FOR GOD AND MY COUNTRY

THE REPUBLIC OF UGANDA

Uganda Vision 2040

# THE CERTIFICATE OF COMPLIANCE FOR THE ANNUAL BUDGET FY2018/19 TO THE NDP II ASSESSMENT REPORT BY THE NATIONAL PLANNING AUTHORITY

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

1st April 2019

**Table of Contents**

## LIST OF TABLES

## LIST OF ACRONYMS

| **Abbreviation** | **Description** |
|---|---|
| AB | Annual Budget |
| ADB | African Development Bank |
| AG | Auditor General |
| AGITT | Agriculture Technology Transfer |
| AICAD | African Institute for Capacity Development |
| ANC | Anti Natal Care |
| ARVs | Anti-retro viral |
| ASSIP | Accountability Sector Investment Plan |
| AWP | Annual Work Plan |
| BFP | Budget Framework Paper |
| 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 |

**National Planning Authority**
Planning for Development

REF: NPA/BD/CC/039

March 27, 2019

Hon. Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
**KAMPALA**

**CERTIFICATE OF COMPLIANCE FOR THE ANNUAL BUDGET FOR FY2018/19**

In line with the Public Finance Management Act, 2015 under sections 13(6) and 13(7), the National Planning Authority has assessed the consistency of the Annual Budget for FY2018/19 with the National Development Plan, Charter for Fiscal Responsibility and the National Budget Framework Paper.

Overall, the Annual Budget for FY2018/19 was found to be moderately satisfactory[1]. This is an improvement from the over previous year where the Annual Budget for FY2017/19 was found to be unsatisfactory.

The FY2018/19 Annual Budget is more compliant compared to the FY2017/18 Annual Budget. The improvement in level of budget compliance to the NDPII is attributed to stronger alignment of the budget at all levels to NDPII targets. Specifically, the FY 2018/19 Annual Budget is 60.0 percent compliant compared to 54.0 percent in FY2017/18. In particular, Macro level compliance improved from 41.9 percent to 54.1 percent, National level from 59.3 percent to 62.8 percent, Sector level from 53.2 percent to 58.1 percent, and Local Government Level from 62.2 percent to 66.4 percent.

The summary performance of the four different levels of assessment is given in the table 1.

**Table 1. Compliance at the various assessment levels**

| S/n | Level of Assessment | Weighted Score | Classification |
|---|---|---|---|
| 1 | Macroeconomic | 54.1 | Unsatisfactory |
| 2 | National Strategic Direction | 62.8 | Moderately satisfactory |
| 3 | Sectors/MDAs | 58.2 | Unsatisfactory |
| 4 | Local Governments | 66.4 | Moderately satisfactory |
| **5** | **Overall score (weighted)** | **60.0** | **Moderately satisfactory** |

The executive summary covering the above four levels is attached and the detailed report will be shared separately.

Prof Obwoya Kinyera Sam
**FOR CHAIRPERSON, NATIONAL PLANNING AUTHORITY**

c.c. The Speaker, Parliament of Uganda, Kampala
The Prime Minister, Office of the Prime Minister, Kampala

Clement Hill Road
P.O. Box 21434
ampala Uganda
. +256-414-250229
+256-414-250214
+256-414-250212
‹.+256-414-250213
nail: npa@npa.ug

**1.Classification Criteria:** 60%< unsatisfactory; 60%-79%-moderately satisfactory; 80%-100%-outstanding

## KEY MESSAGES

1. **After four (4) years of issuing the CoC and the corresponding assessment reports, there has been improvement in alignment of the National Budget to NDP**. Indeed, in this year's assessment, there is improvement in compliance at all levels. Specifically, the FY 2018/19 Annual Budget is 60.0 percent compliant compared to 54.0 percent in FY2017/18. In particular, Macro level compliance improved from 41.9 percent in FY2018/19 to 54.1 percent, National level from 59.3 percent to 62.8 percent, Sector level from 53.2 percent to 58.1 percent, and Local Government Level from 62.2 percent to 66.4 percent.

2. **GDP growth has recovered in the previous year, towards NDPII average annual target of 6.8 percent. However, it is not high enough to lead the economy into the lower middle-income status by 2020**. The projected GDP outturn at 6.1 percent by the end of FY2018/19 is below NDPII target. The per capita GDP target for FY2018/19 in both the NBFP and the AB at USD750 is below the NDPII target of USD 982. This trend continues into FY2019/20 since the per capita GDP target for FY2019/20 in both the NBFP and the AB at USD824.3 is below the NDPII target of USD1,039. Thus, the Country will not achieve the middle-income target by 2020.

3. **After 3 and a half years (FY2015/16-Mid FY2018/19) of implementing the NDPII, on average the AB expenditure is 81 percent of the NDPII planned expenditures for this period**. This situation is worse for the NDPII priority sectors that have spent only 59 percent of the NDPII planned expenditure. Particularly, the NDP priority Sectors of Energy, Works and Transport, Tourism, and Health have spent on average 22.0, 65.5, 57.1 and 60.1 percent respectively, of what had been planned in NDPII. On the contrary, some non-priority sectors' expenditure outturns have been significantly above the NDPII planned levels. This is the case for Legislature and Accountability, Defense and security, Social Development, and JLOS whose AB expenditure outturns have been on average 47.6, 11.6, 67.7 and 7.6 percent above the planned targets.

4. **Agriculture on average has spent close (86 percent) NDPII planned expenditure for the sector, nevertheless, this expenditure is skewed to production at the expense of investment along the entire value chain**. Along the value chain, on average primary production takes the majority (91 percent) of the sector budget compared to market access and value addition (only 4.3 percent) and the rest is for Institutional Strengthening. Further, the allocation to market access and value addition is characterized by great variation across years with the highest allocation recorded in FY2018/19 at 7.67 percent while the lowest was 1.93 percent in FY2016/17. The allocations for FY 2015/16 and FY 2017/18 were 3.95 percent and 3.48 percent respectively. The collapse of maize prices nationwide in 2018 following a bumper harvest is a great reminder of the need to balance investments across the agricultural value chain and shift from concentrating the bulk of investments in primary production as the sector has done over the years.

5. **Further, the Uganda Commodity Exchange (UCE) which would have helped market access for Agriculture commodities is yet to be operationalized**. NDPII envisaged UCE to promote formalized commodity trading and its operations were expected to be interfaced with the Warehouse Receipts system. UCE has not yet taken off the ground.

6. **Increasing use of Pre-financing[1] has created a contingent liability and is a risk on Uganda's debt situation**. A number of projects under implementation by UNRA and the Energy sector are under the pre-financing arrangement. Pre-financing occurs when government contracts a project to be implemented before actual financing is concluded, with a promise to provide a surcharge on top of the contract cost. There are three challenges to this type of financing. First, the surcharge is an additional cost that crowds out additional investment. Second, Pre-financing is not among the proposed methods for resource mobilization, in NDPII and Vision 2040. And, lastly, it is a contingent liability that could worsen the debt situation. For instance; the oil roads project costing about UGX 1 trillion, Soroti-Katakwi-Akisim project (100Km) road is UGX 398.884 billion, and Akisim-Moroto project (50km) costing UGX 248 billion are being implemented through pre-financing.

7. **The Budget does not capture previous FY unspent balances, this is underestimating the available resource envelope**. While annually there are unspent balances, the budget does not include them in the resource envelope. In the FY2017/18, 31 central government votes and 10 local governments were not able to spend all the resources allocated to them. These unspent balance totaled UGX 289.4 billion of which UGX 277.6 billion (96%) was for central government votes and UGX 11.77 billion (4%) was for local government. UNRA accounted for over 52 percent of unspent balances at UGX 153.1 billion which is equivalent to about 38km of paved roads at a rate of 4 billion per kilo metre[2]. These resources would be key in delivering the NDPII.

8. **Low capacity to deliver projects is delaying execution, limiting the realization of outcomes**. This affects donor projects more. For instance, in the energy sector, the Grid Rural electrification project only absorbed 21 percent of the funds released due to failure to satisfy project implementation benchmarks required by Development Partners. In the agriculture sector, project implementation remains very slow especially for donor supported projects. For example, the half year budget performance of Agricultural Cluster Development Project (UGX. 117.19 billion) was 24.9 percent while that for the Project on Enhancing National Food Security through increased Rice Production in Eastern Uganda (UGX. 21.17 billion) was 1.4 percent. The poor performance of these projects hampers the growth of the sector and attainment of NDPII targets. Overall, with regard to performance of NDPII core projects, 19 percent have not yet started, 16 percent are undergoing feasibility study, 9 percent have been prepared and are now ready for implementation, 53 percent are under implementation but below schedule, and 3 percent are under implementation and on schedule.

[1] Pre-financing occurs when government contracts a project to be implemented before actual financing is concluded, with a promise to provide a surcharge on top of the contract cost.
[2] Auditor General's Report for 2017

9. **Challenges in Land acquisition continue to slow project implementation and lead to project cost overruns**. For instance, the Kampala Northern Bypass Phase II project commenced on 14th July 2014 and was supposed to be completed in July 2017, however, the contract was given an extension to 29th May 2019. Even then, the project progress to-date is at 50 percent, implying that the project is likely to take another 3 to 4 more years. The delay is largely due to settlement of disputed compensation amounts and family disputes over land. This delay to settle Project Affected persons (PAPs) will lead to significant costs in terms of time extension costs, price variations, and economic costs. Also, in the energy sector, the Energy for Rural Transformation III project has absorbed only 2.3 percent of the funds released due to land compensation challenges.

10. **Allocation of financing to projects that are not ready is crowding out implementation of NDPII ready projects.** Financing unready projects commits resources that would have otherwise been used elsewhere to realize NDPII outcomes. For instance, in the Works and Transport sector, the low absorption capacity is partly attributed to allocating funds to projects that are still under preparation stages. This FY2018/19, the budget allocated financing to a number of projects that are not yet ready for implementation, some of these include;

    a. Busega –Mpigi (UGX179.648Billion)- project is under procurement,
    b. Muyembe – Nakapiripirit (UGX79.067Billion) – Draft contract not yet cleared,
    c. Rwenkunye-Lira-Kitgum (UGX549.145Billion) – is at bidding stage,
    d. Luwero – Butalangu (UGX44.83Billion) –procurement for this project has not started.

11. **Continued development of new projects that are not in NDPII**. Except Agriculture, Security, Legislature, Lands, Housing and Urban Development, Kampala, Capital City Authority, the rest of the sectors have projects are not prioritized in NDPII. For instance, the Social Development sector prioritized three new projects for implementation outside the NDPII. These projects are: (i) Integrated Community Learning for Wealth Creation; (ii) Strengthening Social Risk Management and Gender Based Violence Prevention and Response Project and (iii) Chemical Safety &Security (CHESASE) Project. On the other hand, the project of Markets and Agricultural Trade Improvement Programme (MATIP2) and that of Urban Markets and Marketing Development of Agricultural Products (UMMDAP) under MoLG were in the MoFPED PIP but not NDPII PIP.

12. **A number of expired projects are still in the public investment plan (PIP) thus holding resources that would have been used for other priority projects.** Examples of these projects include; Design of Ishaka Kagamba that expired in June 2018, Mbarara Katuna that expired in June 2018, construction of selected bridges that expired in June 2018 at UGX 18.6 billion, upgrading of Atiak, Moyo, Afogi that expired in June 2018 worth UGX 100 billion. Design Ntugamo Mirama that expired in September 2018.

13. **Sectors continue to receive off budget support which undermines planning and budgeting processes.** This is across all MDAs and LGs. Implementation of off-budget initiatives diverts effort of implementing institutions away from focusing on priority interventions and therefore affecting the credibility of the budget.

14. **Human Capital Development is hampered by skills development efforts that are too scattered to yield the required impact, despite enormous government expenditure.** There are 12 projects and 5 institutions all implementing skills development projects in silo approach. The 5 institutions are: Education, Social Development, Trade and Cooperatives, Tourism, and Energy.

15. **UDB is currently not providing adequate affordable development finance as envisaged in NDPII.** The current lending rates of UDB at 14 percent for Uganda Shillings and 8 percent for USD financing is close to the Commercial Bank lending rate. This limits access to development finance.

16. **The insufficient budgetary allocations for recapitalization of UDB and UDC in-line with the NDPII is** limiting efforts to reduce the cost of development finance and government participation in undertaking strategic investment in priority enterprises that are not attractive to the private sector.

17. **Despite Decentralization policy of taking services nearer to the people, services are largely re-centralized and the share of budget executed at LGs is dismal.** The number of LGs, in line with the Decentralization policy, is consistently rising, yet the share of the budget going to LGs is declining. LGs have increased from 133 (including municipalities) in FY2015/16 to 168 in FY2018/19. However, the share of LG transfers of the national budget has on average stagnated around 10 percent, during this period. This is below the NDPII target of 30 percent. This is making it very different for LGs to deliver on their mandate. This directly affects the quality of social services at service delivery points such as schools, health facilities, roads, extension services and management of natural resources among others. Further centrally, to decentralization policy, several services have been recentralized. These re-centralized services include: building primary schools' classrooms, toilets and providing furniture under Ministry of Education and building health centres under Ministry of Health.

18. **Further, budget allocations to LGs are mainly for paying workers' salaries, however, these workers are to a large extent redundant due to inadequate corresponding operational resources.** 68.4 percent of the LG Budgets are for Wages and salaries; and pensions and gratuities. The corresponding non-wage that is required to facilitate these workers to deliver services is dismal (13 percent or UGX 2.5 billion per LG) to keep them busy. Also, the development budget is dismal (18 percent or UGX 3.4 billion per LG). This leads to workers' redundancy and poor quality of service delivery at the sub-national level.

19. **Despite improvement in Non-Tax Revenue (NTR) several organizations continue collect NTR.** As a result of implementing reforms, NTR collections by URA have improved from

UGX 362 billion in FY2016/17 to about UGX 430 billion in FY2017/18. Nevertheless, centrally to CoC recommendation several MDAs such as CAA, UCC, NDA, NFA, NEMA, UWA, UETCL, ERA, UEDCL among others collect and sometimes spend at source NTR. It is not clear whether Government is getting maximum value out of the collection and use of these NTRs.

# EXECUTIVE SUMMARY

## Background

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

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

In light of the PFMA requirement, the assessment for compliance of the AB is in line with sections 13 (6) and 13 (7) of the PFMA, 2015.

## Methodology

The methodology used in this assessment is the same as that of FY2017/18 CoC. It uses a step-wise approach at four different levels of assessment namely: Macroeconomic, National, Sector/MDA and LG. In the first step, the macroeconomic level assesses whether the AB macroeconomic targets are consistent with the NDPII medium-term macroeconomic targets and outcomes. In the second step, the national level assesses whether the AB strategic directions are consistent with the NDPII strategic directions. In the third step, the sector/MDA level assesses whether the AB strategic directions are translated into sector/MDA specific interventions to deliver the NDPII targets and results. Lastly, the LG level assesses whether the LG interventions are focusing towards delivering the NDPII targets and outcomes.

The overall compliance score is then computed as a weighted average of these four levels of assessment at 20, 20, 40 and 20 percentage weights, respectively.

## Key Findings

**There is an improvement in Compliance, the FY2018/19 Annual Budget (AB) more compliant compared to the FY2017/18 AB.** Specifically, the FY 2018/19 Annual Budget is 61.5 percent compliant compared to 54.0 percent in FY2017/18. There is improvement across all levels of compliance assessment. Improvements: at Macro level from 41.9 percent in FY2018/19 to 61.6 percent, at National level from 59.3 percent to 62.8 percent, at Sector level from 53.2 percent to

58.1 percent, and at Local Government Level from 62.2 percent to 66.4 percent. This improvement attests to effects of previous CoC assessment which have led to budgeting in line with NDPII.

**Overall, the Annual Budget for FY2018/19 is moderately satisfactory compared to last year's level of unsatisfactory**. The details are summarized below and in (**Error! Reference source not found.**).

**At macroeconomic level**

The key emerging issues arising out of the analysis are as follows:

i) GDP growth has recovered in the last two years, towards NDPII annual target of 6.8 percent. However, it is not high enough to propel the economy into the lower middle-income status by 2020.

ii) After 3 and a half years (FY2015/16-Mid FY2018/19) of implementing the NDPII, on average the AB expenditure is 81 percent of the NDPII planned expenditures for this period. This situation is worse for the NDPII priority sectors that have spent only 59 percent of the NDPII planned expenditure

iii) Total public debt has grown in line with the NDPII, although the timing and sequencing of the projects is behind schedule.

iv) There is increased non-concessionary borrowing in the country's total debt portfolio which raises the cost of the loans contracted. As the share of multilateral creditors in total debt declines, that of bilateral creditors especially China has increased.

v) There is lack of clarity on the unspent balances from MDAs and LGs remitted to the Treasury and whether they are part of revenue for the following financial year. Whereas the Office of the Auditor General Annual Reports are replete with various unspent balances of LGs and MDAs, the NBFP and Approved Budget Estimates as well as the Government Financial Statistics (GFS) are silent on how these are treated and utilized.

**At National Strategic Level**

The key emerging issues arising out of the analysis are as follows:

i) Human Capital Development is hampered by skills development efforts that are too scattered to yield the required impact, despite enormous government expenditure. There are 12 projects and 5 sectors all implementing skills development projects in silo approach. The 5 sectors are: Education, Social Development, Trade and Cooperatives, Tourism, and Energy. There is need for these projects to be delivered under one program of skills development.

ii) The key NDPII strategic interventions of improving the productivity of the Ugandan workers as well as increasing employment opportunities and employability did not attract the required funding. These include: (i) establishment of productivity centers at national and regional level; (ii) development of work ethics skills in the formal and informal sectors; (iii) supporting the culture and creative industries, which are currently a big source of income for many youth and women; (iv) developing and operationalizing labor market information systems; and the National Service Programme has not taken off.

iii) A number of expired projects are still in the public investment plan thus holding resources that would have been used for other new priority projects. Examples of these projects include; Design of Ishaka Kagamba that expired in June 2018, Mbarara Katuna that expired in June 2018, construction of selected bridges that expired in June 2018 at Shs. 18.6 Billion, upgrading of Atiak, Moyo Afogi that expired in June 2018 worth UGX 100 billion. Design Ntugamo Mirama that expired in September 2018 and KIIRA EV Car Project (existing concurrently with KIIRA motors) among others.

iv) There are still insufficient budgetary allocations for recapitalization of UDB and UDC in-line with the NDPII projected funding necessary to boost the required access to credit and government participation in undertaking investment in priority enterprises that are not attractive to the private sector.

v) Further UDB is currently not providing adequate affordable development finance as envisaged. The current average lending rates of UDB at 14 percent for Uganda Shillings and 8 percent for USD is close to the Commercial Bank lending rate further limiting access to development finance.

vi) The FY2018/19 budget provides insignificant allocations to urban planning, housing and job creation in urban centres which are critical for improved urbanization and desired transformation of the country's cities and municipalities. There is therefore need to focus more resources to urbanization as a key strategy for social economic transformation of the Ugandan society.

**At the sector and MDA level**

i) There are capacity gaps in the sectors with regard to timely absorption of funds which significantly constrains the execution of the sector and MDA plans. Further, this problem is partly attributed to allocating implementation funds to projects that are still under preparation stages.

ii) Several NDPII projects have not been integrated in the PIP yet there is continued development of new projects that are outside the NDPII.

iii) Uncoordinated infrastructure development leading to resource waste. For example, there is uncoordinated rollout of fibre networks across the country. UETCL has fibre along the high voltage electricity lines that that can be utilized for data transfer. The energy and ICT sector need to harmonize their current and future plans for fibre deployment ensuring that NITA leases capacity from UETCL in areas where they have an existing fibre network or a plan to deploy.

iv) Challenges in Land acquisition are slowing project implementation. For instance, Kampala-Norther by pass and Rural Electricity Transformation III projects.

v) Funding for strengthening the co-operatives framework is inadequate. Whereas the number of Co-operatives has since grown to 18,570 and at an average of 250 per year, there are not strong enough to participate in regional or global trade.

vi) The development expenditures in a number of sectors are not accompanied by the corresponding recurrent budget hence limiting operationalization of Government investments. For example, the achievement of NDPII targets on access to water and sanitation in rural and urban areas is unlikely mainly because of low expenditure on operation and maintenance of WASH facilities.

vii) Despite enormous efforts to strengthen the institutional framework for environmental protection, enforcement is still weak thus the continuous decline in forest and wetland coverage.

viii) The preventive approach to health care and the response to rising non-communicable diseases is still inadequate. This has led to high expenditure on curative approaches leading to low health outcomes in line with the NDPII.

ix) Just like in FY2016/17 and FY2017/18, programme based budgeting has not taken route. Most of the programmes and sub-programmes for most MDAs are a replica of previous vote function outputs.

x) Many sectors contain stand-alone Management Information Systems (MIS') that are area specific (e.g; OVC MIS, GBV MIS, YLP MIS, NALMIS, SAGE MIS). There is need to fast track the process of developing a Single Registry that will link all these systems.

**At the Local Government level**

i) LGs receive a negligible share of the budget, dis-appropriate to their decentralized functions, affecting service delivery. In FY2018/19, LGs directly executed only 10 percent of the Budget, with the rest (90 percent) executed at the Centre. Further, resources to LGs are earmarked to programmes and to a large extent LGs receive and spend these resources as budgeted. Indeed, LGs releases are close to 100 percent with corresponding absorption close to 98 percent.

ii) Despite Decentralization policy of taking services nearer to the people, services are largely re-centralized. The number of LGs, in line with the Decentralization policy, is consistently rising, yet the share of the budget going to LGs is declining. LGs have increased from 133 (including municipalities) in FY2015/16 to 168 in FY2018/19. However, the share of LG transfers of the national budget has on average stagnated around 10 percent, during this period. This is below the NDPII target of 30 percent. This is making it very different for LGs to deliver on their mandate thus directly affecting the quality of social services at service delivery points such as schools, health facilities, roads, extension services and management of natural resources among others. Further, contrary to decentralization policy, several services have been recentralized. These re-centralized services include: building primary schools' classrooms, toilets and providing furniture under Ministry of Education and building health centres under Ministry of Health.

iii) Low staffing levels in LGs particularly for Education and Health sectors is hampering the delivery of services and realization of NDPII outcomes. For instance, in Wakiso district, one school inspector at current staffing levels is expected to inspect 450 schools, compared to the internationally recommended 40 schools. In the health sector at the district levels only 45 percent of the approved District Health Teams (DHTs) are substantively filled with 55 percent being occupied by officers in acting capacities or completely vacant.

**iv)** Despite low staffing levels, budget allocations to LGs are mainly for paying workers' salaries, however, these workers are to a large extent redundant. 68.4 percent of the LG Budgets are for Wages and salaries; and pensions and gratuities. The corresponding non-wage that is required to facilitate these workers to deliver services is so little (13 percent or UGX 2.5 billion per LG) to keep them busy. Also, the development budget is also so little (18 percent or UGX 3.4 billion per LG). This leads to workers' redundancy and poor quality of service delivery at the sub-national level.

**Recommendations**

i) To fast-track realization of NDPII outcomes, the AB should prioritize financing priority areas in the remaining period of the NDPII given that, priority sectors have spent 41 percent less of the NDPII planned expenditure.

ii) Government investment in agriculture should be along the entire value chain. While consolidating the gains made at supporting agricultural production and productivity through provision of inputs, more public investment is now required in value addition, post-harvest handling, storage and market access. In particular, the budget should prioritize financing for value addition and market access in line with the NDPII.

iii) Further, the operationalization of the Uganda Commodity Exchange should be expedited to increase market access for agriculture commodities.

iv) Pre-financing of projects should be highly constrained in order to manage the rising cost of debt and contingent liabilities. Further, this financing approach needs to be fully studied since it is outside the NDP II financing framework. The Ministry of Finance needs to fully quantify the contingent liabilities arising out of the current pre-financing arrangements.

v) Unspent balances of the previous year budget should be included in the resource envelope of the new budget so that they finance NDP objectives.

vi) A robust Public Investment Management Systems Policy Framework should be developed to complement the existing guidelines with a focus on:

   a. Strengthening capacity and financing for preparation of priority NDP projects; harmonizing processes for approval of Public Private Partnerships and Traditional Public Sector investments;
   b. Timely review of the Public Investment Plan (PIP) to eliminate expiring projects to free fiscal space for new priority projects;
   c. Harmonizing and strengthening all stakeholder roles especially with regard to alignment to the NDPs, project monitoring and evaluation.

vii) The PIP should be urgently reviewed to eliminate all projects that are largely of a recurrent nature and the tendency of sectors implementing new projects outside NDPII projects should also be restrained.

viii) Further, the AB should allocate financing to only project stages that are ready for implementation in that fiscal year.

ix) Fast-tracking infrastructural investments for oil and gas and other core projects. Uganda should fast-track the implementation of key core projects such as the Oil pipeline, Oil Roads, Kabale airport, Jinja-Kampala Expressway, Bukasa port, and the petroleum refinery. The annual budget should be focused on delivering these and other NDPII flagship projects before operationalization of the EAC monetary union for the economy to maintain its pace towards middle income. The Prime Minister's Delivery Unit should be tasked to fast-track readiness of these investments within the remaining NDPII period.

x) The AB should adequately provide for operation and maintenance of existing investments to maximize returns and avoid idle public investments.

xi) Just like in FY2017/18 recommendation, Government should devise all means possible to deal with land compensation that are affecting infrastructure budgets and implementation. Illegal occupants on government owned land and gazetted areas should be dealt with by the law without compensation.

xii) As recommended in the previous COCs, the Ministry of Finance, Planning and Economic Development should put in place a system and guidelines to capture off budget resources and integrate them in the budgeting process in a timely manner. There is need to mainstream off-budget donor financing into the development budget & strengthen regulation function for ensuring that CSO resources implement national priorities.

xiii) There is need to review the programme-based approach to budgeting with a focus on a comprehensive and integrated Program Approach to Planning, Budgeting and Implementation. The programme based approach should for instance to deal with the following:

a. Curb the recurring challenges of land acquisition for infrastructure projects by enforcement of multi-sectoral implementation planning, including acquisition of service infrastructure corridors.
b. Harmonizing the currently scattered skills development interventions across a number of sectors
c. Streamline the multiple community empowerment programmes

xiv) The Annual Budget should increase capitalization to UDB in order to provide access to affordable credit especially for agro-processing and manufacturing. Further, there is need to consider establishment of a strong indigenous public commercial bank that will leverage access to affordable credit.

xv) The role of UDC as an investment arm of Government needs to be strengthened through capitalization.

xvi) Creation of new local administrative units should take regard of the required optimal recurrent and development expenditures to avoid spending more wage on redundant workers. There is also urgent need to review the decentralization policy and clarify roles of the sectors/MDAs and LGs with respect to devolved functions.

xvii) Just like in FY 2017/18, there is need to continue enforcing the collection of all Non-Tax Revenue (NTR) and AiA by URA so as to ensure maximization and utilization of NTRs and AiA.

**xviii)** Preventive approach to health care needs to be strengthened and more attention is required for non-communicable diseases in line with the NDPII. There is need for more effort on malaria prevention through mass treatment and prioritize ready investments for oncology and cardiovascular care.

## 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 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 Public Finance and Management Act, 2015 Section 13(6) of the PFMA requires that the AB shall be consistent with the NDP, the Charter of Fiscal Responsibility (CFR) and the 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 NPA.

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

### 1.2 The Planning and Budgeting Processes

#### 1.2.1 The Planning Process

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

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

NDPs provide annualized macroeconomic targets, including the real sector and fiscal expenditure and monetary targets, which are critical for the budgeting processes.

### 1.2.2 The Budgeting Process

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

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

**Parliament approves the annual budget by the 31st of May of each year considering and approving the annual budget and work plan of Government for the next financial year**. The annual budget is effective from the 1st of July of each year and it shall 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: 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 | 15thNovember |
| 7. | Submission of Final National BFP | 31stDecember |
| 8. | Parliament reviews and approves the BFP | 1stFebruary |
| 9. | MDAs submit Policy Statements | 15thMarch |
| 10. | Presentation of the Annual Budget and Certificate of Compliance to Parliament | 1st April |
| 11. | Approval of the annual budget by Parliament | 31stMay |
| 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, FY2018/19 CoC provides information to guide Parliament in the appropriation of the FY2019/20 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 should use the CoC recommendations to improve performance towards achievement of the NDP and Vision 2040 targets and goals. Overall, the CoC scores may serve as a key guide for corrective performance measures and reprimand for recurring planning and budgeting weaknesses.

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. NPA is in the process of developing a standard framework that reports on alignment of the Budget on different international agenda, including SDGs, Climate Change and HRBA. In this CoC a preliminary framework is used to report on SDGs, Climate Change and HRBA. These will be developed further to comprehensively report on the agendas in the forthcoming CoCs.

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 seven 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 of the report provides an overview of the full assessment of the FY2017/18 based on full year data.

The third section presents the detailed assessment framework for the FY2018/19 CoC, which comprises the scope, methodology and data sources. The detailed methodologies, approaches and scoring criteria for the five levels of the assessment (Macroeconomic level, National level, Sectoral level, MDA level and Local Government level) are illustrated in this section.

The fourth section of the report presents the results of the analysis obtained using the methodologies given in section three above. This section is presented in four sub-sections; Overall results, Macro level assessment results, results of the assessment of the national level, sector and MDA assessment and local government level assessment. Each of the sub-sections provides an overview of the results of the respective sub-sections covering; the planning (existence of relevant plans), PIP implementation progress, budgeting processes (alignment of the NBFP and Annual Budgets) to the NDPII and budget performance (allocation against release outturn) results. Also, the assessment includes crosscutting issues, SDGs, and HRBA at sector level.

The fifth section of the report presents an overview of a summary of the Sustainable Development Goals (SDGs) as the details are captured at sector level assessment.

The sixth section of the report provides an overview of the FY2019/20, that was recently tabled in Parliament. The details of this assessment will however be in next year's (FY2019/20) CoC. This section is largely to provide Parliament a preliminary assessment of the alignment of FY2019/20 BFP to inform the oversight function in the approval of FY2019/20 budget.

Lastly, the final section gives the conclusion and recommendations.

## SECTION TWO: OVERVIEW OF 2017/18 CERTIFICATE OF COMPLIANCE (BASED ON FULL YEAR ASSESSMENT)

## 2 Background and Scope

The 2018/19 CoC was developed and issued by the NPA in line with sections 13(6) and 13(7) of the PFM Act, 2015. A standard framework and approach was used to measure compliance of the FY2018/19 AB. Compliance was assessed on the basis of consistence of the AB and NBFP with the NDPII. The assessment framework used NDPII as a benchmark against which budgeting instruments and outcomes were expected to be consistent. The assessment covered four broad levels: Macroeconomic Level; NDP National Strategic Level; Sector Level and MDA/Vote Level and; LG Level.

### 2.1 Summary of Findings

**Overall, the FY2017/18 Annual Budget (AB) was 54 percent compliant at half year assessment and 61.5 percent compliant after taking into account a full year (four quarters) of assessment**. The full year assessment updates the assessment framework with four quarters budget release and outturn data to generate results.

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

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.

#### Overall Assessment

**Overall, the FY2017/18 Annual Budget was 68.9 percent compliant at full-year compared to the NDPII strategic direction up from 58.9 percent at half-year.** This is a weighted score of 83, 84, 79, and 49.9 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) 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 FY2017/18 at full year assessment is attributed to improved absorption of released funds.

#### Theme/Goal Level

**At this level, the FY2017/18 Annual Budget was 78 percent compliant up from 68.2 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 UGX1.13 billion against UGX1.88 billion allocated for promotion of labour productivity and employment equivalent to 60.4 percent; only

13.8 billion (33%) was released for  Uganda Reproductive Maternal and Child Health Services Improvement Project against the approved UGX41.8 billion; UGX44.79 billion was released for the Youth Livelihood Programme (YLP) against the approved UGX66.66 billion (67.2 percent); only UGX157 billion (59.7%) was released against the allocated UGX264 billion for Affirmative Action Programs.

Going forward, it is recommended that greater focus be given to ensuring release of the appropriated resources and prioritization of critical interventions of sustainable wealth creation and employment to ensure that the intended outcomes are achieved in line with the NDPII theme of competitiveness, wealth creation, employment and inclusive growth

**NDPII Objectives**

**Overall, the FY2017/18 Annual Budget was 79 percent aligned at the objective up from 67.8 percent at half-year assessment.** The budget outturn was 84 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 better absorption of the released resources for key interventions, which averaged above 95%. However, there are many instances where the releases were not in line with the approved budget, for example, only UGX211.5 billion (31.6%) was released for the Global Fund against the approved UGX670.2 billion and UGX40.40 billion (43.7%) for GAVI Vaccines and Health Sector Development Plan Support against the approved UGX92.43 billion; only UGX16.28 billion (32.0%) out of the approved UGX50.82 billion was released for Construction/rehabilitation of general hospitals.

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

**Development Strategies**

**Overall, the FY2017/18 Annual Budget was 75 percent compliant at the development strategies level up from 65 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 better absorption of the released resources for key interventions, which was above 95% for all assessed parameters. However, there are few cases where the expenditure was less than 50%, for example: 1.03 billion (59.5%) was spent on Research & Innovation out of UGX1.74 billion released and only UGX0.66 billion (36.8%) was spent on Science Entrepreneurship out of UGX1.80 billion released. There are also many instances where the releases were not in line with the approved budget, for example: only UGX3.35 billion (74.5%) of the allocation for food technology incubation was released and only

UGX12.58 billion (56.3%) was released for the Meat Export Support Services out of the approved UGX22.36 billion.

#### Core Projects

**Overall, the FY2017/18 Annual Budget was 49.9 percent aligned at the core projects level up from 41.4 percent at half-year assessment.** The budget release and expenditure performance were 45.6 and 52.8 percent compliant to the NDPII, respectively.

### At Macro Level, the following were the key findings:

**At the macroeconomic level, the FY2017/18 Annual Budget (AB) is 45.1 percent up from the half year score of 41.9 percent.** Specifically, while the Charter of Fiscal Responsibility (CFR) is 100 percent aligned to the NDPII, alignment at budgeting level is at 40 percent, budget outturn at 37.8 percent and budgeting instruments (NBFP) at 38.8 percent. Therefore, the less than satisfactory alignment of the macroeconomic compliance in FY2017/18 is attributed to the weakness in alignment of budgeting and planning instruments.

### At the Sector and MDA level, the following were the key findings:

At this level, the FY2017/18 AB was **63.3** percent compliant. The respective sector assessment is detailed below.

#### Agriculture Sector

**The sector was 58.1 percent compliant**. This is a weighted score comprising 86.0, 83.9, 44.9 and 31.4 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively. The Agriculture Sector received UGX 151.714 billion out of the allocated UGX 172.501 billion which is 87.9 percent budget outturn. The sector spent UGX 150.969 billion, which is 99.5 percent of the received amount. On the implementation of projects, the release against allocation toward agriculture sector projects was 53.8 percent and the expenditure outturn was 97.4 percent. There is need for budget credibility through releasing the all sector project planned funds albeit the high and satisfactory absorption levels.

#### Energy and Mineral Development Sector

**The sector was 55.6 percent compliant**. This is a weighted score comprising 14.3, 72.3, 69.8 and 38.7 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Sector received UGX 2,289.6 billion out of the allocated UGX 2,370.6 billion which is 129.8 percent budget outturn. The sector spent UGX 1,518.3 billion, which is 63 percent of the received amount. The weak performance is attributed to low expenditure outturn.

On the implementation of projects, the sector is registered a 60.6 percent and 80 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 received only13.4% GOU Funds and 11.6% of the external financing. Projects such as Muzizi HPP, Energy for rural Transformation III, Promotion of Renewable Energy & Energy Efficiency (PREEP), Skills for Oil and Gas (SOGA), exhibited the worst absorption rates of 6.2%, 7%,9.9% and 16.5% respectively. The low absorption is attributed to the lack of readiness for project implementation especially aspects of the land acquisition and procurement delays. It is recommended that urgent attention is paid to increasing releases towards meeting the energy and minerals sector project budgets

**Tourism trade and Industry**

**The sector was 55.7 percent compliant**. This is a weighted score comprising 33.3, 54.6, 56.9 and 63.1percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The Tourism, Trade and Industry Sector received UGX 123.728 billion out of the budgeted UGX 107.766 billion which is 114.8 percent budget outturn. The sector spent UGX 113.338 billion, which is 91.6 percent of the received amount.

On the implementation of projects, release against allocation towards Tourism, Trade and Industry Sector projects was 144.1 percent. The expenditure outturn on Tourism, Trade and Industry sector projects was 98 percent. However, only 15 out of the 34 NDPII PIP projects are in the MoFPED PIP. The priority NDPII projects that are not included in the MoFPED PIP are; Border Markets and Export Related Infrastructure, Jua-Kali Business Incubation and Infrastructure Development, Second Trade Capacity Enhancement Project, Support to SMEs for Value Addition, Local Market Infrastructure Development, Support to Non-Agricultural and Cooperatives Revitalization for increased production and productivity, among others.

**Works and Transport Sector**

**The sector was 60 percent compliant**. This is a weighted score comprising 20.0, 66.9, 74.4, and 52.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. Six sector MDAs under the sector namely MEMD, UETCL, UEGCL, UEDCL, REA and ERA have aligned Strategic Plans in content but not in the NDPII time horizon thus a low score of 20 percent on existence of planning instruments.

The Works and transport Sector received UGX 3,449.91 billion out of the budgeted UGX 4,587.28 billion which is 75.2 percent budget outturn. The sector spent UGX 2,964.62 billion, which is 64.6 Percent of the received amount. The average performance resulted from poor releases to UNRA, URC and CAA, and poor expenditures by UNRA and URC. UNRA had a deficit of 1 trillion of its approved budget (72 percent was released) while its expenditure was 82.2 percent of the received funds). On the other hand, URC received only 84 percent (21billion out of 25billion) of its budget allocation but only spent 28.1percent of the received funds. CAA received only 54.7 percent (1.75billion out of 3.2billion) of its approved budget. This explains the poor performance of upcountry aerodromes. On the implementation of projects, sector was 66.9 percent compliant. This performance is explained by the slow progress on some projects, and low releases to some MDAs. The sector needs to strengthen medium-term strategic planning among the MDAs in the sector. Additionally, reprioritization of projects in the sector should be considered to avoid spreading thin and taking long to complete projects.

**ICT and National Guidance Sector**

**The sector was 58 percent compliant**. This is a weighted score comprising 100, 46, 75 and 38 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Sector received UGX 62.822 billion out of the budgeted UGX 70.004 billion which is 89.7 percent budget outturn. The sector spent UGX 59.520 billion, which is more than 85 Percent of the received amount Of the 5 MDAs. On the implementation of projects, the release against allocation to the sector projects was 94 percent and the expenditure outturn was 80 percent. Absorption of project funds needs to be improved through addressing the challenges that affect utilization of the sector released funds. In addition, the extension of the national backbone project needs to be fast-tracked as by end of FY, only 39 districts were connected.

**Education Sector**

**The sector was 67.1 percent compliant**. This is a weighted score comprising 93.8, 60.8, 64.8 and 66.7 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Education and Sports received UGX 236.189 billion out of the allocated UGX 229.060 billion which is 103.1 percent budget outturn. The sector spent UGX 234.134 billion, which is 99.1 percent of the received amount.

On the implementation of projects, the release against allocation toward education sector projects was 88 percent while the expenditure outturn was 80 percent. With regards to projects budget outturn, only about 15 projects out of 32 (47percent) ongoing sector NDP PIP projects received approximately all their budget allocations (98 percent and above) while the remaining projects received below 98percent Budget shortfalls are mainly associated to low disbursements from particularly the central government and sometimes the donors/external funders. With regards to expenditure performance, about 19 out of 32 NDP PIP ongoing projects were able to spend above 98 percent of their budgets outturn. This is a significant improvement in expenditure outturn if compared to the previous year (37perecnt). However, the sector still needs to strengthen its capacity to absorb and exhaustively use project funds. Further, there is need to devise mechanism to expedite the project procurement processes as core projects such as Construction of Ministry of Education Headquarter are being stalled by cumbersome procurement processes. Nevertheless, the slight improvement in budget outturn and expenditure performance have had a positive bearing on the physical progress the sector projects.

**Health Sector**

**The sector was 51.2 percent compliant**. This is a weighted score comprising 100.0, 45.9, 56.2 and 35.3 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively. The health sector received UGX 965.114 billion out of the allocated UGX 911.426 billion which is 105.9 percent release outturn. The sector spent UGX 939.589billion, which is 97.4 percent of the received amount. On the implementation of projects, release against allocation toward health sector projects was 52 percent. The expenditure outturn was 83 percent.

**Justice Law and order sector**

**The sector was 76.4 percent compliant**. This is a weighted score comprising 66.7, 51.1, 74.3 and 81.7 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Justice Law and Order Sector received UGX 1,245.259 billion out of the allocated UGX 1,120 billion which is 111.2 percent budget outturn. The sector spent UGX 1,219.730 billion, which is more than 97.9 percent of the received amount. The release against allocation towards JLOS sector projects was 157 percent and the expenditure outturn was 99 percent. The over performance at release outturn is partly attributed to Assistance to Uganda Police project receiving 94.46 Billion more than its planned budget (UGX 101.664 billion). However, establishment of the Regional Offices for Uganda Registration Bureau Services (URBS) project didn't receive funding as planned.

**Lands Housing and Urban Development Sector**

**The sector was 44.4 percent compliant**. This is a weighted score comprising 50.0, 40.0, 57.2 and 40.0 percent compliance at sector planning, projects planning, budget process instruments and budget performance, respectively at levels of alignment to the NDPII. The Sector received UGX 60.872 billion out of the allocated UGX 32.75 billion which is 185.9 percent budget outturn. The sector spent UGX 60.270 billion, which is 99 percent of the received amount. Sector MDA budget outturn was 148.2 percent and 270.5 percent for MLHUD and ULC respectively. The high budget outturn for MLHUD is attributed to receiving arrears. On the other hand, the high budget outturn of ULC is attributed to the supplementary budgets received to compensate Church of Uganda for their land in Entebbe, Nakawa Disabled Vocational Training Institute Limited land in Nakawa and Amuru land earmarked for sugarcane plantation and factory, which activities are not directly in the NDPII. The low absorption by the MLHUD (56.2 percent.) is attributed to delays in procurement processes and in meeting project milestones to trigger payments for goods and services delivered. The high expenditure on the part of ULC (73.7 percent) is attributed to the compensation payments for land acquisition.

On project implementation, the release against allocation towards Lands Housing and Urban Development sector projects was 127 percent. The expenditure outturn was 60 percent. Out of the 16 sector priority projects in the NDPII, only six (6) are integrated in the MFPED PIP. The mandate of the ULC remains less tackled due to limited finances and one budget line - the 'Support to Uganda Land Commission Project', which is not sufficient for all the activities of ULC, such as operationalizing the land fund which has never been created. The majority of the project ideas (62.5 percent) in the NDPII are yet to be developed into bankable projects. The sector therefore, is required to work on the slow process of initializing projects to make them ready for integration into the MFPED PIP and implementation.

**Public Sector Management Sector**

**The sector was 67.3 percent compliant**. This is a weighted score comprising 57.0, 72.8, 69.7 and 62.9 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Public Sector Management Sector received UGX 1,012.948 billion out of the budgeted UGX 931.243 billion which is 108.8 percent budget outturn. The sector spent UGX 1,006.293 billion, which is more than 99.3 Percent of the received amount. On the implementation of projects, the release against allocation towards Public Sector Management Sector projects was 83 percent while the expenditure outturn was 99 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.

**Water and Environment**

**The sector was 63.5 percent compliant**. This is a weighted score comprising 100.0, 67.3, 69.9 and 41.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively The Water and Environment Sector received UGX 310.893 billion out of the budgeted UGX 287.201 billion which is 595 percent budget outturn. The sector spent UGX 310.119, which is 108.2 Percent of the received amount of the 4 MDAs. On the implementation of projects, release against allocation towards Water and Environment Sector projects was 122 percent. The expenditure outturn was 91 percent.

**Social Development**

**The sector was 70.2 percent compliant**. This is a weighted score comprising 67.0, 70.3, 77.3 and 64.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively The Social Development Sector received UGX 144.256 billion out of the budgeted UGX 156.480 billion which is 92.2 percent budget outturn. The sector spent UGX 143.343, which is 99.4 Percent of the received amount. On the implementation of projects, the release against allocation towards Social Development Sector projects was 122 percent. The expenditure outturn on social sector projects was 95 percent.

**Kampala City Council Authority**

**The sector was 51.2 percent compliant**. This is a weighted score comprising 100, 56.0, 81.4 and 00.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively This moderate performance is mainly attributed to poor budget outturn performance Kampala City Council Authority received UGX. 355.6 billion out of the budgeted UGX.3479.3 billion which is 74 percent budget outturn, it was only able to spend UGX 301 billion which is 85 percent

On projects, 73.3 percent and 44.4 percent release and expenditure outturn was registered at the end of the year. The low absorption observed is 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, Trae and Industry; Local Government; and Works and Infrastructure. It is recommended that a review of payment methods should be undertaken to enhance absorption capacity at KCCA.

**Accountability sector**

**The sector was 78.1 percent compliant**. This is a weighted score comprising 68.0, 78.6, 71.0 and 88.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance respectively The Accountability Sector received UGX 832.122 billion out of the allocated UGX 818.522 billion, which is 101.7 percent budget outturn The sector spent UGX 823.559 billion, which is 99 Percent of the received amount Of the 8 MDAs, only 3 realized a release outturn of less than 90 percent. On the implementation of projects, the release against allocation towards Accountability Sector projects was 95 percent. The expenditure outturn on Accountability sector projects was 67.6 percent.

**Defense and Security Sector**

**The sector was 79.1 percent compliant**. This is a weighted score comprising 50.0, 92.0, 55.0 and 100.0 percent compliance for planning frameworks, PIP, BFP and AB alignment, and Budget performance, respectively The Defense and Security sector received UGX 1,385.044 billion out of the allocated UGX 1,025.498 billion which is 135.1 percent budget outturn. The sector spent UGX 1,400.183 billion, which is 101.1 percent of the received amount. All sector MDAs had budget release and expenditure outturns over 90 percent. On the implementation of projects, the sector registered an 80 percent and 100 percent project release and expenditure outturns by end of the FY2017/18. It is further recommended that the sector fast tracks preparation of the identified NDPII projects, with a view to enable them enter the MoFPED PIP for possible funding and implementation

**Public Administration Sector**

**The sector was 77.7 percent compliant**. This is a weighted score comprising 40, 82.2, 67.8, and 95.2 percent compliant at sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII respectively. The Public Administration Sector received UGX 692.071 billion out of the budgeted UGX 562.968 billion which is 122.9 percent budget outturn. The sector spent UGX 687.369 billion, which is 122.1 Percent of the received amount. On the implementation of projects, the sector registered 58 percent and 96 percent release and expenditure outturn. This is on account that most of the projects received over 98 percent of their allocated annual budgets and good absorption. However, some projects received less than 90 percent of the allocated funds namely: Support to Electoral Commission; Strengthening Mission in New York; Construction of GOU offices; Strengthening Mission in Mission in Germany and Strengthening Mission in Consulate in Mombasa. Refurbishment of State House Complex in Entebbe did not receive any funds. On the other hand, some projects did not spend at least 90 percent of the received funds namely: Strengthening Mission in India; Strengthening Mission in Tanzania; Strengthening Mission in South Africa and Strengthening Mission in Denmark. It is recommended that missions abroad should be strengthened in terms of capacity to run them and commensurate funding.

**Legislature**

**The legislature sector was 82 percent compliant**. This is a weighted score comprising 100, 40, 100 and 100percent compliant at sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII respectively. The Sector received UGX 561.26 billion out of the budgeted UGX 483.76 billion which is 116 percent budget outturn and spent UGX 556.75 billion, which is 115.1 Percent of the received amount. On the implementation of projects, the sector registered 100 percent and 100 percent release and expenditure outturn on its of rehabilitation of Parliament. The over performance is attributed to Supplementary funding of UGX 77.502 billion provided to facilitate construction of the new Parliamentary Chambers (UGX32.85 billion), Hon. MPs consult on proposed Constitutional Amendments (UGX 35.43 billion) and Tax refund on Allowances (UGX 9.2 billion).

**At the Local Government level, the following were the key findings:**

**Overall Local Government Assessment**

**Overall, the LG Annual Budget was 59.2 percent compliant to the NDPII**. This is a weighted score of 94.7, 43.5 and 96.1 percent for LGDP, alignment of AWP and AB performance, respectively. The slight increase in the budget compliance for FY2017/18 at full year assessment is attributed to improvement in budget performance.

**Annual Budget performance**

The performance for central government transfers was 96.1 percent performance, Local revenue and donor funding were 62.0 and 53.5 percent respectively. In terms of financing composition, GoU transfers constitute 90.9 percent of the LG budgets, 5.2 percent locally raised revenue and 4.1 percent being donor support.

**Table 2: LG Budget Performance**

| Budget Component | Approved Estimates' 000 | Releases '000 | Outturn '000 | LG Financing (%) | Release/ Actual Performance | Outturn Performance (%) |
|---|---|---|---|---|---|---|
| Own Source Revenue | 168,779,907 | 104,592,474 | n/a | 5.2 | 62.0 | |
| Central Government Transfers | 2,954,138,909 | 2,587,568,964 | 2,690,048,666 | 90.8 | 87.6 | 104.0 |
| Donors | 132,218,640 | 70,802,446 | n/a | 4.1 | 53.5 | |
| **Total** | **3,255,137,456** | **2,762,963,884** | **2,690,048,666** | **100.0** | **84.9** | 97.4 |

## SECTION THREE: METHODOLOGY AND DATA SOURCES

### 3 Methodology for assessment of annual budget compliance

FY2018/19 CoC uses the same methodology as used in the FY 2017/18 CoC. The details are given in the sections below.

Like the past CoCs, 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 to attain NDPII broad macroeconomic goals. In the second step, the national level then broadly assesses whether the AB strategic direction is consistent to deliver the NDP broad strategic direction. In the third step, the sector/MDA level goes a step further to assess whether the AB broad strategic direction is translated into sector/MDA specific results targets to deliver the NDP. And lastly, the LG level goes another step further to assess whether sector/MDA level direction is translated in LG results targets 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: 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, the methodology is refined to use the NDPII results framework indicators instead of interventions. Further, the weights for planning instruments are reduced because the NDPII is in the third year of implementation and the planning instruments should have been fully developed by now. Also, the PIP score is refined to include budget performance of PIP. Compliance is assessed at four components 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, that is: i) LG planning instruments; ii) budgeting instruments; and iii) actual budget performance. At Planning instruments level, LGs are assessed upon whether they have a strategic plan that is aligned to NDP. Budgeting instruments level, whether the budgeting process (AWP) is geared to delivering NDPII priorities. The budget performance level assesses whether the releases are according to approved estimates. The final score at this level is a weighted sum of 40 percent for planning instruments, 40 percent for LG budgeting process, and 20 percent for budget performance.

### 3.1 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 (2015/16-2019/20), MDA BFPs for FY 2018/19 & 2019/20, Ministerial Policy statement for FY 2017/18 and FY 2018/19, Annual and Semi and Annual budget performance reports, feasibility study reports, Cumulative progress report up to Q4 for FY 2017/18 and Cumulative progress report up to Q2 for FY 2018/19. 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 FY2017/18 and half year cumulative progress report.

At the Local Government level, the assessment was based on the Local Government Development Plan (LGDP), the Quarter 4 physical progress report for FY2016/17 and Annual Work plan and Budget for 2017/18.

## SECTION FOUR: RESULTS OF THE ASSESSMENT FOR CONSISTENCY OF THE ANNUAL BUDGET TO NDPII

## 4 Overall Assessment of Budget Compliance

### 4.1 Macro Level Compliance Assessment

The primary NDPII macroeconomic strategy is to achieve macroeconomic stability while improving the country's competitiveness through frontloading infrastructure investment and consolidating gains of human capital development. The specific macroeconomic policy objectives include, among others: average growth rate of 6.3 percent; improved domestic resource mobilization; keeping inflation within single digit; fiscal balance initially driven by infrastructure spending with a peak of 7.7 percent in FY2017/18 and thereafter to decline to 4.4 percent in FY2019/20; maintaining the gross public debt within sustainable threshold; and maintaining external stability.

#### 4.1.1 Overall Assessment

**There is an improvement in the alignment of the budget's macroeconomic framework with the Plan, from 41.9 percent in FY2017/18 to 54.1 percent in FY2018/19.** The improvement in the score is due to better Annual Budget (AB) outturns in FY2018/19 at 50.5 percent compared to 30.8 for the previous year. The level of macroeconomic alignment of the NBFP, AB, and Charter of Fiscal Responsibility (CFR), is 46.8 percent, 49.3 percent, and 100 percent respectively.

**The overall unsatisfactory macroeconomic performance is a result of lagged effects of poor performance outturns arising largely from under execution of planned public infrastructure projects**. This assessment reveals that much as there is a rebound in GDP growth, it is still not high enough to boost the GDP per capita growth and subsequently take Uganda to the lower middle-income status. Other concerns that contribute to weak alignment include: under execution of planned infrastructure projects in minerals and energy and works and transport, and the rise in commercial loans which attract high interest payments.

In what follows, a detailed score and discussion of the results along the four macroeconomic sector accounts -real, fiscal, monetary and external- is presented.

#### 4.1.2 Real Sector Assessment

**At real sector level assessment, the FY 2018/19 AB is 66.1 percent compliant.** This is below the benchmark of 70 percent. The GDP growth target for FY2018/19 in both the NBFP and the AB at 6.0 percent is below the NDPII target of 6.6 percent. The projected GDP outturn at 6.1 percent[3] by the end of FY2018/19 is also below NDPII target. As such, the per capita GDP target and outturns are below the planned targets. The per capita GDP target for FY2018/19 in both the

[3] NPA growth projection for FY2018/19.

NBFP and the AB at USD750 is below the NDPII target of USD 982. This trend continues into FY2019/20. The per capita GDP target for FY2019/20 in both the NBFP and the AB at USD824.3 is below the NDPII target of USD1,039. Therefore, the middle-income status goal will not be achieved by 2020. The inflation targets, both core and headline are consistent with NDPII, within single digit both planned and budgeted.

#### 4.1.3 Fiscal Sector

**At fiscal policy objectives level, the FY2018/19 AB is 47.5 percent compliant**. The fiscal policy objective alignment improved from 38.6 percent in FY2017/18 to 47.5 percent in FY2018/19. However, this is significantly below the 70 percent bench mark. The Aggregate score is arrived at after scoring the four fiscal components that include: (i) overall sectoral allocations against the NDPII targets; (ii) revenue and expenditure objectives; (iii) the fiscal balance and public debt.

**The overall sectoral allocations and expenditure outturns are only 27.5 percent compliant level with the NDPII targets**. The NBFP and the AB are 36.2 percent and 35 percent compliant to the NDPII sectoral allocations. This shows a significant disparity between plans and budgets. Of particular concern, is the increasing deviation between planned allocations for interest payments and the actual corresponding expenditure outturns for FY2018/19. The allocations to interest payment at 12.6 percent[4] of the AB is significantly higher than the NDPII planned target of 7.0 percent. This increased expenditure on interest payments inhibits AB capacity to finance development. The disparity between plans and budgets leads to less than satisfactory development results of planned Government programs and projects. Besides, allocation to some sectors more resources than planned at the expense of other sectors distorts the overall implementation of development interventions. Going forward, to derive maximum benefits from the use of the limited resources available, it would be prudent that allocations are done according to the Plan.

**Except for Education and Sports and Tourism sectors, the level of alignment of sectoral expenditure outturns for the NDPII priority areas is low**. The most affected sector is Energy and mineral development with the least outturn. The FY2018/19 projected expenditure outturn for Energy and Mineral development sector, at 5.2 percent, is 63.0 percent[5] below the NDPII allocation of 14.0 percent. The previous years' outturn was 4.3 percent against the NDPII target of 15.2 percent representing a 73.0 percent deviation. For Works and Transport, expenditure outturn is 39 percent less than the NDPII allocation. As for Health and Agriculture expenditure outturns are 23 percent less than their NDPII allocation. The disparity between NDPII planned and AB expenditure outturns reduces the planned impact of public investment on the economy and GDP growth.

[4] While the NBFP set a target of 12.3 percent the AB set it at 10.2 percent, and all these are way above the NDPII targets of 7.0 and 7.6 percent for FY2018/19 and FY2017/18 respectively.

[5] Besides, the NBFP and AB proposed targets for the same period are 11.5 percent and 9.7 percent which are also below the planned targets.

**After 3 and a half years (FY2015/16-Mid FY2018/19) of implementing the NDPII, on average the AB expenditure is 81 percent of the NDPII planned expenditures for this period**. This situation is worse for the NDPII priority sectors that have spent only 59 percent of the NDPII planned expenditure. Particularly, the NDP priority Sectors of Energy, Works and Transport, Tourism, and Health have spent on average 22.0, 65.5, 57.1 and 60.1 percent respectively, of what had been planned in NDPII. On the contrary, some non-priority sectors' expenditure outturns have been significantly above the NDPII planned levels. This is the case for Legislature and Accountability, Defense and security, Social Development, and JLOS whose AB expenditure outturns have been on average 47.6, 11.6, 67.7 and 7.6 percent above the planned targets. Another concern is in the overshooting of the interest payments by over 22 percentage points than planned coupled with a high component of domestic interest payment over the years. This is an indication of significant resources being spent in areas with less impact on development.

**The revenue and expenditure outturns for FY2018/19 are 60 percent compliant on account of increased revenue performance**. While there has been an upward trend in revenue collection in the past three years which has seen tax to GDP rising from 14.05 percent in FY2016/17 to 14.35 percent in FY2018/19, Uganda's estimated revenue collection potential of between 18-23 percent is yet to be reached[6]. The planned revenue targets, budgeted and actual outturns are well-aligned. In a bid to boost revenue collection to actual potential may require creating a comprehensive tax expenditure framework that limits the granting of discretionary exemptions, minimize frequency of tax law amendments to ensure stability of the tax regime, and above all fast-tracking the formulation and implementation of the Domestic Revenue Mobilization Strategy by MoFPED, that has dragged on for some years. For expenditure, while the planned recurrent expenditure is aligned, the development expenditure is not. For the FY2018/19, development expenditure outturn is projected to deviate from the planned target by 57 percent.

**The Budget does not capture previous FY unspent balances, this is underestimating the available resource envelope**. While annually there are unspent balances, the budget does not include them in the resource envelope. In the FY2017/18, 31 central government votes and 10 local governments were not able to spend all the resources allocated to them. These unspent balance totaled UGX 289.4 billion of which UGX 277.6 billion (96%) was for central government votes and UGX 11.77 billion (4%) was for local government. UNRA accounted for over 52 percent of unspent balances at UGX 153.1 billion which is equivalent to about 38km of paved roads at a rate of 4 billion per kilo metre[7]. These resources would be key in delivering the NDPII.

**The Fiscal balance's compliance level is at 40 percent**. The projected outturn of the fiscal balance is at 4.98 percent of GDP which is lower than the planned target of 6.5 percent. The lower deficit is consistent to performance in expenditure outturns as already explained, mainly due to weaknesses in public investment management. Capacity enhancement in project development and public investment management in the country needs to be strengthened to facilitate development

[6] World Bank, 2018, Financing Growth and Development: Options for raising more domestic revenues, Uganda Economic Update, 11th Edition.

[7] Auditor General's Report for 2017

of investment ready projects as well as support the tapping of private sector resources especially through PPPs.

**The size of gross public nominal debt is compliant with NDPII.** The size of planned debt is in line with the accumulated stock of debt although the timing and sequencing of the projects is behind schedule. The projected stock of total public debt by the end FY2018/19 is 42.2 percent which is representative of a 4-percentage deviation from the NDPII target of 44.1 percent. There have been more disbursements for project loans reaching their peak of 4.1 percent of GDP in FY2017/18 down from 2.9 percent in FY2016/17.

**While external debt realised is in line with the planned target, there is a decline in multilateral creditors yet there is a marked increase in bilateral creditors especially from China**. The share of the multilateral creditors in total debt declined from 90.1percent in 2010/11 to 68.0 percent (out of which, International Development Association (IDA) declined from 61.9 percent to 42.2 percent) in 2017/18. Of the bilateral creditors whose contribution increased from 9.9 percent to 31.5 percent, non-Paris Club contribution was highest, growing from 8.0 percent to 25.1 percent. As a non-Paris club contributor, China emerged a key provider of Uganda's debt, growing from 3.3percent in 2010/11 to 24.2 percent in 2017/18. This trend could signal increased non-concessionary borrowing in Uganda's total debt portfolio. The increasing use of non-concessional loans also presents challenges including the way the loans are acquired and the associated delayed absorption. There is need to improve capacity in loan contracting, negotiations and economic assessment of the loans to ensure that the contracted debt is productively used in financing development.

### 4.1.4 External Sector

**The external sector is 35.6 percent compliant to the NDPII**. While the AB outturn of Gross international reserves in months of next year's total imports is 40 percent compliant, the current account balance outturn is non-compliant. The Current account deficit is projected to be less than planned and budgeted on account of less than satisfactory improvement in export earnings, and limited progress on the importation of the required inputs in infrastructure projects.

### 4.1.5 Monetary Sector

**The level of money supply is 60 percent compliant to NDPII**. The AB projected outturn of 21.7 percent for FY2018/19 represents 11 percent deviation from the planned target of 24.4 percent. The NBFP and the AB continue not to provide any targets as has been pointed out in earlier CoC assessments.

**The growth in Private Sector growth is 60 percent compliant to NDPII**. The AB projected private sector credit growth of 13.68 percent is 11.0 percent lower than the NDPII target of 15.4 percent. Nevertheless, there is persistent growth in private sector credit growth compared to previous years. This signals improvements in economic activity, improved confidence in the business environment, and a friendly interest rate regime. Since commercial banks continue to exhibit high preference for risk free government securities other than lending out to the private sector, addressing this dilemma should be a priority of the economic managers of this economy.

**Overall, the level of compliance of the macroeconomic focus of the AB for FY2018/19 with the NDPII's macroeconomic frame shows slight improvement, however, it is still below the required benchmark and hence it is less than satisfactory**. Additionally, the level of deviation of the AB's macroeconomic targets from the Policy Support Instrument (PSI) is lower than the deviation with the NDPII. So far during the last four years of implementation of the NDPII, the average level of deviation of the AB macroeconomic targets from the PSI stands at 13.9percent which is lower than the 20.5 percent level of deviation with the NDPII. This may imply that the AB macroeconomic focus continues to be more driven by the PSI agreed with IMF rather than the country's medium-term Plan.

#### 4.1.6 Key emerging issues

i. GDP growth has recovered in the last two years, towards NDPII annual target of above 6.0 percent. However, it is not high enough to lead the economy into the lower middle-income category by 2020. To achieve middle income by 2020, economic growth rate should be at least 18.5 percent in both 2018/19 and 2019/20.
ii. After 3 and a half years (FY2015/16-Mid FY2018/19) of implementing the NDPII, on average the AB expenditure is 81 percent of the NDPII planned expenditures for this period. This situation is worse for the NDPII priority sectors that have spent only 59 percent of the NDPII planned expenditure. Particularly, the NDP priority Sectors of Energy, Works and Transport, Tourism, and Health have spent on average 22.0, 65.5, 57.1 and 60.1 percent respectively, of what had been planned in NDPII. On the contrary, some non-priority sectors' expenditure outturns have been significantly above the NDPII planned levels.
iii. Total public debt has grown in line with the NDPII, although the timing and sequencing of the projects is behind schedule. There have been delays in implementation of a number of core projects that were meant to drive the country's borrowing. There is therefore urgent need to improve capacity in loan contracting, negotiations and economic assessment of the loans to ensure that the contracted debt is productively and timely used in financing development.
iv. There is increased non-concessionary borrowing in the country's total debt portfolio which raises the cost of the loans contracted. As the share of multilateral creditors in total debt declines, that of bilateral creditors especially China has increased. The share of multilateral creditors has declined from 69.2 to 56.3 percent in 2018/19 and that of commercial loans has increased from 2.3 percent to 24.8 percent in 2018/19. The amount owed to China rose from 2.0 percent in FY2010/11 to 14.7 percent in 2018/19 and is projected at 19.5 percent by 2020.

v. Whereas there is improved performance in tax revenue collection by URA as is depicted in increased tax to GDP ratio from 14.05 percent in FY2016/17 to 14.35 percent in FY 18/19, Uganda's potential for raising more resources estimated in the region of 18-23[8] percent is yet to be achieved.

vi. There is also lack of clarity on the unspent balances from MDAs and LGs remitted to the Treasury and whether they are part of revenue for the following financial year. Whereas the Office of the Auditor General Annual Reports are replete with various unspent balances of LGs and MDAs, the NBFP and Approved Budget Estimates as well as the Government Financial Statistics (GFS) are silent on how these are treated and utilized.

## 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, at the National Level assessment, the budget for FY2018/19 is 58.2 percent compliant to the NDPII strategic direction down from 59.3 percent in FY2017/18.** The 58.2 percent score for FY2018/19 is a weighted score of 69.6, 82.8, 66.5, and 38.5 percent for NDPII Theme/Goal; Objectives; Development strategies, and Core projects, respectively. This performance is attributed to the low linkage of the NBFP and AB to the indicators of the NDPII goal/theme, objectives, development strategies and core projects.

### 4.2.2 Theme/Goal Level

**At theme level, the 2018/19 Annual Budget is 69.6 percent compliant**. This is a weighted score of 75.0 percent and 64.2 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 as further elaborated.

i) **On competitiveness: The NBFP is 92 percent aligned while the AB is 75 percent aligned.** Two areas were assessed under this aspect, (i) 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 (ii)

[8] Reference is made to the draft Domestic Revenue Mobilization Strategy of the Ministry of Finance, Planning and Economic Development.

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 the fact that while there was commitment in the NBFP to fast track the establishment of the Uganda business facilitation center and restructuring Uganda Investment Authority to make it more effective; there was actually no allocation for the same in the Annual Budget.

ii) **On sustainable wealth creation: Both the NBFP and the AB are 67 percent aligned**. The areas assessed under this aspect included: 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 non-alignment was in the non-prioritization and provision for the forest recovery with indigenous lost species, recovery of swamps; zero (0) allocation to the climate change project and non-prioritisation of provision for even distribution of reproductive health commodities to health Facilities and communities and facilitation environmentally sound technologies for manufacturing to control pollution.

iii) **On Employment: The NBFP is 67 percent aligned while the AB is 50 percent aligned**. The areas assessed were: 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. From the areas of assessment, weak alignment was observed in the very limited allocation of funds for priority interventions on employment. For example, the AB allocated only UGX 4.05 Billion for Promotion of Green Jobs and Fair Labour Market in Uganda programme (PROGREL) (AB 2018/19, Page 607) out of the required UGX 95 Billion annually. In addition, there was no funding for innovation for employment and inclusive growth as well as the Innovators and Innovation Hubs.

iv) **Inclusive growth: The NBFP is 70 percent aligned while the AB is 65 percent aligned**. The areas assessed were: develop 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 weak alignment of the Annual Budget was observed in the non-allocation of funds to the Development Initiative for Northern Uganda and Northern Uganda Social Action Fund (NUSAF

III), non-allocation as committed in NBFP to restructure UIA to make it more effective and Institute an online process for business registration; and to amend the Companies Act to replace current forms with a single form; there was also no special allocation for PWDs and Children and lastly, there was no allocation of funds to support the rolling out of the Social Assistance Grant for Empowerment project. In summary, the assessment at theme level shows mixed performance per thematic area of assessment.

Going forward, it will be necessary for the budget to focus on the deficiencies identified such as: supporting the rolling out the Social Assistance Grant for Empowerment project to other regions of the country; restructuring UIA to make it more effective and Institute an online process for business registration; and amending the Companies Act to replace current forms with a single form; considering special allocation for PWDs and Children; establishment of industrial parks, light manufacturing and agro-processing industries; forest and wetlands restoration and improving access to financial services.

#### 4.2.3 NDPII Objectives

**Overall, the Annual Budget for FY2018/19 is 82.8 percent aligned at the objective level**. NBFP and the AB were 87.8 percent and 80.6 percent consistent to the NDPII respectively.

**Objective 1: Increasing sustainable production, productivity and value addition in key growth opportunities.** The areas assessed included: 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 65.9 percent aligned to the NDPII** on objective 1 with the NBFP contributing 68.2 percent and AB 63.6 percent respectively. The budget was deficient in the following areas: there was no allocation of funds towards the development of work ethics skills in the formal and informal sectors; establishment of productivity centers at national and regional level; promotion of culture and creative industries; development of labor market information systems; Development of work ethics skills in the formal and informal sectors and establishment of productivity centers are some of the social development sector's strategic intervention towards achievement of NDPII.

The NBFP includes an intervention to construct a mineral beneficiation center in line with the NDPII aim of promoting value addition in the mineral sector, however; there was no allocation of funds. It is notable that the NBFP of FY2019/2020 includes, as one of the priority interventions, building capacity for value addition using local processing plants for minerals such as iron ore, gold, wolframite, copper, cobalt, aluminum clay and limestone. To this end, the Sector BFP allocates UGX 31.33 billion towards Mineral Exploration, Development & Value Addition but does not clearly specify as in the NBFP.

Regarding the need for sustainable management of environmental resources, NBFP and budget do not reflect the need to eliminate dumping, minimizing hazardous chemicals and materials and protection of reservoirs.

**Objective 2: Increasing the stock and quality of strategic infrastructure to accelerate the country's competitiveness.** The areas assessed included: 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 81.3 percent aligned with NDPII at this objective level**. The NBFP and AB are 87.5 percent and 75.0 percent aligned respectively. Whereas this may signal a high level of alignment, comparison with the overall sectoral allocations and budget outturns in Works and Transport, and Energy that constitute the bulk of the interventions in this objective were lower than planned (refer to macroeconomic level assessment). Similarly, there was a funding challenge for ICT infrastructure. For the second year running, there was non-allocation of funds for extension of the National Backbone Infrastructure (NBI phase IV), yet the NBFP included it as one of the ICT sector priorities for FY 2018/19; and while the NBFP included UGX5.2Billion to construct an ICT Innovation/Incubation Centre at UICT Nakawa this was not reflected in the final budget.

**Objective 3: Enhancing Human Capital Development.** The areas assessed included: equitable access to quality ECD services, primary education; secondary education, affordable and quality technical, vocational and tertiary education, science and technology education at graduate level; building and upgrading inclusive education facilities; expanding scholarships available for enrolment in higher education; recruitment, development, training and retention of the qualified teachers; establishment of 5 regional skills development centers of excellence in the key priority areas; scaling up critical nutrition outcomes; scaling up immunization, improving maternal health; providing access to sexual and reproductive health care services; reducing premature deaths due to communicable and non-communicable diseases; developing and upgrading health infrastructure; providing access to safe, effective, quality and affordable essential medicines and vaccines for all; recruitment, development, training and retention of the health workforce; strengthening referral systems, antenatal services; addressing epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water borne diseases and other communicable diseases; implementation of the World Health Organization Framework Convention on Tobacco Control; increasing access to safe water supply in urban/rural area; and improving urban/rural sanitation and hygiene services.

**The Annual Budget is 93.2 percent aligned with NDPII at this objective level**. The NBFP was 95.5 percent while the AB was 90.9 percent consistent with the NDPII on enhancing Human Capital Development. The inconsistence with NDPII is mainly due to the lack of funding for: recruitment, development, training and retention of the qualified teachers - the sector required UGX18 billion for recruitment of 2,000 science teachers to address the inadequacy of science teachers in schools, however, there was no allocation. As noted by the sector, the low staffing levels of science teachers in secondary schools, instructors in BTVET and teacher education institutions continues to impact negatively the quality of education. Whereas the development of center of excellence was prioritized by both the NBFP and AB, apart from the Uganda Petroleum Institute Kigumba and Bukalasa Agricultural College, the other 3 centres of excellence namely, Uganda Technical College-Elgon, Uganda Technical College-Lira and Uganda Technical College-Bushenyi- funded under Albertine Region Sustainable Development Project do not fit the description of centers of excellence envisaged in NDPII.

**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 96.4 percent aligned with NDPII at this objective level**. The strategies for strengthening mechanisms for quality, effective and efficient service delivery outlined in NBFP are 100 percent consistent with the NDPII however, the AB was 92.9 percent consistent because the allocations made, especially to the Judiciary are note sufficient to undertake all the planned interventions. For instance, the Judiciary planned to complete the Development of the Court Case Administration System including E-Filing as well as install a Video Conferencing System between the Buganda Road Chief Magistrates Court & the Luzira Maximum Prison Facility and only 821m was allocated including purchase of office equipment. The Judiciary is also faced with a funding gap of UGX 18.3Billion to address the inadequate Human Resource challenge. In addition, the gazette magisterial area and High Court Circuits are not operational because of lack of funding.

The operations of the Inspectorate of Government including; investigations, prosecutions and verifications of leaders' declarations were affected by the reduction of approximately UGX 750M of the non-wage component of its budget.

### 4.2.4 Development Strategies

**Overall, the FY2018/19 Annual Budget is 67 percent compliant at the development strategies level.** The NBFP and the AB were 68 percent and 66 percent compliant to the NDPII, 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. Non-compliance was most pronounced in the area of: industrialization (42 percent), urbanization (50 percent); Harnessing the Demographic Dividend and A Quasi-Market Approach all at (67 percent).

The specific assessment and findings are presented as below:

i) **Fiscal Expansion for Frontloading Infrastructure Investment:** On the overall, the budget is 75 percent compliant to the NDPII with regard to frontloading infrastructure investment. The extent of alignment was, at 83 percent and 67 percent for the NBFP and the AB respectively. 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.

   The weak compliance in some areas of assessment at this level was attributed to: the weak budgetary focus on financing interventions aimed at enhancing regional and international competitiveness such as broadband ICT connectivity, improved urban planning, public sector efficiency, as well as inadequate resource mobilization to facilitate the frontloading envisaged by the NDPII among others.

   Going forward, there is need to enhance fiscal expansion in line with the NDPII macro-economic and financing targets in order to ensure achievement of the required competitiveness objectives before operationalization of the EAC Monetary Union.

ii) **Industrialization:** The FY2018/19 budget is 42 percent compliant to the NDPII with regard to the strategic direction of industrialization. The NBFP and AB are both equally 42 percent compliant to NDPII. The areas assessed included: 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 unsatisfactory compliance of the budget to the strategic direction of industrialization was due to lack of clear intervention for technology transfer; apart from UWEP project, there is no any other specific focus at strategy level in different sectors on how Agri-business skills for women will be addressed. In addition, the NBFP commits to enhance the integration of science, technology and innovation into the national development process, promoting STI awareness, and mainstreaming STI in the development process, but it does, not present any options for importation and adaptation of already existing technologies elsewhere. Also, there are no resources committed for Business Incubations and sustainable model value addition centers and Technical Business Incubation Enterprises and there was zero allocation towards Support to Innovation -KIIRA EV Car Project but allocations were made to Kiira Motors Corporation worth UGX 24 Billion. There is therefore need to harmonize and where possible remove exited projects from the Budget.

Going forward, the budget should provide clear interventions that are directly meant to enhance technology transfer; provide options for importation and adaptation of already existing technologies elsewhere and should commit resources for Business Incubations and sustainable model value addition centers and Technical Business Incubation Enterprises and harmonize or where possible remove exited projects from the Budget such as KIIRA EV Car Project that does not have allocations.

iii) **Fast tracking skills development:** The FY2018/19 budget is 67 percent compliant on the strategic direction of fast-tracking skills development. The NBFP and the AB were all at 67 percent aligned to the NDPII. The areas assessed included: establishing five centres of excellence; identifying and training specialized expertise especially in the mineral, oil and gas, energy and transport infrastructure areas; and enacting reforms in education and training curricula

This weak compliance of the budget at the skills development level was because; although, the BFP committed to promote establishment of regional centers of excellence among BTVET and Tertiary institutions to ensure production of a critical mass of high-quality technicians, there was no allocation for them. Also, the budget did not provide for completing construction works at UPIK and UTC Kichwamba; and construction works in the 5 centres of excellence and VTIs of Bukalasa Agricultural College, Uganda Technical College-Elgon, Uganda Technical College-Lira and Uganda Technical College-Bushenyi under Albertine Region Sustainable Development Project as was provided for in the NBFP. In addition, it the budget provides for building capacity of Engineers Brigade and Rehabilitation of Regional Mechanical Workshop, but it does not, bring out the nature of specialised skills gaps required and does not seem to focus on the private sector. And finally, the AB does not allocate resources for skills development for other Priority areas as well as building capacity of Engineers Brigade as stated in the NBFP.

Going forward, the inadequate allocations towards the above-mentioned areas should be addressed and there is need to develop and fund a clear roadmap for developing the skill required in the economy for employment and requisite productivity towards attainment of the middle-income status.

iv) **Export Oriented Growth**: The FY2018/19 budget is 83 percent compliant with the strategic direction for export-oriented growth. NBFP and AB are both 83 percent compliant. The areas assessed included: 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 identified areas of non-compliance at this strategy included: the limited budgetary focus on: enabling access to private sector credit and export commodity diversification arising from the sluggish leap of recapitalization of UDB against the NDPII target of UGX500 billion and the dominance of foreign banks in the financial services market have negatively affected the anticipated growth and diversification of exports.

Going forward, it is further stressed that there will be need to fully recapitalize UDB as planned and establish a strong indigenous bank in order to leverage private sector growth and faster export growth and diversification.

**v)** **A Quasi-Market Approach**: The FY2018/19 budget is 67 percent compliant with the strategic direction for quasi-market approach. NBFP and AB are both 67 percent compliant. The areas assessed included: Increasing public sector participation in strategic enterprises that do not attract private sector investment over long periods of time; increasing private sector participation in the key growth areas; and operationalizing the PPP Act 2016. The moderate compliance of the budget on the quasi-market approach strategic direction is attributed to: non-allocation of resources for Promotion of Anticorruption Public Private Partnership (ACPPP) aimed at strengthening collaboration between stakeholders involved in the anti-corruption crusade and non-allocation for the framework for public, private sector interface through Public Private Partnership in the promotion of science and education as a business and promoting the development of a knowledge-based economy for a Health community and environment as provided for in the NBFP. There was also inadequate public-sector investment in priority areas that are not attractive to the private sector; and the limited budget allocations to private sector growth and participation in NDPII implementation.

Going forward, we further re-state our earlier recommendation of the need to streamline public investment management system with a view to ensure preparation of feasible projects for implementation by government that may be divested in future.

**vi)** **Harnessing the demographic dividend**: The FY2018/19 budget is 67 percent compliant with the NDPII strategic direction for harnessing the demographic dividend just like the previous year's budget (2017/18). The NBFP and AB are both 67 percent compliant. The areas assessed include: improving access to family planning services; improving nutrition; and enhancing the level of skill and innovation of the labour force. The moderate performance was mainly because of the lack of provision for even distribution of reproductive health commodities to health Facilities and communities and there was no allocation for improving the Training of Health Tutors & BTVET Technical Instructors and there was an inadequate allocation to improving nutrition and skilling and innovation. Finally, the AB did not also allocate funds towards reforming the education system to increase the years of schooling.

Going forward, the budget should prioritize the even distribution of reproductive health commodities to health Facilities and communities in a bit to improve access to family planning services as provided by the National Development Plan II. The budget should also prioritize allocation to improving nutrition and training of Health Tutors & BTVET Technical Instructors to bridge the acute skills in the health and in the field of Technical institutions.

vii) **Urbanization:** Just like the previous year's budget, the FY2018/19 budget is also 50 percent compliant with the strategic direction for Urbanization. The NBFP and AB were both 50 percent compliant. The areas assessed include: accelerating planned and guided urbanization; ensuring a critical link between urbanization and modernization of agriculture; and reorganizing communities into cooperatives to utilize their increased incomes to contribute to the creation of vibrant provident funds.

The unsatisfactory alignment of the budget to the urbanization strategic direction is due to a number of factors: The FY 2018/19 budget did not provide for strategies for enhancing urban agriculture linkages; no funding for enforcement of the LG physical plans, as well as controlled urbanization and improvement of infrastructure in urban areas; absence of clear funding across the country that would link modern agriculture and urbanization; inadequate allocations aimed at reorganizing communities into cooperatives to utilize their increased incomes to contribute to the creation of vibrant provident funds; absence of allocation to the already mapped ten (10) ecological zones and the nine (9) Zonal Agricultural Research Development Institutions (ZARDIs) to streamline provision of extension services, improve farmer sensitization and linkage of farmer associations to agro-industries as provided in the NBFP.

Going forward, there is need to focus more resources to urbanization as a key strategy for social economic transformation of the Uganda's economy as envisaged in NDPII

viii) **Strengthening governance:** the FY2018/19 is 86 percent compliant with the strategic direction for strengthening governance. The NBFP and are both 86 percent compliant. 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 satisfactory budget alignment regarding strengthening governance is attributed to adequate allocation to the above-mentioned interventions. However, there was no allocation for supporting effective participation of all citizens in development and electoral processes and in creating awareness of Human Rights among Law enforcement officers and the general public.

Going forward, there is need to prioritize effective participation of citizens in development and electoral processes and also there is need for strengthening governance in order to ensure an enabling environment for private sector participation.

### 4.2.5 Core Projects

**At this level of assessment, the budget is 38.5 percent compliant to the NDPII core projects.** This is a weighted score of 51.6 percent, 28.6 percent and 54.1 percent for project physical implementation progress, project funding releases and expenditure against release performance, respectively. Overall, the budget performed better on energy and transport infrastructure projects in terms of allocation against release outturns. However, duplication, inadequate project readiness for implementation and failure to finalize projects as planned are still major challenges.

In the agricultural sector, the Agriculture Cluster Development Project (ACDP) started in FY2013/14 and was planned to end in 2019/20, however, implementation is only about 15 percent. The project continued to face structural challenges in the first months of implementation. Majorly, the project experienced significant delays in procuring and appointing the e-Voucher Management Agency due to the limited capacity of MAAIF to implement electronic voucher management system. In order to improve project implementation performance and increase disbursement rate, the project was restructured in July, 2018. The restructuring also was undertaken to re-align it with current sector strategies and priorities. While the project restructuring has been effective in enhancing project management, the project needs to fast-track the roll-out of e-voucher to all the targeted project districts. There is also need to address serious delays in procurement to speed up project implementation.

Similarly, in the Water and Environment sector, the Farm Income Enhancement and Forest Conservation II expenditures are of recurrent nature. The project should also similarly be revised and improved to attain the 70 percent required component as capital, else it should be considered as a programme as opposed to being termed as a project.

In the NDPII period, the tourism sector was expected to implement the Tourism Marketing and Product Development Project covering the areas of Namugongo, Kagulu Hills and Source of the Nile. However, all funds have been spent on development of a feasibility study for the source of the Nile, yet the Source of the Nile project is also far below schedule.

In the Minerals, Oil and Gas sector, regarding the Hoima Oil Refinery projects, of the project estimated cost of UGX4 trillion, the project has so far utilized UGX135 billion. Mainly to fund ongoing works for community resettlement and construction of boreholes. The project began in FY2011/12 and is expected to end in FY2020/21. However, majority of the activities that were planned including construction of the Kabale airport, boreholes and extension of water are not related to the refinery and are not the mandate of the minerals, oil and gas sector. Also, the ones which have so far been undertaken are recurrent in nature.

Uganda Development Corporation (UDC) is being capitalized and currently UDC is undertaking projects including: Soroti Fruit Factory; Support to Innovation - EV Car Project; Rural Industrial Development Project (OVOP Project Phase III); and Establishment of Zonal Agro-Processing Facilities. Similarly, The Uganda Development Bank (UDB) is being capitalized although at a lower rate, compared to the Government pledge to have it capitalized to a tune of UGX 500 Billion.

Karuma Hydroelectricity Power Project is ongoing and was expected to end by FY 2019/20. However, the projects applied for an extension up to 2020/21, due to resettlement challenges, procurement delays which impeded the speed of works. As of December 2018, Karuma implementation was at 85 percent level of implementation.

Isimba dam was commissioned on 21st March, 2019 and is expected to produce 183 MW of electricity. The project is under defects liability period.

Ayago hydro power plant, Grid Extension in North-East, Central, Lira and Buvuma Islands, and the Grid Extensions including those for Region Power Pool (For only West Nile Grid Extension Program-GBOBA)-grid expansion and reinforcement project have not yet been started.

Regarding the Standard Gauge Railway, according to the BFP FY2018/19, 20km of SGR were planned for construction in 2018/19. The project has not started due to financing challenges. The feasibility study of the project still requires review to ensure value for money out of the investment.

For the Kampala-Jinja Expressway, the project in the final stages of preparation, However, there will be a need to harmonize the expressway, Bukasa port and SGR and existing routes in all the feasibilities to ensure value for money.

Upgrading of Kapchorwa-Suam Road delayed in the design stages, the project is ongoing but below schedule. For the Rwekunye-Apac-Lira-Kitgum-Musingo Road, the feasibility study was completed and 15 percent of works have been implemented. The Kibuye-Busega- Mpigi and Kampala-Bombo Express highways have not yet been started.

Renovation of 25 Selected General Hospitals is being implemented with interventions now being conducted in Kawolo and Busolwe; Kayunga and Yumbe General Hospitals.

Efforts of skills development are scattered and have not yielded the required impact. There are 12 projects and 5 institutions all engaged in skills development. Skills development projects include: Skills Development project (Skills Development Project (Mbale (UTC Elgon), Bushenyi (UTC,Bushenyi), Lira (UTC Lira), Luwero (Bukalasa Agriculture College)); Skills Development Project (Kampala); Support to Agro Processing & Marketing of Agricultural Products Project (Western(Masindi District) and Eastern (Jinja District) Uganda); Agro-Economic Impact Deepening in the Albertine Basin (Ntoroko, Kabarole, Kyenjojo, Kibaale, Hoima, Masindi, Kiryandongo, Bulisa, Nebbi in the Albertine Graben); Skills for Oil and Gas Africa (SOGA) (Directorate of Petroleum and Country-wide); Development of BTVET (Countrywide); Albertine Region Sustainable Development Project (Kabalore (UTC Kicwamba), Kiryandongo (UPIK,Kigumba)); John Kale Institute of Science and Technology (JKIST) (Kisoro District); Support to the Implementation of Skilling Uganda Strategy (BTC) (Kampala, Kasese, Kabarole, Hoima and Masindi); The Technical Vocational Education and Training (TVET-LEAD) (Nakawa Vocational Training Institute (NVTI)); 9 OFID-funded institutes under Phase I: Amuria, Hoima, Kamuli, Lwengo, Mukono, Nakasongola, Namutumba, Pader & Yumbe; IDB funded Technical and Vocational Education and Training Phase II (Kisoro, Rwentanga, Kigumba Cooperative, Kisubi, Kitovu, Kakira, Kasodo, Kaberamaido And Pacer); National Science, Technology, Engineering and Innovation Skills Enhancement Project (Sanga and Namanve)).

The Youth Livelihood Programme (YLP) commenced in FY2013/14, and so far, UGX 65.7 billion has been spent on the project. The project has however registered substantial challenges in terms of loan recovery which affects its long-term sustainability.

The ICT National Backbone Project (NBI) (Phase I, II, III) project exited the PIP in FY2016/17. 321 government entities were connected to the NBI. The Regional Communication Infrastructure (RCI) project assumed the components of NBI (phase IV) to implement the missing links in terms of connectivity starting with Karamoja and the West Nile. The RCI started in FY2016/17 and is to end in FY2021/22.

### 4.2.6 Key Emerging Issues

i) **Skills development efforts are scattered to yield the required impact, despite enormous government expenditure**. There are 12 projects and 5 institutions all implementing skills development projects.

ii) **Further, the FY2018/19 budgetary framework for the country's human capital is still patchy and characterized by budget shortfalls.** It is necessary to fast-track implementation of the various skills development and other related projects and programs in order to ensure readiness and sustainability of the middle-income aspiration. Of the 5 centres of excellence prioritized under the Education Sector, only 2 fit the description of centers of excellence as envisaged in NDPII i.e the Uganda Petroleum Institute Kigumba and Bukalasa Agricultural College. Uganda Technical College-Elgon, Uganda Technical College-Lira and Uganda Technical College-Bushenyi are not.

iii) **Key NDPII strategic intervention for improving the productivity of the Ugandan workers as well as increasing employment opportunities and employability did not attract funding.** These include: (i) establishment of productivity centers at national and regional level; (ii) development of work ethics skills in the formal and informal sectors; (iii) supporting the culture and creative industries, which are currently a big source of income for many youth and women; and (iv) developing and operationalizing labour market information systems.

iv) **There is need to harmonize projects and certain strategic interventions that are maintained in the budget but have no funding and remove such projects which have exited the PIP from the budget.** For example**,** the budget continues to maintain support to Innovation -KIIRA EV Car Project with zero allocations but allocations were made to KIIRA Motors Corporation worth UGX 24 Billion. There is therefore need to harmonize and where possible remove such exited projects from the Budget.

v) **There are still insufficient budgetary allocations for recapitalization of UDB and UDC in-line with the NDPII projected funding necessary to boost the required access to credit and government participation in undertaking investment in priority enterprises that are not attractive to the private sector.** There is need for government to consider the establishment of a strong indigenous bank that will leverage access to affordable credit, private sector growth and faster export growth and diversification

vi) **The FY2018/19 budget provides insignificant allocations to urban planning, housing and job creation in urban** centres which are critical for improved urbanization and desired transformation of the country's cities and municipalities. There is therefore need to focus more resources to urbanization as a key strategy for social economic transformation of the Ugandan society.

## 4.3 FY2018/19 SECTOR AND MDA LEVEL ASSESSMENT

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 3.1 of the assessment criteria for sectors. **At this level, the FY2018/19 AB is 58.1 percent compliant**.

### 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 of the sector

**Overall, the Agriculture sector is 58.1 percent compliant.** In particular, the sector is 100, 83.9, 46.8 and 31.4 percent compliant at sector planning, projects planning, budgeting instruments and budget performance levels of alignment to NDPII, respectively. The specific details are presented below and the performance of the MDAs is summarized in Table 2.

#### 4.3.1.2 Development and existence of planning processes

**At this level, the sector is 100 percent aligned to NDPII.** The sector has an approved strategic plan (Agriculture Sector Strategic Plan – ASSP 2015/16 – 2019/20) that is aligned to NDPII in terms of priorities and timelines. Also, all MDAs of the sector have approved strategic plans that are aligned to NDPII in timeline and content.

#### 4.3.1.3 Sector projects alignment

**At this level, the sector is 83.9 percent compliant.** This is a weighted score of 87.5, 86.4 and 57.8 percent for budget release, expenditure out-turn and project performance, respectively. The weak performance is as a result of poor budget releases and project performance. Of the 56 projects prioritized in NDPII, 37 (66.1 percent) are in the PIP and receive funding. The remaining 19 (33.9 percent) projects have not been developed. Donor supported projects are the core for the sector with substantial resources, however, they face delayed approval and implementation. These include: Agricultural Cluster Development Project (ACDP); The Regional Pastoral Livelihoods Resilience Project; the Multi-Sectoral Food Safety and Nutrition Project and; Enhancing National

Food Security through increased Rice Production in Eastern Uganda. The sector has unsatisfactory performance on several core externally funded projects.

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

**At this level, the sector is 46.8 percent compliant.** This is a weighted score comprising of 47.8 and 46.0 percent for BFP and AB respectively. There is a variance between the sector plan targets, the BFP and AB. For instance, while the target for number of doses of Foot and Mouth Disease (FMD), Contagious Bovine Pleuropnemonia (CBPP), rabies and East Coast Fever (ECF) vaccines procured was 4 million in the Agriculture Sector Strategic Plan (ASSP), the target for the same in the annual budget was 2 million. Similarly, the ASSP had the target of 112 for the number of districts covered in pests and diseases interventions including Fall Army Worm (FAW) and Banana Bacterial Wilt (BBW) but the annual budget could only cater for 67 districts under the same.

Other areas that received insufficient funding include; increased agricultural mechanization; enhance access and use of fertilizer; increase access to water for agricultural production; agriculture mechanization; build capacities of farmers, traders and processors in quality standards and market requirements; promote investments in storage infrastructures to reduce post-harvest losses; operational single spine extension system; promoting sustainable land use and soil management; as well as deepening ICT access to facilitate market information sharing. Also, some of the prioritized interventions were missing in the BFP and AB, for instance; operationalization of the commercialization fund and increased access to agricultural financial services.

#### 4.3.1.5 Budget performance

**At this level, the sector was 31.4 percent compliant.** This is a weighted score of 65.7 and 8.6 percent for budget outturn and expenditure outturn, respectively. The score on expenditure outturn was low because only one agency, UCDA was able to spend above 90 percent of the released funds. The unsatisfactory score on budget performance for MAAIF and NARO 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 was especially noted for donor supported projects and these are the projects that have significant resources and with great potential to stimulate the development of the sector.

Basing on the top five donor supported projects in terms of budget, that is: Vegetable Oil Development Project–phase 2 (UGX. 18.9 billion); Agricultural Cluster Development Project, ACDP (UGX. 117.19 billion); Enhancing National Food Security through increased Rice Production in Eastern Uganda (21.17 billion); Multisectoral Food Safety & Nutrition Project (UGX. 30.22 billion), and the Regional Pastoral Livelihood Improvement Project (UGX. 15.12 billion). The five projects had a combined budget of UGX 202.60 billion for FY2018/19 and make up 56.9 percent of the total MAAIF budget. The average half year budget performance for the five projects for FY2018/19 was 21.3 percent but there was great variation across the projects. Vegetable Oil Development Project has the highest budget performance at 36.6 percent, performance of ACDP was at 24.9 percent, while the project on Enhancing National Food Security through Increased Production only spent 1.4 percent of the budget. The poor performance of donor supported greatly affects the overall performance of MAAIF and the sector.

#### 4.3.1.6 Summary MDA level Performance

**NARO is the least compliant at 41.2 percent, followed by MAAIF at 50.3 percent.** Uganda Coffee Development Agency (UCDA) and National Agricultural Advisory Services (NAADS) were the most compliant agencies at 84.8 percent and 78.6 percent, respectively. The reason for poor compliance for NARO was due to poor budget performance that scored zero percent and the low alignment of budgeting instruments to NDPII as shown by the score of 23.3 and 50.3 percent for BFP and AB respectively. The overall summary performance for the Agriculture sector MDAs is provided in Table 2

**Table 3. Summary of Agriculture Sector and MDA Compliance Assessment (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100.0 | 83.9 | 47.8 | 46.0 | 46.8 | 31.4 | 58.1 |
| 2 | MAAIF | 100.0 | 85.3 | 44.6 | 44.7 | 49.1 | 0.0 | 50.3 |
| 3 | NARO | 100.0 | 70.0 | 23.3 | 50.0 | 34.0 | 0.0 | 41.2 |
| 4 | NAGRIC | 100.0 | 96.0 | 25.0 | 12.5 | 20.0 | 24.0 | 52.0 |
| 5 | NAADS | 100.0 | 100.0 | 100.0 | 71.4 | 88.6 | 40.0 | 78.6 |
| 6 | DDA | 100.0 | 76.0 | 66.7 | 66.7 | 66.7 | 40.0 | 64.8 |
| 7 | UCDA | 100.0 | 100.0 | 66.7 | 83.3 | 73.3 | 76.0 | 84.8 |
| 8 | UCDO | 100.0 | 100.0 | 50.0 | 50.0 | 50.0 | 40.0 | 67.0 |

#### 4.3.1.7 Key emerging issues

i) Reduction in agricultural research funding. Though the budget allocated to NARO for FY 2019/20 has been maintained at UGX 69.704 Billion like for FY 2018/19, the allocation has generally declined for the past four years from UGX 114 Billion in FY 2016/17 to UGX 84.1 Billion in FY 2017/18. Further, the allocation for FY 2019/20 is only 54.2 percent of the planned allocation under NDPII for the same year (UGX 128.69 Billion). The decline in agricultural research funding has hampered efforts towards effective response to emerging agricultural research challenges in Uganda such as Fall Army Worm, Animal pests and diseases, etc.

ii) Most of the priority interventions identified in NDPII were targeted in the sector plans and budgets. However, the allocations were too thinly spread to generate the desired impacts to meet the NDP II targets. Example allocations to livestock disease control and prevention, aquaculture, value addition and market access.

iii) Poor performance of donor supported projects. Project implementation remains very slow especially for donor supported projects and these are the projects that have significant resources and with great potential to stimulate the growth of the sector. For example, the half year budget performance of Agricultural Cluster Development Project (UGX. 117.19) was 24.9 percent while that for the Project on Enhancing National Food Security through increased Rice Production in Eastern Uganda (UGX. 21.17) was 1.4 percent. The poor performance of these projects hampers the growth of the sector and attainment of NDPII targets.

iv) Limited resources and focus have been allocated to the strategic objective of improve agricultural markets and value addition. While this objective is considered largely private sector driven, provision of support services such as regulations and standards to enable actors to take advantage of the existing public investments is limited. Also, this objective is a shared mandate between MAAIF and MTIC – a divided structure that has created a number of planning and implementation challenges. The bulk of the responsibility lies in MTIC but the Ministry lacks capacity and resources to drive it. There is also a problem of weak inter-Ministerial coordination to implement the interventions.

v) There are too many small projects in the sector which leads to high overhead costs and duplication of roles. The sector has a total of 37 projects but 60 percent of these have budgets less than 10 Billion which leads to spreading the resources thinly across many administrative units. These need to be integrated and form a few projects with the broken projects only becoming components of the major projects. This will enhance efficiency and effectiveness in management.

vi) Agricultural financing intervention is coordinated outside the sector. The Agricultural Credit Facility is managed by BOU, MFPED, UDB and the Private sector. The agricultural sector is not represented among the implementing agencies and is not aware of what goes on with the project.

#### 4.3.1.8 Contribution to SDGs

This section assesses the integration and alignment of the sector plans, budgets and interventions to sustainable development goals (SDGs). 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.

Significant investments are also noted in the areas of agricultural research and extension services. Cumulatively, a total of 3,032 agricultural extension workers have been recruited at the district and sub-county levels. To facilitate these extension workers, MAAIF has procured 115 Double cabin 4 WD vehicles and 1,034 motorcycles.

#### 4.3.1.9 Cross cutting issues

This section assesses the integration of cross-cutting issues in the agricultural sector plans and budgets for the years under review. The major cross-cutting issues assessed included; gender, human rights, climate change and HIV/AIDS.

The agricultural sector recognizes the importance of gender in realization of sector outcomes and goals and has attempted to mainstream gender issues in the planning and budgeting. Indeed, performance indicators on a number of interventions are gender disaggregated. For the FY 2018/19, among others, MAAIF conducted capacity building of extension staff and other stakeholders on safe use of pesticide and safety standards, with at least 30 percent being women, youth and PWDs. 160 youthful Animal Resource Key persons (ARK) from Teso sub region were trained in live bait technology using Restricted Acaricide Application (RAP)to spray cattle as a way of reducing the vectors.

Regarding access to critical farm inputs, the sector requires that at least 50 percent of the beneficiaries of inputs provided by NAADS/OWC, UCDA, NARO, CDO, NaGRC and DDA are women, youth and vulnerable farm households. However, while these efforts are noted and appreciated, there are limited investments in areas that attract youth such as agro-processing and value addition. Most sector interventions remain heavily concentrated in primary production and the youth lack access and ownership of land and therefore do not fully benefit from these interventions. The sector therefore needs to allocate more resources to interventions that attract youth, in particular, ASSP objective three that aims to improve market access and value addition.

HIV/AIDS has an impact on agriculture as it reduces the labor productivity. HIV-affected households experience a loss of labor productivity both from household members who are ill and from their caregivers. The sector MDAs have not put up clear commitments in addressing the pandemic.

The agricultural sector has made significant steps in addressing effects of climate change through numerous interventions across the sector MDAs. In research, NARO continues to undertake ecologically sound agricultural research and generation of climate change resilient technology. For the FY 2017/18, NARO generated 62 improved productivity technologies that are drought and disease tolerant with consumer acceptable qualities. In partnership with other sector MDAs; MAAIF, NAADS/OWC, UCDA, etc there are efforts to promote these technologies to farmers. Towards addressing drought and other effects of climate change, MAAIF allocated UGX. 19 billion towards investments in water for agricultural production for FY 2017/18 and FY 2019/20. From these investments, 163 Valley tanks/Dams (2,759,800 Cubic meters) constructed and rehabilitated for provision of water for livestock, aquaculture and irrigation in 29 districts in Eastern, Central, Western, Northern and West Nile regions using the heavy equipment sets acquired.

### 4.3.2 WORKS AND TRANSPORT SECTOR

The Works and Transport sector planning and budgeting alignment is assessed on the basis of four (4) strategic objectives and their corresponding output indicators as outlined in NDPII. These objectives 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 results of this assessment are given in the sections below.

#### 4.3.2.1 Overall CoC performance of the sector

**The overall performance of the sector is 61.0 percent compliant.** In particular, the sector is 50.0, 46.3, 87.3 and 53.0 percent compliant at sector planning, projects planning, budget process instruments and budget performance respectively. The improvement from last years' score of 58.0

percent, is attributed to improved planning processes and annual budget performance. The specific details are presented in the following sections.

#### 4.3.2.2 Development and existence of planning processes

**At this level, the sector is 50.0 percent compliant**. The score is a result of the weighted individual scores of 100, 100, 100, 0, 0 and 0 for the MoWT sector, MoWT (ministry), UNRA, URF, URC and CAA. The average performance is attributed to the absence of approved and aligned plans to NDPII, for URF, URC and CAA. The performance improved from 20 percent scored last year.

#### 4.3.2.3 Sector projects alignment

**At this level, the sector is 46.3 percent compliant.** This is a weighted score of 70.8 percent for budget release, 31.8 percent for expenditure outturn and 64.0 percent project performance. The average performance is majorly due to low absorption capacity of the released funds, by close of quarter two. Examples of projects where funds were released but absorption was low include; the transport corridor project where UGX55.07Billion was not spent, Masaka-Bukakata road where UGX41.55Billion was not spent, Kampala flyover project where UGX10 billion was released but no expenditure was made, Hoima-Butiaba-Wanseko road where UGX93.45 billion was released but no expenditure was made, Upgrading of Muyembe-Nakapiripirit where UGX43.09 Billion were not spent, Rehabilitation of district roads where UGX10.33Billion was not spent, and the New Ferry to replace Kabalega project where UGX9Billion was not spent.

The issue of no absorption for Hoima-Butiaba-Wanseko (an Oil road) and Kampala-flyover project clearly explains allocation of funds by the MOPED, to projects that are not yet ready for implementation, and or those with unfulfilled conditions. Hoima-Butiaba-Wanseko road is a project under pre-financing and thus would not absorb allocated funds, in its early stages of implementation. Additionally, all oil roads don't have financing agreements. Further, despite launch of the Kampala flyover project in December 2018, physical works have not commenced.

Of the projects under implementation save the Transport corridor project, 74 percent are behind schedule while 32 percent are on schedule. For 30 projects clustered under the Transport Corridor project (total network length 1744.43km), 29 percent have not commenced, 31 percent are at feasibility stage, 19 percent are under implementation but behind schedule, 6 percent are under implementation (on schedule), only 15 percent are completed. These projects include; Kampala-Mukono-Jinja (77Km), Migera-Kafu, Mukono-Kayunga-Njeru (92.5Km), Pakwach-Nebbi (53.7Km), Namunsi-Sironko/Muyembe-Kapchorwa (65Km), Kyenjojo-FortPortal (50Km), Hima-Katunguru (58Km), Nakalama-Tirinyi-Mbale (100Km), among others. The low absorption of funds for this project is due to slow progress of works and delayed commencement of the projects, since control is under one pool.

Poor project performance is also affected by the delayed completion of projects that should have been completed by 2017/18 and exited the PIP, but are still under implementation (in the current budget). Examples of such projects include:

i) Construction of Masaka-Bukakata road (NDP1 On-going Project), PIP period 2013/14 – 2017/18. This project further has a budgeted allocation for FY 2019/20;
ii) Construction of Kapchorwa-Suam road (77km) (NDP1 On-going Project), PIP period 2013/14 – 2017/18;
iii) Upgrade Kyenjojo-Hoima-Masindi-Kigumba (238km) (NDP1 On-going Project), PIP period 2013/14 – 2017/18;
iv) Musita-Lumino-Busia/Majanji road (NDP1 On-going Project), PIP period 2013/14 – 2017/18;
v) Kampala Northern Bypass Phase2 (NDP1 On-going Project), PIP period 2013/14 – 2017/18;
vi) Preparatory survey for improvement of Gulu MC Roads (NDP1 On-going Project), PIP period 2013/14 – 2017/18;
vii) Upgrade Atiak- Adjumani -Moyo-Afoji (104km) (NDP1 On-going Project), PIP period 2013/14 – 2017/18. This project is still under procurement;
viii) Olwiyo-Gulu-Acholibur-Kitgum-Musingo (223 Km) (NDP1 On-going Project), PIP period 2013/14 – 2017/18. This project further has a budgeted allocation for 2019/20 FY;
ix) Nyaliti -Kapchorwa-Suam (NDP2 Pipeline Project); PIP period 2013/14 – 2017/18. This project has just commenced, has a budget of 125.8 billion according to 2019/2020 BFP;
x) Improvement of Ferry Services (NDP1 On-going Project), PIP period 2013/14 – 2017/18.

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

**The Works and Transport sector is 87.3 percent compliant at this level of assessment.** This is a weighted score comprising 84.8 percent for the BFP and 89.0 percent for the AB. The Works and transport sector indicators and targets in the Development Plan and the budget instruments vary from those in NDPII. Indicators where targets exist, the targets are much lower or higher than the NDPII targets. For instance, the NDPII target for construction and rehabilitation of national road network was 4977 for FY2018/19 but 4457 in NBFP. Similarly, the NDPII target for the local motor-vehicle inspection scheme was 600,000 vehicles but 3,000 vehicles in the budget instrument.

Furthermore, whereas the sector prioritizes most of the NDPII interventions, a number remain unbudgeted, these include: i) Promote vehicle efficiency and technologies; ii) Review of road construction Designs and Standards; iii) Improve institutional planning, monitoring & performance evaluation; iv) Strengthening the transport planning function of the MWT; v) Survey, map and Install navigation Aid on inland waterways; and vi) Increase awareness & advocacy in safety of inland water and rail transport.

Performance of other key indicators was as follows:

i) The road network maintained periodically, under the DUCAR network has improved from 3056Km against the planned NDPII target of 2570Km in FY2017/18, to 5393Km against 2640Km in FY2018/19. Routine manual mechanized maintenance has improved from 12000Km against 9200Km, to 16124Km against 9300Km;
ii) The NDPII 80 percent target for the condition of the Paved National Road Network (percent) for FY2017/18 was achieved by the sector while the sector target of 85 percent for FY2018/19 is higher than the set NDPII target;
iii) While under Expansion and Development of Entebbe International Airport, International air passenger traffic, check-in-queuing time (min), Fast bag in (reclaim belt in mins), last bag in (min) and security queuing time (min) were 1,700,624persons, 7min, 6min, 23min, and 5 mins respectively which is above the NDP target performance of 1,623,956 persons, 30min, 25min, 45min, and 10 min respectively;
iv) For the number of kilometers of Oil and Gas roads constructed, contractors for 3 out of 6 packages, signed contracts and commenced work for Design and Build of Masindi (Kisanja)-Park junction & Tangi junction-Paraa-Buliisa-Buliisa roads (Package 1), Hoima-Butiaba-Wanseko (111Km) Road, Buhimba-Nalweyo-Bulamagi & Bulamagi-Igayaza-Kakumiro (93Km) roads;
v) Number of motor vehicles inspected annually is about a tenth of the NDPII targets.

#### 4.3.2.5 Budget performance

**The sector annual budget performance is 53.0 percent compliant**. This is a weighted score of 80.0 and 35.0 percent for half year budget performance outturns and expenditures respectively. This sector had a slight decline from last years' score of 54.4 percent. The problem is partly attributed to MoFPED allocating funds to projects that are still under preparation stages. For instance, this FY2018/19, the MOFPED allocated external financing to a number of projects that are not yet ready for implementation, some of these include:

i) Busega–Mpigi (UGX179.648Billion)- project is under procurement
ii) Muyembe–Nakapiripirit (UGX79.067Billion)–Draft contract not yet cleared
iii) Rwenkunye-Lira-Kitgum (UGX549.145Billion)–is at bidding stage
iv) Luwero–Butalangu (UGX44.83Billion)–procurement for this project has not started

The problem is further worsened by pre-financing of projects whose loans have not been finalized such as the one trillion allocated to UNRA to finance oil roads that was finally not released, last financial year.

#### 4.3.2.6 Summary MDA level Performance

**Table 4: Summary of Works and Transport Sector and MDA Compliance Assessment (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | Budget Performance | Total Score |
|---|---|---|---|---|---|---|

| | | | | BFP | AB | BFP & AB | | |
|---|---|---|---|---|---|---|---|---|
| **1** | **Sector** | **50.0** | **46.3** | **84.8** | **89.0** | **87.3** | **53.0** | **61.0** |
| 2 | MoWT | 100.0 | 43.3 | 73.3 | 100.0 | 89.3 | 64.0 | 69.0 |
| 3 | UNRA | 100.0 | 46.1 | 72.0 | 80.0 | 76.8 | 40.0 | 58.9 |
| 4 | URF | 0.0 | 100.0 | 100.0 | 93.3 | 96.0 | 100.0 | 88.8 |
| 5 | URC | 0.0 | 100.0 | 100.0 | 0.0 | 40.0 | 40.0 | 54.0 |
| 6 | CAA | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 60.0 |

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

#### 4.3.2.7 Key emerging issues

i) The sector's performance is greatly affected by the low absorption capacity evidenced above. The problem is partly attributed to MoFPED allocating funds to projects that are still under preparation stages. For instance, this FY2018/19, MOFPED has allocated external financing to a number of projects that are not yet ready for implementation, some of these include;
   a) Busega–Mpigi (UGX179.6 billion)- project is under procurement
   b) Muyembe–Nakapiripirit (UGX79.07 billion)–Draft contract not yet cleared
   c) Rwenkunye-Lira-Kitgum (UGX549.15 billion)–is at bidding stage
   d) Luwero–Butalangu (UGX44.83 billion)–procurement for this project has not started.

ii) The problem is further worsened by pre-financing of projects whose loans have not been finalized such as the one trillion allocated to UNRA to finance oil roads that was not released, last financial year.

iii) In order to address the low capacity challenges, Government is using unsustainable and costly means to deliver infrastructure projects. To deal with low capacity challenges, Government encourages contractors to be self-sufficient through the Engineering, Procurement, and Construction (EPC) contracts. This is likely to escalate the cost of delivering infrastructure and compromise quality standards, due to mainly 3 reasons. First, in many instances, EPC arrangement creates shortages of materials which lead to contract overruns and much higher cost of materials. Second, the EPC arrangement compromises quality, and is not flexible to supply other Government projects due to self-sufficiency conditions that limit it to a specific project. And lastly, it creates a risk of entrusting materials production and pricing of contractors themselves. In this regard, Government is at the mercy of contractors themselves. The cost of production in such a case is much higher than it could be and quality standards are variable.

iv) The Kampala Northern Bypass Phase II project on civil works commenced on 14th July 2014 and was supposed to be completed in July 2017. The contract was later given an extension to 29th May 2019. However, project progress to-date is at 50percent implying that the project is likely to take another 3 or 4 more years. It is evident that operations on this project are being conducted in a non-business-like manner.

v) The cost for upgrading of Soroti-Katakwi-Akisim (100Km) road is UGX398.884Billion, implying that on average, the cost per kilometer is UGX4billion. This is high compared to an average cost UGX3.3billion per kilometer of upgrade. Further analyses though indicate that the cost for the 4km long Komolo swamp is abnormally high (at UGX10billion per km).

vi) A group of over 30 projects are clustered under one project, the Transport Corridor Project with code (1056), by Ministry of Finance, Planning and Economic Development. These projects include; Kampala-Mukono-Jinja (77Km), Mukono-Kayunga-Njeru (92.5Km), Pakwach-Nebbi (53.7Km), Namunsi-Sironko/Muyembe-Kapchorwa (65Km), Kyenjojo-Fort-Portal (50Km), Hima-Katunguru (58Km), Nakalama-Tirinyi-Mbale (100Km), among others. Whereas in PIP this project was supposed to commence in 2013/14 and end in 2017/18, analysis of individual projects revealed that the total network under this project is 1744.43km; of these, 29 percent has not commenced, 31 percent is at feasibility stage, 19 percent are under implementation but behind schedule, 6 percent is under implementation (on schedule), while 15 percent of the network is completed.

vii) A number of projects that should have been completed by 2017/18 and exited the PIP, are still under implementation, and thus in the current budget, as indicated under performance of projects.

viii) The stock of unpaved roads continues to remain high. Because the murram or earth surfacing runs off with the first heavy rains, this leads to high maintenance costs, has serious implications to the environment, depletion of the non-renewable murram sources, causes reputational challenges to the industry and is therefore largely unsustainable. The sector has not embraced the use of low-cost seals which are capable of providing 7-10 years free of major intervention, cut down maintenance requirements, reduce dust nuisance, provide a smooth and safer riding quality, and preserve the available murram. Although numerous trials in the use of low-cost seals have been undertaken, they remain unevaluated and therefore unadopted. Going forward it will be imperative to convert at least 50% of the periodic maintenance of gravel roads to a low-cost seal. The sector must set tangible targets that can be monitored.

#### 4.3.2.8 Contribution to SDGs

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-Jinja Expressway contribute towards achieving those SDGs 9 and 11. As such, CoC performance under this sector directly measures the level of compliance towards SDGs 9 and 11.

#### 4.3.2.9 Cross cutting issues

**HRBA**

The sector has to a large extent adopted HRBA to planning as depicted by a number of indicators incorporated in the sector development plan. Some of these indicators include: Proportion of paved national road network; condition of unpaved road network; and proportion of freight cargo by rail. These indicators relate to the NDPII intervention of improving the stock, safety and quality of road infrastructure and the realization of the right to adequate living conditions. These are in addition captured under BFPs for 2018/19 and 2019/20.

The sector also prioritizes the cross-cutting issues of Gender, Environment, HIV/AIDS, and Occupation Safety and Health. However, budgeting for these priorities is usually considered under individual project budgets. Furthermore, the sector is promoting green friendly transport options through projects such as Construction of a New Kampala Port at Bukasa, and railway construction.

**Environmental Considerations**

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.

**Gender Considerations**

The sector guidelines and policy for mainstreaming gender in road works (February 2006) require that at-least one third of the employees should be female. The aspect is considered during planning, procurement, and implementation and monitoring and evaluation stages.

**HIV/AIDS Consideration:**

On this aspect 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.

### 4.3.3 ENERGY SECTOR

The NDPII outlines six strategic objectives which are intended to be the main budget drivers over the Plan period under the Energy sub-sector. These are: (i) Increase power generation capacity to drive economic development; (ii) Expand the electricity transmission grid network; (iii) Improve Energy Efficiency; (iv) Promote use of alternative sources of energy; (v) Improve the policy, legal and institutional framework, and; (vi) Build capacity in the energy sector. Under minerals sub-sector, the seven objectives were set: (i) Establish the geological and mineral potential of the country; (ii) Increase monitoring and regulation in the mining sector; (iii) Increase regulations for trade in mineral commodities; (iv) Increase private sector investment in the Mineral sector; (v) Increase geothermal energy in the country; (vi) Increase response to mitigate seismic risk; (vii) Increase the stock of skilled human capital along the mineral development value chain. Under the oil and gas sub-sector, three objectives were set and these are: (i) Increase the exploitation of oil and gas production; (ii) Increase efficiency and effectiveness in the management of Uganda's oil and gas resource potential; (iii) Increase efficiency in extraction of oil and gas resources. The Energy 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 sector has 8 institutions namely, MEMD, UETCL, UEGCL, UEDCL, REA and ERA, and the two new entrants PAU and UNOC.

#### 4.3.3.1 Overall CoC performance of the sector

**Overall the Energy Sector is 50.5 percent compliant**; Specifically, the sector is 22, 61, 55.1, 45 percent compliant at sector planning, projects planning, Budget process instruments and budget performance levels of alignment to the NDPII, respectively.

#### 4.3.3.2 Development and existence of planning processes

**At this level, the sector is 22 percent compliant**. Only, the sector and the petroleum Authority of Uganda 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. UNOC which has been recently established had a draft plan at the time of the assessment and thus scored 0.

#### 4.3.3.3 Sector projects alignment

**At this level of assessment, the sector is 61 percent compliant**. This is a weighted score of 84.1 percent for budget release, 48.7 percent for expenditure outturn and 62 percent project status. 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 aspects of the land acquisition and procurement delays. 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. 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 physical 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 procurement while others such as construction of the oil refinery and the Mbale-Mbulamuti 132kV, transmission line are still at feasibility by Mid NDP II.

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

**The sector is 55.1 percent compliant at this level of assessment.** This is a weighted score comprising 57 percent for the BFP and 53.9 percent for the AB. The low score at this level is attributed to the non-prioritization of key NDP II interventions in the mineral subsector 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 subsector, such as the construction of the refinery and downstream petroleum infrastructure have progressed rather slowly i.e. below the NDP II 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

**The sector is 45 percent compliant at this level of assessment.** This a weighted score comprising 75 percent and 25 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. 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 of 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 giving “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, and 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 recent financial year.

#### 4.3.3.6 Summary MDA level Performance

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

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | Budget Performance | Total Score |
|---|---|---|---|---|---|---|

| | | | | BFP | AB | BFP & AB | | |
|---|---|---|---|---|---|---|---|---|
| 1 | Sector | 22.2 | 60.7 | 57.0 | 53.9 | 55.1 | 45.0 | 50.5 |
| 2 | MEMD | 0.0 | 44.5 | 59.6 | 64.4 | 62.5 | 40.0 | 44.1 |
| 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, 2019

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) Capacity to deliver donor projects 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.

ii) Challenges in Land acquisition are slowing 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.

iii) Some key Interventions such as establishing the Mineral potential of Karamoja region by implementing 20 percent of high resolution airborne geophysical survey, continues to be unfunded priority.

iv) UETCL, ERA and UEDCL continue to spend the non-tax revenue at source. This is contrary to the previous financial year recommendation requiring the NTR to be first collected to the consolidated fund.

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

vi) Majority of Transmission line projects are not on schedule, largely due to challenges in Land acquisition. The sector should therefore improve on project readiness for implementation

#### 4.3.3.8 Contribution to SDGs

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.

#### 4.3.3.9 Cross cutting issues

**HRBA**

HRBA has to a certain extent 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, geo thermal 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.

**Other cross cutting issues**

Cross cutting issues are mainstreamed in the sector planning and budgeting instruments. For example, there are funds allocated to the HIV AIDS, gender mainstreaming and environment in MEMD, REA and UNOC amounting to UGX0.7 billion, UGX1.5 billion and UGX 0.056Billion respectively. In addition, the MEMD BFP targets at least 10 staff to be accessing ARV drugs and as well plans for outreach and counselling sessions. Additionally, all infrastructure projects in the sector have budget provisions for cross cutting issues.

The planning instruments have interventions with corresponding targets of human rights. For instance, the following indicators reflect human rights issues and targets: proportion of the population accessing power (percent); Proportion of other different energy sources (solar panels, Biomass); and Number of KMs of new lines to evacuate power build among others. Over 60 percent of the sectoral projects are grid extension projects and intensification aimed to increase access to the population.

### 4.3.4 TOURISM, TRADE AND INDUSTRY SECTOR

The NDPII outlines several strategic objectives which are intended to be the main budget drivers of the Trade, Industry and Tourism sector budget over the Plan period. Specifically, seven objectives are outlined for the Trade, Industry and Cooperatives subsector, which 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 Tourism subsector has five objectives, which are: (i) Increase Market share for tourism; (ii) Increase and diversify the stock of tourism products; (iii) Increase the stock of human capital along the tourism value chains and create new jobs; (iv) Improve coordination, regulation and management of the tourism sector, and; (v) Increase conservation of natural and cultural heritage.

The Trade, Industry and Tourism sector assessment therefore evaluates the alignment of its planning and budgeting towards achieving these objectives and the corresponding pre-determined output indicator targets. The results of this assessment are given as below:

#### 4.3.4.1 Overall CoC performance of the sector

**Overall, the Tourism, Trade, and Industry sector is 47.6 percent compliant.** In particular, the sector is 33.0, 33.4, 62.2 and 52.0 percent compliant at sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII, respectively. In comparison to 2017/18 assessment, there is a decline from 48.5 percent to 47.6 percent in 2018/19 implying the recommendations were not implemented. The specific details are presented in the following sections. and the MDA performance summarized in the table below.

#### 4.3.4.2 Development and existence of planning processes

**At this level, the sector is 33 percent compliant.** The weak performance is attributed to the absence of approved plans among majority of the MDAs. On top of the sector not having a development plan, only four (4) of the twelve (12) MDAs under the sector namely; MTIC, MTWA, UNBS and UWEC have approved strategic plans. Seven (7) MDAs namely; UEPB, UDC, HTTI, UWRTI, UWA, UTB and MTAC do not have strategic plans.

#### 4.3.4.3 Sector projects alignment

**At this level, the sector is 33.4 percent compliant.** Out of the 33 projects in the NDPII PIP, only 14 projects are in MFPED PIP. The priority NDPII projects that are not included in the MFPED PIP are; Border Markets and Export Related Infrastructure, Jua-Kali Business Incubation and

Infrastructure Development, Second Trade Capacity Enhancement Project, Support to SMEs for Value Addition, Local Market Infrastructure Development, Support to Non-Agricultural and Cooperatives Revitalization for increased production and productivity, among others. The general sectoral project progress was below average (47.9 percent) though the majority were under implementation, they are unlikely to be completed by the end of NDPII. In addition, some projects being implemented are not in the NDPII such as EV KMC; Support UEPB and Support to MTIC

In terms of implementation, only 3 projects (Establishment of the Lake Victoria Tourism Circuit, District Commercial Services Project [DICOS] and Rural Industrialization programme [OVOP]) received over 90 percent of their allocated funds by Q2 of FY2018/19 while others did not receive any release by quarter 2 FY 2018/19 including: RIIP, Regional satellite conservation sites, National Response to Non-tariff Barriers.

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

**At this level, the sector is 62.2 percent compliant.** This is a weighted score of 39.3 and 77.4 percent for the BFP and AB, respectively. The sector prioritized a number of NDPII interventions within the budget. However, there are key sector NDPII priority areas that have perennially been considered for funding which include; Establishment of Satellite Border Markets, Scaling up Value Addition and Collective Marketing, Establishing an Integrated Steel and Iron Industry, Zonal Agro-processing, Establishment of Agricultural Commodity Marketing Fund, Supporting Tourism Sites with Utilities and ICT related services, Re-establishment of Cooperatives based inputs Delivery System, Capitalization of the Uganda Development Corporation, among others.

Progress has been in the following prioritized strategic areas: Promoting domestic tourism through cultural and regional cluster initiatives, and national events whereby 290,162 Ugandans visited UWEC in FY2017/18 and an estimated 288,241 expected to visit in FY2018/19; Ugandans visiting the Uganda museum are expected to be 51,002 in FY2018/19 which is over the NDPII target of 49,959. The number of private institutions offering training in tourism and related courses increased from 88 to 89; 7920 cooperatives established; enactment of the UDC act; 476 quality products certified; Strengthened the legal framework associated with intellectual property rights; developed and implementing a Policy and Strategy on Local Content in the oil and gas sector; and 705 historical and cultural heritage resources identified among others.

#### 4.3.4.5 Budget performance

**At this level, the Sector is 52.0 percent compliant.** While the general performance is above average, there are cases of weak absorption by some MDAs. For example, while the release by Q2 stood at 70.9 percent of the approved budget for FY2018/19, the expenditure was only 41.8 percent. Only four (4) MDAs had spent above 90 percent of their released budgets namely: MTAC, UWRTI, and UHTTI & UWEC. The MDAs with low release and absorption include; UTB and yet a number of activities remain unimplemented, UDC on the other hand received 28.5 percent less of its allocated budget by half year.

#### 4.3.4.6 Summary MDA level Performance

The Table below shows the performance of the different votes and affiliated institutions of Tourism, Trade and Industry Sector. Votes were assessed on the four aspects while affiliated institutions and subventions were assessed to the existence and alignment of the Planning frameworks.

**Table 6: Summary of Tourism, Trade and Industry Sector and MDA Compliance Assessment (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | SECTOR | 33.0 | 33.4 | 39.3 | 77.4 | 62.2 | 52.0 | 47.6 |
| 2 | MTIC | 100.0 | 43.5 | 35.8 | 71.6 | 57.3 | 88.0 | 66.6 |
| 3 | MTWA | 100.0 | 20.0 | 55.8 | 41.8 | 47.4 | 32.0 | 39.8 |
| 4 | UEPB | 100.0 | 0.0 | 25.0 | 40.0 | 34.0 | 40.0 | 32.2 |
| 5 | UNBS | 100.0 | 37.5 | 60.0 | 50.0 | 54.0 | 64.0 | 56.7 |
| 6 | UDC | 0.00 | 34.0 | 33.3 | 83.3 | 63.3 | 60.0 | 47.2 |
| 7 | UTB | 100.0 | 35.6 | 85.0 | 53.3 | 66.0 | 40.0 | 52.5 |
| 8 | UWEC | 100.0 | 62.5 | 100.0 | 0.0 | 40.0 | 100.0 | 70.8 |
| 9 | HTTI | 0.00 | 65.0 | 100.0 | 100.0 | 100.0 | 84.0 | 74.7 |
| 10 | UWA | 0.00 | 62.5 | 52.4 | 42.5 | 46.5 | 40.0 | 44.7 |
| 11 | UWRTI | 0.00 | 100.0 | 0.0 | 100.0 | 60.0 | 60.0 | 66.0 |
| 12 | MTAC | 0.00 | | | | | | |
| 13 | UFZA | 100.0 | | | | | | |

#### 4.3.4.7 Key emerging issues

i) Trade infrastructure; whereas it appears among the planned interventions in NDPII in order to harness the regional COMESA and EAC, reduce production costs and mitigate NTBs, only one Border Export Zone (Busia) has since been launched while the other five zones of Elegu, Lwakhakha, Mpondwe, Bunagana and Mutukula no progress have been registered.

ii) High costs of testing and analyzing samples still persists and some samples have to be airlifted abroad as UNBS is not yet in position to undertake the testing due lack of necessary laboratory infrastructures and testing kits.

iii) Revival of co-operatives; whereas the number of Co-operatives has since grown to 18,570 and at an average of 250 per year, there are not strong enough to undertake regional or global trade. There is no clear road to map to conclude compensation for Co-operative debts that is long overdue.

iv) In order to increase tourist inflows and returns, a multi-sectoral package approach that addresses marketing & promotion, product development, skills development and effective regulation will have to be employed. For example, at the moment there is low local content as most skilled labour, inputs, airlines, tour operators are largely foreign meaning very little is retained in country.

v) Another new threat to Uganda's tourism sector which currently is heavily dependent on wildlife is the imminent exploitation of oil reserves along the rift valley in western Uganda. The first developments are planned inside and just south of Murchison Falls National Park. In fact, the ten proposed wells inside the park will be located in one of the best game-viewing areas of the park and indeed the entire country!

vi) Whereas, the contribution of the Development partners have been instrumental in supporting the Trade sub-sector, the over concentration on policies limits the overall impact as most of the policies remain unimplemented.

vii) The continuous financing of Uganda Free Zones Authority (UFZA) through a subvention as opposed to a dedicated vote has affected the institutional performance. UFZA should where possible be granted its own Vote to raise its profile among the peers.

#### 4.3.4.8 Contribution to SDGs

With respect to Trade, Industry and Tourism, the following SDG goals have been implemented and feature prominently with the Sector and MDA strategic plans:

i) Goal 9.1; Promotion of inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries". Industrialization has been and remains a key focus of the sector with promotion of SMEs taking up centre stage. The potential for employment is high in industries and returns too.
ii) Goal 10.a.1; Proportion of tariff lines benefiting from Special & Deferential Treatment (S&D), Uganda's exports benefit from (S&D) from industrialized/developed countries and also allowed longer period to meet the compliance requirements.
iii) 11.4.1; Tourism conservation is very central to the national economy and the tourism inflows largely depend on conservation. Over 750 tourism sites have been identified and legislation for their protection and conservation being developed for the current and future generation

#### 4.3.4.9 Cross cutting issues

**HRBA**

The sector has integrated HRBA. There was a marked reduction in the number of incidences of human wildlife conflicts from 6,414 FY 2017/18 to 1002 cases in 2018/2019. This is demonstrative of a reduction of conflict and competition for space and resources between animal and human life which in turn contributes to the realization of the right to livelihood. The number of incidences of insecurity and safety issues reported by tourists is another area that is captured in the BFPs. It shows a reduction in the number captured comparing 2016/2017 and 2018/2019 which is indicative of the increased physical security of tourists in Uganda hence realizing the protection of bodily integrity and security of persons.

The other indicator provided for in the BFP and that would be indicative of integration of the HRBA is the proportion of identified historical and cultural heritage resources protected. The planning and budgeting instruments captured an increase in the planned targets comparing 2017/2018 and 2018/2019. In respect to the actual performance, this remained the same when comparing the two years respectively. The presence of this indicator in the BFP shows effort towards realizing the right to culture.

**Other Cross cutting issues**

i) With regards to gender, Cross Border Traders Association (CBTA) have been formed and desks created at major border posts which information and services to women traders hence facilitates their cross-border movements.

ii) Land evictions for industrial set up; whereas isolated cases of forceful evictions were cited in the oil region, the due process has seen the community compensated.

### 4.3.5 WATER AND ENVIRONMENT SECTOR

Over the NDPII period, the Water and Sanitation sub-sector planned to focus on: (i) increasing access to safe water in rural and urban areas; (ii) increasing sanitation and hygiene levels in rural and urban areas; increasing functionality of water supply systems; (iii) incorporating gender concerns; and (iv) implementing water resources management reforms and promoting catchment based integrated water resources management. Conversely, the Environment and Natural Resources sub-sector NDPII objectives are: (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.

#### 4.3.5.1 Overall CoC performance of the sector

**Overall, the sector's level of compliance to the NDPII is 56.1 percent.** This comprises of 100, 69.5, 68.1 and 16 percent for planning frameworks, project performance, budget instruments and budget performance respectively.

#### 4.3.5.2 Development and existence of planning processes

**The sector is 100 percent compliant at this level of assessment.** The sector and all MDAs have approved Development and Strategic plans aligned to the NDPII in terms of content and timeframe. The MDAs are; Ministry of Water and Environment, National Environment Management Authority, National Forestry Authority, National Water and Sewerage Corporation and the Uganda National Meteorological Authority.

#### 4.3.5.3 Sector projects alignment

**The sector projects are 69.5 percent compliant with the NDPII.** This is a weighted score comprising of 82.6, 61.3 and 79.03 percent for budget outturn, expenditure outturn and project implementation respectively. Whilst the budget outturn and expenditure outturn are impressive at this level, majority of the projects on environment and natural resources are below schedule as a result of lower budget out turns relative to the PIP MTEF Projections. Besides, the sector also has six projects under implementation but not reflected in the NDPII. These are; Multilateral Lakes Edward and Albert Integrated Fisheries and Water Resources Management (LEAFII); Karamoja Small Town and Rural Growth Centers Water Supply and Sanitation Project, Water Services Acceleration Project (SCAP), Water for production Regional Center (North), Water for Production Regional Center (East) and Water for Production Regional Center West. Also, several sector projects on forestry management are not funded which partly accounts for the failure to meet the NDPII target on Forestry coverage. Importantly, 29 sector projects are in the PIP while 30 NDPII sector pipeline projects are not reflected in the PIP. Some of the NDPII pipeline projects that are not reflected in the PIP 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.

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

**The Sector is 68.1 percent compliant at this level of assessment.** This is a weighted score of 66.4 percent and 69.2 percent for the BFP and AB, respectively. Majority of the NDPII interventions have been budgeted for although most of the actual sector planned targets as noted in the BFP and AB are below the NDPII targets. Key among these include: urban and rural water coverage; rural sanitation coverage; number of water harvesting interventions promoted; number of water facilities constructed by technology; KM of wetland boundaries demarcated; area of degraded ecosystem restored under forest and; number of tourists in the forest industry.

#### 4.3.5.5 Budget performance

**The sector is 16 percent compliant at this level of assessment.** This is a weighted score of 25 and 10 percent for budget outturn and expenditure outturn, respectively. This is attributed to poor budget outturn and low expenditure outturn. The Half year assessment indicates that only NEMA has been able to access 51.8 percent of its approved budget. Other MDAs have low budget outturns; MWE 33.8 percent, UNMA 24.4 percent and NFA 37.4 percent. Only MWE spent over 90 percent of its budget. 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.

#### 4.3.5.6 Summary MDA level Performance

The overall summary performance for the security sector MDA is provided in the table 6.

**Table 7: Summary of Water and Environment Sector and MDA Compliance Assessment (percent)**

| S/N | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100.0 | 69.5 | 66.4 | 69.2 | 68.1 | 16.0 | 56.1 |
| 2 | Ministry of Water and Environment | 100.0 | 71.2 | 63.9 | 72.5 | 69.0 | 0.0 | 52.1 |
| 3 | National Forestry Authority | 100.0 | 35.0 | 68.0 | 70.9 | 69.7 | 0.0 | 41.4 |
| 4 | National Environment Management Authority | 100.0 | 40.0 | 72.3 | 71.7 | 71.9 | 40.0 | 55.6 |
| 5 | Uganda National Meteorology Authority | 100.0 | 7.5 | 85.7 | 71.4 | 77.1 | 0.0 | 35.4 |

#### 4.3.5.7 Key emerging issues

i) All MDAs 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) Despite enormous efforts to strengthen the institutional framework for environmental protection, enforcement is still weak thus the continuous decline in forest and wetland coverage.

iii) The achievement of NDPII targets on access to water and sanitation in rural and urban areas is unlikely mainly because of low expenditure on operation and maintenance of WASH facilities. Construction of new WASH facilities without paying attention to maintenance and functionality of old facilities may not result into a significant increase in access.

iv) The budget documents broadly talk about restoring wetlands but lacks clarity on key activities that will be implemented to actualize this objective. There's need to incorporate the activities that will be undertaken to restore the wetlands as this is currently a key issue affecting the environment.

v) 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.

vi) Majority of the projects are below schedule while 30 of the sector projects are not funded. These are areas of concern that ought to be addressed as momentum for NDPIII builds up.

#### 4.3.5.8 Contribution to SDGs

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.

#### 4.3.5.9 Cross cutting issues

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.

**HRBA**

The sector pursues a Human Rights Based approach in its planning as indicated by; rationing of water supply in poor urban communities to ensure access and affordability by all and regulation of 80 percent of major polluters/abstractors according to water laws and regulations, a 59 percent compliance to waste water discharge permits. Importantly, the sector should invigorate gender the human rights-based approach integration especially in the construction of water and sanitation facilities in rural schools by ensuring that facilities cater for menstrual hygiene for the girls and are user friendly for learners with physical disabilities.

In respect to the objective of increasing access to safe water supply in rural areas, this clearly contributes to the realization of the right to quality water and sanitation. There are a number of strategic interventions and related output indicators within the sector that were captured in the BFPs that point to the fact that the sector had allocated resources in fulfilling this key objective.

Importantly, the sector should invigorate the human rights-based approach integration especially in the construction of water and sanitation facilities in rural schools by ensuring that facilities cater for menstrual hygiene for the girls and are user friendly for learners with physical disabilities

**Other cross cutting issues**

Water Management Committees and Boards have designated positions for female representatives and the youth to address gender issues in Water, Sanitation and Hygiene. The sector pursues a Human Rights Based approach in its planning as indicated by; rationing of water supply in poor urban communities to ensure access and affordability by all and regulation of 80 percent of major polluters/abstractors according to water laws and regulations, a 59 percent compliance to waste water discharge permits. Importantly, the sector should invigorate gender the human rights-based approach integration especially in the construction of water and sanitation facilities in rural schools by ensuring that facilities cater for menstrual hygiene for the girls and are user friendly for learners with physical disabilities.

### 4.3.6 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SECTOR

The NDPII outlines eight objectives to guide the ICT sector budgets over the plan period. They 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.

#### 4.3.6.1 Overall CoC performance of the sector

Overall, **the ICT sector is 60.8 percent complaint.** In particular, the sector is 85.7, 40, 81.9 and 52 percent compliant at sector planning, projects planning, budget process instruments and budget performance levels of alignment to NDPII, respectively.

#### 4.3.6.2 Development and existence of planning processes

**The sector is 85.7 percent compliant at this level of assessment.** The ICT Sector and the corresponding MDAs that include MoICT & NG, NITA, UCC, POSTA and UICT have their respective development plans aligned to the NDPII in terms of priorities and timeframe. However, UBC has no approved strategic plan.

#### 4.3.6.3 Sector projects alignment

**At this level, the sector is 40.0 percent compliant 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. This is attributed to the delays in the procurement processes and in provision of no objection and clearance of Projects. Nevertheless, all the 6 projects prioritized in the NDPII are integrated in the MoFPED PIP. Out of the 6 projects, one (1) project; National Transmission backbone project phase 3 was completed in FY2016/17. Three (3) projects; Regional Communication Infrastructure Programme (RCIP); Strengthening Ministry of Information and Communications Technology; and Support to Information and National Guidance project; received the necessary approved funding but their absorption levels were very low. RCIP and Strengthening Ministry of Information and Communications Technology spent 39.1 percent and 24.8 percent of the received funds respectively. Two projects i.e. 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.

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

**At this level, the sector is 81.9 percent compliant.** This comprises 82.1 percent and 81.8 percent alignment of BFP and AB respectively to the NDPII interventions and targets. The interventions in the BFP and Annual Budget are aligned to the NDPII interventions. However, a number of the key NDPII interventions remain unfunded. These include: Post and addressing system, turning postal network into a one stop center for government services, transforming the Uganda Institute of Information and Communication Technology at Nakawa into a center of excellence for ICT and implementing of phase 3 of the digital migration that will affect 100 percent geographic and technical coverage of free to air television signal among others.

#### 4.3.6.5 Budget performance

**At this level, the ICT sector is 52 percent compliant.** This is a weighted score comprising 40.0 percent and 60.0 percent for budget release and expenditure outturn, respectively. Half year assessment indicates that only two MDAs (MoICT and 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 30, 49, 98.5, 98.2 and 100 percent respectively. Overall, the average budget performance of the sector is mainly as a result of the low absorption capacity. This has been attributed to delayed finalization of procurement processes and delays in provision of no-objection and clearance of projects by the development partners.

#### 4.3.6.6 Summary MDA level Performance

**Table 8: Summary of the ICT Sector MDA level Performance (percent)**

| S/N | Sector/MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | *BFP* | *AB* | *BFP&AB* | | |
| | ICT sector | 85.7 | 40.0 | 82.1 | 81.8 | 81.9 | 52.0 | 60.8 |
| 1 | MoICT&NG | 100.0 | 40.0 | 95.0 | 80.0 | 86.0 | 40.0 | 59.8 |
| 2 | NITA | 100.0 | 40.0 | 82.7 | 83.3 | 83.1 | 40.0 | 58.9 |
| 3 | UCC | 100.0 | 100.0 | 83.3 | 75.0 | 78.3 | 60.0 | 81.5 |
| 4 | POSTA | 100.0 | 100.0 | 75.0 | 50.0 | 60.0 | 60.0 | 76.0 |
| 5 | UICT | 100.0 | 100.0 | 57.1 | 50.0 | 52.9 | 60.0 | 73.9 |
| 6 | UBC | | | | | | | |

***Source: NPA Assessment, 2019***

#### 4.3.6.7 Key emerging issues

i) **Progress has been made regarding connectivity of the MDAs to the national backbone infrastructure and now stands at 282 MDAs. However, only 39 districts have been connected to the NBI against the NDPII target of 77 percent and 86 percent by 2017/18**

**and 2018/19 respectively.** This has contributed to low utilization of ICT services in LGs and in turn affected efficient delivery of services to the people.

ii) **Uncoordinated rollout of fibre networks across the country resulting into duplication and wastage of resources.** Specifically, in the public sector, UETCL has fibre along the high voltage electricity lines that that can be utilized for data transfer. The energy and ICT sector need to harmonize their current and future plans for fibre deployment ensuring that NITA leases capacity from UETCL in areas where they have an existing fibre network or a plan to deploy.

iii) **The sector has set up a national data center and a disaster recovery site for the MDAs.** This should minimize cost of data center hardware and software procurements, maintenance and operations in government. However, some MDAs are still planning to procure data center and DR solutions. Sectors need to be compelled to utilize these services in order for the benefits to be realized.

iv) **Digital migration has not fully been operationalized.** The switchover from analogue to digital broadcasting has only been done for the central region and a few areas in the western region despite having necessary infrastructure in place. This is attributed to lack of funds to finalize the migration by the national broadcaster – UBC.

#### 4.3.6.8 Contribution to SDGs

The sector plan considers implementation of the SDGs within projects and specific interventions. Among the SDG indicators specific to the sector, the country has realized improvements 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.

#### 4.3.6.9 Cross cutting issues

**HRBA**

The sector has integrated HRBA. The objective of increasing access to ICT to facilitate exploitation of the development priorities has the resultant effect of ensuring universal access to ICT services allowing for the citizens to amongst others realize their right to benefit from science. There are a number of strategic interventions designed and corresponding indicators that are captured in 2018/2019 planning and budgeting instruments.

Other Human rights indicators for the ICT sector include percentage population that have access, can afford and utilize ICT services countrywide; the number of ICT related laws enacted; percentage national coverage of ICT networks among others. The sector has made progress in improving access and this has resulted in an increase in the tele-density and internet penetration.

However, the price of internet remains high for the average person. The cost of internet through NBI for the MDAs has reduced greatly from an average cost of 1 Mbps/month of $190 in 2017 to $70 in 2018. Most LGs are not benefiting from the lowered costs because they are not connected to the national fibre network. Connectivity of the LGs is necessary for effective, transparent and efficient delivery of services to the people.

The sector prioritizes cross cutting issues by proposing a number of appropriate interventions. In the BFP for example, the sector plans to protect the environment through promotion of proper disposal of e-waste, Inequitable access to information, ICT and e-services; Women's limited knowledge and usage of ICT; Impact of the ICT Infrastructure development activities on the environment among others.

### 4.3.7 HEALTH SECTOR

The Health Sector in the NDPII is to deliver on four objectives of: (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.

#### 4.3.7.1 Overall CoC performance of the sector

**Overall the health sector is 51.2 percent compliant.** Specifically, the sector performed at 100, 45.9, 56.2, and 35.3 percent at planning, project implementation, budget process instruments (BFP and AB) and annual budget performance, respectively. The performance was on account of low budget absorption by the majority of health sector institutions especially under projects. The specific details of performance at all levels are presented in the following sections.

#### 4.3.7.2 Development and existence of planning processes

**In Planning, the Health sector is 100 percent compliant.** This is because all the 24 Health Sector MDAs have approved plans that are aligned to NDPPII. This is up from 88 percent scored from in the previous financial year.

#### 4.3.7.3 Sector projects alignment

**Sector Projects alignment to NDPII is at 45.9 percent compliant and this performance has increased from 38.1 percent registered in the previous financial year**. This is a weighted score of 55.7, 35.5 and 79.2 percent for budget outturn, expenditure and project implementation status, respectively. Overall, project implementation has improved from last year. This is because 21 of the 34 NDPII planned projects in the health sector are ongoing though only 11 are on schedule.

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

**At this level, the Health Sector is 56.2 percent compliant.** This is a weighted score of 65.0 percent and 56.2 percent percent 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 included and allocated funds in the Ministerial Policy Statements. That notwithstanding, a number of interventions and corresponding outputs and targets were not planned for, including: 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; Scaled-up 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.

Progress has been made in the following areas: significant reduction in mortality from Malaria from 20 death per 1,000 per year in FY2016/17 to 9.2 (Jan – Dec 2018) due to Mass distribution of 26.5 million long lasting insecticide treated nets (LLINs); 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 supervised quarterly and 80 percent of districts have a functional feedback mechanism.

Furthermore, the sector is enhancing the health sector 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. For instance, the Uganda heart institute has made a number of breakthroughs in heart treatment including open heart surgeries and cardiac catherizations making it one of the best centers in the region. The heart and cancer institute feasibility study has been completed and financing is being solicited to commence the projects.

#### 4.3.7.5 Budget performance

**At this level, the Health Sector is 35.3 percent compliant.** This is slightly lower than last year at 37.3 percent. The 35.3 percent is a weighted score of 78.3 percent and 6.7 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, most of the MDAs had a release outturn of above 100 percent except for Arua and Fort portal RRHs which are at 53 percent and 51 percent respectively. National Medical Stores and cancer Institute were the best budget expenditure performers with 100 percent and 95 percent respectively. Those that performed below 30 percent were Mbale RRH at 29 percent, Soroti RRH at 18 percent and Ministry of health at 14 percent. For instance, the Ministry of Health received UGX651.7 billion and only spent UGX89.2 billion. The repeated very low absorption is an issue to be reviewed urgently by the relevant sector stakeholders.

#### 4.3.7.6 Summary MDA level Performance

**Table 9:Summary of Sector and MDA level Performance (percent) for FY2018/19**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100.0 | 45.9 | 65.5 | 56.2 | 56.2 | 35.3 | 51.2 |
| 2 | Ministry of Health | 100.0 | 47.5 | 70.3 | 44.4 | 54.8 | 40.0 | 52.7 |
| 3 | Uganda Heart Institute | 100.0 | 34.0 | 11.1 | 35.6 | 25.8 | 40.0 | 39.9 |
| 4 | Uganda Cancer Institute | 100.0 | 64.0 | 66.0 | 75.0 | 71.4 | 36.0 | 61.4 |
| 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 | 20.0 | 50.0 | 38.0 | 40.0 | 45.4 |
| 7 | National Medical Stores | 100.0 | 100 | 0.0 | 100 | 60.0 | 100.0 | 88.0 |
| 8 | Uganda Blood Transfusion Service | 100.0 | 40.0 | 66.7 | 100 | 86.7 | 40.0 | 60.0 |
| 9 | Mulago Hospital Complex | 100.0 | 40.0 | 78.9 | 91.3 | 86.3 | 32.0 | 57.5 |
| 10 | Butabika Hospital | 100.0 | 40.0 | 68.0 | 92.3 | 82.6 | 40.0 | 58.8 |
| 11 | Arua Referral Hospital | 100.0 | 86.6 | 77.5 | 81.2 | 79.7 | 0.0 | 59.9 |
| 12 | Fort Portal Referral Hospital | 100.0 | 63.8 | 85.2 | 81.7 | 83.1 | 0.0 | 54.1 |
| 13 | Gulu Referral Hospital | 100.0 | 98.8 | 62.2 | 69.3 | 66.5 | 40.0 | 71.6 |
| 14 | Hoima Referral Hospital | 100.0 | 90.1 | 55.7 | 28.6 | 39.4 | 40.0 | 60.9 |
| 15 | Jinja Referral Hospital | 100.0 | 30.0 | 73.7 | 75.2 | 74.6 | 40.0 | 53.4 |
| 16 | Kabale Referral Hospital | 100.0 | 100.0 | 62.1 | 81.8 | 73.9 | 32.0 | 71.8 |
| 17 | Masaka Referral Hospital | 100.0 | 77.5 | 82.3 | 84.6 | 83.7 | 40.0 | 70.4 |
| 18 | Mbale Referral Hospital | 100.0 | 38.8 | 70.0 | 52.0 | 59.2 | 40.0 | 51.4 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 19 | Soroti Referral Hospital | 100.0 | 7.5 | 85.6 | 80.9 | 82.8 | 40.0 | 49.1 |
| 20 | Lira Referral Hospital | 100.0 | 37.5 | 50.0 | 100.0 | 80.0 | 40.0 | 57.3 |
| 21 | Mbarara Referral Hospital | 100.0 | 27.5 | 66.2 | 83.8 | 76.8 | 60.0 | 59.3 |
| 22 | Mubende Referral Hospital | 100.0 | 97.5 | 62.1 | 54.3 | 57.4 | 32.0 | 66.1 |
| 23 | Moroto Referral Hospital | 100.0 | 40.0 | 81.3 | 33.3 | 52.5 | 40.0 | 49.8 |
| 24 | Naguru Referral Hospital | 100.0 | 95.0 | 80.0 | 53.7 | 64.2 | 40.0 | 69.8 |
| 25 | Uganda Virus Research Institute | 100.0 | 90.1 | 80.0 | 80.0 | 80.0 | 0.0 | 61.0 |
| 26 | National Drug Authority | 100.0 | 90.1 | 100.0 | 100.0 | 100.0 | 100.0 | 97.0 |
| 27 | All Local Governments | | | | | | | |
| 28 | Kampala Capital City Authority | | | | | | | |

#### 4.3.7.7 Key emerging issues

i) Overall budget absorption in all the MDAs in the sector is still low. By the end of financial year 17/18 the sector only spent 55.6 percent of the funds released. Likewise, the mid-year expenditure 18/19 was at 35.3 percent. which is generally very low. The Ministry of health and Soroti RRH have consistently had poor Budget absorption capacity which affects service delivery. Remedial measures need to be instituted to help improve on absorption.

ii) 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 both in terms of human resources and access to affordable facilities.

iii) 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. 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.

iv) Efforts towards increasing financial risk protection of households against impoverishment due to health high out of pocket expenditures are slow. To date, National Health Insurance Bill (2012), has yet to be passed into law

v) Functionality of HCIV and HCIII still remains low. 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. Most of the regional hospital budget lines are skewed towards offering primary health care services like antenatal care, immunization, unspecialized OPD attendances and no money on research, specialized care and supervision of the lower level health facilities. Therefore, there is need for addressing issues affecting functionality through provision and dissemination to the public the standards of care expected at all levels coupled with a proper referral system.

vi) Lack of adequate skilled personnel remains a critical challenge for the health sector. Most of the Regional Referral Hospitals are not able to attract and retain senior consultants, consultants, and medical officers' special grade at 48 percent, 42 percent and 27 percent of the approved structure respectively. 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 to study to fill the critical positions. Regional referrals need to budget for staff development with bonding of staff to fill in the critical areas.

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

#### 4.3.7.8 Contribution to SDGs

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. The sector invested in in-door residual spraying in five high incident Districts. This in addition to the 26,282,952 LLINs distributed in FY 2017/18, have led to reduction in malaria cases per person per year from 433/1000 to 210/1000 in 2018/19. 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.

#### 4.3.7.9 Cross cutting issues

The sector has integrated the following cross-cutting issues in their planning, budgeting and implementation.

**HRBA**: All interventions within the health sector are most certainly geared towards ensuring a healthy population which in turn contributes to the realization of the right to highest attainable standard of physical and mental health. The interventions and the corresponding indicators within the sector demonstrate a high degree of integration of HRBA within the sector. For instance, there are planned targets in 2018/2019 BFP and AB in respect to the improvement of nutrition, immunization coverage, disease management and control, reduction of maternal mortality, HIV, adolescent sexual and reproductive health, quality of care and safety of patients, disability responsive interventions, which all contribute to the reduction of infant and child mortality due to avoidable factors. Despite this high degree of HRBA integration within the sector, it was noted that the majority of the sector indictors set to measure this integration were below the set NDP II target for 2018/2019. In addition, 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.

**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.

**Nutrition**

Child nutrition, pregnant women and patients' interventions are visible in the sector planning, budgeting and implementation frameworks across all the MDAs save for Health Service Commission and Uganda Virus Research Institute. Some of the interventions are; Micronutrient supplementation, deworming, training and sensitization, provision of nutrition guidelines, child and adult weight monitoring at health facilities and treatment of undernourished children. Mulago hospital has a specialized unit for treating severely malnourished children and it also provides meals for patients. Cancer and Heart Institutes and Butabika have budget lines for meals and special drinks for patients.

**Gender**

There is evidence of integration of Gender concerns in planning, budgeting and implementation frameworks for all health sector agencies, save for Uganda Virus research institute. Key of the planned interventions are; Implementation of Gender in Health Strategy; counseling and treatment of Gender based violence survivors; recruitment of Mid-wives and Obstetricians; provision of hospital-based youth friendly services; procurement of obstetric care equipment, as well as training of staff in special skills to treat the deaf, victims of GBV and the youths among others.

**Environment**

There is evidence of integration of environmental concerns in planning, budgeting and implementation frameworks among health sector institutions, save for Health Service Commission and Uganda Aids Commission. Key of the interventions are; Medical and non-medical waste segregation, disposal and management according to accepted standards such as through use of incinerators and waste bins; strengthening infection control and prevention with functional committees among others.

**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.

**Population and Demographic Dividend**

There is evidence for family planning activities at the MOH and all the 14 RRH. In addition, the MOH has a specific programme for Reproductive, child and maternal health.

### 4.3.8 EDUCATION SECTOR

The NDPII outlines three strategic objectives which are intended to be the main budget drivers of the Education and Sports 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. The Education and Sports sector assessment therefore evaluates the alignment of its 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.

#### 4.3.8.1 Overall CoC performance of the sector

**Overall, the education sector budget is 56.3 percent compliant to the NDPII**. This is a weighted score consisting of the measure of alignment of planning frameworks, sector projects, BFP and annual budget, as well as budget release to the expectations of the NDPII. While the sector's planning frameworks are 100 percent aligned to the NDPII, non-compliance is still in sector projects, BFP

and the annual budget and budget releases. For instance, sector projects, BFP and Annual budget, and budget releases were found to be 44.3 percent, 68 percent, and 42.1 percent compliant to the NDPII respectively. Details of the above scores are given below.

#### 4.3.8.2 Development and existence of planning processes

**The sector scored 100 percent at this level of assessment**. This is because all the 15 MDAs of the sector have aligned strategic plans. This is a significant achievement by the sector given that two years ago, the sector had no aligned plan in place.

#### 4.3.8.3 Sector projects alignment

**The sector scored 44.3 percent for project performance**. Poor performance is mainly attributable to low release of project budgets, low absorption capacity of the project budget releases, and the continued adoption of new projects outside the NDPII approved projects. For instance, with regards to low projects funding, less than half (47 percent) of the ongoing projects received above 98 percent of the approved periodic budget allocations. Over the years, low project budget funding has been a constant finding which significantly affects the transformation of the education sector.

On the other hand, the assessment noticed low absorption capacity for the already little budget disbursements (expenditure outturn). The sector managed to spend above 98 percent of the released budgets for only 19 percent of the total projects. In the extreme, the projects that had the lowest expenditure outturn include; 1370 National High-Altitude Training Centre (NHATC, only 1.7 percent spent), 1338 Skills Development Project (only 5.9 percent spent), 0942 Development of BTVET (only 56 percent spent), and 1310 Albertine Region Sustainable Development project (only spent 10.4 percent).

Further, a number of NDPII projects are yet to be implemented yet more new projects (not in the NDPII) are being funded. The unfunded NDPII projects include Construction of MOES headquarters and Tororo Roads and Railway Polytechnic (TRRP). On the other hand, 14 projects being implemented are not in the NDPII and majority of these are concerned with supporting institutional retooling of the various sector MDA. Some of these include: African Centers of Excellence II; 1433 IDB funded Technical and Vocational Education and Training Phase II; 1458 Improvement of Secondary Teachers Education- Kabale and Mubende NTCs; 1435 Retooling and Capacity Development for Ministry of Education and Sports; 1466 Institutional Support to Busitema University – Retooling; and 1460 Institutional Support to UNEB – Retooling.

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

**Overall, the joint compliance score for sector BFP and Annual budget is 68.** This score reveals the extent to which the sector interventions as contained in the NDPII are being implemented by the budget documents to achieve the sector objectives of attaining equity, quality and effective and efficiency in the delivery of the education service. With regards to the first objective (achieve equity within the education service), more compliance is noticed in the planning for enrolment and access to primary. Nonetheless, the Net Enrolment Ratios have remained below NDPII target and are stagnant with signals for a declining trend in sight. It is also worrying to see Gross Intake Ratios (GIR) rising over and above 150 percent, an indication that the system is admitting more children in P1 that are either under or over age. Available evidence points to more underage children enrolling into P1 due to limited pre-school opportunities. It is also unfortunate that the progress on the primary school per parish intervention is not being reported on and compliance of this intervention is difficult to adduce. Further, in as much as there is evidence to indicate compliance in planning for completion at primary school level, this success is contradicted by the low cohort survival rates now at 32 percent (children who enroll and stay to finish P7). Other areas of non-compliance that have ramifications on access include; fewer than targeted teachers houses being planned for construction, and the less than targeted number of infrastructure (particularly classrooms) planned for construction.

Access to secondary education is an area of non-compliance with NER remaining below the NDPII targets, albeit the latter being really modest targets. Low NER could be explained by non-compliance in planning for transition from P7 to S1 and completion of S4, all of which remain below the NDPII targets. On the other hand, at university level, access is still constrained by non-compliance in terms of planning for more students accessing the Students Loans for higher education (planned 3,454 viz NDP target 5,000).

With regards to quality of education, it is difficult to adduce evidence of compliance (in primary and secondary) since the Uganda National Examinations Board (UNEB) halted the National Assessment of Progress in Education (NAPE) in 2015. Using school inspection as an indicator of quality makes us conclude that the sector is non-compliant, as only 7 percent of the annual inspection target set by NDPII was met. It was not possible to establish compliance in budgeting with regards to the number of schools reaching the basic requirements and minimum standards (BRMS), since this indicator is not reported on in the budget documents.

At tertiary level, both budgeting tools (AB and BFP) do not adequately address standards and quality assurance in tertiary institutions and the establishment of durable linkages between training institutions curricular, the potential employers and job opportunities. Further, with regards to skilling (mainly technical education subsector), the NDPII requirement for a framework to integrate international standardization and certification in the qualifications framework has not been complied with by the sector.

#### 4.3.8.5 Budget performance

**The sector budget performed at 42.1 percent with regards to the NDPII expectations**. This is a significant decline compared to last financial year's performance at 66.7 percent. Poor budget performance is mainly explained by low absorption capacities of the sector MDAs. For instance, while 73 percent (11 out of 15) of the sector MDAs received above 98 percent of their periodical budget allocations (high budget outturn), only 2 MDAs (ie UNEB and UMI) managed to absorb above 98 percent of the budget releases during the period under review. This is evidence to conclude that whereas in the past, the cause of budget underperformance was low budget outturn, this financial year, it is low expenditure outturn. MDAs give cross-cutting reasons for poor budget expenditure performance. Key of these are: lengthy procurement processes and late releases of funds. We believe that the above could be proxies of poor planning and scheduling of activities. Looking into the future, in terms of budget allocation, the MTEF does not show any increments but rather an impending budget cut of about 3.4 percent (see sector BFP FY2019/20). This necessitates the sector to chart ways of improving budget performance going forward.

#### 4.3.8.6 Summary MDA level Performance

**Table 10: Summary of MDA Level Compliance (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 100 | 44.3 | 65.8 | 69.5 | 68.0 | 42.1 | 56.3 |
| 2 | MOES | 100 | 45.8 | 67.1 | 70.3 | 69.0 | 40.0 | 56.5 |
| 3 | ESC | 100 | 37.5 | 85.7 | 78.6 | 81.4 | 40.0 | 57.5 |
| 4 | MUK | 100 | 29.4 | 91.4 | 91.8 | 91.8 | 52.0 | 61.9 |
| 5 | MUST | 100 | 0.00 | 95.8 | 95.8 | 95.8 | 0.00 | 38.8 |
| 6 | GULU | 100 | 7.50 | 100 | 100 | 100 | 0.00 | 42.3 |
| 7 | KYU | 100 | 40.0 | 93.2 | 93.1 | 93.1 | 40.0 | 61.9 |
| 8 | BUSITEMA | 100 | 0.00 | 100 | 100 | 100 | 40.0 | 52.0 |
| 9 | MUNI | 100 | 7.50 | 94.6 | 96.0 | 95.5 | 24.0 | 48.1 |
| 10 | MUBS | 100 | 37.5 | 94.1 | 93.3 | 93.6 | 76.0 | 72.1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 11 | UMI | 100 | 67.5 | 98.8 | 98.8 | 98.8 | 60.0 | 77.9 |
| 12 | SOROTI UNI | 100 | 0.00 | 94.5 | 93.2 | 93.7 | 40.0 | 50.1 |
| 13 | KABALE | 100 | 0.00 | 97.9 | 98.0 | 98.0 | 40.0 | 51.4 |
| 14 | UNEB | 100 | 0.00 | 98.7 | 98.7 | 98.7 | 100 | 69.6 |
| 15 | NCDC | 100 | 0.00 | 78.0 | 67.0 | 71.4 | 40.0 | 43.4 |
| 16 | LIRA UNI | 100 | 0.00 | 86.3 | 94.5 | 91.2 | 40.0 | 49.4 |

#### 4.3.8.7 Key emerging issues

i) There are capacity gaps in the sector MDAs with regards to timely absorption of budget releases which significantly constrains the execution of the sector MDA plans and hence the NDPII.
ii) Majority of the poorly performing projects are associated with skills development at a time the country is being challenged with high youth unemployment and more debt is being acquired for skills development.
iii) In as much as the overall BFP and AB alignment score is above average, non-compliance exists within the high leverage sector strategic interventions including: Early Childhood Development (ECD), school inspection and university education quality assurance, teacher accommodation, students' loans, pupil dropout and transition, school feeding, vocational and technical skills certification and classroom infrastructure.
iv) There is acute shortage of reliable data to assess progress on key education quality indicators including: primary school per parish, proficiency levels in Maths and Reading, and results from skilling interventions.
v) The scattered and uncoordinated efforts under skills development program make them ineffective and lead to duplications.

#### 4.3.8.8 Contribution to SDGs

Whereas the Education sector mainly contributes to SDG 4, that is: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", the assessment reveals that, to some extent, the sector interventions, projects, and budget allocations addresses issues relevant to SDG 2, 3, 5, 8, and 10 targets. More specifically, the sector has policy interventions on school feeding program which is aligned to SDG2 (target 2.1 and 2.2); Promotion of girl child education (component of SDG 5); special needs education in primary and secondary schools (component of SDG10). It should also be noted that all skill development programs and BTVET projects are geared towards achievement of SDG 4 and 8.

#### 4.3.8.9 Cross cutting issues

**HRBA**

**The education sector AB for FY2018/19 has integrated human rights**. More alignment is noticed in the areas of universal access to basic education, gender parity in basic education, fees regularization, teacher accommodation, construction of Special Needs Education compliant schools, and right to play through sports provision. However, non-alignment is noticed in areas of limited school feeding implementation, poor quality assurance of the education service, low retention and completion rates, reduction in funding to the sector, and limited provision of teacher accommodation. With regards to inclusiveness of the education system, not so much inference can easily be drawn as most of Special Needs Education (SNE) related indicators were not reported on by the sector.

Further, there is no evidence from within the BFP and the AB to prove that the earlier issued policy circular on school feeding is being implemented by the schools. Rather, some compliance can be adduced from the planned activities involving sensitization of parents on school feeding. Non-compliance on this cross-cutting issue is anticipated in the next financial year given that no target of children planned to be fed at school has been set by the sector BFP for FY2019/20. This is a great concern. Equally worrying is the non-compliance of the sector to implementing the NDPII intervention that requires the annexing of at least a pre-school classroom to an existing public primary school to increase access to pre-primary, which is said to improve retention and attainment in schools.

### 4.3.9 SECURITY SECTOR

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

#### 4.3.9.1 Overall CoC performance of the sector

**Overall, the Defense and Security sector is 72.5 percent complaint.** In particular, the sector is 75.0, 85.4, 40.6 and 90.7 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.

#### 4.3.9.2 Development and existence of planning processes

**At this level, the sector is 75.0 percent compliant** and has improved by 15 percentage points from the previous period of FY2017/18. The improved performance is as a result of External

Security Organization (ESO) finalizing its Development Plan. However, Internal Security Organization (ISO) continues to have the draft Plan that is not signed by the responsible Minister.

#### 4.3.9.3 Sector projects alignment

**At this level, the sector is 85.4 percent compliant.** This is a weighted score of 80.0, 100 and 13.6 percent for release outturn, expenditure and project implementation, respectively. It therefore measures the extent to which sector projects identified in NDPII and incorporated in the MoFPED PIP are implemented. In the reporting period, the sector continued to undertake retooling projects, and no new project was taken over in the MoFPED PIP meaning that only 21.7 percent of the NDPII priority sector projects are integrated in the MoFPED PIP. Like the previous financial year, the sector despite having a relatively better performance on release outturns (80 percent) and absorption (100 percent), however, it's still weak on actual project status performance (13.6 percent). A number of projects (78 percent) in the NDPII including: establishment of the military referral hospital; establishment of the Defence Research, Science and Technology Centre; establishment of the National Defence College (NDC); construction of ESO headquarters and field stations; construction of dormitories for the Institute of Security and Strategic Studies; among others have not been integrated in the MoFPED PIP.

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

**At this level, the sector is 40.6 percent compliant.** This is a weighted score comprising 40.0 percent and 41.0 percent for the BFP and AB respectively. The sector continues to have incomplete and inconsistent targets in the sector Development Plan and the budget instruments and where they exist, they are lower than the planned. In addition, whereas the sector prioritizes most of the NDPII interventions, a number of interventions remained unbudgeted for. The Ministry of Defense and Veteran Affairs has a number of priorities that require heavy investment include: salaries and wages, training, defense weapons, troop welfare, infrastructure and combat service support (uniforms, food, and fuel among others). Whereas these priorities are partially provided for in the budget, some remain unfunded priorities with no budget allocation. The unbudgeted sector NDPII interventions include: establishment of a National Defense College (NDC) and Institute for Security Studies (ISS); Review and harmonization of the R&D policy; Introduction of an incentive and reward mechanism for innovation and prototype development. Other factors that affected performance include: limited budgetary focus to national infrastructure development; and lack of budgetary provision for the National Service Programme. The sector has a number of un funded activities which encroach on the resources that would be useful in delivering the planned interventions. These are illustrated in table below.

#### 4.3.9.5 Budget performance

**The Security sector is 90.7 percent compliant at this level of assessment.** This is a weighted score comprising 86.7 percent for budget release, 93.3 percent for expenditure outturn. The continued good budget performance of the sector is mainly attributed to the good budget expenditure at half year of FY2018/19. With the exception of Ministry of Defense and Veteran Affairs that received 44.3 percent of the expected resources and spent 96.4 percent, all other sector MDAs received above average (50.2 percent ISO and 70.98 percent ESO) and spent all expected resources. ISO spent over and above the funds allocated to it (103.1 percent).

#### 4.3.9.6 Summary MDA level Performance

The overall summary performance for the security sector MDA is provided in Table 10

**Table 11: Summary of Security Sector and MDA Compliance Assessment (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 75.0 | 85.4 | 40.0 | 41.0 | 40.6 | 90.7 | 72.5 |
| 2 | MODVA | 100.0 | 80.9 | 40.0 | 61.5 | 52.9 | 72.0 | 71.8 |
| 3 | ISO | 0.0 | 93.8 | 66.7 | 87.5 | 79.2 | 100.0 | 84.9 |
| 4 | ESO | 100.0 | 90.9 | 68.9 | 87.5 | 80.1 | 100.0 | 96.0 |

*Source: NPA Assessment, 2019*

#### 4.3.9.7 Key emerging issues

i) The sector continues to identify a number of unfunded priorities which require massive investment compared to the planned budget allocation. For instance: Classified expenditure - Shs 1.4trillion; Uganda National Defense College (UNDC) - Shs 5.4billion; National military referral hospital (3-year project) - Shs 94 billion; Uganda National Military Museum (4-year project) - Shs 61.5billion; Capitalization of the Defense Forces Shop - Shs 24billion; Capitalization of Uganda Air Cargo - 38billion have no budget allocation even in FY2019/20 budget. Since these will not be achieved in the NDPII period and given that they contribute to the national objectives, the NDPII outcomes may not be achieved.

ii) The Security sector continues to have arrears that continue to distort execution of the planned activities despite the commitment control system. The stock of domestic arrears is way above 50 percent of the Ministry's total annual budget and this implies that the BCC requirement may not be applicable in this case. The arrears include: (i) Backlog of unpaid 79,084 files for UPDF veterans; Shs 508billion; (ii) Gratuity and leave arrears ISO (Shs 7.94billion) and ESO (shs13billion); CISSA arrears- Shs 1.079billion; MODVA unpaid bills (utilities, classified, land compensations, sundry creditors) for previous Years MODVA (Shs 94.9billion) and ISO (Shs 0.328 billion). The unpaid files are for military veterans dating as far as the pre – independence KAR who are entitled to various categories of benefits. These therefore always calls for supplementary budgets hence distorting the planning and budgeting processes.

#### 4.3.9.8 Contribution to SDGs

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).

#### 4.3.9.9 Cross cutting issues

**a) Gender**

There is evidence of integration of Gender concerns in planning, budgeting and implementation frameworks for all Security sector amidst a number of challenges. These include: (i) Limited number of women professionals in the security sector; (ii) Stereotyping - Different stakeholders attributing Gender issues to only women; (iii) Negative attitude where many stakeholders always assume that security activities are manly hence not fit for women; and (iv) Under funding.

Key of the planned interventions are; Continued participation of spouses of UPDF soldiers especially the women in socio-economic projects to boost the family income. Such initiatives will include embracing the Village Savings and Loans Associations; as well as engaging in a cross section of agriculture and cottage industry. These activities are planned to be carried out in all Units country-wide to improve spouses' livelihood, incomes and contribute to the reduction in Gender Based Violence.

**b) Environment and climate change**

The sector takes cognizance of the of environmental and climate change concerns in planning, budgeting and implementation. Key of the interventions include: Disposal of obsolete military hardware in an environmentally friendly manner; Reduction of emissions through use of simulators during military training instead of using actual ammunition; Intensification of afforestation and reforestation efforts by all barracks; increase on the use of renewable/ alternative energy such as bio-fuel, improved cooking stoves and Liquid Petroleum Gas for cooking in training schools and barracks.

**c) HRBA**

The interventions discussed in all the above cross-cutting issues also address human rights concerns in the sector. The key specific intervention addressed by the sector is the domestication of International Humanitarian Law (IHL) in the syllabus of the training courses at PSO TC.

### 4.3.10 SOCIAL DEVELOPMENT SECTOR

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

#### 4.3.10.1 Overall CoC performance of the sector

**Overall, the Social Development Sector is 64.0 percent compliant**. In particular, the sector is 67.0, 72.9, 74.3 and 44.0 percent compliant at sector planning, projects planning, budget instruments and budget performance, respectively. The specific details are presented in the following sections.

#### 4.3.10.2 Development and existence of planning processes

**At this level, the sector is 67.0 percent compliant.** Whereas the Social Development Sector and EOC have approved Plans, the Ministry of Gender Labor and Social Development (MGLSD) does not have an approved strategic plan.

#### 4.3.10.3 Sector projects alignment

**At this level, the sector is 72.9 percent compliant.** This is a weighted score of 97.1, 63.3 and 57.1 percent for release outturn, expenditure outturn and project performance, respectively. All the seven (7) sector projects are aligned to the sector objectives. However, one project (Chemical Safety &Security (CHESASE) Project) is in the MFPED PIP and was not planned in the NDPII PIP. Its implementation started in FY2017/18 with allocation of 1.8Billion. The total Off Budget for the SDS for FY2018/19 is UGX 58.1Billion compared to UGX 62.4Billion in 2017/18. The Off-budget support is mainly for approved PIP projects apart from UWEP and YLP which fully funded by GoU. The Development partners in SD sector include: DFID and Irish Aid; DVV International; UNICEF; UNDP, UNFPA and Government of Ireland (Irish Aid). The key sector projects constraints are: pressure to rollout to all districts on specifically SAGE program; and unreliable and inconsistent release performance from MFPED which has caused payment delays and project implementation.

Alignment of the BFP and Annual Budget

**At this level, the sector is 74.3 percent compliant.** This is a weighted score comprising 68.8 and 77.9 percent for budget release and expenditure outturn, respectively. The NDPII key strategic interventions that were not prioritized or implemented yet include: establishment of a functional Productivity center; construction and establishment of the business shelters; limited number of inspections at workplaces; development of the LMIS; expansion of the public libraries and establishment and equipping of tele-centers; establishment of youth skills centers; and patriotism activities to enhance mindset change among especially the youth. Although there has been some attempt on mindset change interventions integrated in youth programmes and communication mobilization strategy to address behavioral change.

#### 4.3.10.4 Budget Performance

**At this level, the Sector is 44.0 percent compliant**. This is a weighted score comprising 100.0 and 6.7 percent for budget release and expenditure outturn, respectively. By the end of the second quarter, EOC received 59 percent of its allocated budget and absorbed 88.3 percent while MGLSD received less than 50 percent of its allocated budget and absorbed 90 percent. The total Off Budget for the SDS for FY2018/19 is Shs. 58.1Billion compared to Shs. 62.4Billion in 2017/18. 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).

#### 4.3.10.5 Summary MDA level Performance

**Table 12: Summary of Social Development Sector MDA level Performance (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | **BFP** | **AB** | **BFP & AB** | | |
| **1** | **Sector** | **66.7** | **72.9** | **68.8** | **77.9** | **74.3** | **44.0** | **64.0** |
| 2 | MoGLSD | 0.0 | 77.3 | 71.7 | 81.1 | 77.3 | 40.0 | 58.4 |
| 3 | EOC | 100.0 | 100.0 | 51.4 | 51.4 | 51.4 | 100.0 | 85.4 |

*Source: NPA Assessment, 2019*

#### 4.3.10.6 Key emerging issues

i) **Continued development of new projects than those prioritized in NDPII**. The sector has three more new projects that are being implemented yet they are not part of approved MFPED PIP and NDPII. These are: (i) Integrated Community Learning for Wealth Creation; (ii) Strengthening Social Risk Management and Gender Based Violence Prevention and Response Project and (iii) Chemical Safety &Security (CHESASE) Project.

ii) Mindset change and National service program not prioritized under community mobilization and development yet it would be a good avenue for mobilization and changing people's behavior for peace, stability and nation building as well as participation in national development programs.

iii) Scattered community mobilization programs and funds in other MDAs such as health, education, water and sanitation, environment, agriculture among others without proper mandate and limited multi-sectoral coordination. This sometimes overloads the Community Development officers in Local Governments.

iv) Various Social Protection programs that are still fragmented i.e. environment, Labor, Intensive Public Works, Universal Primary Education, Disaster Risk Financing, Improved Livelihood Income Support Program, among others. There is no mechanism for Monitoring them and these are not easily assessed. Secondly, the approved age of 80 years under SAGE program is discriminatory while some districts do not have any beneficiaries of that age.

v) Budget cut for Youth Livelihood Program (YLP) - in FY2019/20, the programme will be affected by a budget cut of 62.04Billion (approx. 95 percent). The remaining funds under the sector will mainly be for coordination of the program.

vi) The report defining the implications of the wages to the economy, job creation and investments has not been finalized and needs to be fast tracked. This is intended to inform the approval of the Minimum wage Bill that Cabinet deferred in February, 2018.

vii) The sector contains many stand-alone Management Information Systems (MIS') that are area specific (OVC MIS, GBV MIS, YLP MIS, NALMIS, SAGE MIS). There is therefore need to fast track the process of developing a Single Registry that will link all these systems.

#### 4.3.10.7 Contribution to SDGs

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, women and elderly; 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 – 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.

#### 4.3.10.8 Cross cutting issues

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, Disability issues, Gender issues, Elderly and Human Rights by promoting equality and empowerment of among the population.

**HRBA**

The sector has in 2018/2019 has captured within its BFP and AB interventions dealing with improving the capacity of the youth in turn dealing with the issue of high unemployment of the youth; interventions that seek to promote gender equality and women empowerment such as GBV and gender mainstreaming interventions; interventions that are geard to improve the situation of low wages such as strengthening the functionality of the Minimum Wage Advisory Board; interventions dealing with sexual harassment , protection of children rights. It should be noted however the majority of the sector targets set that resultantly improve the realization human rights are not aligned to the NDP II targets set.

### 4.3.11 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.

#### 4.3.11.1 Overall CoC performance of the sector

**Overall, the Public Administration Sector is 72.8 percent compliant.** In particular, the sector is 100, 55.9, 86.9, and 63.2 percent compliant at sector planning, projects planning, budget instruments and budget performance levels of alignment to the NDPII respectively.

#### 4.3.11.2 Development and existence of planning processes

**At this level, the sector is 100 percent compliant.** The sector, Ministry of Foreign Affairs, Electoral Commission, Office of the President and State House all have approved plans.

#### 4.3.11.3 Sector projects alignment

**At this level, the sector is 55.9 percent compliant.** This is a weighted score of 69.3, 53.8 and 59.5 percent for budget outturn, expenditure outturn and project implementation status respectively. While some projects received over 98 percent of their approved budget estimates including supplementary, others received less than 10 percent of the approved budgets for example

Construction of GOU offices Project; Strengthening Ministry of Foreign Affairs Project; and Support to Electoral Commission Project. There are projects being implemented that are not in the NDPII Public Investment Plan especially for missions abroad such as strengthening mission in Germany, Nigeria, Japan, Canberra, Ankara, Malaysia, Mombasa, Algeria. In addition, some projects have not yet been developed, namely: Acquisition of Land for Construction of Government MDA Offices; International integrated Foreign service communication system project (ICS); Uganda Institute for Diplomacy and International Affairs project (UIDIA); Capacity building in commercial and economic diplomacy project; Construction of Headquarter, Regional and District offices for the Electoral Commission.

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

**At this level, the sector is 86.9 percent compliant to NDPII.** This is a weighted score of 79.3 and 92.0 for alignment of BFP and AB outputs to NDPII respectively. This score is because the sector adequately prioritized the strategic interventions of: Strengthen the capacity of Resident District Commissioners and local governments to effectively monitor and report on the implementation of the NDP II priority areas; Negotiate, sign and ratify trade and investment agreements; Establish and strengthen missions in strategic locations; Promoting a positive image of the country at national, regional and international levels; and Implement programmes to strengthen civic participation; improving systems, infrastructure and capacity of the sector secretariat and engagement in national democratic processes among others.

However, several strategic interventions were not prioritized such as: Increasing the number of commercial attaches to missions abroad and building and strengthening strategic partnerships to attract cooperation assistance (exchange programs).

#### 4.3.11.5 Budget performance

**At this level, the sector is 63.2 percent compliant.** This is a weighted score comprising 90.0 and 44.0 percent for budget release and expenditure outturn, respectively. While all MDAs received over 95 percent of the approved budget estimates, there were some issues on the expenditure side where Ministry of Foreign Affairs and Office of the President spent only about 86 and 91 percent of the funds received. The poor absorption capacity in two MDAs affected the overall performance of the Public Administration sector.

In the FY2017/18, there was good budget performance in the sector both in terms of release and expenditure. All MDAs received over and above the approved budget and spent over 98 percent of the funds received save for MOFA which spent 95.6 percent.

#### 4.3.11.6 Summary MDA level Performance

**Table 13: Summary of Public Administration Sector MDA level Performance (percent)**

| S/N | Sector/MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP&AB | | |
| | **Public Administration Sector** | **100** | **55.9** | **79.3** | **92.0** | **86.9** | **63.2** | **71.8** |
| 1. | EC | 100 | 0.0 | 72.0 | 100.0 | 88.8 | 48.0 | 47.0 |
| 2. | OP | 100 | 67.5 | 58.0 | 100.0 | 83.2 | 52.0 | 70.8 |
| 3. | SH | 100 | 37.5 | 63.3 | 83.3 | 75.3 | 76.0 | 66.7 |
| 4. | MoFA | 100 | 7.5 | 75.7 | 83.3 | 80.3 | 40.0 | 48.3 |

#### 4.3.11.7 Key emerging issues

i) While other Missions abroad do not indicate collection of non-tax revenue, in the FY2017/18, the mission in New York collected UGX 1.954billion under its project support to Mission in New York.

ii) Some NDPII projects have not been prioritized as they do not have feasibility studies. These projects are: Acquisition of Land for Construction of Government MDA Offices; International integrated Foreign service communication system project (ICS); Uganda Institute for Diplomacy and International Affairs project (UIDIA); Capacity building in commercial and economic diplomacy project; Construction of Headquarter, Regional and District offices for the Electoral Commission.

iii) The MDAs in the sector receive their budgets as planned and have a good absorption capacity. However, the initial budget allocations are not enough and therefore they demand for supplementary estimate to support their budgets leading to over budget performance in terms of outturn at the end of the financial year.

iv) Some missions continue to rent premises such as Ottawa and Algeria leading to expenditure of a lot of money on rent. Government should work on such policies and reduce on rent such as obtaining mortgages that could be paid back in form of rent until the Missions own the facilities

v) District have increased in number and therefore the number of RDCs also increased however, the procurement of vehicles to replace the aging fleet for RDCs and facilitate new offices is not adequately being prioritized. This affects the RDCs in delivery of their function of monitoring of government programmes. For instance, only 21 of the planned 60 vehicles have been prioritized over the three years.

vi) In line with the presidential directive to have a fully-fledged department of diaspora data base for missions in MoFA, there is need to fast track the International integrated Foreign service communication system project.

#### 4.3.11.8 Contribution to SDGs

The Public Administration sector contributes to goal 11 and 16 of the SDGs that is making cities and human settlements inclusive, safe, resilient and sustainable and promoting peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels respectively.

The sector prioritized actions to support some SDG indicators particularly, the indicator of Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically; and Proportion of population who believe decision making is inclusive and responsive, by sex, age, disability and population group. This is evidenced by the sector prioritizing actions such as dissemination of IEC materials, Voter education training sessions conducted, stakeholders' consultative meetings held and also field stakeholder engagement reports produced by the Office of the President.

However, there are no actions to support the attainment of the indicator on proportion of persons or businesses that had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months.

#### 4.3.11.9 Cross cutting issues

**HRBA**

The sector has a number of measured interventions in 2018/19 that reflect to a certain extent the integration of a HRBA. For instance, in respect to meeting the objective of improving democracy and governance for increased national stability, the sector has captured within the 2018/2019 BFP and AB, the percentage of eligible voters in the National Voters' Register and the total of registered voters of special interest groups. For this particular indicator the planned targets of the sector for 2018/2019 were 100% aligned to the NDP II targets.

**Gender and equity**

The sector adequately prioritized gender and equity issues through actions such as Mobilization of groups of youth, Women and People with disabilities for development. In addition, monitoring and Inspection of Local Governments programmes such as NUSAF 3, Youth Livelihood Program, Uganda Women's Entrepreneurship Program, Special Grant for Persons with Disability and Social Assistant Grant for the Elderly was prioritized among others.

**HIV/AIDS**

The sector was weak in this area as there are no specific actions aimed at addressing the impacts of HIV/AIDS among different categories of the population. While it prioritizes programmes focusing on the entire population, the mitigation of impacts of HIV/AIDS have not been specifically addressed.

#### 4.3.11.10 Alignment of FY2019/20 Budget framework Paper

**At this level, the sector is 67.1 percent compliant to NDPII.** The sector achieved this score because the it prioritized NDPII strategic objectives of: Improve the national M&E systems for increased service delivery, efficiency, and effectiveness; Attract new investment opportunities in infrastructure and mineral development and secure markets for Uganda's products; Implement programmes to strengthen civic participation and engagement in national democratic processes; Improve democracy and governance for increased national stability; Improve systems, infrastructure and capacity of the sector secretariat.

However, there are several specific planned interventions that were not prioritized such as: Develop the sectors service delivery standards; Strengthen regional and international relations between Uganda and other countries to strengthen and sustain national peace and security through resolving cross border conflicts; Build and strengthen strategic partnerships to attract cooperation assistance (exchange programs); Build capacity of the Heads of Missions in the NDP II priority areas and how to attract and negotiate for assistance; Increase the number of commercial attaches to missions abroad; acquisition of new property abroad through purchase and opening of new missions; procurement of vehicles for RDCs (only 5 have been prioritized compared to 20 that were planned.); and Review and align priority sector policies to the NDPII objectives and goals among others.

### 4.3.12 LEGISLATURE SECTOR

The NDPII outlines four major strategic objectives for the sector which are intended to be the main budget drivers over the plan period. These are: (i) Increase efficiency and effectiveness in the enactment of legislation on any matter for peace, order, development and good governance of Uganda; (ii) Strengthen the institutional capacity of Parliament to independently undertake their constitutional mandates effectively and efficiently; (iii) Improve citizen participation 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 alignment of its planning and budgeting towards achieving the above objectives and the corresponding pre-determined outcome and output targets in the section below.

#### 4.3.12.1 Overall CoC performance of the sector

**Overall, the Legislature sector is 55.3 percent compliant.** In particular, the sector was 100.0, 37.5, 73 and 40 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 and Table ...

#### 4.3.12.2 Development and existence of planning processes

**At this level, the sector is 100 percent compliant.** 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.

#### 4.3.12.3 Sector projects alignment

**At this level, the sector is 37.5 percent compliant.** This is a weighted score of 100.0, 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 56.0 percent of the released resources. Additionally, the project performance score is 75 because this is an ongoing project but below schedule.

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

**At this level, the sector is 73 percent compliant.** This is a weighted score of 33 and 100 percent for the BFP and AB, respectively. Consequently, the sector prioritization of key NDPII interventions is still weak. These interventions include: instituting a system of linkages between local government, constituencies and the national Parliament; enactment of laws to strengthen credibility of electoral processes in Uganda and reviewing appropriate legislation to facilitate elimination of corruption and promoting application of human rights-based operations in government operations.

#### 4.3.12.5 Budget performance

**At this level, the sector is 40.0 percent compliant.** This is a weighted score of 100.0 and 0 percent for budget release and expenditure outturn, respectively. The zero percent is a result of receiving more than the expected resources by half year and failing to spend 15.0 percent of the released resources. The Sector BFP and Ministerial Policy Statement indicate that implementation of the project was planned for FY 2016/17.

#### 4.3.12.6 Summary MDA level Performance

The overall summary performance for the legislature sector MDA is provided in the table below

**Table 14: Summary of Legislature Sector MDA level Performance (percent)**

| Sector | Planning | Alignment | | | Budget Performance | PIP | Overall Score |
|---|---|---|---|---|---|---|---|
| | | BFP | AB | BFP&AB | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Legislature | 100 | 33 | 100 | 73 | 40 | 37.5 | 55.3 |

#### 4.3.12.7 Key emerging issues

i) The Sector has a low absorption capacity at project level. the Sector project of Rehabilitating parliament didn't fully absorb its released funds. By end of Q2, only UGX 4.73 billion was spent out of the UGX 46.2 billion released representing a 10 percent absorption rate.

#### 4.3.12.8 Contribution to SDGs

The Sector allocation of funds (UGX 0.197 Billion Shillings) to address the issue of HIV/AIDs is line with SDG Goal 3: Ensure healthy lives and promote wellbeing for all at all ages. Similarly, the Sector directly deals 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.

#### 4.3.12.9 Cross cutting issues

**a) HRBA**

The integration of HRBA was very limited especially in view of the fact that the sector by virtue of its mandate should have a number of measurable human rights standards linked to it. Many of the key sector indicators that would have reflected a HRBA are not measured or targets are not provided for in 2018/2019. For instance, in respect to the sector objective of promoting application of human rights-based operations in government operations which would be measured by the reduced incidences of human rights cases in government was measured in 2017/2018 and neither was it measured in 2018/2019 BFPs and AB.

**b) HIV/AIDS**

The Sector has allocated UGX 0.197 Billion Shillings to address the issue of HIV/AIDS. The sector is set to provide support to staff living with HIV/AIDS to continuously 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, an annual health week will be carried out to sensitize the staff and the public on HIV/AIDS, cancer etc.

**c) GENDER**

The sector has allocated UGX 1 Billion Uganda Shillings to ensure that all embracing policies are developed and government programmes implemented for the benefit of all the citizens without discrimination. Planned interventions include conducting oversight visits through the Gender

Committee to assess the level of implementation of gender and equity programmes by MDAs country wide.

### 4.3.13 LANDS HOUSING AND URBAN DEVELOPMENT

The NDPII outlines thirteen (13) strategic objectives which are intended to be the main budget drivers of the Lands, Housing and Urban Development Sector 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. The Lands Sector assessment therefore evaluates the alignment of its 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.

#### 4.3.13.1 Overall CoC performance of the sector

**Overall, the sector is 45.6 percent compliant**. In particular, the sector scored 33.3, 53.5, 67.3 and 20.0 percent at sector planning, projects planning, budget process instruments and budget performance, respectively at levels of alignment to the NDPII. The specific details are presented in the following sections.

#### 4.3.13.2 Development and existence of planning processes

**At this level, the sector is 33.3 percent compliant.** Whereas Lands Housing and Urban Development (LHUD) Sector has an approved sector development plan that is aligned to the NDPII, the Ministry of Lands, Housing and Urban Development (MLHUD) does not have a strategic plan. On the other hand, the Uganda Land Commission (ULC) has a strategic plan that is not aligned to the NDPII in terms of the time horizon. The ULC strategic plan was tailored to the term of office of the previous Land Commission.

#### 4.3.13.3 Sector projects alignment

**At this level, the sector is 53.5 percent compliant.** This measures the extent to which sector projects incorporated in the MFPED PIP are implemented. Out of the 16 sector priority projects in the NDPII, only six (6) are integrated in the MFPED PIP. The projects integrated in the PIP include; Support to National Physical Development Planning, Support to MLHUD, Competitiveness and Enterprise Development Project (CEDP), Uganda Support to Municipal Development Project (USMID), Albertine Region Sustainable Development Project, and Support to Uganda Land Commission. The Hoima Oil Refinery Proximity project is now at the stage of application for a project code and will be enrolled in the MFPED PIP of 2019/20. The mandate of the ULC remains less tackled due to limited finances and one budget line - the 'Support to Uganda Land Commission Project', which is not sufficient for all the activities of ULC, such as operationalizing the land fund which has never been created. The majority of the project ideas (56.3 percent) in the NDPII are yet to be developed into bankable projects. The sector therefore, is required to work on the slow process of initializing projects to make them ready for integration into the MFPED PIP and implementation.

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

**At this level, the sector is 67.3 percent compliant.** This weighted score comprises of 52.0 and 77.5 percent for BFP and AB alignment respectively. This performance is attributed to most targets being consistent with the NDPII for instance issuance of Certificate of Customary Ownership (CCOs) and Systematic Land Adjudication and Certification (SLAAC) as some of the core interventions in the budget to support the vulnerable groups in the society. However, a number of interventions in the NDPII remained unfunded for instance the National Land Fund meant to provide improved land access, providing for housing needs for government institutions according to priority development areas for mining, oil and gas, increasing accessibility to housing related inputs through land banking, and a holistic approach to urbanization, implement the National slum upgrading Strategy action plan, promotion and ensure availability and affordability of housing finance among others. The supplementary budgets received by the ULC compensated Church of Uganda for their land in Entebbe, Nakawa Disabled Vocational Training Institute Limited land in Nakawa and Amuru land earmarked for sugarcane plantation and factory. Although this is in line with NPDII objectives, the supplementary distorts the budget.

#### 4.3.13.5 Budget performance

**At this level, the Sector is 20.0 percent compliant.** The weak performance at this level is attributed to the low release and expenditure outturn. For instance, of the approved budget to the MLHUD, 198.657 billion, (71.1%) was released and 38.79 percent was spent. On the other hand, 20.21 percent for ULC outturn was received of which 83.1 percent was spent. The low absorption (38.79 percent.) on the part of the Ministry of Lands, Housing and Urban development is attributed to delays in procurement processes and in meeting project milestones to trigger payments for goods and services delivered.

#### 4.3.13.6 Summary MDA level Performance

**Table 15: Summary of the LHUD Sector and MDA Compliance Assessment ( percent)**

| SNo | MDA | Planning | Alignment | | Budget Performance | Projects Performance | Total Score |
|---|---|---|---|---|---|---|---|
| | | | BFP | AB | | | |
| 1. | Sector | 33.3 | 52.0 | 77.5 | 20.0 | 53.5 | 45.6 |
| 2. | MLHUD | 0.0 | 51.7 | 83.8 | 40 | 51.7 | 48.6 |
| 3. | ULC | 0.0 | 28.6 | 100 | 0.0 | 67.5 | 41.7 |

*Source: NPA Assessment 2019*

#### 4.3.13.7 Key emerging issues

i) Budget credibility is highly compromised in the ULC Vote. In FY17/18 ULC received three supplementary budgets amounting to over 100 percent of its vote to undertake compensation of Church of Uganda Land in Entebbe, Nakawa Disabled Vocational Training Institute Limited land and Amuru Land earmarked for Sugarcane plantation and factory.

ii) By half year (FY2018/19), ULC received only 20.21 percent of its total budget. This makes it difficult for ULC to deliver on its planned activities.

iii) The 'Support to Uganda Land Commission Project' is the only budget line for the ULC and is insufficient for all the interventions, such as operationalizing the National land fund.

iv) Inconsistencies exit in some indicators and there is need for proper alignment. For instance, in the Sector Development Plan under the intervention Improve urban development through comprehensive physical planning, one of the indicators is Number of districts where the Physical Planning Act 2010 is disseminated. However, in the NDPII implementation strategy, Operationalize the Physical Planning Act, 2010 to support orderly and sustainable development is the intervention and the indicator is an operational Physical Development Plan (NPDP).

v) There is low absorption on the part of the Ministry of Lands, Housing and Urban Development. This may be attributed to the long procurement processes and contractual challenges that cause delays.

vi) Out of the 16 sector priority projects in the NDPII, only six (6) are integrated in the MFPED PIP with a new project awaiting a code. The majority of the project ideas (56.3 percent) in the NDPII are yet to be developed into bankable projects. More effort is required to work on the slow process of initializing projects to make them ready for integration into the MFPED PIP and implementation.

vii) There is need for more effort in order to harness the benefits of planned urbanization to propel the country to a faster growth path. The current urbanization trend is characterized by congestion, informal settlements and slums, poor infrastructure and services, uncontrolled sprawl, a costly business environment, and a huge informal sector indicating that urban planning has not kept pace with the rapid population growth.

viii) MLHUD and ULC need to have individual Vote strategic plans aligned to the Sector plan and NDPII.

#### 4.3.13.8 Contribution to SDGs

The six projects integrated in the MFPED PIP contribute towards achievement of the Sustainable Development Goals (SDGs) particularly Goal 11: Making cities and human settlements inclusive, safe, resilient and sustainable. Other goals contributed to are SDG1 No Poverty, SDG2 Zero Hunger and SDG 13 Climate Action. The sector also undertook profiling of urban climate change in 2018 and guidelines for mainstreaming climate change in physical development plans are being developed.

#### 4.3.13.9 Cross cutting issues

**HRBA**

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 (HRBA) 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

#### 4.3.13.10 Alignment of FY2019/20 Budget Framework Paper

**The sector BFP is 70.0 percent compliant to NDPII**. The sector has a projected budget UGX 73 billion in FY2019/20. The budget is to be expended on ensuring orderly and sustainable rural and urban development, improvement of land use for production purposes, improvement of human settlements, processing Government land tittles, updating and maintaining inventory for all

Government, improving land administration among others. However, the Sector BFP is failing to deliver among others, on increasing access to housing for all income groups, for rental and owner occupation, reducing slums and informal settlements, increasing access to affordable housing finance, increased availability and access to serviced land for urban expansion and investment.

### 4.3.14 KAMPALA CAPITAL CITY AUTHORITY (KCCA)

Kampala Capital City Authority (Vote 122) is a central agency that manages the Capital City of Uganda. The Authority is set to deliver the following strategic objectives as guided by the NDPII through Improved; service delivery in Kampala City, Kampala Capital City physical infrastructure, institutional and legal framework, improved people's livelihood and incomes, Kampala Physical Planning and Development Control and Environmental and ecological planning of the City.

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

#### 4.3.14.1 Overall CoC performance of the sector

**Overall, the sector is 65.7 percent compliant.** Specifically, KCCA is 100, 55.4, 90.4 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.

#### 4.3.14.2 Development and existence of planning processes

**At this level, KCCA is 100 percent compliant.** The Authority has an approved plan that is aligned to the NDPII in-terms of content and time frame.

#### 4.3.14.3 Sector projects alignment

**At this level of assessment, KCCA is 55.4 percent compliant.** This is a weighted score of 66.7, 50.0 and 53.8 percent for budget release, expenditure outturn and project performance, respectively. The average performance is attributed to the fact that most KCCA projects are either unfunded priorities or are of a recurrent nature as the main implementation is under the implementing Ministry and KCCA undertakes; supervision, inspection and maintenance works, these include: Hospital improvements in various Health Centres; Schools' improvement plans; Revaluation of properties; and Open public spaces preservation. In addition, there are six (6) projects, despite being under KCCA, are under implementation in other sectors; Health, Local

Government and Works and Transport. These include: Light Rail Project; Market Infrastructure Improvement Project for Busega; City Referral and Ambulance Project; and the Kampala BRT project. It was also noted that out of the thirty-three (33) NDPII KCCA projects, only twenty-five (25) are integrated in the MoFPED PIP.

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

**At this level, KCCA is 90.4 percent compliant.** This is a weighted score of 96.1 and 86.7 percent of the BFP and AB, respectively. However, some NDPII interventions remain unbudgeted for such as: Streamlining parking and management of public transport systems; Upgrading and revitalizing declining areas within Kampala city; Development of the Kampala Tourism Development Plan; and Upgrade of Kampala slums.

#### 4.3.14.5 Budget performance

**At this level, KCCA is 40 percent compliant.** This is a weighted score of 100.0 and 0.0 percent for budget outturn and expenditure outturn, respectively. The Authority received UGX267.97 billion of the total UGX477.62 billion and only UGX150.55 billion was absorbed by Q2. This low absorption is attributed to delayed civil and construction works for roads and other public infrastructure, whose payments are based on completed works and corresponding interim payment certificates.

#### 4.3.14.6 Summary MDA level Performance

**Table 16: Summary of KCCA MDA level Performance (percent) for FY2018/19**

| S/No | MDA/Vote | Planning | PIP | Alignment | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | KCCA | 100.0 | 55.4 | 96.1 | 86.7 | 90.4 | 40.0 | 65.7 |

#### 4.3.14.7 Key emerging issues

i) There are a number of KCCA projects not appearing in the PIP despite pleas made to Ministry of Finance, Planning and Economic Development. Only two projects are in the NDPII that include WATSAN and revenue mobilization. Majority of these projects have over 90 percent donor funded and off budget, with GOU providing support in form of land compensations and feasibility studies. Similarly, there are a number of projects that have no funding or indication of funding that continue to appear in the NDPII PIP such as BRT, Light rail among others. We recommend these to be scrapped like construction of markets, ambulance services and construction of old and parking tower and transport terminal project, and artisan business parks.

ii) Most projects in KCCA are recurrent in nature and therefore do not have a stated period of operation as their actual implementation lies within the sector.

iii) KCCA by policy is under the PSM Sector and yet in actual sense its operations are crossing cutting in all the sectors. This continues to raise reporting and planning challenges later on during actual project implementation which actually is under the respective Ministries and Local Governments.

iv) There are challenges on functionality vs administrative mandate especially under service delivery. For example, all roads, hospitals and agriculture inputs are at times consumed by the population in the GKMA. Therefore, the GKMA strategy is a key solution towards addressing challenges caused by administrative boundaries.

v) KCCA recently embarked on contracted facilitated financing of roads works under the program of output annuity roads. Here the contractor is in charge of maintenance of the road for 15 years but receives payment on an annual basis. This innovation is cost effective as the span of roads of five years is exceeded.

vi) Spatial planning is key for realizing the NDPII to address its functionality mandate and the much-expected development

#### 4.3.14.8 Contribution to SDGs

With support from UNDP, KCCA has integrated the SDGs in their planning and implementation strategy especially making Kampala Capital City a sustainable City.

#### 4.3.14.9 Cross cutting issues

**HRBA**

KCCA is a Centre of with systems of greater accountability that include, zero tolerance to corruption, electronic systems of payment and according those concerned a right to generally a fair hearing. As such the Institution has won many prestigious accolades for greater accountability leading to better and improved service delivery.

**Gender**

KCCA has mainstreamed gender in its plans and budget and assessed annually on gender mainstreaming based on the Equal Opportunities Commission. To date KCCA has for example employed women driver

**HIV/ AIDS**

KCCA implements and has integrated the HIV/AIDS policy as part of its policy and doesn't discriminate employees based on their status but based on their merit and abilities.

### 4.3.15 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.

#### 4.3.15.1 Overall CoC performance of the sector

**Overall, the Accountability Sector is 58 percent compliant.** In particular, the sector is **70.0**, **49.0**, **77.0** and **43.0** 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 sections.

#### 4.3.15.2 Development and existence of planning processes

**At this level, the sector is 70.0 percent complaint**. Out of 23 MDAs of the Sector, 7 do not have approved strategic plans. These include: OAG, UIA, NSSF, PSFU, EPRC, UMRA and MSC.

#### 4.3.15.3 Sector projects alignment

**At this level the sector is 49 percent compliant.** This is a weighted score of **66.3**, **35.8** and **80.3** 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 DEI, Financial inclusion of Rural areas of Uganda- PROFIRA, Belgo Uganda Study and consultancy fund, FINMAP component 1,2,3,4 and 5.

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

**At this level, the Sector is 77 percent complaint.** This is a weighted score comprising **73.4 percent** and **79.1 percent** for BFP and AB respectively. The good performance is attributed to less deviations in the indicators and targets in the planning and budgeting instruments, which comprises the alignment of the planning and budgeting instruments to NDPII. However, the assessment also reveals that some MDAs like UFZA and NPC don't have specific interventions that they contribute to in the accountability sector results framework.

#### 4.3.15.5 Budget performance

**The Sector is 43.0 percent compliant**. This is a weighted score comprising **86.7** and **13.3 percent** for Budget outturn and expenditure outturn respectively. The weak performance was attributed to the low absorption of the released funds among the Accountability Sector MDAs with the exception of URA and UBOS which fairly spent **88** and **64 percent** of the released funds respectively.

#### 4.3.15.6 Summary MDA level Performance

**Table 17: Summary Accountability Sector MDA level Performance (percent)**

| S/N | Sector/MDA | Planning | PIP | Alignment | | | Budget performance | Overall Score |
|---|---|---|---|---|---|---|---|---|
| | | | | ***BFP*** | ***AB*** | ***BFP&AB*** | | |
| 1 | Accountability Sector | 70 | 49 | 73 | 79 | 77 | 43 | 58 |
| 2 | MoFPED | 100 | 55 | 100 | 96 | 98 | 40 | 68 |
| 3 | OAG | 0 | 38 | 85 | 67 | 75 | 40 | 46 |
| 4 | UBOS | 100 | 38 | 70 | 56 | 62 | 64 | 59 |
| 5 | IG | 100 | 38 | 62 | 72 | 68 | 40 | 54 |
| 6 | DEI | 100 | 38 | 85 | 100 | 94 | 32 | 53 |
| 7 | URA | 100 | 56 | 97 | 75 | 84 | 88 | 78 |
| 8 | PPDA | 100 | 14 | 55 | 73 | 65 | 0 | 34 |
| 9 | FIA | 100 | 38 | 37 | 64 | 53 | 40 | 49 |
| 10 | UIA | 0 | 100 | 91 | 80 | 85 | 40 | 67 |
| 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 |
| 23 | MSC | 0 | - | - | - | - | - | 0 |

***Source: NPA Assessment, 2019***

#### 4.3.15.7 Key emerging issues

i) Debt to GDP ratio indicator should be disaggregated into external and Domestic Debt ratio to GDP in the Budgeting instruments to make it easier for tracking the reduction in Domestic Borrowing as envisaged in the NDPII.

ii) Revenue collected against target should be disaggregated at output level into Rental Tax, Corporate tax, Non tax Revenue (NTR) etc. as per subprograms to easily track the alignment of URA budgeting instruments to the NDPII key interventions on taxes.

iii) There are inconsistences in the measurement of indicators in the planning and Budgeting documents of some MDAs like IG, UBOS. It was observed that the planning documents have numbers as a measure of particular indicators while the budgeting documents have the same indicator measured differently e.g. in percentages. Therefore, there is need for consistence in the measurement of indicators in both the planning and budgeting instruments to enable easier comparison of indicators and their respective targets.

iv) Limited Indicators of the Financial services sub sector (Financial Sector Development) in the Budgeting instruments and yet budget allocations indicate a number of areas in financial sector development like Insurance penetration. There is need to include more financial Sector Development indicators in relation to the objectives of the financial Sector Development programme.

#### 4.3.15.8 Contribution to SDGs

The accountability sector contributes to SDG goal 5: Gender Equality by providing a conducive policy environment for Gender Equity perspectives among the different institutions of Government.

#### 4.3.15.9 Cross cutting issues

**HRBA**

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) and Accountant General's Office under the Ministry of Finance, Planning and Economic Development (MFPED).

### 4.3.16 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.

#### 4.3.16.1 Overall CoC performance of the sector

**Overall, the Justice Law and Order Sector is 62.6 percent compliant**. In particular, the sector is 100.0, 51.1, 81.6 and 42.7 percent compliant at sector planning, projects performance, budget instruments and budget performance, 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 100 percent compliant.** The sector and all the MDAs have approved Development Plans. Worth to note is that, the sector plan is not rather aligned to the NDP with regard to timelines. This is likely to affect the sector strategic alignment midway the implementation of the NDP.

#### 4.3.16.3 Sector projects alignment

**At this level, the sector is 51.1 percent compliant.** This is a weighted score of 80.0, 30.0 and 91.1 percent for release outturn, expenditure outturn and project performance, respectively. There is generally low absorption of development funds in a number of institutions. In particular, Uganda Police Force received 97 percent (142 Billion) of total development budget and utilized only 66.9 percent (95 Billion). Ministry of Justice also had inadequate utilization of development funds among others. Sector projects which are not in the PIP include: support to Uganda Prisons Service farms; Construction of the second maximum security prison; Construction of 40 one stop JLOS service points at district level; Establishment of the Regional Offices for Uganda Registration Bureau Services (URBS); Integration of the IRIS Recognition biometric technology in the NIRA system (NSIS); among others. This poses a risk of delayed implementation given two years into NDPII implementation.

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

**At this level, the sector is 81.6 percent compliant.** This is a weighted score of 77.5 and 84.4 percent for BFP and AB respectively. Most JLOS MDAs have their budget instruments aligned to the NDPII in terms of priorities and targets. The joint sector planning and budgeting arrangements through the JLOS SWAP has contributed highly to entrenching harmonized sector planning and budgeting at MDA level as a number of MDAs are able to articulate their contribution to sector results. However, just like in the FY 2016/17 and FY 2017/18, most of the programmes and sub-programmes for most MDAs still capture lower level outputs. Programme based budgeting has not yet delivered the results it was intended for. A review of the MDA budgets for previous years indicates that most MDAs have only renamed outputs into programmes and sub-programmes. Therefore, most institutional budgets do not show overall contribution to development results. A number of other issues for the budget are highlighted in the section on emerging issues.

#### 4.3.16.5 Budget performance

**The sector scored 42.7 percent at this level of assessment**. 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 more than 25 percent of the released funds. Of the total MTEF approved vote level budgets of 1,368.6 billion, Shs 818.9 billion was released to the sector institutions, of which Shs.680.806 billion was spent by half year.

#### 4.3.16.6 Summary MDA level Performance

**Table 18: Summary JLOS Sector MDA level Performance (percent)**

| MDA | Planning | PIP | BFP & AB Alignment | AB Performance | Overall Performance |
|---|---|---|---|---|---|
| **Sector** | **100** | **51.1** | **81.6** | **42.7** | **62.6** |
| MoJCA | 100 | 52 | 74.9 | 40 | 60.1 |
| Judiciary | 100 | 100 | 76.9 | 40 | 75.1 |
| DCIC | 100 | 40 | 87.5 | 40.0 | 60.3 |
| DPP | 100 | 10 | 92 | 0 | 40.6 |
| DGAL | 100 | 40 | 93.3 | 40.0 | 62.0 |
| JSC | 100 | 52 | 79 | 40 | 61.3 |
| LDC | 100 | 100 | 77.3 | 100 | 93.2 |
| MoIA | 100 | 40 | 85.3 | 40.0 | 60.0 |
| UHRC | 100 | 0.0 | 88.0 | 40.0 | 48.4 |
| NIRA | 100 | 100 | 88.0 | 40.0 | 78.4 |
| UPF | 100 | 35 | 63.8 | 40.0 | 51.6 |
| UPS | 100 | 95 | 69.9 | 52 | 75.1 |
| URSB | 100 | 0 | 88 | 40 | 48.4 |

#### 4.3.16.7 Key emerging issues

i) The sector has improved significantly with regard to planning frameworks. By the FY 2018/19 all Sector MDAs had approved development plans aligned to sector development plan and the NDPII.

ii) The sector has experienced improvements in some indicators. In particular, average time taken to issue a passport has reduced form 9 days to 7 days, there was general reduction in case backlog attributed to targeted interventions across a number of sector institutions, accident fatality rate reduced from 9 percent in FY 2017/18 to 4.8 percent in FY 2018/19 among others.

iii) The sector is experiencing stagnation of some critical service delivery indicators. A number of indicators have not showed any improvement over the years and have remained either static or worse than in the previous years. For example, a number of sector institutions have not developed service and service delivery standards, the Police to population ratio worsened from 1:893 of FY 2017/18 to 1:930 in FY 2018/19 compared to the sector NDPII target of 1:500. Also, there is stagnation in the warder to Prisoner ratio. Further, only 37 percent of registered cases were completed in FY 2018/19. This was in particular due to rate of filing cases outstripping the disposal rate hence the need to operationalize all the newly gazetted courts as well as improving their staffing and equipping.

iv) There is continuous abandonment of ongoing interventions before their completion rendering initial efforts and resources spent wasteful. 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.

v) The inadequate operationalization of regional service delivery centers still persists just like in FY 2017/18. The sector has made massive investments in regional service delivery structure including forensic laboratories, courts, Police Units among others. 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.

vi) 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 (MoJCA, LDC, DPP, DGAL, MoIA, UPF, DCIC, among others) had received about 80 percent of their development budgets but had spent less that 10 percent.

vii) The sector has not demonstrated efforts to integrate observations of the FY 2017/18 certificate of compliance. The sector was guided to review the operational nature of its development projects, streamline programme based budgeting in line with the sector NDP objectives and interventions, prioritize operationalization of regional service delivery centers all of which have not been critically addressed

#### 4.3.16.8 Contribution to SDGs

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.

For instance, NIRA has over the budget execution in 2017/2018 registered 9.6 million learners under the Registration of Learners Project and these were assigned a national identification number

#### 4.3.16.9 Cross cutting issues

**HRBA**

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 HRBA 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 HRBA 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, HRBA is deliberately being integrated within the processes.

**Other Cross Cutting Issues**

In considering the integration of cross cutting issues within the planning and budgeting process, attention was paid to whether the sector’s planning and budgeting instruments contained a commitment to any thematic cross cutting issues highlighted in NDP II.

By virtue of the sector’s mandated areas of work, the sector indeed integrated the following cross cutting issues deliberately: human rights, HIV, gender and child welfare and disability.

### 4.3.17 PUBLIC SECTOR 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.

#### 4.3.17.1 Overall CoC performance of the sector

**Overall, the PSM Sector is 55.4 percent compliant**. In particular, the sector is 70.0, 42.6, 69.7 and 38.3.0 percent compliant at sector planning, projects planning, budget instruments and budget performance, 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 70.0 percent compliant.** Whereas the PSM Sector has an approved plan, three of the 7 Sector MDA plans continue to have no approved plans. These are: LGFC, PSC, and MoLG.

#### 4.3.17.3 Sector projects alignment

**At this level, the sector is 42.6 percent compliant.** This is a weighted score of 31.6, 43.3 and 71.3 percent for budget outturn, expenditure outturn and project performance, respectively. The poor performance is as a result of poor budget performance. Only 6 projects of the 23 under PSM sector with exception of KCCA received 50 percent of the approved budgets. These include: Humanitarian Assistance Project; Support to Ministry of Public Service; Markets and Agriculture Trade Improvement Project II; Support to Ministry of Local Government; Strengthening Min of EAC; and Public Service Commission. In addition, one of the pacification projects, i.e. Development Initiative for Northern Uganda had received zero releases by end of half year. On the other hand, 21.7 percent of the projects had spent over 90 percent of the money received by the end of the quarter.

Further, the project of Markets and Agricultural Trade Improvement Programme (MATIP 2) and that of Urban Markets and Marketing Development of Agricultural Products (UMMDAP) under MoLG were in the MoFPED PIP but not NDPII PIP.

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

**At this level, the sector is 69.7 percent compliant.** This is a weighted score comprising **65.0** and **90.5** percent for budget release and expenditure outturn, respectively. The performance is as a result of divergencies between the MDAs annual performance targets set and allocations in the budget instruments which are at times above the targets set in NDP II. The NDPII key strategic interventions that were not prioritized or implemented yet include: development and institutionalization of national value system; national communication strategy to disseminate Government programmes; development and implementation of a National Media Development Strategy that addresses the existing gaps in standards, quality and responsible media; political federation approved; Redesigning the fiscal decentralization architecture to provide for promotion of adequate and sustainable local government financing; establishment of regulations and standards to guide urban development; and Strengthening local tax administration and exploring new sources to widen and deepen local revenue bases.

#### 4.3.17.5 Budget performance

**At this level, the Sector is 38.3 percent compliant**. This is a weighted score comprising 57.1 and 25.7 percent for budget release and expenditure outturn, respectively. The low budget performance of the sector is mainly attributed to the poor budget expenditure at half year of FY2018/19. Of the 7 PSM MDAs assessed on budget performance, only NPA had all its resources allocated to it spent. While 57 percent (4 of the 7) MDAs received over 50 percent of annual budget. These include: NPA, MoPS, MEACA and PSC.

#### 4.3.17.6 Summary MDA level Performance

The overall summary performance for the security sector MDA is provided in the table below.

**Table 19: Summary of PSM Development Sector MDA level Performance (percent)**

| S/No | MDA/Vote | Planning | PIP | Alignment and performance | | | Budget Performance | Total Score |
|---|---|---|---|---|---|---|---|---|
| | | | | BFP | AB | BFP & AB | | |
| 1 | Sector | 70.0 | 42.6 | 65.0 | 90.5 | 69.7 | 38.3 | 55.4 |
| 2 | NPA | 100.0 | 7.5 | 80.0 | 100.0 | 65.6 | 40.0 | 51.9 |
| 3 | MoPS | 100.0 | 40.0 | 67.3 | 80.0 | 73.9 | 40.0 | 56.5 |
| 4 | OPM | 100.0 | 39.1 | 66.7 | 75.0 | 69.5 | 60.0 | 61.2 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | MEACA | 100.0 | 40.0 | 60.0 | 73.3 | 87.0 | 64.0 | 61.6 |
| 6 | PSC | 0.0 | 7.5 | 75.0 | 73.3 | 66.7 | 64.0 | 36.5 |
| 7 | LGFC | 0.0 | 37.5 | 33.3 | 100.0 | 70.9 | 40.0 | 45.3 |
| 8 | MoLG | 0.0 | 55.0 | 56.7 | 100.0 | 64.5 | 0.0 | 41.3 |
| 9 | UAAU | 100.0 | | | | | | |
| 10 | ULGA | 100.0 | | | | | | |

*Source: NPA Assessment, 2019*

#### 4.3.17.7 Key emerging issues

i) Poor budget performance under the sector will lead to non-realization of the NDPII targets. Given that only 57 percent of PSM MDAs received over 50 percent of their annual budget and only 14 percent had all their resources allocated to them spent, causes inefficiencies in delivery of planned outputs. In the same vain, there's non-realization of approved project funds by MDAs.

#### 4.3.17.8 Contribution to SDGs

On SDG 1, 2 &10, OPM and MoLG are implementing different projects reduction of poverty, Zero Hunger, and Reduced Inequalities such as; Post-war Recovery and Presidential Pledges, Karamoja Integrated Development Programme (KIDP), Support to Teso, Luwero-Rwenzori triangle, and Bunyoro development, Humanitarian Assistance, Restoration of Livelihoods in Northern Region (PRELNOR), Urban Markets and Marketing Development of Agricultural Products (UMMDAP), Community Agric & Infrastructure Improvement Project (CAIIP) III, etc.

In line with SDG 8 on Decent Work and Economic Growth, Ministry of Public Service focused on improving public service management, operational structures and systems, for effective and efficient service delivery. In this regard, the ministry reviewed, developed and customized structures for 5 MDAs. In addition, the ministry provided technical support to 10 MDAs and 20 Local Governments to implement performance contracts.

In line with SDG 16, Ministry of Public Service undertook interventions to promote transparency and accountability under decentralized governance. The Ministry facilitated 16 Local Governments to develop and operationalize client charters.

#### 4.3.17.9 Cross cutting issues

**HRBA**

HRBA is integrated in respect to 2018/2019's sector plan, BFP and AB. This is seen specifically in the sector objective of Improving public service management, operational structures and systems for effective and efficient service delivery. This objective contributes to the realization of the right to access public services. Here, the planned sector targets such as the number of MDAs restructured and the number of public servants serving on performance contracts by category were captured in 2018/2019 instruments. For the number of NDAs restructured, the sector target set was way above the NDP II target.

**Other cross cutting issues**

Most projects under OPM (Teso affairs, Bunyoro affairs, Luwero Rwenzori -Triangle, Karamoja, Northern Uganda, Disaster preparedness and refugee management, NUSAF 3 etc) aim at enhancing and supporting livelihood for women, youth, children, PWDs, elderly and other vulnerable groups by provision of farm inputs and equipment, funding of SACCOs and Cooperatives established, support micro projects as a way of economic empowerment. MDAs under PSM also implement AIDs/HIV at work place policy and AIDS/HIV related interventions.

Environmental issues have also been considered through provision of tree seedlings for Climate Change adaptation and mitigation, promotion of natural resource management and Biodiversity Conservation and disaster risk reduction and management.

## 4.4 FY2018/19 LOCAL GOVERNMENT LEVEL ASSESSMENT

The LG COC Assessment is based on 152 LGs. Therefore, level of compliance (average) excludes 16 LGs. There are standalone reports for the 152 LGs assessed (A list of 152 LGs showing levels of compliance of the AB to the NDPII is presented in the Annex Section).

### 4.4.1 Overall Compliance Score

**Overall, Local Governments are 66.0 percent compliant**. It is a weighted score of 94.7, 53.6 and 97.4 percent for LG planning, budgeting instruments and budget release performance, respectively. The results suggest an improvement from the 62.2 percent level achieved in FY2017/18. See Table 1.

**Table 20: Overall LG Compliance Score**

| No. | Financial Year | FY2018/19 (136 LGs) | FY2017/18 |
|---|---|---|---|
| | **Overall Compliant (percent)** | **66.0** | **62.2** |
| 1. | LG Planning (percent) | 94.7 | 94.5 |
| 2. | Alignment of Budget Instruments (AWP and AB)- percent | 53.6 | 48.0 |
| 3. | Budget Performance | 97.4 | 99.1 |

This is attributed to more focus on key NDPII output targets. The detailed of LG compliance level is presented below and a summary provided in Annex.

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

At this level, Local Governments' plans are 94.7 percent compliant. This is because 8 out of the 152 LGs assessed do not have plans that are aligned to the NDPII.

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

**At this level, LGs are 53.6 percent compliant**. This is a weighted score of alignment of the LG Annual Work-plans and Budgets to NDPII. The compliant is higher compared to the 48 percent achieved in the FY2017/18, largely due to sustained and/or increased focus on the NDPII outputs particularly in the work plan outputs for statutory bodies; health; roads and engineering water; natural resource management; community-based services, planning; and internal audit departments. The alignment of Planning and Internal Audit workplan outputs is remarkably standing at 77 percent and above. However, there was a drop-in alignment of annual workplan outputs for the following decentralized functions compared to the level achieved in FY2017/18: These include: Administration; Finance and Education and Sports (Table 20).

**Table 21: Alignment of Budget Instruments**

| No. | Alignment of Departmental AWB and AB | FY2018/19 (Percent) | FY2017/18 Compliant (Percent) |
|---|---|---|---|
| | **Overall** | **53.6** | **48.0** |
| 1. | Administration | 53.2 | 60.5 |
| 2. | Finance | 57.2 | 74.8 |
| 3. | Statutory bodies | 62.1 | 63.0 |
| 4. | Production and Marketing | 50.1 | 51.5 |
| 5. | Health | 52.7 | 51.3 |
| 6. | Education and Sports | 41.1 | 43.9 |
| 7 (a) | Technical Services (Roads and Engineering) | 57.1 | 43.3 |
| 7 (b) | Technical Services (Water) | 38.2 | |
| 8. | Natural Resources and Environment | 53.8 | 44.1 |
| 9. | Community Based Services | 58.3 | 48.9 |
| 10. | Planning | 77.9 | 71.2 |
| 11. | Internal Audit | 80.3 | 72.1 |

Detailed analysis based on a ranking of frequency of prioritized interventions by local governments is explained under the specific decentralized functions in the Annex.

### 4.4.4 FY2018/19 LG Budget Allocations and Performance

LG budgets mirror the composition of the National Budget, i.e. Wage, Non-wage and development budgets.

**Table 22: Share of Wage, Non-Wage and Development Budgets**

| LG Budget Components | Allocations (Uganda Shillings) | Share (percent) |
|---|---:|---:|
| Wages, Pensions and Gratuities | 2,152,998,692,968 | 68.4 |
| Non-Wage | 420,723,912,034 | 13.4 |
| Development | 572,013,452,112 | 18.2 |
| Total Budget | 3,145,736,057,114 | 100 |

Data for fiscal transfers up to third quarter for FY2018/19 was used to analyze the LG budget performance. LGs received shillings 2,460,544,773,861 out of the planned shillings 3,145,736,057,114, which represents a performance of 78.2 percent (Table). The assessment revealed that budget outturn for FY 2018/19 for the three quarters was 99.3 percent, on average.

**Table 23: Budget Performance FY2018/19, End March 2019**

| Number of LGs | Total Grants Allocation to LGs | Total Releases (Q1, Q2&Q3) | Release Performance |
|---|---|---|---|
| All LGs | 3,145,736,057,114 | 2,460,544,773,861 | *78.2* |

Kiboga District was the only LG that had received less than 1/3 of the releases thus affecting the overall budget performance by end of third quarter.

### 4.4.5 Key Emerging Issues

i) LGs receive a negligible share of the budget, dis-appropriate to their decentralized functions, affecting service delivery. In FY2018/19, LGs directly executed only 10 percent of the Budget, with the rest (90 percent) executed at the Centre. Further, resources to LGs are earmarked to programmes and to a large extent LGs receive and spend these resources as budgeted. Indeed, LGs releases are close to 100 percent with corresponding absorption close to 98 percent.

ii) Despite Decentralization policy of taking services nearer to the people, services are largely re-centralized. The number of LGs, in line with the Decentralization policy, is consistently rising, yet the share of the budget going to LGs is declining. LGs have increased from 133 (including municipalities) in FY2015/16 to 168 in FY2018/19. However, the share of LG transfers of the national budget has on average stagnated around 10 percent, during this period. This is below the NDPII target of 30 percent. This is making it very different for LGs to deliver on their mandate thus directly affecting the quality of social services at service delivery points such as schools, health facilities, roads, extension services and management of natural resources among others. Further contrary, to decentralization policy, several services have been recentralized. These re-centralized services include: building primary schools' classrooms, toilets and providing furniture under Ministry of Education and building health centres under Ministry of Health.

iii) Low staffing levels in LGs particularly for Education and Health sectors is hampering the delivery of services and realization of NDPII outcomes. For instance, in Wakiso district, one school inspector at current staffing levels is expected to inspect 450 schools, compared to the internationally recommended 40 schools. In the health sector at the district levels only 45 percent of the approved District Health Teams (DHTs) are substantively filled with 55 percent being occupied by officers in acting capacities or completely vacant.

**iv)** Despite low staffing levels, budget allocations to LGs are mainly for paying workers' salaries, however, these workers are to a large extent redundant. 68.4 percent of the LG Budgets are for Wages and salaries; and pensions and gratuities. The corresponding non-wage that is required to facilitate these workers to deliver services is so little (13 percent or UGX 2.5 billion per LG) to keep them busy. Also, the development budget is also so little (18 percent or UGX 3.4 billion per LG). This leads to workers' redundancy and poor quality of service delivery at the sub-national level.

v) LGs could still do better on alignment of the ABs to the if they prioritize some interventions that are critical for achievement of NDPII objectives. These include: tackling corruption and taking disciplinary measures against errant public officers; promotion of access to and use of fertilizers; agricultural mechanization; access to water for agricultural production; promoting investment in storage infrastructures to reduce post-harvest losses; promotion of access to Skilled Birth Attendants and Emergency Obstetric Care; establishment and operationalization of an emergency operating centre; scaling-up the integrated community case management of malaria and other childhood illnesses; construction of teachers' houses; and skills development and training; promotion of school feeding; implementation of Early Childhood Development (ECD) policy; Community outreach programmes on appropriate skills training at all levels; and achieving government policy of having all parishes with primary schools.

vi) Others are: prioritize and allocate resources for periodic and routine maintenance of urban paved roads; periodic maintenance of paved district roads; approval of building plans; scaling up of rainwater harvesting at household level; and maintenance of bulk water systems for multipurpose use; implementation of strategic urban infrastructure plans and framework for projects through PPPs; creating public awareness on ENR opportunities, green economy and sustainable consumption and production practices; mapping utilities and infrastructure development corridors and acquire adequate land for them; upgrading of slums; and establishment of district land information which are critical for increasing household incomes, reducing poverty and promoting sustainable development; promotion of externalization of labour; establishment of incubation centres for youth and women groups; promotion of patriotism activities in communities which are critical for addressing youth unemployment in the country; promotion of externalization of labour; and promotion of the development of languages in Uganda.

## SECTION FIVE: BUDGET ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS

The FY2018/19 COC also provides an overview of AB compliance to Sustainable Development Goals.

**5** Overall Assessment

**The FY2018/19 budget is 63 percent compliant to the SDGs.** This is a slight increment from the previous FY2017/18 budget (60.9 percent).

**Whereas the budget scored highly in goals 1, 5, 6, 16, and 17, low performance was found in goals 11, 12, and 13 scoring 50 percent and below.** The budget is strong in allocating resources towards the areas of poverty reduction, water and sanitation, gender, and peaceful and inclusive societies.

The FY2018/19 budget is weak in the following specific areas:

i) SDG 8: limited attempts to improve resource efficiency in consumption and production and endeavoring to decouple economic growth from environmental degradation.
ii) SDG 10 – inadequate strategies for providing appropriate technologies to women and other vulnerable groups.
iii) SDG 11: No clear strategies on promoting and enforcing the use of pollution mitigating technologies in industrial parks and developing green belts and leisure parks:
iv) SDG 12 – no clear strategies for developing and implementing Programmes on Sustainable Consumption and Production Patterns; inadequate attempts for controlling hazardous chemicals and air, water and soil pollution and contamination; lack of measures for implementing appropriate waste management strategies; lack of attempts for promoting sustainable procurement and interlink age between the rural raw material production base and industrial production in cities, limited awareness on the sustainable development and lifestyles in harmony with nature and lack of attempts for developing and implementing tools to monitor sustainable development impacts for sustainable tourism.
v) SDG 14: limited support to strategies aimed at prohibiting certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminating subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies; limited budgetary support to development of research capacity and marine technology transfer.

**Table 24: SUMMARY OF SDGs ASSESMENT**

| Goal | Description | SDG Vs NBFP | SDG Vs AB | AB Weighted Score |
|---|---|---|---|---|
| 1 | End poverty in all its forms everywhere | 75% | 75% | 75% |
| 2 | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 55% | 50% | 51% |
| 3 | Ensure healthy lives and promote well-being for all at all ages | 61% | 61% | 61% |

| | | | | |
|---|---|---|---|---|
| 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | 75% | 70% | 72% |
| 5 | Achieve gender equality and empower all women and girls | 78% | 72% | 74% |
| 6 | Ensure availability and sustainable management of water and sanitation for all | 75% | 75% | 75% |
| 7 | Ensure access to affordable, reliable, sustainable and modern energy for all | 70% | 70% | 70% |
| 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | 83% | 78% | 79% |
| 9 | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | 81% | 69% | 73% |
| 10 | Reduce inequality within and among countries | 69% | 63% | 64% |
| 11 | Make cities and human settlements inclusive, safe, resilient and sustainable | 55% | 36% | 42% |
| 12 | Ensure sustainable consumption and production patterns | 41% | 36% | 38% |
| 13 | Take urgent action to combat climate change and its impacts | 63% | 50% | 54% |
| 14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development | 50% | 57% | 55% |
| 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 | 65% | 65% | 65% |
| 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 | 75% | 75% | 75% |
| 17 | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development | 77% | 73% | 74% |
| | **Overall Score** | **66%** | **62%** | **63%** |

## SECTION SIX: OVERVIEW OF FY 2019/20 BUDGET FRAMEWORK PAPER

As part of the certificate of compliance for FY 2018/19, an assessment of the Budget Framework Paper for FY 2019/20 was undertaken to provide an overview of its intent and direction. The highlights of the findings on compliance of the general intent and direction is provided below.

### 6 Overall Findings

#### 6.1 Macro level assessment

**The FY2019/20 BFP is 34.7 percent compliant with NDPII targets**. The overall score for BFP declined from 45.2 percent registered in FY2018/19. This was attributed to the 60 percent, 25.3 percent and 80 percent level of alignment of the real, fiscal and external sectors respectively. However, the BFP does not provide targets for the monetary sector. The major challenge for the budget framework paper is the failure to bring the fiscal policy targets close to what was intended under NDPII, in regards the policy Objectives reflected in expenditure allocations (% of Budget); overall revenue and expenditure targets, the fiscal deficit and the level of public debt. Further, despite having economic growth objectives that is consistent sustainability, it is observed that much as the BFP (see page iv) states that the FY2019/2020 budget strategy pursues the NDPII goal of attainment of middle income by 2020, the projections for GDP per capita do not show this desire. BFP target is less than the NDPII target on GDP per capita, and there is no evidence of a catch-up program. The above notwithstanding, areas of high compliance existed with respect to adhering to the objective for sustained economic growth; stable inflation; integrating realism in revenue collection targets based on previous FY's revenue collections; and alignment of recurrent expenditure targets.

**Real Sector targets, the BFP is aligned 60 percent aligned to the NDP**. Economic growth rate target of 6.2% deviates by 10percent below the NDPII target of 6.8 percent. In regard to keeping inflation low, the BFP targets for both headline and core inflation are in line with the NDPII target at 4.7percent and 5.4percent respectively. The projections for GDP per capita do not show the desire to pursue middle income status by 2020 given the target of UDS824 deviates from the NDPII target by 26percent.

**Fiscal Sector, overall compliance to the NDPII targets is 25.4 percent**. Allocations that were way below the expected targets. In regards to, resources allocation to priorities, it is specifically observed that in priority sectors are areas such as agriculture development (38percent), information and communication (33percent), tourism (125percent), education (89 percent), and health the allocations were way below the expected targets. On the other hand, there are areas such as energy, works, legislature and accountability, and interest payments the allocations are way above the targets. These deviations in allocations negate the expected consistency with medium-term fiscal objectives.

In regard to revenue mobilization, much as it is good to mobilize above the target, the deviation above the target of 63 percent for planned external grants has no relationship with shortfalls of the previous years of the NDPII. In regards, expenditure, the development expenditure indicative budget target is significantly higher than the planned target by 40 percent; and this has contributed to a larger primary balance than expected for the period. Whereas this could be a positive development to address the shortfalls in allocations for the previous years to key projects, there is no reflection on the rustication for such expansionary fiscal policy beyond the plan targets.

The above notwithstanding, areas of high compliance existed with respect to adhering to the objective for sustained economic growth; stable inflation; integrating realism in revenue collection targets based on previous FY's revenue collections; and alignment of recurrent expenditure targets.

Additionally, whereas the BFP targeted debt of 45.1 percent deviates only by 3 percent is in line with the planned targets, the planned infrastructure projects meant to drive the debt such as SGR and energy projects are either yet to start or are far from being completed, thus having the public gross nominal debt ceiling (as % of GDP) continue to rise slightly above the target. Critical to note in regarding this debt is the imbalance regarding domestic and foreign debt. While the size of the domestic debt is much lower than what was planned in the NDPII by 121 percent, this has contributed to the doubling of the external debt that has deviated from its target by 54. The external debt target of the BFP is more than double the NDPII target and this exposes the economy to sovereign risk.

It should be noted that monetary sector targets were not included in the in budget. It is nevertheless observed that, whereas the BFP does not target private sector credit growth, it recognizes the importance of keeping domestic borrowing within 1% of GDP in order to avoid crowding out private sector credit. By this time, if the performance for the previous years had been realized, credit to non-government sector targets was expected to have grown by 13.9percent.

In regards the external sector, overall compliance was 80 percent. This is attributed to having a higher Current account deficit planned and reflected in the budget paper expecting an influx of imports of infrastructural inputs for the vast public infrastructure projects. Whereas the NBFP does not provide the targets for the months of next year's import cover, nevertheless, with higher GDP growth, the county’s reserves are projected to increase so will the months of next year's import cover.

### 6.2 Sector findings

The findings for the assessed sectors are provided in the sections below.

#### 6.2.1 Education sector

**The education sector BFP for FY2019/20 is 53.5 percent aligned to the NDPII**. This is due to failure of the sector to clearly articulate the planned interventions in the next financial year’s budget. In as much as the sector FY2019/20 BFP contains statements of interventions that are aligned to most of the NDPII interventions, they are without targets and hence not informative to the assessment. Compliance is noticed for strategic interventions that relate to learner enrolment, gender parity within primary and secondary education, and some of the basic education quality indicators. The BFP greatly ignores targets for the skills and higher education sub-sectors' interventions as well as the infrastructure envisaged in the NDPII. With regard to funding, the MTEF projections reduce allocations to the Education Sector allocation, by 3 percent from UGX. 2,781.13billion (FY2018/19) to UGX. 2,685.44billion (FY2019/20). The reduction is due to two donor projects (Support to Higher Education Science and Technology and Uganda Teacher and School Effectiveness Project) which are expected to exit the Public Investment Plan.

### 6.2.2 JLOS

T**he Justice, Law and Order sector FY 2019/20 BFP is 78.5 Percent compliant to the NDPII**. This level of compliance is majorly due to the fact that, the BFP is not addressing the key performance issues highlighted in the FY 2018/19 budget assessment. Critical among these include; prioritizing the development of service and service delivery standards, re-prioritization of FY 2017/18 abandoned interventions under the Uganda Police Force, the inadequate operationalization of regional service delivery centers, and there no targeted interventions to address retrogressive and stagnant indicators.

### 6.2.3 Water and Environment

**The FY2019/20 Water and Environment sector BFP is 66.8 percent compliant to the NDPII**. While the planned sector interventions are not fully aligned to NDPII targets, the deviation is much lower especially for the environment and natural resources sub-sector. For instance, while the NDPII target requires the sector to support 111 district local governments in environment management, the planned intervention targets to support 121 district local government in line with the increase in the number of districts. The sector also plans to develop 30 wetland management plans over and above NDPII target of 23, produce four seasonal climate outlooks in line with the NDPII target and ensure 7,550 Hectares of forest plantations established by NFA which is above the NDPII target of 5,000 Hectares. Nonetheless, some planned targets are below the NDPII targets for instance the sector plans to establish 14 environment and natural resources-based enterprises instead of the required 20 as per the NDPII.

For the water and sanitation sub-sector, majority of the planned sector targets are lower than the NDPII targets. These include; achieving a 73 percent access to safe rural water supply which is lower than the NDPII target of 79 percent, 732 water facilities constructed by technology compared to the NDPII target of 2,050, achieve 87 percent of rural sanitation coverage below the NDPII target of 100 percent and increase to urban water supply to 81 percent below the NDPII target of 100 percent while compliance to waste water discharge permits is planned at 66 percent below the NDPII target of 84 percent.

It is evident that majority of the sector's planned sector interventions and targets are lower than the NDPII targets. This can be attributed to the reduction in the sector's budgetary allocation. The sector is earmarked to receive UGX 913.118 Billion in 2019/20 which is lesser than the 2018/19 budget of UGX 1243.372 Billion. Whilst there may be other factors such as natural resource governance that is inhibiting optimal performance and achievement of the sector's NDPII targets, budget reductions are likely to compound existing reversal and stagnant performance on key indicators such as forestry and wetland coverage, access to safe and clean water in both urban and rural developments. This will have dire consequences on human health, food and nutrition security and human capital development.

Generally, there is an improvement in the budgetary allocation to sector projects. Of the UGX913.118 Billion allocated to the sector, an equivalent of UGX 562 Billion will be spent on implementing projects. Therefore, the performance of projects has a significant implication on the overall performance of the sector. Projects such as the National REDD+, policy management support and water management and development project are on course and received a budget in line with the PIP MTEF projections. In the same vein, projects such as Water and Sanitation Development Facility North have been allocated a higher budget (UGX 24.133Billion) in comparison to 2018/19 (UGX 8.97Billion).

#### 6.2.4 Agriculture

**The agriculture sector FY2019/20 BFP is 34.3 percent compliant to the NDPII.** The weak compliance is a result of the lower sector BFP targets compared to the NDPII arising from the underfunding of a number of planned interventions under NDPII. Generally, while the sector had a slight increment in budget allocation from UGX 937.912 Billion in FY 2018/19 to 959.082 Billion in FY 2019/20, there were major budget reallocations and re-prioritization within the sector towards improving efficiency in performance. In particular, there was a significant reduction of NAADS budget from UGX 249.98 Billion to UGX 99.99 Billion and a shift from provision of agricultural inputs for primary production to provision of inputs for agro-processing, value addition and marketing.

Additionally, increments in budget allocations have been made in critical interventions such as; control of crop pests and diseases; promotion of agro-processing and value addition; scaling up of agricultural inputs distribution under the e-voucher; support to community animal breeding programs; control of animal vectors and diseases such as foot and mouth disease (FMD) and tick borne diseases; grain bulking and value addition infrastructure; fisheries resources regulation and enforcement; fisheries infrastructure construction; construction of irrigation schemes, valley tanks and valley dams; and agricultural mechanization.

Also, the shift in priorities by NAADS from emphasis on primary production; purchase seeds, and seedlings to support to the procurement of value addition equipment and agro-machinery along the agricultural value chains for agro-industrialization in line with the budget strategy for FY 2019/20.

A total of 60.55 Billion was allocated towards this, including: 6 fruit processing equipment (small scale and medium scale); 22 grain milling equipment; 15 milk handling and bulking equipment; establish 10 community grain stores; 60 solar water pumping systems; 100 tractors and matching implements for agricultural mechanization.

Despite these good developments, agricultural research remains one of the priority interventions in NDPII that is grossly underfunded in the BFP. The budget allocation to NARO for undertaking agricultural research and development has been maintained at UGX 69.704 Billion, but this allocation is only 54.2 percent of the planned allocation under NDPII for the same year (UGX 128.69 Billion). The conclusion of the ATAAS project in FY 2017/18 and the failure for provision of an alternative project has stifled implementation of critical agricultural research interventions such as addressing crop and livestock diseases such as Fall Army Worm, Ticks and Tick-Borne Diseases, etc. For example, while the intervention on development, multiplication and commercialization of tick vaccines required 18.5 Billion for FY 2019/20, only UGX 3.2 Billion has been allocated. The development of tick vaccines remains a priority intervention and should be given adequate funding.

The other interventions that have not been adequately funded include: agricultural extension; quality assurance, regulation and safety standards for agricultural products; value addition and agro-processing; agricultural finance; water for agricultural production; irrigation; aquaculture; control of pests and diseases; agricultural research; and cross-cutting issues such as climate change.

The BFP should also provide for strengthening the Department of crop inspection and certification under MAAIF to enhance certification, enforcement and quality assurance of agricultural inputs. There is need to recruit additional staff, renovate and equip certification laboratory facilities at Namalere and Kawanda with advanced equipment such as high chromatographic machines, autoclaves, cold rooms, cold trucks, green houses, and operational resources for inspection and training of agro-input dealers. This will enable the Department effectively certify and track all nurseries and other input suppliers.

The BFP should provide additional resources to District Local Governments to complete recruitment of agricultural extension workers and also fully facilitate the recruited agricultural extension staff to effectively provide extension services in all the sub-counties in the country. This would enhance adoption of improved technologies and increase agricultural productivity.

### 6.2.5 Health

**The health sector FY2019/20 BFP is 56.4 percent compliant to NDPII**. This is slightly lower than last year which was at 56.8 percent. Some projects prioritized in NDP II like Community Health Worker's Strategy (CHEWS), financial risk protection through implementation of the National Health Insurance Scheme (NHIS) and Mass treatment of malaria for prevention have not been allocated funds nor potential placements. Also, significantly missing are means to strengthening inter-sectoral collaboration and partnerships to tackle determinants of health. Staff capacity building through scale up of pre-service education and in-service training to help tackle human resource issues particularly of the super specialized health cadres is also not funded. There is a projected budget increase to the sector from 1.8 trillion to 2.98 trillion in financial 2019/ 2020

### 6.2.6 Security and Defence

**The BFP for the Security sector for FY2019/20 is 45.5 percent compliant to the NDPII**. The unsatisfactory compliance is attributed to budget inadequacies in the key NDPII areas of: National Defence College - Uganda which is unfunded priority of Shs 5.4billion; and Developing and maintaining Defence & Security welfare infrastructure among others. The sector has been allocated 7.6 percent of the annual budget which is less than the NDPII target of 8.6 percent. The implication is therefore that the NDPII priorities identified under security will not be achieved given the underfunding realized.

### 6.2.7 Lands, Housing and Urban Development Sector

**The sector FY2019/20 BFP is 70.0 percent compliant to NDPII**. The sector has a projected budget UGX 72.999 billion in financial 2019/ 2020. The budget is to be expended on ensuring orderly and sustainable rural and urban development, improvement of land use for production purposes, improvement of human settlements, processing Government land tittles, updating and maintaining inventory for all Government, improving land administration among others. However, the Sector BFP is failing to deliver among others, on increasing access to housing for all income groups, for rental and owner occupation, reducing slums and informal settlements, increasing access to affordable housing finance, increased availability and access to serviced land for urban expansion and investment.

### 6.2.8 Works and Transport Sector

**For the FY2019/20, the Sector NBFP is 93.0 percent aligned to the NDPII**. The score is attributed to prioritization of NDPII indicators in the 2019/20 NBFP. Some of these indicators and interventions include the upgrade and expansion of Entebbe international airport, and improved maintenance of the both National and DUCAR network. The deficit however, isx explained by low NBFP targets on some indicators such as the total number of vehicles inspected annually whose target is 3,000 vehicles against the NDPII target of 700,000 vehicles. Furthermore, some indicators such as the number of accidents on level crossings and number of lives lost on rail have not been considered in the NBFP.

### 6.2.9 Energy

**The sector FY2019/20 BFP is 54.9 percent aligned to the NDPII**. This performance is attributed to the delays in kicking off of key oil projects such as development of the oil pipeline, refinery envisioned to have commenced in the NDP II. Further, lack of specific targets in the subsectors such as establishment of the Mineral potential of Karamoja region, Promotion of the development of Rare Earth Elements (REE) as well as increasing private sector Investment in the Mineral subsector. In the electricity sub sector, the promotion of alternative sources of energy has not attained sufficient focus.

### 6.2.10 Public Sector Management

**The public sector management sector is 50.0 percent compliant to the NDPII**. This is based on the MTEF projections for the planned strategic interventions and the total budget is expected to be Shs.1,615.8 Billion which is 6.3 percent of the total national budget.

### 6.2.11 Legislature

**The FY2019/20 BFP for legislature sector is 36.4 percent aligned to the NDPII interventions**. The weak alignment is attributed to non-prioritization of a number of NDPII interventions. These include: Instituting a system of linkages between local government, constituencies and the national Parliament; Enactment of laws to strengthen credibility of electoral processes in Uganda; and reviewing appropriate legislation to facilitate elimination of corruption which are relevant to NDPII implementation.

### 6.2.12 Accountability

**The Accountability Sector BFP for the FY2019/20 is 80.3 percent aligned to the NDPII**. The good alignment was attributed to the alignment of the BFP indicator targets to those in the NDPII plus implementation of a good number of interventions within the NDPII Accountability section. However, there are some interventions that require sector's attention and prioritization and these include the Development of the National Local content Policy, Successful Local credit rating of Government institutions to be able to issue instruments on the capital Market and the Issuance of an infrastructure Bond.

### 6.2.13 Social Development

**The sector BFP is 74 percent compliant to the NDPII**. This is based on the MTEF projections for the planned strategic interventions and the total budget is expected to be Shs.168.9Billion. The SDS budget has continued to suffer a cut on consumptive items of Shs2.537Billion in nominal terms. The mandate of the sector is mainly mobilisation and empowerment which requires enough funds on the affected consumptive items. This will have implications such as reduced monitoring, mobilization and sensitization of communities on the various programmes like Social Risk

### 6.2.14 Public Administration

**The public administration sector is 67.1 percent compliant to NDPII**. The score is attributed to prioritization of NDPII sector strategic objectives. However, there are several specific planned interventions that were not prioritized such as: Develop the sectors service delivery standards; Strengthen regional and international relations between Uganda and other countries to strengthen and sustain national peace and security through resolving cross border conflicts; Build and strengthen strategic partnerships to attract cooperation assistance (exchange programs); Build capacity of the Heads of Missions in the NDP II priority areas and how to attract and negotiate for assistance; Increase the number of commercial attaches to missions abroad; acquisition of new property abroad through purchase and opening of new missions; procurement of vehicles for RDCs (only 5 have been prioritized compared to 20 that were planned.); and Review and align priority sector policies to the NDPII objectives and goals among others.

### 6.2.15 ICT

**The ICT sector is 57.1 percent compliant to the NDPII**. While the sector FY 2019/20 BFP is aligned to the NDPII, the sector ceilings have remained low among key sector priorities and in some instances, largely unfunded. They include: Provision of Broadband infrastructure and connectivity to tourist attraction sites; setting up infrastructure for Implementation of the Uganda Country Code Top Level Domain (ccTLD) Management Policy and Establishment of a National Internet Exchange Point; Investment in ICT Innovation and Research - establishing a model ICT hub and BPO centre in Northern Uganda to create employment and minimize the dependency on foreign ICT solutions; Completing UBC revamp programme as a National Public Broadcaster; Development and implementation of a framework for National Service training and sensitization of the youth covering areas such as socio-economic transformation, civic awareness and participation in national development, fighting of drug addiction, sports betting among others.

### 6.2.16 Tourism, trade and industry

**The sector is 57.1 percent compliant 68.3 percent to the NDPII**. The sector budget allocation declined by UGX78.46 billion from UGX331.84 in FY2018/19 to UGX253.38 in FY 2019/20 representing 23.6% reduction. While the NDPII planned interventions have been included in the 2019/20 BFPs, the majority fall under unfunded priorities. Many are unlikely to be implemented in NDPII and could be considered for NDPIII. It is also worth noting that the MTEF for the trade sub-sector has continuously remained low to the effect that implementation of most interventions have lagged behind schedule not be undertaken. Most interventions in the trade sub-sector continue to be undertaken through off-budget by the development partners. Finally, it should be noted the sector falls among the priority (tourism), the level of resource allocation does not match the expected contribution.

## SECTION SIX: RECOMMENDATIONS

i) To fast-track realization of NDPII outcomes, the AB should prioritize financing priority areas in the remaining period of the NDPII given that, priority sectors have spent 41 percent less of the NDPII planned expenditure.

ii) Government investment in agriculture should be along the entire value chain. While consolidating the gains made at supporting agricultural production and productivity through provision of inputs, more public investment is now required in value addition, post-harvest handling, storage and market access. In particular, the budget should prioritize financing for value addition and market access in line with the NDPII.

iii) Further, the operationalization of the Uganda Commodity Exchange should be expedited to increase market access for agriculture commodities.

iv) Pre-financing of projects should be highly constrained in order to manage the rising cost of debt and contingent liabilities. Further, this financing approach needs to be fully studied since it is outside the NDP II financing framework. The Ministry of Finance needs to fully quantify the contingent liabilities arising out of the current pre-financing arrangements.

v) Unspent balances of the previous year budget should be included in the resource envelope of the new budget so that they finance NDP objectives.

vi) A robust Public Investment Management Systems Policy Framework should be developed to complement the existing guidelines with a focus on:

   a. Strengthening capacity and financing for preparation of priority NDP projects; harmonizing processes for approval of Public Private Partnerships and Traditional Public Sector investments;
   b. Timely review of the Public Investment Plan (PIP) to eliminate expiring projects to free fiscal space for new priority projects;
   c. Harmonizing and strengthening all stakeholder roles especially with regard to alignment to the NDPs, project monitoring and evaluation.

vii) The PIP should be urgently reviewed to eliminate all projects that are largely of a recurrent nature and the tendency of sectors implementing new projects outside NDPII projects should also be restrained.

viii) Further, the AB should allocate financing to only project stages that are ready for implementation in that fiscal year.

ix) Fast-tracking infrastructural investments for oil and gas and other core projects. Uganda should fast-track the implementation of key core projects such as the Oil pipeline, Oil Roads, Kabale airport, Jinja-Kampala Expressway, Bukasa port, and the petroleum refinery. The annual budget should be focused on delivering these and other NDPII flagship projects before operationalization of the EAC monetary union for the economy to maintain its pace towards middle income. The Prime Minister's Delivery Unit should be tasked to fast-track readiness of these investments within the remaining NDPII period.

x) The AB should adequately provide for operation and maintenance of existing investments to maximize returns and avoid idle public investments.

xi) Just like in FY2017/18 recommendation, Government should devise all means possible to deal with land compensation that are affecting infrastructure budgets and implementation. Illegal occupants on government owned land and gazetted areas should be dealt with by the law without compensation.

xii) As recommended in the previous COCs, the Ministry of Finance, Planning and Economic Development should put in place a system and guidelines to capture off budget resources and integrate them in the budgeting process in a timely manner. There is need to mainstream off-budget donor financing into the development budget & strengthen regulation function for ensuring that CSO resources implement national priorities.

xiii) There is need to review the programme-based approach to budgeting with a focus on a comprehensive and integrated Program Approach to Planning, Budgeting and Implementation. The programme based approach should for instance to deal with the following:

a. Curb the recurring challenges of land acquisition for infrastructure projects by enforcement of multi-sectoral implementation planning, including acquisition of service infrastructure corridors.
b. Harmonizing the currently scattered skills development interventions across a number of sectors
c. Streamline the multiple community empowerment programmes

xiv) The Annual Budget should increase capitalization to UDB in order to provide access to affordable credit especially for agro-processing and manufacturing. Further, there is need to consider establishment of a strong indigenous public commercial bank that will leverage access to affordable credit.

xv) The role of UDC as an investment arm of Government needs to be strengthened through capitalization.

xvi) Creation of new local administrative units should take regard of the required optimal recurrent and development expenditures to avoid spending more wage on redundant workers. There is also urgent need to review the decentralization policy and clarify roles of the sectors/MDAs and LGs with respect to devolved functions.

xvii) Just like in FY 2017/18, there is need to continue enforcing the collection of all Non-Tax Revenue (NTR) and AiA by URA so as to ensure maximization and utilization of NTRs and AiA.

xviii) Preventive approach to health care needs to be strengthened and more attention is required for non-communicable diseases in line with the NDPII. There is need for more effort on malaria prevention through mass treatment and prioritize ready investments for oncology and cardiovascular care

# APPENDIXES

## Appendix 1. Summary of assessment at all levels, FY2018/19

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| **A** | **Macro level Assessment** | **72** | **48.1** | **41.9** | **54.1** | Whereas there is an improvement in the alignment of the budget's macroeconomic framework with the Plan, this is still below the 70 percent benchmark desired to propel Uganda to the middle-income status aspiration. Areas of high compliance existed with respect to adhering to the objective for sustained economic growth; stable inflation; integrating realism in revenue collection targets based on previous FY's revenue collections; and alignment of recurrent expenditure targets. The slight improvement in the score is a reflection of better Annual Budget (AB) outturns in FY2018/19 which stands at 50.5 percent compared to 30.8 for the previous year. The level of macroeconomic alignment of the National Budget Framework Paper (NBFP), Annual Budget (AB), and Charter of Fiscal Responsibility (CFR), stands at 46.9 percent, 49.3 percent, and 100 percent respectively.<br><br>**Key areas of noncompliance**: Despite rebound in GDP growth, it is still not high enough to boost the GDP per capita growth and subsequently take Uganda to the lower middle-income status Growth targets; GDP per capita targets and performance outturns; External grant targets; Development expenditure targets which significantly exceeded the planned; expenditure outturn on HCD (Health), Energy sector priority allocations lower than NDP; primary balance; Overall Balance - including grants and HIPC debt relief (% of GDP); current account balance; and Credit to non-government sector. |
| **B** | **National Level Assessment** | **75.4** | **74.2** | **59.3** | **62.8** | An improved performance in FY2018/19 performance from the 59.3 percent scored in FY201718 is attributed to the improvement in the budget performance, linkage and focus of the NBFP and AB to the indicators of the NDPII goal/theme, objectives and development strategies. However, the none prioritization of the core projects continues to constrain achievement of NDPII objectives.<br><br>**Key areas of noncompliance: At goal/theme level**, non-full compliance was due to: (i) **Competitiveness** - while there was commitment in the NBFP to fast track the establishment of the Uganda business facilitation center and restructuring Uganda |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | Investment Authority to make it more effective; there was actually no allocation for the same in the Annual Budget. (ii) **Sustainable wealth creation** - limited budget commitment to manufacturing, forest and swamp recovery; zero allocation to Innovation-EV Car Project; zero allocation to the climate change project and non-prioritisation of provision for even distribution of reproductive health commodities to health Facilities and communities (iii) **Employment** - very limited allocation of funds for priority interventions on employment. For example, the AB allocated only UGX 4.05 Billion for Promotion of Green Jobs and Fair Labour Market in Uganda programme (PROGREL) (AB 2018/19, Page 607) out of the required 95 Billion annually. In addition, there was no funding for innovation for employment and inclusive growth as well as the Innovators and Innovation Hubs. (iv) **Inclusive growth -** non-allocation of funds to the Development Initiative for Northern Uganda and Northern Uganda Social Action Fund (NUSAF III), non-allocation as committed in NBFP to restructure UIA to make it more effective and Institute an online process for business registration; there was also no special allocation for PWDs and Children and funds to support the rolling out of SAGE. **At objective level**, key areas of non-compliance were: **Objective 1**: no allocation of funds towards: establishment of productivity centres at national and regional levels; and the development of work ethics skills in the formal and informal sectors. Non-alignment in promotion of culture and creative industries, development of labour market information systems **Objective 2**: For the second year running there was no allocation of funds for extension of the National Backbone Infrastructure (NBI), and while the NBFP included UGX5.2Bn to construct an ICT Innovation / Incubation Centre at UICT Nakawa this was not reflected in the final budget. **Objective 3**: The AB's focus was weak in the areas of ECD, skills development, teacher recruitment, training and retainment of qualified teachers. **Objective 4**: Staffing levels of the Judiciary are at 55 percent which has put a lot of workload and caseload to Non-Judicial and Judicial Staff. The gazette magisterial area and High Court Circuits are not operational because of lack of funding. **At development strategies level**: Non-compliance was most pronounced in the area of: industrialization (42 percent), urbanization (50 percent); Harnessing the Demographic Dividend and A Quasi-Market Approach all at (67 percent). Specifically, key areas of concern include: (i) Fiscal Expansion for Frontloading Infrastructure Investment - inadequate resource mobilization to facilitate the frontloading envisaged by the NDPII; and the weak budgetary focus on financing interventions aimed at enhancing regional and international competitiveness such as broadband ICT connectivity, improved urban planning, |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | public sector efficiency. (ii) Industrialization - lack of clear intervention for technology transfer; no resources committed for Business Incubations and sustainable model value addition centers and Technical Business Incubation Enterprises and there was zero allocation towards Support to Innovation -KIIRA EV Car Project. (iii) Urbanization - no funding for enforcement of the LG physical plans. **At core projects level -** Overall, the budget performed better on energy and transport infrastructure projects in terms of allocation against release outturns. |
| **C** | **Sector level** | **57.7** | **60.1** | **53.2** | **58.21** | |
| 1 | Agriculture | 56.1 | 57 | 50.9 | 58.1 | The improved performance is as a result of an improvement in the planning frameworks where all MDAs have strategic plans and improved alignment of the budget to key NDP interventions and project performance. Of the 56 projects prioritized in NDPII, 37 (66.1 percent) are in the PIP and receive funding. The remaining 19 (33.9 percent) projects have not been developed. Donor supported projects are the core for the sector with substantial resources, however, they face delayed approval and implementation.<br><br>**Key areas of noncompliance include:** increased agricultural mechanization; en-hance access and use of fertilizer; increase access to water for agricultural production; agriculture mechanization; build capacities of farmers, traders and processors in quality standards and market requirements; promote investments in storage infrastructures to reduce post-harvest losses; operational single spine extension system; promoting sustainable land use and soil management; as well as deepening ICT access to facilitate market information sharing. |
| 2 | Tourism | 55.8 | | | | |
| 3 | Tourism, Trade and Industry | 58.3 | 53.4 | 48.5 | 49.7 | There is an insignificant improvement from the previous period implying the recommendations were not implemented. The weak performance is attributed to the absence of approved plans among majority of the MDAs. On top of the sector not having a development plan, only four (6) of the twelve (12) MDAs under the sector namely; MTIC, MTWA, UNBS, UEPB, UTB and UWEC have approved strategic plans. Five (5) MDAs namely; UDC, HTTI, UWRTI, UWA, and MTAC do not have strategic plans.<br><br>**Key areas of noncompliance include:** These have continued since the previous period. For instance: Scaling up Value Addition and Collective Marketing; Establishment of Satellite Border Markets; Establishing an Integrated Steel and Iron |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | Industry, Zonal Agro-processing, Establishment of Agricultural Commodity Marketing Fund, Supporting Tourism Sites with Utilities and ICT related services, Re-establishment of Cooperatives based inputs Delivery System, Capitalization of the Uganda Development Corporation, among others. |
| 4 | Energy & Mineral Development | 53.4 | 64.5 | 41.9 | 50.5 | The slight improvement in performance is explained by improved project performance.<br>The sector continues to have MDAs with un approved plans. For instance, only, the sector and the petroleum Authority of Uganda 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 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.<br><br>**Key areas of noncompliance include:** 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 subsector, such as the construction of the refinery and downstream petroleum infrastructure have progressed rather slowly i.e. below the NDP II targets. Finally, the sector has incomplete and inconsistent output targets in the sector Development Plan and the budget instruments (BFP and MPS). At project level, in terms of project physical 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 procurement while others such as construction of the oil refinery and the Mbale-Mbulamuti 132kV, transmission line are still at feasibility by Mid NDP II. |
| 5 | Health | 52.9 | 51 | 51.7 | 51.2 | The continued stagnation in performance is on account of low budget absorption by the majority of health sector institutions especially under projects. There's an unsatisfactory budget performance for the sector was on account of very low utilization of the funds released.<br><br>**Key areas of noncompliance 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 |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | 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. |
| 6 | Education | 49.4 | 60.4 | 50.9 | 56.3 | While the sector's planning frameworks are 100 percent aligned to the NDPII, non-compliance is still in sector projects, BFP and the annual budget and budget releases. For instance, sector projects, BFP and Annual budget, and budget releases were found to be 44.3 percent, 68 percent, and 42.1 percent compliant to the NDPII respectively.<br><br>**Key areas of noncompliance include:** Net Enrolment Ratios have remained below NDPII target; Gross Intake Ratios (GIR) rising over and above 150 percent, an indication that the system is admitting more children in P1 that are either under or over age. Other areas of non-compliance that have ramifications on access include; fewer than targeted teachers houses being planned for construction, and the less than targeted number of infrastructure (particularly classrooms) planned for construction. On the other hand, at university level, access is still constrained by non-compliance in terms of planning for more students accessing the Students Loans for higher education (planned 3,454 viz NDP target 5,000). With regards to skilling (mainly technical education subsector), the NDPII requirement for a framework to integrate international standardization and certification in the qualifications framework has not been complied with by the sector.<br><br>Under projects, the assessment noticed low absorption capacity for the already little budget disbursements (expenditure outturn). The sector managed to spend above 98 percent of the released budgets for only 19 percent of the total projects. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | In the extreme, the projects that had the lowest expenditure outturn include; 1370 National High-Altitude Training Centre (NHATC, only 1.7 percent spent), 1338 Skills Development Project (only 5.9 percent spent), 0942 Development of BTVET (only 56 percent spent), and 1310 Albertine Region Sustainable Development project (only spent 10.4 percent). |
| 7 | Water & Environment | 55.7 | 51.8 | 51.2 | 56.1 | Whilst the budget outturn and expenditure outturn are impressive under projects, majority of the projects on environment and natural resources are below schedule as a result of lower budget out turns relative to the PIP MTEF Projections. Nevertheless, the sector and its MDAs all have approved Sector Development Plans.<br><br>**Key areas of noncompliance include:** Urban and rural water coverage; rural sanitation coverage; number of water harvesting interventions promoted; number of water facilities constructed by technology; KM of wetland boundaries demarcated; area of degraded ecosystem restored under forest and; number of tourists in the forest industry. |
| 8 | Works and Transport | 72.4 | 55 | 58.0 | 61 | The improvement from last years' score of 58.0 percent, is attributed to improved planning processes and annual budget performance. The planning process improved from 20 percent to 50 percent scored last year. Only URF, URC and CAA have no approved plans.<br><br>**Key areas of noncompliance include:** whereas the sector prioritizes most of the NDPII interventions, a number remain unbudgeted, these include: i) Promote vehicle efficiency and technologies; ii) Review of road construction Designs and Standards; iii) Improve institutional planning, monitoring & performance evaluation; iv) Strengthening the transport planning function of the MWT; v) Survey, map and Install navigation Aid on inland waterways; and vi) Increase awareness & advocacy in safety of inland water and rail transport. The less than average performance under projects is majorly due to low absorption capacity of the released funds, by close of quarter two. Examples of projects where funds were released but consumption was low include; the transport corridor project where UGX55.07Billion was not spent, Masaka-Bukakata road where UGX41.55Billion was not spent, Kampala flyover project where UGX10Billion was released but no expenditure was made, Hoima-Butiaba- Wanseko road where UGX93.45Billion was released but no expenditure was made, Upgrading of Muyembe-Nakapiripirit where UGX43.09 Billion were not spent, Rehabilitation of district roads where |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | UGX10.33Billion was not spent, and the New Ferry to replace Kabalega project where UGX9Billion was not spent. |
| 9 | Social Development | 65.1 | 57.7 | 65.0 | 64.0 | Stagnation in the sector is as aresult of low budget performance. By the end of the second quarter, EOC received 59 percent of its allocated budget and absorbed 88.3 percent while MGLSD received less than 50 percent of its allocated budget and absorbed 90 percent. In addition, whereas the Social Development Sector and EOC have approved Plans, the Ministry of Gender Labor and Social Development (MGLSD) does not have an approved strategic plan.<br><br>**Key areas of noncompliance include:** The NDPII key strategic interventions that were not prioritized or implemented yet include: establishment of a functional Productivity center; construction and establishment of the business shelters; limited number of inspections at workplaces; development of the LMIS; expansion of the public libraries and establishment and equipping of tele-centers; establishment of youth skills centers; and patriotism activities to enhance mindset change among especially the youth. Although there has been some attempt on mindset change interventions integrated in youth programmes and communication mobilization strategy to address behavioral change. |
| 10 | ICT | 68.6 | 50.8 | 49.8 | 60.8 | The ICT Sector and the corresponding MDAs that include MoICT & NG, NITA, UCC, POSTA and UICT have their respective development plans aligned to the NDPII in terms of priorities and timeframe. However, UBC has no approved strategic planThe improvement in the sector performance is as a result of improved alignment of the BFP and Annual Budget to the NDPII interventions. However, the poor performance under projects is as a result of the sector's failure to absorb all projects resources received by the second quarter. This is attributed to the delays in the procurement processes and in provision of no objection and clearance of Projects. Nevertheless, all the 6 projects prioritized in the NDPII are integrated in the MoFPED PIP. Out of the 6 projects, one (1) project; National Transmission backbone project phase 3 was completed in FY2016/17.<br><br>**Key areas of noncompliance include:** Post and addressing system, turning postal network into a one stop center for government services, transforming the Uganda Institute of Information and Communication Technology at Nakawa into a center of excellence for ICT and implementing of phase 3 of the digital migration that will |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | affect 100 percent geographic and technical coverage of free to air television signal among others. |
| 11 | Lands, Housing & Urban Development | 41.3 | 65.1 | 52.9 | 45.6 | Whereas the Sector has an approved sector development plan that is aligned to the NDPII, the Ministry of Lands, Housing and Urban Development (MLHUD) does not have a strategic plan. On the other hand, the Uganda Land Commission (ULC) has a strategic plan that is not aligned to the NDPII in terms of the time horizon. The ULC strategic plan was tailored to the term of office of the previous Land Commission which ends in 2019. In addition, the scored 20 percent on budget performance. This weak performance is attributed to the low release and expenditure outturn. For instance, of the approved budget to the MLHUD, 198.657 billion, (71.1%) was released and 38.79 percent was spent. On the other hand, 20.21 percent for ULC outturn was received of which 83.1 percent was spent.<br><br>**Key areas of noncompliance include:** The National Land Fund meant to provide improved land access, providing for housing needs for government institutions according to priority development areas for mining, oil and gas, increasing accessibility to housing related inputs through land banking, and a holistic approach to urbanization, implement the National slum upgrading Strategy action plan, promotion and ensure availability and affordability of housing finance among others. |
| 12 | Justice, Law & Order | 71.0 | 70.4 | 57.0 | 62.6 | The sector performed well on the planning process as evidenced by the sector and its MDAs all having approved Sector Development Plan having improved from 67 percent. Most JLOS MDAs have their budget instruments aligned to the NDPII in terms of priorities and targets. The joint sector planning and budgeting arrangements through the JLOS SWAP has contributed highly to entrenching harmonized sector planning and budgeting at MDA level as a number of MDAs are able to articulate their contribution to sector results.<br><br>**Key areas of noncompliance include:** Just like in the FY2016/17 and FY2017/18, most of the programmes and sub-programmes for most MDAs still capture lower level outputs. Programme based budgeting has not yet delivered the results it was intended for. A review of the MDA budgets for previous years indicates that most MDAs have only renamed outputs into programmes and sub-programmes. Therefore, most institutional budgets do not show overall contribution to development results. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| 13 | Public Administration | 58.3 | 67.7 | 50.1 | 71.8 | The sector and all its MDAs that include; Ministry of Foreign Affairs, Electoral Commission, Office of the President and State House have approved plans. The improvement in the score is also because the sector adequately prioritized the strategic interventions of: Strengthen the capacity of Resident District Commissioners and LGs to effectively monitor and report on the implementation of the NDPII priority areas; Negotiate, sign and ratify trade and investment agreements; Establish and strengthen missions in strategic locations; Promoting a positive image of the country at national, regional and international levels; and Implement programmes to strengthen civic participation; improving systems, infrastructure and capacity of the sector secretariat and engagement in national democratic processes among others.<br><br>**Key areas of noncompliance include:** Increasing the number of commercial attaches to missions abroad and building and strengthening strategic partnerships to attract cooperation assistance (exchange programs). |
| 14 | Legislature | 70.3 | 61 | 52.8 | 55.3 | The sector is 100 is 100 percent compliant because it has an approved strategic plan. The continued low sector performance is because the sector's failure to spend the released funds. The sector failed to spend 90.0 percent of the released resources. Under projects, the sector spent only 10.2 percent of the released resources.<br><br>**Key areas of non-compliance include:** instituting a system of linkages between local government, constituencies and the national Parliament; enactment of laws to strengthen credibility of electoral processes in Uganda and reviewing appropriate legislation to facilitate elimination of corruption and promoting application of human rights-based operations in government operations. |
| 15 | Accountability | 41.3 | 70 | 55.7 | 57.6 | Out of 23 MDAs of the Sector, 7 do not have approved strategic plans. These include: OAG, UIA, NSSF, PSFU, EPRC, UMRA and MSC. The weak performance was attributed to the low absorption of the released funds among the Accountability Sector MDAs with the exception of URA and UBOS which fairly spent 88 and 64 percent of the released funds respectively. Under projects, the weak performance is also a result of low absorption of released funds for the projects by MDAs excluding URA and MFPED. **Key areas of non-compliance include:** MDAs like UIA don't have specific interventions that they contribute to in the accountability sector results framework. |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| 16 | Public Sector Management | 50.7 | 62.7 | 47.8 | 55.4 | Although the PSM Sector has an approved plan, three of its 7 MDAs continue to have no approved plans. These are: LGFC, PSC, and MoLG. The low budget performance of the sector is mainly attributed to the poor budget expenditure at half year of FY2018/19. Of the 7 PSM MDAs assessed on budget performance, only NPA had all its resources allocated to it spent. While 57 percent (4 of the 7) MDAs received over 50 percent of annual budget. These include: NPA, MoPS, MEACA and PSC. Under projects, the relatively unsatisfactory performance is as well as result of poor budget performance. Only 6 projects of the 23 under PSM sector with exception of KCCA received 50 percent of the approved budgets.<br><br>**Key areas of non-compliance include: D**evelopment and institutionalization of national value system; national communication strategy to disseminate Government programmes; development and implementation of a National Media Development Strategy that addresses the existing gaps in standards, quality and responsible media; political federation approved; Redesigning the fiscal decentralization architecture to provide for promotion of adequate and sustainable local government financing; establishment of regulations and standards to guide urban development; and Strengthening local tax administration and exploring new sources to widen and deepen local revenue bases. |
| 17 | Defence and Security | 61.0 | 63.9 | 67.7 | 72.5 | The sector improved by 15 percentage points on planning frameworks. The improved performance is as a result of External Security Organization (ESO) finalizing its Development Plan. However, Internal Security Organization (ISO) continues to have the draft Plan that is not signed by the responsible Minister. The continued good budget performance of the sector is mainly attributed to the good budget expenditure at half year of FY2018/19. With the exception of Ministry of Defense and Veteran Affairs that received 44.3 percent of the expected resources and spent 96.4 percent, all other sector MDAs received above average (50.2 percent ISO and 70.98 percent ESO) and spent all expected resources. ISO spent over and above the funds allocated to it (103.1 percent).<br><br>**Key areas of non-compliance include: E**stablishment of a National Defence College (NDC) and Institute for Security Studies (ISS); Review and harmonization of the R&D policy; Introduction of an incentive and reward mechanism for innovation and prototype development. Other factors that affected performance include: limited budgetary focus to national infrastructure development; and lack of budgetary |

| S/N | Level of assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Areas of Non-compliance |
|---|---|---|---|---|---|---|
| | | | | | | provision for the National Service Programme. The sector has a number of un funded activities which encroach on the resources that would be useful in delivering the planned interventions. |
| D | Local Government | | 51.8 | 62.2 | 66.4 | The overall improvement is as a result of improvement in alignment of Annual work plans to the NDPII. In addition, there has been a sustained release performance and finalization of their LGDPs. |
| **Total Compliance** | | **68.3** | **58.8** | **54.0** | **60.0** | |

## Appendix 2. LG compliance to the NDPII

| S/N | LOCAL GOVERNMENT NAME: | LG SCORE | LGDP (aligned to NDPII) | FY2018/19 Annual Budget Performance | Alignment of AWP to NDPII |
|---|---|---|---|---|---|
| | **Overall (Average)** | **67.3** | **100.0** | **103.7** | **53.5** |
| 1 | Adjumani | 78.8 | 100.0 | 100.0 | 69.7 |
| 2 | Apac | 72.5 | 100.0 | 100.0 | 60.7 |
| 3 | Arua | 71.1 | 100.0 | 100.0 | 58.7 |
| 4 | Bundibugyo | 68.9 | 100.0 | 100.0 | 55.6 |
| 5 | Bushenyi | 63.4 | 100.0 | 100.0 | 47.7 |
| 6 | Busia | 66.4 | 100.0 | 100.0 | 52.0 |
| 7 | Hoima | 63.8 | 100.0 | 100.0 | 48.3 |
| 8 | Iganga | 73.8 | 100.0 | 100.0 | 62.5 |
| 9 | Kabarole | 68.6 | 100.0 | 100.0 | 55.1 |
| 10 | Kaberamaido | 63.5 | 100.0 | 100.0 | 47.8 |
| 11 | Kalangala | 63.9 | 100.0 | 100.0 | 48.4 |
| 12 | Kamuli | 72.7 | 100.0 | 100.0 | 61.0 |
| 13 | Kamwenge | 65.1 | 100.0 | 100.0 | 50.2 |
| 14 | Kanungu | 74.2 | 100.0 | 100.0 | 63.1 |
| 15 | Kapchorwa | 61.6 | 100.0 | 100.0 | 45.2 |
| 16 | Kasese | 76.3 | 100.0 | 100.0 | 66.1 |
| 17 | Katakwi | 69.5 | 100.0 | 100.0 | 56.4 |
| 18 | Kayunga | 76.5 | 100.0 | 100.0 | 66.4 |
| 19 | Kibale | 68.5 | 100.0 | 100.0 | 54.9 |
| 20 | Kiboga | 46.7 | 100.0 | 0.0 | 52.5 |
| 21 | Kisoro | 56.7 | 100.0 | 100.0 | 40.4 |
| 22 | Ntungamo | 73.9 | 100.0 | 100.0 | 62.8 |
| 23 | Kotido | 76.7 | 100.0 | 100.0 | 66.8 |
| 24 | Mbarara | 65.4 | 100.0 | 100.0 | 50.6 |
| 25 | Moroto | 66.0 | 100.0 | 100.0 | 51.4 |
| 26 | Kitgum | 67.6 | 100.0 | 100.0 | 53.7 |
| 27 | Kumi | 70.1 | 100.0 | 100.0 | 57.3 |
| 28 | Lira | 71.3 | 100.0 | 100.0 | 59.0 |
| 29 | Luwero | 77.8 | 100.0 | 100.0 | 68.2 |
| 30 | Masaka | 73.1 | 100.0 | 100.0 | 61.6 |
| 31 | Masindi | 72.6 | 100.0 | 100.0 | 60.8 |
| 32 | Mayuge | 67.7 | 100.0 | 100.0 | 53.9 |
| 33 | Mbale | 65.4 | 100.0 | 100.0 | 50.6 |
| 34 | Mpigi | 72.1 | 100.0 | 100.0 | 60.1 |

| | | | | | |
|---|---|---|---|---|---|
| 35 | Abim | 64.4 | 100.0 | 100.0 | 49.1 |
| 36 | Amudat | 70.2 | 100.0 | 100.0 | 57.5 |
| 37 | Amuru | 76.7 | 100.0 | 100.0 | 66.8 |
| 38 | Budaka | 66.5 | 100.0 | 100.0 | 52.1 |
| 39 | Bududa | 76.8 | 100.0 | 100.0 | 66.9 |
| 40 | Buikwe | 76.5 | 100.0 | 100.0 | 66.5 |
| 41 | Bukedea | 67.1 | 100.0 | 100.0 | 53.0 |
| 42 | Bukwo | 69.3 | 100.0 | 100.0 | 56.1 |
| 43 | Bulisa | 69.4 | 100.0 | 100.0 | 56.3 |
| 44 | Buyende | 75.8 | 100.0 | 100.0 | 65.4 |
| 45 | Dokolo | 71.4 | 100.0 | 100.0 | 59.1 |
| 46 | Kyegegwa | 68.2 | 100.0 | 100.0 | 54.6 |
| 47 | Lamwo | 60.2 | 100.0 | 100.0 | 43.2 |
| 48 | Lyantonde | 71.4 | 100.0 | 100.0 | 59.1 |
| 49 | Manafa | 69.5 | 100.0 | 100.0 | 56.4 |
| 50 | Maracha | 64.3 | 100.0 | 100.0 | 48.9 |
| 51 | Mityana | 73.7 | 100.0 | 100.0 | 62.4 |
| 52 | Nakaseke | 71.5 | 100.0 | 100.0 | 59.3 |
| 53 | Namutumba | 62.4 | 100.0 | 100.0 | 46.3 |
| 54 | Otuke | 69.5 | 100.0 | 100.0 | 56.4 |
| 55 | Oyam | 76.1 | 100.0 | 100.0 | 65.9 |
| 56 | Alebtong | 73.6 | 100.0 | 100.0 | 62.3 |
| 57 | Budaka | 64.2 | 100.0 | 100.0 | 48.9 |
| 58 | Bukomansimbi | 64.2 | 100.0 | 100.0 | 48.9 |
| 59 | Bulambuli | 72.8 | 100.0 | 100.0 | 61.1 |
| 60 | Buvuma | 73.8 | 100.0 | 100.0 | 62.5 |
| 61 | Gomba | 76.2 | 100.0 | 100.0 | 66.0 |
| 62 | Kiryandongo | 79.6 | 100.0 | 100.0 | 70.8 |
| 63 | Luuka | 65.5 | 100.0 | 100.0 | 50.8 |
| 64 | Lwengo | 79.0 | 100.0 | 100.0 | 70.0 |
| 65 | Namayingo | 71.4 | 100.0 | 100.0 | 59.2 |
| 66 | Ntoroko | 70.7 | 100.0 | 100.0 | 58.2 |
| 67 | Buliisa | 68.3 | 100.0 | 100.0 | 54.7 |
| 68 | Masaka MC | 72.1 | 100.0 | 100.0 | 60.1 |
| 69 | Ntungamo MC | 65.4 | 100.0 | 100.0 | 50.6 |
| 70 | Nwoya | 78.1 | 100.0 | 100.0 | 68.7 |
| 71 | Rubanda | 75.6 | 100.0 | 100.0 | 65.1 |
| 72 | Rubirizi | 68.2 | 100.0 | 100.0 | 54.6 |
| 73 | Sheema MC | 74.2 | 100.0 | 100.0 | 63.2 |
| 74 | Zombo | 74.9 | 100.0 | 100.0 | 64.1 |
| 75 | Moyo | 65.3 | 100.0 | 100.0 | 50.5 |

| | | | | | |
|---|---|---|---|---|---|
| 76 | Mubende | 64.8 | 100.0 | 100.0 | 49.7 |
| 77 | Mukono | 65.7 | 100.0 | 100.0 | 50.9 |
| 78 | Nakapiripitit | 68.6 | 100.0 | 100.0 | 55.1 |
| 79 | Nakasongola | 73.2 | 100.0 | 100.0 | 61.8 |
| 80 | Nebbi | 69.3 | 100.0 | 100.0 | 56.1 |
| 81 | Pader | 71.4 | 100.0 | 100.0 | 59.1 |
| 82 | Pallisa | 73.9 | 100.0 | 100.0 | 62.8 |
| 83 | Agago | 55.8 | 100.0 | 100.0 | 36.8 |
| 84 | Apac MC | 59.4 | 100.0 | 100.0 | 42.0 |
| 85 | Bukedea | 60.7 | 100.0 | 100.0 | 43.8 |
| 86 | Gulu MC | 60.9 | 100.0 | 100.0 | 44.1 |
| 87 | Gulu District | 77.6 | 100.0 | 100.0 | 68.0 |
| 88 | Kabale | 62.9 | 100.0 | 100.0 | 47.0 |
| 89 | Kamuli MC | 56.5 | 100.0 | 100.0 | 37.9 |
| 90 | Kapelebyong | 52.2 | 100.0 | 100.0 | 31.8 |
| 91 | Kasanda | 58.0 | 100.0 | 100.0 | 40.0 |
| 92 | Kasese MC | 67.0 | 100.0 | 100.0 | 52.8 |
| 93 | Kibuku | 57.2 | 100.0 | 100.0 | 38.8 |
| 94 | Kikuube | 66.1 | 100.0 | 100.0 | 51.6 |
| 95 | Kole | 59.0 | 100.0 | 100.0 | 41.4 |
| 96 | Kumi MC | 52.2 | 100.0 | 100.0 | 31.8 |
| 97 | Kyankwanzi | 64.6 | 100.0 | 100.0 | 49.4 |
| 98 | Rukiga | 47.9 | 100.0 | 100.0 | 25.5 |
| 99 | Rukungiri MC | 52.5 | 100.0 | 100.0 | 32.1 |
| 100 | Sheema District | 61.0 | 100.0 | 100.0 | 44.2 |
| 101 | Soroti MC | 47.0 | 100.0 | 100.0 | 24.3 |
| 102 | Tororo MC | 54.5 | 100.0 | 100.0 | 35.0 |
| 103 | Butebo | 67.7 | 100.0 | 100.0 | 53.8 |
| 104 | Hoima MC | 65.2 | 100.0 | 100.0 | 50.3 |
| 105 | Ibanda MC | 73.4 | 100.0 | 100.0 | 62.0 |
| 106 | Jinja MC | 73.4 | 100.0 | 100.0 | 62.0 |
| 107 | Kabale MC | 73.1 | 100.0 | 100.0 | 61.6 |
| 108 | Kagadi | 79.7 | 100.0 | 100.0 | 71.0 |
| 109 | Kakumiro | 76.5 | 100.0 | 100.0 | 66.5 |
| 110 | Kitgum MC | 59.3 | 100.0 | 100.0 | 41.8 |
| 111 | Koboko MC | 67.0 | 100.0 | 100.0 | 52.9 |
| 112 | Kotido MC | 61.3 | 100.0 | 100.0 | 44.7 |
| 113 | Kween | 64.7 | 100.0 | 100.0 | 49.5 |
| 114 | Mukono MC | 59.9 | 100.0 | 100.0 | 42.7 |
| 115 | Napak | 72.5 | 100.0 | 100.0 | 60.7 |
| 116 | Amolatar | 55.7 | 100.0 | 100.0 | 36.7 |

| | | | | | |
|---|---|---|---|---|---|
| 117 | Amuria | 68.1 | 100.0 | 100.0 | 54.5 |
| 118 | Butaleja | 55.7 | 100.0 | 100.0 | 36.7 |
| 119 | Ibanda District | 65.1 | 100.0 | 100.0 | 50.2 |
| 120 | Isingiro | 74.1 | 100.0 | 100.0 | 63.0 |
| 121 | Jinja District | 60.4 | 100.0 | 100.0 | 43.4 |
| 122 | Kaabong | 56.0 | 100.0 | 100.0 | 37.2 |
| 123 | Kaliro | 69.2 | 100.0 | 100.0 | 56.0 |
| 124 | Kirihura | 64.5 | 100.0 | 100.0 | 49.2 |
| 125 | Koboko District | 59.1 | 100.0 | 100.0 | 41.5 |
| 126 | Kyenjojo | 62.7 | 100.0 | 100.0 | 46.7 |
| 127 | Mitoma | 65.1 | 100.0 | 100.0 | 50.2 |
| 128 | Rakai | 76.0 | 100.0 | 100.0 | 65.7 |
| 129 | Rukungiri district | 67.9 | 100.0 | 100.0 | 54.2 |
| 130 | Sembabule | 67.8 | 100.0 | 100.0 | 54.0 |
| 131 | Serere District | 62.3 | 100.0 | 100.0 | 46.2 |
| 132 | Sironko | 60.9 | 100.0 | 100.0 | 44.1 |
| 133 | Soroti District | 65.6 | 100.0 | 100.0 | 50.9 |
| 134 | Tororo District | 70.2 | 100.0 | 100.0 | 57.4 |
| 135 | Wakiso District | 63.4 | 100.0 | 100.0 | 47.7 |
| 136 | Yumbe | 69.0 | 100.0 | 100.0 | 55.8 |
| 137 | Bugiri District | 77.6 | 100.0 | 100.0 | 68.0 |
| 138 | Butambala District | 70.7 | 100.0 | 100.0 | 58.1 |
| 139 | Entebbe MC | 68.1 | 100.0 | 100.0 | 54.4 |
| 140 | Kira MC | 45.2 | 100.0 | 100.0 | 21.7 |
| 141 | Ngora District | 66.6 | 100.0 | 100.0 | 52.4 |
| 142 | Buhweju District | 69.9 | 100.0 | 100.0 | 57.0 |

Planning House
Plot 17B, Clement Hill Road
P. O. Box 21434, Kampala, Uganda
0414 250229
@NPAUGANDA NPA_Uganda npa@npa.ug