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Institutional Framework Thematic Report

Mid-Term Review of the Second National Development Plan (NDPII)

2015/16-2019/20

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In Association with



Prepared by



For the National Planning Authority

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# ACRONYMS

AEC Atomic Energy Council

ACDWP Annual Consolidated Departmental Work Plan

A Level Advanced Level of Education (Seniors Five to Six)

ARMP Annual Road Maintenance Program

BC Broadcasting Council

BECS Bundibugyo Electricity Cooperative Society

BEL Bujagaali Energy Limited

BFP Budget Framework Paper

BTVET Business, Technical & Vocational Energy & Training

CAA Civil Aviation Authority

CAF Commander Air Force

CASSOA Civil Aviation Safety & Security Oversight Agency

CDF Chief of Defence Forces

CLF Commander Land Forces

CSO Civil Society Organisation

DENA Directorate of Environment & Natural Affairs

DFC Defence Forces Council

DHS District Health Service

DIT Directorate of Industrial Training

DP Development Partner

DWD Department of Water Development

DWRM Directorate of Water Resources Management

EAC East African Community

ECD Early Childhood Development

EDT Energy Disputes Tribunal

EMSDP Energy and Minerals Sector Development Plan

EPRC Economic Policy Research Centre

ERA Electricity Regulatory Authority

FPS Family Planning Service

GWP Government White Paper

HCD Human Capital Development

HDP Health Development Partner

HE Higher Education

HSDP Health Sector Development Plan

HFS Health Financing Strategy

HDP Health Development Partner

ICT Information and Communication Technology

IAEA International Atomic Energy Agency

IWP Inland Water Port

IWTV Inland Water Transport Vessel

JCS Joint Chief of Staff

JIC Joint Intelligence Committee

KGO Key Growth Opportunity

KIL Kilembe Investments Limited

LC Local Council

LDPG Local Development Partners’ Group

LG Local Government

LGDP Local Government Development Plan

LMIS Labour Market Information System

MAAIF Ministry of Agriculture, Animal Industry & Fisheries

MDA Ministry, Department and/ or Agency

MDVA Ministry of Defence and Veterinary Affairs

M&E Monitoring & Evaluation

MEMD Ministry of Energy & Mineral Development

MFPED Ministry of Finance, Planning & Economic Development

MGLSD Ministry of Gender, Labour & Social Development

MICT Ministry of ICT

MIS Management Information System

MoES Ministry of Education & Sports

MoH Ministry of Health

MoLG Ministry of Local Government

MoLGSPS Ministry of

MoPS Ministry of Public Service

MoWT Ministry of Works & Transport

MTEF Medium Term Expenditure Framework

MTR Medium Term Review

MTWA Ministry of Tourism, Wildlife & Antiquities

MW Mega Watt

MWE Ministry of Water & Environment

MWLE Ministry of Water, Lands & Environment

NAADS National Agricultural Advisory Service

NAP National Agricultural Policy

NCHE National Council for Higher Education

NCST National Council for Science & Technology

NDP National Development Plan

NDP1 First National Development Plan

NDP2 Second National development Plan

NEMA National Environment Management Authority

NFA National Forestry Authority

NHI National Health Insurance

NHIB National Health Insurance Board

NIP National Investment Policy/ National Irrigation Policy

NITA National Information Tecchnology Authority

NPA National Planning Authority

NPPSME National Policy on Public Sector Monitoring & Evaluation

NRSC National Road Safety Council

NSC National Security Council

NSPSD National Strategy for Private Sector Development

NTP National Tourism Policy

NTSDP National Tourism Sector Development Plan

NWP National Water Policy

NWSC National Water & Sewerage Corporation

OAG Office of the Auditor General

OBB Outcome Based Budget

O Level Ordinary Level of Education (Seniors One to Four)

OPM Office of the Prime Minister

OWC Operation Wealth Creation

PAMECS Pader Abim Cooperative Society

PAU Petroleum Authority of Uganda

PBB

PCDIA Parliamentary Committee on Defence and Internal Affairs

PEC Presidential Economic Council

PIPO Policy, ICT & Planning Office [of MoLG]

PIRT Presidential Investor Round Table

PO President’s Office

PPP Public Private Partnership

PPPC Public Private Partnership Committee

PPPFP Public Private Partnership Frameworks Policy

PPPU Public Private Partnership Unit

PPU

PS Permanent Secretary

PSD Private Sector Development

PSPHE Proposed Strategic Plan on Higher Education

PSWG

RBFU Resource Based Financing Unit

REB Rural Electrification Board

REF Rural Electrification Fund

RES Renewable Energy Sources

RESP Rural Electrification Strategic Plan

RTDO Regional Tourism Development Office

SBFP Sector Budget Framework Paper

SDSP Social Development Sector Plan

SGR Standard Gauge Railway

SSDP Security Sector Development Plan

SSIP Strategic Sector Implementation Plan

SWAp Sector Wide Approach [to Planning]

SWG Sector Working Group

TLB Transport Licensing Board

TMC Top Management Committee

TMPCC Tourism Master Plan Coordination Committee

TST Technical Steering Committee

TTM Top Technical & Management [Levels]

TWG Thematic Working Group

UAA Uganda Airports Authority

UBTS Uganda Blood Transfusion Service

UCC Uganda Communications Commission

UECCC Uganda Energy Credit Capitalisation Company

UECCT Uganda Energy Credit Capitalisation Trust

UEDCL Uganda Electricity Distribution Company Limited

UEGCL Uganda Electricity Generation Company Limited

UETCL Uganda Electricity Transmission Company Limited

UICS Uganda Island Chimpanzee Sanctuary

UNHRO Uganda National Health Research Organisation

UNMA Uganda National Meteorological Authority

UNRA Uganda National Roads Authority

UPDF Uganda Peoples’ Defence Forces

UPE Universal Primary Education

UPP Uganda Partnerships Policy

URC Uganda Railways Corporation

URF Uganda Road Fund

USE Universal Secondary Education

UTB Uganda Tourism Board

UWA Uganda Wildlife Authority

UWEC Uganda Wildlife Education Centre

WENRECO West Nile Rural Electrification Company

WPC Water Policy Committee

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# EXECUTIVE SUMMARY

This report is part of the consultancy whose specific objective was to assess the robustness of the institutional framework at national and subnational levels in supporting implementation of the second National Development Plan (NDPII) in a coordinated, cohesive and integrated manner. In examining the institutional framework, we used secondary as well as primary methods of data collection. The secondary methods involved consulting documentary sources including plans (e.g., Uganda Vision 2040, NDPII), policies, strategies, reports and newspapers. The primary methods were based on holding interview meetings in several ministries, departments and agencies (MDAs) both at the central and local government levels.

We found that institutional frameworks already in place are adequate for implementation of the NDPII, the structural and systemic constraints notwithstanding. The requisite institutions to implement the NDP are those within the executive, judiciary and legislature. Overall, the evaluation established that the institutions in the above mentioned arms of government have similar challenges as they work towards social-economic transformation of the Ugandan society. Many of the reforms carried forward from NDP1 into NDP2 are yet to be carried out to the detriment of efficiency and effectiveness envisaged in the plans. The reforms had been particularly aimed at providing the drastically improved environment for the private sector to thrive. Limited political commitment coupled with the rapidly growing unemployment were reportedly the main reasons for the week implementation of the reforms. As a result, institutions across the board continued to struggle to enhance efficiency and effectiveness without any dramatic results. These weaknesses were mainly reflected in form of duplication, poor planning and budgeting as well as implementation challenges.

The country operates a decentralized system of governance, planning and resource allocation through sector wide arrangements and resource transfer. This worked fairly well in the period prior to deepening of democratic dispensation, increased demand for services and a change in focus towards national infrastructural development. The Sector Wide Approaches have not coped with the aforementioned developments by adjusting to the core objectives of the NDP. This has weakened planning, budgeting and accountability.

The evaluation has recommended measures to strengthen the decentralized planning both at the centre and local government level, including reinvigorating the Sector Wide Approaches. The Sector Wide Approaches should be reconstituted and tailored towards delivering the objectives of the NDPs through the recently adopted program based planning and budgeting system.

Under the NDP1 it was recommended to restructure the architecture of government to a business mode. A number of studies led by the Ministry of Public Service were undertaken. Their implementation were relayed into NDP2 with fragmented execution that is attributed to budgetary challenges and limited political will. More recently, Government through the Ministry of Public Service revived the government restructuring agenda by producing the “Review and Rationalization of Government Agencies and Public Expenditure” report. The evaluation has analyzed the report and classified recommendations into three categories namely: (i) agencies for immediate implementation; (ii) agencies that require further study and reconsideration, and; (iii) agencies that should be stayed and left in the current status quo.

The evaluation established weaknesses within the oversight function with regard to NDP at various levels of implementation. The weaknesses are related to inadequacy in legal and regulatory frameworks for oversight, inadequacy of the reporting systems, irregularity in the reporting and hearing of oversight reports, weak legal mandate for execution of decisions and inadequacy in inter-agency collaboration. In addition there is absence of mechanisms of coordinated information flow from government to citizens for effective participation. Over the NDP1 and NDP2 periods, attempt has been made to address some of these challenges which include; scheduled timelines for reporting to parliament, appropriate committees of parliament to receive reports and improved regulations to make local government public accounts committees more effective.

The National Policy on Public Sector Monitoring and Evaluation (NPPSME) of the OPM (see Section 5.3 of this report) is vague in as far as specifying who is responsible for the coordination and oversight roles in the respective institutional frameworks. While most of our respondents blamed the OPM for failing in this role, the policy (the NPPSME) gives coordination/ oversight roles to almost every MDA – notably Parliament playing this role through its sectoral committees; the Office of the Auditor General (OAG); the Office of the Prime Minister (OPM); at times President’s Office (PO); and the National Planning Authority (NPA); even the Ministry of Finance, Planning and Economic Development (MFPED); among others. If each of those MDAs is responsible, it is not clear who is responsible for the coordination and oversight role? The coordination and oversight roles for each of these MDAs ought to be clarified. The policy (NPPSME) of the OPM needs to be amended to make it clear who is responsible for the coordination/ oversight role in the respective institutional frameworks.

With regard to the various MDAs that were supposed to deliver the objectives of the NDP2, the review finds that there are various structural weaknesses within the sectors. These range from high level of fragmented approach to achievement of results by the various agencies, the lack of coordination often led to un-harmonised implementation guidelines and in some cases inadequate financing for some sectors. This has been compounded by running most government programs under special projects which are not well streamlined under the structures of government.

# INTRODUCTION AND METHODOLOGY

## Background and Context

1. This report is part of the wider study examining the performance of the second national Development Plan (NDP2) at mid-term. The report presents findings from a sub-study that examined the overall effectiveness of the institutional framework set out for the NDP2 cycle (design, implementation, monitoring and review). In 2015, Uganda launched her second five-year (2015/16-2019/20) National Development Plan (NDP2). The overall goal of the second national Development plan is to propel Uganda into middle income status by 2020 with a per capita income of USD 1,033. The NDP 2 builds on the achievements and lessons during the implementation of NDP1. As such, the NDP2 is centred on three broad themes namely (i) Strengthening Uganda’s competitiveness for sustainable wealth creation; (ii) employment creation; and (iii) inclusive growth. Emerging from the broad thematic areas, are four strategic objectives:
2. Increase sustainable production, productivity and value addition in three key growth opportunities (KGOs), namely Agriculture, Tourism, and Mineral, Oil and Gas;
3. Increase the stock and quality of strategic infrastructure to accelerate Uganda’s competiveness;
4. Enhance human capital development (HCD);
5. Strengthen mechanisms for quality, effective and efficient service delivery.
6. In October 2018, a mid-term review (MTR) of the NDP2 was commissioned with the aim of determining the extent to which progress has been made towards implementation of the NDP2 including progress on NDP 2 related projects and programmes. The review of the NDP2 was structured into six thematic areas namely (i) Economic Management; (ii) Results Framework; (iii) Policy and Strategic Direction; (iv) Political Economy; (v) Development Partnerships (vi) Institutional Framework. Each of these thematic areas has thus constituted a sub-study with a separate report.

## Purpose of the Review of the NDP 2 Institutional Framework

1. This sub-study examined the robustness of the institutional framework at national and sub-national levels in supporting a coordinated, cohesive and integrated implementation of the NDP2.The specific questions/objectives of inquiry under the institutional framework included the following:
2. What is the effect of the change of Government re-alignment as a result of NDP II structure of goals and objectives under a new institutional alignment?
3. What is the efficacy of different government structures in public service delivery?
4. To what extent are local governments, civil society, private sector and local development actors integrated in the implementation of the NDP2?
5. To what extent is there ownership, unequivocal leadership and a sense of urgency and commitment to drive the changes envisaged in the NDP from the Cabinet / highest levels of Government?
6. How effective have the Forum and the NPA been in reviewing progress of the NDP?
7. What efficiency gains have been realised through enhancement of inter and intra-sectoral linkages?
8. What is the actual institutional / management ‘architecture’ (for oversight, authority, accountability and management of NDP implementation as a ‘programmatic’ plan, and how effective has this been?
9. To what extent are the roles of NPA, OPM, MoFPED, MPS, other MDAs and LG bodies separate, distinct, harmonised and carried out in order to maximise efficiency and effectiveness of NDP II preparation, implementation and monitoring?
10. What are the mechanisms for aligning the NDP II to resource allocation and how can these be improved?
11. To what extent has NDP II implementation at the Local Government level been enabled or hindered?
12. To what extent are institutions working together to effectively develop, deliver and monitor cross sectoral policy outcomes / results relevant to the NDP II?
13. To what extent has the NDP influenced policy, planning and budgeting at all levels?
14. To what extent have government structural changes led to more efficient and effective delivery of NDP II objectives?
15. How effectively does central and local government, civil society and the private sector work together for joined-up implementation of the NDP II?

## Methodology and Process

1. The review and analysis of relevant policy and programme documents were key to this inquiry. The review of documents was complemented by interviews with key stakeholders from the public (central and local government), private and civil society sectors. The interviews helped to generate further evidence to address the questions formulated for the analysis of the effectiveness of the Institutional Framework (IF) for NDP 2.

## Organisation of the Report

1. The report is structured as follows: the *first part* has provided a quick overview of the background and rationale of the institutional framework for the implementation of NDP 2; the *second* part describes the Institutional Architecture laid out to manage the NDP cycle; the *third* part of the report examines the institutional reforms that were introduced for effective delivery of NDP II, and the extent to which these reforms have influenced NDP delivery at mid-term; the *fourth part* examines in much more detail, the effectiveness of sector specific institutions that were deemed to be more directly responsible for the implementation of activities and mandates aligned to the four strategic objectives of the NDP2; and the *final* part discusses the lessons learnt and makes recommendations for both the remainder of the NDP2 period and for subsequent NDPs.

# NDP1 LESSONS AND PROGRESS ON INSTITUTIONAL REFORMS

## Introduction

1. This section highlights some of the key findings that were highlighted under the MTR of the NDP1. It also describes the institutional architecture/ framework that was put in place to ensure effective delivery of NDP 2. The chapter then goes on to assess the extent to which the framework has facilitated delivery of the plan.

## Key Findings under the MTR of the NDP1

1. In the course of implementing the NDP1, a mid-term review was undertaken to assess progress made during the first half of the NDP1 implementation. The key findings under the institutional framework report included the following:
2. The MTR established that there is lack of clarity on the role of setting national priorities particularly for the national budget, PIPs, SIPs, and DDPs, which led to poor harmonization and inconsistence among the various plans, including the national budget.
3. The MTR observed that parallel planning programs continued to be undertaken by MoFPED, often without involvement of the NPA.
4. It was observed that over the NDP period, deliberate focus of the budget on the NDP was only clear in the case of the 15 core projects leaving the rest on the strategies unattended to and with sectors continuing with ‘business as usual’. The MTR also noted that as the NDP period progressed, there was increased appreciation of the need to align planning and budgeting systems, tools and policies to the NDP for achievement of the desired socio economic transformation.
5. Over the NDP1 period, OPM continued to coordinate implementation of the public sector programs and policies without major review of its institutional structures to focus on the NDP.
6. The MTR noted that while MoFPED continued to undertake the role of budget monitoring, this role needed to be harmonized with that of budget performance monitoring which was envisaged to be undertaken by OPM in line with the NDP.
7. The MTR findings indicated that there was lack of mobilization of the private sector to rally behind programs and strategies outlined in the NDP.
8. The MTR noted that there were numerous efforts to assess progress of the NDP. This was however still hindered by the lack of an NDP–specific monitoring and evaluation system. It was therefore recommended that a monitoring and evaluation system should be established to facilitate monitoring the NDP and reduce duplication of reporting and fatigue on planners.
9. The MTR identified that oversight over the NDP had a number of challenges, which included inadequate capacity of NPA and other statutory bodies to timely provide quality requisite reports to inform the oversight function.
10. The MTR observed the inadequate institutional framework to support the oversight roles and functions of the Presidency.

## Key lessons learnt in the NDPI Implementation Period

1. A number of lessons with significant institutional implications on NDP delivery were recorded in the NDP 1 period. The first two years of NDP I were characterised by a weak national ownership of the NDP both within Government and among civil society and the private sector. There was failure of sectors to take national priorities as sector priorities within their budgets and sector plans as reflected in the Sector Investment Plans (SIPs) and District Development Plans (DDPs), resulting into a thin spread of resources and limited outcomes. Another lesson was a weak Public Investment Management (PIM) system in Government characterised by lack of capacity in project preparation including capacity to conduct feasibility studies at Local Government and MDA level. Capacity for project appraisal at NPA was also identified as a gap. Consequently, the Public Investment Plan (PIP) remained weak and ad-hoc without a sound PIM system. Thus The PIP continued to have projects that had not reached investment decision. This meant that priority setting and value for money were compromised. Moreover, it was noted by the MTR of NDP 1 that a weak PIM system constituted the single most important factor behind low absorptive capacity by MDAs and which undermined timely execution of projects and programs.
2. NDPI implementation was also complicated by weak and un-institutionalized sector clustering (Sector Working Groups) and a slow development of new innovative financing instruments that have thrived in similar country contexts; a weak sector clustering made it difficult to achieve greater coordination within and across sectors for enhanced efficiency in the use of resources.
3. NDP1 implementation was also constrained by limited financing intermediaries owing to the shallow development of the capital markets which would offer alternative equity financing options. The stock market was largely characterised by few listed companies due to lack of corporate governance among private firms. The market continued to be dominated by foreign owned banks and small indigenous banks that are not well capitalized to provide affordable financing. The profit motive of the foreign banks has also hindered their wider distribution hence limiting the rural population from accessing financial services and mobilization of savings country wide.

## Reforms Proposed in NDP2

1. NDP II attributed a weak implementation of government policies, programmes and projects to institutional and systemic weaknesses among state and non-state actors. Consequently, the plan proposed a number of institutional and systemic reforms and implementation frameworks aimed at addressing the bottlenecks identified during the NDP1 period as a means to accelerate attainment of the goal of propelling Uganda to middle-income status by 2020 with a per capita income of USD 1,033. This MTR of NDP II examined the extent to which these reforms have been implemented and the lessons learnt so far.

### Institutional Implementation Frameworks and Reforms

1. The MTR examined the Institutional and Systemic reforms that were introduced in NDP 2 as a means to enhance efficiency in NDP delivery, with a view to identifying what has worked and what has not and with what implications on NDP II delivery. The MTR notes that at the national level, the NDP2 maintained the key oversight institutions namely the Office of the President, Cabinet and the Parliament but also proposed some reforms. For instance, the Office of the Prime Minister (OPM) was to be strengthened to include a Delivery Unit, while the NPA was also to be strengthened to perform its role of monitoring and evaluation to include capacity for the development of various project proposals. The institutional reform proposals were intended to enhance political and technical leadership as well as ownership of NDP2 implementation.
2. In terms of **Political ownership and leadership** of the NDP II implementation, the following lessons were observed:
3. Implementation and management of NDP II was to remain under the overall leadership of H.E the President, and the principle of collective responsibility for implementation results was to be re-enforced through appropriate structures and levels of leadership;
4. An annual Oversight report comprising recommendations arising from Parliamentary committee deliberations, parliamentary monitoring reports and recommendations from annual reports of constitutional bodies were to be produced and laid before Parliament to facilitate follow-up and continuity. However, the mid-term review noted that the lack of a Committee of Parliament that is fully dedicated to development planning has hindered Parliament from fulfilling its oversight functions related to National Development Planning. The Finance and Planning Committee and the Budget and National Economy Committees of Parliament continue to serve as the committees closest to the NDP dispensation. These committees have annually invited NPA to look at the latter’s policy statements and other key reports, however, follow-ups on such reports remained wanting. Many of the reports did not reach the floor of parliament and are therefore, not traceable in the Hansard. This has indicated that the committees responsible could have been overwhelmed with financing and accountability matters thereby paying limited attention to planning matters;
5. The NDP2 implementation strategy particularly recommended that the constitutional roles of Permanent secretaries be reviewed to allow dedication of overall control and/supervision of NDP 2 implementation to Cabinet Ministers. This requirement had not yet been enforced;
6. The strategic role of the NPA in driving national planning and development is well recognized by state and non-state actors. Under NDP2, the location of the NPA was to be reviewed to position the NPA as the technical driver for transformation and national development. In Uganda’s Presidential system, it had been envisaged that for the NPA to effectively become a technical driver for transformation and National Development its location and reporting arrangements would be reviewed;
7. The NDP II implementation strategy further recommended that an NDP Delivery Committee of Cabinet Ministers be established to focus on tracking implementation of the NDP II. Such a committee was to be composed of Technical Cabinet ministers and not just members of Constituencies. Given that Executive power in Uganda is exercised by the government, with Cabinet forming the highest policy making body, cabinet therefore had powers to establish standing Committee to discuss and advise cabinet on development planning. The MTR noted that Uganda’s Cabinet committee system has for long remained ad hoc serving for a short life span and that no standing committee of Cabinet exists to look into issues of national Development planning and implementation.
8. In regards to **Technical Leadership** of the NDP Implementation, the following is noted:
9. A Delivery (Implementation) Unit was to be established at the Office of the Prime Minister to track implementation of projects and programmes, with an initial focus on key priority areas of Government, namely: (i) Education and skills development; (ii) Health; (iii) Works and Transport; (iv) Energy, Minerals, Oil and Gas; (v) Trade and Industry; (v) Wealth creation (through Agriculture, industry, trade and tourism; and (Accountability and Governance (for Public Sector Management). The MTR found out that whereas the Delivery Unit was in place and had very competent staff with expertise in various technical fields of practice to ably support the OPM in its coordination and monitoring function, it still lacked capacity to adequately handle NDP technical leadership requirements.
10. Linkages to the Prime Minister’s Delivery Unit were to be established progressively in the Planning Units at sector and Local Government levels. However, these links have not been established as planned.

**Figure 1: NDP II Implementation Coordination Framework**



Source: NPA 2015, NDPII Implementation Strategy for the Second 2nd National Development Plan (2015/16 – 2019/20) pg22/24 &NPA 2015; Monitoring and Evaluation Strategy for the 2nd National Development Plan (2015/16-2019/20) pg. 276

**Table 1: Summary of the roles and responsibilities of the NDP II Implementation, M&E Institutions**

| **Institutions** | **Implementation And Coordination Roles** | **M&E Roles And Responsibilities** |
| --- | --- | --- |
| **Presidency** | 1. Take overall leadership and oversight of implementation of the plan to ensure its attainment.
2. Pursue zero tolerance to corruption;
3. Timely communication of cabinet decisions
4. Fast-track implementation of directives from H.E The President;
5. Mobilizing the population towards achievement of the plan;
 | 1. Take overall leadership and oversight of the Plan to ensure attainment of national goals;
2. Convene the NDP Annual Review Forum;
3. Conduct policy dialogues for effective service delivery
4. Facilitating community participation in accountability efforts through LG forums;
5. Conducting independent reviews on the performance of key Government policies, programs and projects;
6. Mobilizing and sensitizing the population through electronic and print media to own national development goals and empower them to give feedback on performance;
7. Monitor the performance of the manifesto commitments for the ruling Party;Undertake oversight monitoring on performance of Government projects, programs, policies and the entire economy
 |
| **Cabinet** | 1. Provide policy direction for NDP II;
2. Approve the budget allocations;
3. Champion the implementation.
 | 1. Review and assess efficiency and effectiveness of policies, programmes and interventions
2. Review the performance of implementation of plans and (other emergency interventions)
3. Review and monitor the performance of the entire economy of Uganda
4. Monitor governance issues of the country
 |
| **Parliament** | 1. Ensure that the National budget is aligned to the NDP priorities;
2. Oversee the implementation of NDPII;
3. Enact enabling legislation;
4. Actively represent views of the public in implementation of NDP II.
5. Appropriate resources for NDP 2 Implementation;
6. Approve Government loans and grants;
7. Hold the Executive accountable on implementation.
 | 1. Conduct oversight over implementation of Government policies, programmes and the performance of MDAs and the economy as a whole
2. Undertake field oversight monitoring and present reports for corrective action
3. Assess alignment of budgets, policies and programmes to the country’s strategic direction/goals, in line with the planning framework (Uganda Vision 2040 and the NDP).
4. Review accountabilities with the view to assess effectiveness and impact of policies and programmes
 |
| **National Planning Authority** | 1. Develop the National Development Plans;
2. Align long term, medium term and annual budget allocations to the NDP priorities;
3. Report to Cabinet and Parliament on the progress of implementation of the Plan;
4. Issue Certificate of Compliance of the national budget for the previous year, Sector, MDA and LG Plans and Budgets;
5. Coordinate implementation planning of the PIP (Project Preparation and Appraisal);
6. Issue Planning Call Circulars to Sectors, MDAs and LGs;
7. Assist sectors to develop Service and Service Delivery Standards
8. Develop NDP II performance indicators and targets in liaison with sectors;
9. Overall responsibility for the NDPII Results Framework (impact, outcome and output indicators).
 | 1. Take leadership in monitoring and evaluation of implementation of medium term and long term National Development goals and Plans;
2. Report on the outcome and impact results of the Plan;
3. Coordinate NDPII M&E forums at all levels;
4. Establish and maintain an integrated M&E system based on the NDPII results framework;
5. Ensure that the budget outcomes and outputs are aligned to the NDPII;
6. Undertake pre-investment evaluation of projects and programmes
7. Undertake reviews, ex-post evaluation and impact assessment of Government Plans, projects, programmes and policies;
8. Undertake assessment of the performance of sectors, ministries and local governments in relation to the implementation of the national development plan;
9. Assess performance of the entire economy of Uganda.
 |
| **Office of Prime minister** | 1. Coordinate implementation of the Plan;
2. Channel for the flow of public sector performance information and reports
3. 6 Submit periodic reports on coordination of implementation of the NDP to Cabinet;
4. Ensure effective and timely implementation of decisions from Cabinet and hold MDAs accountable;
5. Strengthen functioning of the Sector-Wide Approach;
6. Operationalize the Delivery Unit framework;
 | 1. Undertake performance monitoring and produce annual and semi-annual reports to Cabinet on Government performance.
2. Receive and analyse quarterly performance reports from MDAs and LGs and provide feedback.
3. Timely assessment, feedback and follow up of GAPR recommendations with implementing agencies.
4. Monitor adherence to standards during implementation across sectors
5. Monitor M&E capacity building programmes among MDAs
 |
| **Ministry of Finance Planning and Economic Development**. | 1. Resource mobilization and allocation;
2. Timely release of funds for implementation of the NDP;
3. Ensure accountability for resources disbursed;
4. Ensure efficient and effective procurement systems;
5. Ensure direct linkage between planning, budgeting and resource allocation during budgeting and implementation;
6. Facilitate effective PPP arrangements.
 | 1. Resource mobilization and timely release of funds for M&E across Government
2. Ensure timely accountability for resources disbursed.
3. Monitor the performance of the budget in line with the national development.
4. Monitor public debt
5. Assess sustainability and impact of the public debt in relation to medium term and long term planning
6. Monitor foreign assistance (Aid), including off-budget support
 |
| **Ministry of Public Service** | 1. Clearly define the roles and responsibilities of MDAs/LGs to eliminate duplication of roles/efforts;
2. Enforce and implement performance assessment instruments for Public Servants;
3. Provide and implement the pay policy;
4. Provide and implement policy framework for HR Capacity building for the Public service;
5. Provide a policy framework and ensure proper implementation of HR procedures, policies, practices and systems;
6. Provide standards and systems for managing and administering the Public Service;
7. Coordinate joint inspection programs on Public service delivery;
8. Provide and monitor the reward and sanctions framework.
 | 1. Monitor and evaluate performance of the Public Service
2. Monitor the remuneration, rewards and sanctions framework
3. Monitor the implementation of capacity building initiatives across Government
4. Monitor the implementation of approved structures and systems for service delivery
5. Monitor compliance to established service standards in managing and administering the Public Services
 |
| **Ministry of Local Government** | 1. Coordinate implementation of the NDPII at LG level;
2. Support LGs to mainstream NDPII priorities into LG Development Plans;
3. Support capacity building for NDPII implementation in Local;
4. Governments in collaboration with MOPS;
5. Advise on funding modalities for the LGs
 | 1. Monitor the performance of the LG level results framework
2. Monitor and evaluate capacity building interventions at Local Government level
3. Receive and analyse quarterly performance reports from LGs and provide feedback to LGs and key stakeholders
4. Convene NDP forums at LG level in collaboration with NPA and follow-up recommendations.
5. Monitor and evaluate the on-budget and off-budget financing arrangements at LG level
 |
| **Sectors/ other Ministries, departments and agencies**. | 1. Effectively implement plans in line with the sector set targets and Performance indicators;
2. Provide timely accountability for allocated resources and results;
3. Provide planning and implementation guidelines to LGs;
4. Provide technical support supervision to LGs;
 | 1. Monitor the implementation of sector development plans (SDPs) and strategic plans
2. Monitor and submit to OPM and NPA reports on performance against set targets/indicators
3. Monitor and submit reports to OPM and NPA on implementation of sector projects and programmes
 |
| **Local Governments** | 1. Implement the District Development Plans;
2. Support the implementation of national projects and programs;
3. Mobilize local revenue to finance LG priorities.
 | 1. Monitor implementation of District Development Plans
2. Monitor and submit reports on implementation of projects and programs in Districts.
3. Monitor and submit reports to MoLG on local revenue mobilization within the districts.
 |
| **Non-State Actors (Development partners, CSOs, Media, Academia, private****sector)** | 1. Partner with government through PPPs, and through other development interventions for effective implementation of NDP in line with set priorities;
2. Partner with Government through bi- and multilateral partnerships, PPPs and other development interventions for effective implementation of NDPII in line with set priorities;
3. Align partnership strategies to the NDPII and sector strategies and promote the use of government systems and procedures;
4. Improve policies and procedures in order to increase the impact of development partnerships on the intended results of the NDPII, including promotion of human rights and rule of law;
5. Promote accountability to Government and the citizens of Uganda in the use of development resources;
6. Reduce transaction costs and promote value for money;
7. Assist Government through financial, technical and other forms of assistance to ensure effective implementation of the NDPII.
 | 1. Monitor and submit reports on implementation of their projects and programs to respective LGs and sectors.
2. Assess and provide over sight reports on service delivery and implementation of planning in the country
3. Participate in sector and Local Government reviews
4. Participate in the public sector planning processes at LGs and at sector level.
5. Provide timely and quality data on the financial and physical implementation of the project for which they are executing agency to the relevant MDAs and LGs.
6. Participate in the discussion and decision making committees at program ,sector and national level that review and comment on the public sector performance
7. Assist Government through financial and technical and other forms of assistance to strengthen its performance.
 |

Source: NPA 2015, NDPII Implementation Strategy for the Second 2nd National Development Plan (2015/16 – 2019/20) pg22/24 &NPA 2015; Monitoring and Evaluation Strategy for the 2nd National Development Plan (2015/16-2019/20) pg. 267.

# INSTITUTIONAL PERFORMANCE TOWARDS ACHIEVEMENT OF NDP2 OBJECTIVES

## Introduction

1. The implementation of NDP2 was undertaken within the existing institutional framework of Government. Based on this institutional framework, the overall implementation and management of NDP2 was placed under the leadership of His Excellency the President. As Head of State the NDP envisaged H.E. to champion the NDP as the national development planning framework that would guide all investment priorities as well as reform strategies for the country for attainment of the Country’s development vision. Based on the lessons learnt in NDP1, the NDP2 aimed to strengthen all the institutions and build capacity for a much more effective implementation of the second 5-year NDP. The institutional architecture as laid out in the organogram in figure 1 depicts a highly participatory planning, implementation and monitoring framework. In new public management models, this framework was indeed one that was expected to yield greater outcomes particularly because of its inclusiveness. The principle of collective responsibility for implementation of results was to be reinforced by a strong political and technical leadership and ownership of the NDP.

## Performance of the Oversight/Apex NDP II Institutions

1. In order to enhance the oversight role of key stakeholders in NDP implementation, four review forums (as opposed to only one in NDPI) for the NDP implementation were to be constituted. These were: (i) the NDP annual review forum; (ii) the Sector Review Forum (SRF); (iii) the Private Sector and Civil Society Review Forum; and (iv) the Local Government Review Forum.

### Review Forums for NDP II Implementation

1. The **NDP Annual Review Forum** was proposed in NDP2 in the same way it was proposed in NDPI. This high level presidential forum chaired by H.E. the President was to be constituted to take lead in implementation of the NDP2, and would comprise Ministers, Permanent Secretaries, Heads of Government Departments and Agencies, LGs as well as representatives from the private sector, CSOs, Faith Based Organizations and Cultural Institutions. The forum was to be convened at least twice every financial year, with the NPA as its secretariat. An Annual and Semi-annual implementation report was to be prepared to facilitate identification of issues to be addressed by the forum. Reports on projects and programmes at various stages of the public investment management cycle (pre-implementation, implementation and post implementation) would be consideration at the forum with the focus dedicated to identifying and addressing institutional and systemic implementation bottlenecks in the NDP2. The MTR notes that the NDP Annual Review Forum in its conceptual form has not been convened, nor has there been consistent funding for the NPA to prepare national annual development reports that were envisaged to form the core basis for Forum discussions.
2. The **private sector and civil society forums** proposed under the M&E Strategy were also envisaged to effectively support implementation of NDP2. The NDP 2 indicates that this Forum was to be strengthened by focusing on NDP2 execution, and its terms of reference were to be enhanced to include reviewing the status of the projects across the project management cycle, with particular emphasis on Public Private Partnerships and the lessons learnt from project evaluations. The NPA was to provide technical support and work with the Forum in assessing performance of Government policies and programmes. By MTR, there no progress in implementation of these private sector forums and no project reviews have been carried out and findings tabled for discussion. The Civil society largely continue to do business as usual in their advocacy work.
3. Similarly, the **Annual Sector Review Forum (SRF)** was to be strengthened by enhancing the independence of the assessment and the focus on NDP, with the NPA playing a significant role in this. The use of independent assessors and increased civil Society participation in the assessment was seen as a key strategy for enhancing the independence of the review/assessment. Participants at the review would include MDAs, development partners, private sector, Faith based organizations, cultural institutions and civil society organizations operating in the sector.
4. The **Local Government Review Forum** was also introduced to primarily review district -level performance on an annual basis. The focus of the forum would be to review the status regarding LG projects and programmes at the various stages of the public investment management. Urban authorities, the private sector, faith-based Organisations (FBOs), Cultural Institutions and Civil Society Organisations (CSOs) were to constitute the Local Government review forum. This forum was found to be non-functional, despite its strategic oversight importance in enhancing local government priority setting and implementation in the NDP dispensation.
5. The MTR noted that the NPA has continued to hold high level dialogues called the National Development Forums where key themes around NDP implementation are discussed. These review forums convened by the NPA also existed in NDP1. However, the different forums as proposed in NDP II and their unique constituent membership have not been effectively functional. This fully reflects the gaps in the critical role of stakeholders in supporting the oversight functions of the apex structures and most importantly the limited recognition and urgency of their roles by the apex oversight organisations.

### Cabinet, Parliament and the OPM

1. **Cabinet, Parliament** and **the OPM** in NDP 2 were expected to maintain their overall oversight functions in terms of policy consistency, funding approval and prioritisation as well as coordination of the implementation plan among other specific oversight functions respectively. We look at each in turn:
2. The **OPM** maintained its overall coordination function for NDP implementation. In addition, a Delivery Unit was introduced as a reform intended to strengthen the OPM coordination of sectors and LGs to further improve NDP delivery. The MTR noted indeed that the introduction of the OPM Delivery Unit was a good move intended to enhance the OPM’s effectiveness in playing its mandate of coordinating implementation, monitoring and reporting to cabinet on a six-monthly basis on progress in implementation of the NDP. However, besides supporting the implementation of specific presidential directives and targets such as targets to double the current volume of coffee export, one key role of ensuring a strengthened functioning of the sector-wide approaches remains outstanding as most of the Sector Working Groups remain weak (as later discussed in section three. Owing to this, the OPM has continued to rely on coordination and implementation frameworks embedded in the former PEAP framework that are not linked to the NDP, in addition to the OPM having conflicting roles with the NPA. This conflict in roles continues to persist even when a new structure – the Delivery Unit was introduced to support the OPM on fast tracking implementation and monitoring on key NDP 2 projects. C
3. **Cabinet:** In NDP2, cabinet maintained its overall mandate of coordinating the policy making and management process in Government and the **implementation** of Cabinet decisions. To perform its constitutional mandate, cabinet is technically supported by the Cabinet Secretariat headed by the Cabinet Secretary and Head of the Civil service. Overall, Cabinet secretariat is expected to enhance the capacity of cabinet to: support the Presidency in its role of provision of overall leadership in public policy management and the promotion of good governance in public institutions; provide efficient and effective support to Cabinet in the discharge of its Constitutional mandate of formulating, determining and implementing Government policy, and facilitate the policy making process and coordinate the implementation of Government policies and programmes. The MTR noted that earlier in NDPI implementation, cabinet secretariat was inadequately prepared to support cabinet’s focus on NDP as the core planning framework for Uganda’s development. Consequently it was proposed that the capacity of cabinet secretariat be strengthened to support cabinet to play its monitoring role during implementation of the NDPs and to ensure political ownership and leadership of the NDP. The MTR of NDP2 established that an important decision by the President to appoint the Board Chair for NPA to Cabinet was a highly welcome gesture by the president to enhance the influence of the NPA not only on national policy direction but also speed and efficiency in implementation. The decision, it was noted, provided the NDP an improved space in political engagements. However, this space was short-lived, given that the Appointment to cabinet of the then Board Chair was not institutionalized. Given that executive power in Uganda is exercised by the government, with Cabinet forming the highest policy making body, cabinet then becomes the most important body that the NDPs will need to steer through their priorities and also form a permanent basis for sectoral plans and priorities. This desired level of influence continues to miss as the oversight roles of Cabinet are partially embedded in the prime Minister’s Office resulting into overlaps that sometimes result into unnecessary inertia for the NDP progress. For instance, despite the fact that cabinet has powers to establish standing committees to discuss and advise cabinet on specific policy matters, the MTR noted that Uganda’s Cabinet committee system has mainly been ad hoc serving for a short life span. However, no standing committee of Cabinet exists to look into issues of national Development planning and implementation.
4. **Parliament** in the same way as the NP1 has in NDP2 continued to play its oversight, appropriation and legislation roles. Through these constitutional roles parliament was to ensure effective and efficient NDP implementation. In addition, on an annual basis, parliament debates, discusses and appropriates resources in line with NDP priority areas. Overall, the MTR concludes that Parliament has inadequately played its oversight and appropriation functions in as far as the NDPs are concerned. One of the main obstacles is the lack of a standing committee of parliament on National Development Planning to facilitate a clear reporting line between NPA and Parliament. The MTR notes that The Finance and Planning Committee of Parliament and the Budget and National Economy Committee have served as the committees closest to the NDP dispensation. These committees have annually invited NPA to look at the latter’s policy statements and other key reports, but effective follow-up on such reports by the committees remained wanting. It was mentioned by the staff of NPA that many of the reports presented to Parliament by the NPA do not reach the floor of parliament for discussion and are therefore not even traceable in the Hansard. The argument raised is that the committees seem to be too overwhelmed with financing and accountability matters to be able to pay attention to planning matters. Despite previous recommendations that a specific committee of Parliament be formed to handle National Development Planning, this had not yet been done by MTR.
5. **National Planning Authority (**NPA): The NPA was established by The National Planning Authority Act of 2002 with the primary function to produce comprehensive and integrated development plans for the country elaborated in terms of the perspective vision, long term and medium term plans. The NPA has continued to bring together various stakeholders and coordinated joint implementation planning in order to smoothen coordination of cross-cutting issues including alignment of Budget Framework Papers (BFPs), policy statements and work plans of MDAs and LGs within the NDP framework. As in NDPI, the NPA was in NDP2 assigned responsibility for establishing the results framework for the NDP, and for ensuring that relevant institutions of Government non-state actors develop results indicators that are consistent with the NDP. NPA would also be responsible for producing an overall annual national development report, capturing progress and issues pertaining to the strategic components of the National Development Plan.

The NPA was also to focus on ensuring implementation planning of key NDP2 projects and programs, which included supporting sectors, MDAs & LGs in project preparations. This would involve enhancing and harnessing of synergies and ensuring a holistic and sequenced approach to implementation of intervention as well as improved coordination of cross cutting issues. To support implementation planning, a list of NDP2 Public Investment plan projects was to be produced and profiles generated to inform a detailed 5 year Public Investment Plan (PIP). In order to streamline Public Investment Management (PIM), feasibility studies were to be undertaken by sectors, MDAs, LGs before any investment decision is made. The major systemic bottleneck that the NPA has faced is continued difficulty in alignment of financing to budgeting based on identified priorities.

This MTR noted that NPA is still struggling with insufficient political visibility and strategic positioning in the bureaucratic structure to influence financing decisions. Owing to the existing disconnect in policy analysis between the NPA and the cabinet secretariat, it was noted that there are policies that are not consistent with the national development plans, while others end up being passed in the interest of specific sectors and not national interests. Over the NDPs period, NPA has continued to hold meetings with the parliament committees most relevant to NDP implementation e.g. Finance and Planning, budget and National Economy, but much more needs to be done to build the capacity of Parliament and cabinet to appreciate the NDP dispensation. The influence that had started gaining ground in Cabinet ceased when the former NPA chair left office.

The location of NPA under the Ministry of Finance also poses another challenge. Policy papers of NPA are subjected to discussion and approval by the Heads of Departments before they are presented to the relevant Parliamentary Committee and/or cabinet. These HODs who are already busy with other issues at times fail to provide thorough and objective reviews and timely feedback to the NPA. With the proposed merger of the Economic Policy Research Centre and the National Population Council to the NPA, a boost in technical capacity for planning and policy analysis will be realised to further necessitate that the NPA is elevated to be able to work closely with the cabinet secretariat.

The Planning Units of MDAs and local governments were also to be strengthened to include training in project preparation and conducting of feasibility studies to facilitate timely implementation of projects. The MTR noted that whereas the NPA had started conducting these trainings targeting district planning officers it was lagging behind due to limited funding.

### Institutional performance of the Private Sector and Non-State Actors

1. Uganda’s private sector continues to be acknowledged as the key driver of growth and development. However, its potential to become a real driver of economic transformation is still very low. The sector is still dominated by micro, small and medium enterprises (MSMEs) and a large informal sector. Approximately, there are over 110,000 enterprises employing about 2.5 million people equivalent to 90 percent off-farm private sector workers[[1]](#footnote-2). The Uganda business registry in 2012 also showed that majority of enterprises surveyed were operating on a micro to small scale with more than 93% of the enterprises categorised as micro enterprises and employing less than 5 persons each. As per MTR, the cost of doing business also remained high due to such factors as the high cost of energy and transportation, low labour productivity, bureaucracy emanating from slow reforms in the business regulatory regime (especially related to procurement, logistics and supply), weaknesses in the financial services sector and the lack of a public private partnership policy.
2. In NDP II, the Private Sector was to partner with government through Public Private Partnerships and through other Development partners to implement the NDP in line with NDP priorities. Overall, out of the estimated NDP2 budget of 196.7 trillion, the government of Uganda contributed 113.7 (57.8%) and the private sector was estimated to contribute 83 trillion (42.2%). In order to effectively mobilise the private sector potential for national development, the NDP2 among others proposed that government pursues a private sector led, export oriented, quasi market approach by fast tracking strategic infrastructure, industrialization, skills development strategies and establishing private sector forums to discuss the progress in the implementation of NDP 2 by non-state actors. Also, in order to relieve the government of the pressure on public meagre resources, government was to create strategic partnerships with the private sector through PPPs for investment in infrastructure, human capital, minerals, oil and gas, tourism and agriculture. The MTR notes that the Project analysis and PPP unit was established in the MoFPED to support the analysis of investment proposals developed to attract public private partnerships. The NDP2 also proposed the introduction of Fund of Funds private sector financing especially for start-up companies that are shunned by traditional commercial banks. It was envisioned that, over time, the fund of funds would gradually be opened to the private sector, allowing for its efficiency. The MTR has noted slow progress in the establishment of this fund.
3. In order to enhance the contribution of civil society to national transformation, the NDP committed among other things to work with NGOs **through the private sector and Civil Society forum** whose task was to review the status of projects across the project management cycle, with particular emphasis on PPPs while identifying lessons learnt. NPA was to provide technical support and work with the forum in assessing performance of government programs and projects. Thankfully, a highly positive development is that CSOs are now represented on the NPA expanded board. Nonetheless, more work needs to be done in the direction of supporting and respecting their advocacy work through opening more channels for information sharing as well as dialogue.

### Institutional Performance of Local Governments (LG)

1. All LGs in Uganda operate under a decentralised government system ushered in by the 1997 Decentralisation policy framework that in essence was devolution. Decentralisation in Uganda was expected to contribute to development by empowering the people and institutions at every level of society. The rationale for decentralization in Uganda was political and the main consideration leading to it being to restore democracy and power to the people.
2. In terms of the institutional set-up for NDP II implementation, LGs were not only expected to identify their development priorities as part of the NDP planning process but also to contribute to local revenue generation to support implementation of their development plans as well as to support implementation of national projects and programmes. LGs were also to be responsible for monitoring / reporting on progress of implementation and achievement of planned outputs by focusing on implementation bottlenecks/constraints.
3. Local government councils have the powers to make development plans based on locally determined priorities; to raise revenue; and to make, approve and execute own budgets; to alter or create new boundaries within their area of jurisdiction; to appoint statutory commissions, boards and committees for hiring and firing personnel (District Service Commissions, DSCs); for land (District Land Boards); for procurement (District or Urban Tender Board); for accountability (LG Public Accounts Committees); and to administer own payroll and pension.
4. Local councils are responsible for delivery of the majority of public functions and services. In particular, district local councils are responsible for; primary, secondary, special and technical education; hospitals (other than those providing referral and medical training), health centres, dispensaries and aid posts; the construction and maintenance of feeder roads; the provision and maintenance of water supplies; agricultural extension services, land administration and surveying; and community development. “Line ministries are no longer responsible for direct delivery of transferred services.” The Central Government (CG) is directly responsible for the following functions and services; Defence, law and order; banks; land; mines, mineral and water resources; citizenship; foreign relations; taxation; national parks; national elections; and national plans.
5. From our findings, the Ministry of Local Government (MoLG) and the local governments (LGs) were one of the “super MDAs,” given that they feature in the implementation framework of every policy, plan or strategy. The MoLG and LGs were the main service providers of devolved services (as given above). However, despite sharing the burden of service delivery with Central Government (CG), the MoLG and LGs were grossly un-facilitated especially financially. The MTR observes that until now, LGs remain heavily reliant on the central government for funding. With conditional grants from the centre accounting for over 85 per cent of LG funding, LGs are not free to allocate resources to what they regard to be their priorities. Local revenue potential for LGs also continues to dwindle amidst an increase in their populations and other capacity constraints to deliver.
6. The MTR notes further that district and sub-county local governments holistically lack the needed capacity and to effectively drive their development plans. This loss of capacity was found to be exacerbated by the growing trend towards re-centralisation of decision of a number of functions that LGs could easily handle when technically and financially enabled by the centre. The LGs argued that the increased re-centralisation of authority was unfairly premised on their lack of capacity by central government bureaucrats who want disenfranchise LGs “so as to keep them dependant and controlled by the centre”. In attempts to disprove capacity allegations the LGs often boasted of executing comparably cheaper projects than similar centrally procured projects implemented in their localities such as roads and bridges, school/classroom construction etc.
7. The other element of re-centralisation cited was in taxes. LGs complained that the central government has centralised some of the taxes earlier collected by the local governments. The continued creation of new local governments especially town councils has also for many districts reduced their tax revenue posing a threat to real service delivery in both old and new LGs. To emphasis the changing nature and dynamics in LGs, some LG stakeholders commented that “decentralisation in Uganda is now a paradigm lost’, others that Local Governments “are just appendages of the central Government” and others that “Uganda has lost truck of Bidandi Ssali’s Decentralisation”.
8. From our interviews with MDAs Local Government Finance Commission and district officials in districts such as Moroto District and Municipal Council and Nakapiripit District confirmed that LGs get slightly over 10% of the budget through the line ministries. Yet some of these line ministries (e.g., Ministry of Agriculture, Animal Industry and Fisheries, MAAIF; & Ministry of Tourism and Wildlife, MTWA), are equally starved of funds! Even those (e.g., MoH) that are considered to be well facilitated, the trickle down of resources from these Ministries continues to be inadequate. Given that MoLG/ LGs shoulder the responsibility for the delivery of most services nationwide, it is imperative to consider the issue of resource allocation to local governments to avail the services. In addition to financial facilitation, the MTR found lack of devolution of powers to the extent that whatever they do, they have to first seek authority from the Centre. Stakeholders questioned whether there is devolution in practice or only on paper.
9. NDP2 underscored the role of community (households and villages) participation in execution and demand for accountability on services. Through field observations and interviews with community members on selected LG implemented projects, the MTR found out that community participation in monitoring of the projects remains weak, despite its known value in promoting accountability as well as ownership and sustainability of projects. In some of the cases, community members including some leaders just saw people (contractors) working with no clue on what they are doing unless they asked. This was common with construction projects for schools in peripheral/remote areas. Community based-structures for monitoring government projects such as the School Management Committees at school or Health Management Committees for health facilities exist but many of them are inadequately functional because of systemic weaknesses in Monitoring and Evaluation.
10. The NDP institutional set up also included Parish and Sub-county Barazas that were to be convened/coordinated by the office of the Resident District Commissioner (RDC) at the district level. Premised on the importance of participatory development and downward accountability, these structures were to support implementation effectiveness and efficiency through meetings and discussions carefully coordinated by the Office of the RDC. The outcomes of these meetings as the structure would then feed at regular intervals. The MTR found out that these important community meetings/Barazas which were based on the Baraza initiatives in the office of the Prime Minister during the NDP I period were not taking place as desired in order to promote downward accountability. The MTR noted that the absence of the Barazas was a critical institutional failure that undermined the very development objective for which they were embedded in the plan, namely enhanced participation of citizens in the development process, most importantly social accountability.

### Conclusion

1. On the basis of our engagement with key stakeholders at all the levels in the planning and implementation architecture and their insights and experiences in relation to delivery on their roles and mandates in the NDP planning and implementation processes, we conclude that systemic bottlenecks in the higher levels of the NDP institutional architecture were particularly responsible for the difficulties in the lower end of the institutional architecture. This is particularly because of the significance of higher level institutions in providing the needed leadership and focus for the NDP implementation and monitoring. The next section explores in more detail the intuitional performance of selected Ministries and their Departments and Agencies.

## Institutional Framework for the Key Growth Opportunities

1. The first strategic objective that NDP2 prioritises investments in three “key growth opportunities” (KGOs); Agriculture; Tourism; and Minerals, Oil and Gas. We examine the institutional framework of each of these KGOs, in turn.

### Institutional Framework for Agriculture

1. Agriculture is one of the four priority areas of the NDP2. The NDP2 agricultural sector puts emphasis on institutional capacity of MAAIF and the public agricultural agencies to support achievement of the medium-term objectives. The agricultural institutional framework comprises of MAAIF, as the overall supervising ministry. The agencies include: NARO, NAADS, CDO, DDA, NAGRICDB, UCDA and COCTU. There are also a number of non-state actors that work closely with the public sector agencies to achieve the sector and NDP2 objectives.
2. The agricultural sector working group is the overarching institutional framework for policy planning, budgeting and implementation of the sector and NDP interventions. The evaluation established that the sector has not been compliant to the requirement to timely carry out annual sector reviews and regular SWG meetings. This has created an apparent vacuum in coordination of the sector activities. As a result, many key strategic interventions have come from outside the SWG with significant impact on the utilization of resources to the sector.

Source: EU Diagnostic study on Agriculture

MAAIF’s core role is to create the legal, regulatory, policy, economic enabling environment so that
agribusiness thrives. Yet not just MAAIF should be involved – other Ministries have mandates which complement that of MAAIF. The Ministry of Education is instrumental in determining the curriculum of taught agricultural courses in schools and deciding whether to start a potentially sustainable home-grown school meals programme to ensure children get at least one nutritious meal a day, this exemplifying the social protection role of responsible government; the Ministry of Water & Environment63 is instrumental in providing a safely-managed potable water supply for schools and homes which lower the vulnerability of communities to intestinal afflictions which reduce the nourishment obtained from the food eaten; the Ministry of Trade, Industry & Cooperatives64 should be working with MAAIF to enhance the trading environment, opportunities and profitability of value-adding agribusiness. The coordination seems to be improving though - the GAPR 2017-18 records on page 132 that there was evidence of improved coordination among sectors and cites an inter-agency meeting between MAAIF, the Diary Development Authority and the Ministry of Gender, Labour and Social Development. The Agriculture Sector Working Group is the entity which should be able to operationalise this Inter-Agency public sector working group quickly, itself having representatives from the Ministry of Trade, MoFPED, Local Government, private sector, civil society etc.

**Box 1: Need for Coordination of MAAIF with Other Ministries**

1. The major achievement for MAAIF has been to revive the single spine institutional framework at sub-county and district levels. By the time of the mid-term review, more than half of the staff required for the single spine across the country were in place. The absence of the extension workers under the single spine were a major hindrance to achieving increased agricultural production and productivity through adaptation of new technologies from the research agencies. In addition, the absence of direct relationship between production directorate and the agriculture sector arrangements at the centre impedes coordination between the centre and local governments on agricultural matters. In particular, it limits quick decision-making and direct collaboration between the centre and agricultural department in the local government. The evaluation also established that the arrangement complicates budgeting, resource transfer and implementation support supervision.
2. The evaluation noted a high level of fragmented approach to achievement of results in the agricultural sector by the various agencies without clear coordination from MAAIF. The lack of coordination often led to un-harmonised implementation guidelines. The semi-autonomy of agencies under MAAIF has also been characterised by high overhead costs and duplication of roles. For instance, UCDA and OWC perform the same role in the distribution of coffee seedlings under parallel institutional frameworks. The mainstreaming of the functions of agencies (UCDA, CDO, DDA, NAADS, COCTU and NAGRC&DB) back into MAAIF as proposed by Ministry of Public Service is appropriate.
3. The joint National Irrigation Policy between MAAIF and MWE is commendable as this will reduce duplication, redundancies and enhance effectiveness. The goal of the policy is, “to ensure sustainable availability of water for irrigation and its efficient use for enhanced crop production, productivity and profitability that will contribute to food security and wealth creation”.
4. MAAIF mandate and functionality is also constrained by under-staffing, with only 40% of posts filled. Moreover, staff skills/ capacities/ experience are not aligned with the core mandates of: policy and strategy formulation/ amendment; planning & monitoring; providing public goods and services; and, creating an enabling trading and regulatory/ certification environment for agribusiness. MAAIF should focus on setting an environment which enables agribusiness, encouraging the sector’s stakeholders along the whole value chain, regulating for quality, looking to improve trade, searching for investors, and facilitating linkages across sub-sectors and amongst players within commodity groups. The MTR also highlights that MAAIF is organised on an outdated process-based institutional model rather than on an agricultural commodity value chain facilitation basis, compatible with the one-stop shop ideal needed to attract investors. The above-mentioned transfer of agricultural Authorities/ Agencies into MAAIF, offers a potential for beneficial change towards greater efficiency.

### Institutional Framework for Tourism

1. Under Tourism as the second key growth opportunity (KGO2), the NDP2 called for emphasis on improvement, diversification and exploitation of tourist products. Thus emphasis would be put on the following; (a) Aggressive marketing; (b) Investment in tourism facilitating infrastructure (e.g., energy, water, ICT); (c) Appropriate skills development and improvement in related services; (d) Increasing the quantity and quality of accommodation facilities; (e) Intensifying the provision of security and protection of tourists and tourist attraction sites; (f) Combating poaching and eliminating the problem of wildlife dispersal to ensure maximum exploitation of tourist attractions and amenities; (g) Capacity building, tourism management (Regulation and enforcement, grading and classification of hotels and restaurants) and conservation of tourism sites and wildlife.
2. The sector is coordinated by the Ministry of Tourism, Wildlife and Antiquities with the following key public agencies: (i) Uganda Tourism Board (UTB); (ii) Uganda Wildlife Authority (UWA); (iii) Uganda Wildlife Education Centre (UWEC); Uganda Wildlife Research & Training Institute (UWRTI); (iv) Uganda National Museums, and; Uganda Hotel Tourism Training Institute (UHTTI). This sector architecture was designed under the 20 year Tourism Masterplan of 1991-2011. The same institutional framework was carried over and strengthened under the current Masterplan of 2012-2021. The Tourism Act, 2008 provides the legal framework for the Uganda Tourism Board while the Uganda Wildlife Authority’s operations are legally guided by the 1996 Act. On the other hand, the Uganda Wildlife Education Centre was transformed from a Trust to a fully constituted legal entity by the 2015 Act. The UHTTI under the MTWA is currently operated as a department with a Board of Directors.
3. The NDP2 envisioned creation of the Tourism sector working group to support achievement of objectives of this newly created sector. Weaknesses were identified regarding lack of regular oversight meetings and reports to Parliament and the Presidency. Tourism which is a priority NDP sector was not an agenda item of the Policy Coordination Committee of Cabinet for the first three years of the NDP2.
4. The evaluation found that the support given to UHTTI has been ad-hoc as opposed to the need for comprehensive development of the institute as a centre of excellence, copying from the Kenyan Utali best practice. Government needs to identify resources for construction and equipping of all the facilities including the hotel accommodation, dining areas, staff quarters and recreational facilities. The evaluation recommends that UHTTI continues to comprise both the training and hotel facilities in order to ensure first class hands-on training for hoteliers that can compete favourably within the region.
5. It is also worthwhile to elevate the museums and antiquities department into a government enterprise with a focus on promoting domestic and cultural tourism. The absence of a championing enterprise has hindered the development and growth of affiliated museums and cultural sites across the country.
6. The restructured UTB and its newly appointed management team raises hope for reinvigoration of the tourism promotion and marketing. Given the specialized role of UTB, merging it with UWA and UWEC would result into formation of large unfocussed enterprise. UTB should in particular remain autonomous and playing a key role in tourism research and product identification and development in collaboration with UWA, UWEC, museums and the private sector associations.
7. The existing private sector associations in the country include: (i) the umbrella Uganda Tourism Association (UTA); (ii) Uganda Hotels Owners Association (UHOA); (iii) Uganda Tour Guides Association (UTGA); and (iv) The Uganda Association of Travel Agents (TUGATA). These institutions are intended to undertake self-regulation and strengthen private sector bargaining power for attractive public policies and incentives. However, they have remained weak due to capacity challenges and lack of cohesiveness. Government and development partners would require to implement a medium to long-term program aimed at strengthening the capacity of these private sector associations for improved and sustainable tourism development.

### Institutional Framework for Minerals, Oil and Gas

1. In the minerals, Oil and Gas key growth opportunity (KGO3), the NDP2 earmarked six key minerals for exploitation and value addition. These are; Iron ore, Limestone/ Marble, Copper/ Cobalt, Phosphates, Dimension stones and Uranium. NDP2 also prioritizes the exploration of an estimated resource of 6.5 billion barrels of oil with a recoverable potential of 1.4 billion barrels. NDP2 suggested the following key investments in this third KGO (KGO3); (a) Development of geological surveys; (b) Investment in more survey and exploration; (c) Faster acquisition of land; (d) Construction of three pipeline to transport crude oil to Lamu and Mombasa; refined products to Kampala, Eldoret and Kigali; and liquid purified gas (LPG) to Kampala and Gulu; (e) Construction of an oil and gas refinery; and (f) Increased prospecting and processing of the selected minerals.
2. The Petroleum Regulatory Authority, whose mandate is to regulate the petroleum sector, was set up and housed under the Ministry of Energy and Mineral Development without an own vote. This is likely to compromise the regulatory function of the Authority. Given its core mandate, the independence of the Petroleum Authority should be emphasised through the formulation of the required policies to guide its operations and interactions with the Ministry of Energy and Mineral Development.
3. The evaluation also found a lack of skilled personnel in the petroleum institutions recently established. Even though the petroleum institutions such as the directorate of petroleum in MEMD is operational, they do not have adequate manpower and technical capacity required to execute their mandates. With the creation of new and emerging institutions, the need for experienced and qualified staff has affected the directorate of petroleum, with most of its staff taking up lucrative positions in higher paying new emerging institutions. This has left the directorate with several vacant positions. There is however, a need for concerted efforts by the government to ensure retention of the technical staff.
4. On the institutional framework for the mining sector, inadequate funding and staffing in the mines Department to undertake mineral certification mechanism was highlighted in the review. Out of the established 5 mining site inspectors, there are currently only 3 ill-equipped mine inspection officers responsible for all the mining regions. This staff is thin and unable to effectively handle the Regional Certification Mechanism (RCM) which is a requirement of International Conference on Great Lakes Region (ICGLR). As a result, the government of Uganda should hire at least 8 well equipped mine site inspectors to ensure compliance with the Regional certification mechanism, and ensure Due Diligence in accordance with the ICGLR Guidelines.

## Institutional Framework for Infrastructural Development

1. The second strategic objectives of NDP2 prioritises investments in what was termed the first “fundamental,” namely, Infrastructural Development. NDP2 flagshiped infrastructure - focusing on four sub-sectors, namely, transport; energy; ICT; and water for production.

### Institutional Framework for Transport Infrastructural Development

1. Regarding transport infrastructure, the NDP2 prioritized development of Standard-Gauge Railway (SGR); upgrade of strategic national roads from 3,795km to 5,295km to support Tourism (KGO2), exploitation of minerals, oil and gas (KGO3) and decongestion of cities. Further efforts were also to be geared toward increasing the volume of passengers and cargo using marine transport.
2. The implementation of the MoWT Strategic Plan 2011/11-2015/16 of 2012 had to involve several players, key of which were the MoWT and its agencies which included: Civil Aviation Authority; Uganda Railways Cooperation; Uganda National Roads Authority; Uganda Road Fund; Transport Licensing Board; and National Road Safety Council.
3. Civil Aviation Authority (CAA) exercises both regulatory and operational authority over Entebbe International Airport and the other airfields located around the country. In 2018, Parliament expressed the need for CAA to take leave of managing airports in Uganda. They reasoned that CAA should concentrate on regulation while a new Uganda Airports Authority (UAA) runs the day-to-day operations of all airports and aerodromes in the country. The review found that this is not viable and no longer a best practice both globally and in the region such as the ongoing merger between Kenya Airways and Kenya Airports Authority.
4. The Uganda Railways Cooperation (URC) is responsible for regulation and oversight of the rail sub-sector as well as management of railway stock and assets. The Corporation is also responsible for management of the inland water ports (IWPs). The MTR established that URC had re-acquired the operations of the one meter gauge railway following revocation of the management contract of the Rift Valley Railways. This paved way for government to reinvest in the existing one meter gauge railway system. Discussions are under way to merge URC and SGR. The sector is also in the process of developing Bukasa port to enable operationalization of the Southern route through Tanga in Tanzania. Given the need for Kenya to complete the Nairobi Malaba SGR line, Uganda could hold on construction of SGR in the medium term.
5. The Uganda National Roads Authority (UNRA) was established by the Uganda National Roads Authority Act, 2006 to manage, maintain and develop the national road network. The Authority became operational in July 2008. The Authority is gradually building its capacity to deliver its mandate to construct and maintain national roads. The Ministry exercises its policy guidance and oversight over UNRA based on an annual Performance Agreement.
6. UNRA undertook to deliver 5,292 Kms of paved roads by 2020. The review established that 4,193 Kms of paved roads had been constructed, indicating a performance that is still below to meet this target within the remaining financial year. Many factors were found to have contributed to this shortfall and these include: (i) long and cumbersome procurement processes; (ii) outright corruption; and (iii) lack of capacity to directly implement road works. The MTR established that while UNRA had been clearly established to maintain and develop the national roads network (UNRA Act 2006-6(b)), the authority was found to operate mainly as a procuring entity. Cases of corruption within UNRA were found rampant and eroded credibility of the Authority to deliver her mandate. The case in point is the embezzlement of funds meant for construction of Mukono-Katosi road while the Judicial Commission on Land revealed that UNRA lost UGSHS 4 trillion through corruption.
7. In the spirit of the quasi-market approach, and in the absence of strong private local engineering contractors, government should establish a national road construction company with a view to divest equity in it during the medium to long-term. Management of such a company can be foreign contracted. Most Chinese companies UNRA has contracted on various road works are government owned construction companies.
8. Cabinet proposed that UNRA be “collapsed into a department” under the ministry (MoWT). The proposed merger of UNRA, SGR, URC, Transport Licensing board, Uganda Road Fund, National Roads Safety Council and Marine Transport into a single infrastructure development agency should be reconsidered. This requires in depth functional analysis of the various agencies involved to avoid back and forth policy reversals. The Uganda Road Fund (URF) was established in 2008 by an Act of Parliament to carry out routine and periodic maintenance of public roads in Uganda and control of overloading of vehicles on public roads. URF is an institution under the MoFPED and receives funds from the consolidated fund. The role of URF is contradictory to what a conventional fund should be. Since there are few roads being opened, UNRA should assume the mandate and functions of URF to save on road maintenance overheads. UNRA should also take over the management of the regional maintenance workshops.

### Institutional Framework for Energy Infrastructural Development

1. As regards energy infrastructure, the NDP2 called for the focus to be on exploitation of the abundant renewable energy sources (RES) including hydro and geothermal power, so as to increase power generation capacity from 825 MW in 2012 to 2,500 MW by 2020. NDP2 also called for the expansion of the national electricity grid network; and promoting energy efficiency and the use of alternative sources of energy.
2. Agencies with a stake on the implementation of the EMDSDP of 2015 include the Atomic Energy Council; Uganda Energy Credit Capitalisation Company Limited; Electricity Regulatory Authority; Rural Electrification Board; Rural Electrification Agency; Uganda Electricity Generation Company Limited; Uganda Electricity Transmission Company Limited; Uganda Electricity Distribution Company Limited; and Electricity Disputes Tribunal.
3. Other players in the energy subsector include: (i) Directorate of Water Development (DWD) under the Ministry of Water and Environment (MWE), which is responsible for managing the water resources of Uganda in an integrated and sustainable manner in order to secure and provide water of adequate quantity and quality for all social and economic needs for the present and the future. It is the agency that awards surface-water permits (also known as abstraction permits) to project developers; (ii) Eskom Uganda Limited which operates UEGCL’s Nalubaale-Kiira Power Complex under a concession agreement; (iii) Independent Power Producers such as Bujagali Energy Limited (BEL) which currently manages Bujagali Hydro Power Station; Electromaxx; Jacobsen; and Tronder Energy; and (iv) Concessionaires such as Ferdsult Engineering Services Ltd; West Nile Rural Electrification Company (WENRECO); Bundibugyo Electricity Cooperative Society (BECS); Pader Abim Cooperative Society (PAMECS); Kilembe Investments Ltd (KIL) who distribute and manage different rural power schemes; (v) Umeme Limited; (vi) Kilembe Mines Ltd and (vii) International Atomic Energy Association (IAEA).
4. The evaluation does not support the notion of merging Rural Electrification Agency, Uganda Electricity Distribution Company, Uganda Electricity Generation Company and Uganda Electricity Transmission Company Ltd. At the time Uganda Electricity Board played the role of these four companies, it was a sole monopoly in generation of power, transmission and distribution. With more players generating power, this requires specialized agencies because of the varying tasks in generation, transmission and distribution. Rural electrification agency should be maintained to fast truck electrification of rural households as a key strategy for environmental protection and enhancement of micro and small enterprises. The MTR also recommends transferring the Electricity Regulatory Authority back to MEMD to strengthen policy, regulatory, inspection and monitoring function of the Ministry. However, the status regarding the Petroleum Authority of Uganda should remain until practical lessons are identified.

### Institutional Framework for ICT Infrastructural Development

1. Regarding ICT infrastructure, the NDP2 called for the extension of the National Backbone Infrastructure (NBI); and the construction of ICT incubation hubs and ICT parks. The key institutions under the ICT sector include: MICT, UCC, UMC, UBC, NVPPC, UTL, UICT, MST, NITA and NCST.
2. The MTR established that the backborne reached the 33 out of 121 districts and has since stalled. The e-government is yet to be operationalized while the ICT parks and incubation hubs have not been established. Upon in-depth analysis of the performance of the sector it was established that there are fundamental institutional challenges namely: (i) Capacity coupled with accountability challenges; (ii) coordination among institutions, and (iii) institutional architecture of the ICT sector.
3. The evaluation found lack of coherence among information and communication technology, broadcasting and national guidance. It is therefore recommended to unbundle the three mandates. In particular, both UBC and National Guidance should be transferred to Office of the President while ICT should be combined with Ministry of Science and Technology. UCC and NITA should be merged as technology for voice and data continues to converge.

### Institutional Framework for Water-for-Production Infrastructural Development

1. The NDP2 underscores the need to invest in infrastructure for water for production to boost commercial agriculture and industrial activities. NDP2 targeted the construction of large and small-scale water schemes for irrigation, livestock and rural industries.
2. In terms of institutional framework, the Ministry in charge of Agriculture (MAAIF) was to be responsible for on-farm interventions which refer to development of hydraulic infrastructure, associated engineering works and irrigation accessories comprising of conveyance from farm gates to farmers’ fields and water use management. The Ministry of Water and Environment (MWE) was to be responsible for off-farm intervention, which refers to development of hydraulic infrastructure and associated engineering works comprising of water abstraction and conveyance to farm gates. Government would invest in large and medium irrigation schemes through public investments and public private partnerships (PPPs) while for micro irrigation schemes, Government would support progressive farmers and organized farmer groups through targeted subsidy. This is expected to attract and stimulate private sector investment into irrigation. Both ministries in charge of Agriculture and Water would produce guidelines to operationalize this implementation arrangement.
3. The MTR established that the ministry (MWE) and its agencies (Environmental Management Authority, NEMA; National Forestry Authority, NFA; and Uganda National Meteorological Authority, UNMA) had not made much progress in providing water for production due to lack of prioritization in planning and budgeting. However, MWE had put in place an institutional framework for providing water for production, namely Water and Sanitation Development Facilities (WSDFs) in four regions of the county. The regions were the Central in Wakiso; the East in Mbale; the North in Lira; and the Southwest in Mbarara. MWE had ten Technical Support Units (TSUs) for providing technical back-ups to local governments (LGs) in terms of planning budgets for, and constructing water facilities in the districts. MWE also had their Umbrella Organisations (UOs) to deal with the supply of water, more or less like NWSC.
4. The MTR revealed that even NARO as an agency of MAAIF had a hand in the preparation of the National Irrigation Policy (NIP) of November 2017. While the Ministry of Water and Environment (MWE) had the human resource capacity with regard to water engineering, NARO had sufficient researched knowledge in regard to irrigation needs by different plant varieties, thus underscoring the need for cooperation between MWE and MAAIF if the irrigation policy is to succeed.
5. The performance of UNMA as a key provider of information on weather conditions was found to be inadequate. This is constrained by lack of enabling countrywide infrastructure to provide accurate and timely weather forecasts.
6. NEMA which protects water catchment areas needs to be strengthened by taking over the NEMA officers at the districts. This is because environmental officers at the districts are currently under the district administration who often connive with local encroachers and investors. The role of NFA has become obsolete as the only remaining natural forest cover is protected under UWA and with limited control over private forest cover. It would therefore be prudent to merge NFA with NEMA with a view of creating a directorate that is responsible for producing planting material, research and training of stakeholders. Land owned by NFA should revert to NEMA for protection and planting and recovery of new forest cover.
7. MWE has instituted user water committees as a framework for sustainable management of water sources within the communities. User committees are however not always applicable to individual large scale commercial farmers. The MTR established that this system has become a disincentive to commercial farmers developing water infrastructure. It is worthwhile therefore to consider removing the condition of having water committees for all water for production users.

## Institutional Framework for Human Development

1. The third strategic objective of NDP2 prioritises investments in yet another “fundamental,” namely, Human Capital Development (HCD). NDP2 stipulated that HCD priority area would, “focus on increasing the stock of a skilled and healthy workforce towards the production of human capital to accelerate the realization of the demographic dividend”.

### Institutional Framework for Access to Health

1. Under Health, NDP2 called for emphasis to be placed on; mass malaria treatment; the National Health Insurance (NHI) scheme; universal access to family planning services (FPSs); health infrastructural development; reducing maternal, neonatal and child morbidity and mortality; scaling up HIV prevention and treatment; and developing a centre of excellence in cancer treatment and relate services. Health outcomes are a multi-dimensional responsibility of various institutions. The achievement of the desired sector results therefore largely depends on the sector’s institutional capacity and that of the complementary and support Ministries and agencies.
2. The MoH plays the role of policy making, providing guidelines, training and capacity-building, monitoring the health sector, and coordination of partners. Other key health role players include; MAAIF, ME&S, MW&E, NEMA, ME&M, MoLG and LGs.
3. The MTR found that the health Sector Working Group is the most active among the sector working groups. This is attributed to homogeneity of the sector and consistent support from the development partners. The effectiveness of this working group is demonstrated through efficiency in control of cross-border communicable diseases as well as epidemics such as Ebola and Marburg outbreaks.
4. The MTR established that whereas MoH played its role of policy formulation, it encountered significant hurdles in provision of quality health services. Institutionally this is attributed to failure in fiscal decentralization and dearth of support supervision. The spirit of decentralization policy notwithstanding the MTR recommends recentralization of District Medical Officers (DMO). This is because of the failure for local governments to attract critical skills such as medical doctors to districts especially in far and hard to reach areas. Inspection, monitoring and support supervision were found to be virtually non-existent. The proliferation of LGs across the country has further constrained the role of inspection, monitoring and support supervision. Chronic lack of basic diagnostic equipment has further discouraged professionals to carry out inspection and support-supervision. In line with the proposed regional development, there is need to strengthen regional referral hospitals to carry out support supervision in lower health facilities under their jurisdiction. This is consistent with the Ministry of Health Support Supervision Strategy 2019-2024.
5. The institutional setup of the health monitoring unit under State House remains blurred within government. The MTR established that the unit was carrying out parallel functions similar to those of quality assurance department within the Ministry of Health. It was also reported that the unit was often high handed to health workers without giving proper hearing. It is recommended that the unit is professionalized and merged into quality assurance department of the Ministry of Health. To this end the quality assurance department needs to be elevated to the level of a directorate in order to effectively undertake monitoring of the health services systems across the country.
6. The MTR found that the health sector was constrained by inadequate human resource (HR). The MTR learnt that while at national level, health facilities were operating at 89% capacity in terms of human resource (HR), at local government (LG) level, they were at 74%. This was quite restrictive in view of the increasing roles of the MoH.
7. The MTR analysed the current health infrastructure system ranging from: (i) Health Centre I (VHT); Parish based HCII; (iii) Sub-county based (HCIII); (iv) County based HCIV; District hospitals (HCV); (v) Regional Referral Hospitals (HCVI), and; National Referral Hospitals (HCVII). The MTR established that this system presented a big burden for Government to finance and deliver quality services. The NDP2 sought to address this challenge by establishing a National Health Insurance Scheme and this review is in total support for government to expedite this scheme. The introduction of the national health insurance scheme will greatly reduce the burden on government to construct and operate health facilities. It is therefore imperative for NITA to finalize establishment of comprehensive national database.

### Institutional Framework for Access to Education

1. Under the NDP2, the Education sector focused on; strengthening Early Childhood Development (ECD) with emphasis on early aptitude and talent identification; increasing retention at primary and secondary levels, especially for girls, as well as increasing primary-to-secondary transition; increasing investment in school inspection, reviewing and upgrading of the education curricula.
2. Delivering education services is driven by the Ministry of Education and Sports and supported by various agencies namely: the Education Service Commission (ESC); Uganda National Examination Board (UNEB); Uganda Business and Technical Examination Board(UBTEB); Uganda Allied Health Examination Board; Uganda Nurses and Midwives Examination Board; National Council for Higher Education (NCHE); National Curriculum Development Centre (NCDC);National Council of Sports, and; Uganda National Commission for UNESCO (UNATCOM).
3. The sector was found to operate through a vibrant sector working group comprising the representatives of agencies referred to above, development partners and private sector. Albeit the sector working group being vibrant, the education sector continues to have challenges manifest in poor inspection of schools, absenteeism, examination malpractices, a curriculum which is unmatched with the skills needs in the country. These challenges are well analysed in accordance with the different levels of education.
4. The GWP of 1992 gives the “Structure of Education” in Uganda, starting with Pre-primary/ Nursery; then Primary; Secondary; and Tertiary Education. At that time, the GWP of 1992 asserted that, pre-primary education was to continue “to be run by private individuals/ groups on commercial or voluntary basis”, and this is still obtaining today. However the review found that there was no policy, guidelines and regulations in pre-primary education and this greatly affects the quality of child development as it constitutes the foundation of cognitive abilities. This issue was also reiterated by development partners with a view that the Ministry of Education was not doing enough on Early Childhood Development (ECD) in institutionalizing early childhood development in the mainstream education sector. In addition, the pre-primary institutions are not well regulated and incidents of child death in such facilities are becoming a common occurrence.
5. In terms of institutional framework, UPE is implemented by local governments with a Directorate at the Ministry, while secondary and tertiary education are centralized. With the proliferation of local governments and dwindling resources, chronic lack of teachers and absenteeism have become common in primary schools. This has been against the backdrop of dearth of the inspectorate function, which has been over stretched leading to poor quality performance in many remote districts. The inspectorate function should therefore be strengthened to meet the increasing demand of primary education.
6. In terms of institutional framework for secondary education, government has continued to build on the good work of foundation religious bodies who own most of the high performing secondary schools. The high performance is attributed to the value system and discipline espoused by religious bodies a best practice that should be upheld by government. In addition, the continued involvement of the Parent Teachers Associations (PTA) in running the schools has significantly enhanced teachers motivation with positive results. This is a lesson that should be strengthened in all schools. However, the working relationship between government and founding bodies should be streamlined especially in recruitment of staff and admission of students.
7. At tertiary level the private sector has significantly contributed in establishing universities totalling 42. The challenge however, is that most of these private universities are offering un-accredited courses implying institutional weaknesses in regulatory framework. On the other hand, some public Universities were found to be riddled with governance paralysis as manifested in continuous strikes by staff and students.
8. In terms of institutional framework, HE is under the National Council of Higher Education (NCHE). The mandate of NCHE is mainly to regulate higher education. However, the review found that NCHE has encountered significant challenges in execution of its mandate. Many tertiary institutions, riding on political cronyism, have defied regulations issued by NCHE. This is evidenced by continued admission of students in un-accredited programs, recruitment of unqualified staff and graduating higher degree graduate students without sufficient supervision leading in some cases to cancellation of degree certificates. While the mandate of NCHE is very clear, it has continued to be undermined by various stakeholders who continue to exploit the weaknesses of NCHE. The NCHE should be strengthen to firmly undertake its regulatory functions. A strict reward and sanctions system should be instituted ensuring compliance. .
9. The Uganda National Examination Boards are agencies responsible for examining, marking and grading of students at various education levels. The MTR established that the credibility of UNEB continues to be tainted as a result of examination malpractices across the country. In addition the registration of students through their schools and failure of the later to remit funds to UNEB has resulted in many students missing their examinations. It is recommended that students to directly to UNEB to avoid such mishaps.

### Institutional Framework for Skills Development

1. NDP2 suggested that skills development during 2015/16-2019/20, ought to focus on; massive skills training programmes; reforming the curricula at all levels to produce skills that are relevant to the market; strengthen science and technology education; expanding skills development to include formal and informal training; and establishing skill development centres of excellence in prioritized areas.
2. The MTR established that government was mainstreaming BTVET in education training. A new TVET policy had been passed by Parliament. The new TVET policy focuses on establishing vocational institutions (UVIs) from lower level education, progressively up to a technical university (TU). However, it was established that BTVET continues to lack clout within the institutional structure of the education sector. This is not a surprising outcome given the general negative mind-set towards vocational training.
3. The MTR found that while a Uganda Skills Development Authority (USDA) had been planned, it never operationalized. Similarly, a Skills Development Council (SDC) was to be put in place but it was also never operationalized. Therefore, BTVET institutions remain in the periphery, yet they are critical institutions that generate skills which will drive the transformation of the country. There is an urgent need to address this contradiction to revitalize and mainstream institutions as champions of skills development through creating incentives that can attract private sector participation in technical education and training. In addition the remuneration of technical instructors should be enhanced to attract professional staff.

### Institutional Framework for Social Development

1. NDP2 undertook to strengthen the Labour Market Information System (LMIS) and Employment Services; implementing a national programme for women economic empowerment; promoting creative industries for job creation especially for the youth; establishing and operationalizing productivity centres at national and regional levels for improving productivity of the workers in Uganda; developing and implementing a programme to inculcate positive values and mindsets to produce “skilled and cultured people;” expanding access to contributory social security for workers in the informal sector and gradual roll-out of a non-contributory social pension scheme for older persons; and scaling up the youth livelihood programme.
2. On its institutional framework, the SDSP was to be implemented through a decentralized approach to service delivery. While the Centre was to provide the policy guidelines, the local governments would play a key role in implementation. At the Centre, MGLSD was to be the lead institution in the sector, playing its core roles of policy formulation, guidelines, regulation, capacity building, monitoring and evaluation of sector interventions and coordinating the sector stakeholders. Autonomous and semi-autonomous agencies under the sector would implement the plan in accordance with the mandates stipulated in their respective laws.
3. The MTR found that MGLSD had played its role of policy formulation and spearheading enacting of legislation. This was evidenced by the many policies (e.g., the Social Protection Policy of 2015); Acts (e.g., the Employment Act, 2006); plans (e.g., the Social Development Sector Plan [SDDP] 2015/16-2019/20 of 2016. Albeit these achievements, the sector had challenges in coordination of institutions and attendant programs. The MTR established that the YLF and UWEP although started as well intentioned programs, they lacked proper institutional frameworks which would guarantee viability of the economic activities engaged in by the women and youth groups. The MTR further established that most youth groups that received support under the YLF did not even exist an indication that the institutions to do the appraisal and monitoring were weak. SAGE was found to be a well implemented program although it still has challenges of rolling it out from the current 55 out of 121 districts.
4. As suggested in the Policy and Strategic Direction thematic paper, both YLF and UWEP should be transferred to the Uganda Micro-Finance Support Centre which has institutional capacity to appraise, supervise and monitor such funds. The women and youth would receive mentorship and basic business skills development. It is recommended that the SAGE program roles out expeditiously.

### Institutional Framework for Water and Sanitation

1. Water and Environment, Health and Education sectors have a shared responsibility to provide sanitation services. However, the MTR established that the sanitation subsector is apparently marginalized by the water and environment sector. This is as manifested in the institutional framework of the Ministry of Water and Environment. A close analysis of the Ministry of Water and Environment indicated that sanitation is neither a department nor unit within the Ministry. The evaluation recommends that this function should be led by the Ministry of Health. The Ministry of Health is the inspectorate of public health and sanitation in the country. -merge this with Water and environment and write some more on NWSC.

### Institutional Framework for Public Administration

1. In this review, public administration comprises both public sector management and public administration sectors. Public administration is responsible for staff deployment and coordination of service delivery across ministries and agencies. It consists of: Office of the President; Office of Prime Minister; Ministry of Local Government; Ministry of Public service. Others are National Planning Authority Ministry of Foreign Affairs; Electoral Commission; and Ministry for Economic Monitoring.
2. During NDP1 and NDP2 both public sector management (PSM) and public administration (PA) have been considered separate sector wide working groups. Given the diversity of both sectors, performance of these two working groups has been characterized by prolonged discussions to derive coherence towards common objectives. This has led to delays in production of strategic plans for the two sector working groups. Due to the wide diversity of the institutions, the planning and budgeting has been translated into a mere compendium of outcomes that represent mandates of the various institutions. For instance, whereas OPM outcomes are focused on coordination of implementation and implementation monitoring, the outcomes of NPA are focused on planning and evaluation both of which outcomes attract different interventions. This is contrary to the spirit of both the sector wide approach and program based planning and budgeting. On the other hand, the objectives and outcomes of Ministry of Foreign Affairs are quite different from those of Office of the President and the Electoral Commission with whom planning and budgeting is done. There is, therefore, urgent need to reconstitute the PSM and PA sectors before end of NDPII to facilitate useful sector wide planning and budgeting.
3. The institutional disconnect within the sector wide groupings notwithstanding, the performance of the institutions of public administration continued to be routine void of any significant impact that was expected to drive improved service delivery for socio economic transformation. In particular, the public service reforms that were designed under NDP2 including the restructuring of government were not implemented.
4. The institutional performance of the Office of the President was dominated by activities of State House and the Ministry for Security. This has constrained policy analysis under cabinet secretariat and hampered economic monitoring and establishment of grass-root-based information system[[2]](#footnote-3). The fusion between State House and Office of the President has hindered effective performance of the various units of the Office of the President which include the functions of the RDCs, Economic Monitoring, and Internal Security Organization. The institutional framework for Presidential Advisors and Presidential Assistants under both State House and Office of the President requires to be rationalized to ensure prudent expenditure. There is also need for capacity enhancement of the Cabinet Secretariat to improve the quality of policy analysis for harmonised implementation. In addition, it will be necessary to redefine the role of economic monitoring to focus on activities related to preventing economic sabotage. Classified activities of ISO notwithstanding, it would be necessary to give it a vote for better accountability. Overall, the MTR recommends that the function of Foreign Affairs joins the Trade, Industry and Cooperatives sector working group, while NPA goes to Accountability where the NDP sets the basis for all accountability in the economy. In addition, PSM and PA should be joined to form the Public Administration Sector.
5. OPM is mandated to coordinate implementation of the NDP and lead Government business in Parliament. Following interviews with ministries, departments and agencies (MDAs), it was unanimous that the OPM had not effectively carried out its coordination role. For example the Ministry of Health (MoH) asserted that due to lack of coordination by OPM, some health facilities that were put up lacked running water and electricity. Respondents also highlighted the fact that many contracted road projects remain incomplete for a long time and roads are without all features outlined in the designs.
6. The MTR established that the OPM has deviated from its core function of coordination of implementation of programmes to actual implementation and auxiliary activities. Examples include Relief and Disaster Management and affirmative regional programmes (Karamoja, Bunyoro, Luwero and Northern Uganda). Directly, undertaking implementation has depleted existing resources (staff, funds and time) that would be deployed for coordination and implementation monitoring. A lot of OPM effort has also been diverted into M&E, particularly post evaluation of Government programmes, a function that is clearly the mandate of NPA[[3]](#footnote-4). It is recommended that OPM divests from direct implementation and concentrates on its constitutional mandate of coordinating implementation of Government policies and programmes to avoid conflict of interest and enhance efficiency and effectiveness across government. It is further recommended that the existing programmes under OPM should be merged into respective sectors, ministries and agencies.
7. Public Administration is also charged with key responsibilities regarding performance of MDAs. These include: determining remuneration, public information management and sharing; and results-based management (efficiency). It was established that whereas the payment of a living wage had been put on the agenda of Government and its implementation started with Permanent Secretaries, it has not cascaded pro-rata. Wide-spread discrepancies in remuneration are also pervasive across MDAs leading to demotivation of staff in relatively poorly paid institutions and are a recipe for corruption. The MTR recommends expediting cascading of the remuneration structure discussed by Cabinet together with that of the Permanent Secretaries. In addition, there is need for establishment and operationalization of the salaries commission to harmonize the remuneration structure across government.
8. The MTR established that there is pervasive creation of projects to execute government programmes leading to disjointed implementation and lack of synergies. This was found to be very common with public information systems such as e-Government and management information systems. These have been implemented as projects and not mainstream programmes of Government and could not therefore be sustained.
9. The MTR assessed performance of MDAs and LGs in accordance with agreed targets in NDP1 and NDP2 and established significant levels of inefficiency arising out of weak institutional structures, duplicated mandates, redundancies and inadequate capacities. For example, the institutional structures of agencies responsible for fighting corruption are too weak to execute the mandated functions due to inherent legal provisions and processes. Many Ministries and agencies were also found with similar mandates. Example of duplication of mandate include: NEMA and NFA; UIA, UFZA and UEPB; Equal Opportunities Commission and Human Rights Commission; OPM and MoLG with regard to regional programmes and inspection; State House, Office of the President and MDAs with regard to monitoring; etc. The MTR has analysed the Ministry of Public Service report on “Review and Rationalization of Government Agencies and Public Expenditure” and is in support of merging institutions to enhance efficiency across Government.
10. In addition, the MTR observed that many agencies exist long after expiry of their mandates at an unnecessary heavy cost to the tax-payer. It is recommended that legal frameworks establishing agencies should stipulate time duration for every agency created. This is a best practice in both emerging and developed countries. For example, the Law Reform Commission should have been given a time frame to update laws and close thereafter leaving merging routine reforms to Ministry of Justice; the Electoral Commission could be functional only every two years of the election cycle; the Salaries Commission being created should harmonize remuneration within three years and wind up leaving the routine emerging issues to Ministry of Public Service; Etc.
11. The MTR established general weakness among LGs as front-end agents of service delivery. This is attributed to several factors including; low staffing levels, weak fiscal decentralization, weak leadership, unviability of some LGs and policy reversals. The MTR undertook surveys in 18 LGs and found that the average staffing level was 40 percent. Also, it was established that districts received a paltry 12 percent of the national budget, most of which are conditional grants. Decentralization had not caused local economic development as had been envisaged by the NDP1 and NDP2, and the decentralization policy as a whole. Local revenue mobilization has, therefore, not been realized[[4]](#footnote-5). The situation in LGs has been exacerbated by weak local council leadership that largely lacks requisite capacities and knowledge of public administration. It was further observed that most districts are not viable economic entities for effective delivery of decentralized services. This has been further aggravated by policy reversals and subdivisions to create more LGs. The MTR recommends introduction of regional service centres for 8-10 districts, based on regional spatial development plans. In addition, qualifications for councillors should be reviewed with a view to enhance quality of LG leadership.

### Institutional Framework for Accountability Sector

1. The sector is quite complex as it relates to central support services with 11 MDAs and a further 10 affiliated institutions, covering a varied range of mandates. The sectors are grouped into four categories namely: (i) Economic Management; (ii) Resource Mobilization and Allocation; (iii) Budget Execution and Accounting, and;(iv) Audit and Anti-corruption.
2. The sector functions through the Accountability sector working group whose role is to harmonise, coordinate, monitor, evaluate and report on the sector vision and goals, policy frameworks, plans, and performance of all sector Institutions. The Accountability SWG is chaired by the Accountant General and has a membership of 23 institutions.
3. NDP2 sought to establish a working arrangement among MoFPED, BOU, UBOS and NPA to drive economic policy monitoring and implementation. However, the operations of this arrangement remained ad hoc. As a result, there was glaring evidence of lack of policy convergence between the monetary and fiscal policies, which negatively affected growth. In addition, capacity challenges were identified within the key role player institutions exhibited by absence of regular macroeconomic research papers to inform policy discourse. The sharing of roles among the key institutions on economic management is also not well defined to warrant attribution for gaps and failures in policy implementation. It is recommended that the technical economic management team should be chaired by NPA in order to harness alignment of economic policies to the strategic direction. Also, there is need to set up a cabinet sub-committee to regularly receive reports from the economic management technical team and guide on urgent emerging issues, as espoused in other rapidly transforming countries.
4. On resource mobilization and allocation, where MoFPED and URA play a critical role, the MTR found that there is limited capacity to audit and enforce payment of corporate tax. The large informal sector that comprises unregistered business entities across the country has also posed a challenge to domestic resources mobilisation. The failure to institutionalize the informal sector is attributed to poor tax administration and the lack of incentives that would attract voluntary registration of businesses. . The quest for higher tax revenues has also been hampered by the lack of a clearly written tax policy that takes care of interests of all stakeholders. The current tax system is marred by political interference where investors are awarded tax holidays while other sections of tax payers are exempted without justification. To increase tax collection, there is a need to streamline the roles of institutions so that they pursue same objectives. From best practices, reducing corruption and enhancing transparency and value for money in public expenditure will lead to enhanced domestic revenue mobilization.
5. The MTR found that there is a lack of institutional convergence between MoFPED and the NDP on the strategic direction and resource allocation. The institutional positioning of the NPA coupled with parallel public investment plans has created divergences between planning and project implementation. Keeping the NPA at arm’s length from the Accountability sector has only served to weaken implementation of the NDP and the overall strategic direction. It is recommended that NPA joins the Accountability sector and uses this positioning to support PFM reforms and check alignment of budget execution and reporting by all sectors to the NDP
6. There were divergences between appropriation by Parliament and final allocation by MoFPED due to weaknesses in budget processes. In addition, this has been compounded by frequent and ad-hoc supplementary budget requests, yet the PFMA 2015 clearly stipulates circumstances under which supplementary requests can be made. This has eroded the credibility of the budget over the NDP period and that of the institutions mandated to execute it. Supplementary budgets always lead to cuts in sector budgets, which negatives affects achievement of results, or fiscal deficit financing through domestic borrowing and printing and issuance of currency that is not backed by production. There is need to inculcate a culture of budget discipline and strict enforcement of alignment to the NDP for relevant institutions.
7. In 2015/16 Government adopted program based budgeting as the desired system for budget execution and realization of results. It was envisaged that this system would be rolled out to all public institutions simultaneously. However, due to capacity challenges across sectors particularly regarding program based planning, the system was rolled back to only 6 sectors. The evaluation notes that program-based budgeting should have continued across the entire government to enable institutions to learn by doing and be at the same level in focusing on results that are a pre-requisite for achievement of the middle income status.
8. The audit and anti-corruption function are largely the responsibility of the Auditor General’s Office and Inspector General of Government. The MTR found that these institutions had carried out their functions fairly, in-spite of the serious challenges they face. The Office of the Auditor General has greatly improved the timeliness of consolidated audited accounts to PAC. However, achieving value for money for public works particularly energy and road construction projects remains a challenge. The Audit Reports submitted to Parliament have been largely of no consequence owing to the weak capacity of partner institutions to pursue adduced evidence in the audit and parliamentary reports. Audit reports of local governments are submitted to political heads of districts who often do not implement them fully due to political considerations.
9. Various institutions have been established to fight corruption, which include: (i) Inspectorate of Government; (ii) Criminal Investigation Department; (iv) Anti-Corruption Court a division of the High Court, among others. However, the MTR established that Government had put in place other non-statutory institutions such as Anti-Corruption unit in Presidents Office. The MTR found that the IG has a weak investigative capacity to prosecute culprits of corruption. In addition the inspectorate was often frustrated by CID as a result of inconclusive investigations. The creation of new parallel structures for fighting corruption has also undermined the authority of the IG. There is need to adequately finance the IG office with a view to strengthen its investigation capacity.
10. The MTR noted the introduction of KCCA into the Accountability sector working group. This was justified by the spatial role of the city in contributing to the domestic revenue envelope. There is lack of clarity whether the City status should be outside the LG decentralization framework. The City’s institutional framework was found to be further complicated by over-lapping leadership mandates among the Minister for Kampala, the KCCA Executive Director and the Mayor. In addition, the Greater Kampala Metropolitan planning Area (GKMA) that was perceived by Vision 2040, comprising the districts of Kampala, Wakiso and Mukono, was in abeyance due to territorial threats. The MTR recommends that GKMA should be urgently pursued through as a planning area under the leadership of the NPA for efficient development of infrastructure. A satellite planning office should be set up outside NPA to liaise with agencies and relevant districts on implementation planning for execution of GKMA projects. On the other hand, the office of the Minister for Kampala should be merged with that of Urban Development which should be moved out of the Ministry for Lands, Housing and Urban Development.

## Institutional Framework of Justice Law and Order Sector

1. JLOS as conceptualized in NDP2 as an enabling sector that encompases all sectors and sub-sectors, providing a conducive environment and framework for efficient performance of all sectors in the economy thus harnessing intersectoral linkages. The MTR established that JLOS encounters various constraints including: (i) low levels JLOS service delivery and institutional productivity manifested in backlog of cases from courts of judicature; (ii) limited intra sectoral coordination; (iii) corruption, and; (iv) slow implementation and fulfilment of international and regional obligations.
2. The evaluation established that the major reasons for institutional weaknesses emanate from lack of facilitation for judicial service and low levels of staffing. Corruption and political interference have also compromised quality of judicial service delivery.
3. The main issue with Human Rights Commission (HRC) has been the escalating unpaid awards to claimants which have become unsustainable. The contribution of the Equal Opportunities Commission (EOP) was found to be lacking. The MTR recommends consideration of the merger of the HRC and EOP.
4. The Uganda Police Force made large strides in staffing levels and enhancing its capabilities. As a result the maintenance of law and order across the country improved. However, there was marked decline in protection of people and property manifested in increased murders, kidnaps and physical assaults and armed robberies. There was also a tendency of institutionalized crime as manifested in increasing number of police officers that are in court for committing heinous crimes. Police also featured consistently in all IG corruption perception surveys as the most corrupt institution.
5. The Uganda Prisons Service made significant contribution towards feeding of its prisoners through own production of cereals. There was also enhanced performance towards observance of human rights of prisoners. The MTR established that overcrowding in prisons and facilitation of transport of prisoners especially upcountry continue to be a challenge. The LC courts and other alternative dispute resolution mechanisms could help to address some of these challenges.

# KEY INSTITUTIONAL PLANNING AND IMPLEMENTATION CHALLENGES

## Design of the NDP

1. The Uganda Vision 2040 is the overarching development planning framework for the country. Within the Vision framework, setting priorities for national development ought to be carried out by NPA following evidence-based determination of priority needs, policy and strategic direction and aspirations of the country and macroeconomic analysis. These are articulated in the National Development Plan, which is the main guide to sectors and districts for setting their priorities and preparation of SIPs and DDPs, respectively.
2. While preparation of the NDP, SIPs and DDPs is supposed follow the bottom up approach, in line with the constitutional requirements, this in principal is not happening. There are gaps in the planning institutional frameworks to feed into the national development planning process. The process of drafting the National Development Plan is generally championed by the NPA. It starts with drafting the policy and strategic direction of the country. Sector consultations are then undertaken with guidance from the NPA to ensure that the interventions support the strategic direction of the plan. There is minimal if any consultations with local governments during the drafting process of the plan. The approach therefore is a top-down approach where local governments are required to align their plans to the NDP. This process needs to be reversed where local governments should develop their plans based on the needs and challenges of the respective areas. These plans could be synthesized into regional plans—and this would therefore be the basis on formulating the strategic direction informed by the MTR. The regional plan currently being drafted for the Northern region could be used as an example for other regions and effectively utilized in the drafting process of the NDP3. The regional plans should also guide the sectors in their choice of objectives and interventions.
3. The MTR established that there is lack of clarity on the role of setting national priorities particularly for the national budget, PIPs, SIPs, and DDPs. The 1995 Constitution and the NPA Act are equally nonspecific in this regard. This weakness has led to lack of harmonization and consistence among the various plans, including the national budget. The weakness has also created uncoordinated implementation of programs and loopholes in accountability. Going forward, setting of priorities with the view to realizing effective implementation of the NDP will require clear policy and legal framework.

## Project design and PIP Issues

1. Both NDP1 and NDP2 continued to carry projects that were not well conceived and not ready for immediate financing within the plan. This is partly due to the weak institutional structure especially at the sector and LG level to prepare such projects. Before consideration of the project in the National Development Plan, there should be a prefeasibility study at the very least to ensure that the project will be viable in the course of the NDP period. This will therefore require strengthening the capacity of sectors to prepare feasibility studies. The role of the NPA in this case would be to ensure that the feasibility studies done by the sectors meet the required standards to be included in the NDP. In addition, there is a need to further harmonise the list of projects included in the NDP and PIP document produced by the MoFPED. Production of the PIP document by MoFPED seems to be a duplication of efforts and the review suggests one publication for the list of projects as an Annex to the NDP.

## Planning and budgeting

1. The review appreciated the fact that the NDP is a static document and to actualize it this would require continuous involvement of the NPA in the various planning and budgeting frameworks under MoFPED. It was established that parallel planning programs continued to be undertaken by MoFPED, often without involvement of the NPA. For instance, the PIP continued to be produced by MoFPED without involvement of NPA, the body responsible for development planning. Also, the MTEF continued to be undertaken by MoFPED with minimal or no engagement of the NPA to ensure that the framework is consistent with the strategic direction of the NDP. Going forward, there is need to meaningfully involve NPA in the formulation of the MTEF which is a key tool for implementing the strategic direction of the plans.
2. In addition, the planning process continues to be guided by international frameworks such as the IMF policy guidelines, and regional commitments such as under the East African Community. Albeit these commitments, there is minimal consultations between the NPA and Multilateral Financing agencies to ensure that their guidelines are in line with the strategic direction of the country. This has at times created conflict between MoFPED and NPA where agreements are used as a basis to divert from the strategic direction. As well, there is literally no involvement of the NPA in negotiation of regional commitments under for example the EAC. It is therefore critical the NPA is engaged at all levels to ensure that such agreements are in line with the interests of the NDP.

## Implementation

1. According to the NDP, implementation and management of the Plan is under the overall leadership of H.E the President. Implementation of the NDP is, however, a shared responsibility of all Ugandans - all MDAs, districts, the private sector, CSOs, NGOs as well as development Partners. OPM is required to ensure effective coordination of NDP implementation across government.
2. The MTR noted that close linkage between the NRM Manifesto and the NDP often enabled unconscious budget prioritisation and implementation of programs that are a priority of the NDP. There has been some focus on reorienting resources towards the priorities identified under the NDP2. In addition, the need to align planning and budgeting systems is now more appreciated. What continues to be a challenge is the slow implementation of projects under the NDP. The MTR found no evidence to show deliberate strengthening of coordination of implementation for purposes of enhancing NDP implementation. The Delivery Unit under the OPM whose role was to coordinate implementation of the NDP key projects has not fully played its role.
3. In order to effectively undertake coordination of implementation of the NDP, OPM would require taking charge of the roles of quality assuring and validating sector and district work-plans, BFPs, and Policy Statements. In addition, OPM should in effect be responsible for approving sector and district quarterly and annual work plans and providing approvals to MoFPED for quarterly release of funds to districts and sectors. In order to effectively carry out its mandate on coordination of NDP implementation, OPM requires strengthening in terms of staffing levels and logistics under the Directorate of Policy Coordination and Implementation, which is the most critical function under OPM.
4. The MTR findings also indicated that there is no meaningful engagement of the private sector to rally behind projects and strategies outlines in the NDP. There is no clear institutional framework whose role is to sell the NDP to the private sector and therefore get its buy-in. This is exacerbated by the fact that even the necessary basic legal frameworks such as the PPP are not functional. There is therefore a need to put in place a mechanism that would facilitate dialogue between the private sector and the NDP. This could be done by creating annual forums to update and take stock of achievements and gaps that are pertinent to the private sector’s involvement in the NDP.

## Monitoring and Evaluation

1. The role of monitoring are well demarcated under the current institutional framework. Under the NDP, NPA is responsible for establishing a results framework for the NDP and ensuring that relevant institutions of Government develop result indicators that are consistent with the NDP, including production of the annual National Development Report. This to a large extent has taken place under the NDP2. The National Planning Forum, chaired by H.E the President, is the highest institutional M&E organ for monitoring progress of the NDP. This forum as highlighted earlier has not done its role as envisaged under the NDP2. On the other hand OPM is responsible for monitoring government performance and production of a six monthly reporting to Cabinet on Government performance. In addition, MoFPED is responsible for resource mobilization, formulation of national budgets and disbursement of budgetary resources, financial accountability and budget monitoring and reporting.
2. These institutional roles notwithstanding, streamlining institutional roles and functions of M&E of the NDP has been one of the biggest NDP implementation challenges. In order for the country to have a single integrated and comprehensive monitoring and evaluation system for the NDP, there is need to ensure clarity of leadership on all M&E (for public and non-state actors). A comprehensive and integrated M&E system for the NDP would reduce duplication of reporting and fatigue on planners, and enable efficient use of time by planners and statisticians in sectors and local governments.
3. Going forward, OPM should continue to focus on monitoring and coordinating the implementation of the NDP programs. In particular, regular assessments (for instance on quarterly basis) on programs and projects should be provided. Where there is lax in implementation the OPM should ensure that projects are put back on track to meet their timelines. On the other hand, the evaluation role on programs of government should be the sole responsibility of NPA. The frequent monitoring and evaluation on progress of NDP should provide significant input in the MTRs and terminal evaluation of the NDPs. That said, there is need to strengthen capacity in both the OPM and NPA to undertake these roles effectively.

## Oversight

1. NDP oversight is a mandate of the Presidency and Parliament supported by various statutory bodies. The civil society compliments statutory bodies by ensuring that independent assessment of policies and programs, particularly of the NDP, are undertaken and reports are made available to government and general public. Oversight over the NDP has had a number of challenges, which include inadequate capacity of NPA and other statutory bodies to timely provide quality requisite reports to inform the oversight function. Another challenge is the lack of a platform for oversight support institutions to consolidate the various oversight reports (including the oversight monitoring reports of Parliament), in an evidence-based manner, into a single annual oversight report to be presented on the floor of Parliament. In addition, it may be worthwhile for Parliament to consider creating a Sessional Oversight Committee to consider and present in Plenary the Consolidated National Oversight Report. This report will also enable tracking and follow-up of recommendations and action taken by the responsible institutions and officers.

# REVIEW OF THE RECOMMENDATIONS OF THE RATIONALIZATION OF GOVERNMENT AGENCIES

1. In 2018, a report of the review and rationalisation of government agencies was produced by a task force of the Ministry of Public Service following a number of concerns raised by H.E. the President on the several mushrooming agencies, and the need to address provisions of the NDPII which identified one of the impediments to achievement of the objectives of NDP1 as weak Public Sector Management characterized by duplication of mandates, weak and limited institutional and technical capacity to plan and deliver on mandated services of Government Institutions. Specifically, the review and/or rationalisation aimed among others at establishing the current operational costs of Agencies, curb their unplanned and unevaluated creation, remove wasteful public expenditure, eliminate duplication and overlaps between the Agencies and line Ministries and engender efficiency and effectiveness in their operations. The approach and methodology to the review included the review of relevant policy and programme documents, data out-sourcing and analysis, functional analysis and committee Meetings.
2. The report identified 22 Ministries and 146 public agencies in form of: Authorities, Boards, Commissions and Bureaus; Government Departments; as well as independent institution-like programs and projects. The identified public institutions were subjected to analysis of their roles and mandates, functions and structural related issues to establish their continued relevance and positive contribution to the performance of the Public Service, Government and the socio-economic and political economy of the country. For ease of analysis, government agencies were further categorized into 17 sectors including: accountability, public administration, social development, education and health among others.
3. The NDP II MTR picked interest to review the report and its recommendations with the view to examine adequacy of the report’s recommendations in addressing the earlier identified Public Sector Management weaknesses, more so, the MTR reviewed the specific questions that guided the review and/or rationalization namely:
4. Why have Agencies where there are Departments of Government dealing in the same area of responsibility?

## How much is being spent on sustaining Agencies?

1. Why separate the policy role from regulatory role for non-commercial bureaucratic portions of Government?
2. Why have boards for money consuming Agencies other than money generating Agencies?
3. Is it a fair and efficient decision to consolidate, downsize and rationalize and pay well the non-commercial portions of state employees?
4. Is it better to consolidate the public service employees into two categories: policy, regulators and implementers; and money makers running a few Parastatals?
5. In sum, the findings of The MTR were that in some of the cases where clearly, such entities were playing similar complementary roles, the proposed merger of government entities should be upheld. However, in cases where agencies clearly have a known track record of enhanced performance and delivery on major/critical government projects, such institutions should be accorded a second critical look before wholly implementation of the mainstreaming or scrapping recommendations, no matter whether they were non-money generating entities. The MTR acknowledges that it is right for government to minimise expenditure by getting rid of money consuming agencies, but there are those money consuming government agencies, which have made government visible in terms of service delivery such as the Uganda National Roads Authority (UNRA).
6. NDP2 MTR agrees with the most of the recommendations related to the merger or mainstreaming of agencies given that indeed most of them were performing complementary roles, and also that mergers would save a lot of government financial resources. However, the recommended mergers or mainstreaming of agencies should be addressed on a case by case basis. The MTR notes that Agencies were set up to evade the inefficiencies that characterized their mother ministries and it is not clear whether mainstreaming would eliminate the inefficiencies that were intended to be abated. A case by case evaluation of each of the recommendations should be considered ahead of actual implementation of the recommendations. For instance, what has changed in the mother ministries that for instance UNRA would work best in the Ministry of Works? The rationalization report fell short of demonstrating how the issue of inefficiencies, attitudes of civil servants, slow decision making and corruption tendencies in the civil service would effectively be tackled ahead of the recommended mainstreaming.
7. The issue of wasting Government resources arising from mainly duplicating roles should be looked at holistically and in a broad picture of all government institutions contributing to the ever increasing Government public expenditure. The rationalization exercise should look at whether indefinite suspension/banning of the creation of new local governments and administrative units and adopting the regional tier system with fewer structures and staff and/or reducing the size of Parliament and Cabinet among others would also facilitate a significant reduction in public expenditure. For instance Uganda’s Parliament has grown from 92 members in 1962 to over 400 in 2018, a figure that is likely to further increase as the quest for the creation of more district local governments continues. In fact parliamentary debates and legislations would considerably be more effective with a smaller number of Parliamentarians than it is today with over 400. Similarly, a cabinet size of over 80 members is far too high considering the fact that the key sectors, which primarily determine ministerial functions are just over twenty.
8. The rationalisation report also points out that salary disparities between agency employees and traditional civil servants have led to ‘disenfranchisement of some class of cadres’. The MTR believes that competitive salaries paid to staff in agencies was to attract and retain specialized skills, improve on motivation and high productivity of agencies, which would ultimately enable them to effectively deliver on their mandates in a business-like environment based on their semi-autonomous status. Removing such competitive salary to the staff is not only likely to affect service delivery by making it hard to attract highly skilled staff and/or failure to retain such staff. Government should instead establish an independent salary review commission for all public servants to systematically and logically address disparities and rationalize them. The proposal to resolve such imbalances by rationalizing public agencies ignores service delivery quality issues caused mainly by the institutional weaknesses in the civil service. While minimizing duplication of public service delivery is important to ensure smoothness in service delivery and value for money, it is important to recognise the fact that some services need highly specialized skills with a competitive pay and good working conditions. In this regard, entities in agriculture and health research could be spared being bogged down by civil service bureaucracy and unpalatable work culture.
9. The rationalization report recommendation of merging entities was also based on the notion of emerging technological development which calls for flat structures and sharing information and resources using platforms like e-government, e-recruitment, e-health, and e- education among others. Whereas it is true that introduction of technology reduces the numbers, civil service has not yet introduced or reached that level of technological development to warrant such merging/restructuring.
10. The MTR notes that Agencies were set up to evade the inefficiencies that characterized their mother ministries and it is not clear whether mainstreaming would eliminate the inefficiencies that were intended to be abated. The MTR does not particularly agree with the recommendation that UNRA should be mainstreamed on grounds that its roles are duplicated in the Department of Roads and Bridges in the Ministry of Works and Transport and Kampala Capital City Authority. UNRA’s performance has not only made government visible in terms improved delivery on road infrastructure but has also most crucially strengthened development partner confidence. The agency’s performance on delivery on Infrastructure in its 10 years of existence is incomparable with the period Ministry of Works operated without it.
11. Moreover, suggestions on how to mitigate the main reasons underlying the creation of such non-money generating agencies namely enhanced institutional efficiency and effectiveness among others were inadequately addressed by the report. Also, adjusting the law to make semi-autonomous public entities more accountable to political leadership will risk compromising quality and efficient service delivery given that the performance of these agencies is deep-rooted in their semi-autonomous status. The issue of saving government resources should be looked at beyond just duplication of roles and functions of government institutions taking a holistic outlook by considering all government institutions and processes contributing to the ever-increasing Government public expenditure including the size of Parliament and cabinet that have kept growing.
12. Upon review of the rationalization report, the evaluation concluded that the approach to its implementation should be three pronged: (i)some recommendations can be executed without further analysis; (ii) some recommendations require more in depth functional analyses, and; (iii) some recommendations need to be stayed for the medium term.
13. Agencies where implementation should be undertaken without need for further analysis include the following:
14. Merging Agricultural Chemical Board and National Drug Authority into one agency but leaving Uganda National Buerea of Standards out of this merger. The UNBS should be left out of this merger due to its unique and overstretched role of ensuring standards of all manufactured goods.
15. Transferring the Electricity Regulatory Authority back to MEMD to strengthen policy, regulatory, inspection and monitoring function of the Ministry. However, the status regarding the Petroleum Authority of Uganda should remain until practical lessons are identified.
16. Transferring the Uganda Atomic Council to MEMD for consistent policy pursuance.
17. Merging Uganda Communications Commission and NITA-U due to technological convergence reasons.
18. Creating one council with specialized departments for Uganda Nurses and Midwifes, Allied Health Professional, Medical and Dental Practitioners and Pharmacists.
19. Merging Post Bank and Pride Micro finance to create one adequately capitalized publicly owned commercial bank which will lead enhanced financial intermediation in rural areas of the country. This arrangement should however exclude the Micro Finance Support Centre a lender to micro finance agencies.
20. Merging Economic Policy Research Centre, National Population Secretariat with the National Planning Authority. This is a best practice that will strengthen the research component of NPA. The advocacy component of the population secretariat should be transferred to MGLSD under the directorate of social development. The NPA will then be headed by a director general under a single full-time board.
21. Merging Uganda Investment Authority, Uganda Free Zones Authority and Uganda Exports Promotion Board. Private Sector Foundation should be left out of the merger to avoid compromising its advocacy role. Similarly, Enterprise Uganda should not be merged with the rest because it’s a skills development arm with no role in investment and export promotion.
22. Reintegration of NAADS, Uganda Trypanasomiasis Control, Cotton Development Organization, Dairy Development and Coffee Development Authorities into MAAIF to enhance coordination and policy and programme implementation.
23. Phasing out the Non-Performing Assets Trust and Departed Asians Custodian Board.
24. Transferring the UNCST mandate and functions to the MSTI
25. Merging the various councils for the vulnerable into one council (National Youth, National Women, Children, Disability and Older Persons councils) to improve coordination and balanced affirmative action.
26. The following would particularly require more in-depth functional analysis prior to any merger decision.
27. Merger of UNRA, SGR, URC, Transport Licensing board, National Roads Safety Council and Marine Transport into a single infrastructure development agency should be reconsidered. This requires in depth functional analysis of the various agencies involved to avoid back and forth policy reversals.
28. Merging the Insurance Regulatory Authority, Uganda Retirement Benefits Regulatory Authority, Capital Markets Authority and Uganda Microfinance Regulatory authority would require further review given that the functions of all these agencies are very distinct and hardly relate to each other.
29. Mergers under the Tourism sector should be restricted to Uganda Wildlife Authority and Uganda Wildlife Education Trust, with the Uganda Tourism Board left out of the merger to enable it focus on its core mandate of promotion and marketing of tourism.
30. Merging the Uganda National Examinations Board with the Uganda Business Technical Examinations Board, UAHEB and UNMEB requires more consideration given that each examination board applies different examination approaches.
31. The evaluation recommends staying of the proposed mergers below:
32. Mainstreaming the functions of the National Lotteries Board into the Ministry of Finance Planning and Economic Development requires further study given that National Lotteries are a private activity whereby the role of government/MoFPED stops at regulating them.
33. The National Identification and Registration Authority, Uganda Registration Services Bureau, Uganda Non-Governmental Registration Board and National Citizenship and Immigration Control play different roles, have different objectives and are aimed at delivering different results. Their merger into one agency complicates coordination, budgeting and planning for results.
34. The evaluation does not support the notion of merging Rural Electrification Agency, Uganda Electricity Distribution Company, Uganda Electricity Generation Company and Uganda Electricity Transmission Company Ltd. At the time Uganda Electricity Board played the role of these four companies, it was a sole monopoly in generation of power. With more players generating power, this would require specialized agencies because of the varying tasks in generation, transmission and distribution.
35. The evaluation does not recommend the transfer of National Records and Archives Authority to Ministry of Public Service as there are enormous advantages in the semi-autonomy of the National Records and Archives Authority and risks associated with archiving or National records with a Ministry whose mandate is different.
36. Consolidation of social programs such as the Youth Livelihood, Women and disabled persons funds into the Uganda Development Bank is inappropriate. The bank’s core mandate is to lend to private investors.
37. Consolidation of all funds for microfinance activities under MDAs into a directorate of Microfinance in MoFPED is also inappropriate given that savings are private sector initiatives with different and unique objectives.
38. The Hotel and Tourism Institute-Jinja should remain under the Ministry of Tourism, Wildlife and Antiquities, while the Ministry of Education and Sports should continue its regulatory role on curriculum and examinations.
39. Merging the Uganda Warehousing Receipt Systems Authority with the Uganda Commodity Exchange would be erroneous. Commodity Exchange is mainly for purposes of hedging against financial risk while the warehousing receipt system is for safeguarding against post-harvest losses.
40. The transfer of the directorate Urban Water Supply to the National Water and Sewerage Corporation should be stayed as Urban water has a role to play in policy formulation and extension of free water to many existing and emerging urban areas where NWSC may not reach in the medium term.

# LESSONS AND RECOMMENDATIONS

## Lessons learned

1. This MTR notes indeed that the Plan lined up a very useful institutional implementation structure comprising oversight, coordination and implementing institutions. The monitoring and evaluation roles and responsibilities of the different institutions are also well articulated in the plan. NDP2 maintained the oversight Institutions of the NDP I but this time introducing some reforms for enhanced efficiency and in line with the lessons learnt in the NDP I period; NDP review forums were expanded to include the private and civil society forums, the Local Government review forum and sector review forum. These forums were to be established and operationalized with each playing a key role towards an integrated, coordinated and timely monitoring and evaluation function. Despite the existence of these well intentioned M&E systems and structures, the MTR notes that the NDP implementation remains highly constrained by weak M&E capacity and systems at both LG and MDA level.
2. Political and technical Leadership of the NDP remain crucial components of the institutional framework for the NDP delivery. However, the aligned roles and responsibilities continue to be undermined by the limited financial and technical capacity especially to monitor NDP processes and outputs in relation to planned priorities. Cabinet, the highest policy making body of Government has not yet put in place a standing committee to handle NDP implementation matters. Similarly, there is no committee of Parliament dedicated to National Development Planning.
3. Just as NDP I, NDP II not only lined up the right institutions but also considered their comparative advantages in roles, functions and interdependence. However, it is worrying that at MTR, the most desirable political and technical leadership of the NDP2 remains wanting. A number of reforms in NDP institutional implementation and Monitoring function particularly the oversight functions of The Annual Review Forum, Sector Review Forum, The Private Sector and Civil Society Forum or the Local Government Review Forum have inadequately been prioritised so far. Owing to this gap, timely identification of warning signs requiring an all-to-own action is weak. Given that the five year NDP was part of Uganda’s Comprehensive National Development Framework, the failure to undertake regular stakeholder reviews as had been intended under the proposed annual review forums has meant a lost opportunity for such forums to consciously direct all their planning, implementation, monitoring and evaluations towards attainment of medium and long term targets conceived in relation to the national Vision 2040.
4. We found that many MDAs had agencies under each of them to do specialized tasks. While this principle was good in so far as it underscored the fact that a bureaucratic MDA was not very effective at implementation of certain tasks, as they increased in number, the agencies tended to bring in duplication of effort, inter-agency competition and escalation of costs and hence wastage. Thus the number of agencies under a given MDA should not be allowed to escalate. However, we found that some agencies such as those related to electricity (e.g. Uganda Electricity Generation Company Limited, UEGCL; Uganda Electricity Transmission Company Limited, UETCL; Uganda Electricity Distribution Company Limited, UEDCL) ought to be handled with care to avoid re-bundling them back to the inefficient Uganda Electricity Board or Agency as it is suggested to be called. Regarding the National Council for Higher Education (NCHE), we found that its mandate is too broad given it deals with universities and other tertiary institutions. We fully support the split of NCHE so that it concentrates on universities only leaving other institutions to BTVET. Our stand is in contrast with that of Cabinet to the effect that three agencies (NCHE; National Curriculum Development Centre, NCDC; & the Directorate of Industrial training, DIT) be merged under one council!
5. The National Policy on Public Sector Monitoring and Evaluation (NPPSME) of the OPM (see Section 5.3 of this report) is vague in as far as specifying who is responsible for the coordination/ oversight role in the respective institutional frameworks. While most of our respondents blamed the OPM for failing in this role, the policy (the NPPSME) gives coordination/ oversight roles to almost every MDA – notably Parliament playing this role thorough its sectoral committees; the Office of the Auditor General (OAG); the Office of the Prime Minister (OPM); at times President’s Office (PO); and the National Planning Authority (NPA); even the Ministry of Finance, Planning and Economic Development (MFPED); among others. If each of those MDAs is responsible, who is indeed responsible for the coordination/ oversight role. The coordination/ oversight roles for each of these MDAs ought to be clarified. The policy (NPPSME) of the OPM needs to be amended to make it clear who is responsible for the coordination/ oversight role in the respective institutional frameworks.
6. Some milestones have been covered in regards to the knowledge of the NDP as a planning framework for MDAs and Local Governments. However, nearly all the stakeholders engaged in consultations at central and Local government level as part of this MTR, had ‘an entity’ to blame for the performance challenges they faced which rotated largely around limited funding and inadequate attention to building technical capacity both at the centre and LG level and in public agencies. Local government stakeholders particularly complained about increased centralisation of authority by government that undermined the principals and values of decentralisation, some of whom argued that the centre was deliberately disenfranchising in order to keep them in administrative check. Local Governments are front-line service centres for the majority of the Citizen consumers of National development in form of public services. Throughout NDP1 and NDP2, the essence of a decentralised system offering the best to its citizens continued to dwindle due to limited financing, low workforce capacity and the proliferation of new districts without matching increase in decentralised financing.
7. Both the NDP I and II recognise the private sector as a key drivers of the economy especially in terms of implementation of the major projects. It was seen in terms of its ability to attract human expertise and financial resources needed for undertaking major projects. Strategies to re-vitalise the predominantly micro, small and medium enterprises (SMEs) and a large informal sector have continued to remain inadequate. The NDP II proposed PPP unit in the Ministry of Finance was put in place but much more needs to be done to build a fund for access by both local and international investors.
8. The role of civil Society in monitoring of progress in implementation of the NDPs remains weak. By MTR, many still felt that they were ‘far away’ from action because their proposals were not usually considered and business remained as usual. Similarly, communities as producers and consumers of development have not yet fully gained an understanding of the National Vision and are yet to demonstrate ownership through effective monitoring and demand for accountability for service delivery. Moreover, there is a weak sanctioning framework for poor performance. Client chatters and Perfomance contracts proposed since NDP1 have not effectively been enforced, let alone making them known through the Barazas proposed in both NDP I and II.

## Recommendations

1. There is need by higher level oversight and coordination institutions (Cabinet, The OPM, NPA, MoFPED) to collectively commit to a deliberate and purposeful ‘drive to make things happen’. Given the importance Uganda has attached to national development planning as reflected in Uganda’s comprehensive national development plan and vision 2040, there is need to for a standing committee of cabinet that focus on National Development Planning and implementation. As far as NDP is concerned, the Parliamentary roles in oversight, legislation and appropriation should also be seen not in the usual generic frame; implementation of an earlier recommendation by the MTR that a committee of parliament focusing on National Development Planning be formed is also long overdue.
2. In order to enhance the effectiveness and efficiency of the NPA, the authority should be deliberately re-equipped both in terms of hierarchical positioning and technical capacity. That way the Authority will not only carry stronger clout over other MDAs but most importantly it will more directly support Cabinet decision making on policies that drive National Development Planning. Through research and policy analysis, NPA will generate policy papers that will quickly be utilised to inform cabinet decision making on development including those that seek to identify short and medium term institutional bottlenecks requiring reforms and adjustments that will more efficiently and effectively propel positive NDP results.
3. Local Government Capacity to deliver in NDP priority areas such as Agriculture, Health and Education should immediately be prioritised to tap from their strategic positioning within the NDP delivery structures which brings them closer to the end users of development. Monies disbursed to LGs could easily be wasted if they do not effectively take care of the technical staffing gaps as well as capacity building to deliver on NDP objectives. Agricultural productivity at household level needs real support through effective agricultural extension services. Health facilities from HC II to regional referral Hospitals will obviously remain ineffective if the required human resources and medical supplies perpetually lack. Similarly, the capacity to deliver primary education services will require regular supervision and engagement with communities over quality and standards. The extension services sub-sector crucially needs full local government capacity. These and other critical LG service areas will need a different decentralised service capacity and system from what NDP1 and NDP2 were implemented under. It is still important that the principle of subsidiarity adequately informs the character of decentralised institutional mandates in NDP regimes ahead.
4. At sector level, more support in regards to a strong coordination system of the sectors is required. The NPA should take lead on the re-constitution of SWGs and development of their terms of reference to further enhance joint development planning, prioritisation and reporting. This will address tendencies for individual MDAs to feel like they do not belong where they find themselves. This effort should go along with strategies to enhance leadership, technical and financial capacity and other incentives for improved coordination and collaboration and removal of conflicting mandates. Thankfully, the recent report by the MoPs on rationalization of Government Agencies and Authorities makes several strategic recommendations regarding harmonisation of Agency mandates, reduction on duplication of functions and unproductive functions.
5. Upon review of the rationalization report, the evaluation concluded that the approach to its implementation should be three pronged: (i)some recommendations can be executed without further analysis; (ii) some recommendations require more in depth functional analyses, and; (iii) some recommendations need to be stayed for the medium term.
6. Agencies where implementation should be undertaken without need for further analysis include the following:
	1. Merging Agricultural Chemical Board and National Drug Authority into one agency but leaving Uganda National Buerea of Standards out of this merger. The UNBS should be left out of this merger due to its unique and overstretched role of ensuring standards of all manufactured goods.
	2. Transfering the Electricity Regulatory Authority back to MEMD to strengthen policy, regulatory, inspection and monitoring function of the Ministry. However, the status regarding the Petroleum Authority of Uganda should remain until practical lessons are identified.
	3. Transfering the Uganda Atomic Council to MEMD for consistent policy pursuance.
	4. Merging Uganda Communications Commission and NITA-U due to technological convergence reasons.
	5. Creating one council with specialized departments for Uganda Nurses and Midwifes, Allied Health Professional, Medical and Dental Practitioners and Pharmacists.
	6. Merging Post Bank and Pride Micro finance to create one adequately capitalized publicly owned commercial bank which will lead enhanced financial intermediation in rural areas of the country. This arrangement should however exclude the Micro Finance Support Centre a lender to micro finance agencies.
	7. Merging Economic Policy Research Centre, National Population Secretariat with the National Planning Authority. This is a best practice that will strengthen the research component of NPA. The advocacy component of the population secretariat should be transferred to MGLSD under the directorate of social development. The NPA will then be headed by a director general under a single full-time board.
	8. Merging Uganda Investment Authority, Uganda Free Zones Authority and Uganda Exports Promotion Board. Private Sector Foundation should be left out of the merger to avoid compromising its advocacy role. Similarly, Enterprise Uganda should not be merged with the rest because it’s a skills development arm with no role in investment and export promotion.
	9. Reintegration of NAADS, Uganda Trypanasomiasis Control, Cotton Development Organization, Dairy Development and Coffee Development Authorities into MAAIF to enhance coordination and policy and programme implementation.
	10. Phasing out the Non-Performing Assets Trust and Departed Asians Custodian Board.
	11. Transferring the UNCST mandate and functions to the MSTI
	12. Merging the various councils for the vulnerable into one council (National Youth, National Women, Children, Disability and Older Persons councils) to improve coordination and balanced affirmative action.
7. The following would particularly require more in-depth functional analysis prior to any merger decision.
	1. Merger of UNRA, SGR, URC, Transport Licensing board, National Roads Safety Council and Marine Transport into a single infrastructure development agency should be reconsidered. This requires in depth functional analysis of the various agencies involved to avoid back and forth policy reversals.
	2. Merging the Insurance Regulatory Authority, Uganda Retirement Benefits Regulatory Authority, Capital Markets Authority and Uganda Microfinance Regulatory authority would require further review given that the functions of all these agencies are very distinct and hardly relate to each other.
	3. Mergers under the Tourism sector should be restricted to Uganda Wildlife Authority and Uganda Wildlife Education Trust, with the Uganda Tourism Board left out of the merger to enable it focus on its core mandate of promotion and marketing of tourism.
	4. Merging the Uganda National Examinations Board with the Uganda Business Technical Examinations Board, UAHEB and UNMEB requires more consideration given that each examination board applies different examination approaches.
8. The evaluation recommends staying of the proposed mergers below:
	1. Mainstreaming the functions of the National Lotteries Board into the Ministry of Finance Planning and Economic Development requires further study given that National Lotteries are a private activity whereby the role of government/MoFPED stops at regulating them.
	2. The National Identification and Registration Authority, Uganda Registration Services Bureau, Uganda Non-Governmental Registration Board and National Citizenship and Immigration Control play different roles, have different objectives and are aimed at delivering different results. Their merger into one agency complicates coordination, budgeting and planning for results.
	3. The evaluation does not support the notion of merging Rural Electrification Agency, Uganda Electricity Distribution Company, Uganda Electricity Generation Company and Uganda Electricity Transmission Company Ltd. At the time Uganda Electricity Board played the role of these four companies, it was a sole monopoly in generation of power. With more players generating power, this would require specialized agencies because of the varying tasks in generation, transmission and distribution.
	4. The evaluation does not recommend the transfer of National Records and Archives Authority to Ministry of Public Service as there are enormous advantages in the semi-autonomy of the National Records and Archives Authority and risks associated with archiving or National records with a Ministry whose mandate is different.
	5. Consolidation of social programs such as the Youth Livelihood, Women and disabled persons funds into the Uganda Development Bank is inappropriate. The bank’s core mandate is to lend to private investors.
	6. Consolidation of all funds for microfinance activities under MDAs into a directorate of Microfinance in MoFPED is also inappropriate given that savings are private sector initiatives with different and unique objectives.
	7. The Hotel and Tourism Institute-Jinja should remain under the Ministry of Tourism, Wildlife and Antiquities, while the Ministry of Education and Sports should continue its regulatory role on curriculum and examinations.
	8. Merging the Uganda Warehousing Receipt Systems Authority with the Uganda Commodity Exchange would be erroneous. Commodity Exchange is mainly for purposes of hedging against financial risk while the warehousing receipt system is for safeguarding against post-harvest losses.
	9. The transfer of the directorate Urban Water Supply to the National Water and Sewerage Corporation should be stayed as Urban water has a role to play in policy formulation and extension of free water to many existing and emerging urban areas where NWSC may not reach in the medium term.
9. The number of agencies under a given MDA should not be allowed to escalate. While we recognise the Cabinet’s stand on these agencies, we propose that functional analyses should be undertaken on all government MDAs . This will enhance efficiency within government.
10. The National Policy on Public Sector Monitoring and Evaluation (NPPSME) of the OPM needs to be amended to make it clear who is responsible for the coordination/ oversight role in the respective institutional frameworks. We support the proposal from President’s Office (PO) (Thursday November 29, 2018 and Friday November 30, 2018) to the effect that coordination of government projects be improved, so that the work of one (e.g., OPM) is an input in the work of another (e.g., PO). We concur with their suggestion that monitoring and evaluation (M & E), should be better defined, in such a way that it is contextual and not generic. Ministries, departments and agencies (MDAs) which implement government policies, ought to do “operational” M & E. The Office of the Prime Minister (OPM) should thus desist from doing “operational” M & E. The OPM being responsible for monitoring and coordinating the implementation of government policies at MDA level, should do “institutional coordination” and macro-level M & E. At the strategic/ apex level, we should have “results/ oversight” M & E, which looks at long-term impact of government policies. Such M & E ought to be done by the President’s Office (PO), National Planning Authority (NPA), Civil Society, Academia, independent researchers and development partners. In particular, the PO does its “results/ oversight” M & E through its departments (e.g., DEAR); State House; Internal Security Organisation (ISO); and the Resident District Commissioners (RDCs).
11. The delivery unit was established in the OPM with the sole responsibility of oversight function and ensuring implementation of government initiatives. The mandate of the delivery unit is to ensure that key public investments are implemented in accordance with the strategic direction of government. However, the MTR has found that the specific roles of the delivery unit are not clearly understood across both central and local governments. Secondly the MTR was unable to establish the functional relationship between the delivery unit and other MDAs. Furthermore, the delivery unit has continued to focus on a more narrow scope of its mandate and to some extent replicating the roles of the MDAs. The roles of the delivery unit should be clearly operationalized and its relationship to the rest of government should be well articulated.

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1. MoFPED – National strategy for Private sector Development 2017 [↑](#footnote-ref-2)
2. The resources for collecting security information at Sub-county and parish levels have been constrained by unplanned activities [↑](#footnote-ref-3)
3. The NPA Act, 2002, stipulates that NPA shall be responsible for monitoring and evaluation of Government policies and programmes [↑](#footnote-ref-4)
4. Of all districts surveyed revenue mobilization was less than 1% [↑](#footnote-ref-5)