annualized targets to address this issue.

ii) The NDP II results framework does not provide any targets for the Sector. The MDAs have therefore been mainly assessed by their workplan targets for activities aligned to the NDP II objectives and interventions. This was so because the Sector was not in existence when the NDPII was being formulated and thus interventions falling under this STI were scattered in different Sectors. This issue should be addressed in NDPIII since there is a Sector and a Ministry to champion STI activities.

iii) The Ministry uses the indicators it proposed for the National Standard Indicators (NSI) not the ones set in the NDP II results framework. The explanation given is that they don't have the capacity to measure all the NDP II indicators accurately and consistently. The Ministry, having been created 2 years into NDP2, was not involved in drafting the NDP II. Owing to point 2 above, this issue should be addressed with harmonization of the indicators in the SDP and the NDPIII.

### 4.3.18 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.

#### 4.3.18.1 Overall CoC Performance of the Sector

**Overall, the Justice, Law and Order Sector budget is unsatisfactory at 58.8 percent**. In particular, the Sector is 100.0, 39.2, 79.4 and 44.3 percent compliant at Sector planning, projects performance, budget instruments and budget performance, respectively. The specific details are presented in the following sections.

#### 4.3.18.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** The Sector and all the MDAs have approved Development Plans. Worth to note is that, the Sector plan is not aligned to the NDP with regard to timelines. This is likely to affect the Sector strategic alignment midway the implementation of the NDP.

#### 4.3.18.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 39.2 percent compliance to NDPII.** This is a weighted score of 70.7, 14.7 and 91.7 percent for release outturn, expenditure outturn and project performance, respectively. Overall, there is generally low absorption of development funds across the JLOS institutions. For example, funds for the construction of the JLOS House project remained largely unutilized by half year of FY2019/20. Also, Sector projects which are not in the PIP for financing which include: support to Uganda Prisons Service farms; Construction of the second maximum security prison; Establishment of the Application Programme Interface (API) – Third Party Interface for data sharing; Construction of 40 one stop JLOS service points at district level; Establishment of the Regional Offices for Uganda Registration Bureau Services (URBS); Integration of the IRIS Recognition biometric technology in the NIRA system (NSIS); Upgrade of Citizen National ID Card to a Smart Card (e-ID) and creation of the Personal Digital Identity; Establishment of the Disaster Recovery Site; among others. This poses a risk of delayed implementation given it's the last year of NDPII implementation.

#### 4.3.18.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 79.4 percent compliance to NDPII.** This is a weighted score of 81.8 and 77.9 percent for BFP and AB respectively. Most JLOS MDAs have their budget instruments aligned to the NDPII in terms of priorities and targets. As indicated in the previous CoC reports, the JLOS Sector has an effective SWAP arrangement that supports joint Sector planning and budgeting. As a result, a number of institutions prioritize Sector strategic interventions during budgeting. Nonetheless, the Sector is still performing below target on a number of priority indicators. Some of these include;

#### 4.3.18.5 Budget Performance

**At this level, the Sector is unsatisfactory at 44.3 percent compliance**. This is a weighted score comprising 91.4 and 12.9 percent for Budget outturn and expenditure outturn, respectively. By half year, the Sector had received more than half (about 60 percent) of the total annual budgeted resources. However, whereas most institutions received most of the quarterly funds, a number of them had not spent much of the released funds. Of the total MTEF approved vote level budgets of 1,594 billion, Shs 954.87 billion was released to the Sector institutions, of which Shs.792.05 billion was spent by half year. This left about 162.8 billion of unutilized funds (20.5percent of released funds).

#### 4.3.18.6 Summary MDA level Performance

**Table 4.19: Summary JLOS Sector and MDA level Performance (%)**

| Sector/MDA | Planning | PIP | Alignment | | | AB Performance | Overall Performance |
|---|---|---|---|---|---|---|---|
| | | | BFP | AB | BFP & AB | | |
| **Sector** | **100** | **39.2** | **80.0** | **78.9** | **79.4** | **44.3** | **58.2** |
| MoJCA | 100 | 34 | 84.3 | 81.5 | 82.6 | 40 | 56.9 |
| Judiciary | 100 | 40 | 82.5 | 81.3 | 81.8 | 40 | 58.5 |
| DCIC | 100 | 40 | 87.5 | 87.5 | 87.5 | 40 | 60.3 |
| DPP | 100 | 10 | 84.0 | 100.0 | 93.6 | 24 | 48.3 |
| DGAL | 100 | 40 | 80.0 | 83.3 | 82 | 40 | 58.6 |

| Sector/MDA | Planning | PIP | Alignment | | | AB Performance | Overall Performance |
|---|---|---|---|---|---|---|---|
| JSC | 100 | 40 | 73.3 | 82.2 | 78.7 | 40 | 57.6 |
| LDC | 100 | 88 | 100.0 | 73.3 | 84 | 100 | 91.6 |
| MoIA | 100 | 10 | 95.0 | 95.0 | 95 | 32 | 51.1 |
| UHRC | 100 | 40 | 66.7 | 100.0 | 86.7 | 40 | 60 |
| NIRA | 100 | 70 | 80.0 | 72.0 | 75.2 | 0 | 53.56 |
| UPF | 100 | 35 | 64.8 | 67.6 | 66.5 | 64 | 59.6 |
| UPS | 100 | 95 | 81.3 | 71.4 | 75.4 | 64 | 80.3 |
| URSB | 100 | 0 | 64.0 | 60.0 | 61.6 | 40 | 40.5 |
| ULRC | 100.0 | 40.0 | 44.4 | 66.7 | 57.8 | 40.0 | 51.3 |

### 4.3.18.7 Key Emerging Issues

i) The Sector has experienced improvements in some indicators. In particular, The Sector achieved the targets for a number of indicators which include; percentage of cases disposed of within 3 months; number of forensic studies carried out on contaminants in water and food; proportion of land crimes cases files sanctioned within 2 business days; percentage of the population with access to updated laws; and rate of recidivism (re-offending) is at 16.8percent compared to the target of 21percent. Other indicators with improvements include; average time taken to dispose of cases in the Supreme Court; average time taken to dispose of cases in the Court of Appeal; number of indigent persons accessing legal aid; proportion of Courts with minimum operational standards; and lead time in clearing travelers at borders among others.

ii) A number of Sector institutions have not developed service and service delivery standards amidst low performance in some key indicators. For example, proportion of eligible convicts put on community service was expected to be 50percent but still at 19.9percent; proportion of NGOs that comply with the NGO law is at 20percent compared to a target of 60percent; DGAL verified only 228 products out of a target of 300; and percentage of districts with frontline JLOS services at 67.5percent compared to a target of 78percent. Other indicators with low performance included; disposal rate of cases by court level and case category; percentage of backlog cases in the system; percentage of cases referred to Legal Aid Clinic for reconciliation that are concluded; level of public confidence in law and justice administration systems; and percentage of immigration service delivery points which meet set standards among others.

iii) The inadequate operationalization of regional service delivery centers still persists within the sector just like in all the previous CoC reports. The Sector has made massive investments in regional service delivery structure including forensic laboratories, courts, Police Units among others. In particular, the regional Forensic Laboratories remain grossly underutilized. However, these continue to remain less operational due to limited prioritization of the required recurrent budgets for staffing and equipping. This limits the impact of the investments made. There is need to rationalize development budgets alongside the required recurrent expenditure.

iv) There is gross under-utilization of released funds for a number of Sector institutions especially those with large development budgets. A number of Sector institutions had received more than 70 percent of their development budgets but had spent less than half of what they received.

v) The Sector has not demonstrated efforts to integrate observations of the FY 2018/19 certificate of compliance. The Sector was guided to prioritize operationalization of regional service delivery centers and streamline programme based budgeting in line with the Sector NDP objectives and interventions issues that have not been critically addressed.

### 4.3.19 Public and Management Sector

The NDPII outlines six strategic objectives under Public Sector Management (PSM) which are intended to be the main budget drivers over the Plan period. These are as follows: (i) Improve coordination, and harmonization of policy, planning, budgeting, and M&E 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.

This section in addition assesses the six NDPII Sub National level objectives which include: The Sector also assessed NDPII six Sub-National Interventions as follows: (i) Improve the decentralization system; (ii) Improve the functionality of the LGs for effective service delivery; (iii) Increase local investments and expand local revenue base; (iv) Improve environmental and ecological management in LGs; (v) Improve planned urban development; and (vi) Increase financing and revenue mobilization of LGs to match the functions of LGs. The results of this assessment are given in the sections below.

#### 4.3.19.1 Overall CoC Performance of the Sector

**Overall, the Public Sector Management sector budget is unsatisfactory at 57.5 percent.** In particular, the Sector was **100.0, 34.9, 72.1 and 51.4** percent compliant at Sector planning, projects performance, budget instruments and budget performance levels of alignment to the NDPII, respectively. The specific details are presented in the following sections.

#### 4.3.19.2 Development and Existence of Planning Processes

**At this level, the Sector is satisfactory at 100 percent compliance to NDPII.** This excellent performance is attributed to all 7 MDAs assessed i.e. NPA, OPM, MoLG, MEACA, MoPS, PSC and LGFC having approved strategic plan that are aligned to the NDPII both in terms of content and timeframe.

#### 4.3.19.3 Sector Projects Alignment

**At this level, the Sector is unsatisfactory at 34.9 percent compliance to NDPII.** This is a weighted score of 27.8, 31.8 and 75.0 percent for release outturn, expenditure outturn and project performance, respectively. This unsatisfactory score is attributed to poor budget releases, low absorption of resources and projects lagging behind schedule. The total projects budget was shs. 478.6bn of which shs. 191.7bn (40 percent) was released and only 55.6bn (29.0 percent) was spent by end of the half of FY2019/20. Specifically, in terms of receipt of funds, five projects received more than half of their annual budgets. These are: Humanitarian Assistance, Support to Ministry of Public Service, support to Public Service Commission, Support to National Planning Authority and Development Response for Displacement IMPACTS Project (DRDIP). Support to Information and National and Local Economic Growth Support (LEGS) Programmes exited the PIP.

There are several project ideas in the second NDP which were never developed into bankable projects ready for funding. For instance, of the 71 project ideas in the plan, only 21 (29.6%) are were developed and being implemented. This can be attributed to weaknesses in project development and management including undertaking feasibility studies.

#### 4.3.19.4 Alignment of the BFP and Annual Budget

**At this level, the Sector is moderately satisfactory at 72.1 percent compliance to NDPII.** This is a weighted score of 71.2 and 72.6 percent for BFP and AB respectively. This moderately satisfactory performance was on account of the Sector prioritizing several NDPII priorities such as: Coordination and harmonization of M&E at the national and local Government level; Coordination of the planning process at the national and local Government level; Establishing mechanisms for strengthening human capital planning, development and management; improving public service management, operational structures and systems for effective and efficient service delivery; Coordination of the development of capacities for mitigation, preparedness and response to natural and human induced Disasters and Refugees; enhancing national response capacity to refugee emergency management and Improving the functionality of the LGs for effective service delivery.

However, some key results were not prioritized such as: Development and institutionalization of a National value system; Development and implementation of coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system; Development and implementation of a National Communication Strategy on EAC integration; Development and implementation of a contingency plan for refugee emergencies; Harmonizing LG policies, laws and regulations with those at the national level; Reviewing the decentralization policy with the view of rationalizing the structures and institutions in LGs; Exploiting investment opportunities in LGs; Establishing and maintaining waste management systems for LGs; Establishing regulations and standards to guide urban development; Redesigning the fiscal decentralization architecture to provide for provision of adequate and sustainable local government financing to deliver on their mandate as provide for in the decentralization policy framework;

#### 4.3.19.5 Budget Performance

**At this level, the Sector is unsatisfactory at 51.4 percent compliance.** This is a weighted score comprising .85.7 an28.6 percent for Budget outturn and expenditure outturn, respectively. This unsatisfactory score is attributed to poor absorption of resources by MDAs. Specifically, the Sector budgeted for shs. 927.3bn of which shs. 208.2bn (54.8 percent) was released. All MDAs received more than half of their budgets by the end of the second quarter for FY2019/20 except MoLG which received 54.9 percent. In terms of expenditure performance, LGFC, MoEACA and NPA spent more than 93 percent of the funds received while the rest i.e MoPS (68.7 percent), OPM (78.2 percent), PSC (85.9 percent) and MoLG (79.9 percent) spent less than 90 percent. This weak absorption is likely to affect attainment of expected results.

### 4.3.19.6 Summary MDA level Performance

**Table 4.20: Summary of PSM Sector and MDA level performance (%)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| **1** | **SECTOR** | **100** | **34.9** | **71.2** | **72.6** | **72.1** | **51.4** | **57.5** |
| 2 | LGFC | 100 | 67.5 | 33.3 | 66.7 | 53.3 | 36.0 | 57.1 |
| 3 | MEACA | 100 | 73.5 | 50.0 | 50.0 | 50.0 | 64.0 | 66.3 |
| 4 | MoLG | 100 | 37.0 | 57.5 | 95.0 | 80.0 | 0.0 | 45.1 |
| 5 | PSC | 100 | 10.0 | 80.0 | 100.0 | 92.0 | 40.0 | 52.6 |
| 6 | MoPS | 100 | 40.0 | 83.6 | 88.0 | 86.3 | 40.0 | 59.9 |
| 7 | OPM | 100 | 40.6 | 83.3 | 62.2 | 70.7 | 40.0 | 55.4 |
| 8 | NPA | 100 | 69.8 | 71.4 | 88.9 | 81.9 | 100.0 | 85.5 |

*Source: NPA Assessment, 2020*

### 4.3.19.7 Key Emerging Issues

i) Most projects being implemented are not adequately financed by GoU resulting into delays in project implementation and non-achievement of intended objectives.

ii) There is lack of mechanism to collective track progress of overlapping indicators such as; Staff recruitment, research papers, M&E reports, evaluations etc. This has led to MDAs not attaching adequate attention during reporting on those indicators.

iii) There are several project ideas that were never developed into projects. This was attributed to low capacity in MDAs in Public Investment Project management

iv) Some projects never received any funding yet they have approved budgets such as Local Economic Growth (LEGs) and Support to MoLG.

## 4.4 LOCAL GOVERNMENT LEVEL ASSESSMENT

The LG COC Assessment is based on 168 LGs. Therefore, level of compliance (average) excludes 16 LGs. There are standalone reports for the 168 LGs assessed (A list of 168 LGs showing levels of compliance of the AB to the NDPII is presented in the Annex 2).

### 4.4.1 Overall Compliance Score

**Overall, the Local Governments budgets for FY2019/20 are moderately satisfactory at 64.8 percent**. This is a weighted score of 93.6, 58.3 and 73.0 percent for planning, budgeting instruments and budget release performance, respectively. The results suggest a decline from the 67.3 percent level achieved in FY2018/19.

This is due to a drop in the budget performance to 73.0 percent in FY2019/20 from 99.9 in FY2018/19. Nonetheless, improvement in the level of alignment of budget instruments to the NDPII output was registered during the FY2019/20. Alignment of the budget instruments (AWP and AB) with the NDPII outputs increased from 53.6 percent to 58.3 percent. The detailed of LG compliance level is presented below and a summary provided in Annex 2.

**Table 4.21: Overall LG Compliance Score**

| No. | Financial Year | FY2019/20 (168 LGs) | FY2018/19 (152 LGs) | FY2017/18 (114 LGs) |
|---|---|---|---|---|
| | **Overall Compliant** (percent) | **64.8** | **67.0** | **62.2** |
| 1. | LG Planning (percent) | 93.6 | 94.7 | 94.5 |
| 2. | Alignment of Budget Instruments (AWP and AB)-percent | 58.3 | 53.6 | 48.0 |
| 3. | Budget Performance (percent) | 73.0 | 99.9 | 99.1 |

### 4.4.2 Alignment of Local Government Development Plans (LGDPs) to NDPII

At the level of planning, Local Government Development Plans are 93.6 percent compliant, 1.1 percentage points lower than for FY2018/19. This is because this year more 16 LGs i.e. 168 compared to 152 last FY have been assessed some of which include: Butambala, Pallisa, Amudat, Moroto, Kapchorwa, Mbale Lugazi Municipal Council and Kira Municipal Council all of which did not submit their Development Plans to NPA for review for alignment with NDPII.

### 4.4.3 Alignment of Local Governments Annual Work Plan and Budget to NDP II

**At this level, LGs are unsatisfactory at 58.3 percent compliance.** This is a weighted score of alignment of the LG Annual Work-plans and Budgets to NDPII. The compliant is slightly higher compared to the 53.5 percent achieved in FY2018/19, largely due to a sustained poor focus on the NDPII outputs particularly in the work plans for Education and Sports; and Natural Resources and Environment; Community Based Services. The alignment of Internal Audit workplan outputs is remarkably standing above 80 percent. However, there was a drop-in alignment of outputs for Roads and Engineering, Water, Finance, Statutory bodies and Health.

**Table 4.22: Alignment of Budget Instruments**

| No. | Alignment of Departmental AWB and AB | FY2019/20 Compliant (%) | FY2018/19 Compliant (%) | FY2017/18 Compliant (%) |
|---|---|---|---|---|
| | **Overall** | **58.3** | **53.6** | **48** |
| 1. | Administration | 53.9 | 53.2 | 60.5 |
| 2. | Finance | 51.6 | 57.2 | 74.8 |
| 3. | Statutory bodies | 55.3 | 62.1 | 63.0 |
| 4. | Production and Marketing | 49.9 | 50.1 | 51.5 |
| 5. | Health | 46.4 | 52.7 | 51.3 |
| 6. | Education and Sports | 42.0 | 41.1 | 43.9 |
| 7. | Roads and Engineering, Water | 54.2 | 57.1 | 43.3 |
| 8. | Natural Resources and Environment | 55.1 | 53.8 | 44.1 |
| 9. | Community Based Services | 58.7 | 58.6 | 48.9 |
| 10. | Planning | 78.9 | 77.9 | 71.2 |
| 11. | Internal Audit | 98.6 | 80.3 | 72.1 |

Specific areas of non-alignment are explained hereunder under each of the 11 devolved functions to LGs, including making mention of the least/most compliant LGs to note for follow up. In addition, instances of satisfactory alignments have been elaborated.

**Administration**

Administration departments' outputs are 53.9 percent aligned with the NDPII outputs. This presents a slight from 53.2 percent compliance level achieved in FY2018/19. The low performance is in part due to less focus on a number of NDPII interventions in LG administrative functions. These include: establishing and operationalizing the reward and sanction committee (25.3 percent); tackling corruption and taking disciplinary measures against errant public officers (42.0 percent); and lack of risk resilient strategies (3.1 percent); establishment of public notice boards at parish level (54.2 percent).

The least compliant LGs (less than 50 percent focus on the NDPII outputs) are: Buhweju, Busia MC, Butaleja, Fortportal MC, Hoima, Jinja, Kabale MC, Kabarole, Kaberamaido, Kalangala, Kamwenge, Kanungu, Kapchorwa, Kasese, Katakwi, Kibaale, Kira MC, Kiruhura, Kisoro MC, Kole, Lira MC, Lyantonde, Mayuge, Mbarara, Moroto, Mubende, Namisindwa, Rukungiri MC, Sembabule and Tororo.

The most compliant LGs (80 and above focus on the NDPII outputs) in alignment of Administration work plan outputs to NDPII include: Kiryandongo, Manafwa and Kotido.

There is therefore a need for all LGs to prioritize the interventions with less focus if administrative functions, including coordination of service delivery are to become effective and responsive.

**Finance**

Finance departments' outputs are 51.6 percent aligned with the NDPII outputs, lower than the 57.2 percent compliance level for FY2018/19. This is attributed to less focus on key NDPII output targets on property tax to overall Local revenue (24.2%) and largely over reliance on transfers from central government.

The least compliant LGs (less than 50 percent focus on the NDPII outputs) are: Adjumani, Alebtong, Amolatar, Buhweju, Bulambuli, Butebo, Buvuma, Buyende, Entebbe MC, Hoima MC, Iganga, Kamuli, Kamuli MC, Kibuku, Kira MC Kotido MC, Kyankwanzi, Masaka, Moyo, Namutumba, Napak, Nebbi, Omoro, Oyam, Pallisa, Rukiga, Rukungiri Rukungiri MC, Sembabule, Sheema, Soroti MC, Kasanda and Kwania.

The LGs with outstanding compliant (80 percent and above) include: Abim, Amuria, Apac MC, Bududa, Bunyagabo, Isingiro, Jinja, Kabale, Kabale MC, Kabarole, Kaberamaido, Kaliro, Kamwenge, Kanungu, Kapchorwa, Katakwi, Kayunga, Kibaale. Others are: Kiruhura, Kisoro, Kyenjojo, Masindi, Mayuge, Mbale, Mityana MC, Moroto MC, Mubende, Namisindwa and Rubirizi.

Notwithstanding the challenges facing collection of own source revenue, LGs need to put more efforts on property tax to finance local priorities that are largely unique to a particular LG.

**Statutory Bodies**

Statutory Bodies' outputs were 55.3 percent aligned to the NDPII outputs, lower than the 62.1 percent achieved in FY2018/19. This is attributed to limited focus on: creation of public awareness on corruption (28.0 percent); holding dialogue sessions with the public (29.3 percent); and formulation of bye laws and ordinances (22.5 percent).

The LGs which scored below 50 percent include: Amuru, Kisoro Mc, Koboko Mc, Masaka, Soroti Mc, Kalangala, Kamuli, Kibaale, Kiboga, Mityana Mc, Karenga, Adjumani, Kaberamaido, Kakumiro, Kapchorwa, Kasese, Kayunga, Moroto and Mpigi. The LGs that scored 80 percent and above are: Abim, Pallisa, Bugiri, Bulisa, Buyende, Bundibugyo, Isingiro, Namayingo, Lira MC, Kaliro, Pader, Sheema, Bugweri and Kwania.

Therefore, there is need for all LGs to find most cost-effective ways of ensuring the various laws, policies and progtrammes are locally translated to suit the local conditions and also implemented. Critical NDPII interventions such as holding dialogue sessions with the public and formulation of bye laws and ordinances should then be prioritized.

**Production and Marketing**

Outputs for Production and Marketing departments are 49.9 percent aligned with the NDPII outputs for key growth opportunity sectors. This performance is attributed to limited focus on: adoption of resilient and tolerant varieties (11.1 percent); access and use of fertilizers (17.5 percent); agricultural mechanization (15.6 percent); production of prioritized commodities (18.8 percent); access to water for agricultural production (37.8 percent) and promoting investment in storage infrastructures to reduce post-harvest losses (7.9 percent). This weak alignment is partly attributed to limited amount of agricultural development grant to LGs.

From the assessment, 51 LGs scored below 50 percent i.e. Abim, Amolatar, Apac, Arua, Arua MC, Budaka, Bundibugyo, Bushenyi - Ishaka MC, Busia, Busia MC, Butaleja, Butebo, Entebbe MC, Fortportal MC Gulu Hoima, Hoima MC, Ibanda, Iganga, Jinja, Kaberamaido, Kakumiro, Kalangala, Kaliro, Kamuli, Kamuli MC, Kapchorwa, Kasese, Kayunga, Kibaale, Kiboga, Kira MC, Kiruhura, Kisoro MC, Kitgum, Koboko, Kotido MC, Kyenjojo, Lugazi MC, Masindi, Mbarara, Mbarara MC, Moroto, Namisindwa, Namutumba, Pallisa, Rukungiri MC, Soroti MC, Kapelebyong, Nabilatuk and Kazo)

Most Outstanding (80 percent and above) compliant LGs in this area are: Masaka and Kamwenge. The low level of compliance suggest LGs are not doing enough with the little resource at their disposal in transforming the agriculture sector. This is evidence by lack of prioritization of key NDPII interventions towards achieving this goal.

**Health**

The Health departments' outputs are 46.4 percent aligned with the NDPII, which is less than 52.7 percent for FY2018/19. This performance is as a result of limited focus on key NDPII health targets. These include: family planning education (22.7 percent); promotion of access to Skilled Birth Attendants and Emergency Obstetric Care (5.0 percent); establishment and operationalization of an emergency operating centre (1.9 percent); scaling-up the integrated community case management of malaria and other childhood illnesses (15.4 percent); scaling up TB surveillance and management including capacity building for integrated disease surveillance and management of childhood tuberculosis (25.8 percent) and implementation of nutrition interventions (33.7 percent).

From the assessment, 57 LGs scored below 50 percent, i.e. Abim, Adjumani, Agago, Apac, Apac MC, Arua Mc, Budaka, Bukwo, Bundibugyo, Bushenyi - Ishaka MC, Busia, Busia MC, Butaleja, Gulu, Hoima, Ibanda MC, Iganga MC, Kaabong, Kabale, Kabarole, Kakumiro, Kaliro, Kamuli, Kapchorwa, Kapchorwa MC, Kasese MC, Kiboga, Kibuku, Kira, MC, Kiruhura, Kisoro, Kisoro MC, Kitgum, Kitgum MC, Koboko, Kotido MC, Lira MC, Lugazi MC, Luuka, Lwengo, Masaka MC, Masindi, Masindi MC, Mayuge, Mbale MC, Mpigi, Mubende, Nebbi, Ntungamo, Rukungiri MC, Sheema, Sheema MC, Sironko, Kapelebyong, Kasanda, Kalaki and Karenga.

The most compliant LGs include: Kasese, Kayunga, Oyam, Kagadi, Buikwe, Adjumani, Apac, Iganga, Mityana, Kabale MC, Otuke, Gulu District, Amudat, Bududa, Kiryandongo and Tororo. Others are: Bukomansimbi, Kabale MC, Kween, Kyankwanzi, Otuke, Rakai, Sembabule, Serere and Soroti.

Generally, LGs did not prioritize Community Empowerment - community structures for improved health education, promotion and disease prevention; Integrated Disease Surveillance and Response; Malaria Prevention, Tuberculosis; Neglected Tropical Diseases (NTDs) and nutrition interventions during FY2019/20. This presupposes that LGs are focusing more on curative than preventive interventions, a strategy which is a priority of the NDPII.

**Education and Sports**

The Education and Sports departments' outputs are 42.0 percent aligned with the NDPII outputs. This is almost the same with the score for FY2018/19 at 41.1 percent. The key areas of weakest in alignment include: implementation of school feeding programme (6.1 percent); community outreach programmes on appropriate skills training at all levels (21.5 percent); achieving government policy of having all parishes with primary schools' implementation of Early Childhood Development (ECD) policy (5.2 percent); and promotion of teachers (7.6 percent).

From the assessment, 112 LGs scored below 50 percent. Two LGs (Kamwenge and Moroto MC) scored above 80 percent in this area.

It is clear that LGs are not prioritizing interventions aimed at overcoming the negative perceptions; mindset change and attitude; work ethics; and cultural values and norms towards hands-on training as emphazied in the NDPII as some of the strategies for tackling unemployment challenges in the country. In particular, many LGs did not contribute much towards the NDPII Sector objective of increasing equitable access to appropriate skills training at all levels, in FY2019/20.

**Roads and Engineering, Water**

This Roads and Engineering, Water departments' outputs are 54.2 percent aligned with the NDPII outputs. This is lower compared to 57.1 percent compliant level attained in FY2018/19. Areas of less focus on the NDPII outputs include: enhancement of human resource capacity for works and engineering functions (34.9 percent); implementation of National Construction Industry Policy (approving building plans) at 41.3 percent; promotion and scaling up of rainwater harvesting at household (8.6 percent); establishing new bulk water systems for multipurpose use (7.4 percent); protection and management of water catchment areas (20.7 percent) and water for production facilities that are managed by the private sector (42.9 percent).

From the assessment, 113 LGs scored below 50 percent. However, thirty-nine (39) LGs scored above 80 percent. These are: Amuru, Buyende, Oyam, Pader, Pallisa, Sheema, Kazo, Agago, Amudat, Buikwe, Bukomansimbi, Bulambuli, Buliisa, Kyegegwa, Kyotera, Lamwo, Nakapiripirit, Napak, Rubirizi, Serere, Tororo, Wakiso, Kasanda, Amuria, Budaka, Gomba, Kakumiro, Kiryandongo, Manafwa, Nakaseke, Soroti, Bugweri, Kalaki, Bunyagabo, Namayingo, Nebbi, Ntoroko, Rakai and Kamwenge.

However, the LGs have performed well in contributing to the NDPII Objectives: Develop adequate, reliable and efficient multi modal transport network in the country and Increase access to safe water supply in rural areas but could do better if they also focus on increasing the provision of water for production facilities through protection and management of water catchment areas.

**Natural Resources and Environment**

Th natural resources and environments' outputs are 55.1 percent aligned with the NDPII, higher for FY2018/19 at 53.8 percent. This alignment is attributed to the limited focus on a number of key NDPII outputs for sustainable natural resources and environment management. These include: implementation of strategic urban infrastructure plans and framework for projects through PPPs (5.5 percent); developing a database system for Environment and Natural Resources (ENR) at 23.6 percent; creating public awareness on ENR opportunities, green economy and sustainable consumption and production practices (20.7 percent); upgrading slums (4.4 percent); implementing waste management plans (17.7 percent); and establishment of district land information system (23.9 percent).

From the assessment, 48 LGs scored below 50 percent. Two (2) LGs, i.e. Fort portal MC and Moroto MC scored above 80 percent.

The LGs need to pay particular attention to physical planning to address informal settlements in urban areas; improve and strengthen a competitive urban economy and increase availability of and access to serviced land for urban expansion and investment.

**Community Based Services**

The Community based services departments' outputs are 58.7 percent aligned with the NDPII, same as for FY2018/19 at 58.6 percent. The low alignment is attributed to the limited focus on a number of key NDPII outputs, include: promotion of externalization of labour (8.6 percent); establishment of incubation centres for youth and women groups (4.3 percent); promotion of patriotism activities (6.7 percent); profiling vulnerability and eliminating discrimination and bias in access to JLOS Services - handling family disputes through mediation (23.0 percent).

From the assessment, 140 LGs scored below 50 percent. The LGs that scored above 80 percent are: Kween, Rubirizi, Kole, Masaka MC, Ntoroko, Pallisa, Wakiso, Mityana MC,Lwengo, Rakai, Kibuube, Kwania, Moroto MC, Gomba and Kamwenge.

**Planning**

The Planning departments' outputs are 78.9 percent aligned to the NDPII's. This satisfactory alignment is attributed to the planning departments' focus on key NDPII outputs. These include:

production of Local Government Annual Statistical Abstract (82.1 percent); DTPC members trained on public investment management system (85.6 percent); coordination and harmonization of M&E at the local Government level (96.9 percent); production of M&E reports and having them followed up (96.9 percent). The areas of non-alignment are: aligning Lower Local Government Plans (LLG) plans to the Higher Local Government Development Plans (DDPs) at 23.1 percent; and updating websites (41.0 percent).

From the assessment, 44 LGs scored above 80 percent. However, the LGs that scored less than 50 percent are: Masindi, Kalangala, Kiboga, Kisoro Mc, Luweero and Soroti Mc.

**Internal Audit**

The Internal Audit's departments' outputs are 98.6 percent aligned to the NDPII's. This is attributed to the LG's further improvement on audit queries to managements and frequency of Audit field visits in FY2019/20. The LGs that scored less than 50 percent include: Karenga, Bukedea, Kisoro Mc, Koboko Mc, Moroto Mc, Soroti Mc, Kasanda, Nabilatuk, Kibuube, Kitagwenda And Kwania

### 4.4.4 FY2019/20 LG Budget Allocations and Performance

**The direct transfers to LGs are 12.3 percent of the national budget, less than the NDPII target of 30 percent.** A greater proportion of the transfers is wage, which leaves very little for direct service delivery (table 4.23).

**Table 4.23: Share of Wage and Non-wage LG budget**

| Annual Budget (Ushs. Billion) | FY2016/17 | FY2017/18 | FY2018/19 | FY2019/20 |
|---|---|---|---|---|
| National Budget | 26360.45 | 29008.54 | 32702.82 | 40487.9 |
| Transfers to LGs | 2,596 | 2,729 | 3,304 | 3,686 |
| percent of Transfers | 10 | 9 | 10 | 9 |
| LGs (Capital)- percent | 402 (16) | 386 (14) | 462 (14) | 740 (14) |
| LGs (Non-Wage) - percent | 11,375(22) | 13,025(23) | 14,051(25) | 17,660(23) |
| LGs (Wage) - percent | 14,734 (84.7) | 16,601 (85.9) | 18,295 (86.0) | 22,533 (79.9) |

Fiscal transfers data for first, second and third quarters were used to analyze the LG budget performance. LGs received shillings 2,667,213,770 of the planned shillings 3,404,494,282, which represents a performance of 78.3 percent.

**Table 4.24: Budget Performance FY2019/20, End March 2020 by Source**

| Source | Approved budget allocations **(Ushs'000)** | **Allocation Performance (Ushs'000)** | **Release Performance** |
|---|---|---|---|
| Locally Raised Revenues | 201,110,770 | 74,314,444 | 37.0 |
| GoU grants | 3,404,494,282 | 2,667,213,770 | 78.3 |
| Donor | 281,322,143 | 95,434,249 | 33.9 |
| Sub-Total | 3,886,927,195 | 2,836,962,463 | 73.0 |

Performance of Own source revenue and donor financing has remained below 50 percent (table 4.24). Under performance of own source revenue affects discretionary allocations and decisions for financing local priorities and actions.

### 4.4.5 Key Emerging Issues

i) **Continued misalignment of the LG Annual work plans to NDPII still persists.** This is largely because much of the transfers to LGs are wage in nature.

ii) **A number of MDAs have continued to retain funds meant for** LGs to undertake direct implementation of interventions and projects for functions that are devolved to LGs.

iii) **Own source revenue and donor funding are underperforming** and have remained low and unreliable sources of financing local government priorities.

iv) **Some Local Government, especially refugees host districts don't capture key relevant outputs from off budget funding** much as they may be making significant contributions on indicators for cross-cutting issues such as HIV/AIDs, climate change, SDG, among others.

### 4.4.6 LG BUDGET ALIGNMENT TO DEMOGRAPHIC DIVIDEND

#### 4.4.6.1 Overall Assessment

Uganda Vision 2040 pronounced harnessing of Demographic Dividend (DD) as one of the key strategies towards achievement of country's development goals specifically under human capital development. The CNDPF therefore requires that the DD drivers be integrated in the respective sector and Local Government development plans and implemented through the annual work plans and budgets. This certificate of Compliance for FY2019/20 has initiated a process of the assessment of DD with sampling the 43 LGs and 7 sectors. The assessment therefore analyzed the LG annual work plans and budget to ascertain whether districts are prioritizing outputs geared towards maximizing Uganda's potential to reap from harnessing the DD. The assessment was based on a scoring criterion whereby, a score of 1 was awarded if the outputs in the LG AWP is provided for in the NDPII and 0 otherwise. At the sector level, no scoring was considered.

#### 4.4.6.2 Local Government Assessment

**The Local Government Annual Budgets for FY2019/20 is non-compliant at 47.5 percent to the Demographic Dividend**. The assessment score was arrived at by checking whether the 43 Local Government Annual Work Plans and Budgets (AWPB) for FY2019/20 prioritized demographic dividend priorities. The overall unsatisfactory performance was due to inadequate prioritization of DD priorities in the different departments. The LG AWPBs were sub-statically non-compliant to DD in the following departments: health (38.4 percent); community-based services (44.7 percent) and Natural resource management (45 percent). The results by department are shown in the table 4.25.

**Table 4.25: Key areas of Non-Compliance by Department**

| S/N | LG Department | DD Prioritization (%) | Areas of non-compliance |
|---|---|---|---|
| 1 | Administration | 72.9 | i. Limited focus on strengthening policy, legislative and regulatory framework (No. of bye laws and ordinances passed.) (46%) |
| 2 | Production and marketing | 52.4 | i. Increase agricultural production and productivity<br>o No. of resilient and tolerant varieties adopted (14.29)<br>o No. of farmer field schools arising from mobilization campaigns against BBW (16.67%)<br>o % Reduction of incidences of hunger (21.43%)<br>ii. Increase access to critical farm inputs<br>iii. % Increase in access to fertilizers by farmers. (26.19%)<br>o No. of (tractors, ox ploughs, milking machines) available in the district (26.19%)<br>o No. of new time and labor-saving technologies adopted (38.1%)<br>iv. Improve agriculture markets and value addition for the 12 prioritized commodities<br>o No. of storage facilities established (27.91%)<br>v. Strengthen institutional capacity of MAAIF and public agriculture agencies<br>o % of positions of staff filled in the structure of the production department. (48.84%)<br>vi. Improve the stock and quality of trade infrastructure<br>o No. of Satellite boarder markets established (34.15%)<br>o No. of traders/ producers' associations formed & facilitated to access Silos and warehouses (30.23)<br>vii. Promote the formation and growth of cooperatives<br>o No. of produce aggregation centres established (16.67%)<br>o No. of cooperatives accessing financial services (38.1%)<br>viii. Enhance the capacity of cooperatives to compete in domestic, regional and international markets<br>o No. of cooperatives benefiting from the extension services (53.49%) |
| 3 | Health | 38.4 | i. To contribute to the production of a healthy human capital through provision of equitable, safe and sustainable health services<br>o Infant mortality rate (44.19%)<br>o Under-five mortality rate (32.56%)<br>o Maternal mortality ratio (34.88%)<br>o Neonatal mortality rate (34.88%)<br>o Proportion of communities with highest mortality rates registering a 50% reduction (13.1%)<br>o Unmet need for Family Planning (19.05%)<br>o No. of nurse specialist sponsored and bonded (19.51%)<br>o % of facilities without stock out of tracer FP commodities (9.3%)<br>o No. of health facilities with capacity to diagnose and manage childhood tuberculosis (13.95%)<br>ii. To increase financial risk protection of households against impoverishment due to health expenditures<br>o % of health facilities covered by the PBF scheme (projects, Government, NGO) (23.26%) |
| 4 | Education and Sports | 51.3 | i. Achieve equitable access to relevant and quality education and training<br>o No. of schools implementing school feeding program (27.91%) |

| S/ N | LG Department | DD Prioritization (%) | Areas of non-compliance |
|---|---|---|---|
| | | | o No of teachers' houses rehabilitated (23.81%)<br>o No. of schools with SNE and gender sensitive / responsive facilities (46.51%)<br>ii. Ensure delivery of relevant and quality education and training;<br>o UCE pass rates (33.33%)<br>o PLE pass rates (51.28%)<br>iii. To increase equitable access to appropriate skills training at all levels<br>o No. of vulnerable persons from the communities mobilized (42.86%)<br>o No. of female students accessing entrepreneurial skills development (23.81%) |
| 5 | Works and technical services | 56.4 | i. Improve the human resource and institutional capacity of the Sector to efficiently execute the planned interventions (46.51%)<br>ii. Improve the National Construction Industry.<br>o Number of buildings with approved plans (41.86%)<br>iii. Increase access to safe water supply in rural areas<br>o Number of rain water harvesting facilities installed (38.24%)<br>iv. Increase the provision of water for production facilities<br>o Number of dams constructed / maintained (23.81%)<br>o Number of water catchment areas protected and managed (50%)<br>v. Increase the functionality and utilization of existing water for production facilities<br>o Number of water for production facilities maintained (47.62%) |
| 6 | Natural Resources and Environment | 45 | i. Restore and maintain the integrity and functionality of degraded fragile ecosystems<br>o Number of EIAs conducted (42.86%)<br>ii. Increase the sustainable use of Environment and Natural Resources<br>o Waste management and disposal plan in place and implemented (21.95%)<br>o No of waste management and disposal facilities established (12.2%)<br>iii. Increase wetland coverage and reduce wetland degradation<br>o No. of ordinances developed and implemented (23.81%)<br>iv. Reduce slums and informal settlements<br>o Percentage of urban households connected to water supply and sewerage system. (46.34%)<br>v. Improve urban development through comprehensive physical planning<br>o No. of LG staff equipped with physical planning tools (44.19%)<br>vi. Improve and strengthen a competitive urban economy<br>i. No. of urban LGs implementing waste management plans (9.3%)<br>o No. of urban LGs with waste management plants and equipment (6.98%)<br>o No. of Urban LGs with piped water and sewage system (34.88%) |
| 7 | Community Based Services | 44.7 | i. Promote decent employment opportunities and labour productivity<br>o No. of creative industries identified and mapped at LGs (14.29%) |

| S/N | LG Department | DD Prioritization (%) | Areas of non-compliance |
|---|---|---|---|
| | | | ii. Enhance effective participation of communities in the development process<br>o Number of participatory planning sessions conducted. (48.84%)<br>iii. Improve the resilience and productive capacity of the vulnerable persons for inclusive growth.<br>o % of PWDs accessing other grants<br>iv. Improve the capacity of youth to harness their potential and increase self-employment, productivity and competitiveness<br>o No. of young people trained in life skills (44.19%)<br>o No. of young people trained in life skills (23.81/%)<br>v. Promote rights, gender equality and women's empowerment in the development process.<br>o No. of Institutions involved in eliminating child marriages strengthened (38.1%)<br>o No of GBV incidences reported to GBV Service Points (Police, Probation & Social welfare, CDOs, Health facilities and BGV shelters (46.51%)<br>o No. of duty bearers equipped with knowledge and skills to prevent and respond o GBV (41.86) |
| 8 | District Planning Unit | 68.3 | i. Increase access to Finance<br>o Updated and functional websites (51.16%)<br>o Improve the Public Financial Management and consistency in the economic development frameworks (46.51%) |
| **Average score** | | **47.5** | |

### 4.4.6.3 Sector level assessment of Population issues (Harnessing Demographic Dividend)

#### 4.4.6.3.1 Agriculture Sector

The Agriculture Sector Strategic Plan – ASSP 2015/16 – 2019/20) is aligned to accelerating attainment of demographic dividend (DD). The sector has further allocated funds towards interventions with higher job multiplier effects towards the DD priorities that include: production, Research & Coordination; Mechanization of land opening, Construction of irrigation schemes, Improved access to markets and value addition; Seed multiplication, Use of labour saving technologies and Strengthening access to extension services. However, more than half of the population are still engaged in subsistence agriculture which leads to low production and productivity due to limited funding. There is need to increase fund allocation to the sector since it employs majority Ugandans and promote commercialization of agriculture particularly amongst smallholder farmers for increased agricultural productivity and livelihoods.

#### 4.4.6.3.2 Energy Sector

The sector budget is compliant to demographic dividend (DD) with regards to promotion of the alternative energy sources. Specific sectoral targets identified include; the proportion of households using clean and renewable energy, and proportion of households using wood/charcoal energy for cooking. Notably, access to modern energy is key in harnessing the demographic dividend, and as such the sector needs to be more deliberate in its efforts of reducing biomass consumption in the country. As of 2017, Biomas was 90 percent of the National energy Mix and the recent Uganda household survey reveals that the proportion of households using wood/charcoal energy for cooking stands at 96 percent, which is notably high.

#### 4.4.6.3.3 Water and Environment Sector

The sector achieved fully its targets critical for DD indicators such as: (i) increasing access to improved water sources (ii) increasing the fraction of population with access to safe drinking water (iii) increasing the percentage of population with access to sanitation facilities both in rural and urban, and (iv) increasing the functional water for production facilities. The only worrying bit is the fact that the available evidence points to the fact that at least 95% of the population are still using charcoal as their source of domestic energy. In addition, the percentage of forest cover currently at 12 percent is declining annually due to population pressure.

Much as the proportion of the households using clean and renewable energy has improved, available evidence shows that there are still adverse effects of human actions on environment (i.e. there is destruction of environment / ecosystem by mankind). If no mitigation measures are undertaken, then the rate of exposure to the negative effects of climate change is likely to increase.

#### 4.4.6.3.4 Health Sector

The health sector strategic plan is aligned to the Demographic Dividend interventions. Government funding for the reproductive health expenditure is only at 15 percent and the rest (85 percent) of the finances come from external sources (development partners). Reproductive Much of the expenditure under reproductive health was for maternal conditions (55 percent) followed by perinatal conditions (35 percent), Contraceptive management (5 percent) and other RH conditions (5 percent). Although government started prioritizing public health financing with effect from financial year 2018/19, the allocation is still far below the requirement to cover the entire country with the messages necessary for health promotion and prevention. Adolescent health services are not individually prioritized and no specific budget line exists for adolescent health services, thus denying the sector the opportunity to tackle adolescent health concerns that greatly contribute to high teenage pregnancy and ultimately the high fertility rate in the country.

#### 4.4.6.3.5 Education Sector

Whereas ECD is important for development, most of these ECD centers are privately owned facilities, denying the opportunity for inclusivity. The education sector continues to register high rates of access to education at primary level in favor of girls (3% higher average for the period 2014 to 2017). Keeping girls in school up to completion is one of the strategies for harnessing the DD. However, allocations to secondary education have worryingly declined by 94 billion between the financial years 2014/15 and 2017/18. Gender parity has been attained at completion of primary seven and transition to senior one. On the contrary, completion rate at senior 4 and the transition rate to senior 5 registered a difference in favor of boys by 3% and 7%, respectively.

There is need to revise the ECD and primary level targets to ease tracking of resource allocation for the first and yet most critical stage for human capital development. Government should make focused efforts to ensure that all school going children are retained and complete school at all levels of education. As such, age appropriate sexuality education should be rolled out at all education levels to prevent teenage pregnancies that may result into school dropouts.

At tertiary level, the annual budget does not address the aspect of skills development which is very critical in harnessing demographic dividend among the youthful population of Uganda. It was not possible to establish compliance in budgeting with regards to the BTVET Certifications, since this indicator is not reported on in the budget documents. There is need to relate curriculum review to strengthening of vocational and technical skills at all levels of education.

#### 4.4.6.3.6 Social Development Sector

The sector interventions relating to DD include child welfare, social protection, employment creation, mobilizing community members for community driven initiatives (CDI) for improved livelihoods targeting the youth and women; and promotion of functional or non-formal literacy services that has been integrated with income generating activities like beginning of village saving and loan associations. However, there is need to allocate more funds to local governments for service delivery under community mobilization and empowerment as opposed to policy planning and support services. Also, there is need to consider alternative ways of empowering the youth through skilling e.g. strengthening the vocational schools. Social security opportunities need to be emphasized to support labour productivity especially those in the informal sector.

#### 4.4.6.3.7 Lands Housing and Urban Development

Uganda's rapid population growth is a big threat to economic growth and urbanization. Currently, Uganda is experiencing a sharp rift in rural-urban migration which is evident in the large youth population (23 percent of the total population) seeking employment opportunities. Youth unemployment is at 13 percent and more persistent in urban areas. There is need to have well planned settlements for low cost housing, employment opportunities such as industrial parks to absorb this big population searching for better quality life in urban centers. In addition, these have to be supported by infrastructure development, skilling centers, apprenticeship, affordable financial services and social amenities. Urbanization is key for accelerating DD as people tend to live better quality life with fewer children when are skilled, access quality social services and employed

### 4.4.6.4 Key emerging issues

i) Although Local governments have to some extent integrated DD priorities in development plans and budgets, there is still limited conscious & deliberate DD prioritization and integration.

ii) DD emphasis on Multi-Sectoral collaboration & partnership, requires massive sensitization on what is DD and how best to integrate, which is still a challenge.

iii) Budgets and funding for DD interventions remain a challenge for all the Local governments.

iv) The AWPBs are weakly aligned to the DD priorities. Harnessing the Demographic Dividend is a new concept, and there is still limited understanding of what it is and how to integrate it with the DD Roadmap.

v) Limited technical and financial capacity to coordinate and facilitate the integration of population and development or DD issues in development plans at all levels

vi) LGs are not adequately provided with specific indicators on DD for tracking and easing their implementation as required in the PBS. There is therefore need to refine and harmonize the DD indicators for incorporation in the sector and LG budgets.

vii) DD drivers are not consciously & deliberately integrated in the Local Government Planning & budget. Both the AWPB and LGDP are weakly aligned to the DD priorities. DD is a new concept & therefore limited understanding of what it is and how to integrate it.

# SECTION FIVE:

# BUDGET ALIGNMENT TO CROSS-CUTTING ISSUES

## 5 Overview

This section provides an overview of the FY2019/20 Annual Budget compliance to selected cross-cutting issues based on the sector assessment frameworks. The compliance assessment covers human rights, climate change, ICT, HIV/AIDS and population. This compliance assessment is based on the 18 sectors and the detailed findings are provided in the sections below.

## 5.1 Agriculture Sector

### 5.1.1 Human Rights

The Right to Food is a basic human right that has been addressed through increased production and productivity of selected priority commodities and increased supply of critical farm in puts. This means the population got enough access to the right food and nutrition.

Through labor saving technologies produced in the different agencies, this has partly minimized child labor and women exploitation since they are largest proportion of labor in Agricultural production.

### 5.1.2 Climate Change

The Sector is supporting farmer adaptation to climate change; a case in point is the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) with support from United Nations Development Program (UNDP) and the European Union through Common Market for East South Africa (COMESA) is implementing a project titled Enhancing Resilience of Agricultural Landscapes and Value Chains in Eastern Uganda-Scaling up Climate Smart Agriculture. The project is under implementation in the districts of Budaka, Namutumba, Bugiri, Busia, Kaliro, Kamuli, and Buyende.

The overall objective of this project is to enhance climate resilience of the agriculture systems and value chains through increased integration and adoption of climate smart practices, technologies, and approaches by farmer cooperatives; strengthening farmer organizations, gender inclusiveness and management of strategic agricultural value chains, increased awareness and adoption of Climate Smart Agriculture(CSA) practices in primary schools and developing enterprise platforms to enhance productivity, value addition, marketing and integration of CSA principles. There are also other initiatives in other agencies with in the Agriculture Sector.

The Uganda Coffee Development Authority (UCDA) has contributed to climate resilience through generation and distribution of drought tolerant Robusta seeds to nursery operators in Northern Uganda, procurement and distribution of shade trees, development of Climate Change Action Plan and promotion of Sustainable Land Management and Soil Management Practices among coffee farmers.

### 5.1.3 ICT

Through the E-voucher system, the Sector is using ICT to improve the distribution of agro-inputs to the farmers. This is being conducted in the districts of Kalungu, Nebbi, Amuru, Ntungamo and Iganga. This has improved on efficiency of distributing inputs to the farmers and the Sector is working on upscaling this model to the entire country.

ICT is also used in Agricultural productivity, market linkages, farmer financial inclusion and data analytics. Through the Agriculture Cluster Development Project (ACDP), the MAAIF is starting to partner with innovators to implement Agriculture Disruptive Technology (DAT).

### 5.1.4 HIV/AIDS

**Agriculture policies and instruments are aligned to HIV/AIDS.** The Sector recognizes that mitigation measures against HIV and AIDS are among the basic interventions designed for the achievement of the Uganda vision 2040. All the MDAs under this Sector have an HIV/AIDS policy. For example they conduct HIV&AIDS sensitization at the workplace and in surrounding communities, Conduct/refer staff and affected communities for HIV testing and counseling services both at the workplace and in communities, Promote Behavior Change Communication interventions including dissemination of Information Education Communication (IEC) materials at the work place and within the communities, Promote HIV prevention interventions that focus on adolescent girls and young women, Promote condom education, distribution and correct/consistent use, Promote access for referral mechanism for Prevention of Mother to Child Transmission and Safe medical Male Circumcision services, Post Exposure Prophylaxis, Engage men in HIV prevention at the work place and within the community.

## 5.2 Works and Transport Sector

### 5.2.1 Human Rights

The Sector recognizes the five principles of human rights; Participation, Accountability, Non-Discrimination, Empowerment and Legality; during provision of infrastructure and services. These aspects are tracked at different stages of the project cycles through records of planning meetings, bills of quantities, supervision and monitoring reports, site meetings, and accountabilities prepared by contract managers.

### 5.2.2 Climate Change

The Works and Transport Sector seeks to minimize the effects of transport on climate. Hence, the Sector has considered indicators such us total paved national road network (km), number of vehicles inspected annually, condition of paved national road network (%), and no of kms of the standard gauge rail laid. In addition, the Sector is also promoting other interventions such as tree planting along national roads constructed.

The Sector addresses environmental concerns as evidenced in the standard Road construction bills of quantities under sections 3.2.3 that provides for minimizing dust through watering and compaction, sections 4.12 - 4.17 that provide for drainage erosion protection, and section 5.3 that provides for restoration of sites, quarries and borrow pits. The Sector further provides details of environmental consideration in District Road Works Manuals 1, 2, 3, 4, and 5; at different stages of the project cycle

### 5.2.3 ICT

The Sector intends to develop an Asset Management System for the Ministry of Works and Transport during the FY 2019/20.

### 5.2.4 HIV/AIDS

Sector Road works manuals of 2003, provide for encouragement of HIV/AIDs affected persons to attend planning meetings and give their views. It further discourages discrimination of workers on the basis of absenteeism with reasons of collecting their medication from health centers. Additionally, the Sector promotes HIV/AIDs awareness campaigns and protection from transmission of the Virus and among infrastructure projects (mainly dams and road construction) where high incidences have been noted.

## 5.3 Energy Sector

### 5.3.1 Human Rights

Sector policies and regulations have been developed to protect the rights of women and children and combat women-based violence and violence against children. A national strategy and policy have also been drafted to stop loss of the children by lightning. Over UGX 5.5m was allocated to train staff, administration and security personnel to address counter lightning related losses.

HRBA has been integrated in the planning instruments. For instance, the following indicators reflect human rights issues: proportion of the population accessing power (percent); Proportion of other different energy sources (solar panels, Biomass) where the Sector's planned and achieved targets were captured under the 2018/2019 BFP. This particular indicator contributes to achieving the right to a clean and healthy environment. The GETFIT Projects contribute to the development of hydropower, geothermal and thermal power plants which consequently improves the population access to electricity supply and contributes to the realization of the right to an adequate standard of living and Number of KMs of new lines to evacuate power build among others.

Furthermore, the rural electrification projects that are captured in the BFP 2018/2019 demonstrate continued enhancement of rural electrification across the country to ensure equitable distribution of power across the regions contributing to reducing inequalities. The planning instruments capture the construction of transmission lines in different parts of the country being measured by the number of KM of new lines to evacuate power build.

### 5.3.2 Climate change

Climate change has been mainstreamed in the Sector through the following activities; formation of a climate change working group, capacity building for a climate change working group on climate change budgeting and assessment of projects for climate change resilience among others.

### 5.3.3 ICT

Strong ICT network has been developed through development and implementation of the ICT Network Policy. This policy as been implemented through purchase of ICT equipment, software, and specialized equipment for data center. This has increased use of ICT and related infrastructure for efficient service delivery.

### 5.3.4 HIV/AIDS

Funds amounting to 1.55Bn were allocated to fight HIV AIDS, to carryout sensitizations and quarterly talk shows, HIV counselling and testing, establishment of the HIV policy review committee to review the HIV policy and guide its implementation with resource commitment of over UGX 1.55Bn.

## 5.4 Tourism Sector

### 5.4.1 Human Rights

There have been cases of human rights concern as a result of human-wildlife conflicts involving destruction of life and property by the wildlife animals. Other incidences /cases where the surrounding have asked to relocate away from the protected areas those are indeed integral to the Sector and standards for human safety is at the top. The Sector has always come forward to harmonise the interests of different stakeholder's e.g. hawkers and shop owners, incidences of forceful eviction to give way for industry has never happen.

### 5.4.2 Climate Change

The Sector is climate change dependent hence adaption and mitigation measures have been such construction water dams within the parks.

### 5.4.3 ICT

ICT usage is a necessary for communication promotion and marketing and its absence negatively affects the Sector especially in the remote areas as tourists are unable to share their experiences in real time. Additionally, the lack of ICT services such telecommunication makes rescue services a big challenge just. The Sector continues to advocate for extension of ICT services to cover the whole country. NITA-U has installed Wi-Fi hotspots at selected points in Queen Elizabeth National parks.

### 5.4.4 HIV/AIDS

HIV/AIDS is a serious challenge to the Sector and continuous awareness is being conducted including preventive measures such safe sex. All tourism related facilities particularly accommodation and guest house provide free condoms to their clients plus awareness programmes.

## 5.5 Trade and Industry Sector

### 5.5.1 Human Rights

The issues of human rights are indeed integral to the Sector and standards for human safety is at the top. The Sector has always come forward to harmonize the interests of different stakeholder's e.g. hawkers and shop owners, incidences of forceful eviction to give way for industry has never happen.

### 5.5.2 Climate Change

The Sector recognizes the challenges of climate change to its operation and has promoted constructed of silos to ensure steady supply in the market.

### 5.5.3 ICT

ICT has be integrated as integral to the Sector for trade facilitation, exchange of information. The Sector was instrumental in the driving the formulation the National Electronic Commerce Bill. Through its agencies like UEPB and UNBS, the Sector is able to maximize ICT to provide price and market information as well providing test results and certification approvals respectively without requiring the exporter physically travel to the respective offices hence reducing the cost of doing business.

### 5.5.4 HIV/AIDS

The Sector recognizes HIV/AIDS as a serious challenge to the Sector and has awareness programme for market vendors and truck drivers on HIV/AIDs

## 5.6 Water and Environment Sector

The Water and Environment Sector has integrated cross cutting issues such as climate change, environment, green growth, gender and the human rights-based approach. Climate change and environment have been addressed through the budgetary allocation to implement planned interventions in the environment and natural resource Sector.

### 5.6.1 Human Rights

The Sector pursues a Human Rights Based approach in its planning as indicated by; interventions on constructing water and sanitation facilities for all, ensuring environmental compliance across Sectors by undertaking numerous environmental audits and rationing of water supply through public stand posts established in slums and poor communities at a relatively lower price to ensure access to water by all sections of society. Water Management Committees and Boards have designated positions for female representatives and the youth to address gender issues in Water, Sanitation and Hygiene while the Uganda National Meteorology Authority developed its gender strategy over the reporting period. This progress notwithstanding, the Sector ought to build stronger partnerships with the Education Sector to ensure that sanitation facilities constructed in schools are gender sensitive and cater for menstrual hygiene management for the girls and also respond to the diversity of needs of all learners including learners with physical disabilities.

#### 5.6.2 Climate Change

To curb environmental degradation, a key driver of climate change, the sector restored 40 percent of degraded ecosystems such as forests and wetlands. It also issued 4 seasonal forecasts, rehabilitated 93 weather and climate network, and supported 26 percent of sectors to integrate climate change in their operations as part of building resilience against the changing climate. These efforts culminated into a 2 percent reduction in greenhouse gas emissions over the reporting period. Awareness building and sensitization campaigns were carried out in three regions namely; Western, West Nile and Busoga region. Lastly, the Climate Change Department operationalized its Greenhouse Gas Inventory Management System to monitor and report on Uganda's emissions pathway.

#### 5.6.3 ICT

Functionality of 27 automatic weather stations were improved and 30 digital barometers and 60 digital thermometers procured to ramp up the degree of automation of Uganda's climate information network and also boost the accuracy of meteorological data. The Uganda Meteorological Authority is finalizing the digitization of historical weather data recorded on papers since 1900. The sector led by NEMA developed an Environment Information Network hosted on a website that is a one stop center for all relevant environment information. Additionally, the climate change department commenced development of an online greenhouse gas inventory to monitor changes in the country's greenhouse gas emissions.

#### 5.6.4 HIV/AIDS

To reduce HIV/AIDs prevalence in project areas, sub-county management committees established to manage Gravity Flow Schemes in Shuuku Matsyoro and Kahama sub-counties were sensitized on HIV/AIDs through meetings and radio talk shows. Monitoring and sensitization exercises for piped water supply systems though radio talk shows were fused with HIV sensitization in towns of Kagadi, Muhoro, Kyenzige and Ruteete, Ngoma and Kyankwazi. The sector also undertook HIV/AIDs mainstreaming in operations of multi-purpose irrigation schemes of Doho, Mubuku and Agoro in Butaleja, Kasese and Lamwo districts. Lastly, the Uganda National Meteorology Authority developed a staff HIV/AIDs policy and sensitize its staff on the same over the reporting period.

### 5.7 Information and Communication Technology (ICT) Sector

#### 5.7.1 Human Rights

The Sector has integrated Human rights in the AB for FY2019/20 and has specifically identified interventions to address human rights issues regarding the access, affordability and use of ICT services. They include: extending communications network coverage, establishment of last mile connectivity and implementation of the Missing Links of the NBI to increase proportion of population that can access the ICT services; extension of the MYUG Wi-Fi network, support local innovators through the ICT Research and Innovation Fund to promote usage. However there are no planned interventions to directly address affordability of ICT devices.

### 5.7.2 Climate Change

Environmental concerns have been integrated in the plan and a number of interventions have captured in the BFP and AB. They include: promotion of Health and Safety of communities living around communications developments; creation of awareness about Electromagnetic Fields (EMF) standards of communications installations; conducting national EMF survey on communications infrastructure (Base stations); awareness sessions for Local Leaders and stakeholders with regard to Environment management; strengthening collaborations with NEMA with regard to conducting EIAs and EAs; promotion of the use of ICTs to safeguard the environment and; promotion of proper disposal of e-waste.

### 5.7.3 ICT

Regarding ICT, the sector is expected to automate services as well as support all other MDAs to digitalize through provision of the necessary infrastructure and guidance to all the MDAs in development of solutions. These issues have been integrated and in FY 2019/20, the sector specifically planned to implement the E-Payment gateway, support MDAs and LGs to increase the usage and application of ICT in service delivery, integrate e-government systems and increase the number of government services provided online.

### 5.7.4 HIV/AIDS

In the FY 2019/20 the sector plans to address a number of issues around HIV and planned interventions include development of a workplace HIV policy, raising awareness on HIV/AIDs, Cancer and other communicable diseases and ensuring that information on HIV is readily available to staff.

## 5.8 Health Sector

### 5.8.1 Human Rights

The interventions discussed in all the above cross-cutting issues also address human rights concerns in the Sector. The Sector however is still not adequately addressing the concern of equitable access to health services due to financial, geographical and demographic constraints. The National Health Insurance Scheme that would go a long way in addressing the financial constraints to access to quality healthcare is not yet passed into law. Also funding for the Sector remains low leading to a very low per capita expenditure on health-at USD 54.

### 5.8.2 Climate Change

There is evidence of integration of health-related climate change outcomes in planning, budgeting and implementation frameworks among health Sector institutions, more especially MOH. Key of the interventions are; Surveillance and management of zoonotic diseases, epidemic and endemic diseases; research on zoonotic, epidemic and endemic diseases and staff training and capacity building to manage the diseases.

### 5.8.3 ICT

With regards to ICT, the sector has rolled out several early warning IT mechanisms to report health related outbreaks. In addition, the patient registers have been automated for tracking patient medical history.

### 5.8.4 HIV/AIDS

HIV/AIDS prevention, management and control is integrated in the Sector functions from the national to the decentralized levels. The coordination of response is done by the Uganda Aids Commission and the Ministry of Health (MOH) is in charge of overall HIV programming and intervention. Among the Sector actors, integration of HIV/AIDS interventions, outputs and targets are evident in planning, budgeting and implementation frameworks of MOH, Mulago and Butabika National Referral hospitals, all the 14 regional referral hospitals, Uganda Virus Research Institute, National Medical Stores and Uganda Blood Transfusion Services. However, there is not much evidence to show how the Cancer Institute, Heart Institute, Health Service Commission have integrated. Some of the interventions are; HIV/AIDS counseling and testing, TB co-infection screening; treatment, palliative care, supply of drugs, behavioral change communication; conducting safe male circumcision; conducting out reaches to cover most at risk populations and condom distribution to special groups.

## 5.9 Education Sector

### 5.9.1 Human Rights

The education Sector Annual Budget for FY2019/20 is 69.6 percent compliant to integrating human rights in budgeting. More alignment is noticed in the areas of universal access to basic education, gender parity in basic education, elimination of all forms of violence, prevention of HIV in schools, construction of Special Needs Education compliant schools, and adoption of UNESCO Human Right Education. Nonetheless, the low survival rates particularly at primary schools (38% staying in school up to P7) and the low enrollment rates in secondary schools imply violation of human rights of those that drop out and or remain unenrolled. Further, in as much as there is universal primary and secondary education, school fees remain a barrier to access to education. Both government and private schools continue to charge exorbitant fees thereby excluding the poor from enjoying their right to education.

### 5.9.2 Climate Change:

There is no evidence from the Sector planning documents that shows that climate change is a priority to the Sector.

### 5.9.3 ICT

Constrained as it is, the education Sector has planned for both the study and application of ICT. There is evidence towards rolling out an ICT enabled inspection system and the Sector has trained teachers in ICT skills and supported some schools to use ICT in teaching albeit on a small scale. Each of the 9 public universities has planned for online education, e-libraries and elaborate information management systems. However, these are still at nascent stages and require more support to takeoff.

### 5.9.4 HIV/AIDS

Overall, 50% of the Sector MDAs have planned for HIV/AIDS in their objectives and interventions. These include: Education Service Commission, Gulu University, Mbarara University, Soroti University, Makerere University Business School (MUBS), Busitema University, and Kyambogo University. Some of the planned interventions include: (i) formulating HIV and AIDS strategy and guidelines in education institutions (ii) Sensitizing students and the community about the danger of HIV/AIDS through information alerts (iii) providing counselling services to support those already affected (iv) provision of testing facilities for students and staff and the surrounding community, and (v) mainstreaming HIV/AIDS in institutional curricular.

## 5.10 Security Sector

### 5.10.1 Human Rights

The Sector observed all treaties Uganda has ratified too, stocked Mubende Rehabilitation Centers to cater for vulnerable staff and visited military detentions and facilities to ensure prisoners are treated well.

### 5.10.2 Climate Change

In training schools, bio gas and energy saving stoves are used to reduce on the amount of firewood needed and this has helped to reduce deforestation. Use of simulators in training schools will continue to be prioritized to reduce on emissions. In order to have a more efficient energy source, MODVA invested in solar power equipment which was delivered at Kololo ceremonial grounds and installation of equipment is in the final stage.

The Sector planted 4,000 trees in Kakiri Barracks as at the end of second quarter of FY 2019/20. Further, all UPDF units planted trees as per the agreed quotas. The Spouses of 409 Infantry Bde Bondo – Arua also planted 300 tree seedlings in the barracks. However, thus intervention was severely affected by drought.

### 5.10.3 ICT

The Sector integrated ICT in order to speed up the pace and scale of its operations. The Interlligence arms of the sector (ISO, ESO and CMI) purchased assorted ICT equipment to improve the quality intelligence.

### 5.10.4 HIV/AIDS

The Ministry of Defence established the Directorate of HIV with a mission of streamlining, re-aligning and informing implementation of prevention activities which will contribute to a healthy, HIV and Aids- free Defence Forces. The Directorate was allocated shs.160million for coordinating HIV/AIDS control and management in FY 2019/20. By the end of Quarter 2, the Ministry had sensitized UPDF, their spouses and neighboring communities about the dangers of

HIV/AIDS. In addition, they had distributed 815,000 condoms, circumcised 8,021 personnel, aired out Elimination of Mother to Child Transmission (EMTCT) messages to 6,881 personnel and oriented 121 health workers on HIV guidelines. However, they faced challenges of stock out of ARVs and anti – TBs.

### 5.11 Social Development Sector

The Social Development Sector goal of promoting inclusiveness for sustainable development is directly addressed in a number of cross cutting issues mainly the Youth, Mindset Change, Social Protection, Population, Children Welfare, Person with Disabilities (PWDs), Gender issues, Elderly and Human Rights by promoting equality and empowerment of among the population. There's need to increase funding for PWDs to be provided with assistive devices under Special Needs Education (SNEs) because referral for Children with Disabilities for enrollment in inclusive education requires more specialized education which is still limited and also provide for increased funding for the disability grant in LGs.

#### 5.11.1 Human Rights

The human rights approach is used to ensure inclusiveness and non-discrimination under this sector. This is envisaged in interventions spearheaded under Equity and Rights as well as the Equal Opportunities Commission's mandate to eliminate discrimination and marginalization against any individual or groups. Other key interventions to ensure equity have included assessment of BFPs for Gender and Equity Compliance for all sectors, sensitizing the populace through dialogues, and holding tribunals to redress imbalances in various LGs targeting special needs of the discriminated and marginalized persons/groups. Social protection measures have also helped in reducing vulnerability and building resilience such as the Senior Citizens Grants (SCG) for the elderly and labour intensive public works. Elimination of child labour, protection of labour rights, Occupational Safety Health (OSH) and elimination of Gender Based Violence (GBV) are some key interventions implemented to ensure equity and rights are observed.

#### 5.11.2 Climate Change

Climate mitigation measures have been integrated especially in livelihood programmes i.e. Green jobs, YLP and UWEP to ensure conservation and sustainability of resources is applied since most enterprises are agriculturally based that have supported youth and women economic empowerment. These include labor saving technologies in production, value addition by sun drying and use of high yield or resistant varieties for productivity. A pilot project is already established at Kampiringisa for sustainable production demonstration under PROGREL project.

#### 5.11.3 ICT

ICT has been an enabler and mainly used to provide information on market access, finance inclusion, prices for especially the women and youth engaged in livelihood projects. Also, ICT has supported the Child Helpline used to monitor abuse and violence as well us monitoring and coordinating the various programmes under the sector in the LGs.

### 5.11.4 HIV/AIDS

The sector carries out community mobilization and sensitization for uptake of all government interventions. This function led by CDOs in LGs and Parish Chiefs have supported mobilization and sensitization to ensure access and uptake of HIV/AIDS interventions with support from health sector i.e. mothers to attend antenatal care to prevent child transmission and behavioral change communication within communities which has contributed to reduced HIV prevalence.

## 5.12 Public Administration Sector

### 5.12.1 Human Rights

Ministry of Foreign Affairs rescued and returned 10 distressed Ugandans and victims of human trafficking especially from the Middle East and the Far East. Similarly, the Ministry returned remains for 6 deceased Ugandans abroad; arranged and coordinated 11 prison visits to detention facilities for British High Commission, South Africa High Commission, Argentina, Guatemala and South Sudan.Office of the President mobilized four (4) groups of youth, women, and people with disabilities for development.

### 5.12.2 Climate Change

Office of the President through the Ministry of Kampala Capital City and Metropolitan Affairs has developed a policy on solid waste management within Kampala. This is a step towards climate change adaptation because properly sited, constructed, and maintained disposal facilities can minimize the risk of water and soil contamination from the consequences of climate change impacts. Reducing the amount of solid waste stored in landfills is one of the easiest ways to reduce their vulnerability.

### 5.12.3 ICT

Ministry of Foreign Affairs allocated UGX 80 million to procurement of ICT equipment.

Office of the President has finalized the computerization of Cabinet records for the years 1995 to 1998. Similarly, officers were trained in Electronic Records Management.

The State House budgeted UGX 0.5Bn in FY2019/20 to carry out awareness and sensitization campaigns on environment protection.

### 5.12.4 HIV/AIDS

State House planned to allocate UGX 0.166 million to increase HIV /AIDs awareness to all staff and masses. However, there is no report on whether this amount was actually allocated as planned.

## 5.13 Legislature Sector

### 5.13.1 Human Rights

Human rights standing committee of the 10th parliament has been trained on Human Rights and the practical implementation of the Human Rights Checklist of Parliament. This was done in a bid to enhance the efforts of the committee in disseminating the recommendations of international mechanisms. The checklist is a tool developed by the human rights committee with technical support from OHCHR and the Human Rights Center – Uganda, to ensure and determine that a rights-based approach informs the work of Parliament and is reflected in Bills, programmes, budgets and other government policies introduced in Parliament.

#### 5.13.2 Climate Change

The Sector launched a House Committee on Climate Change in August 2019. The Committee provides oversight on the responsiveness of Government to matters of climate change, its mitigation and adaptation. Other functions of the Committee include the scrutiny of all Bills presented before Parliament in relation to climate change mitigation and adaptation; coordinate parliamentary activities related to climate change and make recommendations to Parliament on matters relating to climate change among others.

#### 5.13.3 ICT

The Sector allocated and spent over 131million on ICT provision and maintenance. Parliament developed an application /software to strengthen citizen participation in Parliamentary business; this provided a continuous engagement with the local councils across the country on the mandate of Parliament through the Institute of Parliamentary Studies aimed at strengthening the linkage between local governments and national Parliament.

#### 5.13.4 HIV/AIDS

There is no indication of a budget allocation for combating HIV/AIDS as was for the FY 2018/19. However, the Sector continues to provide support to staff living with HIV/AIDS to access treatment and also provide counseling services to the public during the health week as per the HIV/AIDS Policy of the Commission. As an intervention, the Sector plans to ensure that all the affected staff get monthly treatment (Cocktail Medicine) and regular Laboratory tests. Furthermore, a annual health week will be carried out to sensitize the staff and the public on HIV/AIDS, cancer etc. In FY 2019/20 the Health Promotion Programs were held and over 550 patients were received and treated. Similarly, assorted drugs and medical equipment were procured.

### 5.14 Lands Housing and Urban Development

#### 5.14.1 Human Rights

The Sector undertakes efforts to strengthen the land rights for the poor and vulnerable groups. For instance, the vulnerable groups are issued with Certificate of Customary Ownership (CCOs) and titles at subsidized rates under the implementation of Systematic Land Adjudication and Certification (SLAAC). The Sector equally considers gender dimension. Out of the 304 certificates of title handed over by the ULC to lawful bonafide occupants in Nakaseke district, 33 were issued to female owners, 120 were jointly owned (male and female) and 89 were owned by male. In addition, of the the173 lease transactions processed, 43 were for male, 17 for female, 31 joint (male and female) and 82 were for investment companies. In its efforts to ensure human rights-based approach (HUMAN RIGHTS) and gender considerations, the Sector is faced with the following challenges; Limited gender and equity dis-aggregated data to guide the planning and budgeting process, Low levels of awareness of women land rights in the country, Inadequate resources to address critical gender issues and, Lack of in-house gender policy.

There are efforts in the Sector to put people at the centre in its interventions, for example in FY2019/20, the National Land Information System was rolled out to 21 MZOs to take services nearer to communities especially the elderly, PWDs and other vulnerable groups. There are also ongoing efforts in the Sector to strengthen land rights for the poor and vulnerable groups.

### 5.14.2 Climate Change

Cities and urban areas account for between 37 and 49 per cent of global GHG emissions (IPCC 2014) and are heavily vulnerable to impacts of climate change due to their role as national economic hubs and the large concentration of populations cause pressure on land. The urban poor are most affected by climate change since they live and work in informal settlements that are more exposed to hazards. Sustainable cities are key for climate action and the achievement of SDG 13. MLHUD has, in line with the Uganda Policy on Climate Change, prepared guidelines to integrate and mainstream climate change issues in the Sector planning, budgeting and implementation frameworks, and urban local government plans and budgets. The guidelines will increase the proper management of the environmentally sensitive areas in cities and urban areas, as well as improve climate change resilience, adaptation and mitigation across the country. The Ministry has developed a National Urban Policy that could be leveraged to create low carbon and resource efficient energy infrastructure through integrated plans with a climate change focus. The Sector will be required to: ensure comprehensive physical planning and urban development considering that Uganda's land area is fixed while population density, and therefore pressure on land has increased 10-fold in the past 70-years; strengthen capacity to assess vulnerability to climate change impacts and to identify corresponding plans and investments to increase resilience, and; ensure implementation of the National Climate Change Policy requirements, including the guidelines.

### 5.14.3 ICT

The Lands, Housing and Urban Development Sector has undertaken efforts to mainstream ICT in its interventions. In FY 2019/20 the Sector continued work to automate the National Land Information Systems (NLIS) in order to improve the process of land titling, and development of the Physical Planning and Urban Development Management Information Systems (PPUMIS) to enhance digitization of physical plans and the process of approving building plans. However, ICT solutions will still be needed to develop public and corporate portals, roll out the modules, and integrate the systems with other information systems, such as the land valuation management system and the building materials data bank and building information modelling system, for greater efficiency.

### 5.14.4 HIV/AIDS

HIV/AIDS has placed a burden on household income through reduced productivity and increased medical bills, as a result it has led significantly to household poverty. The LHUD has mainstreamed HIV/AIDS in all its interventions. Particularly, the Sector has developed a workplace Policy that addresses issues of HIV/AIDS, specifically: to protect the rights and obligations of employees infected and affected with HIV, promote strategies that enhance awareness and education about HIV/AIDS, and; to create an enabling environment for improved access to prevention knowledge, skills, treatments and support. Although the Policy expired in 2018, the Sector has planned for the intervention to prepare a new one, aligned to the Sector Development Plan and NDPIII period. There is also need for the Sector to develop annualized targets to ease the assessment of performance.

## 5.15 Kampala Capital City Authority (KCCA)

### 5.15.1 Human Rights

Human Rights gives special focus to groups subjected to discrimination and suffering from disadvantage and exclusion. With this in mind, KCCA has integrated human rights in its planning. In particular, through: Embracing youth agenda in the city and the vulnerable groups agenda; Coordination and welfare of casual workers; and urban governance, citizen accountability and integrity. The Authority was provided a budget of UGX. 1,547,000,000 to carry out these interventions in the FY2019/20.

### 5.15.2 Climate Change

At this level, the Authority is 83.3% compliant in its strategic objectives. The Authority takes cognizance of the environment and climate change concerns in planning, budgeting and implementation. Key of the interventions include; Develop and implement a KCCA low carbon development and climate change resilient strategy and the interventions under this include; Approved City low carbon and climate strategy, Number of wetland conservation measures developed, Number of trees planted, among others.

### 5.15.3 ICT

KCCA has fully immersed ICT integration in service delivery within the City and this is seen through the E-Systems in place that include; e-Citie, CAM/CAMV, a recruitment system, a contracts management system and an SMS system.  These systems are also integrated within the GOU revenue system in order to fast track revenue collection within the country.

In the FY2019/20, the authority installed 77 CCTV cameras at City hall and in 4 Divisions. The other ICT related service that were ongoing include: a SACCO System for reservation Schemes; Smart City Strategy Formulation; provision of network services to public Schools and Health Centers; Rolling out medical charges records management module; Support innovators within the city, among others

### 5.15.4 HIV/AIDS

The Authority has an HIV/AIDS policy and this is integrated in the frameworks for FY2019/20. In particular through the interventions of; Conducting Bi annual HIV Stakeholders coordination meetings at City and Division levels; and regular sensitization of the public through radio talk shows.

## 5.16 Accountability Sector

### 5.16.1 Human Rights

Human rights are center of the Accountability Sector as it works towards the right to development of the people of the Republic of Uganda. There is evidence of interventions both in the budgeting and planning instruments that are meant to curb and eliminate Corruption and enhance the promotion of the prevention, detection and elimination of corruption. Approximately 15 Percent of the Sector approved budget is earmarked for institutions fighting corruption and these include Office of the Auditor General (OAG), Inspector General (IG), Directorate of Ethics (DEI), Public Procurement and Disposal of Assets (PPDA),Financial intelligence Authority (FIA) and Accountant General's Office under the Ministry of Finance, Planning and Economic Development (MFPED).

### 5.16.2 Climate Change

Accountability Sector highlights the Green Expenditure Review and the Green growth strategy and Investment Plan for the Key relevant Sectors that do affect the environment and the climate charge as they execute their functions. These outputs are a key reflection of the Accountability Sector's concern of the sustainable growth of this Country.

### 5.16.3 ICT

ICT as a cross cutting issue has been well embraced in Accountability sector in order to facilitate efficiency, effectiveness and also curtail corruption among the MDAs within the Accountability Sector itself and other Sectors as well. Accountability Sector through MFPED provides a functional IFMIS and PBS as ICT tools to facilitate efficiency and effectiveness during budgeting and financial transactions among the different MDAs. PPDA to roll out the e- Procurement to the different MDAs as an ICT tool to facilitate efficiency and also curtail the corruption vice in the procurement processes. Other ICT tools under Accountability sector include: the e-tax platforms by URA; Online declaration of Assets and liabilities by the Inspector General of Government (IG) and the Integrated Management Information system (IMIS) used by the OAG to be linked up with its regional Offices to facilitate efficiency and effectiveness within the Office of the Auditor General. and there is clear evidence in the different budgeting instruments. For all these ICT tools there is evidence in the budgeting instruments of the respective MDAs within the Accountability Sector.

### 5.16.4 HIV/AIDs

The Accountability Sector Vote institutions have taken care of HIV/AIDS as Cross-cutting issue with clear interventions and Budgets provided to facilitate the actualization of these interventions.

## 5.17 Justice Law and Order Sector

### 5.17.1 Human Rights

NDP II specifically highlights: "that to ensure inclusive growth, all Sectors, MDAs and LGs are expected to adopt a human rights-based approach in their respective policies and planning." NDP

II further guides that during the implementation of their plans, Sectors, MDAs and LGs will be guided by the following principles: equality, accountability, empowerment, participation, non-discrimination, attention to vulnerable groups and linking them to human rights standards and obligations that Uganda is party to.

Accordingly, in the JLOS Sector, there are a number of Sector indicators which can be utilized to measure the integration of HUMAN RIGHTS which were integrated in the year under review. For instance, the Ministry of Justice budgeted for opening and operationalizing new JLOS service points. The Ministry of Internal Affairs planned for, budgeted and implemented the development and operationalization of service delivery standards. Similarly, the Uganda Prisons have planned and budgeted for functional human rights committees which is demonstrative of addressing the issues of poor detention facilities.

However, there is still a generally low awareness of HUMAN RIGHTS within MDAs as a key strategy to be utilized in ensuring inclusive growth. The Human Rights Based Approach Planning Tool for Sectors and Local Governments should be more frequently utilized to ensure that during their planning and budgeting process, HUMAN RIGHTS is deliberately being integrated within the processes.

### 5.17.2 Climate Change

The Ministry of Internal Affairs (MIA) reintegrated 2355 reporters (1769 male, 586 female) through trainings in Agriculture, environmental and tree planting. They also trained 130 reporters and victims (100 male, 30 female) in Environmental and tree planting and provided them with tools and inputs.

### 5.17.3 ICT

Various initiatives were undertaken to integrate ICT in the work of JLOS institutions. In the Judiciary, the Electronic Court Case Management Information System (ECCMIS) design is ongoing. The ECCMIS will provide a robust solution for automation of Court processes including e-filing and e-payment of Court fees and fines.

The Uganda Registration Services Bureau (URSB) developed Security Interest in Movable Property Electronic System which allows secured creditors to register their security interests in movable assets online and provide financial institutions with a platform by which they can inform other lenders (and buyers of chattels) about their interest in a particular chattel, thus reducing the risk that the buyer might fraudulently take a loan against the chattel or dispose of it without informing the financial institution. In addition, the National Marriage Registration System (NMRS) online portal was deployed to facilitate online filing of marriage returns and maintain an electronic marriage register. The System is currently deployed at head office and regional offices. The roll out to all marriage duty bearers including CAOs, SCCs, TCs, and church leaders and Imams across the country has commenced with Kampala.

The Ministry of Internal Affairs (MIA) successfully integrated the e-passport system to the NIRA database to facilitate citizenship verification and URA e-Payment system for a streamlined revenue collection. They fully implemented the e-passport online application system available at www.passports.go.ug, which has not only provided unlimited access to passport applications, but has also drastically reduced the lead time for processing passports from an average of 8 working days to 4 working days. MIA also completed the upgrade of the e-immigration system and installed the Border Management System at Entebbe Airport with 5 Automated Border Control Kiosks(e-gates) to facilitate self-clearance of trusted travelers and citizens of Uganda, reducing on the time of clearance at the Airport. The upgrade included implementation of the online citizenship processing and management, which has not only facilitated citizenship registration to the diaspora community, but also progress in creating a credible citizenship register for protection, preservation and identification of Ugandan citizenship.

MIA integrated the e-immigration system with PISCES for coherence in traveler clearance. They digitized and electronically archived 550,000 immigration records (bringing the total number of files to 2,030,000 files) to support electronic document management for improved service delivery. They also extended the e-immigration system to Uganda Missions in Riyadh and Copenhagen increasing the total number of Missions with e-systems to 17 missions.

To decongest the Immigration headquarters, 4 regional offices of Mbarara, Mbale, Jinja and Arua were installed with the e-immigration system to facilitate decentralization of visa extensions and personalization of other immigration facilities at regional level.

In addition, the National Identification and Registration Authority (NIRA) procured and installed 136 servers for all registration centers to upgrade the existing servers for purposes of easing the connectivity process between the districts and Headquarters. The Uganda Human Rights Commission paid for I.T services, procured five (5) computers and made data connectivity at the head office and 10 regional offices. The procurement process for the purchase of computers for the visually impaired students studying at the Law Development Centre is at bidding stage.

### 5.17.4 HIV/AIDS

The JLOS institutions undertook a number of measures to mitigate HIV/AIDS. For example, the Uganda Police Force (UPF) provided ART services to 25,027 clients (9,093M: 15,934F), 103 care Mothers, enrolled 18 babies on Exposed Infant Diagnosis (EID), CD4 cell count for 430 clients, viral load for 1,107 clients and Safe Male Circumcision to 1,752 males. UPF also provided supportive counselling to 11,670 clients.

## 5.18 Public Sector Management Sector

### 5.18.1 Human Rights

NPA with support from GIZ developed and integrated the Human Rights Based Approach into NDPIII, Sector and LG planning guidelines to enable people participation in decision making, planning, budgeting and implementation.

### 5.18.2 Climate Change

Environmental protection and climate change resilience promoted in communities through distributing tree & grafted seedlings to Refugees & host communities, establishing grass & tree species areas in Karamoja, Implement soil & water conservation activities. NPA through the

Uganda Green Growth Strategy and the Green Public Expenditure Review aiming at utilization natural resources and environment in a sustainable manner.

**5.18.3 HIV/AIDS**

MDAs under PSM have continued with implementation of HIV/AIDS Workplace Policy through supporting Staff wellness and health camps, access to HIV/AIDs related talks, counseling and testing services and continue with provision of condoms in the washrooms. OPM specifically under NUSAF III, will sensitize community on HIV/AIDS & reach 250,541 beneficiaries.

# SECTION SIX:

# BUDGET ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

## 6 Overall Assessment

**The 2019/20 budget is 63 percent compliant to the SDGs.** This is a slight increment from the previous FY2018/19 budget (60.9 percent). The budget scored highly in goals;1, 5, 6, 16, and 17 owing to substantial allocation of resources towards the areas of; poverty reduction, water and sanitation, gender, and peaceful and inclusive societies.

On the other hand, low performance was found in goals 11, 12, and 13 scoring 50 percent and below. The budget is weak in the following specific areas below: (i) SDG 8, the budget had limited attempts to improve resource efficiency in consumption and production and endeavoring to decouple economic growth from environmental degradation; and (ii) SDG 10, the budget underperformed due to inadequate strategies for providing appropriate technologies to women and other vulnerable groups. With regard to SDG 11, the budget had no clear strategies on promoting and enforcing the use of pollution mitigating technologies in industrial parks and developing green belts and leisure parks. Furthermore, SDG 12 the budget had no clear strategies for developing and implementing programmes on sustainable consumption and production patterns. Lastly, with respect to SDG 14, the budget had limited support to strategies aimed at conserving fisheries resource, as well as development of research capacity and marine technology transfer. The summary scores by goal are provided in Table 28 below.

**Table 6.1: Summary of SDG alignment to AB FY2019/20**

| Goal | Description | SDG Vs NBFP (%) | SDG Vs AB (%) | AB Weighted Score (%) |
|---|---|---|---|---|
| 1 | End poverty in all its forms everywhere | 80 | 73 | 77 |
| 2 | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 63 | 60 | 56 |
| 3 | Ensure healthy lives and promote well-being for all at all ages | 75 | 64 | 69 |
| 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | 88 | 76 | 82 |
| 5 | Achieve gender equality and empower all women and girls | 84 | 72 | 78 |
| 6 | Ensure availability and sustainable management of water and sanitation for all | 77 | 71 | 74 |
| 7 | Ensure access to affordable, reliable, sustainable and modern energy for all | 64 | 61 | 62 |
| 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 74 | 70 | 72 |
| 9 | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | 70 | 65 | 67 |
| 10 | Reduce inequality within and among countries | 64 | 60 | 62 |
| 11 | Make cities and human settlements inclusive, safe, resilient and sustainable | 52 | 34 | 43 |
| 12 | Ensure sustainable consumption and production patterns | 40 | 35 | 37 |
| 13 | Take urgent action to combat climate change and its impacts | 68 | 58 | 63 |

| | | | | |
|---|---|---|---|---|
| 14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development | 50 | 48 | 49 |
| 15 | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss | 55 | 45 | 50 |
| 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | 80 | 74 | 76 |
| 17 | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development | 72 | 68 | 70 |
| | Overall Score | 68 | 61 | 64 |

This performance notwithstanding, we there is need to strengthen partnerships, coordination and collaboration, popularization of the SDG agenda, create a leadership culture for the SDG agenda at all levels, solicit funding for SDG coordination and strengthening data, monitoring and reporting on SDGs

## 6.1 SECTOR LEVEL ASSESSMENT

The budget for FY2019/20 assessed for integration and alignment of the Sector plans, budgets and interventions to sustainable development goals (SDGs). The findings for this assessment is presented in the sections below.

### 6.1.1 Agriculture Sector

The most prominent SDG under the agriculture Sector is Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Generally, the agricultural Sector interventions for the period under review are well aligned to SDG 2.

The Sector interventions are specifically well aligned to SDG goal 2; targets 2.2, 2.3, 2.4 and 2.5. SDG target 2.2 seeks to double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources an inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment. While most interventions under this target have been included in the plans and budgets, the resources allocated are inadequate. The gap is especially critical in the areas of financial services, markets, and opportunities for value addition and non-farm employment. The Sector therefore should increase budget allocations to these underfunded areas as they affect the realization of outcome targets.

The Sector has also made significant investments to address SDG target 2.3. This target seeks to ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters, and that progressively improve land and soil quality. This is demonstrated through increased budget allocations to provision of physical infrastructure and services for water for agricultural production. A total of UGX 19 Billion has been invested by MAAIF towards these interventions while more investments have been made in Water and Environment Sector. Additional efforts have been made towards promotion of climate smart agriculture and sustainable land management practices.

Through provision of water for production especially water for irrigation and climate smart Agriculture the Sector is contributing to the achievement of the SDG goal 13 of climate action.

### 6.1.2 Works and Transport Sector

The Works and Transport Sector plan is cognizant of the Sustainable Development Goals (SDGs) 9 and 11. Goal 9: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable". Most projects such as Expansion of Entebbe Airport, Construction of Kampala flyovers, Construction of a New Kampala Port at Bukasa and Construction of Kampala flyover project contribute towards achieving SDGs 9 and 11.

### 6.1.3 Energy Sector

The SDG most relevant to the Energy Sector are; Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all and Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Over 66 percent of the projects in the energy Sector contribute to SDG goals 7 and 9. The planned Sectoral projects contribute to attainment of these sustainable development goals. For Instance, electrification of industrial parks project, Midstream Petroleum Transportation and Storage Infrastructure Development Project and Construction of Oil Refinery among others contribute to SDG goal 9 specifically target 9.4. Furthermore, several electricity generation and transmission projects such as construction of Isimba Dam (183 MW), Karuma dam (600 MW), small HPPs, Lira-Gulu -Agago project, Karuma Interconnection Project, Kampala-Entebbe Expansion Project among others contribute to goal 7 specifically target 7.1 and target 7.6. Similarly, projects such as Promotion of Renewable Energy & Energy Efficiency contribute to goal 7.

### 6.1.4 Tourism Sector

**The Sector contributes to SDG goals: 12.b '**Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture', **14.2.1** 'Ecosystem management through protected areas (PAs) such national parks and wildlife reserves and sanctuaries; **9** "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation and **15.4.2** 'Coverage by protected areas of importance sites for bio-diversity'

### 6.1.5 Trade and Industry Sector

The Sector contributes SDG goal **2.b,** 'Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round'. The Sector promotes a liberal trade policy and uninterrupted trade flow. Goal 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation'

### 6.1.6 Water and Environment Sector

The Sector directly contributes to four Sustainable Development Goals. These are: SDG 6 on Clean Water and Sanitation; SDG 13 on Climate Action; SDG 14 on Life below Water (Blue Economy) and SDG 15 on Life on Land. The Sector has implemented specific interventions and projects tailored to achieving the relevant four SDGs as explained below:

In regard to Goal 6, the Sector constructed 1108 water facilities and promoted 115 rainwater harvesting infrastructure in 2018/19 although this was below the NDPII target of 1,400 water facilities. Also, the support to rural water supply project aiming at increasing rural water supply is on track and received over 50 percent of its approved budget by quarter 2 of 2018/19. This partly explains the increase in rural water supply from 70 percent in 2017/18 to 72 percent in 2018/19 albeit still below the NDPII 2018/19 target of 75 percent rural water supply coverage. Moreover, the Sector has strengthened the legal framework for national climate change response by drafting a National Climate Change Bill whose consultation is ongoing. This directly contributes to SDG 13 on climate action. Whilst the Sector integrated these SDGs in its monitoring framework, it still has data gaps on majority of the indicators which negates conclusive reporting.

On SDG 14, the Sector operationalized the Uganda Water Resources Institute to effectively manage water resources by addressing water and environment related issues such as pollution, climate variability and reduction in water availability as well as balance water needs for Sectors and households in the country in an integrated and coordinated manner. Additionally, the support to water resources management project has establishment an online oil and gas monitoring system and construction of 6 ground water stations. The project is however below schedule because of low budget outturn and expenditure outturn which are below the PIP MTEF projections.

To contribute to SDG 15, the Sector supported 111 district local governments in environment management in addition to operationalizing NEMA regional offices. This is envisaged to increase local government interface on environmental sustainability and natural resource management. However, the Sector has reversed and stagnated on targets for forestry and wetland coverage. The reversal and stagnant performance is partly attributed to the absence of several NDPII forestry management projects in the PIP. These include; Hill tops and fragile areas tree planting projects, restoration of degraded natural forests on protected and private land, forest governance and capacity building project, strengthening forest institutions responsible for forest management and development and tree seedlings development project. The next budget should thus consider adequate funding of existing projects on forestry management to curtail the unprecedented degradation rate.

### 6.1.7 Information and Communication Technology (ICT) Sector

Digitalization of processes/systems directly influences the productivity, cost effectiveness, competitiveness, improves service delivery and accelerate the achievement all the SDGs targets. Some efforts have been made and a number of MDAs have automated processes and implemented e-services however many MDAs and LGs have not and the overall benefits of ICT use and impact on the SDG targets has not been felt.

The Sector mainly contributes to SDG 4 (Internet, computers for pedagogical purposes, adapted infrastructure and material for student with disabilities), SDG 5 (ownership of mobile telephones), SDG 9 (mobile network coverage) and SDG 17 (internet usage) and these SDGs are implemented within projects and specific interventions. Improvements have been realized in the proportion of individuals who own a mobile telephone, proportion of population covered by a mobile network and proportion of individuals using the Internet. However, the access to internet for pedagogical purposes in schools and adapted infrastructure and material for student with disabilities is still low. Key interventions in the plan to address the SDGs include: extending communications network coverage; establishment of last mile connectivity through NBI/EGI; implementation of the Missing Links of the NBI; extension of the MYUG Wi-Fi network; support to local innovators through the ICT Research and Innovation Fund and enhancing the usage and application of ICT services in business and service delivery.

### 6.1.8 Health Sector

The Health Sector mainly contributes to two main SDGs: Goal 3: Ensure Healthy Lives and Promote Wellbeing for all at all ages and SDG2: End Hunger, Achieve Food Security and Improved Nutrition, and Promote Sustainable Agriculture. The assessment reveals that the Sector is to a large extent compliant in addressing the two SDGs and subsequent targets. Interventions, outputs and budget allocation to relevant SDG2 and 3 targets in all the 24 MDAs are evident. Specifically, the Sector is working towards reducing maternal, child and neonatal mortality, reducing new incidences and death due to HIV/AIDS as evidenced in 100% provision of HIV/AIDS health services in all eligible health facilities and 100% annual funding for ART and PMTCT. The Sector is also focusing on reducing Malaria incidence per 1,000 population and treatment. However, the Sector did not implement the NDPII Core project of Mass Treatment of Malaria for Prevention. Focus has also been placed on reducing mortality rate attributed to cardiovascular disease, cancer, diabetes, or chronic respiratory disease. This is reflected in increase of funding to UCI and UHI and inclusion of specialized drugs on the minimum health care drug list. The two MDAs have also planned to expand services and increase access at regional level through construction of regional centres. The Sector has also made progress in reducing child stunting as a percentage of under-fives from 31% in 2010 to 29% in 2016. This is a result of interventions such as: child micro-nutrient supplementation, increased immunization coverage, deworming, hospital-based child growth monitoring, treatment of mild, severe and chronic malnutrition and nutrition promotion.

The Sector is however lagging behind on the target of increasing the proportion of population accessing health insurance. As of 2013, only 1% of the population had access to Health Insurance, majority of which are in the corporate formal Sector. This has resulted in a high out of pocket expenditure of 41% as of 2016, leading to financial constraints due to ill health. The National Health Insurance Bill which would go a long way in facilitating implementation of this target has not yet been passed into law.

### 6.1.9 Education Sector

The education Sector mainly contributes to SDG 4, that is: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all". Nonetheless, from the assessment, many Sector interventions and projects address issues relevant to a number of SDGs. For instance, the Sector priority area of gender equality in access to education, interventions on school feeding, inclusive and special needs education, promotion of STI/STEM, skills development, research and development and construction of WASH facilities in schools; are aligned to SDG 5.1 ( end all forms of discrimination against all women and girls everywhere); SDG2 (target 2.1 and 2.2); SDG 3.9.2 (Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene (WASH) services); SG8.6 (substantially reduce the proportion of youth not in employment, education or training); and SDG 9.5 ( Enhance scientific research, upgrade the technological capabilities of industrial Sectors in all countries).

#### 6.1.10 Security Sector

The Sector contributes to Goal 16 of promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels. This is majorly contributed to by the UPDF Peace keeping mission in Somalia (AMISOM).

#### 6.1.11 Social Development Sector

The SD Sector contributes directly to **Goal 1** on **Poverty reduction** – the Sector has been addressing this by empowering and mobilizing communities, targeting the vulnerable and marginalized persons such as the children, youth, PWDs, women and elderly. The slow down in poverty reduction has led to more people living in extreme poverty, entrenched deprivation often exacerbated by violent conflicts and vulnerability to disasters. Strong **social protection systems** and government spending on key services often will help those left behind get back on their feet and escape poverty which has been prioritized under the Sector. **Goal 2** on **Hunger** – emphasis has been on undernutrition affecting children, strengthening the resilience and adaptive capacity of small-scale and family farmers for productivity under livelihood projects. **Goal 5:** Gender equality and empower all women and girls by promoting women empowerment and addressing the imbalances – Sector has addressed this through interventions on women economic empowerment, gender based violence, girl child education and skilling, women in governance, and reducing inequalities by targeting Persons with Disability (PWDs); and **Goal 8**: Promote sustained, inclusive and productive employment and decent work for all for economic growth – this has been through creation of green jobs, youth initiatives for employment and skilling, women economic empowerment programmes, Jua-kali support, apprenticeship programs and Graduate Volunteer Scheme. **Goal 10**: Reduce inequality - efforts aimed at narrowing disparities of opportunity, income and power.

#### 6.1.12 Public Administration Sector

The Sector continues to contribute to SDGs through implementation of the set strategic interventions as highlighted below;

i) MoFA secured, processed and dispatched to relevant MDAs 148 training offers for Ugandans from various countries such as Japan, Brunei, Thailand, Singapore, Malaysia and India. This is in line with **SDG 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

ii) MoFA, in a bid to promote regional and international peace and security coordinated and participated in 11 peace and security initiatives with the objective of having a stable and peaceful region. These initiatives included the Joint Ad-hoc Commission set up to implement the MoU signed by Uganda and Rwanda to normalize relations between both countries. This is in line with **SDG 16:** Promote peaceful and inclusive societies for sustainable development..."

iii) Office of the President through the Ministry of Kampala Capital City and Metropolitan Affairs has developed a policy on solid waste management within Kampala. This is a step towards climate change adaptation because properly sited, constructed, and maintained disposal facilities can minimize the risk of water and soil contamination from the consequences of climate change impacts. This is in line with **SDG 13**: Take urgent action to combat climate change and its impacts. This is also in line with **SDG 11**: Make cities and human settlements inclusive, safe, resilient and sustainable

### 6.1.13 Legislature Sector

The Sector continues to contribute to SDGs through implementation of the set strategic interventions and these include:

i) The Sector policy on HIV/AIDS and activities carried out to raise awareness as well as provide treatment to employees and other members of the public is in line with SDG 3: Ensure healthy lives and promote wellbeing for all at all ages.

ii) The Sector has launched a House Committee on Climate change to provide oversight on the responsiveness of Government to matters of climate change, its mitigation and adaptation. This is in line with SDG 13: Take urgent action to combat climate change and its impacts.

iii) The Sector continues to directly deal with Goal 5: Gender equality and empower all women and girls by promoting women empowerment and addressing the imbalances – Sector has addressed this through allocating funds to ensure that all embracing policies are developed and government programmes implemented for the benefit of all the citizens without discrimination. Similarly, the Sector has partnered with the Equal Opportunities Commission to train Members of Parliament on Gender and Equity issues.

### 6.1.14 Lands Housing and Urban development

The LHUD Sector has got links to all the 17 Sustainable Development Goals (SDGs) particularly Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. Several of the other SDGs cannot be achieved without sustainable cities. Direct cause and effect links include SDG13: Climate Action since globally, cities generate in the order of 75% of global greenhouse gases, SDGs 6, 7 and 9 all include urban infrastructure and the need for inclusive land use and land management, and physical planning. SDG 8: cities are the economic engines of any country and must be developed as enabling environments to attract and maintain employment generating economic activity. Similar links apply to the remainder with a particular emphasis on SDG 16 as it encompasses good governance- the key to achieving any of the other goals. In the assessment, the 6 projects integrated in the MFPED PIP contribute towards achievement of SDGs 11. Other goals contributed to are SDG1 No Poverty, SDG2 Zero Hunger and SDG 13 Climate Action. The Sector undertook profiling of urban climate change in FY 2018/19 and has developed guidelines for mainstreaming climate change in Sector planning, budgeting and implementation frameworks.

#### 6.1.15 Kampala Capital City Authority (KCCA)

KCCA has integrated the SDGs in their planning and implementation strategy. In particular: Goal 4 on Quality Education which is integrated under the intervention of Transform the city education and public health system; Goal 16 on Peace and Justice strong institutions integrated under the intervention of Maintain law and order in the City; and Goal 13 on Climate Action integrated under the intervention of Develop and implement a KCCA low carbon development and climate change resilient strategy, among others. All this is in an effort to especially making Kampala Capital City a sustainable City.

#### 6.1.16 Science, Technology and Innovation

The STI Sector is in line with SDG goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. It directly contributed to the following targets;

i) 9.4 - Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

    a. In line with this, UIRI supported Gulu University student in an assessment of economic viability and acceptance of using rice husk briquettes in urban settlements. KMC has designed and assembled 2 electric buses and a charging station.

ii) 9.5 - Enhance scientific research, upgrade the technological capabilities of industrial Sectors; encouraging innovation and substantially increasing the number of research and development workers; encouraging public and private research and development spending.

iii) 9.B - Support domestic technology development, research and innovation, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities.

#### 6.1.17 Justice Law and Order Sector

The NDP II pronounces itself on the importance of the SDGs framework as a key international obligation that should be integrated in the Sector and local government plans and budgets, as well as, implementation, monitoring and evaluation frameworks.

The JLOS Sector contributes immensely to the realization of SDG 16 which calls for peace, justice and strong institutions through the various MDAs plans and budgets. Some of the SDG 16 indicators that the Sector is contributing to include: decreasing the number of children that suffer violence; decrease the incidences of human trafficking; reduction of the prisoners on remand;

reduction of incidences of corruption; increase of registrations of births; improvement of realization of media rights and establishment of a strong national human rights institution.

### 6.1.18 Public Sector Management Sector

The OPM integrates SDGs into policy implementation, coordination, monitoring and evaluation of all government and private Sector programmes. Specifically, it implements SDGs through PCC, ICSC and TICC. For instance, OPM submitted cabinet information paper on the progress made towards implementation, Using the iSDG Model, NPA is Customizing, Domesticating and Prioritizing the Sustainable Development Goals and Agenda 2063 in Uganda's NDP-III and the 10-Year NDP". Emphasis is on accelerator SDGs of Governance, Environment and Industrialization and the fundamentals of; Health, Education and Infrastructure

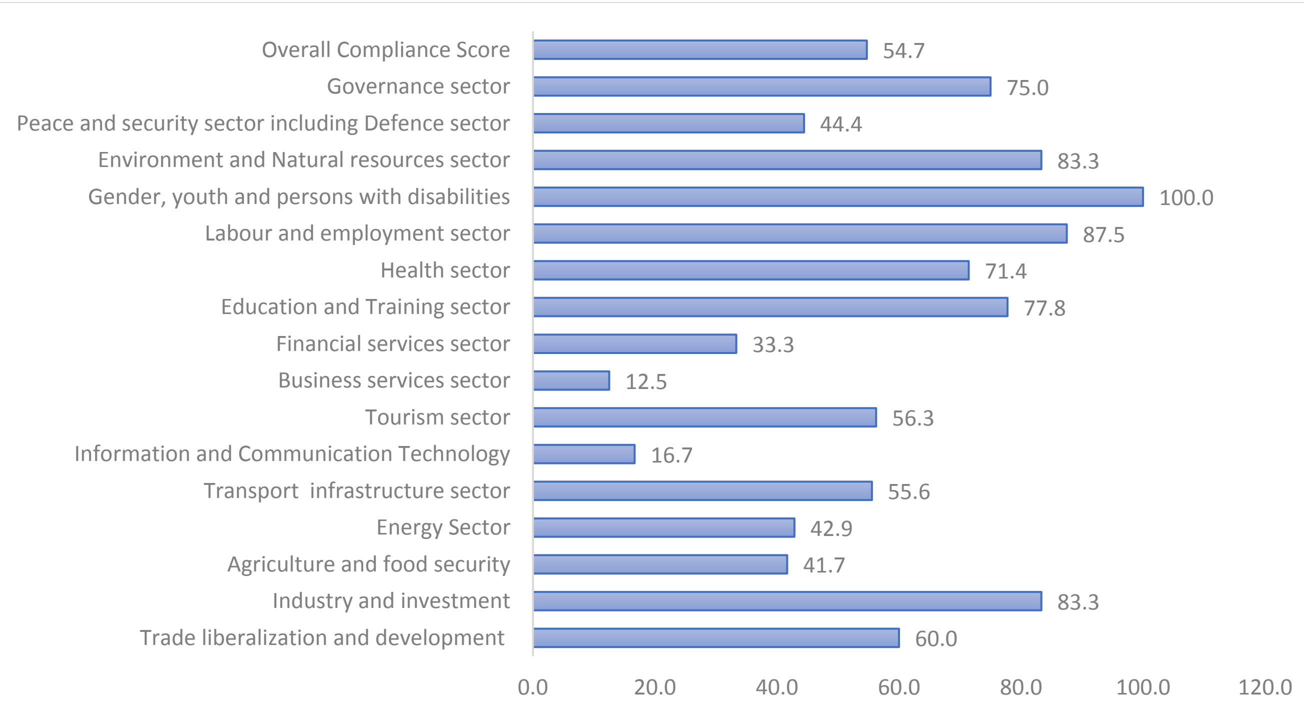
# SECTION SEVEN:

# FY2019/20 BUDGET ALIGNMENT TO EAST AFRICAN COMMUNITY PROTOCALS

## 7 Overall assessment

**Overall, the Annual Budget for FY2019/20 is unsatisfactory at 54.7 percent compliance to the agreed and signed East Africa Community protocols**. The AB was substantially non-compliant in the following Sectors/areas: Business services Sector (12.5 percent); Information and Communication Technology (16.7 percent); Financial services Sector (33.3 percent); Agriculture and food security (41.7 percent); Peace and security Sector including Defense Sector (44.4 percent). The results by Sectors are detailed in the figure 7.1.

**Figure 7. 1: Alignment of the Annual Budget to EAC Protocols (percent)**




The detailed analyses by Sectors are provided in the table 7.1 below:

**Table 7. 1: Alignment of BFP FY2020/21 to EAC Protocols**

| S/N | Sector – Policy Objectives | Area of (non)compliance |
|---|---|---|
| 1 | Trade liberalization and development | Elimination of Ugandan NTBs; recording and monitoring NTMs; reviews and updates to Uganda's trade & investment policies |
| 2 | Industry and investment | Adoption of Good Manufacturing Practice (GMP) by manufacturing Sector; review and enhancing of Ugandan industrial development policy |

| S/N | Sector – Policy Objectives | Area of (non)compliance |
|---|---|---|
| 3 | Agriculture and food security | Agricultural commodity exchange & market information for Ugandan farmers on available opportunities in the regional market; structured trading systems' (STSs) for agricultural products; 'Green' Box programmes consistent with the provisions of the WTO Agreement on Agriculture; early-warning systems for information, education and alerting agricultural producers on climate change and its impacts; local capacity for carbon stock inventory and analysis; regional guarantee / insurance mechanisms. |
| 4 | Energy Sector | Development and implementation of internationally harmonized standards for environmental protection, that include toxic waste management and restoration of drilling sites; Disaster management plans for oil spills and leakages at the drilling, storage and refining sites; Developments in regional power markets; |
| 5 | Transport infrastructure Sector | Development of an EAC Single Aviation Market; foreign operators investing into the country to provide regional logistics services; establishing institutions offering skills training to support the logistics industry; policy and regulatory regimes relating to the regional transport Sector. |
| 6 | Information and Communication Technology | Review and development of relevant Laws and Acts for e-commerce and cyber-crime; capacity building in ICT in JLOS service delivery system; harmonized regulations in interconnection, spectrum management at the regional level; investments in ICT including broadband infrastructure using public and private resources or through public and private partnerships; quality assurance and harmonized standards in ICT infrastructure; Development of a comprehensive plan for human resource development in ICT; accreditation council in ICT education and training; harmonized EAC standards for ICT equipment; e-waste management and consumer awareness and recycling centres; manufacturers adopting bar coding on items sold in Uganda; National Information Security Strategy and Information Security Working Group; Community communication centres providing ICT services such as cybercafés, schools and other access points such as libraries, post offices and municipal centres. |
| 7 | Tourism Sector | Infrastructure along the regional transport highways in form of stop over points, lay-bys and tourist information signage; tourism –related transport infrastructure (water, rail, air and road); Tourism management information and coordination system; On-line availability of tourist security information; high-impact national and regional tourism marketing brand; development of regional tour packages; EAC tourism and wildlife training curriculum. |
| 8 | Business services Sector | Improving skills and competencies for doing business in the EAC region; MRAs by Ugandan professional bodies with their counterparts in the region; audit professional services accreditation bodies based in Uganda; Ugandan business professionals taking out public and professional liability insurance |
| 9 | Financial services Sector | Safe and sound national clearing and payments system which meets international standards for the financial Sector; partnerships between Ugandan financial institutions and other EAC partners, long-term project finance; cross-border credit information; financial literacy programmes for the Ugandan public; |
| 10 | Education and Training Sector | Education centres of excellence in selected priority areas and harmonized EAC certification of non-college acquired competencies and technical skills |
| 11 | Health Sector | Cross-border disease surveillance programmes; equitable pre-payment, risk pooling health financing mechanism such as Social Health Insurance and Community Health Insurance throughout the EAC. |

| S/N | Sector – Policy Objectives | Area of (non)compliance |
|---|---|---|
| 12 | Labour and employment Sector | Policies, laws and programs harmonized and enacted to facilitate the Free Movement of Labour within EAC. |
| 13 | Gender, youth and persons with disabilities | The Sector was 100 percent compliant in this Sector. |
| 14 | Environment and Natural resources Sector | Trans boundary and international environmental protocols adopted & implemented |
| 15 | Peace and security Sector including Defence Sector | Exchange of criminal intelligence and other security information with Partner States; shared databases for security information; cross border meetings for sharing security and crime information; common training institutions for Defense personnel and disaster management protocols |
| 16 | Governance Sector | Corporate laws and regulations harmonized in EAC. |

### 7.1 Key Emerging Issues

i) There is generally weak collaboration among the partner states. For instance, there has been weak collaboration on: i) management of emergencies such as outbreaks of Ebola, Corona virus (COVID- 19), Desert Locusts etc.; ii) development of cross border projects such as the standard gauge rail, electricity transmission among others; and iii) sharing of information for in security, ICT, health, disaster, and emergencies.

ii) There is a slow pace in resolving border conflicts which undermines the spirit of regional integration and blocking trade links between the member states. In particular, the issues that led to the closure of the border between Rwanda and Uganda. In addition, there is protectionism by some partner states which often leads to NTB's thereby undermining the spirit of the integration.

### 7.2 SECTOR LEVEL ASSESSMENT

The FY2019/20 budget assessed for compliance to East African Community Protocols to check the whether the budget provided for resources to implement the EAC protocols for selected sectors. The findings for the assessed sectors is provided in the sections below.

#### 7.2.1 Works and Transport Sector

The Sector is conscious of the East African transport policy goal of integrating Uganda with the EAC regional and global markets through increased, efficient, and least-cost connectivity. This is demonstrated through some of the majorly funded project that link the country to the region, these include; development of Bukasa Port, Upgrade and expand Entebbe International Airport, development of Hoima/Kabaale International Airport (phase I), East Africa Trade and Transportation Facilitation (EATTFP), Revival of the National Airline, among others.

### 7.2.2 Energy Sector

Sector continued to participate in the East African Community engagements, meetings and negotiations among which include, the Host Government Agreement (HGA) between Government of Uganda and the Joint Venture Partners on the East African Crude Oil Pipeline, the East African Petroleum Conference and Exhibition, Online geothermal market assessment for East Africa among others.

### 7.2.3 Tourism Sector

The Sector is a key player in the EAC common market protocol and participates actively in the implementation through of single visa system that promotes East Africa as a single tourism destination. The Sector also participated in the trans-boundary management of tourism resources and participation in expos organized by Partner States.

### 7.2.4 Trade and Industry Sector

The Sector is a key player in the EAC Common market protocol and participates actively in the implementation such as free movement of goods. The Sector has set a national NTB reporting system and monitoring team. EAC has been promoted as the main export market hence encourage intra-EAC trade. As a result, Uganda registered a surplus trade with EAC in 2018/19

### 7.2.5 Public Administration Sector

Ministry of Foreign Affairs coordinated and participated in 11 peace and security initiatives with the objective of having a stable and peaceful region including the Joint Ad-hoc Commission set up to implement the MoU signed by Uganda and Rwanda to normalize relations between both countries.

Similarly, the Sector through Ministry of Foreign Affairs has participated in a number of bilateral meetings key of which is the meeting of chiefs of Immigration and labor that took place in Dar es Salaam. At this meeting, Tanzania agreed to waive the requirement for the payment of USD 100 for small scale traders.

### 7.2.6 Legislature Sector

The Sector has registered a 90 percent (Ugx.11bn) remittance to East African Legislative Assembly (EALA) which accounts for the annual Government Contribution to East African Community. The Sector also hosted the $10^{th}$ East African Legislative Assembly Inter-Parliamentary Games: as well as the $13^{th}$ Meeting of the Bureau of the EAC Speakers of National Legislatures and the East African Legislative Assembly.

### 7.2.7 Lands Housing and Urban development

There is need for formalized institutional regional planning mechanisms to address the growing number of international cross border infrastructure projects and human migrations that continue to impact on land.

# SECTION EIGHT:

## RESULTS OF THE ASSESSMENT FOR ALIGNMENT OF THE FY2020/21 ANNUAL BUDGET TO NDPIII

This section provides findings on the assessment of the FY2020/21 Annual Budget (Ministerial Policy Statements (MPSs) and the National Budget Framework Paper (NBFP)) to ascertain its intent and direction with respect to the NDPIII. In particular, the MPSs for FY2020/21 were assessed to ascertain prioritization of NDPIII. The assessment was undertaken at three levels. These are: i) Macro level, ii) Outcome level and iii) Outputs level. The section also provides findings on the FY2020/21 budget alignment to climate change. The results at the three levels are discussed in the sub-sections below.

### 8.1 Summary Findings on the FY2020/21 Annual Budget

1. **Slow transition to NDPIII.** The budget is yet to fully adopt the programme approach adopted in the NDPIII. Budgeting for the 1st year of NDPIII implementation is along sectors. In addition, the sectors have continued to focus on the NDPII goal and objectives following the non-finalization of the respective Sector Development Plans. For instance, the Social Development sector objectives for FY2020/21 continue to be: promote decent employment opportunities and labour productivity; enhance effective participation of communities in the development process; improve the resilience and productive capacity of the vulnerable persons for inclusive growth; improve the capacity of youth to harness their potential and increase self-employment productivity and competitiveness; promote rights, gender equality and women's empowerment in the development process; improve the performance of the SDS institutions; and redress imbalances and promote equal opportunities for all, which are all similar to NDPII social development sector objectives.

2. **Despite planning transiting to programme based approach, budgeting and implementation continues to be in silos**. The NDPIII ushered in the programme approach to planning, however, implementation continues to be at sector and MDA levels. For instance, the acquisition of infrastructure corridors which is a multi-sector intervention is being undertaken independently. The Ministry of Work and transport is not planning in a programme mode to take care of the key implementing entities' (MEMD, ICT&NG, LHUD, KCCA etc) requirements. In addition, the structure of the Budget has continued to be sector based rather than programme based.

3. **There is limited prioritization and funding for mitigation interventions on the emerging risks and shocks in the country**. The sudden outbreaks such as locusts, Covid-19, climate change among others have necessitated re-prioritization and requests for more funds to sensitize masses on prevention and control measures. However, these are not prioritized in the respective budgeting instruments.

4. **Mismatch between targets and interventions to achieve overall results.** The outputs identified in the budget are not sufficient to realize the outcome targets identified. Findings indicate that at outcome level, the budget is 86 percent aligned to NDPIII but its only 63.9

percent aligned at output/interventions level. The financing of the outputs is also minimal and not comprehensive enough. Resources are scattered everywhere rather than to a few outputs.

5. **Most Sectors (10 out of the 19) are still being allocated resources that are over and above the NDPIII projections**, well as 8 of the remaining 9 are receiving allocations below the recommended NDPIII projections. This is likely to lead to distortions in the overall sectoral allocations and subsequently affect development results. It would be prudent that resources are allocated according to the Plan.

6. **The interventions in the Budget instruments are generic in nature thus complicating alignment, and eventual implementation**. For instance, there was no disaggregation of civil matters and therefore no specific interventions in the MPS on land and commercial cases. This makes it difficult to track progress because there are no specific targets for measurement of progress in handling land and commercial cases. Land and commercial cases are specifically catered for in the NDPIII because they have a fundamental bearing on development and business. The SDPs and MDA Strategic plans should provide for specific interventions for purposes of implementing the NDP.

7. **Uniformity of the budget instruments.** Whereas some sectors provide for annualized priorities in the Ministerial policy statements, this is not uniform for all MDAs. Other sectors /MDAs only report priorities for the Medium Term. This makes it broader for the sector and having them accountable for the outputs to be achieved in that Financial year. Going forward, all sector must report on both Medium and annual plans in the MPSs.

8. **Weak health promotion and disease prevention systems** leading to loss of the grip on the control of both communicable and non-communicable diseases. 75% of the disease burden is preventable and yet it continues to strain the health care delivery system.

9. **Low GOU budget allocation at lower levels of care to improve management of NCDs**. In particular provision of NCD diagnostics to health facilities, training health workers in NCD management and increasing the stock of NCD tracer medicines in facilities. In addition, **funding for expansion of research and adoption of modern medical technology** is also a neglected area in the sector plans and budgets.

10. The sector BFPs and MPs continues to remain silent on addressing the key determinants of health through strengthening inter-sectoral collaboration and partnerships and strengthening community structures for identification and participation in addressing social determinants of health.

11. In regard to education, there is limited planning for the HCDP priority skills mix i.e. TVET, STEM/STEI and Sports; and the fundamental foundations for achieving such a mix.

## 8.2 MACRO LEVEL ASSESSMENT

### Overview of NDPIII Macroeconomic Strategy

The overall macroeconomic goal is to accelerate and sustain inclusive economic growth while maintaining macroeconomic stability and debt sustainability. The macroeconomic strategy for the

NDPIII, therefore, is to enhance the impact of public investment on growth through implementation of policies that foster efficiency in public investment, increase domestic revenue mobilization efforts, maintain price stability and external balance.

**At macro level, the FY2020/21 NBFP is 87.7 percent aligned to the NDPIII which is a significant improvement from 34.7 percent for FY2019/20**. This improvement is largely attributed to the strong alignment of the NDPIII and NBFP macro-fiscal projections although there are differences in the nominal Sectoral allocations. This is a weighted score of 100 percent, 51 percent, 100 percent and 100 percent level of alignment of the real, fiscal, external and monetary sectors, respectively. The detailed scores of the NBFP at the four sectors is highlighted below.

**The NBFP's real sector targets are compliant with the NDPIII at 100 percent**. The three main targets of interest are: real GDP growth rate, inflation both core and headline; and the GDP per capita. Both the NBFP and the NDPIII target 6.2 percent of real GDP growth that is premised on enhancement of sustainable production and productivity across all sectors with emphasis on manufacturing and agriculture (agro-industrialisation), public and private sector investment as well as regional and domestic trade. Both core and headline inflation in the Plan and NBPF are projected at single digit that is between 5-6 percent. While the NBFP projects a slightly higher GDP per capita of USD1,008 compared to the Plan's USD990, the deviation is insignificant to warrant any revisions. It is therefore recommended that maintaining this alignment in the short run and in the medium term while implementing the Plan will lead to the realization of the Plan's targets.

**The NBFP's fiscal sector targets are only compliant at 51 percent which is below the 70 percent benchmark and this is majorly due to the non-alignment of the Plan's sectoral allocations with the NBFP sectoral proposals**. The four fiscal sector components that are scored to arrive at the above score include: (i) overall sectoral allocations against the NDPIII targets; (ii) revenue and expenditure objectives; (iii) the fiscal balance and (iv) the public debt.

**The sectoral allocations of the NBFP for FY2020/21 and the NDPIII are compliant at only 48.0 percent**. Agriculture, Tourism, Social Development and Local Government Sectoral allocations in the NDPIII and the NBFP are fully aligned on a one-to one basis. Nonetheless, some sectors are still being allocated resources that are over and above the NDPIII projections. For instance, the NBFP allocations for Public Administration, Legislature, Accountability, and Defence and Security are above the NDPIII projections which is likely to lead to distortions in the overall sectoral allocations and subsequently affect development results. It would be prudent that resources are allocated according to the Plan. The sector expenditure allocation are summaries in table 8.1.

**Table 8. 1: Sector Expenditure Allocations (% of Budget)**

| No. | NDPII Indicators / checklist | 2020/21 NDPIII Target | 2020/21 BFP Target | %age Deviation | Score |
|---|---|---|---|---|---|
| 1 | Agriculture | 3.28% | 3.20% | 2 | 5 |
| 2 | Lands, Housing and Urban Development | 0.78% | 0.60% | -23 | 2 |
| 3 | Energy & Mineral Development | 6.29% | 8.20% | -30 | 0 |
| 4 | Works & Transport | 16.12% | 19.70% | -22 | 2 |
| 5 | Information & Communication Technology | 1.25% | 0.50% | -60 | 0 |
| 6 | Trade and Industry | 0.68% | 0.60% | -12 | 3 |

| No. | NDPII Indicators / checklist | 2020/21 NDPIII Target | 2020/21 BFP Target | %age Deviation | Score |
|---|---|---|---|---|---|
| 7 | Education & Sports | 9.44% | 10.90% | -15 | 3 |
| 8 | Health | 4.07% | 5.10% | -25 | 1 |
| 9 | Water & Environment | 3.75% | 4.50% | -20 | 2 |
| 10 | Social Development | 0.6% | 0.60% | 6 | 5 |
| 11 | Defence & Security | 8.05% | 9.50% | -18 | 2 |
| 12 | Justice, Law and Order | 7.36% | 5.90% | -20 | 2 |
| 13 | Public Sector Management | 2.72% | 2.40% | -12 | 3 |
| 14 | Accountability | 5.02% | 6.10% | -22 | 2 |
| 15 | Legislature | 1.88% | 2.20% | -17 | 2 |
| 16 | Public Administration | 2.31% | 3.50% | -51 | 0 |
| 17 | Science, Technology and Innovation | 0.6% | 0.50% | -11 | 4 |
| 18 | Tourism | 0.58% | 0.60% | 3 | 5 |
| 19 | Local Government | 3.68% | 3.50% | -5 | 5 |
| 20 | Other (Interest Payment Due) | 21.53% | 11.90% | -45 | 0 |
| | **Overall score (Percent)** | | | | 48.00 |

**While total revenue, including Non-Tax Revenue, is compliant at 75 percent grants are not**. The NDPIII projects higher grants than the NBFP as part of financing the development plan. The failure to realize the external grants target as part of the wider financing options may stall the implementation of the Plan. It is important to note that both the NBPF and NDPIII do not expect use of any petroleum proceeds in FY2020/21 although in the final two years NDPIII projects some petroleum funds to be part of Government's resource envelop.

**The NDPIII development expenditure budget estimates exceed the NBFP estimates**. While NDPIII projects a higher development expenditure of 10.7 percent against 8.2 percent in the NBFP, the likelihood of not financing the development priorities of the Plan is real. The underperformance of core projects in NDPII has been partly attributed to the inadequate counterpart financing provided by Government. If the development budget of the NBFP falls below that of the Plan, the above problem is likely to persist. Whereas the recurrent budget is fully compliant, it would be prudent that the development budget of the NBFP is lifted to the level of the Plan.

**While the fiscal deficit target in both the NBFP and NDPIII is aligned at 60 percent level, it exceeds the East African Monetary Union macroeconomic convergence target of 3 percent**. The Plan projects a higher deficit of 6.5 percent compared to 5.6 percent of the NBFP on account of financing of the development priorities needed to foster competitiveness and boost regional trade most especially in EAC and in the AfCTA. The fiscal deficit is projected to fall gradually to the 3 percent target in the FY2024/25, it is therefore recommended that the country revisits its targeted commitments in the EAC and renegotiate its positions with the partner states. At the same time, this should give Uganda an opportunity to fast-track the development of its Northern Corridor Infrastructure Projects (NCIP) that have stalled such as the SGR if it is to benefit from running a higher fiscal deficit. Similarly, a higher primary balance of 4.3 against 3.3 percent in the NBFP is projected although the deviation is within the acceptable compliance levels. This calls for increasing tax effort through implementing the DRMS interventions on improving tax compliance, and overall tax policy and administration.

**The size of the public debt in the NDPIII and that in the NBFP are fully aligned**. The public gross nominal debt is expected to stand at 41.5 percent in 2020/21 of which external public debt will constitute 28.5 percent while domestic debt will be 13 percent. In present value terms, public debt will remain at 33 percent which is within the acceptable threshold of 50 percent as per the Charter of Fiscal Responsibility and the East African Monetary Union Protocol.

**Both the external and monetary sector targets are of the NDPIII's macroeconomic targets and for the NBFP are fully aligned.** The estimated reserves of future months of import cover are projected at 4 months, the current account balance deficit is expected to rise to around 8.2 percent while a modest increase in private sector credit is projected by both the Plan and the NBFP.

Overall, the macroeconomic targets of the NBFP depict a higher level of compliance of 87 percent. With the exception of differences existing in sectoral allocations, the rest of the indicators are fully aligned with the NDPIII macroeconomic targets.

### 8.3 PROGRAMME LEVEL ASSESSMENT

The programme level assessment was undertaken two result levels: Outcomes and Outputs/interventions. The NBFP informed the outcome levels while the MPS provided details of the outputs assessed in line with the NDPIII interventions. The results outcome and output levels are discussed in the sub-sections below.

#### 8.3.1 OUTCOME LEVEL ASSESSMENT

**At the outcome level, the NBFP for FY2020/21 is 86.0 percent compliant to the third National Development Plan (2020/21 - 2024/25).** This assessment was arrived at by matching the NDP programme outcomes to those provided for in the BFP including interventions to address those outcomes. It specifically looks at the intent of the budget to realize the NDPIII set outcome targets. The programmes with maximum alignment include; Tourism Development; Natural Resources, Environment, Climate Change, Land and Water Management; Integrated transport infrastructure and services; Sustainable urbanization and housing; and Innovation, Technology Development and Transfer. The least aligned programmes are: Governance and Security (72.7 percent); Public Sector Transformation (71.2 percent); Regional Development (66.7 percent); Development Plan Implementation (66.7 percent) and Mineral Development (75.0 percent). The results of this assessment are given in the Table 8.2.

The areas of non-alignment are: establishment of mineral beneficiation facilities; establishing functional and sustainable physical infrastructure in the minerals sector; Expanding mineral based processing and marketing; security of supply of refined petroleum products; Increasing access and usage of non-financial resources (certification, ICT, warehouse information system, etc.) to support businesses; strengthening service delivery by chamber of commerce and trade unions; Increasing accessibility to export processing zones; Increasing consumption of alternative clean cooking energy; utilization of energy efficient practices and technologies; improved Child development in learning health and psychological wellbeing; Reducing fertility and dependence ratio through enhancing the use of family planning methods; Universal Health Coverage; Reducing negative cultural practices and attitudes; increasing efficiency and effectiveness of institutions responsible for security, law, and order; Streamlining government architecture for efficient and effective service delivery; Improving leadership capacity for transformative rural development; Increasing regional/sub-regional contributions to national development through affirmative action to ensure regional balanced development as provided for in the constitution; Effectiveness Public Investment Management and enhancing evidence based decision making.

### 8.3.2 OUTPUT LEVEL ASSESSMENT

**At interventions/outputs level, the Annual Budget is moderately satisfactory at 63.9 percent**. This assessment was arrived at by checking for consistence of the Ministerial Policy Statements with the NDPIII. This divergency in the performance /scores at outcome (86.0 percent) and outputs / interventions (63.9 percent) indicates the low relationship between the actual interventions in the budget and the targets to be achieved by the planned interventions. There is therefore non-focus on interventions that contribute to delivery of results.

#### 8.3.2.1 Agro-industrialization

The goal of this programme is to increase commercialization and competitiveness of agricultural production and agro-processing. This will be achieved through the pursuit of six programme objectives and eventual realization of the results. The programme will be implemented by a number of sectors and MDAs that cut across the agro-industrial value chain. These include the lead Ministries and their agencies that offer core functions of the programme, including; MAAIF, MTIC, MWE, MLG and these are complemented by other Ministries and their agencies that offer supportive functions, such as; MEMD, MES, MICT, MLHUD and MWT.

**1. Overall CoC performance of the Programme**

**Overall, the Agro-industrialization programme is moderately satisfactory at 77.2 percent compliance.** This indicates that majority of the priority interventions in the NDPIII were targeted in the annual budgets and plan of the sectors and MDAs that implement the programme. Key among these include: strengthening agricultural research and technology development Ugx. 90.423 bn; rehabilitation of agricultural research infrastructure Ugx. 13,358 bn; recruitment and training of agricultural research staff, Ugx. 0.578bn; strengthening agricultural extension Ugx. 166.4 bn; strengthening agricultural inputs markets and distribution systems, Ugx. 188.54 bn, setting up and equipping farm service centers, Ugx. 5.46bn; establishing and equipping regional mechanization centers, Ugx. 8bn; increasing access and use of water for agricultural production, Ugx. 238.3bn; increasing access and use of digital technologies Ugx 60 million, strengthening farmer organizations and cooperatives, Ugx. 17.1bn; strengthening systems for management of pests and diseases, Ugx. 29.2 bn; establishing post-harvest handling, storage and processing facilities, Ugx. 27.4 bn, establishing eco-friendly fully serviced agro-industrial parks, Ugx. 9.6 bn; establishing and rehabilitating existing agro-processing industries, Ugx 24.3bn; strengthening adherence to standards, Ugx. 80mn; and developing infrastructure and facilities for rural urban agricultural markets, Ugx. 80.5bn.

**2. Key Areas of Non-compliance**

Despite this good performance, there are a number of areas where the budget was non-compliant to the agro-industrialization programme. Generally, non-compliance was especially high in the agro-processing, value addition, and market access segments of the agro-industrial value chain. Specifically, these include: develop and operationalize an ICT enabled agricultural extension supervision and traceability system; enforce pre-export verification for all agricultural inputs and source of origin; establish agricultural manufacturing plants; promotion of innovative land lease models to enable youth to access and sustainably use land; establish strategic mechanisms for importation of agro-processing technology; establish soluble coffee plant; establish spinning and textile mills; establish meat processing factories; establish fish processing factories; scale up ware house receipt and Uganda commodities exchange system; develop concessional long-term financing for agricultural infrastructure and capital investments; increase pool of funds available for agricultural lending; develop and implement an integrated agricultural market information system.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **The budget allocations were insufficient to meet the desired targets of NDPIII**. The budget covered majority of the priority interventions as highlighted in the agro-industrialization. However, the budget allocations were insufficient to meet the desired targets of NDPIII. There is need for increased allocations to meet the targets of NDPIII.

ii. **Inadequate focus in both scope and magnitude on the mid-stream and downstream segments of the agro-industrial value chain**. Priority programme interventions in areas of agro-processing and value addition were missed and even when covered were given low allocations. There is need to increase budget allocations and investments in priorities for agro-processing, value addition and market access as these are important drivers for growth in primary production and productivity.

**8.3.2.2 Mineral Development**

The goal of the programme is to increase the exploitation and value addition to selected mineral resources for job rich industrialisation. This will be achieved through five key programme objectives, which are aimed at realising eight key results that contribute to the achievement of Vision 2040. Five key minerals have been identified for development along their value chains and these include; Iron ore, Gold, Copper, Phosphates and the Development Minerals (marble, silica sand, aggregates and limestone). The core functions of the programme will be implemented by the MEMD, together with its agencies and supported by other ministries including; MTIC, MSTI, MJCA, MWT, MWE, MICT, MES among others.

**1. Overall CoC Performance of the Programme**

**Overall, the Mineral Development Programme is unsatisfactory at 57.1 percent compliance.** This unsatisfactory score is due to non-prioritization of majority of the NDPIII interventions in the annual budgets of the sectors and MDAs that implement the programme. Some of the key interventions prioritized include: Mineral exploration, development and value addition (Ugx79bn); State-of-the-art Mineral Laboratory with enhanced capacity to carry out mineral identification, analysis, grading, classification and beneficiation (Ugx4.5bn); Artisanal and small-scale miners (ASMs) re-organized and regulated; Specialized equipment for mineral evaluation, certification, and biometric registration including lapidary and mobile weighbridges procured (Ugx. 1.868bn); and strengthening the mineral laboratory infrastructure.

**2. Key Areas of Non-compliance**

These include: establishment of a mineral certification mechanism for tin, tungsten & tantalite (3Ts) and Gold (G); Streamlining the process for acquisition and dissemination of market information; Reviewing (Mining Act 2003, Industrial Licensing Act 1969, Competition Bill, Legal and Industrial Metrology Bills) and developing relevant laws and regulations; and streamlining the administrative functions of licensing, inspection and monitoring of compliance.

In addition, there is, no budget allocations for the NDPIII interventions of; provision of extension services on acquired technology to use in mining; incentives to acquire appropriate and clean technology to use in mining; strategies to strengthen professionalization of geo-scientists and its associated professionals, non-implementation of the requirement of the mining companies to enter into Community Development Agreements (CDAs) with mining host communities, public investment in mining operations through institutions like UDC and UDB, capacitating of UNBS to undertake quality assurance and standard inspections among others. Furthermore, Sector Strategic Plans for the period 2020/21 – 2024/25 for the respective MDAs are not yet in place, and this is the major reason for the non-alignment of sector objectives and interventions to NDPIII.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. There is continued use of rudimentary methods of mining thus negatively affecting the environment and lowering maximal exploitation and value addition of mineral resources. The artisanal miners and small groups should be merged into associations and more organized groups to embrace technology needed to maximize minerals exploitation and development.

ii. Proper minerals marketing and distribution channels should be established to counter counterfeits, thefts and crimes associated with mineral trading.

iii. **There is a great need to undertake investments in mineral exploration if the country is to get value for money in mineral beneficiation and subsequent value addition**. This is a very expensive venture to undertake at an individual/private level, yet its needed for i) attracting investments in this area and ii) getting a good bargain from private investors to meet national interest.

**8.3.2.3 Sustainable Development of Petroleum Resources**

The goal of the programme is to attain equitable value from the petroleum resources and spur economic development in a timely and sustainable manner. This will be achieved through five key programme objectives, which are aimed at realising six key results over the five-year period. The main focus of this programme over the five years is to put the requisite infrastructure, institutional and legal framework, and any other requirements that are necessary to support the production of oil in place. The core functions of the programme will be implemented by the MEMD, together with its agencies and supported by other ministries including; MTIC, MSTI, MJCA, MWT, MWE, MICT, MES among others. The key Ministry that will provide the core interventions for this programme is MEMD and its MDAs, supportted by other MDAs including MWT, MWE, MES and thier agencies.

1. **Overall CoC Performance of the Programme**

**Overall, the programme is moderately satisfactory at 61.8 percent compliance.** This is attributed to alignment of the responsible MDAs' budgets to NDPIII programme interventions and objectives. Key of these include: Construction of Oil Refinery (12.04bn); completion of construction of the National Petroleum Data Repository Centre (0.579bn); acquisition of 10 acres of Land for the Kampala Storage terminal; Feasibility study report for the Natural Gas Pipeline (1.5bn); negotiations on the oil agreements and the related developments (Ugx.3.2bn); and support to the development of downstream standards (Ugx 0.7bn). However, more financing needs to be given to the MDAs that directly contribute to the implementation of the programme interventions including PAU, UNOC and the Directorate of Petroleum Resources. For example, UNOC and PAU were allocated 31.47 bn and 50.20 bn, respectively of the total sector allocation of 2,703.32 bn, which is only 3 percent of the sector allocation for FY2020/21. Moreover, of these allocations, 11.9 bn and 20.69 bn are for wages, leaving little money to run the key activities and operations of the institutions.

2. **Key areas of Non-compliance**

Delayed signing of the Final Investment Decision (FID) that has resulted into stalling of projects like the construction of the East African Crude Oil Pipeline (EACOP), the Refinery and the Central Processing Facilities (CPFs) at Tilenga and Kingfisher. There is need to fast-track its signing so as to deliver on the related projects in time and to maximize benefits from the industry. There is also inadequacy in development of operations standards for transportation of petroleum products on lake and rail.

3. **Key Emerging Issues from CoC Assessment on FY2020/21**

i. **Challenges in Land acquisition are slowing projects implementation.** This has affected key projects like Kingfisher and Tilenga projects in the Albertine Graben with speculations and escalation of the land prices. This can be addressed through land banking in preparation for any upcoming government projects.

**8.3.2.4 Tourism Development**

The Tourism development programme seeks to increase tourism receipts/earnings and focuses on promotion & marketing, Conservation and product development, skills development and policy, legal and regulatory framework. Being multi-sectoral in nature, the success of this this programme largely depend on other the Sectors and/ MDAs. These are: Defense and security, Justice, Law and Order, Works and Transport, ICT, Energy and Minerals, Lands and Housing, Agriculture, Foreign Affairs and Local Government. This is because most of the tourism attractions are located in the districts.

1. **Overall CoC performance of the Programme**

**Overall, the Tourism programme is moderately satisfactory at 60.4 percent compliance.** This is due to the fact a few of the interventions have been prioritized namely: tourism promotion and marketing (Ugx 14.6bn); brand/image building through recruitment of DMR; product development and tourism research (Ugx. 2.2 bn); Quality assurance and sector regulations (Ugx.

2.1bn); and Operations (UGX 4.2 bn); renovation for the National Museum and other natural and cultural heritages (Ugx.1.26 bn), Source of the Nile infrastructure (Ugx1.10bn); Mt. Rwenzori infrastructure development (Ugx 1.69bn); Renovations made at Uganda Wildlife Research and Training Institute with focus on student accommodation and sanitary facilities (Ugx2.20bn). In particular, the sector has prioritized construction of Tourism infrastructure and facilities in all protected areas including construction of accommodation facilities of 140 beds (Kidepo Valley, L. Mburo and Murchison Falls) and Students centres (Murchison Falls and Queen Elizabeth).

**2. Key Areas of Non-compliance**

The programme remains non-compliant with regards to: building market structures for promotion of access to source markets through trade representations; negotiation capacity for frontiers services; upgrading of marine routes on Lake Victoria and Albert; digital capability; provision of fast, accessible and reliable internet; incentives to private sector to provide skills; regional and international connectivity; and in establishing and operationalizing tourism investment fund; supporting the private sector to provide low-cost accommodation facilities in protected areas; and construction of water dams in PAs.

Some of the key interventions in the budget and not allocated funds include: the design and construction of a high-level bridge at Murchison Falls, as additional scenery for tourism promotion; and installation of CCTV Cameras and Radio Call system to enhance security of tourists and animals. Furthermore, the key interventions in the budget allocated minimal resources include: Mt. Rwenzori infrastructure (Ugx4.69bn); and quality assurance and research (Ugx 2.2bn). These resources are insufficient to realize the intended results.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **Budget allocations to priority interventions in the AB are too minimal to create impact.** Whereas tourism promotion & marketing and skills development have been prioritized in NDPIII, the corresponding budget allocations are too small to create any meaningful impacts. The two intervention areas have received only 3 percent and 2 percent allocation of the sector budget for 2020/21 respectively.

ii. Low budget allocation to the sector generally makes attainment of the goals very difficult especially when compared to the regional competitors. The sector allocation of 0.3 % of the national budget against its contribution of 9% to GDP in 2019/20 undermines its potential. In contrast Kenya allocates 9 percent while Rwanda allocates about 6 percent of the total budget to promotion and marketing.

**8.3.2.5 Natural Resources, Climate Change, Environment, Land and Water Management**

The NDPIII clearly indicates that sustainable industrialization is dependent on how the Natural resource and climate change are managed. The Water and Environment and Lands and Housing sectors are key with regards to the implementation of this programme. Others include: Local Government, Office of the Prime Minister, UBOS, NPA, NEMA, NFA, KCCA, Communities, CSOs, private sector, Development Partners, UWA and Cultural institutions.

## 1. Overall CoC Performance of the Programme

**Overall, the programme is unsatisfactory at 55.6 percent compliance.** This is a weighted score comprising of 72.7 percent land management and 51.9 percent Natural resources, Climate change, environment and water management. The average score is as a result of: having some interventions in the budget aligned to NDPIII; and better target setting. Key among these include: Key among include; enhancing environmental compliance by projects and facilities to 85 percent over and above the NDPIII target of 50 percent, accelerating accuracy of meteorological information to 85 percent beyond the NDPIII target of 66 percent (Ugx 4.56bn), ensuring compliance to water permit conditions to 77% as targeted in the NDPIII (Ugx 0.536bn), enhancing of resilience of communities to climate change (Ugx 11.94bn) and procure 16,814,400 tree seedlings for distribution (Ugx 2.25bn).

Key NDPIII interventions prioritized in the budget **under land management include**: development and implementation of land valuation information system (value data bank, geospatial information) which interfaces with LIS (Ugx 4.413bn); Review of Land Management and administration policies and laws, (Ugx. 0.077bn); Update and maintenance of Inventory and Database for all Government Land and Property, (UGx 2 bn); Training of Land Management Institutions (Area Land Committees, District Land Boards & Physical Planning Committees) (UGx 0.590bn); Undertaking Systematic Land Adjudication and Certification (SLAAC) and issuance of freehold titles, Certificates of Customary Ownership (CCOs) and Communal Land Associations (CLAs) (UGx 0.294bn); Development and implementation of a land valuation information system (LAVMIS), (Ugx 1.030bn); Promotion of integrated land use planning through development and implementation of the Regional, District, Urban and Local Physical Development Plans (Ugx 3.365bn).

## 2. Key Areas of Non-compliance

The key areas of non-compliance include: monitoring of air quality standards to inform the NDPIII target on improving air quality conditions; integration of climate change issues in 40 percent of the sectors since the sector only targets 20 percent; development of wetland and forest management plans yet only 34% of Forests have Management Plans. With the poor performance on forestry and wetland coverage over the NDPII, the sector ought to prioritize wetland and forest management plans to avert the same debacle over the NDPIII. Others include: promoting natural resource accounting to improve the national income measurement; and promoting land consolidation and titling.

Despite the sector's budget increment to Ugx 1,351bn from Ugx1,092bn that received in FY2019/20, **it is largely skewed to the water and sanitation sub-sector at the expense of the environment and natural resource sector whose indicators such as forestry coverage, wetland coverage and air pollution have registered reversal performance in the recent past**.

There are also other aligned interventions albeit the MPS not indicating the corresponding allocated budget. These are: development of 1 catchment management plan under MWE; undertaking 30 environmental awareness campaigns and supporting 20 institutions to integrate education for sustainable development in all their forms of learning by NEMA. Whilst the Ugx 17.34bn allocated to the Integrated Water Resources Management and Development Project will go a long way in restoring degraded water catchment areas and development of catchment management plans, the Ugx 0.5bn allocated to Transboundary Water Resource Management is inadequate to manage the transboundary water resources which are struggling with pollution and the recurrent water hyacinth.

**Land management:** Whereas the LHUD MPS captures the need to Mobilise resources to operationalise the land banking component of the Land Fund, it is does not explicitly indicate the amount to be mobilized and the source of the funds. This implies that achievement of the intervention on land consolidation, titling and banking and Acquisition of land for infrastructure/ utility corridors will not be achieved and yet these are critical in smooth implementation of government development projects. In addition, establishment of the National Spatial Data Infrastructure (NSDI) to enhance data integration for planning and development has not been prioritized in the current budget.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **There are no deliberate interventions in the budget to improve forest and wetland coverage**. The specific interventions such as establishment of plantation wood fuel forests to curb deforestation for charcoal and cooking fuel are not prioritized in the budget. In addition, there is no deliberate intervention aimed at increasing the percentage of Forest Management Plans from the current 34.4 percent to 100 percent to curb the declining forestry coverage. The same applies to wetlands.

ii. The programme especially under the Land management has remarkable alignment on most interventions however, this is in most cases curtailed by poor implementation. These contradict the outcomes when implemented.

iii. Some of the interventions such as increased financing to natural resource departments at local governments are beyond the jurisdiction of the sector. This is dependent on other players which undermined the programme's score.

The NDPIII clearly indicates that sustainable industrialization is dependent on how the Natural resource and climate change are managed. The Water and Environment and Lands and Housing sectors are key with regards to the implementation of this programme. Others include: Local Government, Office of the Prime Minister, UBOS, NPA, NEMA, NFA, KCCA, Communities, CSOs, private sector, Development Partners, UWA and Cultural institutions.

**8.3.2.6 Private Sector**

The goal of the Program is to increase competitiveness of the private sector to drive sustainable inclusive growth, with an objective to; Sustainably lower the costs of doing business; promote local content in public programmes; strengthen the enabling environment and enforcement of standards; strengthen the role of government in unlocking investment in strategic economic sectors; and strengthen the organizational and institutional capacity of the private sector to drive growth. In order to achieve the above objectives, a number of key interventions were set out which will be implemented through a multi-sectoral approach. The sectors contributing to the implementation of this program include: Accountability (MoFPED, UDB, UIA, URA, BoU, UBOS); Tourism, Trade and Industry (MoTIC, UNBS, EPB, UWRA, URSB); Science, Technology and Innovation (UIRI); and the Judiciary.

## 1. Overall CoC Performance of the Programme

**Overall, the programme is moderately satisfactory at 66.7 percent compliance.** The moderately satisfactory performance is due to the fact that some of the key outputs of the programme were prioritised in the Ministerial Policy Statements (MPS) of the respective MDAs. These are: Capitalization of Financial Institutions such as UDB, EADB, Post Bank, Agricultural insurance, ADB, IDB and TDB Banks (Ugx. 120bn); formulation of a Medium-Term Management Strategy with new instruments and strategies to minimize the Cost and risk of borrowing; establishment of 4 regional one stop centers (Ugx. 4.089bn); Domestic Equity market capitalization to GDP ratio of 3%; support to the development of warehouse receipt system; implementation of regional commitments to accelerate intra-regional trade through the Regional Integration Implementation Programme (Ugx.10.2bn); support to the national conformity assessment system to attain international recognition through Accreditation; strengthening the use of the Security Interest in Movable Property Registry System; finalization of the following legislations; Competition and Consumer Protection Policy, Trade Licensing Amendment Act formulation, Cooperative Societies Amendment Act and address 7 Non-Tariff Barriers (0.412bn); increase MSMEs with access to business incubation and industrial infrastructure to 16% (Ugx.0.028bn). In addition, MoFPED plans to reduce stock of domestic arrears to less than 5 percent of total expenditure. URSB and UNBS also plan to automate core processes to improve service delivery by reducing the turnaround time of service provision; building the capacity of local firms to benefit from public investments; rationalizing and harmonizing standards, institutions and policies at local and regional level; and improving data availability on the private sector.

## 2. Key Areas of Non-compliance

The key areas of non-compliance include: Under the objective to Sustainably lower the costs of doing business; MoFPED did not include interventions on capitalization and strengthening government owned commercial banks; setting up a short-term development credit window for MSMEs; expanding the pension and insurance coverage; building private sector capacity to access green financing and green growth response; and strengthening the legal and regulatory frameworks for Private Equity and Venture Capital.

With regard to strengthening the organizational and institutional capacity of the private sector to drive growth, MoTIC did not provide for strengthening Industry associations, chambers of commerce and trade unions. In addition, MoTIC did not provide for the development and implementation of a holistic local content policy, legal and institutional framework as well as developing and publicizing a transparent incentives framework that supports local investors. These are aimed at promoting Local Content in public programmes which is currently a key issue affecting local investors.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. There is misalignment between the NDPIII and the MDA planned interventions. Some of the key interventions supposed to enable the private sector to drive growth are not included in the Ministerial Policy Statements (MPS). This is likely to affect the attainment of the objectives of the Private Sector Development Program and NDPIII as a whole.

ii. Many of the Ministerial Policy Statements provide a few planned outputs for a particular Financial Year yet they report so many outputs which were not included in the MPS at the end of the period.

iii. In addition, there's mis-alignment between the Ministerial Policy Statements and Budget Framework Papers of some MDAs. For instance, MoFPED did not include interventions on Capitalizing and strengthening government owned commercial and development banks as well as the set up a short-term development credit window for MSMEs in the MPS but these interventions were included in the BFP.

iv. Some key issues like the informality are not adequately addressed

**8.3.2.7 Manufacturing**

The goal of this programme is to increase the product range and scale for import replacement and improved terms of trade. This will be achieved through four key programme objectives, which are aimed at realising six key results over the five years. A combination of both light and heavy manufacturing industries has been prioritised over the NDPIII period in order to facilitate job creation and production for both the domestic and international markets. These fall in two categories of (1) Light Manufacturing: Textiles & Apparels; Shoes; Assembly of electronic and medical items; Paper and paper products; Chemicals, petro-chemicals and pharmaceuticals; and Cereal and cereal products; Tiles, Sanitaryware, Plumbing, Fixtures & fittings; (2) Heavy Manufacturing: Iron and steel; Cement production; Tractor and Automobile manufacturing and assembly. A number of MDAs will contribute to the achievement of the objectives of this programme and its interventions including MTIC, MSTI, MWT, MEMD, MES, MoH, MAAIF, and the private sector.

**1. Overall CoC performance of the programme**

**Overall, the programme is moderately satisfactory at 62.5 percent.** The contributing MDAs particularly MTIC, UIA and UEPB have planned interventions for most of the programme's objectives. Both MPS and BFP had allocations for activities aligned to the NDPIII interventions: These include: Design, maintenance and construction of industrial parks (Ugx155.552bn); infrastructure development for the growth corridors and expanding the reach of business development servicesi.e. development of cross border export zones at Katuna, Busia, Lwakhakha, Oraba and Elegu including provision of utilities to enhance value addition and value chains of the border markets (Ugx 8.9bn); establishment of 22 processing facilities countrywide (Ugx 0.967bn); and investment promotion Ugx 0.3786bn).

**2. Key Areas of Non-compliance**

Interventions concerning increasing access to regional and international markets as well as strengthening the legal and institutional frameworks were partially addressed in the MPS and BFP. Additionally, the interventions concerning Export Credit Guarantee Schemes for SMEs, establishing a sliding scale export incentive regime, sliding scale export financing rate and tax regime to attract more investors in manufacturing were not allocated resources. Other priorities like expanding the range of manufacturing standards and enforcing laws on counterfeits and poor-quality products were not catered for. Others include development of infrastructure linking the neighboring countries especially DRC and South Sudan.

**8.3.2.8 Integrated Transport Infrastructure and Services**

The program aims to achieve the third development objective of NDPIII, ‘‘Consolidate and increase the stock and quality of Productive Infrastructure’ through addressing the major challenge of disjointed and inadequate transport infrastructure and services. The programme is important as it provides a gateway to the production centres.

Key sectors/ MDAs that contribute towards the achievements of the programme objectives include: Ministry of Works and Transport, Uganda National Roads Authority, Uganda Road Fund, Uganda National Airline Company Limited, Ministry of lands, Housing and Urban Development, Parliament of Uganda, Ministry of Energy and Mineral Development, Ministry of Local Government, Ministry of Finance, Planning and Economic Development, Ministry of Tourism, Wildlife and Antiquities, Ministry of Justice and Constitutional Affairs, Uganda Bureau of Statistics, Kampala Capital City Authority, Uganda Free zones Authority, Civil Society Organization, Procurement and Disposal of Public Assets, and National Planning Authority.

**1. Overall CoC Performance of the Programme**

**Overall, the programme is moderately satisfactory at 70.8 percent.** This is because the sector has considered implementation of a number of NDPIII interventions as evidenced its FY2020/21 MPS. Key among these include: Expansion and upgrade of Entebbe International Airport (Ugx 149.684 bn); Development of new Kampala Port in Bukasa (Ugx 112.436bn); New Standard Gauge Railway Line -11.634 Hectares of land for Malaba- Kampala ROW acquired (20bn); Development of Kabaale Airport (295.843bn); rehabilitation of Tororo-Gulu railway line (18.912bn); Kampala Flyover (Ugx 59.194bn); Upgrade of; 83 km Hoima-Wanseko oil Road (965.627 bn), Tourism roads - 8.0km Kabale - Lake Bunyonyi (Ugx 8.638bn); Kisoro-Mgahinga National Park Headquarters Road (Ugx4.8bn); 54.0km Kisoro - Nkuringo - Rubuguri - Muko (Ugx 3bn); rehabilitation of 814 km of DUCAR and 200Km equivalent of national roads; Land acquisition of 1,001.3 ha of Right of Way (RoW) for national roads; Promotion of NMT; Preparation of an Integrated National Transport Master Plan (NTMP); enforcement of policy measures; 30% civil works for the One Stop Centre Building to house Computerized Driving Permits issuance, motor vehicle registration and other licensing/ regulatory (6bn); establishment of a new motor vehicle registration system and roll out of the road crash database; and upgrading of 20% Muyembe- Nakapiripirit (92 km)- (21.5bn).

## 2. Key Areas of Non-compliance

The specific interventions not prioritized in the budget include: provision of Non-Motorized Transport infrastructure within urban areas; Upgrade of: Rubuguri-Nteko Road (22.0km); Hamurwa-Kerere-Kanungu/ Buleme-Buhoma-Butogota-Hamayanja-Ifasha-Ikumba (149.0Km); Ishasha-Katunguru (88.0Km); Kitgum-olumu-Kalenga-Kapedo-Kaabong (184Km); Kebisoni-Kisizi-Muhanga/ Kambuga Road (117km); and reviewing and developing transport infrastructure and services policies, regulations, standards and laws. Specifically, interventions on safety are not well captured and funded.

Despite the budget allocating Ugx. 0.5bn for the **development of the Bus Rapid Transit for Greater Kampala Metropolitan Area**, **it's specifically planned for trainings and preparation of Urban Transport Policy under the workplan**. In addition, the upgrade of Kebisoni-Kisizi-Muhanga/ Kambuga Road (117km) tourism road; and support the extension of railway passenger services in GKMA was planned for in the budget but was not allocated funds. Further, despite allocation of 18.9bn for the rehabilitation of Tororo-Gulu railway line, this amount is insignificant.

## 3. Key Emerging Issues from CoC Assessment on FY2020/21

The following are the key emerging issues and recommendations on how they can be addressed.

i. **Interventions in the Budget are not being implemented in a prgramme mode.** Acquisition of infrastructure/ utility corridors is multi-sectoral in nature and despite it being captured under this programme, it is not adequately addressed in the MPS implying none implementation of programme approach. Since the expected output is land acquisition, it is important that the LHUD Sector takes lead on this. The Sector has to take care of all Sectors and/ MDAs land requirements including but not limited to MWT, UETCL, UEDCL, MEMD, Uganda National Oil Company, NITA-U and MoLG. Others include; Development of Transit-Oriented developments along transport infrastructure corridors (such as roadside stations).

ii. **There is more focus on low level outputs as opposed to key planned targets.** For instance, the NDPIII provides for the provision of NMT infrastructure within urban areas, however, this intervention is not clearly captured within the MPS. Only promotion of NMT and review of the NMT policy is planned. There is therefore need to set clear targets in terms of kilometers of infrastructure to be constructed each year, and the financial resources allocated to them.

iii. **Enforce relevant transport infrastructure and services policy, legal, regulatory and institutional frameworks.** Uganda police should work with the Ministry of Works and Transport, Uganda National Roads Authority, Uganda Railways Corporation, Ministry of Justice and Constitutional Affairs, and other stake holders to ensure that the relevant transport policies, regulations and laws are adhered to. This will improve safety measures on the various modes of transport.

#### 8.3.2.9 Energy Development

The goal of the programme is, to increase access and consumption of clean energy. This will be achieved through four key programme objectives, which are aimed at realising eight key results over the five years. A number of MDAs will contribute to the achievement of the objectives of this programme and its interventions including MTIC, MSTI, MWT, MEMD, MES, MoH, MAAIF, and the private sector.

**1. Overall CoC Performance of the Programme**

**Overall, the programme is moderately satisfactory at 68.2 percent compliance.** This moderately satisfactory performance is due to that fact that a number NDPIII interventions were prioritized in the Sector and related MDAs budgets. Key of these include: increased Generation capacity, expanded transmission, and distribution networks (Ugx. 0.46bn); Power supply to industrial parks and Power Transmission Lines Extension (0.157bn); expansion and rehabilitation of the distribution network (Ugx. 0.231bn); Review of the Electricity Act 1999, Geothermal Act and Geothermal Regulations (Ugx. 0.6bn); Muzizi Hydro Power Plant (Ugx. 117.507bn); Nyagak III Hydro Power Plant (12.293); LPG infrastructure promoted in the country (Ugx.1.8bn); and development of regulations and strategic plans to promote energy efficiency.

**2. Key Areas of Non-compliance**

Key areas of noncompliance include: initiation of preliminary activities for construction of Ayago HPP and undertaking feasibility studies for Kiba and Oriang HPPs. On the other hand and, despite the budget prioritizing most of NDPIII interventions, these have not been allocated funds. These include: the 72.5 km, Uganda (Nkenda) - DRC (Mpondwe) 220 kV line; new Nkenda 132/33KV, 2*60MVA Substation; and promotion of Renewable Energy & Energy Efficiency.

**Allocation of funds to department rather than outputs**. The MPS allocated Ugx. 1.011bn to a Renewable Energy department rather than to the specific output of development of renewable off-grid energy solutions. The NDPIII was clear in the construction of 10,000 km of medium voltage networks and 15,000 km of low voltage networks.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. UETCL, ERA and UEDCL continue to spend the non-tax revenue at source contrary to the previous financial year recommendation and MFPED directive requiring the NTR to first be collected to the consolidated fund.

ii. There is a multiplicity of players in the sector, which increases operational costs, reduces efficiency and coordination. Government should consider restructuring the sector to address these issues.

iii. There is a lack of service delivery standard for energy services.

#### 8.3.2.10 Digital transformation

Ultimately, the programme when fully implemented seeks to increase ICT penetration and use of ICT services for social and economic development. The key stakeholders contributing to this progamme include: MoICT&NG, NITAU, UCC, POSTA, UBC/SIGNET, UICT, UTL, MEMD, UETCL, UEDCL, MSTI, academia, MoES, NCDC, communication service providers, broadcast service providers and security agencies. However, all MDAs and LGs have a major role to play for the successful implementation of this programme and contribute to programme objective 2 (Enhance usage of ICT in national development and service delivery). They are therefore expected to get rid of repetitive tasks, automate business processes and deliver services more efficiently.

**1. Overall CoC Performance of the Programme**

**Overall, the programme is moderately satisfactory at 64.3 percent compliance.** This moderately satisfactory performance indicates that some of the interventions in the MPS are in line with those provided in the NDPIII. These include: Extension of the NBI to cover 700 sites (Schools, Hospitals, and MDAs/LGs) in all the four regions of the country not limited to the undeserved regions that's; Karamoja region and Westnile region, mainly under the missing links and last mile projects (Ugx4.228bn); expansion of the Digital Terrestrial Television and Radio Broadcasting network; development of innovation and incubation Centers; Support local innovation and promote export of knowledge products (Ugx.0.5bn); Regulate, coordinate and harmonize ICT infrastructure planning, sharing and deployment within the public and private sector; and implementation of Broadband Policy coordinated.

**2. Key areas of Non-compliance**

Key areas of noncompliance include implementing the National Postcode and Addressing System and provision of ICT services to LGs over the NBI.

The NDPIII interventions prioritized in the BFP and MPS without being allocated funds include; improving the information security system to be secure, reliable, resilient and capable of responding to cyber security threats; Transforming the Uganda Institute of Information and Communications Technology at Nakawa into a Center of Excellence for ICT and electronics; Transformation and diversification of postal outlets into e-service access centres; development of Regional Hubs; implementation of the national addressing system (Ugx 96.6bn); provision of ICT services to LGs over the NBI (Ugx. 34.6Bn); Turning postal network into a one stop and creating a National Address Management System.

The NDPIII proposes undertaking innovative management of e-waste however, the sector plans to undertake e-waste sensitization campaigns (Ugx. 0.5bn).

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **The funds allocated to this programme are still low and yet the plan aspires to increase the use of technology across the entire economy.** ICT has the potential improve productivity and make Government and business enterprises more efficient, effective and globally competitive. It is therefore critical that the funding to this sector is increased to ensure the foundational elements that are required to support the digitalization of the economy are provided. This will improve service delivery and fast track achievement of the country's vision 2040 targets

**8.3.2.11 Sustainable Urbanization and Housing**

The NDPIII articulates the critical role that urbanization has in offering considerable opportunities for accelerating socio-economic transformation through economic growth, employment and wealth creation. The urbanization trajectory in Uganda has not been matched by the capacity of local authorities to plan and manage urban growth. Whereas the present level of urbanization is low (18 percent), the country is urbanizing at a rapid pace with 5.2 percent urban growth rate per annum.

The Ministry of Lands Housing and Urban Development (MLHUD) is the lead institution in the delivery of this programme. The other key Sectors and/MDAs that will contribute to the different intervention of the programme include the following: Ministry of Local Government (MoLG), Ministry of Gender Labour and Social Development (MGLSD), Ministry of Finance Planning and Economic Development (MoFPED), Ministry of Education and Sports (MoES), Ministry of Water and Environment (MoWE), Ministry of Trade, Industry and Cooperatives (MOTIC), Ministry of Works and Transport (MoWT), Ministry of Energy and Mineral Development (MEMD), Ministry of Health (MoH), Ministry of Kampala Capital City and Metropolitan Affairs (MKCC&MA), Ministry of Justice and Constitutional Affairs (MoJCA), Office of the Prime Minister (OPM), Kampala Capital City Authority (KCCA), National Planning Authority (NPA), Uganda Free Zones Authority (UFZA Uganda Land Commission (ULC), Uganda National Housing and Construction Company (UNHCC), Private Sector, Development Partners (DPs), Community Based Organizations (CSOs), District Land Boards (DLBs), Local Communities, Private Sector Foundation Uganda (PSFU), Cultural/Religious Institutions, and higher institutions of learning like Makerere University.

1. **Overall CoC Performance of the Sector**

**Overall, the Sustainable urbanization and housing programme is unsatisfactory at 58.3 percent.** This is due to the fact that the Budget instruments (BFP and MPS) addresses most of the NDPIII programme interventions. Key among these include: Implementation of business environment reforms, including land administration reform, and creating an efficient and effective land administration system by rolling out the LIS to all regions of the country (Ugx 2.595bn); Public Private Partnerships in mass housing development (Ugx 0.115bn); Address infrastructure in slums and undertake slum upgrading including operationalization of the Condominium Law in slums and cities (Ugx 0.224bn); Develop and implement integrated physical and economic development plans in the new cities and other urban areas (Ugx 15bn); Development and enforcement of urban development policies, laws, regulations, standards and guidelines (Ugx. 0.198bn).

2. **Key Areas of Non-compliance**

Key areas of noncompliance include: Development and implementation of an integrated rapid mass transport system (Light Railway Transport and Mass Bus Transport) to reduce traffic congestion and improve connectivity in urban areas; Supporting establishment of labor-intensive manufacturing, services, and projects for employment creation including development of bankable business plans; development of an inclusive housing finance mechanism including capitalization of Housing Finance Bank to provide affordable mortgages and revisiting the mandate of NHCC to support housing development for all; incentivizing real estate companies to undertake affordable housing projects to address the housing deficit; promoting the production and use of sustainable housing materials and technologies; conserving and restoring urban natural resource assets and increase urban carbon sinks; increasing urban resilience; fostering implementation of the Greater Kampala Metropolitan Area Economic Development Strategy; and promoting mass transport and non-motorized transit in city.

Furthermore, government continues to provide minimal allocations to the key interventions to realize the intended results. For instance, only Ugx 0.015bn was allocated to the develop and implementation of integrated physical and economic development plans in the new cities and other urban areas; while Ugx 0.224bn allocated to address infrastructure in slums and undertake slum upgrading including operationalization of the Condominium Law in slums and cities.

Despite the NDPIII's proposal to design and build inclusive housing units for government workers, the sector has continued to concentrated in developing model house designs and plans for affordable housing. This implies business as usual planning and budgeting. In addition, rather than developing and enforcing building codes/standards as planned in the NDPIII, the sector plans to review and Monitor standard procedures for building plan approval processes. The sector has therefore not been innovative in its planning. For instance, the sector has continued to plan for development of solid waste management in the budget yet the NDPIII provides for waste (including faecal matter) to wealth initiatives which promote a circular economy.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

The following are the key emerging issues and recommendations on how they can be addressed.

(i) **Support establishment of labor-intensive manufacturing, services, and projects for employment creation including development of bankable business plans.** This intervention is in the Sustainable Urbanization and Housing programme. However, the MPS does not address it. The LHUD Sector has to work closely with Ministry of Gender, Labour and Social Development, Ministry of Trade Industry and Cooperatives, Ministry of Local Governments and others to ensure that the intervention is addressed.

(ii) **Implement the Greater Kampala Metropolitan Area (GKMA) Economic Development Strategy.** Although this intervention is captured under the Sustainable Urbanization and Housing programme, the Ministry of Capital City and Metropolitan Affairs (MKCC&MA) should take lead on this intervention. It has to ensure that respective entities in GKMA align their development plans to the GKMA Economic Development Strategy which is already arched to the NPDIII.

(iii) **Develop and implement an integrated rapid mass transport system (Light Railway Transport and Mass Bus Transport) to reduce traffic congestion and improve connectivity in urban areas.** Although this intervention is captured under the Sustainable Urbanization and Housing programme, the MPS does not address it. Rather, it is addressed by the Ministry of Works and Transport (MoWT) under the Integrated Transportation and Services Programme. The Ministry of Lands Housing and Urban Development needs to work closely with MoWT to deliver on this intervention.

(iv) **Promote mass transport and non-motorized transit in city.** Like the above intervention, the MoWT should take lead in addressing this intervention.

**(v)** **Acquire land for infrastructure/utility corridors.** The MPS does not precisely capture this intervention. Rather it captures establishing resources to operationalise the land banking component of the Land Fund. It is important that the intervention on Acquire land for infrastructure/utility corridors is captured. Lands Housing and Urban Development Sector is to take lead on this. The Sector has to take care of all Sectors and/MDAs land requirements including but not limited to Ministry of Works and Transport, Ministry of Energy and Mineral Development, Uganda National Oil Company, NITAU, LGs, Uganda Electricity Distribution Company Limited.

#### 8.3.2.12 Human Capital Development

The Human Capital Development Programme (HCDP) is one of the critical NDPIII programmes expected to deliver the results for objective four of NDPIII, that is, Increasing Productivity, Inclusiveness and Wellbeing of the population. Accordingly, the goal of HCDP is to increase productivity of labour by (i) increasing investment in the foundation stages of human capital (ii) streamlining STEI/STEM in the education system (iii) increasing the stock of appropriate knowledgeable, skilled and ethical labour force (iv) improving the health and safety of the population (v) reducing vulnerability of the population, and (vi) promoting sports, recreation and physical education.

The sectors that are primarily accountable for the results of the HCDP include: Education, Health, Social Development and Water and Environment. Nonetheless, many other sectors are expected to play complementary roles to the achievement of HCDP results. Some of the Ministries, Departments and Agencies that are charged with the implementation of the intervention of the HCDP include: Ministry of Education and Sports, Ministry of Health, Ministry of Gender Labour and Social Development, Ministry of Water and Environment, Ministry of Local Government, Ministry of Finance, Office of the Prime Minister, universities and skills development agencies, hospitals, National Planning Authority, Equal Opportunities Commission among others.

**1. Overall CoC Performance of the Sector**

**Overall, the programme is unsatisfactory at 59.3 percent**. This performance is as a result of most of the programme interventions not being planned by the three leading sectors including education, health and social development. Some of the key interventions prioritized include: increasing access to immunization against childhood diseases (Ugx. 47.8bn); strengthening the family unit to reduce domestic violence, child deprivation, abuse and child labour by developing the Uganda National Child Policy (Ugx. 5.268bn); Equipping of Community Polytechnics, Technical Farm Schools, Technical Institutes, HTIs and UCCs to ensure quality of BTVET Education outcomes including emergency construction of Primary Schools and latrine stances constructed (Ugx. 652.1bn); support to Higher Education, Science & Technology and

Infrastructure development in Universities (Ugx.596.7bn) although does not provide for Special Needs Education and Human resources; Continued engagement and sensitization of communities to improve parents' involvement in education of their children especially on school feeding (Ugx.17.3bn); development of infrastructure and other inputs that appear to relate to science (Ugx. 217.85bn); reduction in morbidity and Mortality from HIV/AIDS and malaria (Ugx. 300bn); prevention and control NCDs with specific focus on cancer, cardiovascular diseases and trauma (Ugx. 0.584bn); planned for feasibility studies for two additional Oncology regional centres of excellence in Arua and Mbale although UHI is still awaiting loan processing by the MoFPED; strengthening Capacity of Regional Referral Hospitals (Ugx. 412.847bn); improving occupational safety and health to reduce accidents and injuries (Ugx. 1.687bn); rural Water Supply and Sanitation (Ugx139.158bn); Urban Water Supply and Sanitation (Ugx. 916.426bn); scale up of Gender Based Violence (GBV) prevention and response interventions at all levels (Ugx 1.935bn); and monitoring and support supervision on SAGE programme including conducting capacity building of 200 Older persons and disability leaders (Ugx. 62.88bn).

**2. Key Areas of Non-compliance:**

These include: lack of planning for promotion of sports, recreation and physical education (0%); limited planning for reducing vulnerability and gender inequality (40%); limited planning for production of appropriate, knowledgeable, skilled and ethical labor force (40%). Specifically, absence of planned interventions for: institutionalized training of ECD caregivers at Public PTCs; integration of education for Sustainable Development into the school curriculum; establishment of a functional labour market; roll out of the modularised TVET curricula for all formal TVET programmes; support to the TVET institutions that have the minimum requisite standards to acquire International accreditation Status; prioritization of STEI/STEM for programme and institutional accreditation; linking primary and secondary schools to existing science-based innovation hubs; promoting health research, innovation and technology uptake; establishment of regional sports-focused schools/sports academies to support early talent identification and development; and construction of appropriate and standardized recreation and sports infrastructure at national, regional, local government and schools.

The budget instruments continue to focus on establishment of infrastructure and standards in learning outcomes but do not holistically address Basic Requirements and Minimum Standards (BRMS) in education institutions. The NDPIII proposes equipping and supporting all lagging primary, secondary schools and higher education institutions to meet BRMS. In addition, NAPE for primary and secondary is not budgeted for yet it is what informs evidence on how many children are reaching the minimum defined standards in gateway subjects.

With regard to the need to retain learners in school for atleast 11 years, the budget instruments contain only two salient initiatives including expansion of secondary schools and continued engagement and sensitization of communities to improve parents' involvement in education of their children. The others unprioritized include: massification of school feeding, school fees regulation, expansion of primary schools, and parish-based retention interventions.

Further, contrary to NDPIII's prioritization of both Early Grade Reading and Maths (EGR and EGM), for improving learning outcomes in primary schools, the sector's focus is only on Early Grade Reading (EGR).

With regard to sports and physical education, there is no budget provision for: construction of appropriate and standardized recreation and sports infrastructure such as Akii bua stadium and the national high-altitude training centre. The sector only developed TORs for consultancy to undertake detailed feasibility studies for environmental and social impact assessments for Akii Bua and Buhinga stadia.

Further, although the NDPIII prioritizes provision of the critical physical and virtual science infrastructure in all secondary schools and training institutions as a critical pathway to promoting STEM/STEI the budget contains no specific interventions to that effect, albeit having projects which may address it such as i) Higher Education, Science and Technology Project; and ii) Development of Secondary Education Phase II.

Also, despite the NDPIII prioritizing expansion of the scope and coverage of care, support and social protection services of the most vulnerable groups and disaster-prone communities, the budget instead allocated resources to; monitoring and support supervision of SAGE programme, and capacity building of 200 older persons and disability leaders at Ugx. 62.88bn.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. The budget documents (MPS and BFPs) for the three sectors that are primarily responsible for the achievement of HCDP (i.e. education, health and social development) are remotely aligned to the HCDP of the NDPIII. This implies that the planning in these key sectors was not fully informed by the NDPIII strategic direction.

ii. In regard to education, there is limited planning for the HCDP priority skills mix i.e. TVET, STEM/STEI and Sports; and the fundamental foundations for achieving such a mix.

iii. There is weak health promotion and disease prevention system leading to loss of the grip on the control of both communicable and non-communicable diseases. 75% of the disease burden is preventable and yet it continues strain the health care delivery system.

iv. Epidemic prone disease preparedness remains low especially with regard to resource allocation for strengthening surveillance and diagnostic capacity for early detection and management.

v. Injuries and associated trauma continue to be the leading cause of death in Adults and yet less attention has been paid to this area in terms of prevention, treatment and rehabilitation.

vi. Limited human resources for health remains an issue especially now that healthcare needs are changing with epidemiological changes.

vii. There is need for budget allocation to improve management of NCDs at lower levels of care, particularly provision of NCD diagnostics to health facilities, training health workers in NCD management and increasing the stock of NCD tracer medicines in facilities.

viii. The sector BFPs and MPs continues to remain silent on addressing the key determinants of health through strengthening inter-sectoral collaboration and partnerships and strengthening community structures for identification and participation in addressing social determinants of health.

ix. Funding for expansion of research and adoption of modern medical technology is also a neglected area in the sector plans and budgets.

x. In regard to social development, there is limited focus on (i) planning for establishment of a live labour market information system (ii) expansion of livelihood support (iii) expansion and reform for contributory social security schemes (iv) women economic empowerment and (v) gender-based violence

**8.3.2.13 Innovation, Science and Technology**

The goal of this program is to increase the application of appropriate technology in the production and service delivery processes through the development of a well-coordinated STI eco-system. This will be achieved through five key programme objectives, which are aimed at realising three key results over the five years. The programme will be implemented by a number of sectors and MDAs that cut across the technology development and transfer value chain. These include the lead Ministries and their agencies that offer core functions of the programme, including; MSTI, MTIC, MICT, MES and these are complemented by other Ministries and their agencies that offer supportive functions, such as; MEMD, MLHUD and MWT.

**4. Overall CoC Performance of the Sector**

**Overall, the programme is unsatisfactory at 58.6 percent compliance.** This is because the budget has not considered implementation of a number of NDPIII interventions as evidenced its FY2020/21 MPS. Nonetheless, the key interventions prioritized include: promotion and expansion of UIRI's Industrial and Technological Incubation Center (Ugx. 1.439bn); development of requisite Technology & Innovation infrastructure in various regions while taking into account the needs of the disabled (National STEI skills enhancement project) (Ugx 145.757bn); establishment of relevant STI infrastructure such as building space laboratories and acquiring research and training equipment to support Universities and researchers while taking into account access for the disabled; establishment of ST&I business skilling and training programme for prospective entrepreneurs, youth, women, informal sector and SME operators (Ugx. 1.455bn); Innovation Registration and Intellectual Property Management (Ugx 1.462bn); research and development support (Ugx. 1.463bn); biosafety and bio security (Ugx. 1.537bn); and Technology uptake, commercialization and enterprise development (Ugx 1.665bn).

**5. Key Areas of Non-compliance**

Key areas not prioritized in the budget instruments include: establish a material science, nano & bio science technology centres, Space Science and Aeronautics Technology Institute; establish funding linkages for STI with multi-national and development partners; development of a National STI Advancement and Outreach Strategy among others.

Interventions concerning; domestication of international conventions, development of standards and creating capacity in advanced or hi-tech applications such as drones, satellite imagery, GIS systems, space exploration, nanotechnology among others, were not budgeted for. Additionally, there was no allocation for supporting the review of the curriculum and delivery methods at all levels of education.

### 8.3.2.14 Community Mobilization and Mindset Change

Community Mobilization and Mindset Change programme aims to mainly empower families, communities and citizens to embrace national values and actively participate in sustainable development. This will involve engaging families, communities and citizens to provide more public awareness, sensitization for positive mind-set change, and reducing negative cultural beliefs that hinder people to participate in development programmes. The lead sectors are: Social Development, ICT and National guidance (MoICT&NG) and Office of the President. Others include; Office of the President (Directorate of ethics and Integrity), Defense and Security, Ministry of Education and sports; Office of the Prime Minister; Local Governments, Public Service, Equal Opportunities Commission and religious/cultural institutions.

**1. Overall CoC Performance of the Sector**

**The programme is unsatisfactory at 56.3 percent compliance.** The unsatisfactory performance is as a result of the budget instruments having a limited focus NDPIII interventions. However, key interventions in the MPS aligned to the NDPIII include: Development of a policy on diaspora engagement; implementation of the 15 household model for social economic empowerment through programmes such as YLP, UWEP, OWC and Green jobs (Ugx0.106bn); training in Human Rights-Based Approach to Programming conducted to reduce inequalities; National Family Policy and Action Plan; Uganda National Cultural Centre, Cultural institutions and Inter-religious Council supported to conduct awareness campaigns and enforce laws enacted against negative and/or harmful religious, traditional/cultural practices and belief (Ugx. 2.34bn); and Jua - Kalis to be trained in entrepreneurship and income-generating skills

**2. Key Areas of Non-compliance:**

Interventions not prioritized in FY2020/21 include: Reviewing a comprehensive community mobilization (CMM) strategy; preparation of a Community Mobilization and Empowerment (CME) Coordination Framework instead financing family strengthening, food and nutrition under ICOLEW programme (Ugx 1.174bn); establishment of a feedback mechanism to capture public views on Government performance; establishment of the Community Development Management Information System (CDMIS) at Parish and Sub-county level; development and/or operationalization of a system for inculcating ethical standards in the formal, informal and all communities; establishing a National incentives framework including rewards and sanctions for best performing workers, leaders and communities; and developing and implementing a national service programme.

Government has continued to undertake capacity building in a fragmented manner to address the mind set change in the country. There are several scattered youth trainings but have no common rallying goal to achieve. The NDPIII required identification of transformational youth champions per district to create a critical mass required to effect mind-set change in country.

Key government programmes such as the national service programme have continued to lag behind due to lack of a champion. The programme is cross cutting requiring implementation by different MDAs including the Social Development, Security and Education and Sports sectors.

Finally, key interventions un prioritized include the popularization of the national vision, interest and common good for the citizenry; and developing a system for inculcating ethical standards in the formal, informal and all communities.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. There is slow transition to NDPIII by the sector. The sector still focused on NDPII goal and objectives since they had no approved NDPIII to guide their planning for 2020/21.

ii. Although the MGLSD is mandated with community mobilization, an action plan needs to be developed to guide this programme implementation as most interventions are to be implemented by other MDAs.

iii. Key interventions should be prioritized such as the National service scheme, civic education for mindsets/attitudes of the population; and establishing a National incentives framework including rewards and sanctions for best performing workers, leaders and communities to improve on transparency and reduce on corruption tendencies.

iv. There is limited prioritization and funding for mitigation interventions on the emerging risks and shocks in the country such as locusts, Covid-19, climate change among others that has necessitated re-prioritization and requests for more funds to sensitize masses on prevention and control measures.

### 8.3.2.15 Governance and Security

Governance and Security are cornerstones for accelerated national development. This requires government to ensure that people have faith in the security apparatus and feel a sense of stability. According to the Uganda Vision 2040, the tenets of good governance include constitutional democracy, protection of human rights, rule of law, political and electoral processes, transparency and accountability, government effectiveness and regulatory quality and security. This is further re-echoed by the 2030 Agenda (SDG 16) which recognises the need to build peaceful, just and inclusive societies that provide equal access to justice and strong institutions.

Furthermore, the importance of good governance is emphasised by the Aspiration 3 of Agenda 2063(The Africa We Want). Under this International instrument, good governance, democracy, respect for human rights, justice and the rule of law are pronounced as sine qua non conditions for development. Particularly the Vision 2040 identified human rights observance as a critical feature of good governance and the rule of law. It should be noted that, weak adherence to the rule of law and existence of internal and external security threats threaten governance and security. Therefore, the goal of the programme is to improve adherence to the rule of law and capacity to contain prevailing and emerging security threats.

The Sectors/MDAs contributing to the programme are; Parliament, MoDVA, OP, Anti-corruption institutions, ULC, DEI, LGs, JLOS Institutions, LG courts, UPF, UPS, Judiciary, MoJCA, Citizenry, URA, OPM (Barazas), IG, DEI, PPDA, OAG, MoFPED, NPA, EC, CSOs, UHRC, and Development Partners.

**1. Overall CoC Performance of the Sector**

**Overall, the programme is moderately satisfactory at 75.0 percent.** This is because most of the NDPIII programme interventions have been provided for under the Ministerial Policy statement for 2020/21. Key among these include: improving welfare of UPDF Personnel, sustaining troops with the acquired logistics (Ugx311.95bn), acquiring, maintaining and refurbishing military capability equipment, continue training of officers and militants, and ensuring infrastructure development for the troops (Ugx54.092bn), investing in modern technologies to curb crime (Ugx2,541.87bn), Subsidiary, Principal and LG Legislation (Ugx1.547bn), Combating Trafficking in Persons (Ugx0.349bn), management of Light Arms and Small weapons (Ugx 0.463bn), regulation of the legal profession (0.315bn), enhancing crime prevention and strengthening community policing (64.584bn), strengthening response to crime (Ugx 44.922bn), Strengthening citizenship identification, registration, preservation and control (Ugx125.69bn), and enforcing commercial laws (86.923bn).

Others include: enhancing the Public Demand for Accountability (Ugx55.1bn); strengthening family justice (Ugx2.214bn), strengthening citizenship identification, registration, preservation and control (Ugx125.69bn), strengthening the oversight role of Parliament over the Executive (Ugx90.48bn), enhancing the Public Demand for Accountability (Ugx55.1bn); strengthening the prevention, detection and elimination of corruption ( Ugx43.32bn), conducting regular free and fair elections (Ugx546.147bn), increasing participation of the population in civic activities (Ugx10.45bn), strengthening the representative role of MPs, LG councilors and the Public (Ugx465.999bn), and protection and promotion of Human Rights (Ugx1.364bn). Despite the allocation and alignment, the only challenge is the extent of elaboration and implementation of the interventions that leads to low attainment of the targets.

**2. Key Areas of Non-compliance**

The specific interventions not prioritized in the budget include: research and development to address emerging security threats; establishment and operationalization of a National Service Programme; promotion of child friendly justice procedures; roll out alternative dispute resolution; strengthening case management systems; developing and strengthening an asset recovery framework; strengthening transitional justice and informal justice processes, strengthening efforts to combat SGBV; developing a migration policy; and promotion of equitable access to justice through legal aid services. Although Ugx1.364bn was allocated to Protection and promotion of Human Rights, this is very minimal. The FY2020/21 is the period of the electoral process is characterized by lots of incidences of human rights abuse and hence may not have any impact.

In addition, no funds have been allocated to operationalizing the national refugee policy despite the high refugee numbers being hosted by Uganda. With Uganda's political history, it is also important to note that there are no funds allocated to strengthening transitional justice and informal justice processes and yet there are many victims of the past wars who among other things need psycho-social support. Furthermore, the budget does not make provision for: strengthening case management systems and rolling out alternative dispute resolution amidst case backlog in the judicial system which delays particularly the land and commercial cases and hence affecting development; the development and implementation of an asset recovery framework amidst the corruption pandemic in the country. This will have a negative effect on the fight against corruption.

In addition, the MPS does not make provision for legal aid and yet there are many vulnerable people that cannot access legal services due to unaffordability of the services of lawyers. This leaves access to justice a myth

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **The interventions in the Budget instruments are generic in nature thus complicating alignment, and eventual implementation**. For instance, there was no disaggregation of civil matters and therefore no specific interventions in the MPS on land and commercial cases. This makes it difficult to track progress because there are no specific targets for measurement of progress in handling land and commercial cases. Land and commercial cases are specifically catered for in the NDPIII because they have a fundamental bearing on development and business. The SDPs and MDA Strategic plans should provide for specific interventions for purposes of implementing the NDP.

**8.3.2.16 Public Sector Transformation**

The NDPIII notes that public service plays a vital role in providing public goods, such as defence, public order, property rights, macroeconomic management, environment protection, and coordinating private sector activity. To achieve equitable development, this Public Sector Transformation (PST) programme seeks to address the constraints of poorly functioning public sector institutions and weak governance. The public sector transformation programme contributes to the NDPIII objective of strengthening the role of the state in guiding and facilitating development through increasing the effectiveness and efficiency of the public sector in response to the needs of the citizens and the private sector. The PST Programme aims to improve public sector response to the needs of the citizens and the private sector.

The lead MDAs in this programme are: Ministry of Public Service (MoPS); Office of the Presidency (OP); Office of the Prime Minister (OPM); Ministry of Finance, Planning & Economic Development (MoFPED); and National Planning Authority (NPA). Others include: Ministry of Local Government (MoLG); the Local Governments (LGs); Defence and Security; Ministry of Justice and Constitutional Affairs (MoJCA); Inspector General of Government (IGG); Ministry of Education and Sports (MoES); Local Government Finance Commission (LGFC); Uganda Communications Commission (UCC); Uganda Broadcasting Service (UBC); and Ministry of ICT and National Guidance (MoICT&NG); Uganda Revenue Authority (URA); NITA-U; NIRA; Ministry of Health; GCIC; and Uganda Media Centre.

**1. Overall CoC Performance of the Sector**

**Overall, the programme is moderately satisfactory at 71 percent.** This is the proportion of the AB's outputs that are consistent with the Public Sector Transformation Programme interventions. This is because the Programme has considered implementation of a number of NDPIII interventions as evidenced in FY2020/21 Ministerial Policy Statements (MPS). Key among these include: Monitoring and Evaluation (Ugx 3.675bn); Developing and enforcing service delivery standards (Ugx 0.672bn); strengthening Public sector performance management (Ugx 0.749bn); enforcing compliance to the rules and regulations (Ugx 9.972bn); review and development of management and operational structures, systems and standards (including Human Resource Policies and Procedures and Human Resource Management Systems) (Ugx 5.051bn); rationalization and harmonization of policies to support public service delivery (Ugx 0.894bn); Human Resource Management (Ugx 4.001bn); Human Resource Development (Ugx 0.5860bn); providing a conducive environment to facilitate Private Sector participation in investment in the local economy (Tax Policy & Financial Management Services) (Ugx 34.265); LG inspection and assessment (Ugx 1.275bn); ICT enabling environment development and regulation (Ugx 2.587 bn); and effective communication and National Guidance (Ugx 12.927 bn).

**2. Key Areas of Non-compliance**

Key areas of noncompliance include: administration and enforcement of performance contracts for political leadership and across the public service: adoption of appointment on contractual basis rather than permanent and pensionable; undertaking periodic functional analysis and reforms of government institutions; Operationalization of the parish model; implementation of the recommendations on harmonization and restructuring of institutions; undertaking nurturing of civil servants through patriotic and long-term national service training; review of the existing legal, policy, regulatory and institutional frameworks to standardize regulation and benefits in the public service; Strengthen training partnerships with Universities; and Developing a mechanism that links vital personal data systems.

Additionally, whereas citizen engagement is carried out in Barazas; the funding is not only still low but there is also need for review and strengthening the client charter feedback mechanism to enhance the public demand for accountability.

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. **The adoption and adjustment of the entire Government to the NDPIII Programme approach.** This is because this will be the new dispensation of implementation for the medium term, however, it hasn't been adopted to and mainstreamed across Government. There should be a discussion and way forward on this.

ii. **Periodic** functional analysis and reforms of Government are still lacking, and this slows the efficiency of Government. Currently, no such means are planned for or budgeted for. This is partly the reason why the harmonization and restructuring of institution exercise didn't see fruition. Going forward, these should be institutionalized.

iii. The NDPIII parish model of implementation is also not mentioned anywhere in the public sector transformation sectors' and MDAs' analyses.

iv. The Budgets are also low in line with the mandate of the Programme. Resources allowing, they should be increased

### 8.3.2.17 Regional Development

The regional development Programme aims to accelerate reduction of income poverty in the regions lagging behind the national average in an inclusive and sustainable manner. The Regional development programme has 4 objectives, i.e. Stimulate the growth potential of the sub-regions in the key growth opportunities (Agri-business, Tourism, Minerals and Manufacturing); Close regional infrastructure gaps for exploitation of local economic potential; Strengthen and develop regional based value chains for LED; and Strengthen the performance measurement and management frameworks for local leadership and public sector management. The Sectors and MDAs that are required to contribute towards achieving the regional development goal include: MAAIF, MTIC, MAAIF, MTWA, UTB, MOLG, MWE, MTIC, among others.

#### 1. Overall CoC Performance of the Sector

**Overall, the programme is unsatisfactory at 56.7 percent.** This is the proportion of the AB's outputs that are consistent with the Regional Development Programme interventions. The unsatisfactory performance is due to non-prioritization of the programme outputs in the MPS' and BFPs of relevant Sectors and MDAs for delivery in the first year of the NDPIII implementation. Key NDPIII interventions that have been considered for implementation during the FY2020/21 include: Construction of irrigation schemes and valley dams to ensure production all year round (Construction and rehabilitation of irrigation schemes, valley tanks and surface water schemes in selected LGs of eastern and northern Uganda)- Ugx. 1.2 bn; Development of community access and motorable feeder roads for market access (Construction and rehabilitation of 944 km of CARs, including 6 bridges)- Ugx 102.51bn; Construction of 3 bulk markets; 8 satellite markets and post harvests handling and value addition facilities in 25 sub-counties- Ugx. 10.642bn; Development of region-specific tourism products in poverty-stricken regions (Tourism infrastructure and construction including Source of the Nile Infrastructure; Nyero interpretation centre constructed and completed) Ugx. 4.646bn;

Others include: establishment of regional tourism information centers (Development of Tourism infrastructure and construction including Tourism site of Kagulu Hills with a focus on information)- Ugx. 4.460bn; Skilling locals in hospitality (A total 858 students enrolled and trained at UHTTI and UWRTI)- Ugx 8.80bn; Nurturing local private sector to participate in local, regional and global tourism value chains through training and credit extension (Supporting the implementation of community development project through revenue sharing)- Ugx7.0bn; restoration of degraded excavation sites (100 hectares of degraded land restored through tree planting, including construction of 100 km of soil and water management structure and demarcation and restoration of 240 hectares wetlands-Ugx1.510bn; undertaking massive sensitization and awareness campaigns on environment (support to increasing environment literacy and awareness)- Ugx 4.6bn.

#### 2. Key Areas of Non-compliance

The interventions not prioritized include: Strengthening agricultural extension services through increased supervision and implementation of the parish model; strengthening research into the prioritized agro-enterprises for increased productivity; establishment of an agricultural financing facility for farmers in target regions; operationalization of the Industrial and Business Parks situated in the target regions; investment in Post-harvest handling, storage and processing infrastructure established in the poverty-stricken sub-regions; establishment of demonstration farms for regionally identified commodities; development of targeted agri-LED interventions for refugees and host communities; formation of tourism groups in target communities (e.g. arts and crafts); Creation of Regional tourism information centers; supporting local private sector to participate in local, regional and global tourism value chains; expansion, upgrading and maintaining tourism support infrastructure; organizing the artisanal and small-scale miners into groups/ cooperatives; provision of incentives for acquisition of appropriate technology.

Others are: Provision of training and extension services to ease the adoption of the acquired technology; incentivizing private sector to offer industrial training and apprenticeship opportunities; construction of roads to support mining and mineral processing in the poverty stricken regions; extension of adequate and reliable energy to support mining and mineral processing industries (Mineral products processed from within the sub-regions); provision of water to support mining and mineral processing (Water facilities constructed in mining areas; and promotion of value addition through LED in the mining activities (Value added mineral-LED enterprises established in the sub-regions with commercially viable minerals).

**3. Key Emerging Issues from CoC Assessment on FY2020/21**

i. Apparent lack of focus on 2 programme objectives, i.e.: 1: Stimulate the growth potential of the sub-regions through area-based agribusiness LED initiatives; and 3: Stimulate the growth potential of the sub-regions through area-based agribusiness LED initiatives. Going forward, the Ministry responsible for the LGs should be supported and strengthened to coordinate implementation planning of the identified interventions and maintain focus on the aim of the Regional Development Programme.

**8.3.2.18 Development Plan Implementation**

Development Plan implementation programme is mainly to address issues around the different facets of implementing the NDP. These facets include strategic planning, cost estimation, annual prioritization, Resource mobilization and allocation/budgeting, implementation, auditing and accounting, monitoring and evaluation. These are reinforced by the effective coordination and an efficient Statistical generation mechanism for tracking results. The Sectors that contribute to the objectives of this Programme include Accountability, Public administration and Public Sector Management and Legislature Sector. More specifically the MDAs that contribute to this programme include: MFPED, NPA, URA, UBOS, OPM, OP OAG, NIRA, MoPS, MoLG, LGFC, URSB, MoICT, NITA, MoLHUD, NPC, Universities, MOGLSD, LGs and Parliament.

**1. Overall CoC Performance of the Sector**

**Overall, the programme is moderately satisfactory at 71.4 percent compliance.** This moderately satisfactory performance is due to a number of institutions within the Development Plan implementation having aligned their Budget instruments to this programme in the 1st year of the NDPIII. These include: strengthening Public Investment Management, Ugx 4.607bn; expansion of financing beyond the traditional sources (increasing revenue effort and budget credibility, Ugx. 15.214bn); implementation of eTAX2, Digital Tax Stamps and Electronic Fiscal

Devices (EFDs/ E-invoicing); development and roll out of the electronic government procurement system to all MDAs and LGs; implementation of the Capacity Building Project for Sectors, MDAs and LGs; Support to the finalization of sector (5) and Local Government (50) development plans; efficiency and effectiveness in Public Finance Management & Accountability (Integration of GoU PFM Systems for integrated PFM systems), Ugx 21.833bn; review and amendment of the relevant procurement laws, policies and regulations to simplify the procurement process, Ugx 5.662bn; strengthening all-inclusive policy development, and M&E systems to provide over all leadership for the achievement of inclusive national goals in line with the Uganda Vision 2040; strengthening production and use of disaggregated district level statistics for planning, Ugx. 1.47bn; and effectively tracking implementation of Audit recommendations.

## 2. Key Areas of Non-compliance

Key areas of noncompliance include: i) Strengthening the follow up mechanism to streamline the roles of the relevant oversight committees to avoid duplication of roles; ii) Expansion of the Terms of Reference for the Budget and National Economic Committees of Parliament to include consideration of the NDP; iii) Development of an effective communication strategy for NDPIII; iv) development of an integrated M&E framework and system for the NDP; v) development and roll out of the National Public Risk Management system in line with international best practices; and vi) Building research and evaluation capacity to inform planning, implementation as well as monitoring and evaluation.

## 3. Key Emerging Issues from CoC Assessment on FY2020/21

Some of MDA Budget Documents (MPS for FY2020/21) were not clearly providing the interventions from the Development Plan implementation Programme but provided a broader picture (strategies) that were used for assessment in some cases. In table 8.2, our analysis indicates that there is a deviation of the MPS from the NBFP by 22 percent, pointing to failure of the MDAs to implement the NDP framework and its attendant interventions. Therefore, there is need for the different MDAs under Development Planning implementation to specifically use the programme interventions for better alignment to NDPIII.

**Table 8.2: Summary results for BFP and MPS FY2020-21 alignment to NDPIII programmes**

| No | Programmes | FY2020/21 Alignment to NDPIII (%) | |
|---|---|---|---|
| | | Programme Outcomes (NBFP) | Programme Outputs (MPS) |
| 1 | Agro industrialization | 91.7 | 77.2 |
| 2 | Mineral Development | 75 | 57.1 |
| 3 | Sustainable development of petroleum resources | 88.9 | 61.8 |
| 4 | Tourism Development | 100 | 60.4 |
| 5 | Natural Resources, Environment, Climate Change, Land and Water Management | 100 | 55.6 |
| 6 | Private sector development | 84.6 | 66.7 |
| 7 | Manufacturing | 100 | 62.5 |
| 8 | Integrated transport infrastructure and services | 100 | 70.8 |
| 9 | Sustainable Energy Development | 80 | 68.2 |
| 10 | Digital transformation | 80 | 64.3 |
| 11 | Sustainable urbanization and housing | 100 | 58.3 |
| 12 | Human Capital Development | 84.2 | 59.3 |

| | | | |
|---|---|---|---|
| **13** | Innovation, Technology Development and Transfer | 100 | 58.6 |
| **14** | Community Mobilization and Mindset Change | 85.7 | 56.3 |
| **15** | Governance and Security | 72.7 | 75.0 |
| **16** | Public Sector Transformation | 71.4 | 71.0 |
| **17** | Regional Development | 66.7 | 56.7 |
| **18** | Development Plan Implementation | 66.7 | 71.4 |
| | **Overall Average Score** | **86.0** | **63.9** |

## 8.4 FY2020/21 BUDGET ALIGNMENT TO CLIMATE CHANGE

### 8.4.1 Overall Assessment

**Overall, the average score of the nine sampled programmes was only 35 percent**, with highest score being Natural Resources, Environment, Climate Change, Land and water management at 78 percent and the lowest score being Human Capital Development at 0 percent. A summary of the results of the assessment is presented in table 8.3. Overall, the assessment indicated non-compliance of sector budgets to climate change interventions in NDPIII.

**Table 8.3: Summary of climate change assessment results**

| S/N | NDP III Programme | Sector | Score (%) |
|---|---|---|---|
| 1. | Agro-industrialization | Agriculture | 45 |
| 2. | Natural Resources, Environment, Climate Change, Land and Water Management | Water and Environment | 77.8 |
| 3. | Energy development | Energy and Mineral Development | 16.7 |
| 4. | Sustainable development of petroleum resources | | 0 |
| 5. | Tourism Development | Tourism | 45 |
| 6. | Human Capital Development | Health | 0 |
| | | Education | 0 |
| 7. | Private Sector Development | Trade and Industry | 41.7 |
| 8. | Integrated Infrastructure and Transport Services | Works and transport | 41.7 |
| 9. | Sustainable Urbanization and Housing | Lands and Housing | 50 |

### 8.4.2 Key messages

(vi) **There are no clear budget lines for Climate Change priorities in the National Budget**. The climate change initiatives are in most cases implemented within the broad outputs and to a larger extent there is no specific budget allocation to the interventions.

(vii) **While Climate change issues are integrated and cross cutting, they are being addressed in a fragmented manner**. The cross-cutting nature of climate change requires an integrated multi-sectoral approach to planning, budgeting, implementation and reporting.

(viii) **The results frameworks at all levels (Sector, MDAs and LGs) should be redesigned to include climate change indicators aligned to the NDPIII and reporting systems**.

(ix) **The Ministry of Finance Planning and Economic Development (MFPED) should expedite the development and operationalization of the Climate Change Budget**

**Tagging (CCBT) tool to support mainstreaming of climate change in public financial management**. The CCBT tool will help to identify, track and analyze climate-relevant public expenditures, facilitate consistent reporting by MDAs and inform budget planning.

(x) **The Energy BFP does not prioritize catchment management systems to ensure sustainable supply of water to generate hydro-electricity**. There is need for a harmonized and synchronized approach between the Ministry of Water and Environment and the Ministry of Energy and Mineral Development to ensure that river catchments are prioritized in planning and budgeting processes by the two ministries.

(xi) **The Budget has not been fully realigned to reflect NDPIII programme approach.** There is no direct link between the BFPs and the NDPIII. In particular, the BFPs are structured along sectors hence misalignment between the budget and the NDPIII. In addition, the majority of sectors and MDAs are still budgeting on the basis of outputs instead of results as required under NDP III and the programme based budgeting.

(xii) **Limited capacity of sectors to integrate climate change concerns/issues into budgets**. A clear understanding of the critical linkages between climate change and the attainment of sector outcomes is important to motivate sectors to plan and budget for appropriate climate change interventions.

(xiii) **Slow transition of Sectors from SDPII to SDPIII.** There is need to fast track the development of sector and MDA strategic plans that are aligned to NDPIII including climate change objectives and interventions to guide climate change responsive budgeting.

(xiv) **Re-align off-budget support for climate change**. Government should foster integration of climate change responsive actions in the NDPIII projects and budgets. In addition, the off-budget support should be channeled into the mainstream budget.

### 8.4.3 Programme/ Sector Specific Assessment Results

This section presents the sector specific assessments and the corresponding scores in terms of compliance of their budgets to respective NDPIII programmes.

#### 8.4.3.1 Sustainable Energy Development (Energy and Mineral Development)

**The programme is unsatisfactory at 16.7 percent**. The Energy and Minerals Development sector has three NDPIII programmes that include: Energy development; Mineral development; and Sustainable development of petroleum resources. Although the programme has several climate change relevant variables such as prolonged drought; emissions from the use of fossil fuels, use of biomass and inefficient cook stoves; it was only 16.7 percent compliant with regards to integrating the climate change issues in its Budget Framework paper.

**The BFP largely prioritizes increasing access to power from the national grid and yet NDPIII focuses on developing renewable off-grid energy solutions to address climate change effects.** Climate change priorities identified in the NDPIII and not in the BFP include: promoting the use of new renewable energy solutions; adopting the use of electric transport solutions; building local technical capacity in renewable energy solutions; promoting uptake of alternative and efficient cooking technologies; and promoting the use of energy efficient equipment for both industrial and residential consumers.

**Key Emerging Issues**

(i) **Lack of key climate change issues addressed in the sector budget (BFP).** The NDPIII identified key climate change interventions to be addressed in the medium term and these include: promoting the use of new renewable energy solutions; and enhancing the Quality, Health, Safety, Security, Social and Environment (QHSSSE). Specifically, the NDPIII requires that the sector develops and implements an environmental and social management plan; and promotes the uptake of alternative and efficient cooking technologies (electric cooking, domestic and institutional biogas and LPG), however, none of this has been prioritized in the BFP.

(ii) **There are no clear budget lines for Climate Change priorities in the National Budget**. The climate change initiatives are in most cases implemented within the broad outputs and to a larger extent there is no specific budget allocation to the interventions.

(iii) **While the BFP focuses on hydro-power generation, the high tariffs remain one of the major barriers to its access and utilization**. The sector should therefore devise strategies to reduce electricity tariffs in order to increase access and utilization. Otherwise, the country will continue to grapple with challenges of surplus electricity, compensation which will take up resources that would otherwise fund other priority development interventions.

(iv) **The state of implementation of the National Biomass Energy Strategy is also unclear as indicated by the absence of relevant interventions in the BFPs.** Yet firewood and charcoal combined constitute the main source of fuel for cooking for 94 percent of the households[2].

(v) **Alternative green energy sources are not mentioned in the sector BFP.** There is need to increase the use of alternative energy such as; Liquefied Petroleum Gas (LPG), biogas and efficient green energy technologies such as solar and briquettes and improved cook stoves.

**8.4.3.2 Agro-Industrialization**

**Agriculture**

**The agriculture sector is unsatisfactory at 45 percent compliance with regards to integration of climate change in its BFPs.** However, the compliance is dominated by the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) which hosts the agriculture sector climate

[2] UNHS, 2016/17

change task force, sector specific guidelines for integration of climate change in planning and budgeting and has also developed the Agriculture Sector National Adaptation Plan (NAP Ag).

To cope with climate change effects such as prolonged droughts, the sector plans to increase the proportion of arable land under irrigation by 13 percent and the percentage change in farmers accessing water for agriculture production by 33 percent. Additionally, the sector plans to register a 44-percentage increase in farmers accessing sustainable land management services and reduce agrochemical pollution to water and land by 40 percent.

**Key Emerging Issues**

(i) Besides the Ministry and NARO, the degree of integration of climate change responsive actions in other MDAs' BFPs was found unsatisfactory and inadequate. For this reason, the Ministry should ensure that the climate change resources developed at policy level and at its disposal cascade down to the respective MDAs for implementation.

**8.4.3.3 Human Capital Development**

**Health**

**The health sector is unsatisfactory at 0 percent compliance with regards to integration of climate change in its BFP.** The non-compliance is attributed to absence of specific and direct interventions addressing climate change impacts affecting the sector. Although NDPIII provides for interventions on establishing early warning systems for disaster preparedness including risk reduction and management of national and global health risks, these are not reflected in the BFP. Yet climate change impacts on health outcomes.

**Key Emerging Issues**

(i) Most of the climate change related health issues have been reflected in other sector BFPs. In particular, Water and Environment, Energy and Mineral development and Public Sector Management (disaster risk management). However, there is no clear multi sectoral collaboration mechanism between the health sector and these sectors to consciously and holistically identify and respond to the health-related climate change issues.

(ii) While the sector is mandated to address environmental health issues, the sector BFP is lacking in prioritizing specific interventions to address climate change concerns within the sector.

**Education**

**The education sector is unsatisfactory at 0 percent compliance with regards to integration of climate change in its BFP.** The non-compliance is attributed to the absence of specific and direct interventions addressing climate change impacts affecting the sector. Although NDPIII provides for interventions to mitigate and adapt to climate change impacts such as accidents, fires, floods, earthquakes, landslides, and lightening, these are not reflected in the BFP.

**Key emerging issue**

(i) There is need to provide interventions for: climate change resilient buildings, use of efficient energy sources (lighting and cooking), greening schools and drought adaptation.

#### 8.4.3.4 Sustainable Urbanization and Housing

**Overall, the Lands, Housing and Urban Development Sector budget framework paper is unsatisfactory at 50 percent compliance.** The assessment was premised on the BFP being aligned to the NDPIII climate response (mitigation and adaptation) interventions. The average score is mainly due to inadequate prioritization of climate change responsive interventions. The details of the climate change focused assessment are explained below.

Urban resilience interventions were collaboratively prioritized by the sector with support from the office of the Prime Minister (OPM) through ensuring functional Disaster Monitoring, Early warning and Reporting systems. Interventions aimed at conserving and restoring urban natural resource assets and increasing carbon sinks were prioritised. The BFP FY2020/21 planned to restore, maintain and improve the proportion of wetlands and urban forests by 5 percent respectively, reducing emissions by 10 percent, promote energy efficient housing, disseminate protype plans and increasing the percentage of districts with District Physical Development Plans.

However, the following NDPIII interventions were not prioritized by the sector BFP: Undertaking waste to wealth initiatives which promote a circular economy; Promoting mass transport and non-motorized transit in the city; develop and protect green belts; establishing and developing public open spaces.

**Key emerging issue**

(i) There is clarity on establishing strong collaboration between the sector and other players on climate change issues beyond its mandate. For instance, most of the prioritized interventions are to be jointly implemented with the Office of the Prime Minister and the Ministry of Water and Environment. Going forward, the non-prioritized NDPIII interventions ought to be captured in subsequent BFPs and NDP III Project Implementation Plan (PIP).

#### 8.4.3.5 Tourism Development

**Overall, the tourism sector is unsatisfactory at 45 percent compliance in terms of climate change integration**. However, the integration is largely limited to the Uganda Wildlife Authority with other MDAs lacking clarity on climate change interventions for implementation. Wildlife and cultural heritage conservation which caters for most of the climate change issues, accounts for 55 percent of the sector budget.

Some of the UWA's prioritized climate change responsive interventions include; i) review of the invasive species management strategy and clearance of 1000 hectares of invasive alien species; ii) implementation of their 10 year wild fires management plans; iii) alleviating human wildlife conflicts by installing 30km of electric fence and 50Km of elephant trenches; and development of climate change information systems and management plans.

**Key emerging issues**

(i) Climate change response is skewed to one MDA which is the Uganda Wildlife Authority with other MDAs lacking clarity on any prioritized interventions. For this reason, the Ministry in particular ought to clearly integrate climate change in its BFPs and Sector Development Plan to ensure that all MDAs under its jurisdiction fit into the sector's climate change goal and actions.

### 8.4.3.6 Private Sector Development

**Trade and Industry**

**Overall, the trade and industry sector is unsatisfactory at 41.7 percent compliance in terms of climate change integration.** The sector is not compliant to integration of climate change actions despite being both vulnerable and contributing to climate change as well. This sector contributes to manufacturing and private sector development programmes in the NDPIII.

There is one key strategic intervention in the BFP recommending industries to adopt new technologies in manufacturing. The adoption of new technologies is envisaged to ensure sustainable, efficient and clean production processes thereby reducing the sector's carbon footprint.

The NDPIII makes various recommendations including: building private sector capacity to access green financing and green growth response; and creating appropriate incentives and regulatory frameworks to attract the private sector to finance green growth and promote Low Emission Development (LED). However, none of these interventions is reflected in the BFP.

**Key Emerging Issues**

(i) While there is some degree of consideration of climate change response in the respective BFPs, more needs to be done since the sector will be a key contributor to greenhouse gas emissions more so given the planned industrialization agenda of NDPIII.

### 8.4.3.7 Integrated Infrastructure and Transport Services

**Overall, the programme is unsatisfactory at 41.7 percent.** This implies weak integration and alignment of climate change issues by the budget under the works and transport sector. It had the highest number of climate change relevant variables such as sector prolonged drought, emissions from the use of fossil fuels, use of biomass and inefficient cook stoves, and accelerated environmental degradation.

The sector seeks to improve its capacity to address issues of environment, climate change, gender and equity. This is in line with NDPIII intervention of strengthening existing mechanisms to deal with the negative social and environmental effects

Climate change priorities identified in the NDPIII and not prioritized in the in the BFP include: Implementation of an inclusive mass rapid transport system (Light Rail Transport (LRT), Bus

Rapid Transit (BRT)/Mass Bus Transport (MBT) and cable cars); and provision of Non-Motorized Transport infrastructure within urban areas.

**8.4.3.8 Natural Resources, Environment, Climate Change, Land and Water Management**

**Overall, the programme is moderately satisfactory at 77.8 percent compliance**. The high score is attributed to the sector being the custodian and national focal point on climate change response and integration. Consequently, most of its routine work revolves around direct or indirect climate change responsive actions. The sector's budgeted interventions address all the climate change variables and parameters through building resilience and curbing greenhouse gas emissions. These include; issuance of four seasonal weather forecasts to cope with the changing climate, rehabilitation of 120 network stations and installation of 28 automatic weather and climate stations, reduction of direct and indirect greenhouse gas emissions by 10 percent, develop 1 integrated water catchment management plans, procurement and distribution of 2,250,000 seedlings of various tree species in the Albertine and upper Nile Regions, restoration, pruning and weeding of 13,020.

**The above progress notwithstanding, the sector is non-compliant on some interventions such as; integration of climate change in 20 percent of sectors instead of 40 percent as targeted in the first year of the NDPIII implementation**, absence of clear climate change specific sensitization and awareness campaign and lack of a specific intervention on vehicle emission standards. Other areas of non-compliance include the low prioritization of the development of wetland and forest management plans more so given the poor performance on forest and wetland coverage over the NDP II. The sector ought to prioritize wetland and forest management plans to avert the same debacle over the NDPIII.

**Key Emerging Issues**

(i) Whilst the sector has budgeted for and targeted to reduce greenhouse gas emissions by 10 percent, there is no clarity on the state of the greenhouse gas monitoring, reporting and verification system which is essential in monitoring and reporting on this target to inform the NDP III.

(ii) There are no planned climate change specific sensitization campaigns and this is essential to cultivate climate change responsive mindset and behavioral change among the masses.

(iii) Interventions such as establishment of plantation wood fuel forests to curb deforestation for charcoal and cooking fuel are also not prioritized. Agroforestry as a good climate smart practice is not proritised. The sector should therefore liaise with the agricultural sector to promote agroforestry.

(iv) Issuance of carbon footprint certificates to support the industrial sector move towards carbon neutrality was one of the interventions to be undertaken in 2020/21, however, it has not been prioritized in the sector BFP.

# SECTION NINE:

# RECOMMENDATIONS

The recommendations in this section should facilitate improvement in performance by implementing entities towards achievement of the NDP and Uganda Vision 2040 targets and goals. They serve as a guide for corrective performance measures in planning and budgeting weaknesses. The following are therefore the overall recommendations arising out of the analysis.

1. There is need to fast-track the alignment of the programme-based budgeting to the comprehensive and integrated Program Approach to Planning. The programme-based approach to planning will require:
    a) Strengthening the programme implementation and coordination function of Office of the Prime Minister (OPM);
    b) Reviewing the budgeting instruments and description of AB programmes to reflect the NDPIII programmes starting with FY2020/21; and
    c) Institutionalizing processes for integrated planning, budgeting, reporting, monitoring and evaluation at programme level.
2. The architecture of Government should be reviewed in line with the programme approach to planning, budgeting, implementation, M&E and reporting. This is one of the means of addressing inefficient resource use arising out of the duplication of mandates by implementing Agencies.
3. To accelerate economic growth prospects and real per capita incomes, Government needs to increase investment in productivity-enhancement interventions and economic activities with the strongest backward and forward linkages. For example, in food and cash crops, agro-processing, dairy and animal husbandry and tourism.
4. Government should remove unnecessary VAT exemptions, limit zero-rated supplies and review the policy on deeming to allow VAT system to function normally so as to curb revenue leakages, especially on VAT. In effect, the Domestic Revenue Mobilization Strategy (DRMS) proposals aimed at strengthening tax policy and administration need to be implemented.
5. Prioritize standardization and integration of data systems in the country especially between NIRA, URA, URSB and other relevant MDAs to support revenue collection and the development of the digital economy.
6. Resources freed from the multi-year commitments should be prioritized for fast-tracking investments in NDP core projects. Government should fast-track the implementation of key core projects such as the Oil pipeline, Oil Roads, Express Highways, Bukasa port, and the petroleum refinery. The annual budget should be focused on delivering these and other NDP flagship projects.
7. Even with the recent gains in Public Investment Management, more effort is required to strengthen implementation planning and have a functional and robust Public Investment Management Policy Framework. In particular;
    a) Devise all means possible to deal with land compensation that is affecting infrastructure budgets and implementation. Joint planning and acquisition of infrastructure corridors should be pursued and budgeted for. Also, as recommended in

the FY 2018/19 CoC, all Illegal occupants on government owned land and gazetted areas should be dealt with by the law without compensation.

b) Fasttrack operationalization of the project preparation fund under MFPED to support preparation of studies for NDP core projects.

c) Regularly review the country's Multi-year commitments with a view of freeing resources for new NDP core projects.

d) Prioritize and commit external financing only for projects that are fully ready for implementation.

8. Government should review all the existing pre-financing arrangements and in future it should be highly constrained in order to manage the risk on debt and contingent liabilities. The Ministry of Finance, Planning and Economic Development (MoFPED) should quantify the contingent liability arising from pre financing arrangements and these should further be studied in line with NDPIII financing frameworks.

9. Government should design a system to capture and integrate all off-budget support into the national planning and budgeting processes. In particular, there is need to mainstream off-budget donor financing into the development budget and develop a tracking system for CSO financing. This can be studied with the case of the current donor basket financing under the JLOS Sector.

10. The AB should adequately provide for operation and maintenance of existing investments to maximize returns, minimize wastage of public resources and avoid idle public investments. A rational balance of allocation between recurrent and development budgets should be emphasized.

11. Over and above the current capitalization, there is need to increase public investment in key productive areas of the economy through increased capitalization of strategic corporations of UNOC, UDB, UTL, and UDC among others.

12. There is need for a deliberate strategy to promote domestic tourism as well as development of a robust integrated information management system between the Missions Abroad, MDAs and other stakeholders, to consolidate the gains in foreign tourism.

13. The AB should prioritize increasing transfers to local Governments from the current 12.3% towards the NDPII target of 30% in order to effectively strengthen the decentralization agenda. In order to increase efficiency of public resources, there is need to consider direct transfer of resources to Local Governments for interventions implemented at that level instead of using Government subventions. The MDAs should focus on strengthening their supervisory, policy and technical guidance roles.

14. The AB should consider re-prioritization of budget allocations in line with the NDP in order to support attainment of desired results. The continued allocation of resources to non-priority Sectors that are over and above what is planned is distortionary, undermines attainment of development results and ought to be discouraged.

15. In order to achieve meaningful integration within the EAC, sectors need to prioritize the various EAC protocols in both budgeting and implementation. Those that require renegotiation such as the convergency criteria, should be revised for better social economic transformation of the trade block. In addition, Sectors and MDAs should fast track harmonization of Legal Frameworks to support the implementation of various protocols.

16. The partner states should design collaborative frameworks to handle matters that affect the region as a whole. Solutions to outbreaks such as Ebola, COVID-19 etc should be handled collectively as a block to avert reinfections among the member states.
17. There is need to Fasttrack efforts for strengthening agro-processing and light manufacturing, organized in industrial and business parks should be fast-tracked in order to stimulate job intensive growth. Therefore, investment in small and medium scale value-addition technologies at farm level should be given priority in order to catalyze local production.
18. There is need to address the growing risks to the debt portfolio which include; the lower growth of exports, the rising debt servicing burden that has resulted from increasing domestic borrowing as well as the sluggish growth in domestic tax collections.
19. To enable the growth of private Sector credit, Government needs to limit borrowing from the domestic market. In addition, Government needs to develop the financial sector and its infrastructure in an effort to catalyze the mobilization of domestic savings and investments.
20. There is need to harmonize budgetary interventions that are towards implementing the NDPII interventions on skills development. Also, there is need to fast track the development NDPII skills development centers of excellence as well as international certification of critical skills in emerging sectors of the economy. The several skills development interventions are scattered in the sectors of Education, Health, Social Development, Energy and Mineral Development, Water and Environment among others but are spread too thin to yield the desired results.
21. In order to strengthen alignment to Sustainable Development Goals (SDGs), there is need to strengthen partnerships, coordination, monitoring, reporting and collaboration during the budgeting and implementation of the NDP2 that is based on the Agenda 2030 and SDGs.
22. There is need to strengthen capacity of at National level, Sectors and MDAs to integrate climate change concerns/issues into budgets. In particular:
    a. Include clear budget lines for Climate Change priorities in the National Budget specific budget allocation to the interventions.
    b. Address climate change in an integrated multi-sectoral approach to planning, budgeting, implementation and reporting.
    c. The results frameworks at all levels (Sector, MDAs and LGs) should be redesigned to include climate change indicators aligned to the NDPIII and reporting systems.
    d. The Ministry of Finance Planning and Economic Development (MFPED) should expedite the development and operationalization of the Climate Change Budget Tagging (CCBT) tool to support mainstreaming of climate change in public financial management. The CCBT tool will help to identify, track and analyze climate-relevant public expenditures, facilitate consistent reporting by MDAs and inform budget planning.

# APPENDIXES

## Appendix 1.1: Summary of assessment at all levels, FY2019/20

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| **A** | **Macro level Assessment** | **72** | **48.1** | **41.9** | **54.1** | **44.5** | There is an overall decline in macroeconomic alignment of the AB to the NDPII macroeconomic targets from 54.1 percent in FY2018/19 to 44.5 percent in FY2019/20. This low compliance is attributed to non-attainment of key NDPII macroeconomic targets of: growth, GDP per capita, external grants, interest payments, primary and fiscal balance. The rebasing of GDP also had effects on the ratios of; revenue, external and domestic debt, private sector credit, fiscal deficit among others.<br><br>The decline in the score is a reflection of a decline in compliance of NBFP, AB, and AB outturns in FY2019/20. The level of macroeconomic alignment of the NBFP declined from 47% to 40%, from 49% to 37.6% for AB while the CFR score remained constant at 100%.<br><br>**The specific areas of compliance existed** with respect to adherence to the objective of sustained economic growth of 6.3% though it was less than target of 6.8%; stable single digit inflation; alignment of recurrent expenditure targets; public debt; and Gross international reserves.<br><br>**Key areas of noncompliance**: GDP growth targets despite improvement, they are still insignificant to propel the country to middle income status; GDP per capita targets and performance outturns; expenditure outturns in Agriculture, Energy, Works and transport, HCD (Education, health, Water and Environment, & social development), Security, JLOS, PSM and Security Sectors were non-aligned to the NDPII; external grant targets; development expenditure targets; primary balance; and Net domestic financing were all not aligned. |
| **B** | **National Level Assessment** | **75.4** | **74.2** | **59.3** | **62.8** | **72.3** | This improved performance is attributed to the continued consistence of the NBFP and AB targets to the indicators of the NDPII. However, the none prioritization of the core projects continues to constrain achievement of NDPII objectives with 42.6% performance.<br><br>**Key areas of noncompliance**: At **goal/theme** level, non-full compliance was due to: (i) Competitiveness - Although the NBFP provided for adequate instructors and instructional materials for vocational and technical institutions with, it was not allocated funds in the AB. (ii) Sustainable wealth creation –the NBFP interventions identified do not address manufacturing. In addition, interventions to control pollution is not prioritized in BFP. (iii) **Employment** - Whereas the NBFP identifies reviewing the tax system to support domestic production and promote competitiveness of local manufacturing as one of the key interventions to drive growth, there was no budgetary support towards establishment of light manufacturing industries in Uganda to create jobs. The value addition interventions were skewed towards agro-processing. (iv) Inclusive growth - The AB and NBFP provided for community mobilization activities and funds across various Sectors of Government, however, these are duplicative, scattered and do not provide for harnessing of synergies. Furthermore, the funds allocated for Social Protection for vulnerable groups are not sufficient to address extreme poverty. **At objective level,** key |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | areas of non-compliance were: **Objective 1**: Inconsistency is also with regard to agricultural extension services with allocation of only 17 percent in BFP: there is no explicit focus in the budget on promoting the development of small-scale manufacturing - assembling, metal fabrication, packaging, etc. Furthermore, there were no projects proposed under the MSME programme. no commitment made towards its revival of the productivity center. **Objective 2**: The NBFP identified commencement of the rehabilitation of Tororo-Gulu railway line as one of the areas that will contribute to reducing transportation costs. However, this is not explicitly highlighted in the AB. With regard to ICT infrastructure, while the NBFP prioritized extending the NBI to 100 MDAs, LGs, Priority User and special interest Groups, the annual budget did not provide funds for the project. Further, Although UGX 11.95 Bn was proposed to be allocated to the output on Innovators and Innovation Hubs, there was a gap of UGX 7 Bn for establishing a model ICT hub and BPO centre in Northern Uganda to create employment and minimize the dependency on foreign ICT solution. **Objective 3**: The AB's focus was weak in establishing ECD centres, low completion rates at primary (61.5%), Lower secondary (37.8%) and upper secondary (12.7%); access and quality services remain low. **Objective 4**: the resources allocated for enforcement of regulatory frameworks and inspection are scattered across various Sectors of Government and are not adequate to enable the desired changes in improving the civil service. **At development strategies level:** Non-compliance was most pronounced in the area of: industrialization (58 percent). The NBFP targeted to improve the percentage of MSMEs with access to business incubation and industrial infrastructure to 12%; however, only the Food Technology Incubations II at Makerere University was provided for in the AB. **At core projects level** – Performance has continued to be slow at 42.6%. The Standard Gauge Railway (SGR) project has not started due to financing challenges; low financing of the Hoima Refinery; limited progress on the Tourism Marketing and Product Development Project covering the areas of Namugongo, Kagulu Hills and Source of the Nile due to the low funding of the tourism Sector. |
| **C** | **Sector level** | **57.7** | **60.1** | **53.2** | **58.21** | **58.36** | |
| 1 | Agriculture | 56.1 | 57 | 50.9 | 58.1 | 58.5 | The Sector experienced insignificant improvement in performance alignment to NDPIII at project planning, budgeting instruments and budget. The weak performance is as a result of poor budget releases and project performance. Low budget release, expenditure and project implementation delays were especially high for externally financed projects.<br><br>**Key areas of noncompliance include:** Development of the prioritized agricultural commodities; enhanced access to and use of fertilizers by both women and men; increased access to water for agricultural production; private Sector investment in value addition; investment in storage infrastructures to reduce post-harvest losses; and Operationalization of the commercialization fund. |
| 2 | Tourism | 55.8 | | | | 55.9 | The none alignment at planning level is as a result of the failure by UWA and UWRTI to have strategic plans which are aligned to NDPII. Less than satisfactory project performance is because of the weak absorption capacity in some MDAs and slow progress of implementation of projects. For instance, the source of the Nile project received 60% while the other projects got more than 100 percent at half year. There is weak absorption in projects as evidenced by MDAs not being able to spend more than 90 percent of available funds. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | **Key areas of noncompliance include:** Supporting protected areas and tourism sites with utilities and ICT related services; establishing recognized tourism institutions as centres of excellence; development of tourism standards development framework, tourism coordination framework and tourism Information Management System; and protection of identified Historical and cultural heritage resources |
| 3 | Trade and Industry | 58.3 | 53.4 | 48.5 | 49.7 | 59.3 | The performance improved by 15.9% from the previous Period. Planning improved from 33.3% to 50%. This weak performance is attributed to poor release of funds, low absorption and slow project preparation thereby hindering implementation. The total budget allocated for implementation of projects was shs. 56.5bn of which only 23% was released at the time of review. Specifically, only 2 out of 12 projects under implementation received at least 50 percent of the approved budget. Some projects like Produce Storage facilities, Border Markets, Support to non-agricultural high value chain, Jua Kali Business, Co-operatives revitalization have never received any funding although they remain list on MFED PIP.<br><br>**Key areas of noncompliance include:** Elimination of NTBs, Establishment of satellite border markets in the districts of Amuru, Kabale, Ntoroko, Tororo, Busia, Kitgum, and Manafwa; Establishing ten 20,000 MT capacity silos and sixty 5000MT warehouses in strategic boarder points and locations across the country; re-establishment of the co-operative based inputs delivery system; Supporting cooperative society members to acquire mechanization and irrigation equipment, farm level post-harvest handling technologies and other appropriate technologies.; Development of agro-processing Industrial parks; Fast tracking commercial exploitation and processing of key minerals especially iron ore, and dimension stones; Strengthening the legal and policy environment to support industrialization agenda; and Establishing national and regional technology incubation centres for nurturing SMEs and start-up enterprises. |
| 4 | Energy & Mineral Development | 53.4 | 64.5 | 41.9 | 50.5 | 42.1 | The decline in performance is explained by the poor performance at all levels. Only, the Sector and the Petroleum Authority of Uganda have approved plans that are fully aligned to the NDPII. This improved from 14.3% to 43% as a result of PAU acquiring an aligned plan. The low absorption at project level is attributed to the lack of readiness for project implementation especially aspects of the land acquisition and procurement delays.<br><br>**Key areas of noncompliance include**: Establishing the mineral potential of Karamoja region and promoting the development of Rare Earth Elements (REE). Implementation of the objectives and interventions in the oil and gas sub-sector, such as the construction of the refinery and downstream petroleum infrastructure have progressed rather slowly i.e. below the NDP II targets |
| 5 | Health | 52.9 | 51 | 51.7 | 51.2 | 52.8 | The sector has continuously performed at average level. Despite full compliance at planning level, there is low compliance at project and budget implementation levels. The unsatisfactory budget performance for the sector was on account of very low utilization of the funds released having scored 37.9% at this level.<br><br>**Key areas of noncompliance include:** Community empowerment through implementation of the CHEWS; financial risk protection of households against impoverishment due to health expenditures through implementation of the National Health Insurance Scheme (NHIS); Mass treatment of malaria |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | for prevention; Reviewing and re-alignment of the essential health package including essential clinical care to the evolving health care needs of the population; Strengthening dental services such as screening for and treatment of oral diseases particularly among primary school children; Promoting availability of services for mental, neurological and substance use; Training specialists in Cardiology, Oncology, Nephrology, Diagnostics and Management; Accrediting the Uganda Heart Institute, Uganda Cancer Institute, the Supra National Reference Laboratory and Schools of Public Health to be regional training centres; and addressing the key determinants of health through strengthening inter-sectoral collaboration and partnerships. |
| 6 | Education | 49.4 | 60.4 | 50.9 | 56.3 | 60.3 | Despite improvement in alignment is greater at Sector's planning frameworks (100%) and BFP & annual budget (91.8%), to the NDPII, non-compliance still manifests in Sector projects (32.7%), and budget performance (43.2%). While the Sector registered a significant improvement in the overall Sector projects' budget outturn, poor performance is mainly noticed in regard to expenditure outturn.<br><br>**Key areas of noncompliance include: Primary** - Non-compliance is manifested by low attainment particularly in Maths and Reading (about 50% of all primary pupils achieved below the defined subject proficiencies), low transition rate from P7 to S1 (at 61% against NDPII target of 83%), limited progress on implementation of school feeding policy guidelines, fewer than targeted teachers houses being planned for construction, and the less than targeted number of infrastructure (particularly classrooms) planned for construction. **Secondary education** - access remains an area of non-compliance with NER remaining below the NDPII targets. For instance, only 24% of Ugandans within the secondary school age are enrolled in secondary education against the NDPII target of atleast 40%. Non-compliance on this target is mainly explained by the low transition rates from primary to secondary schools, fewer secondary schools available, the prohibitive school fees/dues that the Sector has failed to effectively regulate in both public and private schools and the PPP policy reversal. **Tertiary** - planning for improved skills mix for increased employability and entrepreneurship of Ugandans. Relatedly, the country's skills triangle remains inverted with more university graduates and less technicians and vocationalists. Also, contrary to the NDPII's requirement for a review and strengthening of the standard setting and quality assurance systems at all levels and in particular higher education, no plans are carried in both of the budgeting tools (AB and BFP) of the Sector. It is hence difficult to assess how the Sector is adequately addressing standards and quality assurance in tertiary institutions. |
| 7 | Water & Environment | 55.7 | 51.8 | 51.2 | 56.1 | 54.1 | Despite alignment at sector and MDA planning level (100%), the sector continues to register un satisfactory performance at projects planning (58.7%) and budget performance (19%) hence an overall decline of about 2%. The poor release and expenditure outturn across all sector MDAs accounts for this low performance. The low expenditure outturn is attributed to mainly administrative challenges such as; delayed access to IFMS, delayed submission of invoices by service providers, incomplete procurement processes to effect payment and delayed evaluation of land to effect payment of PAPs.<br><br>**Key areas of noncompliance include:** Development and implementation of early warning systems (sector specific early warning products in support of climate change adaptation.); development of forest management plans; Households connected to the sewer line, establishment of functional sludge |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | management facilities; development of wetland management plans; and district wetland ordinances developed. |
| 8 | Works and Transport | 72.4 | 55 | 58.0 | 61 | 61.2 | The improvement is insignificant as CAA, URF and URC failed to produce Development plans aligned to NDPII. The average performance is majorly due to low absorption capacity of the released funds, by close of quarter two. This is partly attributed to the Ministry of Finance releasing funds to externally funded projects with unfulfilled conditions or not yet ready for implementation. Examples of projects where expenditure was low include; Hoima International Airport phase I where 239.3 Bn was released but only 41.3Bn was spent, Development of new Kampala port in Bukasa where UGX53.1 Bn was released but only 2.58 Bn was spent, Hoima-Wanseko Road (83Km) where 244.12 Bn was released but nothing was spent, and Mbale – Bubulo – Lwakhakha (41km) where only 18.36 Bn was spent out the released 37 Bn.<br><br>**Key areas of noncompliance include:** Standard gauge rail development (Uganda Section); Develop inland water transport; upgrade Air Navigation Services Infrastructure to achieve a globally interoperable air navigation system to provide a seamless service; and establishment of the Second-Generation Road Fund to effectively control the revenue from Road User Charges for road maintenance. |
| 9 | Social Development | 65.1 | 57.7 | 65.0 | 64.0 | 55.4 | The Sector continues to experience poor/low budget release than planned, at all levels but majorly at budget performance (29.3%). In particular, the Sector scored 33.3% on budget release and 26.7% on budget expenditure. Three (3) new projects (Chemical Safety & Security (CHESASE); "Integrated Community Learning for Wealth Creation (ICOLEW)"; and "Strengthening Social Risk Management and Gender Based Violence" Projects are in the MFPED PIP and were not planned in the NDPII PIP<br><br>**Key areas of noncompliance include:** Development of the LMIS, establishment of a functional Productivity center; construction and establishment of the business shelters; limited number of inspections at workplaces; no support towards Community Information system (CIS); construction of the National library building and public libraries, establishment and equipping of tele-centers; establishment of youth skills centers; and the National Service and Youth service schemes not prioritized. Although there has been some attempt on mindset change interventions integrated in youth programmes and communication mobilization strategy to address behavioral change under YLP. A fund to support artists and innovations was also proposed but was never implemented for creative industry. |
| 10 | ICT | 68.6 | 50.8 | 49.8 | 60.8 | 62.3 | The slight improvement in performance is as a result of improvement in alignment of budget process instruments to NDPII. Also, the sector and all its MDAs have approved strategic plans aligned to NDPII. However, the sector didn't absorb all the projects resources received by the second quarter. This poor absorption of funds released was registered in the previous FY as well. It is attributed to the inadequate releases for counterpart funding and delays in the procurement processes.<br><br>**Key areas of noncompliance include:** the development of a national addressing system is not included and yet this is a base register that would facilitate e-commerce, reinforce national security, ease the provision public services, aid and emergency services; network and internet connectivity of all LGs to the NBI to ensure efficient operations across Government is also not captured and the number districts that are connected have stagnated around 39 districts; transformation of the postal network into a one |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | stop centre for Gov`t services and Completion of the digital migration and UBC revamp programme as a National Public Broadcaster. |
| 11 | Lands, Housing & Urban Development | 41.3 | 65.1 | 52.9 | 45.6 | 60.7 | The improved score arises from improvement in budget process instruments and budget performance levels of alignment to the NDPII. However, unsatisfactory performance has been realized at sector planning (33%) and projects planning (44.5%). Out of the 16 sector priority projects in the NDPII, six (37.5%) are integrated in the PIP and are under implementation. There is therefore need the need to develop capacity for project preparation along the PIM process to secure financing. Also, going forward all MDAs should develop their strategic plans aligned to NDPIII.<br><br>**Key areas of noncompliance include:** Improvement and strengthening a competitive urban economy; Improved policy framework for the establishment and management of cities and other urban areas; Increased availability of and access to serviced land for urban expansion and investment; Reduced slums and informal settlements, Promotion and access to affordable housing and affordable housing finance, and operationalization of the National land fund to increase access to housing-related inputs through land banking. |
| 12 | Justice, Law & Order | 71.0 | 70.4 | 57.0 | 62.6 | 58.8 | Un satisfactory performance arises from the poor performance at projects (39.2%) and budget performance (44.3%). Overall, there is generally low absorption of development funds across almost all the JLOS institutions. In addition, whereas most institutions received most of the quarterly funds, a number of them had not spent much of the released funds. About 162.8 billion (20.5% of released funds) of the funds released was unutilized.<br><br>**Key areas of noncompliance include:** Development and implementation of measures to promote human rights observance in JLOS institutions; Empowerment of the citizenry to demand and access JLOS services |
| 13 | Public Administration | 58.3 | 67.7 | 50.1 | 71.8 | 61.8 | The reversal in performance is depicted from poor performance at both projects planning (31.3%) and budget performance (54.4%) levels of alignment to the NDPII. The reason for this score is due to the fact that some funds released for implementation of the projects are not spent due to lengthy procurement process which has a negative impact on project implementation. For example, Electoral Commission had over 21.458bn unspent by end of Q2 FY 2019/20. Similarly, State House did not spend all the funds released to a total of 1.000Bn due to deferred expenditure on the Jet maintenance set to happen in January 2020.<br><br>**Key areas of noncompliance include:** Establishment and strengthening of missions in strategic locations; increase in the number of commercial attaches to missions abroad; Development of strategies to attract skilled Ugandans in the Diaspora, to support the NDP II priority Sectors; Establishing a National Service program to strengthen patriotism; Strengthening Sector linkages in planning systems, communication, coordination and collaboration; Development of the Sectors service delivery standards among others. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| 14 | Legislature | 70.3 | 61 | 52.8 | 55.3 | 53.0 | Despite 100% compliance at Sector planning level, performance was unsatisfactory at project planning (7.5%), budget instruments (83.7%) and budget performance (52.0%). Specifically, the Sector spent only 20.1% of the released resources to implement Rehabilitation of Parliament project. In addition, the project is below schedule in performance.<br><br>**Key areas of non-compliance include:** Review and Strengthen a mechanism for Clearing backlog of Constitutional reports. |
| 15 | Accountability | 41.3 | 70 | 55.7 | 57.6 | 58.5 | At planning level, the Sector continues to have MDAs with no strategic plans. In particular, out of 23 MDAs, the following do not have approved strategic plans. These include: UIA, NSSF, PSFU, EPRC, UMRA and MSC. Unsatisfactory performance has been realized at projects planning (42.2%) and budget performance (46.0 %) levels of alignment to the NDPII. This weak performance was mainly attributed to the low absorption of released funds for the projects. These projects include; Support to OAG, Support to IG, Support to MFPED, Development of Industrial Parks, Competitiveness and Enterprise Development Project (CEDP),Support to PPDA, Support to FIA, Skills Development Project, Support to UBOS, Construction of the IG Head Office building Project, REAP KRA (1A,2A),1B, (2B&3A),(3B,4A,4B, and 5.<br><br>**Key areas of non-compliance include:** Introduction of the long-term infrastructure bonds; Develop a mechanism of Local Credit rating; Development of a National Local Content Policy; and Creating specialized funds for Uganda Development Corporation (UDC) targeting NDPII prioritized areas. |
| 16 | Public Sector Management | 50.7 | 62.7 | 47.8 | 55.4 | 57.5 | The improvement is at planning (100%) and budget process instruments (72.1%). All the 7 MDAs (NPA, OPM, MoLG, MEACA, MoPS, PSC and LGFC) have approved strategic plans aligned to the NDPII both in terms of content and timeframe. Unsatisfactory, is realized at project planning (34.9%) and budget performance (51.4%).<br><br>**Key areas of non-compliance include:** Development and institutionalization of a National value system; Development and implementation of coherent ICT strategy to operationalize the Access to Information Act in the promotion of an accountable public governance system; Development and implementation of a National Communication Strategy on EAC integration; Development and implementation of a contingency plan for refugee emergencies; Harmonizing LG policies, laws and regulations with those at the national level; Reviewing the decentralization policy with the view of rationalizing the structures and institutions in LGs; Exploiting investment opportunities in LGs; Establishing and maintaining waste management systems for LGs; Establishing regulations and standards to guide urban development; Redesigning the fiscal decentralization architecture to provide for provision of adequate and sustainable local government financing to deliver on their mandate as provide for in the decentralization policy framework. |
| 17 | Defence and Security | 61.0 | 63.9 | 67.7 | 72.5 | 79.7 | The Sector improved by 9.9 percentage points. At planning level, all MDAs have approved and aligned strategic plans to the NDPII both in terms of content and timeframe. This good performance is because the Sector was able to relatively spend all its releases. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | Areas of Non-compliance |
|---|---|---|---|---|---|---|---|
| | | | | | | | **Key areas of non-compliance include:** Establishment of the National Service Program; Food and Beverages Production Project for dry rations in Kakiri; Defence Research, Science and Technology Centre (DRSTC)-Lugazi; Finalizing the construction of the National Military Museum (NMM), Establishment and Development of an Engineer Division, Establishment of the National Defence College (NDC), Construction of Dormitories and the Institute of Security and Intelligence Studies (ISIS), and construction of headquarters for MoDVA, ISO and ESO. Nonetheless it is important to note the Sector is undertaking a number of feasibility studies to embark on these projects: Construction of 30,000 Housing Units (finalized); Institute of Security and Intelligence Studies (ISIS); ISO Headquarters; and others including the National Military Museum (NMM) which are ongoing. |
| 18 | Science, Technology & Innovation | | | | | 79.9 | The improved performance is as a result of compliance at projects planning, budget process instruments and budget performance. However, the Sector with all its MDAs except UIRI have no strategic plans aligned to NDPII and time horizon.<br><br>**Key areas of non-compliance include:** Development of the STI information management system; Provision of adequate state-of-the art STI infrastructure; Development of policies in the Sectors where STI application is relevant. |
| D | Local Government | | 51.8 | 62.2 | 66.4 | 64.8 | The stagnation in performance is attributed to the continued misalignment of the plans and Annual work plans to the NDPII. Despite sustained release performance, most of the resources are recurrent in nature / wages (79.9%) implying none financing of priorities. Performance at the three levels is as follows:<br><br>4. **Alignment of LGDPs to NDPII.** This was 93.6 percent compliant, 1.1 percentage points lower than for FY2018/19. This is because more 16 LGs i.e. 168 compared to 152 in previous FY have been assessed, 8 of which (Butambala, Pallisa, Amudat, Moroto, Kapchorwa, Mbale Lugazi Municipal Council and Kira Municipal Council) did not submit their Development Plans to NPA for review for alignment with NDPII.<br><br>5. **Alignment of LG AWP and Budget to NDPII.** LGs are 58.3 percent compliant. The compliant is slightly higher compared to the 53.5 percent achieved in the FY2018/19, largely due to a sustained poor focus on the NDPII outputs.<br><br>6. **LG Budget Allocations and Performance.** LGs 73 percent compliant at this level. However, a small proportion of LG transfers is wage (9.2%), which leaves very little for local development priorities. |
| **Total Compliance** | | **68.3** | **58.8** | **54.0** | **60.0** | **59.7** | |

## Appendix 1.2: Local Government compliance to NDPII

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 1 | ABIM | 52.4 | 100.0 | 38.1 | 78.9 | 53.3 | 100.0 | 80.0 | 7.3 | 7.1 | 29.0 | 72.0 | 60.4 | 70.4 | 55.6 | 100.0 |
| 2 | ADJUMANI | 54.8 | 100.0 | 43.7 | 71.3 | 53.3 | - | 33.3 | 53.6 | 27.2 | 43.3 | 40.0 | 25.0 | 68.5 | 100.0 | 100.0 |
| 3 | AGAGO | 63.1 | 100.0 | 52.9 | 80.3 | 60.0 | 50.0 | 66.7 | 58.9 | 36.8 | - | 84.0 | 52.8 | 75.5 | 88.9 | 100.0 |
| 4 | ALEBTONG | 71.0 | 100.0 | 64.5 | 79.0 | 53.3 | - | 66.7 | 57.1 | 69.7 | 54.8 | 72.0 | 66.0 | 68.5 | 77.8 | 100.0 |
| 5 | AMOLATAR | 68.4 | 100.0 | 60.7 | 79.9 | 60.0 | - | 66.7 | 44.6 | 72.0 | 25.8 | 60.0 | 64.2 | 77.4 | 77.8 | 100.0 |
| 6 | AMUDAT | 58.5 | - | 60.1 | 82.1 | 66.7 | 50.0 | 66.7 | 55.4 | 69.7 | 35.5 | 84.0 | 40.4 | 66.7 | 77.8 | 100.0 |
| 7 | AMURIA | 69.1 | 100.0 | 61.9 | 78.5 | 75.0 | 50.0 | 66.7 | 61.5 | 55.1 | 63.3 | 84.2 | 60.8 | 55.1 | 88.9 | 100.0 |
| 8 | AMURU | 73.6 | 100.0 | 69.3 | 75.6 | 60.0 | 100.0 | 50.0 | 67.9 | 71.1 | 51.6 | 80.0 | 71.7 | 74.1 | 66.7 | 100.0 |
| 9 | APAC | 51.9 | 100.0 | 37.8 | 77.4 | 33.3 | 50.0 | 50.0 | 47.3 | 47.4 | 30.0 | 36.0 | 11.3 | 35.2 | 88.9 | 100.0 |
| 10 | APAC MC | 55.8 | 100.0 | 50.9 | 50.8 | 66.7 | 100.0 | 66.7 | 51.8 | 24.1 | 48.4 | 44.0 | 60.4 | 70.4 | 77.8 | 100.0 |
| 11 | ARUA | 61.0 | 100.0 | 52.9 | 69.9 | 53.3 | 50.0 | 66.7 | 49.1 | 66.7 | 51.6 | 36.0 | 47.2 | 41.5 | 100.0 | 100.0 |
| 12 | ARUA MC | 49.9 | 100.0 | 39.7 | 60.4 | 46.7 | 50.0 | 66.7 | 48.2 | 48.7 | - | 48.0 | 45.3 | 20.4 | 66.7 | 100.0 |
| 13 | BUDAKA | 64.3 | 100.0 | 55.1 | 78.9 | 60.0 | 50.0 | 60.0 | 34.5 | 44.0 | 19.4 | 88.0 | 69.8 | 75.5 | 77.8 | 100.0 |
| 14 | BUDUDA | 72.1 | 100.0 | 66.3 | 78.5 | 73.3 | 50.0 | 50.0 | 62.5 | 69.7 | 29.0 | 76.0 | 64.2 | 79.6 | 88.9 | 100.0 |
| 15 | BUGIRI | 61.9 | 100.0 | 52.1 | 77.2 | 60.0 | 100.0 | 83.3 | 55.4 | 67.9 | 35.5 | 28.0 | 24.5 | 57.4 | 100.0 | 100.0 |
| 16 | BUGIRI MC | 52.4 | - | 53.5 | 74.8 | 53.3 | 50.0 | 50.0 | 53.6 | 55.3 | 25.8 | 44.0 | 45.3 | 75.9 | 66.7 | 100.0 |
| 17 | BUHWEJU | 67.6 | 100.0 | 59.2 | 81.0 | 33.3 | - | 66.7 | 55.4 | 63.6 | 22.6 | 76.0 | 71.7 | 66.7 | 55.6 | 100.0 |
| 18 | BUIKWE | 72.9 | 100.0 | 68.7 | 74.0 | 53.3 | 50.0 | 66.7 | 64.3 | 72.4 | 48.4 | 84.0 | 77.4 | 64.8 | 88.9 | 100.0 |
| 19 | BUKEDEA | 70.3 | 100.0 | 63.8 | 78.2 | 60.0 | 50.0 | 50.0 | 50.0 | 76.7 | 32.3 | 56.0 | 79.2 | 68.5 | 77.8 | 50.0 |
| 20 | BUKOMANSIMBI | 68.4 | 100.0 | 61.0 | 78.7 | 53.3 | 50.0 | 66.7 | 62.5 | 80.0 | 35.5 | 84.0 | 54.7 | 42.6 | 66.7 | 100.0 |
| 21 | BUKWO | 63.8 | 100.0 | 54.5 | 78.3 | 66.7 | 50.0 | 50.0 | 57.1 | 49.4 | 48.4 | 68.0 | 26.4 | 75.9 | 77.8 | 100.0 |
| 22 | BULAMBULI | 68.1 | 100.0 | 60.1 | 80.2 | 66.7 | - | 50.0 | 62.5 | 51.9 | 32.3 | 84.0 | 56.6 | 77.8 | 66.7 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 23 | BULIISA | 71.2 | 100.0 | 64.4 | 80.6 | 40.0 | 50.0 | 83.3 | 62.5 | 70.7 | 19.4 | 84.0 | 70.4 | 70.4 | 77.8 | 100.0 |
| 24 | BUNDIBUGYO | 51.9 | 100.0 | 37.8 | 77.0 | 53.3 | 50.0 | 83.3 | 41.1 | 17.9 | 41.9 | 48.0 | 41.5 | 40.7 | 55.6 | 100.0 |
| 25 | BUNYAGABO | 69.9 | 100.0 | 66.9 | 65.5 | 73.3 | 100.0 | 66.7 | 66.1 | 51.9 | 45.2 | 92.0 | 71.2 | 79.6 | 77.8 | 100.0 |
| 26 | BUSHENYI | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 27 | BUSHENYI - ISHAKA M.C | 47.3 | - | 46.7 | 73.2 | 53.3 | 50.0 | 50.0 | 35.7 | 39.0 | 38.7 | 40.0 | 50.9 | 64.8 | 66.7 | 100.0 |
| 28 | BUSIA | 48.7 | 100.0 | 32.9 | 78.3 | 66.7 | 50.0 | 66.7 | 30.4 | 20.5 | 38.7 | 40.0 | 21.2 | 37.0 | 77.8 | 100.0 |
| 29 | BUSIA MC | 37.1 | - | 39.4 | 47.9 | 40.0 | 50.0 | 50.0 | 28.6 | 45.5 | 25.8 | 44.0 | 28.3 | 51.9 | 55.6 | 100.0 |
| 30 | BUTALEJA | 42.8 | 100.0 | 43.3 | 12.7 | 46.7 | 50.0 | 50.0 | 38.9 | 47.4 | 54.8 | 40.0 | 32.1 | 42.6 | 55.6 | 100.0 |
| 31 | BUTAMBALA | 55.9 | - | 57.1 | 79.3 | 60.0 | 50.0 | 66.7 | 66.1 | 65.8 | 35.5 | 44.0 | 58.5 | 46.3 | 77.8 | 100.0 |
| 32 | BUTEBO | 60.2 | 100.0 | 51.8 | 69.5 | 60.0 | - | 66.7 | 21.4 | 65.8 | 45.2 | 72.0 | 56.6 | 46.3 | 77.8 | 100.0 |
| 33 | BUVUMA | 68.8 | 100.0 | 61.7 | 77.9 | 53.3 | - | 50.0 | 62.5 | 66.7 | 29.0 | 48.0 | 75.5 | 68.5 | 77.8 | 100.0 |
| 34 | BUYENDE | 68.0 | 100.0 | 60.6 | 77.9 | 53.3 | - | 83.3 | 57.1 | 74.7 | 48.3 | 80.0 | 66.0 | 37.0 | 66.7 | 100.0 |
| 35 | DOKOLO | 69.6 | 100.0 | 62.4 | 79.7 | 53.3 | 50.0 | 66.7 | 51.8 | 50.6 | 67.7 | 72.0 | 67.9 | 75.9 | 77.8 | 100.0 |
| 36 | ENTEBBE MC | 59.3 | 100.0 | 52.0 | 64.4 | 53.3 | - | 50.0 | 23.2 | 72.0 | 54.8 | 36.0 | 41.5 | 68.5 | 66.7 | 100.0 |
| 37 | FORTPORTAL MC | 62.7 | 100.0 | 58.0 | 60.6 | 33.3 | 50.0 | 66.7 | 46.4 | 50.6 | 48.4 | 40.0 | 81.5 | 72.2 | 77.8 | 100.0 |
| 38 | GOMBA | 76.0 | 100.0 | 72.5 | 76.2 | 66.7 | 50.0 | 50.0 | 64.3 | 75.7 | 48.4 | 88.0 | 69.8 | 88.9 | 77.8 | 100.0 |
| 39 | GULU | 59.4 | 100.0 | 48.5 | 77.2 | 60.0 | 50.0 | 66.7 | 39.3 | 34.6 | 60.0 | 40.0 | 60.0 | 53.7 | 77.8 | 100.0 |
| 40 | GULU MC | 63.5 | 100.0 | 62.4 | 49.1 | 60.0 | 50.0 | 50.0 | 69.6 | 51.9 | 45.2 | 44.0 | 71.7 | 77.8 | 77.8 | 100.0 |
| 41 | HOIMA | 46.3 | 100.0 | 30.3 | 75.5 | 33.3 | 50.0 | 50.0 | 44.0 | 13.1 | 38.7 | 16.0 | 48.1 | 13.2 | 88.9 | 100.0 |
| 42 | HOIMA MC | 55.3 | 100.0 | 49.8 | 52.1 | 53.3 | - | 50.0 | 32.1 | 67.1 | 32.3 | 24.0 | 64.8 | 50.0 | 55.6 | 100.0 |
| 43 | IBANDA | 57.2 | 100.0 | 56.6 | 37.9 | 60.0 | 100.0 | 66.7 | 47.3 | 60.5 | 35.5 | 64.0 | 52.8 | 61.1 | 100.0 | 100.0 |
| 44 | IBANDA MC | 64.4 | 100.0 | 56.2 | 75.5 | 53.3 | 50.0 | 50.0 | 55.4 | 46.8 | 58.1 | 20.0 | 70.4 | 70.4 | 66.7 | 100.0 |
| 45 | IGANGA | 54.5 | 100.0 | 41.4 | 77.4 | 57.1 | - | 66.7 | 32.1 | 62.8 | 25.8 | 24.0 | 29.6 | 38.9 | 66.7 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 46 | IGANGA MC | 46.5 | - | 52.0 | 50.7 | 60.0 | 50.0 | 50.0 | 53.6 | 46.8 | 32.3 | 28.0 | 57.4 | 66.7 | 77.8 | 100.0 |
| 47 | ISINGIRO | 64.5 | 100.0 | 57.9 | 69.5 | 73.3 | 100.0 | 83.3 | 61.8 | 63.2 | 64.5 | 60.0 | 42.6 | 42.6 | 88.9 | 100.0 |
| 48 | JINJA | 58.1 | 100.0 | 48.3 | 71.3 | 46.7 | 100.0 | 50.0 | 35.7 | 61.5 | 38.7 | 16.0 | 40.7 | 61.1 | 88.9 | 100.0 |
| 49 | JINJA MC | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 50 | KAABONG | 54.5 | 100.0 | 41.5 | 77.4 | 53.3 | 50.0 | 66.7 | 44.6 | 39.2 | 51.6 | 48.0 | 26.4 | 35.8 | 66.7 | 100.0 |
| 51 | KABALE | 57.6 | 100.0 | 46.2 | 76.5 | 73.3 | 100.0 | 66.7 | 43.6 | 38.5 | 67.7 | 32.0 | 47.2 | 31.5 | 100.0 | 100.0 |
| 52 | KABALE MC | 63.6 | 100.0 | 62.9 | 47.8 | 46.7 | 100.0 | 50.0 | 57.1 | 81.3 | 38.7 | 44.0 | 72.2 | 57.4 | 77.8 | 100.0 |
| 53 | KABAROLE | 54.7 | 100.0 | 41.6 | 78.1 | 46.7 | 100.0 | 50.0 | 48.2 | 32.9 | 54.8 | 40.0 | 46.3 | 24.1 | 77.8 | 100.0 |
| 54 | KABERAMAIDO | 58.3 | 100.0 | 46.1 | 80.3 | 46.7 | 100.0 | 33.3 | 35.7 | 74.0 | 41.9 | 40.0 | 29.6 | 29.6 | 88.9 | 100.0 |
| 55 | KAGADI | 71.4 | 100.0 | 67.0 | 72.7 | 60.0 | 50.0 | 50.0 | 64.3 | 68.4 | 58.1 | 72.0 | 72.2 | 64.8 | 88.9 | 100.0 |
| 56 | KAKUMIRO | 66.5 | 100.0 | 61.6 | 66.8 | 53.3 | 50.0 | 33.3 | 58.9 | 49.4 | 48.4 | 88.0 | 68.5 | 74.1 | 66.7 | 100.0 |
| 57 | KALANGALA | 53.2 | 100.0 | 38.9 | 79.7 | 46.7 | 50.0 | 16.7 | 39.3 | 53.2 | 53.3 | 4.0 | 29.6 | 33.3 | 44.4 | 100.0 |
| 58 | KALIRO | 51.2 | 100.0 | 37.0 | 76.6 | 53.3 | 100.0 | 83.3 | 29.1 | 14.3 | 45.2 | 16.7 | 46.2 | 59.3 | 62.5 | 100.0 |
| 59 | KALUNGU | 67.6 | 100.0 | 60.8 | 75.3 | 60.0 | 50.0 | 50.0 | 56.4 | 64.5 | 38.7 | 48.0 | 66.7 | 72.2 | 66.7 | 100.0 |
| 60 | KAMULI | 41.2 | 100.0 | 41.2 | 11.6 | 53.3 | - | 16.7 | 42.9 | 39.5 | 35.5 | 32.0 | 29.6 | 51.9 | 100.0 | 100.0 |
| 61 | KAMULI MC | 52.0 | 100.0 | 45.9 | 49.4 | 53.3 | - | 50.0 | 32.1 | 48.7 | 32.3 | 44.0 | 70.4 | 35.2 | 66.7 | 100.0 |
| 62 | KAMWENGE | 81.6 | 100.0 | 82.4 | 69.5 | 40.0 | 100.0 | 50.0 | 96.4 | 73.2 | 87.1 | 100.0 | 74.1 | 90.7 | 87.5 | 100.0 |
| 63 | KANUNGU | 55.0 | 100.0 | 42.3 | 76.6 | 33.3 | 100.0 | 50.0 | 30.9 | 66.2 | 25.8 | 20.0 | 37.3 | 35.2 | 88.9 | 100.0 |
| 64 | KAPCHORWA | 38.8 | - | 33.0 | 78.4 | 40.0 | 100.0 | 33.3 | 29.1 | 25.3 | 22.6 | 8.0 | 51.9 | 32.1 | 88.9 | 100.0 |
| 65 | KAPCHORWA MC | 62.5 | 100.0 | 55.0 | 69.9 | 60.0 | 50.0 | 66.7 | 53.6 | 45.5 | 41.9 | 24.0 | 72.2 | 70.4 | 55.6 | 100.0 |
| 66 | KASESE | 59.6 | 100.0 | 48.9 | 76.6 | 46.7 | 50.0 | 33.3 | 40.0 | 74.7 | 35.5 | 41.7 | 37.0 | 39.6 | 88.9 | 100.0 |
| 67 | KASESE MC | 94.4 | 100.0 | 61.2 | 207.8 | 66.7 | 50.0 | 66.7 | 58.9 | 49.4 | 45.2 | 44.0 | 72.2 | 79.2 | 88.9 | 100.0 |
| 68 | KATAKWI | 56.0 | 100.0 | 43.6 | 77.6 | 33.3 | 100.0 | 66.7 | 50.9 | 63.6 | 38.7 | 44.0 | 30.2 | 13.0 | 88.9 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 69 | KAYUNGA | 58.0 | 100.0 | 46.5 | 77.2 | 53.3 | 100.0 | 33.3 | 33.9 | 65.8 | 32.3 | 45.8 | 44.4 | 33.3 | 87.5 | 100.0 |
| 70 | KIBAALE | 60.7 | 100.0 | 49.7 | 79.6 | 40.0 | 100.0 | 16.7 | 32.1 | 59.0 | 32.3 | 44.0 | 59.3 | 54.7 | 88.9 | 100.0 |
| 71 | KIBOGA | 43.8 | 100.0 | 26.4 | 76.6 | 60.0 | 50.0 | 16.7 | 28.6 | 21.3 | 25.8 | 36.0 | 29.6 | 11.1 | 44.4 | 100.0 |
| 72 | KIBUKU | 61.4 | 100.0 | 50.0 | 82.0 | 53.3 | - | 66.7 | 51.8 | 49.4 | 25.8 | 68.0 | 57.4 | 44.4 | 55.6 | 100.0 |
| 73 | KIRA MC | 39.6 | - | 34.8 | 76.3 | 46.7 | - | 50.0 | 14.3 | 32.1 | 29.0 | 28.0 | 44.4 | 46.3 | 66.7 | 100.0 |
| 74 | KIRUHURA | 56.2 | 100.0 | 43.8 | 77.7 | 33.3 | 100.0 | 50.0 | 37.5 | 48.7 | 35.5 | 40.0 | 51.9 | 35.2 | 77.8 | 100.0 |
| 75 | KIRYANDONGO | 72.0 | 100.0 | 68.8 | 69.0 | 80.0 | 50.0 | 83.3 | 69.6 | 68.4 | 35.5 | 88.0 | 68.5 | 72.2 | 77.8 | 100.0 |
| 76 | KISORO | 59.0 | 100.0 | 48.3 | 75.7 | 73.3 | 100.0 | 66.7 | 53.6 | 23.8 | 45.2 | 44.0 | 64.8 | 50.0 | 77.8 | 100.0 |
| 77 | KISORO MC | 36.1 | 100.0 | 15.7 | 75.2 | 20.0 | - | - | 19.6 | 2.3 | 3.2 | 32.0 | - | 44.4 | 44.4 | 50.0 |
| 78 | KITGUM | 58.8 | 100.0 | 47.1 | 78.8 | 60.0 | 50.0 | 66.7 | 46.4 | 23.8 | 48.4 | 68.0 | 55.6 | 53.7 | 66.7 | 100.0 |
| 79 | KITGUM MC | 51.7 | 100.0 | 45.2 | 50.6 | 53.3 | 50.0 | 60.0 | 51.8 | 45.5 | 32.3 | 36.0 | 42.6 | 42.6 | 66.7 | 100.0 |
| 80 | KOBOKO | 54.0 | 100.0 | 40.1 | 79.5 | 53.3 | 50.0 | 66.7 | 25.0 | 25.9 | 58.1 | 44.0 | 48.1 | 44.4 | 66.7 | 100.0 |
| 81 | KOBOKO MC | 64.9 | 100.0 | 56.3 | 77.3 | 53.3 | 50.0 | - | 55.4 | 54.5 | 32.3 | 48.0 | 68.5 | 74.1 | 55.6 | 50.0 |
| 82 | KOLE | 67.4 | 100.0 | 59.5 | 78.6 | 46.7 | 50.0 | 50.0 | 58.9 | 53.2 | 29.0 | 72.0 | 59.3 | 81.5 | 77.8 | 100.0 |
| 83 | KOTIDO | 67.7 | 100.0 | 58.9 | 82.5 | 83.3 | 50.0 | 83.3 | 63.5 | 50.7 | 64.3 | 57.9 | 51.1 | 57.7 | 77.8 | 100.0 |
| 84 | KOTIDO MC | 57.5 | 100.0 | 41.9 | 91.0 | 53.3 | - | 66.7 | 39.3 | 44.2 | 45.2 | 28.0 | 61.1 | 16.7 | 66.7 | 100.0 |
| 85 | KUMI | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 86 | KUMI MC | 62.7 | 100.0 | 54.8 | 71.7 | 53.3 | 50.0 | 50.0 | 51.8 | 64.5 | 51.6 | 44.0 | 48.1 | 55.6 | 66.7 | 100.0 |
| 87 | KWEEN | 78.0 | 100.0 | 73.7 | 81.9 | 53.3 | 50.0 | 66.7 | 71.4 | 86.5 | 51.6 | 76.0 | 68.5 | 81.1 | 77.8 | 100.0 |
| 88 | KYANKWANZI | 71.1 | 100.0 | 64.8 | 78.7 | 60.0 | - | 50.0 | 53.6 | 80.0 | 29.0 | 68.0 | 64.8 | 75.9 | 88.9 | 100.0 |
| 89 | KYEGEGWA | 74.5 | 100.0 | 70.3 | 76.4 | 53.3 | 50.0 | 66.7 | 62.5 | 71.1 | 64.5 | 84.0 | 75.9 | 70.4 | 88.9 | 100.0 |
| 90 | KYENJOJO | 61.6 | 100.0 | 51.4 | 78.2 | 60.0 | 100.0 | 50.0 | 42.9 | 57.7 | 61.3 | 32.0 | 44.4 | 50.0 | 88.9 | 100.0 |
| 91 | KYOTERA | 66.7 | 100.0 | 60.9 | 70.1 | 66.7 | 50.0 | 50.0 | 55.4 | 64.5 | 48.4 | 84.0 | 70.4 | 44.4 | 77.8 | 100.0 |
| 92 | LAMWO | 70.4 | 100.0 | 66.2 | 70.3 | 53.3 | 50.0 | 66.7 | 55.4 | 78.4 | 32.3 | 84.0 | 64.8 | 74.1 | 77.8 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 93 | LIRA | 70.3 | 100.0 | 63.1 | 80.4 | 53.3 | 50.0 | 50.0 | 69.1 | 72.4 | 67.7 | 52.0 | 53.7 | 55.6 | 88.9 | 100.0 |
| 94 | LIRA MC | 61.9 | 100.0 | 59.5 | 51.2 | 46.7 | 50.0 | 83.3 | 58.9 | 45.5 | 41.9 | 44.0 | 77.8 | 74.1 | 88.9 | 100.0 |
| 95 | LUGAZI MC | 39.8 | - | 42.2 | 51.3 | 40.0 | 50.0 | 50.0 | 33.9 | 30.8 | 41.9 | 40.0 | 37.0 | 68.5 | 55.6 | 100.0 |
| 96 | LUUKA | 63.5 | 100.0 | 54.4 | 77.1 | 53.3 | 50.0 | 66.7 | 58.9 | 33.8 | 25.8 | 52.0 | 64.8 | 79.6 | 77.8 | 100.0 |
| 97 | LUWEERO | 61.5 | 100.0 | 51.5 | 77.2 | 60.0 | 50.0 | 66.7 | 53.6 | 55.8 | 58.1 | 40.0 | 42.6 | 50.0 | 44.4 | 100.0 |
| 98 | LWENGO | 62.7 | 100.0 | 53.4 | 76.7 | 66.7 | 50.0 | 50.0 | 69.6 | 17.9 | 29.0 | 64.0 | 61.1 | 83.0 | 88.9 | 100.0 |
| 99 | LYANTONDE | 71.7 | 100.0 | 65.7 | 78.5 | 26.7 | 50.0 | 50.0 | 60.0 | 77.0 | 48.4 | 64.0 | 68.5 | 75.9 | 66.7 | 100.0 |
| 100 | MAKINDYE SSABAGABO MC | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 101 | MANAFWA | 72.7 | 100.0 | 66.9 | 79.6 | 80.0 | 50.0 | 50.0 | 69.6 | 69.3 | 29.0 | 88.0 | 64.8 | 68.5 | 88.9 | 100.0 |
| 102 | MARACHA | 70.1 | 100.0 | 63.0 | 79.8 | 53.3 | 50.0 | 50.0 | 62.5 | 64.5 | 32.3 | 72.0 | 66.7 | 70.4 | 88.9 | 100.0 |
| 103 | MASAKA? | 58.5 | 100.0 | 60.2 | 31.5 | 63.6 | - | - | 83.6 | 57.0 | 32.3 | 64.0 | 60.8 | 57.4 | 100.0 | 100.0 |
| 104 | MASAKA MC | 61.2 | 100.0 | 58.6 | 50.9 | 60.0 | 50.0 | 50.0 | 57.1 | 49.4 | 41.9 | 32.0 | 68.5 | 81.5 | 77.8 | 100.0 |
| 105 | MASINDI | 57.3 | 100.0 | 45.8 | 76.1 | 60.0 | 100.0 | 66.7 | 35.7 | 38.0 | 67.7 | 8.0 | 61.1 | 50.0 | 33.3 | 100.0 |
| 106 | MASINDI MC | 53.5 | 100.0 | 40.2 | 76.8 | 66.7 | 100.0 | 66.7 | 29.1 | 39.2 | 45.2 | 20.0 | 48.1 | 37.0 | 44.4 | 100.0 |
| 107 | MAYUGE | 54.9 | 100.0 | 42.0 | 77.7 | 33.3 | 100.0 | 50.0 | 25.0 | 37.2 | 48.4 | 40.0 | 38.9 | 59.3 | 77.8 | 100.0 |
| 108 | MBALE | 59.0 | 100.0 | 47.7 | 77.8 | 53.3 | 100.0 | 50.0 | 46.4 | 40.3 | 51.6 | 32.0 | 46.3 | 56.6 | 77.8 | 100.0 |
| 109 | MBALE MC | 45.1 | 100.0 | 34.2 | 55.5 | 57.1 | 50.0 | 50.0 | 30.4 | 3.5 | 41.9 | 40.0 | 66.7 | 31.5 | 66.7 | 100.0 |
| 110 | MBARARA | 60.3 | 100.0 | 50.5 | 75.1 | 46.7 | 100.0 | 66.7 | 37.5 | 59.2 | 29.0 | 40.0 | 51.9 | 59.3 | 77.8 | 100.0 |
| 111 | MBARARA MC | 52.0 | 100.0 | 44.6 | 54.2 | 53.3 | 50.0 | 66.7 | 32.1 | 28.2 | 41.9 | 40.0 | 44.4 | 74.1 | 66.7 | 100.0 |
| 112 | MITOOMA | 67.9 | 100.0 | 60.4 | 78.2 | 66.7 | 50.0 | 66.7 | 58.9 | 56.9 | 32.3 | 60.0 | 64.8 | 72.2 | 77.8 | 100.0 |
| 113 | MITYANA | 48.3 | 100.0 | 33.1 | 75.5 | 60.0 | 100.0 | 66.7 | 35.2 | 17.3 | 25.8 | 60.0 | 32.1 | 25.9 | 66.7 | 100.0 |
| 114 | MITYANA MC | 73.1 | 100.0 | 70.0 | 70.3 | 53.8 | 100.0 | 16.7 | 71.7 | 58.3 | 66.7 | 68.0 | 79.6 | 82.7 | 88.9 | 100.0 |
| 115 | MOROTO | 43.7 | - | 40.3 | 77.6 | 26.7 | 50.0 | 33.3 | 33.9 | 43.6 | 29.0 | 36.0 | 31.5 | 56.6 | 77.8 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)-%age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 116 | MOROTO MC | 73.7 | 100.0 | 77.0 | 48.8 | 53.3 | 100.0 | 66.7 | 76.8 | 65.3 | 90.3 | 76.0 | 83.3 | 87.0 | 77.8 | 50.0 |
| 117 | MOYO | 67.6 | 100.0 | 52.4 | 104.4 | 60.0 | - | 50.0 | 51.8 | 75.0 | 41.9 | 40.0 | 38.9 | 46.3 | 55.6 | 100.0 |
| 118 | MPIGI | 48.8 | 100.0 | 33.8 | 75.8 | 53.3 | 50.0 | 33.3 | 39.3 | 48.7 | 35.5 | 12.0 | 3.7 | 29.6 | 100.0 | 100.0 |
| 119 | MUBENDE | 62.3 | 100.0 | 52.9 | 76.6 | 46.7 | 100.0 | 66.7 | 57.1 | 41.0 | 54.8 | 16.0 | 72.2 | 55.6 | 77.8 | 100.0 |
| 120 | MUBENDE MC | 52.9 | 100.0 | 46.5 | 51.6 | 53.3 | 100.0 | 33.3 | 28.6 | 54.1 | 41.9 | 8.0 | 48.1 | 63.0 | 88.9 | 100.0 |
| 121 | MUKONO | 67.8 | 100.0 | 61.0 | 75.3 | 53.3 | 50.0 | 50.0 | 58.9 | 70.3 | 38.7 | 76.0 | 68.5 | 46.3 | 88.9 | 100.0 |
| 122 | MUKONO MC | 65.3 | 100.0 | 53.0 | 90.8 | 53.3 | 50.0 | 50.0 | 53.6 | 60.5 | 29.0 | 36.0 | 35.2 | 79.6 | 55.6 | 100.0 |
| 123 | NAKAPIRIPIRIT | 72.0 | 100.0 | 65.2 | 81.6 | 53.3 | 50.0 | 60.0 | 53.6 | 72.0 | 48.4 | 84.0 | 66.7 | 68.5 | 77.8 | 100.0 |
| 124 | NAKASEKE | 71.3 | 100.0 | 66.6 | 73.4 | 60.0 | 50.0 | 50.0 | 55.4 | 77.3 | 41.9 | 88.0 | 66.7 | 70.4 | 66.7 | 100.0 |
| 125 | NAKASONGOLA | 70.5 | 100.0 | 64.7 | 75.9 | 60.0 | 50.0 | 50.0 | 57.1 | 65.3 | 64.5 | 60.0 | 66.7 | 72.2 | 77.8 | 100.0 |
| 126 | NAMAYINGO | 71.9 | 100.0 | 66.0 | 78.5 | 66.7 | 50.0 | 83.3 | 62.5 | 64.0 | 25.8 | 92.0 | 70.4 | 72.2 | 88.9 | 100.0 |
| 127 | NAMISINDWA | 58.8 | 100.0 | 50.8 | 66.4 | 23.1 | 100.0 | 50.0 | 39.6 | 52.6 | 71.0 | 40.0 | 42.0 | 59.3 | 77.8 | 100.0 |
| 128 | NAMUTUMBA | 53.4 | 100.0 | 39.6 | 78.3 | 53.3 | - | 50.0 | 48.2 | 51.3 | 38.7 | 44.0 | 38.9 | 1.9 | 77.8 | 100.0 |
| 129 | NANSANA MC | 69.7 | 100.0 | 59.0 | 91.8 | 33.3 | 100.0 | - | 67.9 | 37.5 | 44.4 | 64.3 | 89.3 | 52.9 | 77.8 | 100.0 |
| 130 | NAPAK | 70.5 | 100.0 | 63.6 | 79.8 | 60.0 | - | 66.7 | 60.7 | 54.7 | 32.3 | 84.0 | 74.1 | 77.8 | 77.8 | 100.0 |
| 131 | NEBBI | 71.8 | 100.0 | 65.7 | 79.1 | 66.7 | - | 50.0 | 69.6 | 49.4 | 51.6 | 92.0 | 74.1 | 75.9 | 66.7 | 100.0 |
| 132 | NEBBI MC | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 133 | NGORA | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 134 | NJERU MC | 70.8 | 100.0 | 66.4 | 71.4 | 80.0 | 100.0 | 50.0 | 73.7 | 66.7 | 71.4 | 71.4 | 50.0 | 66.7 | 60.0 | 100.0 |
| 135 | NTOROKO | 75.6 | 100.0 | 71.2 | 79.0 | 66.7 | 50.0 | 66.7 | 66.1 | 71.1 | 45.2 | 92.0 | 70.4 | 81.5 | 88.9 | 100.0 |
| 136 | NTUNGAMO | 60.3 | 100.0 | 50.0 | 76.7 | 53.3 | 50.0 | 66.7 | 60.7 | 35.9 | 9.7 | 16.0 | 68.5 | 68.5 | 88.9 | 100.0 |
| 137 | NTUNGAMO MC | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 138 | NWOYA | 56.3 | 100.0 | 43.5 | 79.6 | 40.0 | 100.0 | 50.0 | 48.2 | 23.7 | 71.0 | 36.0 | 35.2 | 52.8 | 77.8 | 100.0 |
| 139 | OMORO | 68.2 | 100.0 | 61.4 | 76.0 | 46.7 | - | 25.0 | 35.4 | 68.8 | 100.0 | 58.3 | 73.7 | 96.0 | 100.0 | 100.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)- %age Score | AWPB (Aligned to NDPII) - %age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 140 | OTUKE | 70.1 | 100.0 | 63.2 | 79.2 | 53.3 | 50.0 | 66.7 | 51.8 | 85.3 | 25.8 | 64.0 | 70.4 | 61.1 | 55.6 | 100.0 |
| 141 | OYAM | 67.3 | 100.0 | 59.4 | 78.6 | 53.3 | - | 50.0 | 69.1 | 55.3 | 22.6 | 80.0 | 63.0 | 64.8 | 77.8 | 100.0 |
| 142 | PADER | 70.2 | 100.0 | 63.9 | 77.4 | 53.3 | 50.0 | 83.3 | 57.1 | 51.3 | 54.8 | 80.0 | 66.7 | 77.8 | 100.0 | 100.0 |
| 143 | PAKWACH | 47.3 | 100.0 | 32.4 | 73.0 | 26.7 | 100.0 | 40.0 | 42.9 | 21.6 | 51.6 | 16.0 | 35.8 | 27.8 | #DIV/0! | #DIV/0! |
| 144 | PALLISA | 57.9 | - | 60.2 | 78.9 | 60.0 | - | 80.0 | 28.6 | 73.3 | 35.5 | 80.0 | 59.3 | 81.5 | 55.6 | 100.0 |
| 145 | RAKAI | 75.9 | 100.0 | 72.4 | 76.4 | 60.0 | 50.0 | 50.0 | 62.3 | 84.0 | 45.2 | 92.0 | 66.7 | 83.3 | 77.8 | 100.0 |
| 146 | RUBANDA | 57.8 | 100.0 | 49.0 | 67.6 | 60.0 | 50.0 | 50.0 | 48.2 | 29.7 | 58.1 | 60.0 | 66.0 | 44.4 | #DIV/0! | #DIV/0! |
| 147 | RUBIRIZI | 72.0 | 100.0 | 66.2 | 78.6 | 53.3 | 100.0 | 66.7 | 67.9 | 53.9 | 70.0 | 84.0 | 59.3 | 81.1 | 55.6 | 100.0 |
| 148 | RUKIGA | 46.6 | 100.0 | 32.2 | 70.0 | 20.0 | 50.0 | 33.3 | 30.4 | 13.5 | 29.0 | 60.0 | 50.9 | 33.3 | #DIV/0! | #DIV/0! |
| 149 | RUKUNGIRI | 67.6 | 100.0 | 60.7 | 75.8 | 73.3 | - | 50.0 | 66.1 | 67.1 | 25.8 | 44.0 | 57.4 | 76.5 | 66.7 | 100.0 |
| 150 | RUKUNGIRI MC | 49.6 | 100.0 | 35.5 | 73.6 | 40.0 | - | 66.7 | 23.2 | 20.5 | 19.4 | 48.0 | 42.6 | 57.4 | 66.7 | 100.0 |
| 151 | RWAMPARA | n/a - | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 152 | SEMBABULE | 69.0 | 100.0 | 62.7 | 75.7 | 46.7 | - | 50.0 | 62.5 | 82.7 | 35.5 | 32.0 | 64.8 | 68.5 | 77.8 | 100.0 |
| 153 | SERERE | 75.0 | 100.0 | 70.5 | 78.2 | 60.0 | 50.0 | 66.7 | 67.9 | 80.0 | 48.4 | 84.0 | 63.0 | 75.9 | 77.8 | 100.0 |
| 154 | SHEEMA | 69.2 | 100.0 | 62.7 | 76.8 | 60.0 | - | 83.3 | 57.1 | 48.1 | 71.0 | 80.0 | 63.0 | 72.2 | 88.9 | 100.0 |
| 155 | SHEEMA MC | 58.6 | 100.0 | 47.0 | 78.4 | 66.7 | 50.0 | 66.7 | 42.6 | 25.7 | 48.4 | 58.3 | 55.8 | 55.8 | 55.6 | 100.0 |
| 156 | SIRONKO | 68.4 | 100.0 | 60.7 | 79.5 | 60.0 | 50.0 | 50.0 | 64.3 | 48.1 | 54.8 | 44.0 | 72.2 | 72.2 | 77.8 | 100.0 |
| 157 | SOROTI | 76.1 | 100.0 | 71.3 | 80.6 | 53.3 | 50.0 | 50.0 | 51.8 | 85.1 | 67.7 | 88.0 | 75.9 | 68.5 | 77.8 | 100.0 |
| 158 | SOROTI MC | 70.6 | 100.0 | 46.2 | 141.2 | 53.3 | - | - | 26.8 | 54.5 | 45.2 | - | 53.7 | 75.9 | 44.4 | 50.0 |
| 159 | TORORO | 73.9 | 100.0 | 68.7 | 79.2 | 40.0 | 50.0 | 50.0 | 62.5 | 74.7 | 54.8 | 84.0 | 66.7 | 75.9 | 88.9 | 100.0 |
| 160 | TORORO MC | 58.5 | 100.0 | 54.1 | 52.9 | 46.7 | 50.0 | 66.7 | 57.1 | 65.3 | 35.5 | 44.0 | 75.9 | 24.1 | 77.8 | 100.0 |
| 161 | WAKISO | 72.7 | 100.0 | 70.0 | 68.3 | 53.3 | 50.0 | 66.7 | 62.5 | 69.3 | 55.2 | 84.0 | 70.4 | 81.5 | 88.9 | 100.0 |
| 162 | YUMBE | 65.0 | 100.0 | 58.4 | 70.4 | 80.0 | 100.0 | 66.7 | 56.4 | 51.1 | 62.1 | 38.5 | 79.4 | 44.7 | 55.6 | 100.0 |
| 163 | ZOMBO | 56.5 | 100.0 | 43.9 | 78.5 | 44.4 | 100.0 | 60.0 | 59.1 | 43.8 | 46.7 | 61.1 | 21.4 | 38.3 | 37.5 | 50.0 |

| No. | LOCAL GOVERNMENT COC ASSESSMENT FY2019/20 | Overall Score | Alignment to NDPII | | Budget Performance, FY2019/20 | Alignment to Budgeting Instruments | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | LGDP (Aligned to NDPII)-%age Score | AWPB (Aligned to NDPII) -%age Score | | Administration | Finance | Council and Statutory Bodies | Production and Marketing | Health | Education and Sports | Works | Natural Resources and Environment | Community Bases Services | Planning | Internal Audit |
| | **Overall LG Score** | **64.8** | **93.6** | **58.3** | **73.0** | **53.9** | **51.6** | **55.2** | **49.9** | **46.4** | **42.0** | **54.2** | **55.1** | **58.7** | **75.9** | **98.6** |
| 164 | BUGWERI | 67.7 | 100.0 | 61.0 | 74.8 | 66.7 | 50.0 | 83.3 | 55.4 | 51.9 | 25.8 | 88.0 | 68.5 | 74.1 | 66.7 | 100.0 |
| 165 | KAPELEBYONG | 62.5 | 100.0 | 54.2 | 72.8 | 66.7 | 50.0 | 66.7 | 46.4 | 48.7 | 45.2 | 40.0 | 59.3 | 68.5 | 66.7 | 100.0 |
| 166 | KASANDA | 64.4 | 100.0 | 55.7 | 77.1 | 66.7 | - | 50.0 | 51.8 | 49.4 | 25.8 | 84.0 | 61.1 | 63.0 | 77.8 | 100.0 |
| 167 | NABILATUK | 69.6 | 100.0 | 62.4 | 79.4 | 60.0 | 50.0 | 66.7 | 46.4 | 65.8 | 45.2 | 76.0 | 64.8 | 72.2 | 77.8 | 100.0 |
| 168 | KALAKI | 61.1 | 100.0 | 50.1 | 80.0 | 60.0 | 50.0 | 66.7 | 58.9 | 11.8 | 48.4 | 88.0 | 55.6 | 70.4 | 66.7 | 100.0 |
| 169 | KARENGA | 58.9 | 100.0 | 47.7 | 77.7 | 53.3 | 50.0 | 16.7 | 50.0 | 53.8 | 43.3 | 36.0 | 25.9 | 64.8 | 66.7 | 50.0 |
| 170 | KAZO | 63.6 | 100.0 | 56.2 | 71.5 | 60.0 | 50.0 | 50.0 | 41.1 | 49.4 | 38.7 | 80.0 | 61.1 | 72.2 | 66.7 | 100.0 |
| 171 | KIBUUBE | 72.9 | 100.0 | 71.4 | 64.6 | 60.0 | 50.0 | 66.7 | 58.9 | 74.7 | 61.3 | 72.0 | 74.1 | 83.3 | 88.9 | 100.0 |
| 172 | KITAGWENDA | 50.2 | 100.0 | 36.0 | 74.7 | 33.3 | 50.0 | 50.0 | 58.2 | 22.8 | - | 40.0 | 66.7 | 11.1 | 77.8 | 100.0 |
| 173 | KWANIA | 69.6 | 100.0 | 63.1 | 76.9 | 66.7 | - | 83.3 | 50.0 | 68.4 | 38.7 | 64.0 | 59.3 | 83.3 | 77.8 | 100.0 |
| 174 | MADI-OKOLLO | 55.3 | 100.0 | 42.3 | 78.3 | 100.0 | 50.0 | 50.0 | 39.3 | 42.3 | 48.4 | 40.0 | 42.6 | 18.5 | 77.8 | 100.0 |
| 175 | OBONGI | 40.4 | 100.0 | 23.9 | 68.3 | - | 50.0 | 50.0 | 29.6 | 12.5 | 25.8 | 48.0 | 14.8 | 24.5 | 66.7 | 100.0 |

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