



Results Framework Thematic Report

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

2015/16-2019/20

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Prepared by



For the National Planning Authority



In Association with

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# Acronyms

|  |  |
| --- | --- |
| AB | Annual Budget |
| AG | Auditor General |
| AP | Annual Plan |
| ART | Anti-retroviral therapy |
| ARV | Antiretroviral |
| ATM | Agriculture, Tourism & Minerals |
| BFP | Budget Framework paper |
| BMAU | Budget Monitoring and Accountability Unit |
| BTVET | Business, Technical and Vocational Education and Training |
| CEmONC | Comprehensive Emergency Obstetric and Newborn Care |
| CNDPF | Comprehensive National Development Planning Framework |
| CoC | Certificate of Compliance |
| CSBAG | Civil Society Budget Advocacy Group |
| CSO | Civil Society Organization |
| DDP | District Development Plan |
| DPT3 | Diphtheria, Pertussis, Tetanus Vaccine-3 doses |
| EAC | East African Community |
| EAMU | East African Monetary Union |
| ECD | Early Childhood Education |
| eMTCT | Elimination of mother-to-child transmission |
| EPR | Employment Participation Rate |
| EPRC | Economic Policy Research Centre |
| EoDB | Ease of Doing Business |
| EU | European Union |
| FIGD | Framework for Inclusive Growth and Development |
| FP | Family Planning |
| FY | Financial Year |
| GAPR | Government Annual Performance Report |
| GCI | Global Competitiveness Index |
| GDI | Gender Development Index |
| GDP | Gross Domestic Product |
| GEI | Government Effectiveness Index |
| GII | Gender Inequality Index |
| GNI | Gross National Income |
| GoU | Government of Uganda |
| HCD | Human Capital Development |
| HDI | Human Development Index |
| HDR | Human Development Report |
| HSDP | Health Sector Development Plan |
| ICT | Information and Communication Technology |
| IHDI | Inequality Adjusted Human Development Index |
| KRA | Key Result Area |
| LG | Local Government |
| LGDP | Local Government Development Plan |
| LU1 | Youth unemployment (LU3) |
| LU2 | Youth time-related underemployment |
| LU3 | Combined rate of youth unemployment and youth potential labour force |
| MAAIF | Ministry of Agriculture, Animal Industry and Forestry |
| Mbps | Megabits per second |
| MCM | Million Cubic Meters |
| M&E | Monitoring and Evaluation |
| MDA | Ministry / Department / Agency |
| MDG | Millennium Development Goals |
| MDP | Municipal Development Project  **development projects** |
| MFPED | Ministry of Finance Planning and Economic Development |
| MGLSD | Ministry of Gender, Labour and Social Development |
| MMR | Maternal Mortality Rate |
| MoES | Ministry of Education and Sports |
| MoFPED | Ministry of Finance, Planning and Economic Development |
| MoGLSD | Ministry of Gender, Labour and Social Development |
| MoH | Ministry of Health |
| MoWT | Ministry of Works and Transport |
| MTEF | Medium Term Expenditure Framework |
| MTR | Mid Term Review |
| MW | Mega Watt |
| MWE SPR | Ministry of Water and Environment Sector Performance Report |
| N/A | Not Available |
| NAPE | National Assessment of Progress in Education |
| NBI | National Backbone Infrastructure |
| NBI/EGI | National Backbone Infrastructure/e-Government Infrastructure |
| NDP | National Development Plan |
| NDPI | National Development Plan I |
| NDPII | National Development Plan II |
| NDR | National Development Report |
| NER | Net Enrolment rate |
| NEET | Not in Education, Employment, or Training |
| NGP | National Gender Policy |
| NHPC | National Housing and Population Census |
| NITA-U | National Information Technology Authority, Uganda |
| NPA | National Planning Authority |
| NSPSD | National Strategy for Private Sector Development |
| NSSF | National Social Security **Fund** |
| NWSC | National Water & Sewerage Corporation |
| OPD | Out Patients Department |
| OPM | Office of the Prime Minister |
| PFM | Public Finance Management |
| PFMA | Public Finance Management Act |
| PIP | Public Investment Plan |
| PLE | Primary Leaving Examinations |
| PPP | Public Private Partnership |
| PPP | Purchasing Power Parity |
| PWD | Persons with a Disability |
| R&D | Research and Development |
| RMNCAH | Reproductive, Maternal, New-born, Child and Adolescent Health |
| SAGE | Social Assistance Grants for the Elderly |
| SDGs | Sustainable Development Goals |
| SDP | Sector Development Plan |
| SDSP | Social Development Sector Plan |
| SGR | Standard Gauge railway |
| SIP | Sector Investment Plan |
| SME | Small and Medium Enterprises |
| TFR | Total fertility Rate |
| THE | Total health expenditure |
| ToR | Terms of Reference |
| TWh | TerraWatt hour |
| U5MR | Under 5 Mortality rate |
| UBOS | Uganda Bureau of Statistics |
| UCC | **Uganda** Communications Commission |
| UDHS | **Uganda** Demographic and Health Survey |
| UGX | Uganda Shilling |
| UIA | Uganda Investment Authority |
| UNICEF | United Nations International Children's Emergency Fund |
| UNRA | **Uganda** National Roads Authority |
| URA | Uganda Revenue Authority |
| UNDP | United Nations Development Programme |
| UNHS | Uganda National Household Survey |
| UNPS | Uganda National Panel Survey |
| UPE | Universal Primary Education |
| USE | Universal Secondary Education |
| VTC | Vocational Training Center |
| WEF | World Economic Forum |
| Wfp | Water for production |
| WHO | World Health Organization |

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# Executive summary

This report presents the conclusions of the *Results Framework* of the Mid Term Review (MTR) of the NDPII. The results framework is one of six Thematic Reports describing progress of the NDPII. The other thematic areas of the MTR are: Economic Management; Development Partnerships; Policy and Strategic Direction; Political Economy; and Institutional Framework. The thematic reports will form the basis for an overall synthesis report.

The Results Framework thematic report reviews the results framework for NDPII by assessing results at various levels of the Plan as well as factors and conditions that have contributed to the results. It also makes recommendations for amendments in planning, coordination of implementation, monitoring and evaluation for NDPII and subsequent Plans.

The NDPI experience led to attempts for the NDPII design to focus on development of a detailed macro-economic strategy, ensuring that sector plans, investment and local government plans were reviewed and aligned to NDPII priorities, making sure that cross cutting Issues (e.g., population, social protection, human rights, gender, culture and national values, environment etc.) were properly integrated in government interventions, developing appropriate instruments of monitoring and evaluation, putting measures in place to improve capacity to implement (e.g., human resource and institutional capacities), addressing challenges of implementation (e.g. procurement processes, resource mobilisation), and addressing issues of physical planning among others.

Essentially, the task of the MTR is to use available data to assess to what extent the indicators set and (financial and investment) plans contained in the NDPII have been met. The review of progress against the NDPII goal and objectives has been based on data extracted from the best primary sources available.

Progress on the NDPII goal of “*strengthening competitiveness for sustainable wealth creation, employment and inclusive growth*” was assessed through measuring performance against targets of identified development indicators in the areas of growth, competitiveness, sustainable wealth creation, employment and inclusive growth.

The Ease of Doing Business Index showed a short-lived improvement in **competitiveness** early in the Plan period but the latest results shows that Uganda is lagging behind its competitiveness targets and behind its competitors in the region. The Global Competitiveness Index shows a similar trend.

The economy did reasonably well compared to NDP targets, attaining or partly attaining targets on the GDP growth rate, per capita incomes exports in percent of GDP, Ease of doing business ranking, global competitiveness ranking, and employment. In addition, the Global Gender Gap Index goal was attained. The attainment of targets for important indicators like poverty, income distribution and child poverty could not be determined because of lack of data.

Poverty and inequality remain critical development challenges for the country. While Uganda experienced a remarkable reduction in the incidence of poverty between 2006 and 2013, according to most recent wave of the Uganda National Household Survey (UNHS) 2016/17 this trend has reversed.

Evidence from the latest labour force survey indicates that most of the employed Ugandan’s, 44.2% in 2016/2017, were working in the services sectors that are largely informal. The agricultural sector provided 39.8% of jobs in 2016/2017, followed by industries (16.0% in 2016/2017). For youth the situation is difficult as 4 out of 10 young Ugandans are currently out of work.

The **sustainable wealth creation** indicators do not measure up to targets. Indicators like “share of manufacturing to GDP” and “share of manufacturing jobs to formal jobs” were nowhere near the at NDPII targets at the time of the mid-term. Manufacturing’s contribution to GDP has sown a declining trend from 2014/15 to 2017/18. Other indicators dealing with sustainable wealth creation could not be assessed because of the lack of data.

Progress on the objective named Increase Sustainable Production, Productivity and Value Addition in key growth opportunities scored some gains. The GDP growth rate it the NDPII target and the actual GDP in UGX billions at market prices was close to its target in 2017/18. The sectoral composition of GDP in 2017/18 came only slightly closer to its 2017/18 target, the industry sector reaching only 19.8 % compared to the 27.7 target. As for many other indicators, the progress on labour productivity, ratio of manufactured exports, forest and wetland cover could not be determined because of the lack of data.

The total labour force participation rate stood at 53.0 per cent in 2016/2017, pointing towards a very high proportion of the working age population not employed and still working for own-production use only. In each of the three sectors, output per worker exceeded the NDPII target for 2016/17.

A positive development registered in detailed statistics for share of GDP by industry was that information and communication now nearly has overtaken trade and repairs as the biggest contributor within the services category.

The indicators on **Stock and Quality of Strategic Infrastructure** registered only modest gains with some progress in length of the paved road network in proportion to national network. However the 4,193 km of paved road network represents 79.2% against the NDPII 2020 target of 5,292 km. The country might be on track to meeting the target by 2020.

Indicators for **power consumption** per capita and fiber optic coverage in districts however were far behind their 2017/18 targets. For more than half of the indicators in the infrastructure category progress could not be assessed in 2017/18 because of lack of data.

With the commissioning of new power plants, it can be expected that Uganda will move closer to meeting NDPII 2019/20 target of 30%. In the longer-term Uganda’s energy, demand is projected to increase to 13.7 TWh in 2040. This demand is unlikely to be met by hydropower alone and there is therefore a need for an effective energy planning that directs more investment in other renewable energy sources such as solar and wind with potential for energy production.

The National Data Transmission Backbone Infrastructure and **e-Government Infrastructure** Project has led to a considerable expansion of optic fiber cabling. At the same time, the cost of bandwidth has been reduced leading to a reduction in internet costs. As more MDA sites are connected, further price reduction is expected.

There has been tremendous improvement in storage for **water for production sub-sector**. The national cumulative storage for water for production increased from 37.2 million cubic meters (MCM) in 2015/16 and to 39.2 MCM by June 2018. Given the NDPII target of 39MCM in 2019/20, this indicates that the target had been met two years ahead of time.

According to NDPII, the increased investments in transports, energy and ICT infrastructure are geared towards enhancing **competiveness**. Although the progress in some areas may be slowly helping to improve the country’s competitiveness the “Doing Business” rankings however appears to show that improvement has been slower than in comparable economies.

Assessing progress on **human capital development** requires an examination of performance indicators under the four different components: education and skills development, health, water and sanitation and social development.

Of the 44 indicators for the **“education and skills”** category 25 were not measured in 2017/18 or 2016/17. It was therefore not possible to gauge the position of more than a few of the indicators of university, tertiary, science and technology, literacy numeracy and skills gap for these years.

Of the measurable indicators, the net primary school enrolment and the transition rate to Senior 1 were considered satisfactory with 755 of NDP target values in 2017/18. The net Secondary School completion rate and the BTVET enrolment were also satisfactory overall but respectively rate and enrolment stood at less than the 2017/18 target for the *male* category. The P7 completion rates, the net secondary enrolment rates and the transition rate from S4 to S5 were seriously unsatisfactory with less than 75% attainment of thee NDPII 2017/18 target.

In addition to the indicator statistics, a number of other sources of information were used to map the progress and status in the education and skills area.

The lack of data for **health indicators** is such that for only one of the indicators can the 2017/18 level be determined. The indicator on the percentage of births attended by skilled health personnel had a target of 73% for the 2017/18. The target was attained with 74%.

Considering levels of indicators in 2016/17 gives some sense of what might be possible in terms of target attainment. Infant mortality appears to be on the way down and very close to the 2017/18 target. While under Five Mortality is still high over. Maternal mortality for 2016/17 was under the NDPII target for 2017/18. Compared to baselines both the contraceptive prevalence rate and the total fertility rate seem to move the right way but both were in 2016/17 far from targets. Life expectancy was still far from target.

In terms of Clinical service indicators, proportion of qualified workers in public health facilities, HIV prevalence and health Centres without medicine stock-outs data lacked for all relevant years. Populations within 5 kms from a health facility and deliveries in health facilities seemed to have exceeded the NDP 2017/18 already the year before, whereas per capita outpatient department utilization, pentavalent vaccine use (%) were clearly under the NDPII targets for 2017/18.

**NDPII indicators for mechanisms for quality, effective and efficient service delivery** include the government effectiveness index, the index of judicial independence the public trust in the justice system and the corruption index.

Government effectiveness and efficiency in service delivery is critical for NDPII outcomes. Targeting is important since spending cannot be effective in improving government programme outcomes if it only benefits households that have already achieved the goals.

We have nor baselines, statistics nor targets for the judicial indicators and the situation with regard to these indicators remain uncertain. For both government effectiveness and corruption the indicators were clearly unsatisfactory with less than 75% attainment of 2017/18 targets.

The NDPI MTR pointed to evidence of **growth of income inequalities in Uganda** supported by data from various sources including the UBOS national household survey of 2012/13 and the Human Development Report (HDR). For instance, the way incomes are distributed across individuals shows who benefit or miss out on the development opportunities available to society. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Uganda’s inequality adjusted HDI in 2012 was 0.303, representing a significant fall[[1]](#footnote-1) (33.6 per cent) in human standard of living due to inequality in distribution.

A number of **challenges have been experienced by this MTR in terms of assessing NDPII progress.** Several of the same challenges were also noted in the MTR for NDPI and indeed in the final Evaluation of NDPI. There is however in some respects considerable improvement compared to the challenges noted for NDPI.

The main conclusions from the analysis of progress in **important NDPII (core) investment programmes** was that a number of problems that delayed the NDPI implementation and the assessment of the implementation still seems to exist.

1. Lack of information on the status of the projects at a time close to the mid-term of NDPII
2. Inadequate technical capacity in public service to prepare and implement such projects,
3. Delays in mobilizing project financing,
4. Procurement delays,
5. Absence of adequate institutional and/or legal frameworks
6. Delays in enacting the public-private partnerships Bill

Ten of the 39 projects listed as NDPII core projects were in fact continued from NDPI. One might question whether the roll-over of projects in this way is consonant with good planning. If NDPII has an overall different framework than NDPI and different aims, the “old” projects would not necessarily fit into the new frame, thus watering down the clarity and objectives of the NDPII.

There were 18 projects, a little less than half of all core projects, where some degree of completion (part complete) was recorded in early 2018. For eight of these, the degree of completion was uncertain (Completion>0%). Of the 10 where it was possible to state a certain degree of completeness only two were among the projects rolled over from NDPI. It appears than that “rolling over” has had little effect on the speed of implementation of former NDPI projects, which do not seem to have come much nearer to completion during the first half of NDPII.

Total Planned estimated **cost of the NDPII was** UGX 196,675 billion, a public sector contribution of UGX 113,644 billion and a private sector contribution of 83,031 billion.

The government budget allocation to the to the sector cost set in the NDPII varied with “legislature and accountability” and “justice law and order” “over-financed” and other sectors like social development and health underfinanced as off budget (donor) contributions could not be included in the data used for analysis.

For the first three years of the NDPII, Government allocation was 23% of the planned NDPII budget. Trend analysis for plans up to 2019/20 shows that in the next two years, total NDPII cost and the cost of the priority areas will gradually decline whereas on-budget financing for the NDPII will increase gradually.

Actual releases has exceeded government budget by 4% to 8% over the first three years of the NDPII. Amounts released to local Governments have increased from UGX 2,318 billion in 2015/16 to UGX 2,642 in 2017/18 but shows a declining trend in the proportion of the budget allocated to local governments from 38 percent in 2015/16 to 34 percent in 2017/18.

Innovative funding models to raise extra money for national development might include, public private partnership financing models, a National Development Fund to finance priority projects, donor budget support to local governments to support development at the local level.

Whereas it is difficult to fault the NDPII framework in terms of internal logical and economic coherence and consistency, the **realism** in setting some of the goals and objectives was found to be weak.

1. A brief look at the numbers that most likely were known at the time of preparing the NDPII shows that the growth level planned could not be realistically foreseen in Uganda at the time.
2. Several of the indicator targets set for the objectives listed in table 4.1 p101 of the NDPII document seem to be overly optimistic.
3. The fiscal expansion to be implemented in order to front load infrastructure investment appears considerably higher than what could be expected to be realized while maintaining macroeconomic stability. The experience with the core projects seems to stress the near impossibility of this strategy.
4. The strengthening of governance is not realistic as indicators of government effectiveness and corruption have shown a clear worsening over the years when the NDPII

It was found that the coherence between NDPII and the Vision was very clear. The NDPII is also coherent with international plans and frameworks such as SDGs, EAC, EAMU, African Agenda 2063.

An NDPI implementation challenge was limited integration of **crosscutting issues** in sectoral plans. Seven cross cutting development strategies for NDPII were set out and analysed by the results framework exercise.

**On Social protection,** social protection programs should be scaled up and expanded beyond the Northern region.Ugandan households face a high degree of vulnerability to poverty as a result of high dependence on factors outside the control of households and individuals. While the existing social safety net programs help to reduce poverty and inequality and enhance the livelihoods of beneficiaries, the coverage is limited.

While Uganda’s financial soundness indicators for September 2018 suggest that the banking sector is healthy and Ugandan’s access to financial services has improved dramatically in recent years, **Financial Inclusion** is characterized by the fact that up to 60% of adult Ugandans still keep their savings at home. A significant proportion of the population face obstacles when attempting to increase productivity through investments in better equipment

There was limited integration of **gender issues** in sectoral plans, programmes and projects. These implementation challenges were due to lack of synergies and coherence across sectors and local governments on what priorities to take on. Focus is was put on the synergies in the identified priority growth sectors and development fundamentals.

Assessment of **specific child rights** results is not possible due to a lack of indicators related to this crosscutting issue. Using income poverty measures for children is likely to mask huge inequalities since children do work and earn income on their own. The EU report recommends incorporating child rights indicators into the NDP monitoring matrix and including them in national surveys such as the health surveys and demographic surveys to improve monitoring and evaluation of this cross-cutting issue.

**Persons with Disabilities** face various forms of barriers ranging from negative societal attitudes; discrimination, inaccessible physical environment, information and communication technology to those resulting from insensitive regulatory frameworks. These result in unequal access to services in the area of education, employment, healthcare, transportation political participation and justice in communities by persons with disabilities.

There has been a gradual increase in the number of **people living with HIV** accessing treatment. In 2013, Uganda reached a tipping point whereby the number of new infections per year was less than the number of people beginning to receive antiretroviral treatment. However, as of 2016 around 33% of adults living with HIV and 53% of children living with HIV were still not on treatment. Persistent disparities remain around who is accessing treatment and many people living with HIV experience stigma and discrimination.

**Culture and Mind-set.** There is a problem of **poor attitudes** to work especially among the public service and youths. The Auditor General continues to raise the issue of staff absenteeism as one of the major causes of poor service delivery, especially in education and health sectors. A diagnostic study on human capital development conducted by EU to support the MTR of NDP 2 and evaluation of NDPI, found evidence to support the mindset challenge in the health sector.

Many African countries including Uganda are already experiencing **catastrophic climate change** and variability impacts in inter-related ways across many sectors - including water, energy and agriculture. This calls for integrated approaches in responding to the increasing energy and water demand to enhance livelihoods, sustain economic growth, and address the additional pressures on natural resources due to urbanization and population growth in a continent affected by the changing climate.

# Introduction

## Background

### The National Development Planning Framework

1. Government of Uganda (GoU) approved the comprehensive National Development Planning Framework (CNDPF) policy in 2007. The CNDPF provides a clear perspective vision and long-term plans to articulate the country’s strategic development objectives and priorities to which medium and short-term plans are anchored. It is comprised of five principal elements— a 30 Year National Vision (Vision 2040)[[2]](#footnote-2), 10 Year National Development Plans, 5 Year National Development Plans (NDPs), Sector Investment Plans (SIPs), Local Government Development Plans (LGDDP & MDPs), Annual Plans, and Annual Budgets.
2. Uganda’s second National Development Plan (NDPII) 2015/16—2019/20 was launched in June 2015 and is the second in a series of six five-year Plans under Vision 2040. The overall goal of the NDPII is to achieve middle-income status by 2020, through strengthening the country’s competitiveness for sustainable wealth creation, employment and inclusive growth. Development indicators were a per capita income of US$1,033, reduction in poverty to 14.2%, 79% of the labour force in employment and a reduction in the number of young people not in education by 20 compared to the 2012/13 baseline. The four supporting objectives were increase sustainable production, productivity and value addition in key growth opportunities; increase in the stock and quality of strategic infrastructure to accelerate the country’s competitiveness; enhancement of human capital development; and strengthening of mechanisms for quality, effective and efficient service delivery.
3. In terms of key growth opportunities, the NDPII focuses Agriculture, Tourism, and Oil and Gas (the so-called ATM sectors).
4. Government laid down nine (9) development strategies including expansion of infrastructure investment, industrialisation, skills development, export-oriented growth, quasi-market approach, harnessing the demographic dividend by ensuring a healthy, educated, and skilled and economically engaged labour force, urbanisation, strengthening governance, and integrating crosscutting issues into programmes and projects.
5. After two and half years of implementation of the NDPII, Government (through the National Planning Authority (NPA)) now aims to clarify how NDPII has performed, which implementation challenges have been faced, which lessons have been learnt, and what needs to be done to fast track implementation for the rest of the NDPII period as well as providing valuable experience for the next Plan (NDP3).
6. In November 2018, GoU commissioned through NPA, both the NDPI evaluation and NDPII MTR. The outcomes of the two assignments along with the on-going formulation of NDP3 will shape the elaboration of the 10-year NDP (NDP 2020-2030) - the first of its kind in Uganda. The findings and recommendations from the NDPII MTR and the NDPI a basis for the design and execution of reforms necessary for moving Uganda to greater levels of competitiveness, productivity and industrialization, overcoming the anticipated lower middle-income trap.
7. This MTR report focusing on the MTR of NDPII results framework (section 18.7 of NDPII) is one of the Thematic Reports of the six dimensions of the MTR of NDPII. The other thematic areas of the MTR are: Economic Management; Development Partnerships; Policy and Strategic Direction; Political Economy; and Institutional Framework. The thematic reports will form the basis for an overall synthesis report.

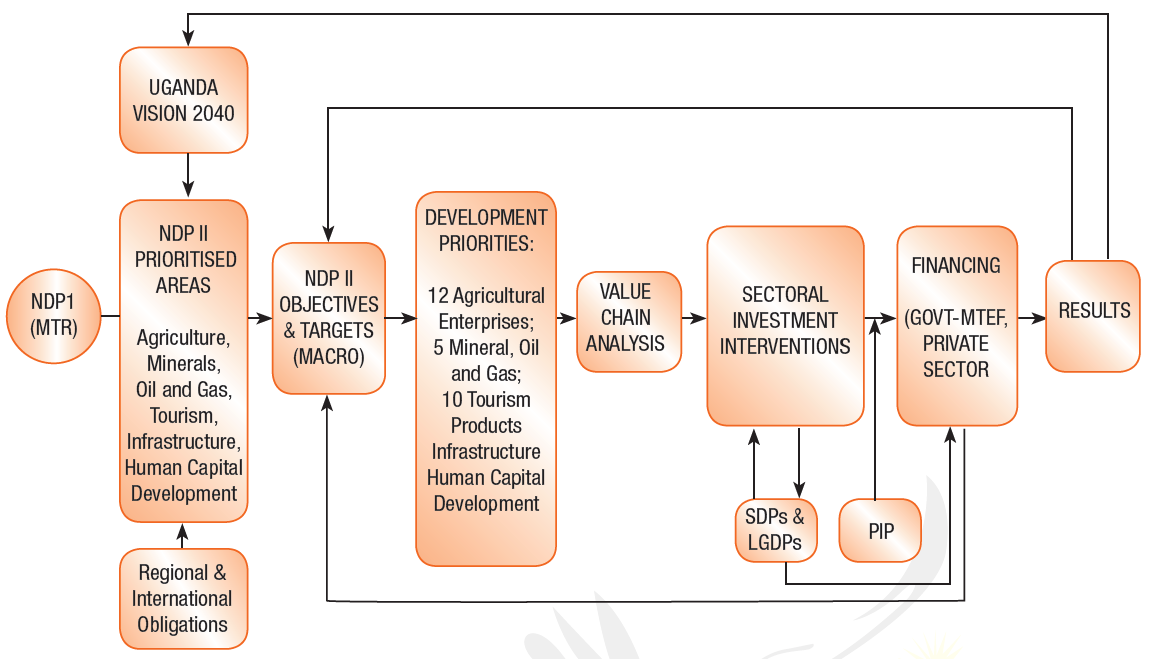
## Purpose of the Results Framework

1. The Results Framework thematic report reviews the results framework for NDPII by assessing results at various levels of the Plan as well as factors and conditions that have contributed to the results. It also makes recommendations for amendments in planning, coordination of implementation, monitoring and evaluation for NDPII and subsequent Plans.
2. The mid-point for implementation of the NDPII MTR is June 2018, corresponding with the end of the Financial Year (FY) 2017/18. The MTR however also looks at progress made in the first half of FY 2018/19 where data are available. Two important results data tables contained in the NDPII results matrix has been referred to –Goal/Theme Level Indicators ( Annex 5, Table 5A), which lists a set of 20 indicators and their targets at the theme level; and the objective level performance indicators and targets (NDPII: Annex 5, Table 5B) for the period 2015/16—2-019/20. Starting from the FY2012/13 (baseline year), each indicator is supposed to have a specific target value (either in percentages or absolute value) for each year of NDPII.

## Effects of the NDPI MTR on the NDPII process

1. NDPI for 2010/11—2014/15 was anchored to Growth, Employment and Socio-economic Transformation. The Plan stipulated the medium term strategic direction, development priorities and implementation strategies. Under NDPI, sector institutions were responsible for developing policies and plans to be aligned with the NDPI while the Local Government Development Plans (LGDPs) were majorly linked to the NDP through the Sector Investment Plans (SIPs).
2. The key NDPI priorities were the acceleration of infrastructure development (energy, ICT, transport); increase in agricultural production and productivity; improvement in communities’ social well-being and human development efforts education and health); improvement in the supply of water for production; and strengthening of governance and accountability.
3. Findings from the NDPI MTR coupled with the outcomes of some of the regional and international discussions (such as Agenda 2030 for Sustainable Development Goals (SDGs)) and development priorities set out in the Vision 2040, informed the design of NDPII. For instance, the three development opportunities (i.e., ATM) and two fundamentals in NDPII are part of the nine opportunities and six fundamentals identified in the Uganda Vision 2040. The NDPI MTR also identified weak alignment of NDPI to the budget, underfunding of NDPI core projects, and inadequacy of human resources, inadequacies in NDPI results framework, weak public sector management, and limited integration of crosscutting issues (e.g., HIV/Aids, climate change, and gender) as major challenges for effective implementation of NDPI. The lessons learnt played a major role in informing the design of NDPII strategic direction.
4. As a result of lessons learnt from NDPI implementation, the approach to NDPII design focused on development of a detailed macro-economic strategy, ensuring that SIP/SDPs and LGDPs were reviewed and aligned to NDPII priorities, making sure cross cutting Issues (e.g., population, social protection, human rights, gender, culture and national values, environment etc.) were properly integrated in government interventions, developing appropriate instruments of monitoring and evaluation, putting measures in place to improve capacity to implement (e.g., human resource and institutional capacities), addressing challenges of implementation (e.g. procurement processes, resource mobilisation), and addressing issues of physical planning among others.
5. **Figure 1** demonstrates the prioritisation framework under NDPII, which is based on five (5) imperatives, suggested to ensure that targets set out in the plan are met. These include: (i) spatial representation of projects to exploit synergies among the development priority areas and ensure planned urbanization and balanced regional development (ii) prioritisation among identified growth opportunities and fundamentals in order to maximise development benefits (iii) employment of value chain analysis to identify interventions and reap the benefits of targeting development resources in the prioritized interventions (iv) alignment of sector priorities and budget systems to the NDP priorities to ensure coordinated, effective and efficient service delivery at all levels and (v) strengthening of key public sector institutions and effective engagement of non-state actors in the implementation monitoring and evaluation of the plan.

**Figure 1: NDPII prioritization framework**



**Source**: NDPII MTR Inception Report

1. In addition to goal and objective results, the NDPI strategically set out 15 priority or ‘core’ projects for implementation over the five years. The selection of projects were primarily based on addressing the most binding constraints to economic growth at the time. The MTR highlighted limited alignment of planning and budgeting instruments within the NDPI as well as lack of well-documented key milestones and proper prioritization and sequencing of development interventions as some of the major challenges that hindered effective implementation of the core projects. Armed with this information, the design team of NDPII identified 39 core projects to be implemented in order to realize the Plan targets. Ten of these projects (i.e. two-thirds of the 15 NDPI projects), were carried over to NDPII.
2. To address implementation bottlenecks that characterised the NDPI implementation period, existing institutional implementation arrangements were strengthened and a number of reforms instituted under NDPII. For instance, a delivery unit was established in the Office of the Prime Minister (OPM) with a fully functional technical team to fast track implementation of the core projects, Presidential initiatives and key sector results; and NPA started issuing a Certificate of Compliance of MDA plans and budgets to NDPII before they are approved by Parliament. However, progress has been slow on other important institutional reforms such as institutionalizing the Sector Working Groups (SWGs) and making them binding with a lead agency and functional secretariat. Also, articulating the roles of the non-state actors such as the private sector, civil society and development partners; and mandating all accounting officers at national and local government level to sign performance contracts in line with NDPII results and targets.

## NDPII Mid-Term Review Process

1. In carrying out the NDPII MTR, the performance assessment used selected indicators based on statistical data from various sources including Uganda Bureau of Statistics (UBOS) Statistical Abstract and household surveys, Government Annual Performance Report (GAPR) produced by OPM, as well as other administrative data from various Ministries, Departments and Agencies (MDAs). The MTR also used data and analyses from the EU diagnostic studies conducted to support the MTR of NDPII and evaluation of NDPI. World Bank reports, especially the report titled “Uganda, promoting inclusive growth”, (report No 67377-UG, February 2012) and “Uganda, Economic Updates” were also used. In addition, we conducted semi-structured interviews with Government officials and other stakeholders (e.g., Development partners) who are involved in the delivery of NDPII. The interviews were guided by a set of questions on results framework agreed on with NPA during the inception stage of the review as set out in Table 1.

**Table 1: Results Framework interview guiding questions**

|  |  |
| --- | --- |
| RF 1 | Review of the state of the national economy since 2015 |
| RF 2 | Assessment of progress against NDP objectives |
| RF 3 | Analysis of 16 MoFPED sector financial allocations |
| RF 4 | Assessment of outcome trends and output indicator achievement by 16 sectors |
| RF 5 | Analysis of budget release and spending by 16 sectors |
| RF 6 | Revised assessment of output indicator achievement based on funds actually released |
| RF 7 | Assessment of performance in 16 MoFPED sectors with narrative and selected data analysis |
| RF 8 | Assessment of performance in 43 NDP sectors with narrative and selected data analysis |
| RF 9 | Analysis of amounts invested / progress in NDP core projects |
| RF 10 | Analysis of regional variations in development |
| RF 11 | Assessment of progress related to budget speech items |
| RF 12 | Review of implementation of Presidential Manifesto and how it relates to the NDPII |
| RF 13 | Review of implementation of agreed Joint Assessment Framework (JAF) actions by 16 sectors |
| RF 14 | Assessment of the availability of unit cost data in Budget Framework papers (BFPs) by sector |
| RF 15 | What are the factors and conditions that have contributed to these results? |
| RF 16 | Make recommendations in planning, coordination, implementation and M&E for the results |

Source: NDPII MTR Inception Report

### Inception Period

1. The assessment of the NDPII results framework took place during a three-week inception period. Within the inception period, we collected and reviewed background documents; conducted introductory meetings; and reviewed and agreed on the guiding questions. We held discussions selected MDAs, the Private Sector, Civil Society Organisations (CSOs) and Development Partners. A series of key informant interviews focusing on the Results Framework thematic area were conducted and supplementary analysis of data, as well as collation of document information, were also undertaken.
2. Data were gathered and synthesized to produce the needed indicators by which progress on performance of development indicators at the goal and objective levels NDPII could be measured. An internal draft report on the updated indicators was compiled, circulated to a team of reviewers to make comments with an aim of enriching the conclusions and recommendations contained in the last section of this report.
3. During the inception period and after, the MTR team also carried out detailed analyses based largely on information obtained from UBOS, analysed selected annualised and cumulative performance of MDAs in different sectors, referring among other things to budget performance reports, backgrounds to the budget, ministerial policy statements and specific sector performance reports. In addition, the MTR team looked at a number of relevant reports and published studies and research works recently conducted in Uganda and having relevance to the NDPII performance.

### Monitoring & Evaluation Strategy

1. The preparation of the NDPII MTR results framework was conducted under the NDP Monitoring and Evaluation (M&E) strategy. The strategy articulates the roles and responsibilities, reporting and dissemination mechanisms, processes and events. It also identifies the M&E capacities that need to be in place in the sectors, MDAs and Local Governments (LGs) to support achievement and measurement of the results under NDPII. It also includes the results framework that will guide the collection, analysis and reporting of data and information needed to assess progress towards the realization of the NDPII development goals and objectives.
2. Under the NDPII M&E strategy, NPA has the responsibility of taking leadership in monitoring and evaluation of implementation of medium term and long term national development goals. The NPA also reports on the outcome and impact results of the Plan, coordinates M&E capacity development initiatives in MDAs, LGs and other non-state actors’ interventions. It is also a secretariat to the national M&E forums, coordinating NDPII M&E forums at all levels, and establishing and maintaining an integrated M&E system based on the NDPII results framework.
3. The M&E strategy gives the OPM the responsibility for overall monitoring of Government performance through production of annual and semi-annual reports to cabinet, analysing quarterly performance reports from MDAs and LGs and providing feedback, and monitoring adherence to standards during implementation across sectors. The National Development Reports (NDR) that are annually produced by the NPA as well as the GAPR, which are produced by the OPM, served as two primary reference sources for the NDPII MTR.

### Consultations

1. Besides the preliminary document review and investigations at the inception stage, we also conducted wide-ranging consultations with key NDP actors who were involved in implementation and coordination at the national and local government level and at civil society, development partner and private sector levels. We held high-level consultations with officials from MoFPED, OPM, Ministry of Works and Transport (MoWT), Ministry of Health (MoH), Ministry of Agriculture, Animal Industry & Forestry (MAAIF), Ministry of Education and Sports (MoES), and implementing agencies such as Uganda National Roads Authority (UNRA) in order to obtain feedback obtained on key sector and general performance against NDPII targets outlined in the results framework.

## Structure of the report

1. This report is organised in seven sections including this introductory section. Section 2 presents the assessment of progress on NDPII goals and objectives, and how the nine identified development strategies have contributed to this performance. Section 3 assesses the performance of core public investment projects. Section 4 conducts a review and analysis of NDPII financing and focuses on the linkages between NDPII and the national budget. Section 5 looks at the coherence and realism of the NDPII results framework. Section 6 considers assessment of integration of crosscutting issues into government interventions and programmes. Finally, Section 7 sets out the MTR conclusions and recommendations.

# Progress on NDPII Goal and Objectives

## Introduction

1. This section deals with the assessment of progress or level of achievement on the overall goal of NDPII which is to attain middle-income status by 2020 through strengthening the competitiveness for sustainable wealth creation, employment and inclusive growth. The Plan has four objectives, of which two, the increase of sustainable production, productivity and value addition in key growth opportunities and the increase the stock and quality of infrastructure to accelerate the country’s competitiveness are production oriented while two, the enhancement of human capital development and strengthening of mechanisms for quality, effective and efficient service delivery are called development fundamentals.
2. In terms of **growth opportunities**, the Plan prioritises three key growth sectors—Agriculture, Tourism and Minerals, oil and gas (the so-called ATM sectors).Within **agriculture**, focus is on four key areas: i) increasing production and productivity; ii) addressing challenges in the selected thematic technical areas including critical farm inputs mechanization and Water for Agricultural Production; iii) improving agricultural markets and value addition in the 12 prioritized commodities; and iv) institutional strengthening for agricultural development.
3. Under the **tourism** sector, focus is on five areas: i) aggressive marketing for tourism; ii) product development and diversification; iii) human skills development; iv) increasing the stock of human capital along the tourism value chains; and v) improving coordination, regulation and management of the tourism sector. In the **minerals oil and gas sector**, focus is on five prioritized minerals, which include iron ore, limestone, phosphates, copper/cobalt and dimension stones.
4. The **infrastructure** sector objective comprises of works and transport, energy, water for production, and information communication and technology (ICT). The focus on these sectoral areas is aimed at leveraging the synergies for maximum results towards achievement of middle-income status over the five-year period. The focus on **works and transport** is on developing adequate, reliable and efficient multi modal transport network in the country; improving the human resource and institutional capacity of the sector to efficiently execute the planned interventions; improving the National Construction Industry; and increasing safety of transport services. In the **energy** sub-sector, the key focus areas include increasing power generation capacity to drive economic development; expanding the electricity transmission grid network; increasing energy efficiency; promoting the use of alternative sources of energy; and strengthening the policy, legal and institutional framework. Under **water for production**, focus is on increasing the provision of water for production facilities; and increasing the functionality and utilization of water for production facilities. Lastly, **under ICT**, the focus is on; enhancing collaborative development of an interoperable and secure ubiquitous ICT infrastructure, creation of an enabling environment that is aligned to emerging changes, enhancing integration and automation of e-Government services and positioning Uganda competitively in the Global ICT market, enhancing capacity for local content development and usage in the various ICT sector services, and development of quality ICT human capital stock to meet the industry demands for ICT skills and support R&D.
5. Regarding the two development fundamentals, **human capital development** whose components are education, health, skills development and water and sanitation, is identified as a key fundamental that need to be strengthened to accelerate structural transformation and harness demographic dividend in Uganda. The focus of **education** sector is on introduction of early childhood development programmes; improvement of quality, equity, retention, relevance and efficiency in basic education while consolidating the gains made in the access to education at all levels. The **health** sector efforts are geared towards production of a healthy human capital through provision of equitable, safe and sustainable health services; increase financial risk protection of households against impoverishment due to health expenditures; and establishing Centres of excellence in heart, cancer, renal care domains and diagnostic services. For **skills** development, focus is on increasing equitable access to appropriate skills training at all levels; improving quality and relevance of skills development; enhancing efficiency and effectiveness in skills delivery. In the **water and sanitation** sub-sector, focus is on increasing access to safe water in rural and urban areas; increasing sanitation and hygiene levels in rural and urban areas; increasing functionality of water supply systems; incorporating gender concerns, implementing water resources management reforms and promoting catchment based integrated water resources management.

## Methodology for assessing Progress

1. The NDPII document sets out a large number of indicators related to the sectoral aims, core investment projects and financing for the Plan period. Essentially the task of The MTR is to use available data to assess to what extent the indicators set and (financial and investment) plans contained in the NDPII have been met. The review of progress against NDPII goal and objectives has been based on data extracted from the best primary sources available including UBOS (Statistical Abstracts, cross-sectional household and panel survey datasets and reports), human development reports, other global survey publications, EU diagnostic studies to support evaluation and MTR of NDPII, and respective annual sector performance reports among others.
2. The method used draws on the OECD-DAC evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability. The MTR is based on a total of 16 guiding questions (Table 1) reflecting the OECD criteria for focus of the assessment. It was found that the best suited sequence of analysis would be one in line with the sequence of the NDPII. Thus the goal assessment is set out in Section 2.3 and Objectives in Section 2.4 and the core projects and financing treated in respectively section in section 3 and 4.
3. Table 2 shows how the OECD DAC based guiding questions were mapped onto the result/theme areas of Objectives and reality, Key growth opportunities, Infrastructure, Human Capital Development, Mechanisms for quality, Effective and efficient delivery and Equity. The second column of Table 2 refers to sections of this report where the guiding questions are handled in more detail. Note that several guiding questions are handled under several result/theme areas.

**Table 2: Mapping Evaluation Questions to Areas results/ financing relevance**

|  |  |
| --- | --- |
| **Result Framework objectives and financing /Guiding Questions** | **Relevant sections of this report** |
| **A. Objectives and reality**  **RF2:** Assessment of progress against NDPII objectives  **RF11**: Assessment of progress related to budget speech items  **RF12:** Review of implementation of Presidential Manifesto and how it relates to the NDPII  **RF13:** Review of implementation of agreed Joint Assessment Framework (JAF) actions by 16 sectors | Political objectives and statements referred to in section 1 Introduction. NDP Objectives progress in section 2 Assessment of progress |
| **B. Key growth opportunities**  **RF1**: Review of the state of the national economy since 2015  **RF4**: Assessment of outcome trends and output indicator achievement by 16 sectors | Section 2, in particular 2.2 of the report deals with the state of the economy and assesses outcome and output trends based on NDPII indicators |
| **C. Infrastructure**  **RF9:** Analysis of amounts invested / progress in NDP core projects  **RF10**: Analysis of regional variations in development  **RF9:** Analysis of amounts invested / progress in NDP core projects | Progress in core projects, including regional variation are referred to in section 3. Amounts invested in section 4. |
| **D. Human Capital development**  **RF10**: Analysis of regional variations in development  **RF4**: Assessment of outcome trends and output indicator achievement by 16 sectors  **RF7**: Assessment of performance in 16 MoFPED sectors with narrative and selected data analysis  **RF8**: Assessment of performance in 43 NDP sectors with narrative and selected data analysis | The guiding questions referring to Human capital development are mostly dealt with under section 2.3, under “enhance human capital development”. The trends of assessment of performance for the 43 NDP sectors was difficult because of lack of data. |
| **E. Mechanisms for quality, effective and efficient delivery**  **RF10**: Analysis of regional variations in development  **RF4**: Assessment of outcome trends and output indicator achievement by 16 sectors  **RF7**: Assessment of performance in 16 MoFPED sectors with narrative and selected data analysis  **RF8**: Assessment of performance in 43 NDP sectors with narrative and selected data analysis | The guiding questions referring to quality, effective and efficient delivery are mostly dealt with under section 2.3, under “Strengthen mechanisms for quality, effective and efficient service delivery”. The trends of assessment of performance for the 43 NDP sectors was difficult because of lack of data. |
| **F. Equity**  **RF10**: Analysis of regional variations in development  **RF2:** Assessment of progress against NDP objectives | Geographical equity is mainly dealt with under section 2.4. Income equity and poverty are dealt with under most assessment sections of the report |
| **G. Financing**  **RF3:** Analysis of 16 MoFPED sector financial allocations  **RF5**: Analysis of budget release and spending by 16 sectors  **RF6**: Revised assessment of output indicator achievement based on funds actually released  **RF14**: Assessment of the availability of unit cost data in Budget Framework papers (BFPs) by sector | Section 4 deals with the assessment of financing performance, MoFPED allocations, budget release outputs and BFPs. |
| **H. Conclusions/Recommendations**  **RF15:** What are the factors and conditions that have contributed to these results?  **RF16**: Make recommendations in planning, coordination, implementation and M&E for the results | Important factors in producing the results found at NDPII MTR and recommendations are summarized in the executive summary and section 7 Conclusions and recommendations |

### Colour coding

1. We use a five-category assessment tool (similar to traffic lights) to give an independent view of achievement against various elements of the NDP. The basis for this is tool is set out below.

|  |  |  |
| --- | --- | --- |
| Achieved | Green | Where the specific target or action committed to has been achieved by the end of the FY 2017/18 |
| Moderately  Satisfactory | Yellow | Where the specific target or action committed to has not been achieved by the end of the FY 2017/18 but performance is above 75%. |
| Not Achieved | Red | Where the specific target or action committed to has not been achieved by the end of the FY 2017/18 but performance is below 75%. |
| ? | White | It is too difficult to give an assessment of performance, as not enough reliable data. |

## Progress on the NDPII Goal

1. Progress on the NDPII goal of “*strengthening competitiveness for sustainable wealth creation, employment and inclusive growth*” was assessed through measuring performance against targets of identified development indicators in the areas of growth, competitiveness, sustainable wealth creation, employment and inclusive growth. Development indicators in these key results areas (as indicated in Annex A: Table 5A of NDPII) include: Gross domestic product (GDP) growth rate, per capital GDP (US $), exports as a share of GDP, share of manufactured goods in GDP, ease of doing business and global competitive indices, population growth rate, proportion of people living on less than a dollar per day, income inequality (measured by the Gini coefficient), gender gap index, total employment by sector among others.
2. The development strategy used to achieve the goal of NDPII that of a private sector-led, export oriented (through value addition, quasi-market approach) oriented growth, fast tracking infrastructure development while ensuring macroeconomic stability, promote industrialization (through value addition, agro-processing and mineral beneficiation), fast track skills development and harness demographic dividend, and strengthen governance mechanisms. These development strategies are expected to have significant positive effects on the country’s competitiveness, human capital development, and employment creation.

### Competitiveness

1. Uganda has pursued a Private Sector-led approach— putting the Private Sector at the forefront of the growth and development process of the country—to its economic policy and management over the last three decades. Government continues to provide an enabling environment through economic policies, continuous regulatory reforms and provision of infrastructure. These government interventions are important for reducing poverty, modernising agriculture, building an industrial base and ultimately enhancing sustainable structural change. Through NDPs, Uganda has registered success in both fiscal discipline, and in shifting the composition of spending from social sectors to economic infrastructure with minimal upsets to the economy.
2. At a national level, GoU continues to address constraints limiting private sector growth by creating a conducive environment for business and investment. For instance, in accordance with the priorities of NDPII, the MoFPED developed the National Strategy for Private Sector Development (NSPSD) 2017/18-2021/22, which aims to facilitate coordinated action within the public sector and between the public and private sector for development. The NSPSD notes that the transformation of Uganda into a competitive economy with high productivity, requires not only closing the infrastructure gap but also the provision of reliable and efficient transport, electricity, water for production and ICT facilities. In addition, interventions to create a skilled and healthy population are crucial for formation of a strong human capital base that is a requisite for a competitive economy. Further, sound economic management and good governance interventions are also needed to foster a conducive environment that supports private sector enterprises.[[3]](#footnote-3) NSPSD proposes interventions to create an enabling business environment, accelerate industrialization/business linkages and to enhance productivity and modernisation at the firm and household level. At the regional level, Uganda has made several of commitments with her East Africa Community (EAC) partners to implement joint infrastructural projects (e.g., standard gauge railway and the oil pipeline) and reduce trading costs. However, the strategies and financing modalities have been changing. For example, the pipeline route changed from Kenya to Tanzania.
3. Government is mindful of the need to maintain macroeconomic stability and a conducive environment necessary for maximizing the country’s competitiveness both regionally and internationally. To this end, it is increasingly exploring concessional and semi concessional financing mechanisms, and other development support facilities targeted to accelerate investment in infrastructure and human capital development.
4. **Table 3** shows that Uganda’s efforts to make the country more competitive have registered significant but mixed results. For instance, the Ease of Doing Business (EoDB) reports by the World Bank, which ranks countries on the basis of their performance on ten topics in the life cycle of a business, indicates that Uganda’s ranking improved from 150/189 in 2015 to 122/189 in 2016 (an improvement by 28 positions). The improvement in the overall ranking between 2015 and 2016 can be attributed to mainly an increase in the ratings of resolving insolvency and trading across borders through consolidation of all provisions related to corporate insolvency in one law. This established provisions on the administration of companies (re-organization) and clarified standards on the professional qualifications of insolvency. In terms of trading across borders, the introduction of electronic systems in the submission of export and import documents has led to improvement reflected in the EDB reports. Significant efforts in fast-tracking the enactment of commercial laws, resulted in the formulation of several new laws since 2013, including the PFMA Act, 2015, Free Zones Act, 2014, Anti-Money Laundering Act, 2015, PPP Act among others.

**Table 3: Trends in Ease of Doing Business Ranking**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2015 | 2016 | 2017 | Change: 2016—2017 |
| Doing Business Rank | 150 | 122 | 127 | -5up |
| Starting a Business | 166 | 165 | 164 | 1up |
| Dealing with Construction Permits | 163 | 148 | 145 | 3up |
| Getting Electricity | 184 | 173 | 175 | -2up |
| Registering Property | 125 | 124 | 126 | -2up |
| Getting Credit | 131 | 55 | 73 | -18up |
| Protecting Minority Investors | 110 | 108 | 110 | -2up |
| Paying Taxes | 104 | 84 | 87 | -3up |
| Trading Across Borders | 161 | 127 | 119 | 8up |
| Enforcing Contracts | 80 | 64 | 71 | -7up |
| Resolving Insolvency | 98 | 113 | 112 | 1up |

Source: Global Doing Business Reports by the World Bank: 2015—2017

1. However, Uganda’s performance was short-lived as its ranking deteriorated to 127/190 in 2017 compared to NDPII target 120/189 in 2017/18, suggesting that the country is lagging behind target by about 7 position ranks (Table 2-2). Over the last two years, Uganda’s Doing Business ranking declined from 122 to 127 (5 point decrease) out of 190 countries between 2017 and 2018 reports. Over the same period, Rwanda improved from the rank of rank 40 to 29, Kenya improved from rank 80 to 61, while Tanzania declined from rank 137 to 144.
2. A similar trend can be observed in the Global Competitiveness Index (GCI) produced by the World Economic Forum (WEF). GCI measures the micro and macroeconomic foundation of national competitiveness, drivers of their productivity and prosperity across 12 parameters. The NDPII target was for Uganda to attain the GCI rank of 110 out of 148 countries by 2017/18, but instead attained a GCI rank of 117 out of 140 countries (2018 GCI report), suggesting that the country is lagging behind target by about 7 position ranks even when the number of comparators reduced by 8 countries. Uganda’s global competitiveness ranking deteriorated over the review period from a rank of 113 out of 135 countries in 2016 to a rank of 115 out of 140 countries in 2017. Four out of the 12 pillars registered a decline in the scores, indicating reduced competitiveness.
3. The Government’s on-going and planned projects such as infrastructure projects-Roads, standard Railway, airport expansion, Energy and ICT projects as well Education and health infrastructure development projects were prioritised under NDPII. These projects were expected to improve the competitiveness of the economy once completed. However, implementation of most of those projects has been slow. In addition, in FY2018/19, Government committed to restructure Uganda Investment Authority (UIA) to make it more effective and to institute an online process for business registration. There is also public commitment to amend the Companies Act to replace current forms with a single form containing information relevant to all agencies involved in starting a business.
4. Furthermore, interventions included reviewing restrictions in the NSSF Act. NSSF would then be able to cover employers and employees that are currently not saving with the agency. Risk associated with borrowing by private sector could be reduced by making it easier to verify information about borrowers supported by completion of the national registration systems and integration of the National Identification Number with the Credit Reference Bureau. Enhancement of on-going interventions aimed at promoting local content and enhancing incomes household incomes (particularly through agro-industrialisation) could stimulate household demand. Gradual capitalization of UDB could avail affordable financing and, if well implemented, stimulate private sector growth.

### Growth, Poverty reduction, income distribution and employment

1. Table 4 shows that economic growth was largely subdued during the first two years of NPD2 implementation with the annual real GDP growth rate declining from 4.8% in FY2015/16 to 3.9% in FY2016/13 compared to 5.2% recorded in the FY2012/13 (baseline).
2. The slow growth rate in FY2015/16 and FY2016/17 was partly attributed to climate change characterised by more frequent droughts that affected the agricultural sector and the poor performance of the manufacturing sector. In addition, geo-political conditions (particularly the civil strife in South Sudan) coupled with unfavourable global and regional economic development, posed a challenging macroeconomic environment and affected economic growth prospects. The CoC report by NPA for FY2016/17 attributed macro-economic performance decline in FY2016/17 to weak alignment between strategic planning and budgeting, declining spending on human capital development as a share of GDP, weak private sector credit growth and weak domestic resource mobilization. It also noted that national strategic direction performance also declined slightly due to poor adherence to project timelines, limited resilience to impacts of climate change and non-commitment towards the setup of light manufacturing industries. Other drivers of poor performance included inflation and depreciation of the shilling.[[4]](#footnote-4)
3. In 2017/18, the economy recovered to 6.1% thereby achieving the NDPII target of 6.1% for 2017/18. The rebound in economic growth was generally supported by improvements in the industry and services sector plus a rebound in agriculture from the previous year’s drought. The rebound in economic growth was particularly marked for the industry sector, which registered a 2.7 percentage point increase in growth from 3.4% in 2016/17 to 6.1% in 2017/18 followed by the services secto registering a 2.3 percentage point increase from 5.4% in 2016/17 to 7.7% in 2017/18. Agriculture also showed a strong improvement growth of 2.2 percentage points from 1.6% in 2016/17 to 3.8% in 2017/18. In addition, there has been a slight increase in share of exports in GDP from 16.2% in 2015/16 to 16.8% in 2017/18, representing nearly 2-percentage point increase from 15.1% recorded in 2016/17. However, this performance is much higher than the Plan target of 9.95%, thus raising a question of the realism of the Plan target with respect to the export-GDP ratio. The current export proportion of GDP of 16.8% remains lower than the level of 19% (on average) as per the national standard indicator required for national graduation to lower middle-income status.

**Table 4: Trends in NDPII Growth and employment development Indicators**

| **Development Indicators** | **Baseline 2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target 2019/20** | **Rating** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| GDP growth rate | 5.2 | 4.8 | 3.9 | 6.1 | 6.1 | 6.3 |  |
| Per Capita GDP (US $), current prices | 743 | 673 | 704 | 724 | 982 | 1,033 |  |
| Export proportion of GDP | 16.1 | 16.2 | 15.1 | 16.8 | 9.82 | 9.95 |  |
| Ease of doing business ranking | 150/189 | 150/189 | 122/189 | 127/189 | 120/189 | 111/189 |  |
| Global Competitive ranking | 123/148 |  | 113/135 | 117/140 | 110/148 | 90/148 |  |
| Proportion of persons living on less than a dollar per day | 19.7 | 19.7 | 21.4 | NA | 15.14 | 14.18 |  |
| Income distribution (GINI Coefficient) | 44.3 | NA | 41.9 | NA | 45.0 | 45.2 |  |
| Child poverty | 55 | NA | NA | NA | 40.6 | 37 |  |
| Global Gender Gap Index | 0.7086  (46/136) | 0.708  (58/145) | 0.704  (61/144) | 0.72  (45/144) | 0.7400  (22/136) | 0.7500  (20/136) |  |
| Total employment | 9.4 | 20.8 | 18.3 | 21.0 | 22.0 | 22.5 |  |
| Labour force in agriculture sector | 33.8 | NA | 39.8 | NA | 3.4 | 3.1 |  |
| Increase in labour force in industrial sector | 21.1 | NA | 16.0 | NA | 3.3 | 6.4 |  |
| Labour force in service sector | 45.1 | NA | 44.2 | NA | 5.1 | 4.0 |  |

1. Growth in agriculture was driven mainly by a rebound in the growth of cash crops output and sluggish but improving growth of food crops output. High growth in mining and quarrying output as well as moderate growth of Electricity, Water and Construction sub-sector outputs were key drivers for industrial sector growth. For the service sector, growth was largely due to strong growth of Information and Communication output. The strong growth in the industry and services sectors is a good indicator of the potential the two sectors have in enhancing socioeconomic transformation process of the country as emphasised by the Vision 2040. Private sector investment survey (PSIS) report for 2017 indicated that business conditions and sentiment are strong. In particular, credit to the private sector has improved, helped by an accommodative monetary policy stance. In addition, there is improvement in public investment management, increase in private investment and better global economic prospects, which as likely to sustain the expansion of manufacturing, construction, and services sectors. The GDP growth rate is projected at 6.3% (or 0.2 percentage points higher than NDPII target for 2018/19.
2. Over the first three years of NDPII, Uganda’s economy registered an average annual real GDP growth rate of 4.9%. This is lower than the NDPII targeted average annual real GDP growth of 6.3% in 2019/20 and much lower than the Vision target of 8.2%. The annual GDP growth rate over the first three financial years of the NDPII is also lower than the average annual GDP growth rate of 5.4% registered under NDPI. Overall, under the review period, the annual GDP growth rates have consistently been lower than the projected growth rates under NDPII.
3. In nominal values, GDP (at 2009/10 constant prices) increased from 50,651 billion shillings in the base year (2012/13), to 55,826 billion shillings in 2015/16, 57,983 billion in 2016/17 and 61,514 billion in 2017/18. Services continued to dominate contribution to GDP (47.1% in 2017/18) followed by agriculture (24.2%) and industry (19.9%) respectively over the review period (Figure 2). From the base year (2014/15), the contribution of the services sector to GDP has stagnated while the contribution of Agriculture increased by marginally 0.2 percentage points and that of industry declined marginally by 0.1 percentage points.

**Figure 2: Sectoral composition of GDP (%)**

Notes: Totals do not add up to 100% due to adjustments in form of taxes on products, averaging 8.1% per year.

1. It is important to note that the sectoral composition of GDP dominated by the services sector implies that economic growth in Uganda is driven by a sector which employs a small proportion of the population at the expense of agriculture and manufacturing sectors that have very strong forward and backward linkages and spill-over effects in the economy. This means that for Uganda sustain high growth rates and harness structural change, it needs to reduce productivity losses in agriculture sector (resulting from among others, lack of access to market, agricultural financing, weather vagaries and associated climatic changes) and manufacturing sector (due to low market base, inadequate infrastructure, low human resource, low financial markets development, etc.).
2. The NDPII aims at attaining middle-income status, with an estimated GDP per capita (one of the indicators for Graduation criteria 1: income) of $ 1,033 by 2019/20. Available data from UBOS and human development reports indicate that GDP per capita (USD, current prices) in the first three years of NDPII implementation, per capita income increased by USD51 in absolute terms, from USD673 in 2015/16 to USD724 in 2017/18, against NDPII targets of USD833 and USD931 for 2015/16 and 2017/18 respectively. The combined eight years of NDPI &II implementation has seen an increase of only USD149. Per capita GDP has to take a leap to above the USD1000 level in the remaining implementation period for middle-income status to be attained.
3. Per capita income increasing by only USD51 in the first three years of implementation and economic growth rate averaging only 4.9% over the same period, it begs the ques­tion; will Uganda achieve mid­dle sta­tus by 2020 granted that it will re­quire a sus­tained average growth rate of 8.4% over the next two years? The answer would seem to be a clear “no” given that implementation progress in many of the heavy infrastructural projects in works and transport, energy and mineral development sectors, which are expected to increase competitiveness and spur growth, has been slow. In addition, the productivity in the agriculture and manufacturing sectors has not gained pace to deliver the anticipated structural change in the economy.
4. Moreover, as pointed out below, there is evidence to show that the three years of NDPII implementation have not only failed to support a rapid increase in per capita GDP to enable the country progress towards middle income, but also failed to enhance inclusive growth. Economic growth has recovered, while progress on social indicators is mixed and poverty reduction has stalled. Poverty and income distribution remain major development challenges for attainment of inclusive growth. Although nominal GDP has grown largely in line with NDPII projections, and inflation has remained subdued at around 2.7% in FY2017/18 (mainly due to low food, energy, and international oil prices), a gradual shilling depreciation coupled with demand pressure from fiscal spending, and high population growth rate have limited growth of the per capita income. This is likely to continue in the short to medium term because of the limited export base, expanding fiscal spending on infrastructure and vulnerability to climate change.
5. Poverty and inequality remain critical development challenges for the country. While Uganda experienced a remarkable reduction in the incidence of poverty between 2006 and 2013, according to most recent wave of the Uganda National Household Survey (UNHS) 2016/17 this trend has reversed. Table 5 shows that the proportion of persons living on less than 1 US $ (commonly known as the head count ratio) increased from 19.7% (equivalent to 6.7 million people) in 2012/13 to 21.4% (equivalent to 8.03 million people) in FY2016/17, which is far below the NDPII target of 17.6% for FY2016/17 and also for targets for the remaining period of the Plan. This is partly the result of the overall economic slowdown that the country experienced over NDPI period and in particular during the FY FY2016/17. GDP growth for FY2016/17 was around 4 percent, a considerable decline from recent historic averages of about 7 to 8 percent. The deceleration in real growth occurred across all three important sectors of the economy: services, manufacturing and agriculture. The drought conditions and armyworm plagues that affected crops in several areas of the country throughout FY2016/17 are likely linked to both the increase in poverty incidence and the slow growth of the agriculture sector.

**Table 5: National Poverty trends in Uganda**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1992/93 | 1999/00 | 2002/03 | 2005/06 | 2009/10 | 2012/13 | 2016/17 |
| Absolutely poor (millions) | 9.8 | 7.2 | 9.8 | 8.4 | 7.5 | 6.7 | 8.03 |
| % below the poverty line | 56.4 | 33.8 | 38.8 | 31.1 | 24.5 | 19.7 | 21.4 |
| Non poor (insecure) (millions) | 5.8 | 9.4 | 10.1 | 10.9 | 13.2 | 14.7 | 15.3 |
| % of non-poor but insecure | 33.4 | 43.9 | 39.9 | 40.2 | 42.9 | 43.3 | 40.9 |
| Middle class (millions) | 1.8 | 4.8 | 5.4 | 7.8 | 10.0 | 12.6 | 14.1 |
| Percentage in the middle class | 10.2 | 22.4 | 21.2 | 28.7 | 32.6 | 37.0 | 37.6 |
| Total population (millions) | 17.4 | 21.4 | 25.3 | 27.2 | 30.7 | 34.1 | 37.5 |

Source: NPA calculations using UNHS 1999/00-2012/13 and IHS 1992/93

1. More than 15 million Ugandans are non-poor but remain vulnerable to falling into poverty and put in much effort to access the basic facilities of human life**.** Table 5 shows the trends of poor, non-poor but insecure and the middle class group. Non-poor group represents individuals whose daily consumption expenditure is below twice the poverty line but above the poverty lines. In other words, these are people that have escaped but poverty but their consumption levels remain low to enable them reach the middle class.
2. Generally, the population of the non-poor insecure Ugandans has been rising over the last three decades. From the baseline figure of 14.7 million (2012/13) an additional 600,000 Ugandans escaped poverty but remain vulnerable. Overall, 62.3% (or 23.3 million people) of the population is either poor or non-poor. Existence of such a big group of Ugandans is a threat to Uganda’s development agenda. The majority of these vulnerable people are found in the agriculture and informal sectors, relying on subsistence agriculture and non-farm activities.
3. The informal sector is often viewed as a temporary alternative to unemployment and a coping mechanism against poverty. The Uganda Bureau of Statistics (UBOS) estimates that 79 percent of the firms in Uganda are informal and that the sector contributes about 50% to GDP. Most of the poor and vulnerable are engaged in the informal sector where they are underpaid, and unable to improve their skill base. In the medium term, skill upgrading, and migration of labour out of farming activities to nonfarm household enterprises are some of the major structural adjustment factors shaping the evolution of an economy.

**Figure 3: National Poverty Trends by poverty status**

Source: NPA calculations from HIS 1992/93 and UNHS 1999/00-FY2016/17

1. Uganda’s economic growth has over time led to reduction of poverty levels despite the recent increase as noted above. However, progress has been hampered by slow progress in reducing the income inequality. The Gini coefficient, which is one of the measures for income inequality, stood at 0.42 in 2016/17, which is an increase from the 0.40 registered in 2012/13. Income inequality was largely driven by urban areas (0.42) compared to rural areas (0.38). The increase in income inequality was highest in the Western region (from 0.33 in 2012/13 to 0.39 in FY2016/17) compared to other regions (UBOS, 2017).
2. The wide gap between rural and urban inequality could be attributed to differences in earnings between the two areas. Inequality is lower in rural areas mainly because majority relies on agriculture and thus gets comparable income. In urban areas income differences are caused by high rates of unemployment and differences in earnings between employed individuals. Overall, inequality is more than an income gap between the rich and the poor and entails differences in access to education, health, access and enjoyment of political rights and representation. The implication is that an increase in income inequality between 2012/13 and 2016/17 could have been due to increase in other forms of non-income inequality.
3. The consequences of wide income gap in the population include low business confidence, higher rates of health and social problems, lower rates of social goods, a lower level of economic utility in society from resources devoted to high-end consumption and a lower level of economic growth when human capital is neglected. Some of these characteristics have manifested themselves in Uganda. Thus, corrective measures against income inequality need to be to be quickly implemented to abate the negative effects of a wide income gap. It is important that growth strategies implemented make economic growth inclusive by making every Ugandan benefit from growth, can become economically active or improve gains from their economic activities.
4. Data from UBOS indicate that the working age population grew by 16% from 16.5 million in 2012/13 to 19.1 million in 2016/17. The size of the working population was 15.1 million persons, an increase from 14.0 million in 2012/13. 43.2% of the working population was engaged in the subsistence agriculture sector. The agriculture sector remains the biggest employer. Overall, the working population constituted 79 percent of the of the working age population. The total population in employment was estimated at 9.1 million people of whom 46 percent were females. The employed population constituted 48 percent of the working age population, pointing towards a deficiency of decent and productive employment opportunities. Overall, the Labour Force Participation Rate (LFPR) and the Employment Participation Rate (EPR) declined from respectively 62% to 52% and from 53% to 48% during the 2012/13 to 2016/17 period. It is important to note that NDPII does not have indicators and targets related to LFPR, EPR or even the proportion of the labour force working, making it impossible to assess progress on employment using these indicators.
5. Generally, employment and labour market trends in Uganda are difficult to quantify mainly due to paucity of quality of labour force statistics (see EU diagnostic report on Employment for details). However, a few figures are available that highlight some relevant issues relating employment to the inclusive growth key result area of NDPII.
6. Evidence from the latest labour force survey indicates that most of the employed Ugandan’s, 44.2% in 2016/2017, were working in the services sectors that are largely informal. The agricultural sector provided 39.8% of jobs in 2016/2017, followed by industries (16.0% in 2016/2017). More than eight in ten (85.6 per cent) workers in Uganda were informally employed (employment without any social security coverage) outside agriculture. The share of own-account workers and contributing family workers (the so-called vulnerable) among the employed population stood at 78.3% in 2016/2017. Wage and salaried work that is often perceived as decent work, was with 26.1% in 2016/2017 rather low. It is believed that wage and salaried employment increased in recent years, but it cannot be measured reliably based on the labour statistics available.
7. The combined rate of youth unemployment (LU1) and youth time-related underemployment (LU2) was 19.0%, the combined rate of youth unemployment and youth potential labour force (LU3) was 29.9% and the overall composite measure of youth labour underutilization (LU4) 38.1%. In other words, almost 4 out of 10 young Ugandans are currently not contributing to their fullest for economic advancement. These figures are confirmed by the estimated percentage of youth between 15 and 17 who are not in education, employment, or training (NEET) which stood at 17.2% in 2015.
8. The EU diagnostic report on employment notes that based on available labour statistics in Uganda, it is not possible to measure which economic sectors are affected by lack of decent jobs and which occupations and types of workers struggle the hardest and in which parts of the country. Moving forward, it is important for the country to improve labour market statistics especially those related to decent jobs, which drive higher incomes and greater wellbeing of the population. For a country like Uganda with high levels of income inequality when coupled with unfavourable opportunities in the job market may cause a surge in poverty especially to households heavily embedded in farm incomes, thereby reversing the positive progress made in reducing poverty so far and limiting the achievement of the NDPII goal of attaining middle income status. With rapid growth in urban centres, competition for available jobs rises anxiety and proliferation of informal settings.
9. The fact that subsistence agriculture remains the dominant form of economic activity, in which large number of men and women are engaged, is consistent with low levels of development. The labour force participation is therefore generally low. For structural change to take place, it is expected that over time, economic activity shifts from home-based production to market oriented activities in different sectors of the economy. In addition, increased ‘mechanization’ in agriculture reduces subsistence activity and leads to migration from rural areas to the cities in search for work or higher education, especially by young people. The result is that labour force participation rates increase over time at higher levels of development when the industry and services start to become the dominant form of economy activity in the country.
10. Despite the low employment creation potential of the economy, this MTR has noted efforts by government to address the job creation challenge in the short to medium term. These have included simplifying the process and cost of starting business; introducing youth skills development strategies; creating and supporting SME micro financing schemes and; promoting attitude change to work. In 2011, Government produced a national employment policy to increase decent employment and labour productivity for socio-economic transformation. However, the actual effects of initiatives with regard to improving employment (especially for the growing number of youths) are yet to be seen.

### Sustainable Wealth Creation

1. Table 6 presents a summary of development indicators for sustainable wealth creation. Key development indicators for assessing progress in sustainable wealth creation include share of manufacturing in GDP, Share of manufacturing jobs to total formal jobs, population growth rate and TFR.

**Table 6: Trends in NDP Sustainable Wealth Creation Indicators**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Development Indicators** | **Baseline 2012/13** | **Actual 2015/16** | **Actual FY2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target FY2019/20** | **Rating** |
| Share of manufacturing to GDP | 8.0 | 7.7 | 7.6 | 7.3 | 12.5 | 14.0 | Not achieved |
| Share of manufacturing jobs to total formal jobs | 16.4 | 7.9 | 9.8 | NA | 19.5 | 20.0 | Not achieved |
| Forest Cover (% Land Area) | 14 | 9 | NA | NA | 17.2 | 18 |  |
| Pollution Index | 61.78 | NA | NA | NA | 64.5 | 65.0 |  |
| Wetland cover (% of total area) | 11 | 10.9 | 10.9 | NA | 11.8 | 12 |  |
| Population growth rate | 3.32 | 3.03 | 3.0 | NA | 2.8 | 2.5 |  |
| Total fertility rate | 6.2 | 6.0 | 5.4 | NA | 4.9 | 4.5 |  |

1. One of the challenges limiting sustainable wealth creation is that while economic growth has improved over the years and absolute poverty has been reduced (albeit the recent increase), this growth has not generated the momentum needed to transform Uganda’s economy at the pace anticipated in Uganda Vision 2040. Uganda is still struggling with reducing the fertility rates (5.4 children per woman of reproductive age in 2016 compared the NDPII target of 4.9 for 2017/18) and this has resulted into a high population growth rate with a large youth population, which comprise 57% of the population. Managing the youthful population requires that the demographic dividend and structural change are harnessed to drive more rapid and sustainable economic growth. The burden of the youth on the working population (child dependency ratio) continues to be high and therefore constraining the capacity of households to save and participate in the wealth creation process currently advocated by government.
2. Available statistics from UNHS 2016/17 show that over half of Uganda’s population (57%) is under the age of 15 years, and over half the labor force is under the age of 30, youth aged 15 to 24 years comprising 23.8%, and youth aged 18 to 30 years comprising 24.4% (UBOS, 2018). This bulging youth population calls for urgent need to simultaneously reduce child mortality and fertility rates by government investing in both education and health sectors if Uganda is to benefit from the demographic dividend. Therefore, harnessing the demographic dividend is the defining message about the connection between family planning and accelerated economic growth for socioeconomic development. For instance, Uganda’s Demographic Dividend Report (2014) by NPA illustrates that, if Uganda adopts appropriate policies and investments to ensure that the ‘surplus’ labour force is innovative, skilled, healthy and productive, it can lead to a structural shift that can help accelerate economic growth and socioeconomic transformation[[5]](#footnote-5). However, the report noted that high population growth and a high child-dependency burden are likely strategic bottlenecks to constrain Uganda’s socioeconomic transformation. The report highlighted a speedy decline in fertility as a key requisite for this to happen.
3. The State of Uganda Population Report (SUPRE) 2018 highlights good governance and accountability as essential components for sustainable and inclusive economic growth as well as for socio transformation for harnessing the demographic dividend. As such, the report notes that harnessing the demographic dividend will require better governance (in form of increased transparency and accountability, promoting the spirit of collective action, social inclusion, performance-based work culture and improved levels of public integrity for use of public resources in the delivery of services) in the key sectors of health, education and the economy.
4. Manufacturing remains the dominant contributors to GDP in the industry sector followed by construction (see **Figure 4**). Overall, between 2014/15 and 2017/18, the contribution of Industry declined by 0.1 percentage points as a result of a decline in the contribution of the manufacturing sub-sector by 0.8 percentage point from 8% in the base year (2014/15) to 7.3% in 2017/18. A new report on the State of Uganda’s Economy prepared by the World Bank indicates that the Manufacturing sector’s share of contribution to Gross Domestic Product (GDP) has now doubled from 2.1% in growth to 5.4%.The Share of manufacturing jobs to total formal jobs in 2015/16 was only 7.9%

**Figure 4: Industrial sector contribution to Real GDP (%)**

1. According to the State of Uganda’s Forestry Report 2016, at the start of NDPII implementation, the forest estate had shrunk from 24% of the total land area in 1990 to 9% in 2015 compared to NDPII target of 10.36%. In terms of acreage, a total of 3.05 million hectares, (representing 37% ) were lost in a span of 25 years despite the encouraging tree planting efforts by the both National Forestry Authority (NFA) and the private sector between 2005 and 2015.[[6]](#footnote-6) Deforestation and forest degradation are the main drivers of the loss of large areas of forest cover and degradation of forestland in Uganda. Private forests are some of the most affected areas (expiring a loss of 88%), as owners have gained more benefits from converting these areas to farmlands than retaining them as forests. Growing population and rapid urbanisation creates high demand for land and enormous pressure on the natural resources for food, medicines, fuelwood, clay mining for bricks and other raw materials, all of which destroy forest cover and wetlands. For instance, Uganda has a very high over reliance on woody biomass (firewood and charcoal) as the major source of energy for cooking, heating and lighting by the majority of households (96% according to UNHS2016/17 Report) and is likely to continue into the near future. This is mainly due to unaffordable alternative sources of energy such as electricity, gas, kerosene and solar energy appliances. The situation is made worse by use of wasteful cook stoves and the reluctance of many households to adapt to the energy saving cook stoves.
2. Destruction of rainforests as evidenced by increasing encroachment on wetlands and forests, coupled with forest cover loss and deforestations remains a significant environmental problem, which in turn water down the ultimate objective of the SDGs, and requires a strong affirmative action. Although some efforts are being made to promote tree planting and plantation development both on private lands and on forest reserve lands, more needs to be done for good of conservation of biodiversity, the protection of environmental services and the sustainable production of forestry products. Moreover, the effects of climate change that are being manifested mainly in uncommonly long dry seasons is a major threat to food security and electricity production, in a country with heavy reliance on rain-fed agriculture and hydropower generation.

## Progress on NDP objectives

### **Increase Sustainable Production, Productivity and Value Addition in key growth opportunities**

1. The development indicators for assessing progress against this objective are: manufactured exports as a percentage of total exports; labour Productivity; Forest Cover. Table 7 presents actual and NDPII target values for some of these indicators, where data availability allows.
2. As noted before, the growth in Uganda’s economy for the FY2017/18 was largely supported by increase in public investment in infrastructure, supporting monetary policy, rise in private domestic consumption and investment demand, improvements in the services sector and a rebound in agriculture from the previous year’s drought.

**Table 7: Progress on Sustainable Production, Productivity and Value Addition in key growth opportunities**

| **Development Indicators** | | **Actual 2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target 2019/20** | **Rating** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| GDP growth rate | | 5.2 | 4.8 | 3.9 | 6.1 | 6.1 | 6.3 | Achieved |
| GDP at Market prices (UGX bns) | | 54,688 | 83,091 | 91,718 | 100,531 | 112,392 | 124,381 | Moderate |
| Sectoral composition of GDP (%) | Agriculture | 23.6 | 23.7 | 24.6 | 24.2 | 20.4 | 19.9 | Achieved |
| Industry | 20.72 | 17.0 | 20.3 | 19.8 | 27.7 | 27.9 | Moderate |
| Services | 55.65 | 47.7 | 47.1 | 47.6 | 51.7 | 52.0 | Moderate |
| Labour Productivity (GDP per Worker – USD) | Agriculture | 581 | 370 | 829 | NA | 897.6 | 977.77 |  |
| industry | 5106 | 2763 | 6479 | NA | 7626 | 7871.35 |  |
| services | 2441 | 2391 | 5868 | NA | 4810 | 5217.65 |  |
| Ratio of manufactured exports to total exports | | 6.0 | NA | NA | NA | 16.4 | 19.0 |  |
| Forest cover (% land area) | | 14 | 9 | NA | NA | 17.2 | 18 |  |
| Wetland cover (% of total area) | | 11 | 10.9 | 10.9 | NA | 11.8 | 12 |  |

1. Output per worker across all sectors declined during the first year of the Plan. In 2015/16, Uganda’s labour force was estimated at about 22 million people, and distributed in agriculture, industry and services in the proportions of 68.4%, 7.4% and 24.2% respectively, with corresponding output per worker of USD 370, USD 2763 and USD 2,391, all below NDPII targets for 2015/16. The decline in output per worker was mainly due to the depreciation of the shilling and increase of the population in the agricultural sector. However, 2016/17 saw a rebound in output per worker, with albeit a low down in economic growth rate to 3.9%. The size of the labour force was also reduced to 18.8 million. The total labour force participation rate (the share of employed and unemployed in the working age population) stood at 53.0 per cent in 2016/2017, pointing towards a very high proportion of the working age population not employed and still working for own-production use only. In each of the three sectors, output per worker exceeded the NDPII target for 2016/17.
2. In 2017, formal exports accounted for USD 2901.6 million while informal exports were worth USD 549 million. This compares with export receipts of USD 2,901.5 million and USD2,829 million registered in 2013 and 2016 respectively. However, there is no data on merchandise concentration index.
3. Table 8 shows that in 2017/18, the highest growth was registered in services (53%) followed by agriculture (21%) and industry (19%).The services sector performance is attributed to the rebound of information and communications activities whose contribution to growth was 10.5%. The ICT services have overtaken trade and repairs as the leading contributor to services’ GDP. Trade and repairs registered a 0.8 percentage point decline in contribution to GDP compared to an increase of 2.2 percentage points for the ICT. The recent tax legislation on mobile money and social media could dampen the growth opportunities of information and communication services in the short run by the end of the FY2018/19.

**Table 8: Real GDP by economic activity (% contribution to GDP)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2014/15 | 2015/16 | 2016/17 | 2017/18 | Change |
| Agriculture, forestry and fishing | **22.4** | **22.0** | **21.5** | **21.0** | **-1.4** |
| Cash crops | 1.7 | 1.7 | 1.8 | 1.8 | 0.1 |
| Food crops | 11.7 | 11.3 | 11.1 | 11.1 | -0.7 |
| Livestock | 4.0 | 3.9 | 3.8 | 3.6 | -0.3 |
| Agriculture Support Services | 0.03 | 0.02 | 0.02 | 0.02 | (0.00) |
| Forestry | 3.9 | 3.9 | 3.6 | 3.5 | -0.4 |
| Fishing | 1.1 | 1.1 | 1.1 | 1.0 | -0.1 |
| Industry | **18.7** | **18.7** | **18.6** | **18.6** | **-0.1** |
| Mining & quarrying | 1.5 | 1.6 | 1.4 | 1.7 | 0.2 |
| Manufacturing | 8.0 | 7.7 | 7.6 | 7.3 | -0.8 |
| Electricity | 0.9 | 0.9 | 0.9 | 0.9 | 0.0 |
| Water | 1.9 | 2.0 | 2.0 | 2.0 | 0.1 |
| Construction | 6.3 | 6.5 | 6.6 | 6.6 | 0.3 |
| Services | **50.5** | **51.1** | **51.9** | **52.7** | **2.2** |
| Trade and Repairs | 11.4 | 11.3 | 11.0 | 10.6 | -0.8 |
| Transportation and Storage | 2.8 | 2.9 | 2.9 | 2.9 | 0.1 |
| Accommodation and Food Service Activities | 2.3 | 2.3 | 2.4 | 2.3 | 0.0 |
| Information and Communication | 8.1 | 8.8 | 9.7 | 10.5 | 2.4 |
| Financial and Insurance Activities | 2.8 | 3.0 | 2.9 | 3.0 | 0.1 |
| Real Estate Activities | 5.3 | 5.3 | 5.4 | 5.4 | 0.2 |
| Professional, Scientific and Technical Activities | 2.6 | 2.5 | 2.3 | 2.3 | -0.3 |
| Administrative and Support Service Activities | 1.8 | 1.5 | 1.4 | 1.4 | -0.4 |
| Public Administration | 3.2 | 3.3 | 3.2 | 3.4 | 0.2 |
| Education | 5.4 | 5.5 | 5.8 | 5.9 | 0.5 |
| Human Health and Social Work Activities | 2.9 | 2.9 | 2.9 | 2.9 | 0.0 |
| Arts, Entertainment and Recreation | 0.3 | 0.3 | 0.2 | 0.3 | 0.0 |
| Other Service Activities | 1.0 | 1.1 | 1.2 | 1.3 | 0.3 |
| Activities of Households as Employers | 0.5 | 0.5 | 0.5 | 0.5 | 0.0 |

Source: UBOS

1. In the agriculture sector, food crops remain the dominant contributor to GDP, followed by livestock and forestry. However, the contribution of all agriculture sub-sectors registered a decline except the cash crops that registered a 0.1 increment. The increase in cash crops contribution is attributed to increase in production and productivity of coffee, following government efforts that have seen increased production of coffee. In the industrial sector, manufacturing remains the dominant contributor to GDP, followed by construction. The contribution of industry declined by 0.1 percentage point as a result of a decline in the contribution of the manufacturing sub-sector by 0.8 percentage point from 8% in the base year (2014/15) to 7.3% in 2017/18.
2. In the agriculture sector, there is need to accelerate growth of the food activities as the main driver of agriculture growth. Uganda stands a great opportunity if it developed this food subsector value-chain for agro-processed products for higher contribution to exports given the huge gap relative to world demand for food and food products. In the Industrial sector, there is need to address the issues associated with manufacturing to prevent further sharp declines in growth following year. There is need to foster growth in education, trade and real estate activities, whose potential for sustainable growth seems to be much higher in the services sector. The reduction of costs for the private education sector activities as well as increasing opportunities for trade to compensate for lost markets in war ravaged areas such as South Sudan should components of government strategies in the short run.

### **Increase the Stock and Quality of Strategic Infrastructure to accelerate the country’s competitiveness**

1. Progress in the quality of strategic infrastructure to accelerate competitiveness is assessed against targets for development indicators of total national paved road network (km), percentage of cargo freight on rail to total freight, percentage of the population with electricity, consumption of electricity (Kwh per capita) , percentage of the of population with access to safe water in both rural and urban areas, storage capacity for water for production and number of districts connected on the Fibre Optic backbone under the National Data Transmission Backbone Infrastructure (NBI). Table 9 presents actual and NDPII target figures for some of these indicators.

Table 9: Progress on Stock and Quality of Strategic Infrastructure

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Development Indicators** | **Baseline 2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target 2019/20** | **Rating** |
| Total paved national road network (km) | 3,795 | 3.919 | 4,157 | 4,193 | 4,995 | 5,292 | Moderate |
| Proportion of paved to the national road network (%) | 16.6 | 19.1 | 20.2 | 20.4 | 23.79 | 25 | Moderate |
| Freight cargo by rail | 12 | NA | NA | NA | 24.7 | 25.5 |  |
| % population with access to electricity | 14 | 20.4 | 22 | NA | 25 | 30 |  |
| Power Consumption Per Capita (KWh per capita) | 80 | 92.79 | 97.31 | 100.3 | 463 | 578 | Not achieved |
| Rural safe water coverage (%) | 65 | NA | 74.9 | NA | 77 | 79 |  |
| Urban safe water Coverage (%) | 77 | NA | 92.3 | NA | 97 | 100 |  |
| Storage capacity for water for production (million m3) | 27 | 37.2 | 38.9 |  |  | 39 |  |
| Fibre optic backbone coverage in districts (No.) | 17 | 37.2 | 38.9 | 39.32 | 100 | 112 | Not achieved |

1. The length in kms of paved national road network has increased significantly. Total paved national road network increased to 3,919 km in 2015/16, up from 3,795 km in 2012/13. This is below the NDPII 2015/16 target of 4,095 km. An additional 274 km were added on between 2015/16 and 2017/18, resulting in total paved national network of 4,193 km, which also falls short of the NDPII 2017/18 target of 4,695 km. However, the 4,193 km of paved road network represents a performance rate of 79.2% against the NDPII 2020 target of 5,292 km, implying that the country is on track to meeting the target by 2020.
2. Government aimed at increasing the percentage of population with access to electricity from 14% in 2015/16 to 30% in 2019/20, increase power generation capacity from 825MW in 2012 to 2,500MW by 2020, promote energy efficiency and use of alternative energy sources, and promote and facilitate the use of modern renewable energy technologies. Uganda has abundant energy resources, especially hydrological and other renewable resources, yet there is widespread energy deprivation particularly in rural areas. According to the National Housing and Population Census (NHPS), one in every five Ugandans (20% of households) had access to electricity compared to NDPII 2015/16 target of 16%.
3. The latest UNHS 2016/17 puts access to modern energy at 22%. While the electricity access rate has almost tripled over the past two decade, from 7.8 per cent in 2002, it remains low and masks high inequality in access to modern energy between rural (8%) and urban (57%) areas (UBOS, 2017).
4. Electricity consumption has also increased as a reflection of increase in living standards. Uganda’s installed capacity of electricity power sources increased with 5% from 895.5 MW in 2016 to 937.8 MW in 2017, due to developments in the energy sector, including the completion of the 250 MW Bujagali project in 2012. This resulted in sustained growth in peak demand. However, the growth in peak demand of about 600 MW appeared to stagnate by 2013. With the commissioning of new power plants (e.g., Muvumbe Hydroelectric power station, Siiti hydroelectric power station, Access power station and Tororo Solar power station), it is expected that Uganda will move closer to meeting NDPII 2019/20 target of 30%. However, it is important for policy makers to be aware of the challenges in the energy sector, particularly with respect to rapidly increasing energy demand and impacts of climate change.
5. Uganda’s energy demand is projected to increase by 169% from 5.1 TWh in 2020 to 13.7 TWh in 2040 (see Figure 5). This demand is unlikely to be met by hydropower alone due to the effects of climate change on the energy sector. Uganda is heavily reliant on hydropower generation. Empirical studies on the nexus between energy and climate change show that climate change is likely to impact on future hydropower generation for many countries with heavy reliance on hydro due to water variability issues. Therefore, there is need for an effective energy planning that directs more investment in other renewable energy sources with great potential for energy production in Uganda such as solar and wind.

**Figure 5: Energy demand projection in Uganda**

**Source**: Taliotis et al, 2016. An indicative analysis of investment opportunities in the African electricity supply sector — Using TEMBA (The Electricity Model Base for Africa)

1. The implementation of the National Data Transmission Backbone Infrastructure and e-Government Infrastructure (NBI/EGI) Project begun in FY2006/07, with the objective of providing connectivity to Government MDAs. The project was divided into three phases, which involved the laying of Optical Fibre Cable across the country to all major towns, with transmission stations in these towns. Following the NITA-U Act of 2009, the NBI/EGI was handed over to NITA-U in January 2010 to continue and complete the implementation of the respective Phases. **Figure 6** shows that in the first three years of NDPII implementation, a total of 343 km of optic fibre were laid.
2. **The NBI project has reduced government costs on internet bandwidth across the country. At** the time the NBI was operationalized by NITA-U(2013/2014) the cost of internet bandwidth across Government entities was on average USD 1,200 for 1Mbps per month, however this cost was reduced to USD 300 to allow MDAs have access to affordable services and reduce the cost of communication. As a result, Government has realized a reduction of internet costs from USD 1,200 in 2013 to USD 300 in 2014 to USD 190 in 2017 per Mbps. Further price reduction is expected to be realized in the subsequent financial years as more MDA sites are connected to the NBI/EGI.

**Figure 6: Kilometres of fibre Optical Cable on the NBI; fy2013/14—2017/18**

Source: National Information Technology Authority-Uganda

1. There has been tremendous improvement in storage for water for production (Wfp) sub-sector, which is responsible for the development and utilisation of water resources for productive use in crop irrigation, livestock, aquaculture, industries and other commercial uses, as well as maintenance of the environment and ecosystem. The national cumulative storage for water for production increased from 37.2 million cubic meters (MCM) in 2015/16 to 38.9MCM in 2016/17 and further to 39.2 MCM by June 2018 (compared to NDPII target of 39MCM in 2019/20). This represents an annualised growth rate of 1.8% in the three years of NDPII implementation, indicating that the target had been met two years ahead of time. However, it should be noted that Table 5B: Objective Level Indicators for NDPII, has no target values for this indicator for FY2015/16-2018/19, except the 39MCM for 2019/20.
2. Government reports such as GAPR 2017/18 quote an NDPII 2019/20 target of 50MCM instead of 39MCM. Going by the target of 50MC, the current performance of 39.2MCM, signals the unlikeliness of the country to achieve its NDPII target of 50MCM by 2019/20. The above target is largely attributed to completion of 16 Small scale Irrigation schemes in the Districts of Bugiri, Soroti, Abim, Amuria, Kaabong, Napak, Oyam, Alebtong, Lira, Nwoya, Lwengo, Mbarara, Isingiro, Mokena, Rukiga and Masaka in 2017/18 as indicated in the Sector Annual Performance Report (SAPR) for FY2017/18. In addition, Olweny irrigation scheme works reached 92% completion in the same financial year, and construction works are ongoing for 14 Windmill powered water Supply Systems in Karamoja Subregion, 9 Valley tanks in the Districts of Otuke, Apac and Katakwi and Mabira Dam in Mbarara District. Four (4) communal valley tanks in the Districts of Kiruhura, Gomba, Kyegegwa and Kiboga were completed. All these activities increased the functionality of WfP facilities from 86.1% in FY 2016/17 to 86.7% in FY 2017/18, of which 84% of WfP facilities had functional management systems. Functionality of WfP facilities is critical for their productive use in crop irrigation, livestock, aquaculture, rural industries and other commercial uses. Similarly, functionality of water and sanitation investments is equally important to sustainably harnessing their potential and delivering intended service livelihood improvement goals. Rural facilities slightly declined from 85% in 2016/17 to 84% in FY2017/18; seeming unlikely to achieve its NDPII target of 92% by 2020.
3. The need to manage water and environment resources in a sustainable manner to be able to meet all the different development economic activities as well sustain a healthy ecosystem, cannot be overemphasised. This is particularly important for a country like Uganda, which is characterised by an environment of increasing population, exacerbated by the refugee influx especially in Northern Uganda, and climate change challenges. Within this environmental, ensuring that the population has access to clean and safe water can be challenging. The MWE SPR 2018 shows that 70% of Uganda’s rural population had access to safe water by end of June 2018. This had remained unchanged since June 2017. There is evidence that the total number of villages with at least one safe water source increased from 57,585 (i.e. 64% of all villages) in 2016/17 to 57,974 (i.e. 66% of all villages) in 2017/18. Access to safe drinking water in the urban areas increased to 74% as of June 2018 (up from 71%). The management of water and sanitation by the National Water & Sewerage Corporation (NWSC) has expanded to cover 238 towns. The current performance is a clear indication that the MWE has managed to keep up with the population growth, and is a reflection of moderate satisfactory performance against the NDPII targets of 79% and 100% in rural and urban areas by 2019/20.
4. Overall, Government interventions including rehabilitation of a number of large irrigation schemes in the country, development of new large and micro irrigation schemes, and implementation of catchment based integrated water resources management activities, have increased WFP storage, which is critical for reducing dependency on rain-fed agriculture and to increase our food security. The sector is establishing the national water information system, with the overall objective of providing real time accurate data on the state of our water resources. The strong stakeholder partnership between the sector and other stakeholders, including CSOs, has helped in effective implementation of a number of activities including restoration of wetlands, demarcation of national forestry boundaries and eviction of encroachers, re-afforestation in Central Forestry Reserves, tree planting at community level, protection of major river banks, and water source and catchment protection activities, all of which are critical to prevent further degradation of our environment and to ensure reliability of water supply infrastructure.
5. The increased investments in transports, energy and ICT infrastructure geared towards enhancing competiveness are slowly helping to improve the country’s competitiveness. The Doing Business rankings conducted by the World Bank shows that improvement in business environment in Uganda has been slower than in comparable economies across the world. The rankings were based on ten topics in the life cycle of a business: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulation. The NDPII target for Uganda was to attain the rank of 120th out of 189 countries by 2017/18, but according to the 2019 Doing business report, Uganda was ranked 127th of 190 countries, suggesting that the country is lagging behind target by 7 position ranks. Over the last two years, Uganda’s Doing Business ranking declined from 122 to 127 (5 point decrease) out of 190 countries between 2017 and 2018. Over the same period, Rwanda improved from the rank of rank 40 to 29, Kenya improved from rank 80 to 61, while Tanzania declined from rank 137 to 144.

### Enhance Human Capital Development

1. Assessing progress on human capital development (HCD) requires an examination of performance indicators under the four different components of HCD: education and skills development, health, water and sanitation and social development. The development indicators for assessing progress against targets in education and skills are, among others, net primary and secondary school enrolment rates, primary to secondary school transition rate, net primary and secondary completion rates, literacy and numeracy rates at P3 and P6 respectively, and average years of schooling. Indicators for the health dimension include life expectancy at birth (in years), infant mortality rate per 1,000 live births, under five mortality rate per 1,000 live births, maternal mortality rate per 100,000 live births, child stunting as per cent of under-5s, the total fertility rate, and the contraceptive prevalence rate.

**Figure 7: Public Spending on Education and Health sectors (% of GDP)**

|  |  |
| --- | --- |
| Panel A: Education | Panel B:Health |
|  |  |
| Source: Ministry of Finance, Planning and Economic Development, Annual Budgetary Central Government Finance Statistics. Note: shows total (recurrent and development) education and health expenditure based on the Classification of Outlays by Functions of Government (COFOG) as a share of GDP at market prices. | |

1. It should be noted a priori that in Uganda, households can access human capital-related services from either public or private providers. The number of private service providers have expanded rapidly over the last 15 years, particularly in the education sector[[7]](#footnote-7). However, Government continues to play the central role in ensuring equitable access. Public spending on both education and health grew significantly between 2002/03 and 2016/17, but at a slower rate than GDP. Public education spending was 2.4% of GDP in 2016/17, compared to 4.0% of GDP fifteen years earlier, and it has stagnated since 2012/13 (Figure 7 Panel A). Public health spending fell from 2.5% of GDP to 1.3% of GDP over the same period and the situation did not change much during the first three years of NDPII implementation (Figure 7 Panel B).
2. This partly reflects concerns regarding value for money in public service delivery, and the high priority accorded to transport and energy infrastructure, since the inception of the NDP in April of 2010. The fall in health spending as a share of GDP is mainly due to lower donor financing, with domestically financed expenditure expanding broadly in line with economic growth. Enrolment growth has been significantly lower than GDP growth, helping to explain the decline in education spending as a share of GDP.

### Trends in Education and Skills development performance indicators

1. Investment in education and skills development is one of the major ways of accumulating human capital necessary for economic growth and reaping demographic dividend. Heckman (2006) underscores the importance of investing in early childhood education. Currie (2001) reviewed several education improvement programs in the United States and concluded that most programs, which targeted poor households, were significant through improvement of educational attainment, increased earning, reduction of dependency and crime. Similarly, Basu (2002) showed that education plays a critical role in reducing fertility, which is necessary for attaining demographic dividend.
2. Uganda’s education system is comprised of an early childhood programme (pre-school for nursery schooling and other preparatory courses) that caters for children aged 3-5 years (pre-primary education), followed by seven (7) years of primary education, followed by four (4) years of Ordinary Level secondary education, two (2) years of Advanced Level secondary education and the final tier is three (3) to five (5) years of Tertiary education. Each level is nationally examined with certificates awarded. However, public investments for human capital development in the education sector are only targeted at Universal Primary Education (UPE), Universal Secondary Education (USE), Business, and Technical, Vocational Education and Training (BTVET) and tertiary education.
3. MoES has the mandate of ensuring that Ugandan children including pre-primary school going children have access and equal opportunity to education, regardless of their social class, ethnicity, background or physical disabilities. The education sector tracks progress in terms of access, quality and equity (on annual basis mainly through the Annual School Census (ASC)) for ECD, primary and secondary levels. The education indicators used to monitor education access and learning achievements can broadly be grouped into:

* Quality indicators: qualifications of primary school teachers, pupil teacher ratios, pupil textbook ratios;
* Access indicators: Gross and Net Intake rates (GIR & NIR), Gross and Net Enrolment ratios (GER & NER), attendance, absenteeism, and dropout rates;
* Efficiency (internal) indicators: repetition rates, progression and transition rates, completion rates); and
* Learning achievement indicators: literacy, numeracy, primary school leaving exams.

1. Both access and learning achievement indicators can be monitored for different groups of pupils (including male/female) and across regions. Table 10 and **Table 11** reports on these indicators for pre-school children and other levels of education respectively.
2. While Government (under NDPII) committed to strengthening ECD with special emphasis on early aptitude and talent identification, no ECD indicators were included in the Plan to access the progress of objective 3 with respect to ECD. In NDPII, ECD targets children from conception to 8 years (to include children in lower primary school (P1-P3) and has been proven through various research to contribute to social, economic and human development, increase workforce productivity, and poverty reduction. Government recognizes the critical importance of an integrated ECD framework in ensuring children’s rights to survival, protection, development and participation. These fundamental rights form a path for the wellbeing of a child and are indeed a foundation for the country’s future peace, security and prosperity. However, in Uganda, ECD is heavily constrained by inadequate government support, inadequate policy and regulatory framework and lack of qualified providers.
3. However, we note some progress in ECD particularly with respect to regulatory framework. Government is cognizant of the fact that effective ECD programming requires effective integration and harmonization of policies and programs across sectors. Through MoGLSD, GoU developed the National Integrated ECD policy of Uganda targeting children from conception to 8 years. Table 10 shows trends in selected ECD indicators for the period 2013-2017. The official school going age for pre-primary is 3-5 years. The percent annual change in enrolment at Pre-primary level has shown an uneven trend and for example decreased from 18% in 2016 to 8% in 2017. Over the years, 2013 to 2017, the number of females enrolled in pre-primary has been higher than the number of males. Over the years, 2013-2017, there has not been much improvement in output indicators such as the Pupil Classroom Ratio (PCR) and Pupil Teacher Ratio (PTR), which averaged about 24 and 27. Both GER and NER remain very low, averaging about 9%, for the period 2013-2017, implying that the majority of Ugandan children aged 3-5 years are not in pre-primary school.

**Table 10: Trends of selected Pre-Primary Education Indicators, 2013-2017**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Indicator** | **2013** | **2014** | **2015** | **2016** | **2017** |
| Gross Enrolment Rate | 10.2 | 9.74 | 9.88 | 15.8 | 16.6 |
| Net Enrolment Rate | 10.1 | 9.5 | 9.5 | 9.3 | 9.1 |
| Pupil Teacher Ratio | 29 | 24 | 22 | 21 | 22 |
| Pupil Classroom Ratio | 25 | 28 | 31 | 25 | 27 |
| Pupil Stance Ratio | 10 | 14 | 23 | 19 | 22 |
| Enrolment | 430,425 | 433,258 | 477,123 | 563,913 | 608,973 |
| Male | 213,459 | 214,996 | 236,284 | 279,089 | 301,523 |
| Female | 216,966 | 218,262 | 240,839 | 284,824 | 307,450 |
| % Annual change in Enrolment | 20.4 | 0.7 | 10.1 | 18.2 | 8.0 |
| Number of Schools | 4,949 | 4,956 | 5,763 | 6,798 | 7,210 |
| Number of Teachers | 14,732 | 15,332 | 21,310 | 26,363 | 27,641 |
| Total Number of classrooms | 17,545 | 15,388 | 15,427 | 22,121 | 22,971 |
| Total Number of Toilet Stances | - | 20,851 | 21,015 | 29,531 | 28,119 |
| Population (3 – 5 years in 000’s) | - | 3,506 | 3,516 | 3,567 | 3,670 |

Source: Annual School Census, Ministry of Education and Sports, 2013-2017

1. The Literacy rate among persons aged 10 years and above has generally increased during the NDPII period from 69% in 2012/13 to 73% in 2016/17. In 2016/17, males (77 percent) and persons living in urban areas (87%) were more literate than their female (70 percent) and rural (69%) counterparts (see Table 11).

**Table 11: Literacy Rate for population aged 10 years and above by residence, 2009-2017**

|  |  |  |  |
| --- | --- | --- | --- |
| **YEARS** | **Urban** | **Rural** | **Total** |
| MALE |  |  |  |
| 2009/10 | 90 | 77 | 79 |
| 2012/13 | 87 | 72 | 76 |
| 2014 | 89 | 74 | 77 |
| 2015 | 87 | 75 | 77 |
| 2016/17 | 89 | 74 | 77 |
| FEMALE |  |  |  |
| 2009/10 | 86 | 62 | 66 |
| 2012/13 | 80 | 58 | 64 |
| 2014 | 84 | 63 | 68 |
| 2015 | 80 | 62 | 66 |
| 2016/17 | 85 | 64 | 70 |
| TOTAL |  |  |  |
| 2009/10 | 88 | 69 | 73 |
| 2012/13 | 84 | 65 | 69 |
| 2014 | 86 | 68 | 72 |
| 2015 | 83 | 68 | 71 |
| 2016/17 | 87 | 69 | 73 |

Source: UNHS 2009-2016/17 & NHPS 2014.

1. The focus of UPE and USE programmes is not only on enrolment but to enable children, especially girls, to start school on time, complete a full cycle of quality primary and secondary schooling and achieve the required proficiency levels. Uganda has made considerable progress improving progression rates through primary school. The gross primary completion rate – the number of pupils in the final year of primary school as a percentage of all 12 year-olds – increased from 49% in 2002 to 71% in 2012/13. Furthermore, the previously large gap in completion rates between girls and boys has been eliminated. Nonetheless, the progress made is insufficient to meet the NDPII target of 85% primary school completion by 2020. In fact, in the three years of NDPII implementation, primary school completion rates were not only lower than the 71% recorded in 2012/13 but also lower than the NDP targets. This reflects persistently high class repetition and drop-out rates, which can be attributed to factors both on the supply-side (the quality of schools) and the demand-side (such as economic obligations, parental attitudes to education and early marriages) as highlighted by the MDG Report 2015 (MFPED, 2015) and a recent report on Comprehensive evaluation of UPE policy by NPA (NPA, 2019). Therefore, Uganda still grapples with challenges of high dropout and repetition rates and low quality of education as measured by pupil performance on NAPE tests and PLE examination results. Concerns regarding persistent low education quality may be attributed to insufficient infrastructure and learning materials, but more importantly low motivation among teachers and school managers and weak compliance with set service delivery standards.
2. The “O- Level” Secondary completion rate, computed as the total number of students in the fourth grade of secondary education divided by the total number of children of official completion age (16 years), is used to capture the transition rate from primary to secondary schooling. The transition rate to S.5 in 2017 was 25% (compared to the NDPII 2017 target of 42%), a decrease from 30 percent in 2016. This represents a performance of only 59.5% and 50% against 2017/18 and 2019/20 targets respectively, indicating that the NDPII 2020 target is unlikely to be met. In both instances, males (28.4%) were more likely to complete S.4 as well as transition to S.5 compared to their female (21%) counterparts.

**Table 12: Progress on Education and Skills Development indicators**

| **Development Indicators** | | **Actual 2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target FY2019/20** | Rating |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Net Primary school enrolment rate | Total | 95.3 | 96 |  | 80.3 | 99.05 | 100 |  |
| Girls | 96 | 99 |  | 80.8 | 99.4 | 100 |  |
| Boys | 94.57 | 93 |  | 79.8 | 98.7 | 100 |  |
| P7 completion rate (%) | Total | 71 | 61.6 | 61.5 | 60.0 | 82 | 85 |  |
| Girls | 71 | 63.3 | 63.4 | 60.0 | 82 | 85 |  |
| Boys | 71 | 59.8 | 59.7 | 59.3 | 86 | 85 |  |
| Transition rate to S1 (%) | Total | 73 | 63.2 | 64.8 | 60.6 | 78 | 83 |  |
| Girls | 72 | 63.6 | 65.2 | 60.5 | 78 | 83 |  |
| Boys | 72 | 62.8 | 64.4 | 60.8 | 78 | 83 |  |
| Net Secondary enrolment rate (%) | Total | 24.7 | **22** | **24** | **22** | 38.2 | 40 |  |
| Girls | 23.6 |  |  |  | 33.4 | 35 |  |
| Boys | 25.9 |  |  |  | 29.0 | 30 |  |
| Net Secondary school completion rate (%) | Total | 35.3 | 36.2 | 37.8 | 34.8 | 48 | 50 |  |
| Girls | 33.8 | 35.9 | 36.0 | 33.5 | 45 | 48 |  |
| Boys | 36.7 | 36.4 | 39.6 | 36.2 | 49 | 52 |  |
| Transition rate from S4 to S5 (%) | Total | 32 | 25 | 30.2 | 24.8 | 48 | 50 |  |
| Girls | 27 | 21.4 | 29.4 | 21.0 | 31 | 35 |  |
| Boys | 37 | 28.1 | 31.0 | 28.4 | 44 | 45 |  |
| BTVET enrolment | Total | 42,674 | 40,830 | 63,209 | 45,153 | 59,744 | 64,011 |  |
| Female | 14,650 | 14,492 | 26,249 | 16,051 | 20,510 | 21,975 |  |
| Male | 28,024 | 26,338 | 36,960 | 29,102 | 39,233 | 42,036 |  |
| University students | Total | 140,403 | 185,315 | 186,412 | NA | 177,843 | 187,204 |  |
| Female | 60,398 | 82,035 | 81,980 | NA | 76,504 | 80,530 |  |
| Male | 79,709 | 103,280 | 104,432 | NA | 100,964 | 106,279 |  |
| Tertiary Institution students | Total | 208,376 | 257,855 | 258,866 | NA | 273,138 | 292,258 |  |
| Female | 90.910 | 114,643 | 114,552 | NA | 119,178 | 127,518 |  |
| Male | 117,740 | 143,212 | 144,314 | NA | 154,333 | 165,136 |  |
| Science and technology graduates. | Ratio of graduates in science and technology to Arts | 1:5 | NA |  |  | 3:5 | 3:5 |  |
| Literacy rate at P3 (%) | Total | 56.21 | 60.2 | NA | NA | 68.07 | 70 |  |
| Boys | 53.87 | 59 | NA | NA | 69.20 | 70 |  |
| Girls | 56.42 | 61.3 | NA | NA | 67.98 | 70 |  |
| Literacy rate at P6 (%) | Total | 40.15 | 51.9 | NA | NA | 49.20 | 50 |  |
| Boys | 38.72 | 51.6 | NA | NA | 48.19 | 50 |  |
| Girls | 40.10 | 52.2 | NA | NA | 48.02 | 50 |  |
| Numeracy rate at P.3 (%) | Total | 69.8 | 71.7 | NA | NA | 79.6 | 80 |  |
| Boys | 70.6 | 73 | NA | NA | 77.7 | 80 |  |
| Girls | 68.8 | 70.6 | NA | NA | 79.21 | 80 |  |
| Numeracy rate at P.6 (%) | Total | 41.4 | 52.6 | NA | NA | 48.9 | 50 |  |
| Boys | 45.8 | 56.9 | NA | NA | 49.1 | 50 |  |
| Girls | 37.4 | 48.2 | NA | NA | 48.3 | 50 |  |
|  | Avg years of school. | 4.7 | NA | 4.5 | NA | 9.74 | 11 |  |
| National Skills gap (ratios) by type and sector | Doctors/ population | 1:24,725 |  |  |  | 1:22,925 | 1:22,625 |  |
| Technicians/Engineers | 5:3 |  |  |  | 7:3 | 8:3 |  |
| Nurses / population | 1:11,000 |  |  |  | 1:8,500 | 1:8,000 |  |

Source: UBOS 2018 Statistical Abstract. Note figures are for calendar years, implying that a figure for 2015/16 is actually for 2015 calendar year.

1. Information on the learning achievement indicators—literacy and numeracy—is mainly compiled by UNEB via the National Assessment of Progress in Education (NAPE) competence assessment and via Uwezo surveys, all of which seek to determine how well students are learning. These two types of assessments are an integral part of the quest for improved quality education in Uganda. For instance, NAPE provides feedback to students, educators, parents, policy makers, and the public about the effectiveness of educational services (UBOS, 2018). The NAPE tests for pupils competencies in Literacy, Numeracy and Biology for secondary students only.
2. The latest available official data on literacy and numeracy is for 2015 since UNEB has not conducted any other NAPE test since then. NAPE competence scores indicate that student achievement levels in English literacy and numeracy at the primary level are still low and fall short of expected levels. The implication is that education standards are low and not improving. In 2010, the average achievement score in literacy at the P3 and P6 levels was 47 per cent and 40 per cent, respectively. In addition, 60 per cent of learners in P3 and about 70 per cent in P6 scored below the 50 per cent literacy proficiency level for their respective grades. In numeracy, average student achievement in P6 in 2010 was only 40 per cent; worse still, 70 per cent of learners in this grade performed below the 50 per cent mark (Mulindwa and Marshall, 2013).
3. Figures 8 and 9 show the percentage of P3 and P6 pupils who reached defined competency levels in numeracy and literacy between 2007 and 2015. The figures highlight a slow progress over the period, indicating that numeracy and literacy remain challenging subjects for learners especially in upper classes. Recent data shows that between 2014 and 2015, the number of P.3 pupils rated proficient in literacy declined by 4 percentage points from 64.2% (62 % boys; 66.5% girls) in 2014 to 60.2% (59% boys; 61.3 girls) in2015. The decline in pupils’ performance in literacy in primary three can be attributed to the longer stories that pupils have to read and limited guidance given to the pupils in the development of skills for reading comprehension. In addition, the percentage of P.3 pupils proficient in numeracy remains relatively high at 71.7% (73.0% boys; 70.6% girls) in 2015 despite a 1 percentage point drop. The P.L.E Pass Rate declined by 2.3 percentage points from 88.30% in 2014 to 86% in 2015. The implication of these results result is that many children leave school without having mastered literacy and numeracy, and this is likely to have a negative impact of overall literacy rates for the entire population aged 10 years and above.

|  |  |
| --- | --- |
| **Figure 8: Learning outcomes (primary 3 pupils) (2007-2015)** | **Figure 9: Learning outcomes (primary 6 pupils) (2007-2015)** |

Source: Ministry of Education and Sports (2014). Notes: Shows the proportion of pupils reaching the defined level of competency in literacy and numeracy.

1. There are major gender, rural/urban, regional and ownership differences in learning outcomes. The percentage of P3 and P6 pupils who reached defined competency levels in numeracy and literacy in 2015 is higher for boys compared to girls (Figures 10 and 11) and the trend has not changed much since introduction of UPE.

|  |  |
| --- | --- |
| **Figure 10: Learning outcomes (primary 3 pupils) by gender, 2015** | **Figure 11: Learning outcomes (primary 6 pupils) by gender, 2015** |

Source: Ministry of Education and Sports (2014). Notes: Shows the proportion of pupils (boys and girls) reaching the defined level of competency in literacy and numeracy.

1. Children learning outcomes significantly differ between government and private schools. Numeracy and literacy competences for P3-P6 children private schools are more than 30 percentage points higher than their government schools counterparts (Figure 12). This can partly be attributed to both demand and supply-side factors (e.g., high PTR and PCR in government schools).

**Figure 12: Learning outcomes (primary 3 and primary 6 pupils) by school type, 2015**

Source: NPA calculations based on EMIS database

1. The learning achievements results presented so far all point to low levels of achievement across boys and girls in both private and government schools, albeit with a severe situation in government schools. Some studies (e.g., IOB, 2008; EPRC, 2010) have shown that pupils who perform poor on NAPE assessment are also likely to perform poor on PLE. The impact evaluation of UPE report by IOB conducted in 2008 showed that there was high correlation between NAPE and PLE test results[[8]](#footnote-8). The c conducted by EPRC in 2010 also showed strong evidence of relationship between the two measures of school quality. Schools that had high NAPE scores were more than 10 times likely to have more pupil’s achieving Division I or II at the PLE exam, indicating that the two measures of school quality appear to be very strong predictors of school success[[9]](#footnote-9). The implication of these findings is that low quality of education remains a big challenge for the education sector in Uganda.
2. Over time, Government has put emphasis on technical and vocational training as a means to improve labour productivity and earnings from self-employment. Table 13 shows that BTVET enrolment in 2016/17 of 63,209 exceeded the NDPII target of 51,209. However, this success was short-lived as enrolment reduced to 45,153 in 2017/18 compared a target of 55,476. Further effort is needed to increase BTVET enrolment if the country is to improve welfare and labour productivity. For instance, existing evidence on welfare impacts of education attainment supports Government’s emphasis on technical and vocational training. Completing vocational training compared to primary training is estimated to increase consumption by between 7.1% and 7.6% compared to a reduction of 4.4%. The estimated return to vocational training exceeds that of an additional year of formal education. However, the reverse is true for primary and secondary education levels. The return to formal education is estimated to be relatively high for better-educated, illustrating that the better-educated tend to have higher consumption. A low return to schooling may reflect concerns regarding the quality of education, as well as segmentation of the labour market – meaning that the supply of good jobs is rationed such that large differences in earnings cannot be explained by individual characteristics. A negative return to primary education level reflect concerns regarding the basic skills and knowledge to exploit the labour opportunities (NPA, 2019)

**Table 13: The Welfare impact of education and vocational training, FE and LDV estimates**

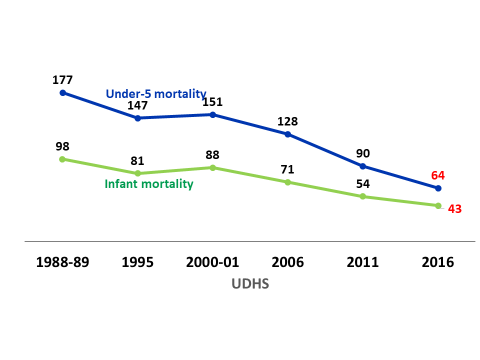
|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Vocational Level | |  | Primary Level | |  | Secondary Level | |
| VARIABLES | (1) | (2) |  | (3) | (4) |  | (5) | (6) |
| Average years of education for adult HH members | 0.006 | 0.066\*\*\* |  | 0.006\* | 0.070\*\*\* |  | 0.007\* | 0.068\*\*\* |
|  | (0.004) | (0.003) |  | (0.004) | (0.003) |  | (0.004) | (0.003) |
| HH member has completed vocational training | 0.076\*\*\* | 0.071\*\* |  |  |  |  |  |  |
|  | (0.027) | (0.028) |  |  |  |  |  |  |
| HH member has completed primary level |  |  |  | 0.003 | -0.044\*\* |  |  |  |
|  |  |  |  | (0.017) | (0.020) |  |  |  |
| HH member has completed secondary |  |  |  |  |  |  | -0.005 | 0.035 |
|  |  |  |  |  |  |  | (0.039) | (0.047) |
| Constant | 11.084\*\*\* | 6.395\*\*\* |  | 11.085\*\*\* | 6.388\*\*\* |  | 11.085\*\*\* | 6.373\*\*\* |
|  | (0.029) | (0.138) |  | (0.029) | (0.138) |  | (0.029) | (0.138) |
|  |  |  |  |  |  |  |  |  |
| R-squared | 0.044 |  |  | 0.043 |  |  | 0.043 |  |
| Observations | 10,851 | 4,732 |  | 10,851 | 4,732 |  | 10,851 | 4,732 |

Source: NPA Report on Comprehensive Evaluation of UPE Policy, NPA (2019). Notes: Calculations based on UNPS 2005/06-2011. Notes:\*;\*\* and \*\*\* indicate the estimated impact is statistically significant at 10%; 5% and 1% levels respectively. In all columns, the dependent variable is log consumption per adult equivalent (commonly known as welfare). Columns (1), (3) and (5) controls for household-level fixed effects; column (2), (4) and (6) controls for household consumption in the previous period (i.e., lagged-dependent variable). Both regressions controlled for household demographic variables (e.g., household size and dependency ratio (not reported).

### Trends in Health development indicators

1. Figure 13 presents performance of health development indicators and shows that on average, Ugandans are living longer than in the past—life expectancy at birth increased from 52.2 years in 2013 to 63.7 years in 2016.
2. This a result of reduction in both infant and under-5 mortality rates (see Figure 13) and improvement of other health outcomes such as increase in percentage of Health Centre IV offering HIV/AIDS care with Anti-retroviral therapy (ART) services. For instance, in 2016/17, ART coverage was 86% exceeding the Health Sector Development Plan (HSDP) 2015/16—2019/20 target of 76%. The number of new HIV infections reduced by nearly half from 22,000 in 2012 to 3,400 in 2016, albeit the gap in follow up care remains. The proportion of HIV+ pregnant women receiving ARVs for Elimination of mother-to-child transmission (eMTCT) stood at 95% thus exceeding the HDP target of 90%. In addition, the number of ART accredited facilities has increased, although more accredited health facilities for public and private sectors are still needed to cater for effective implementation of the Test and Treat Policy[[10]](#footnote-10). Increase in the number of accredited facilities should also go hand-in-hand with increased investment in capacity building in order to enhance testing and scope of package for all.

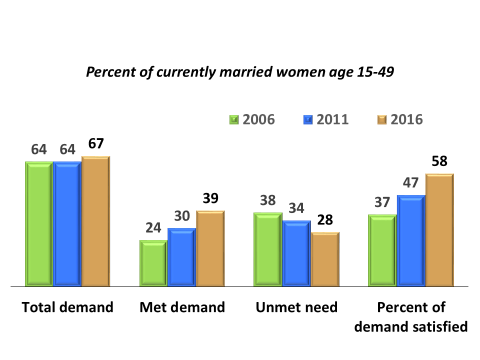
**Figure 13: Trends in Child Mortality**



Source: UDHS 1989—2016. Note: Figures are deaths per 1,000 live births for the five-year period before the survey

1. Over the NDPII period, there has been significant reduction in maternal mortality rate (MMR) both at national and health facility level. MMR at national level declined from 438 deaths per 100,000 live birth in 2012/13 (based on UDH 2011) to 336 in 2016/17 (based on UDHS 2016). Maternal deaths among 100,000 health facility deliveries were 104/100,000, which exceeded the HSDP target of 106/100,000 and NDPII 2017/18 target of 348/100,000 respectively, making the NDPII 2019/20 target of 320 within reach.
2. The proportion of the population living within radius of 5 km of a health facility increased from 75% in 2012/13 to 86% in 2016/17 compared to a target of 84% in 2017/18, and is likely to exceed the NDPII target of 85% in 2019/20. Increased access to health facilities could be another important factor behind reduction in child and maternal mortality rates. However, poor analysis of data at source limits the potential to address local issues for facility based maternal deaths. Main issues are poor records, capacity and fear of punitive repercussions. To reduce further MMR, focus should be placed on building capacity in data collection and analysis especially in hospitals with high maternal in order to provide quick evidence-based information to policymakers for immediate interventions.
3. While Ugandans now live longer, only 58% of births are attended by a skilled health personnel, reflecting that Uganda is unlikely to meet its NDPII target of 78% for 2019/20. The contraceptive prevalence rate stood at 39% in 2016/17 compared to the NDPII target of 59% and 60% for 2017/18 and 2019/20 respectively, this despite a significant reduction in unmet need for family planning (FP) (see figure 14). The reduction in unmet needs were due to increased availability of a wide mix of FP commodities and services at different levels of care provided under the Reproductive, Maternal, New born, Child and Adolescent Health (RMNCAH) sharpened plan for Uganda 2016/17—2019/20 Investment Case. For a country with high fertility rates causing high population growth rate, it is critical to ensure sustainable funding for family planning commodities if the achieved results so far are to be sustained and even enhanced further.

**Figure 14: Trends in Unmet need for Family Planning**



Source: UDHS 2006—2016

1. Although several studies show that the simple act of hand-washing with soap and water at critical times can reduce the occurrence of diarrhoea and other water-borne diseases by half as well as reduce the risk of lower respiratory tract infections like pneumonia by up to 23%, this life-saving behaviour is not widely practiced in Uganda, with limited access to latrines/ toilets another challenge. Latrine coverage has increased to 83% in 2016/17 up from 68 in 2012/13, thus surpassing the HSDP target of 78% as well as the NDPII 2019/20 target of 80%. However there remain high geographic variations with Karamoja region having <50% coverage. There are also challenges of open defecation in urban slums. In addition, there are major challenges with respect to hand washing facilities with soap and water. Only one in four Ugandans washes hands properly- with soap and water- after using a latrine/ toilet. This explains why about 75% of the country’s disease burden is preventable and linked to poor hygiene and inadequate sanitation facilities and practices. Rural and urban areas are almost equally deprived in hand washing facilities with soap and water—36.5% in rural and 39.6% in urban areas respectively (MWE, 2018). The same report shows that only one in every four (25%) pupils are enrolled in schools with basic hand washing facilities. These low rates are a big concern given that poor hygiene related transmissions are estimated to kill over 146,000 annually, of which 32,500 are children according to UNICEF findings. These numbers translate into 400 people daily (of which 89 are children) from water-borne infections including, but not limited to; diarrhoea, dysentery, cholera, typhoid, Ebola and Marburg fever. There is need to prioritize hygiene as an important factor for attainment of SDGs, basing on reports of huge sums of government funds spent on treating children affected. Moving forward, there should be more targeted investment in WASH particularly in slum areas, urban centres, schools and low latrine coverage areas. Further, behavioral change communication for household participation should be encouraged.

**Table 14: Trends in Health Performance Indicators**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Development Indicators** | **Baseline**  **2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target 2019/20** | **Rating** |
| Mortality | Infant Mortality | 54 | NA | 43 | NA | 42 | 44 |  |
| Under Five Mortality Rate (per 1,000 live births) | 90 |  | 64 | NA | 52 | 51 |  |
| Maternal Mortality Rate | 438 | 336 | 336 | NA | 348 | 320 |  |
| Fertility | Total fertility rate | 6.2 | NA | 5.4 | NA | 4.8 | 4.5 |  |
| Contraceptive prevalence rate (%) | 30 | NA | 39 | NA | 45 | 50 |  |
| Public Health | Life expectancy (Years) | 54.5 | NA | 63.7 | NA | 59 | 60 |  |

*(table continues)*

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Development Indicators** | **Baseline**  **2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target 2019/20** | **Rating** |
| Clinical services | Proportion of the population living within radius of 5 km of a health facility | 75 | NA | 86 | NA | 84 | 85 |  |
| Per capita OPD utilization ratio | 1.1 | NA | 1.1 | NA | 2.1 | 2.3 |  |
| DPT3/Pentavalent Vaccine (%) | 87 | NA | 95 (HMIS)/79 (DHS) | NA | 97 | 97 |  |
| Births attended by skilled health personnel (%) – UDHS | 57 | NA | 58 | 74 | 73 | 78 |  |
| Deliveries in health facilities (%) | 41 | NA | 73 | NA | 60 | 64 |  |
| Proportion of qualified health workers in public health facilities (%) | 63 |  |  | NA | 81 | 83 |  |
| HIV - Prevalence (%) | 7.2 |  |  | NA | 7.9 | 7.8 |  |
| HCs without medicine stock out | 53 |  |  | NA | 91 | 93 |  |
| Water and sanitation | Household latrine coverage (%) | 68 | NA | 83 | NA | 78 | 80 |  |
| Households hand washing with soap (%) | 24 | 32 | 40 | NA | 36 | 38 |  |

1. **According UDHS 2016, 31% of children below 5 years are stunted**. The burden of stunting is highest in the refugee hosting districts – West Nile, Toro, Karamoja and Bunyoro. Burden of wasting is high in West Nile and Karamoja. The implication is that there has to be concerted efforts to increase multi-sectoral approach in food production and enhance the market access to locally available foods so as to Ugandan children nourished. This coupled with improved coordination for nutrition interventions within the country can improve service delivery and reduce malnutrition cases especially in in areas with high burden and inequality.
2. **The health sector’s performance has not been without financing challenges.** General Government budget share allocated to health stood at 6.7% of total government budget in 2017/18. This remains far below the HSDP target of 14%. Because of population outstripping the resources, HSDP on-budget financing reduced and GoU financing replacement did not fill and exceed the HSDP support. This has led to an increase in Out of Pocket (OOP), health expenditure. As a % of Total Health Expenditure OOP was 41% compared to a target of 33%. Population growth is outstripping the resources available and the functionality of existing facilities is low. The financing challenge of the health sector calls not only for mobilization of additional domestic resources to move incremental allocations to the health sector, but also tightening efficiency in resource use, scaling up results based framework approach so that outputs/outcomes match inputs, investing in unmet need for FP so as to attain lower TFR, and scale up prepayment schemes from 1% so as to reduce catastrophic expenditure among others.
3. **In general, the health sector has registered progress in most of the key health and health related services outcomes**. There is increased access (in terms of proximity) to health facilities which in turn contributes to attainment of targets for OPD use and In-patient admission. However, the quality of care is constrained by the absence of basic equipment. Moreover, ongoing investments are skewed towards tertiary centres with the aim of reducing referrals abroad. There is need to provide and maintain medical equipment at all levels. There was sustained availability of medicines and products during the first half of the HSDP however there are still stock outs of essential items including blood and blood products. There is a need to invest in the sourcing, storage and distribution of blood especially to Comprehensive, Emergency, Obstretic, and New born Care (CEONC) facilities. There is poor performance for all the selected quality of care indicators. It is key to enhance regular facility assessment and implementation of Continuous Quality Improvement Initiatives, and address the key health system input areas that undermine service quality. There are gains in HRH density from 1.75 to at least 1.85 per 1000 resulting from intensified production of critical cadres. However, the density of critical cadres (doctors, nurses and midwives) is less than one. There should be continued effort to enhance the density of critical cadres so as to ensure attainment of UHC and the SDG goals going forwards. There is also need to continue to enhance salaries of health workers especially specialists. In terms of health care financing, there is need to scale up domestic financing to the health sector from 15% of the Total health expenditure (THE) to at least 35% of the THE, and or increase public per capita spending from $10 to $17 per capita. Accurate and timely data is necessary to monitor and track health financing and its efficiency. Therefore, strengthening development partner coordination especially for off-budget expenditure is critical. In addition, there is need to broadening pre-payment mechanisms such as Social Health Insurance, and develop appropriate policies that build appropriate public-private partnerships with a view to increasing access to affordable health services for the entire population.

### Strengthen Mechanisms for Quality, Effective and Efficient Service Delivery

1. The NDPII objective of strengthening mechanisms for quality, effective and efficient service delivery is one of the areas where there is hardly any data for enabling an assessment of performance indicators. Such indicators are government effectiveness index, index of judicial independence, public trust in the Justice system and corruption index. Some source documents such as GAPR have used public resources allocated to Local Governments Level as a performance measure for this objective.
2. Government effectiveness and efficiency in service delivery is critical for NDPII outcomes. Targeting is important since spending cannot be effective in improving government programme outcomes if it only benefits households that have already achieved the goals. Government has over the years implemented legal, institutional and administrative reforms to increase efficiency in Government operations. These include, among others, fiscal decentralization to bring services nearer to the people, strengthening of public financial management, and increase in budget transparency and accountability to fight corruption, performance contracting of accounting officers and salary enhancement of frontline service delivery workers.
3. In 2015, government passed the Public Finance Management (PFM) Act 2015 (PFMA) whose implementation under NDPII is expected to enhance efficiency and effectiveness in service delivery, especially in regards with aligning budgets and plans at all levels. Section 13(6) of the PFMA mandates NPA to prepare a Certificate of Compliance every financial year, which assesses the extent to which the annual budget (AB) is aligned to the planning and budgeting frameworks of NDPII, the Charter of Fiscal Responsibility (CFR) and the BFP, a step towards achieving the country’s Vision 2040.
4. While PFMA and its associated components like the CoC are a step forward, challenges remain especially in translating strategic sector plans into budget actions that contribute to achieving NDPII targets. This is mainly due to weaknesses in planning. Further, the budget macroeconomic targets continue to significantly differ from NDPII targets and budget release performance and absorption remain low for many sectors. For instance, compliance levels for the AB for 2016/17 and 2017/18 have consistently remained lower than that of 2015/16. Evidence from NPA shows that the 2016/17 and 2017/18 annual budgets were 58.8% and 54.2% compliant to NDPII compared to 68.2% in 2015/16. The overall decline in compliance scores for 2016/17 was mainly attributed to the declining performance at macro level of 48.1% compared to 71.4% in 2015/16, and the below average performance for LGs at 51.8 percent that was not part of the 2015/16 compliance assessment. Nonetheless, at the national strategic level, the 2016/17 AB performance was 74.2% compliant, which closely compares with the 75.4% compliance for 2015/16. In addition, some improvements were registered at sector level at 60.1% in 2016/17 compared to 58.6% of 2015/16. This improvement was mainly attributed to minor improvements in planning. The overall decline in compliance scores in 2017/18 was mainly attributed to the decline in performance at macro level at 41.9% compared to 48.1% in 2016/17, national level at 59.3% compared to 74.2 in 2016/17 and sector level at 53.2% compared to 60.1% in 2016/17. However, there was an improvement in performance at Local Government level at 62.2% compared to 51.8%, due to the LGs having improved LG Development Plans and good budget performance by the MoFPED in terms of timely release of funds.
5. **More effort is still required in order to improve the efficiency of Government operations.** To his end, CSBAG in their analysis of FY2016/17 AB compliance with NDPII made a number of recommendations arising from the CoC. These included:
6. The need to enforce compliance of all sectors, MDAs and LGs with development, approval and alignment of their development plans with NDPII. This should also translate into development of all sector and MDA annual work plans informed by the respective plans;
7. Furthermore, there is need to increase Central Government transfers to Local Governments to cater for the increasing devolved and delegated roles of LGs including: management of wages and pension and retained budgets for core LG services such as; infrastructure provision in vocational, tertiary and secondary education, construction of health centres and district hospitals, among others. There is need to clarify roles of the sectors/MDAs and LGs with respect to devolved functions to ensure effective implementation;
8. All sectors and MDAs should prioritize and expedite the implementation of NDPII core projects. There is need for enhanced adherence to project timelines at approval, commencement and full implementation of project timelines; and
9. Ministries, Departments and Agencies should budget for recurrent expenditure to accompany the increasing infrastructural development to ensure maximization of return/performance from project expenditure (CSBAG, 2017).[[11]](#footnote-11)
10. Further, the abilities, capacity and work ethic and attitudes of public officials must also be seriously addressed.

**Table 15: Progress on quality, effective and efficient service delivery**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Development Indicators** | **Baseline 2012/13** | **Actual 2015/16** | **Actual 2016/17** | **Actual 2017/18** | **NDP Target 2017/18** | **NDP Target FY2019/20** | **Rating** |
| Government effectiveness index. | -0.57 | -0.49 | -0.57 | -0.58 | -0.15 | 0.01 |  |
| Index of Judicial independence | NA | NA | NA | NA | NA | NA |  |
| Public trust in the Justice system | NA | NA | NA | NA | NA | NA |  |
| Corruption index. | 2.9 | 2.5 | 2.5 | 2.6 | 3.6 | 3.7 |  |

1. The government effectiveness index (GEI) captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The Uganda GEI stood at -0.49 in 2015 (ranked 122/193) and worsened to 130/193 in 2016 and further to 131/193 in 2017. Uganda has not performed well either on the control of corruption as measured by the Corruption Perception Index, an indicator of perceptions of public sector corruption, i.e. administrative and political corruption. Uganda scored 26 points out of 100 on the 2018 Corruption Perceptions Index (CI) reported by Transparency International. The Corruption Perceptions Index in Uganda averaged 24.96 Points from 1996 until 2018, reaching an all-time high of 29 Points in 2012 and a record low of 19 Points in 2001. While there has been improvement in CPI since 2012, progress has been very slow with the CPI stagnating at around 25 points, which is consistently lower than NDPII target of average of 33 points for the first three years of implementation.

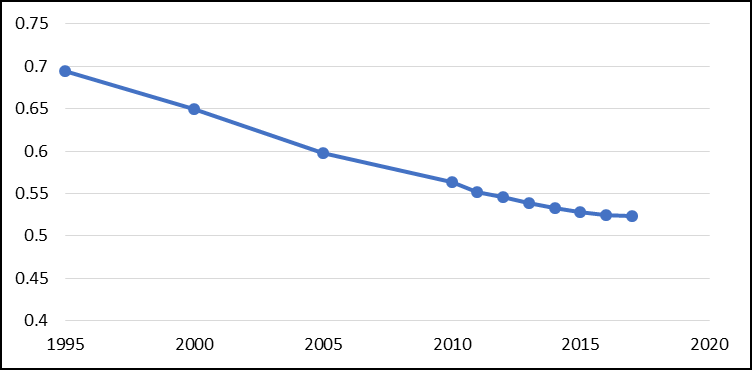
## Equity in distribution of NDP results

1. The NDPI MTR pointed to evidence of growth of income inequalities in Uganda supported by data from various sources including the UBOS national household survey of 2012/13 and the Human Development Report (HDR). For instance, the way incomes are distributed across individuals shows who benefit or miss out on the development opportunities available to society.
2. Uganda’s HDR report 2013 revealed that inequality remains a major development issue in the country despite rising GDP and rising gross national income per capita figures. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Uganda’s inequality adjusted HDI in 2012 was 0.303, representing a significant fall[[12]](#footnote-12) (33.6 per cent) in human standard of living due to inequality in distribution. Similarly, the same HDR indicated high levels of gender inequality (index 0.517) on the three dimensions considered in the assessment (maternal mortality and adolescent fertility rates, empowerment, and economic activity).
3. The UNHS 2012/13 findings indicated that while income inequality (measured by the Gini coefficient) significantly reduced from 0.426 in 2009/10 to 0.395 in 2012/13, it remained high in urban areas and in the Northern region. Women earned less than men in the formal sector. Women were less likely to participate in formal work but participated more in the household sector. Seventy eight percent of the household members who reported falling sick were taken care of by an adult female, only 10 percent by a male adult. Overall, slightly above 10 percent of the children below eighteen years had a birth certificate. The Gender Parity Index (GPI) (a socio-economic index usually used to measure the relative access to education by males and females) level was less than one for both primary and secondary education (0.96 and 0.89 respectively) in 2012/13. Comparison of the 2009/10 and 2012/13 findings showed that this inequality has persisted in both primary and secondary level education in favour of the males.
4. Similar fears of rising inequality are echoed in the 2012 World Bank report on Promoting Inclusive Growth in Uganda. The report noted while it was commendable that NDPI rightly put an emphasis on the transformation of the economy into high productivity areas, value addition, the more concentration of economic activity could be a source of increasing inequality trends, and this needed monitoring. In particular, the report noted the need for targeted policies to address the economic exclusion of segments of the population with respect to education, other social services and access to credit. It recommended for s strong monitoring system for tracking equity of results around Uganda and to make the results framework for NDPII more focused on the distribution of the benefits and outcomes of development around the country.
5. Overall, during the NDPI implementation period, it was revealed that there was little reference to equitable development in the NDP while at the same time, there was little data collected on NDP / Vision 2040 performance indicators by region or district that could be used to analyse differences in developmental trends around the country. Therefore, there was need to improve data collection on disaggregated performance indicators and to put in place targeted interventions that would address any imbalances reflected in those trends as part of the NDP MTR.
6. Informed by NDPI MTR findings, NDPII introduced the topic of “inclusive growth”—the concept that ‘nobody should be left behind’— as one of the guiding policy development concepts needed to direct more policy attention to elements of inclusive growth such as poverty, income distribution, increased employment and equality, which feature strongly in Vision 2040. Government recognised the need for inclusive growth not only because of human rights considerations or because of the fear that growing levels of inequality could undermine political and social stability in the country, but also because inequality can negatively affect the growth potential of a country. Lessons learned from countries that linked economic growth with reducing inequalities show that a strong focus on inclusive growth contributes to sustained long-term economic growth because

*“…growth accompanied by progressive distributional change (whether market or public policy driven) is better than growth alone; high initial inequalities make poverty reduction more difficult; and reducing inequality (and investing in human capital development) has a positive effect on the long-term sustainability of growth, while the opposite is also true”* (Raneiri, 2013: pp 4).

1. Available evidence on the equity in distribution of NDPII results particularly with respect to inclusive growth is based on the Framework for Inclusive Growth and Development (FIGD) of the World Economic Forum (WEF). The framework presents two sets of data—the Inclusive Growth and Development Index (IGDI) and An Inclusive Growth and Development Framework, which presents the underlying processes in society that contribute to inclusive growth (WEF, 2015). It is shown that Uganda’s overall score on Inclusive Growth had declined 4.2 % over the last five years (2010 to 2015) While there was an improvement on the cluster ‘growth and development’ of 6.3%, the index experienced a 14.9 % decline on the cluster ‘inclusion’ and a slight decline on the cluster ‘intergenerational equity and sustainability’ of 3.4 %. With this decline, Uganda finds itself in the ‘watch out’ group of countries that have an overall performance below the average score of 3.86 and a declining score over the last 5 years.
2. In the cluster ‘growth and development’, Uganda made progress on all indicators, but far below the planned growth targets for NDP 2. On ‘Inclusive growth’, there has been an increase in the income and wealth Gini coefficient from 0.41 in 2012/13 to 0.42 in 2016/17 showing an increased inequality in distribution of income and wealth in recent years. The poverty level increased by nearly 2 percentage points from 19.7% in 2012/13 to 21.4% in 2016/17[[13]](#footnote-13).
3. The HDR report for 2017 shows that Uganda’s Inequality-adjusted Human Development Index (IHDI) stood at 0.370 in 2017, which represents a reduction of 28.2% of its overall score of 0.518 due to inequalities in society. This reflects the adjustment made based on inequalities in life expectancy, education, and income as compared to a complete equal distribution of these characteristics over the whole population.
4. Uganda has continued to improve its performance as registered by the Gender Inequality Index (GII), which reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent birth rates; the share of Parliamentary seats held by women and attainment in secondary and higher education by each gender measures empowerment; and economic activity is measured by the labour market participation rate for women and men.
5. Over the years, Uganda has recorded a slow but steady improvement in the GII since 1995 (see Figure 15). Nonetheless, huge differences remain between men and women that negatively affect the economic growth potential of Uganda and need to be addressed as part of an inclusive growth Agenda. For instance, the adolescent birth rate (birth per 100 women aged 15-19) is 106.5 which is high above the average of 98.4 for low human development countries, while Uganda is on the other hand doing much better than the average low human development country on maternal mortality rate (334 versus the average of 554). Regarding mean years of schooling, females still lag far behind males (4.7 versus 7.2 mean years of schooling), as well as in the estimated GNI/capita (1,212 for females versus 2,108 $ in 2011 PPP for males).

**Figure 15: Trend in the Gender Inequality Index for Uganda 1995-2017.**



Source: Source: http://hdr.undp.org/en/data#

1. Note that the ‘Global Gender Gap Report (GGGR) 2017 of the WEF (WEF, 2017b), which considers economic participation, educational attainment, health and survival, and political empowerment dimensions, also confirms a similar slow positive trend towards gender equality over the years. Areas where big differences remain according the GGGR are, in addition to the ones mentioned above, the relative lack of female legislators, senior officials and managers and the lower level of secondary school attainment for women.

## Challenges in assessing NDP progress

1. A number of challenges have been experienced by this MTR in terms of assessing NDPII progress. Several of the same challenges were also noted in the MTR for NDPI and indeed in the final Evaluation of NDPI. There is however in some respects considerable improvement compared to the challenges noted for NDPI. Below, we analyse some of the main issues encountered. Some of these have already been highlighted in earlier sections of this report. It is also observed that many of these challenges have also affected the quality of the various NDPII related annual monitoring reports produced by the NPA, OPM, MoFPED and sector ministries.

### Missing baselines and targets

1. A coherent performance and results matrix for the NDPII which defines intended results (outcomes) of interventions (inputs-strategies-outputs) was stated to be a key precondition for an effective M&E framework. The MTR observed various efforts made by NPA to draft and refine the NDP results matrix (various versions of this matrix were seen). A main weakness of the NDPI results framework was that many indicators did not have sound baseline data that could be used as a basis of judgement. This situation has largely been rectified in the NDPII framework. However a number of indicators still lack measurable annualised targets and has made assessment of the year by year progress for the NDPII difficult. Part of the problem is not the lack of indicators but the delay in producing timely statistics for use in the NDPII MTR.

### Validity of progress indicators

1. Many NDPI results indicators were either proxy or indirect in nature and were found to be lacking in validity in determining actual progress. As in the case of NDPI the NDPII MTR team also heard comments in many of our interviews that a good number of the indicators in the NDPII results matrix are not a sufficient measure of the desired progress.
2. It has also been noted that, given the difficulties of finding appropriate development related data in Uganda, many of the performance indicators used in the NDPII result framework were for lack of more appropriate measurable means of verifying progress on the selected targets. This is still the case for the NDPII MTR.
3. In many cases, indicators still have to be chosen based on what can be realistically found from existing national and global surveys and reporting frameworks (from UBOS and sector reports) and not on what is actually desirable to measure the specific progress. This same problem has been seen to affect the coherence in reporting done in the various government M&E frameworks such as the NDR and GAPR where process indicators (meetings, trainings, staff recruitment, designs and studies) have sometimes been used to represent progress on NDR results. The next NDP will need to devote continuous effort on coming up with more valid indicators at each results level including interim results indicators.

### Un-matched reporting timeframes

1. In addition to the problem of limited validity of the indicator data, there is also the problem of un-matched timing in the release of the data required to monitor NDPII progress. This MTR still experienced difficulties in finding up-to-date data from UBOS surveys and other sources to validate progress on theme level results especially. Often, finding the data that matches the period under review was not possible, while in other instances the latest versions of the survey reports predated the current NDP (such as the case of the UNHS). It was observed that apart from the Statistical Abstract that is produced every year, the timing of many of the other vital UBOS surveys that are supposed to generate data for measuring progress on NDPII results is not adequately harmonised with the NDPII M&E framework. NPA and UBOS steel need to work more closely on this matter to ensure that the timing of the vital social economic surveys is adequately collaborated with the NDP reporting framework. However, we commendable both OPM and UBOS introducing the NSI.

### Indicators lacking optimal level standards

1. As for the NDPI MTR and Evaluation the NDPII MTR has a difficulty with the relation between growth monitoring figures and specific desired growth levels. In this regard, it is notable that in the few areas where target indicators have been included in the NDPII results matrix, the basis for setting the respective target values could not be technically established and this has made judgement on progress on these values (either in the GAPR, NDR or in this MTR) more mathematical than objective. In some other cases the review has observed target values that were set too low or those that were set to remain constant for the entire period (e.g. teacher: students-ratio) or those that set were to follow a worsening direction (e.g. growth in private sector credit).
2. Similarly, as for the NDPI MTR and Evaluation the results matrix does not generally carry objectively determined optimal dimensions of income per capita that could be used to determine how performance relate to the required levels. In some areas it was evident that in setting the target values, the NDP results matrix followed more of the targets that had been set by the respective sectors in their mid-term expenditure projections (and these were mainly resources constrained) than a vision-based objective criteria.
3. However, it has been noted that the Vision 2040 is set to significantly address this problem. This is because it sets specific destinational targets which should, in practice, determine how wide the annual strides for each sector/ priority have to be in order to reach the overall vision target by 2040. For example, the vision targets an average income per head level of USD 9,500 by 2040 (that is in 27 years) moving from the current USD 487. This target calls for a steady growth in per capita income of an average of USD 340 every year (or a more complex calculation could be based on a steady percentage growth rate rather than a simple actual rate). Based on this target, therefore, each NDP can make careful calculation of what annual targets it should set for itself ever year and in five years. A number of mathematical modelling criteria can be engaged to determine growth rates.

# Assessment of Performance of Core Projects

## Introduction

1. This section assesses the performance of core public investment projects. As mentioned in the introductory section of this report, the Plan aims to attain middle-income status by 2020 through strengthening the country’s competitiveness for sustainable wealth creation, employment and inclusive growth. To achieve this goal, GoU shall pursue a private sector-led, export oriented, quasi-market approach, fast tracking infrastructure, industrialization and skills development strategies in order to achieve the objectives and targets for the 5 year period.
2. Assessing the performance on core projects cannot be done in isolation without looking at the development strategies identified in the Plan. As mentioned in the introduction section, NDPII listed nine development strategies— macro-economic stability with fiscal expansion for frontloading infrastructure investment, industrialization, fast tracking skills development, export oriented growth, public/private partnerships (PPPs), harnessing the demographic dividend, urbanization, strengthening governance, and integrating Key Cross-Cutting Issues into Programmes and Projects. The assessment of progress on these development strategies has been done in Section 3 and some of that analysis is used in this section.

## NDPII MTR assessment of core projects

1. NDPII lists 39 core projects, which shall be implemented “to realize the Plan targets”. Ten of these projects, i.e. 2/3 of the 15 NDPI projects, were carried over to NDPII. The slow implementation of core projects have been analyzed in NDPII, giving the below main reasons for low or non-implementation.
   * Inadequate technical capacity in public service to prepare and implement such projects,
   * delays in mobilizing project financing,
   * procurement delays,
   * absence of adequate institutional and/or legal frameworks
   * Delays in enacting the public-private partnerships Bill.
2. NDPII names two important underlying reasons for the difficulties of implementation. First, it is argued that there was limited alignment of planning and budgeting instruments within the NDPI. Some sectors, Ministries, Departments and Agencies (MDAs), and Local Governments already had running Development/Investment Plans. This often led to a disparity between priorities and financial allocations of the NDPI and those of the Sectors/MDAs/LGs. For example, the National Public Investment Plan only contained eight out of the 15 core projects.
3. Secondly, the core projects lacked well-documented key milestones and proper prioritization and sequencing of development interventions. As an example: the establishment of an iron ore smelter was planned, but the necessary increase in energy generation and the establishment of a railway connection to back this up were not planned and sequenced in relation to the smelter.
4. In order to avoid a repeat of NDPI implementation problems the Office of the Prime Minister (OPM) establish important frameworks and platforms under NDPII aimed at ensuring that coordination of the plan covers implementation by the public actors, private actors and the Development Partners. OPM will ensure that the following sectors/functions will be coordinated under NDPII. a) Public financing and the resulting programming/MTEF; b) Private financing frameworks, including PPPs; c) Core projects in the national development frontier; d) Use of M&E findings to strengthen and inform implementation and coordination; and e) Real time tracking and inspection of works and services across government, including analysis and quality assurance of quarterly and annual work-plans. In addition, a Delivery Unit was established in the OPM with a fully functional technical team to fast track implementation of the core projects.
5. Despite measures taken in order to improve core projects implementation, the NDPII MTR has shown that considerable problems still exist. Apart from implementation delays as shown in table xx below, there have been problems in finding the actual state of the core projects under NDPII.
6. Weakness, including lags in available information, has rendered a precise assessment of progress of NDPII core projects difficult. This has proved a problem not only for the present MTR but for all analyses of NDPII progress including the EU NDPII MTR Diagnostic study[[14]](#footnote-14). In this NDP 2 MTR report we have used a number of documents as an input to the implementation assessment:
   * EU Diagnostic study, Draft Main Human Capital Development Report 3.1, issued 10th Dec 2018
   * The NDP I MTR as recorded in Annex 2, p269 NDPII
   * NDPII core projects tracking report from the Prime Minister’s Delivery Unit March 2017
   * Government Annual Performance Report (GAPR - Financial Year 2015/16) draft Report Vol I
   * Ministry Of Works and Transport, Annual Sector Performance Report, FY 2017/18 dated September 2018
   * Economic Management Thematic Report Mid-Term Review of the Second National Development Plan 2015/16-FY2019/20, Prepared for the National Planning Authority, Draft dated 20th November 2018. (Appendix II: Implementation progress of Flagship Infrastructure Projects)
7. Since these documents contain data collected at different points in time, it is difficult to assess progress for all projects at any particular time. The results team has attempted to approximate status at the end of first Quarter 2018, which necessarily has meant that informed guesses had to be made.
8. The “Implementation Status” column in Table 16 shows the consultants’ assessment of project status as at first quarter 2018. The “Comments” column gives additional information and notes whether the project has been continued from NDPI. The following categories of implementation status are used, occasionally with a second informative phrase:
   * Planning – project listed and only preliminary steps towards implementation taken
   * Design – project has been designed or implementation planned
   * Feasibility – feasibility or pre-feasibility study conducted
   * Procurement – some or all materials for the project has been procured
   * Works contract – entrepreneur contracted. Start of works imminent
   * Completion>X% - X per cent of the core project has been implemented. In some instances, because of uncertainty of the extent of implementation, an implementation span has been used e.g. X% - Y%. Completion>0% has been used in cases where material project implementation has started but it is difficult to characterize the extent of implementation.

**Table 16: Assessment of progress of NDPII core projects**

|  |  |  |
| --- | --- | --- |
| Area / Core project | Implementation status first Q 2018 | Comments |
| Agriculture Priority Area | | |
| 1. Agriculture Cluster Development Project (ACDP) | Design, contracting | Early 2018. Finalized contract. Engaged firm to fast track contract implementation |
| 1. Markets & Agriculture Trade Improvement Project (MATIP II) | Design | Rehabilitation of markets ongoing at different stages |
| 1. Farm Income Enhancement and Forest Conservation II | Completion >20% | Construction of five irrigation schemes underway at various stages. Weighted completion =20% early 2018 |
| 1. Storage Infrastructure | Planning | GAPR report. Inspection of warehouses taken place early in NDPII |
| 1. Phosphate Industry in Tororo | Completion>0% | **Continued from NDPI.** Works ongoing. Expect in operation late 2019 |
| Tourism Development Priority Area | | |
| 1. Tourism Marketing and Product Development Project (Namugongo, Kagulu Hills and Source of the Nile) | Procurement | March 2017, OPM Procurement for Source of the Nile section. Slow progress for Namugongo etc. |
| Minerals, Oil and Gas Priority Area | | |
| 1. Hoima Oil Refinery | Design | **Continued from NDPI**. Agreement with four companies to ensure development design financing and construction operation and maintenance of the refinery |
| 1. Oil-related infrastructure projects | Design | **Continued from NDPI.** After Front-End Engineering Design, final Investment Decision expected in FY 2017/18.. |
| 1. Albertine region airport | Feasibility | Feasibility. Master plan and detailed design for phase 1 airport |
| 1. Albertine region roads | Works contracts signed | Contracts signed for package 1-3 2018. Package 4 at bidding stage mid 2018 |
| 1. Other oil-related support infrastructure | Design |  |
| 1. Mineral Development for strategic minerals | Planning, Project not formulated. | Identified strategic minerals; Iron ore, Gold, Cement |

*(table continues)*

|  |  |  |
| --- | --- | --- |
| Area / Core project | Implementation status first Q 2018 | Comments |
| 1. Development of Iron Ore and Steel Industry | Feasibility | **Continued from NDPI**. Pre-feasibility early 2017. UDC, NPA works on feasibility |
| Infrastructure Development Priority Area | | |
|  | *a) Energy* |  |
| 1. Karuma hydro power plant | Completion>50% | **Continued from NDPI**. Expect completion late 2018 |
| 1. Isimba hydro power plant | Completion >40% | **Continued from NDPI**. Completion expected late 2018 |
| 1. Industrial substations | Completion>0% | Project expected completion revised from 2019 to early 2021 |
| 1. Ayago hydro power plant | Feasibility | **Continued from NDPI**. RAP and land Acquisition undertaken 2018 |
| 1. Grid Extension in North-East, Central, Lira and Buvuma Islands | Completion 74% - 90% | Tororo-Lira 74%. Lira-Gulu-Agago 90% |
| 1. Masaka-Mbarara Transmission Line; | Feasibility, RAP | Resettlement Action Plan 90% complete |
| 1. Kabale-Mirama Transmission Line | Procurement | Procured EPC contractor and project supervisor |
| 1. Grid Extensions including those for Region Power Pool | Completion>90% | Tororo Lira 74% Lira Gulu Agago 90% |
|  | *b) Transport* |  |
| 1. Standard Gauge Railway | Design, feasibility | **Continued from NDPI**. Solicitation of funding ongoing |
| 1. The Entebbe Airport Rehabilitation | Completion>46 % | ASPR 17.18: The overall progress on the expansion and modernization of Entebbe International Airport has reached 46% |
| 1. Kampala-Jinja highway | Feasibility, pre-qualification | Feasibility study and pre-qualification approved by June 2108 for Kampala Jinja Expressway (77Km); and Kampala Southern Bypass (18Km). |
| 1. Kibuye-Busega-Nabingo | Completion>0% | ASPR 17-18. Kibuye -Busega completed |
| 1. Kampala Southern by-pass | Feasibility, Pre-Qualification | Feasibility study and pre-qualification approved for 95Km of Expressways by June 2018 Kampala Southern Bypass (18Km). |
| 1. Kampala-Bombo Express highway | Design | **Continued from NDPI.** |
| 1. Upgrading of Kapchorwa-Suam Road | Works contract awarded |  |
| 1. Kampala-Mpigi Expressway | Design, Bidding process ongoing | Project commencement is awaiting allocation of funds |
| 1. Rwekunye-Apac-Lira-Kitgum-Musingo Road | Completion >0% | Civil works are ongoing and the Specific Procurement Notices re- advertised early 2018 |
| 1. Road Construction Equipment | Procurement |  |
| Human Capital Development Priority Area | | |
|  | *a) Health* |  |
| 1. Renovation of 25 Selected General Hospitals | Completion>80% | Of the 25 general hospitals expected to be rehabilitated, 21 were supported with funds for expansion and renovation |
| 1. Mass Treatment of Malaria for Prevention | Completion>100 % | Early 2018, all six 'chase malaria' waves had been completed with over 38 million Ugandans receiving mosquito nets. |

*(table Continues)*

|  |  |  |
| --- | --- | --- |
| Area / Core project | Implementation status first Q 2018 | Comments |
|  | *b) Education and Sports* |  |
| 1. Comprehensive Skills Development Programme | Completion>0% | **Continued from NDPI**, national non-formal skills development programme. Skill training agreements w. private sector. Rehabilitation ongoing |
|  | *c) Social Development* |  |
| 1. Uganda Women Entrepreneurship Programme (UWEP) | Completion >50% | Credit to women 50% recovered |
| 1. Youth livelihood Programme (YLP) | Completion>65% | Since commencement, 67% of the total amount loaned had been repaid. |
| Economic Management and Accountability | | |
| 1. Strengthening Effective Mobilization, Management and Accounting for the Use of Public Resources (SEMMA) | Completion>0% Programme ongoing. |  |
| 1. Revitalization of UDC and Recapitalization of UDB | Completion>0% | Legal framework amended 2016. UDC Bill has been prepared |
| I C T | | |
| 1. ICT National Backbone Project | Completion>0%  Works ongoing | Fibre optic cables laid, transmission sites built |

### The state of core projects implementation progress

1. The lack of planned implementation time profiles and project cost makes it is difficult to characterize and summarize core projects implementation in any other way than using the number of projects. Still, this gives some status information as at the midpoint of NDPII.
2. Ten of the 39 projects listed as NDPII core projects were in fact continued from NDPI. One might question whether the roll-over of projects in this way is consonant with good planning. If NDPII has an overall different framework than NDPI and different aims, the “old” projects would not necessarily fit into the new frame, thus watering down the clarity and objectives of the NDPII. Figure 16 illustrates the status of implementation of the core projects as at Q1 2018

**Figure 16: Core project complementation as at Q1 2018**

1. There were 18 projects, a little less than half of all core projects, where some degree of completion (part complete) was recorded in early 2018. For eight of these, the degree of completion was uncertain (Completion>0%). Of the 10 where it was possible to state a certain degree of completeness only two were among the projects rolled over from NDPI. It appears than that “rolling over” has had little effect on the speed of implementation of former NDPI projects, which do not seem to have come much nearer to completion during the first half of NDPII
2. Of the remaining 21 projects where the team saw no sign of material completion, two were at the very early stage of “Planning”. One of these were “Mineral Development for Strategic Minerals”. This project had in fact not been formulated as a core project. It was rather described as an action area. Another *eight* were in a “Design” stage. *Six* were at the “Feasibility” stage. *Three* were at the procurement stage. *Two* were at the “Works” stage.
3. Looking forward it appears fairly clear that given the increase in the number of core projects for NDPII there is no chance that they can all be completed before the end of the Plan period, although ten of the projects are rolled over from NDPI. It appears that the large number of projects have contributed to blunt the focus of the NDPII.
4. Still, it may be a positive sign that nearly half of the NDPII core projects were assessed to have started *some* degree of material implementation. In the Human capital development area there are indications that all the seven projects listed have entered into some stage of material implementation or have been completed (as in the case of Mass Treatment for Malaria Prevention.) Also for the eight projects under the Energy sector, five were reported with a certain degree of implementation.
5. Over half of the projects were however at various preparatory stages (i.e. Planning, Design, Feasibility, Procurement or Works as used in the table above). For the Minerals, Oil and Gas priority areas this tendency was clearest since all the seven-listed project could be described as being in a “preparatory” stage. The infrastructural projects under the transport sector also seem to have made little headway, seven of the ten projects listed being at the “preparatory” stage. For the Agriculture and Energy sectors the situation seemed a bit better with less than half the listed projects “preparatory”.

### Possible Reasons for Slow Core Projects Implementation under NDPII

1. One main reason for slow or non-implementation are the budget releases. According to the EU KE1 final report: The Certificate of Compliance for the annual budget FY2015-16 showed that for agriculture core projects there was a poor record of budget releases, the Agriculture Sector being only 50.5 percent compliant. The approved annual budget for the first three quarters was Ugsh542.5 billion, of which only Ugsh274.1 billion was released over this period. This is below the required release of at least 75 percent for the sector to be on course.
2. Another issue is that annual targets are missing for both the NDPI and NDPII performance indicators, making it difficult to assess progress. The EU study notes that a few targets appear strange because they show less ambitious performance than current levels and proposes to aim to measure fewer things, making sure that good data are available.
3. The constraints noted by EU and other observers is extensive. Perhaps the most serious reasons for slow implementation are the land related constraints, others are of a more general nature:

**Land related constraints**

* Inadequate preparedness to respond to natural disasters
* Limited involvement of non-state actors especially during implementation (to which could be added and not during planning)

**Others apply to most if not all sectors:**

* Limited alignment of planning and budgeting instruments with the NDP
* Limited prioritisation and poor sequencing of interventions
* Inadequacies in the NDPII results framework
* Limited financing of NDPII
* Weak public sector management
* Limited integration of cross-cutting issues

1. Needs, objectives and challenges facing PP&UD remain largely as described in NDPI and many are carried over to NDPII as they were not achieved during NDP-I. If anything, the needs and challenges to social and economic development have increased as rapid urbanisation continued in the on-going absence of adequate support for institutionalised planning and development control[[15]](#footnote-15). Pre-requisites for NDP Implementation Several NDP core projects ‘work-in-progress’ over the last 8 years were mainly due to limited readiness-to-start. PPP arrangements remain complex and government is locked in challenges of slow contracting, land compensation among others.
2. NDPII has however managed to prioritise core projects for implementation and has provided an element of focus and common understanding and agreement of some major development priorities. The EU study argues that several of the core projects are likely to remain work-in-progress by 2020. Lessons are being learned and it will be possible to more carefully select priority projects for the next NDP-3.
3. The effects of the lacking implementation of core projects was foreseen by NDPII making a very relevant comment on the success, failure or challenges related to PP&UD. “Inadequate spatial analysis and representation in the Plan: NDPI did not adequately analyse and spatially represent the strategic planned interventions. This contributed to continued low levels of the country’s competitiveness. Infrastructure plans did not connect to areas of high resource potential, and there was inadequate spatial integration of transport and modal connectivity. Consequently, industrial development remains functionally inefficient, costs of production are high, resources are wasted and potential synergies which could lead to increased output are not realised.”
4. This is a very telling comment and reinforces the need to elevate physical (spatial) planning to a higher cross-cutting level fully integrated with economic planning.

# MTR Sector Performance

## Agriculture Sector

1. During FY2017/18, agricultural GDP growth almost doubled to 3.2% from 1.9% in 2016/17. In the NDP-II period Government is targeting to increase agricultural exports to USD 4 billion by 2020 from the current USD 1.3 billion and reduce the number of the labor force in subsistence production from 6 million in 2012/13, majority of who are women to 3 million in 2019/20. The value of agricultural exports as a percentage of total exports increased from US$1.2 billion in 2016/17 to US$ 1.5 billion in 2017/18.
2. Under the single spine agricultural extension system the number of employees in the extension services was 3032 against the target of 5000 making it a 61% since recruitment is subject to availability of wage funds. It is hoped that the availability of funds will enable full deployment of the extension staff to guide the farmers in making informed farm decisions. Also, number of extension services provided was achieved at 100 percent as per target of 10 services that include; Crop Agronomic Services, Livestock, Fisheries, Apiary, Pest and disease control (Crops & livestock), SLM, Value Addition, Post-Harvest handling, Marketing, and Advice on credit services, although the number of farmers receiving extension services declined from 3599948(100 percent ) to 1583974 (44 percent) as a result of weak extension delays in implementation.
3. During the same FY2017/18, there was an increase by 23 percent of agricultural financial services. The percentage of farmers accessing farm inputs decreased from 100 percent in 2016/17 to 44 percent during the period under review owing to inadequate funding to buy input.
4. Efforts to control the spread of pests, vectors and diseases in the crop and animal sub-sectors were intensified in the reporting period. Maize lethal necrosis (MLN) surveillance was conducted in the high-risk districts of Kween, Tororo, Busia, Manafwa, Bulambuli and Kasese. The disease incidences have been contained at less than 2.7%. Farmers’ knowledge and understanding of the disease and its management was assessed to over 70%. There was a slight reduction in BBW field incidence in the FY2017/18 from 6.8% to 5.6% as per target.
5. Despite the high incidence levels of FAW infestation in 2017 being greater than 60%, there has been reduction in incidence of FAW to less than 20% mainly due to fake and counterfeit seed and agro-chemicals on the market, inadequate laboratory equipment for seed and pesticide laboratories, interceptions on global markets, stringent international market demands on MRLs and presence of HOs, affecting export volumes, and even leading to shrinking of markets.
6. Dairy cattle declined by 22% and this is attributed to delayed supply of the standing Quarantine in the major sources of livestock in South Western Uganda. Beef cattle increased by 57% (from 1600 to 2800).
7. Increased access to water for agricultural production (Irrigation, water for livestock, aquaculture-fish ponds/caging) led to percentage of reliable land under irrigation being 67043 ha, number of farmers using irrigation at 9.2%, water storage capacity of 2.75m cubic meter against the target of 3.37m cubic meter.
8. Institutional capacity of public agricultural agencies was strengthened during the FY2017/18 that involved staff levels of which 67.83% of the positions were covered with the ratio of extension staff to farming households of 1:5000 to 1:1800. The sector did not report on Staffing levels in quality assurance and regulation. LGs production departments’ capacity were strengthened to deliver extension and other farm support services of which 1,583,974 farmers were provided with extension and other farm support services against the set target of 3,599,998 farmers. Implying it achieved 43% of the set target.
9. As NDP II stipulates, some of the interventions in the sector are undertaken by local governments with support from the central government. Local governments are tasked with the role of: Controlling epidemic diseases, pests and parasites affecting crops, animals and fish; Enforcing agricultural laws and regulations; Supporting the extension services; Supervising the distribution of inputs provided by MAAIF under the OWC initiatives; Carrying out inspection and certification of agricultural inputs such as agro-biological and animals feeds; Ensuring veterinary public health; Registration and licensing of traders in agricultural chemicals, seeds, livestock and fishing; Collection of agricultural statistics.
10. In accordance with the above roles, a number of projects have been implemented by Local Governments with in the period under review. The current review reveals projects such as; Agricultural extension projects, breed improvement and artificial insemination expansion, coffee garden establishment, introduction of fish cage farming (in Kalangala), establishment milk processing plants, fish hatchery construction, installation of irrigation facilities, livestock breeding centers, palm oil growing in Kalangala, OWC/NAADS (provision of inputs such as; banana Suckers, fish feeds, male boar goats, milk coolers, fish fingerings), remodeling of veterinary laboratory
11. In performing their roles, local governments partner with various development partners. Our analysis reveals a sizeable number development partners for both NDP I and NDP II. For instance, in NDP I, development partners in agricultural sector included; Abi trust, ACID-VOCA, ACPEP (EU), ADB, Aktion Africa help, AMREF, ASB, CLUSA, East African Dairy Department (EADD), FAO, Food for the hungry, GIZ, Heifer international, ICEDA, Icelandic International department agency, IFAD, IFDC, ILRI, IRC, JICA, Save the children, Swiss contact, UNDP, UNHCR, USAID, World Bank, World Food Programme, World Vision International. Equally, NDP II period was characterized by development partners such as; Abi Trust, ADB, CAIIP, CARITAS, CLUSA, DINU, EADD, FAO, FEED THE FURTURE, Food for the Hungry, Heifer International, IFAD, IFDC, ILRI, JICA, KOICA, LVEMP-II (World Bank), Micro financing partners, NILPIP, SNV, Swiss Contact, Terra Renascence, UNHCR, USAID, Welt Hunger Life, World Bank, World Food Programme, World Vision International.
12. From the intervention by the local governments in agriculture a number of achievements were registered duing NDP II. These are summarized in table 17 below

**Table 17: Local Government achievements in agriculture under NDP II**

|  |
| --- |
| NDPII |
| 1. Increased processing capacity due to construction of processing plants 2. Increased access to production inputs 3. Production increased particularly for commercial purposes (coffee diary) 4. Improved pests/disease control through provision of insecticides 5. Increased food production thus increased food security 6. Introduction of exotic breeds 7. Improved management of natural disasters (like drought) through irrigation 8. Promotion of value chains for crops such as cocoa 9. Provision of training and advisory services to farmers through facilitation of extension workers 10. Trained the youth and provided start-up packages |

***Source: Survey data***

1. In executing their roles as regards to agriculture, local governments are however faced with a number of challenges which are believed to have hindered their performance. Some of the key challenges raised by the different Local Government Departments under NDP II are summarized in table 18.

**Table 18: Local Government challenges in agriculture under NDP II**

|  |
| --- |
| NDP II |
| 1. Adulterated agro-inputs 2. Contradictory strategies from MAAIF 3. Delay in allocation and release of resources (funds) thus delaying some projects 4. Delays in completion of projects implemented by MAAIF which are supposed to complement those at LG 5. Inaccessible roads during rainy seasons making it difficult to reach some areas 6. Inadequate facilitation of extension workers 7. Lack of agro-processing plants hindering value addition 8. Limited market for agricultural produce 9. Low funding for the sector 10. Animal theft 11. Poor community attitude towards agriculture 12. Poor coordination/communication under OWC 13. Unclear policies and legislations 14. Under staffing |

*Source: Survey data*

1. As a way forward, a number of suggestions were raised by the local government agriculture departments. The suggestions are categorized as short term (5 years) and long term (more than 5 years). Table 19 provide a summary of the key suggestions raised by the departments.

**Table 19: Suggestions for improving achievement of planned results**

|  |  |
| --- | --- |
| **Medium term (5 years)** | **Long term (more than 5 years)** |
| 1. Provision of adequate operational funds for extension services 2. Building capacity of extension workers 3. Promotion of partnerships between private sector and Local Governments 4. Improving Monitoring and Evaluation process 5. Improving road infrastructure 6. Increase funding to local governments 7. Involve stakeholders in planning activities for the sector 8. Recruit more extension staff 9. Conducting regular reviews of the programs 10. Sensitization of farmers on use of improved technology in production 11. Timely release of funds | 1. Proper alignment of activities with national priorities 2. Increased funding for agriculture 3. Building capacity of district officers and extension 4. Improvement in infrastructure 5. Establishment of irrigation schemes 6. Prompt monitoring and evaluation of projects 7. Proper planning and accurate implementation of activities 8. Recruitment of more extension workers 9. Reviewing and updating existing policies 10. Strengthen partnership (public-private partnerships) |

*Source: Survey data*

## Justice Law and Order

1. In NDPII, the Justice, Law and Order Sector focused on: improving the legal, policy and regulatory environment that is conducive for doing business to create wealth and employment; enhancing access to JLOS services particularly for vulnerable persons; promotion of human rights in order to ensure accountability, inclusive growth and competitiveness in Uganda; and fighting corruption in order to strengthen Uganda’s competitiveness for wealth creation and inclusive growth.. Performance against the objectives by the end of NDPI are elaborated below:

**Improve policy, legislative and regulatory framework**

1. The NDPII outcome indicators under this objective was the percentage of target population aware of updated laws and percentage of public confidence in the enforcement of existing laws.
2. In 2015/16, eleven (11) laws were enacted including: Anti-Terrorism (Amendment) Act No.1 of 2016; Children (Amendment) Act No.9 of 2016; NGO Act No.5 of 2016; Constitution (Amendment) Act No.12 of 2016; Presidential Elections (Amendment) Act No. 14 of 2016; and the Parliamentary Elections (Amendment) Act No. 15 of 2015. Others are: National Youth Council (Amendment) Act No.20 of 2015; National Women’s Council (Amendment) Act No.17 of 2015; LG (Amendment) Act. No.16 of 2015; and Anti-Corruption (Amendment) Act, No.21 of 2015. Seven (7) bills were processed for Parliament to pass including: Law revision Miscellaneous Amendment Bill, 2015; Human Rights (Enforcement) Bill, 2015; Marriage and Divorce Bill, 2009; Trial on Indictment (Amendment) Bill, 2015; Magistrates Court (Amendment) Bill, 2015; Administrator General’s (Amendment) Bill, 2014; and the National Legal Aid Policy, 2014. Fifteen (15) bills and 20 Acts were attained in 2016/17. However, three bills critical to the work of the sector were still outstanding by the time the Mid-Term review was undertaken: the Judiciary Administration Bill, 2015, the Legal Aid Bill, 2018, and the Trial on Indictment (Amendment) Bill. The Transitional Justice Act was also not in place. Although 50% of the required subsidiary instruments were revised, printing them for the target population was hindered by lack of resources.
3. Whereas the surveys conducted did not provide performance data on the proportion of the population with access to updated laws, it can be inferred that the low simplification and translation rate of laws may have limited the number of target population that could have access to these laws. By 2017 only the Constitution had been translated into 10 languages. The laws that had been simplified included the Domestic Violence Act, Female Genital Mutilation Act and Prevention of Trafficking in Persons Act (in 2015/16) and the Local Government Act (in 2016/17)
4. According to the World Economic Forum Report 2016, Uganda’s Index of Judicial Independence improved from a score of 3.41 in 2015/16 to 3.6 in 2016/17. As a result, Uganda moved 3 places in world ranking from position 91st in 2015/16 to 89th in 2016/17 out of the 144 countries. The improved performance was due to coordination, innovations in the administration of justice, increased capacity, greater geographical reach, and reducing political interference in the judicial process among others. The Judiciary’s efforts to increase its independence from the influence of the Executive particularly in regard to the Administration of the Judiciary Bill, 2015 (now referred to as the Judiciary Administration Bill, 2018) have not yet succeeded. Whereas the Bill was approved by Cabinet in 2015, it was still pending before Parliament by the time the Mid-Term Review was undertaken.

**Harmonize and enforce administrative service delivery standards**

1. The sector targeted at least five institutions with functional performance management systems by 2015/16 and this was achieved in in six institutions. By the time of the Mid-Term Revew, 12 out of 18 JLOS institutions had established Client’s Service charters. However, these were widely disseminated and enforcement remains problematic. The review of Police Standing Orders was completed; the Uganda police Force (UPF) adopted the use of crime preventers as a link to the community and a training manual for the Police Probationary Constables (PPC); and a syllabus for scene of crime officers were developed to harmonize training content in line with international best practice and to cater for emerging trends in policing and standardize the training systems.
2. The Directorate of Citizenship and Immigration Control (DCIC) completed the drafting of the National Migration Policy and Guidelines in 2016/17 that was to be tabled in Cabinet. In the same review period, work was completed on the reform and re-organization of Registries and reports on the Current Registry Operations and Procedures produced. In addition, a Registry Operations Manual was produced and was awaiting validation.
3. The Uganda Registration and Services Bureau (URSB) simplified the registration of Intellectual Property Rights including Trademarks, Copyright, Industrial Designs and Patents, by upgrading the Intellectual Property Automated System. The upgraded system enables faster registration of Intellectual Property Rights. This has eased the cost and time of doing business. In addition, through a MoU between the UPF and the URSB, Intellectual Property Enforcement Unit was established.
4. The Directorate of Citizenship and Immigration Control (DCIC) expanded the e-Visa and e-Permit system to 5 more borders of Busia, Cyanika Elegu, Malaba, and Mutukula. In addition, all Foreign service/consular officers in 15 Missions abroad were trained on the operation of the e-visa system. The e-visa shortened the time of interaction with Immigration Officers and hence improved efficiency, effectiveness and built confidence amongst investors, tourists and other visitors to Uganda. As a result, the number of Visa applications received increased from a monthly average of 4,000 in the FY2015/16 to 7,000 in FY2016/17. The introduction of e-Visa and e-Permit system has improved lead time for issuance of work permits to 5 working days this financial year, compared to 8 working days in FY 2015/16. Visa applications, are processed and approved within 24 hours. The proportion of work permits issued to general employees reduced from 61.52 percent in FY2015/16 to 59.16 percent in FY2016/17. The investor to work permit ratio increased from 9.19 percent to 9.62 percent in the same period.
5. The Attorney General represented Government in various Courts and tribunals across the country. Fifty-four cases were concluded out of which 23 cases were won and 31 lost. The lost cases were attributed to lack of witnesses and instructions from MDAs.
6. By the time of the Mid-Term Review, the National Identification and Registration Authority (NIRA) had registered 23 million adult Ugandans for the National ID and issued 17.5 million National ID cards (43%), 82.7% of the birth certificates; 69.3% of the death certificates, and 67.3% of adoption certificates.
7. Uganda’s factor score on effective regulatory enforcement rose to 0.41, helping the country to step up one rank[[16]](#footnote-16).

**Enhance access to “Justice for All”, particularly for the poor and marginalized**

1. By 2016/17, the police force stood at 44,185 and the police to population ratio at 1:754 per 100,000 persons, failing to meet the sector’s target of 1:650 that year. There were only 4,000 CID officers deployed in 125 divisions and 295 police station in 2017, meaning an average of nine investigators, which averages 71 case files per annum. This fall far below the international standards of 12 files per investigator per annum.
2. Through JLOS strategies such as Alternative Conflict Resolution (ADR), plea-bargaining and increased coordination, the average length of stay on remand reduced from 14.5 months in 2010/11 to 10.4 months in 2016/17 for capital offender and from 4.4 months to 2 months for non-capital offenders over the same period. 353 community service orders were issued against a target of 15,000 offender in 2016/17, falling below expectations.
3. The Legal Aid Bill, 2011 was still outstanding by the time of the mid-term review, which together with the delayed adoption of the Legal Aid Policy meant delayed response towards national legal aid schemes. Currently, LASPNET is attempting to fill this gap with varying degrees of success and difficulty regarding geographical scope, thematic coverage and human and financial resources. By December 2018, there were 10 operational Justice Centers providing access to services for vulnerable persons.
4. The sector invested heavily in construction of JLOS service infrastructure and by end of FY2016/17, 59.8 percent of the districts already had the basic infrastructure for all front line JLOS service points compared to only 30 percent in 2011. This presence reduced the distance people traverse in search of JLOS service points from an average of 75 km in 2011 to 15 km on average. This was however still less than the optimal 5km radius as per the sector target regarding access of critical frontline service points. In the reporting period, JLOS was present in 85 percent of the districts in the country in terms of basic service such as policing, prosecution, adjudication, probation, and prison services. However, the construction of JLOS house had stalled by the time of Mid-Term Review.
5. Despite persistent challenges, the sector registered an improvement in case disposal rate (against total pending cases) in courts from 48.1% at the commencement of NDPII in 2015/16 to 57% in 2016/17. This was attributed to recruitment of more Judicial Officers, plea bargaining, mediation, deconcentrating of services and adoption of targets for Judicial Officers at all levels. However, the challenge of shortage of Judicial Officers still exists. As of 30th June 2017, there were 395 (66%) Judicial Officer against an approved structure of 600. By December 2016, case backlog stood at 181,121 court cases, this affected 30,000 suspects on remand in prisons and under investigations in police stations (Office of the Auditor General, 2016). The Small Claims Procedure reduced the filing of suits that fall under the pecuniary value of 10 million shillings in ordinary courts by 58% with 62% of the suits completed within 30 days of filing in 3016. In 2016, 1600 cases out of 1,786 were disposed of.
6. Statistics show that there was a rise in children’s case in the criminal justice system during NDPI. Child victim cases investigated by the Police increased to 15,093 children as direct targets/victims of crime in 2017 compared to14,943 in 2016[[17]](#footnote-17). JLOS increased focus on child justice responsive standards and practices, especially on responsive justice. By 2017 the programme was operational in the High Court circuits in 54 districts. Diversion of children from criminal justice systems became more entranced despite some attitudinal resistance and resettlement and rehabilitation challenges. In 2016/17, 5,858 (80%) cases were diverted compared to 68.9% in 2015/16. Diversion was embraced by a wider array of the criminal justice chain i.e. in 2017, 12.6% of children cases were diverted by the Child and Family protection unit, CID diverted 15.3; DPP diverted 7% and Court diverted 8.8%. However, a number of children still enter and are retained in the formal justice system. For instance in 2017, 1020 cases that could have been diverted were processed through the system. UHRC noted that diversion is not as well applied where suspects were street children or without social support systems and yet this very group is unlikely to obtain IDs without the support of parents or guardians. Age identification remains a key for children in conflict with the law and requires NIR to prioritise the provision of children with national IDs.

**Promote Accountability and the observance of Human Rights**

1. The NDPII emphasised the need for JLOS to implement rights promotion and fight corruption within its institutions in order to ensure accountability and competitiveness in Uganda.
2. Promote of Accountability: High perceptions of corruption continue to mar the image of the sector as efficient and trustworthy. For instance, findings from the 2017 National Governance, Peace and Security Survey (Uganda Bureau of Statistics, 2017) showed that majority of the respondents reported that the Uganda Police officers and judicial officials in general were very corrupt (89 percent and 69.5 percent, respectively). These figures are indicative of the Culture of corruption among users and institutions. However, JLOS succeeded the target on disposal of corruption cases with an 80% conviction rate in 2015/16 against the target of 75%. This increased to 96% in 2016/17 (JLOS, 2016).
3. Observance of Human Rights: The number of complaints received annually by the UHRC increased in the first two years of NDPII. As of 31st December 2017, the UHRC Tribunal caseload stood at 967, a 15.53% increase from 837 cases in 2016. The effectiveness of the redress mandate of UHRC was affected by the slow case disposal of its Tribunal, for instance, by 2015/16; the UHRC Tribunal had only completed 403 complaints from 2010, which fell short of the sector target of 450 cases. One of the setbacks has been the failure by government to comply in a timely manner with the compensation awards to the victims. The 2017 Budget Call Circular for FY2016/2017 stated that all obligations the arose from the awards were to be settled by the responsible Ministries, Departments and Agencies which further created uncertainty as to whether the victims would receive their award payments.
4. Although complaints of human rights violations against the police fell by 21.2% in 2016, this was below the sector target of 32%. Detention beyond the constitutional timelines of 48 hours was the highest registered complaint in 2016 with 438 persons, an increase of 7.32% from 2015. However, this decreased to 277 persons in 2017. The UHRC registered 1,016 cases of torture against the Police between 2012 and 2016. It is commendable that the Police responded with development of an internal redress mechanism for victims of torture.
5. Managing the prison population was a priority for NDPII. This is not only key for human rights enforcement but also, it helps to reduce exorbitant expenditures on prisoner’s upkeep. The major challenge was the high population of remandees vis-à-vis conflicts, for instance, the number of detainees rose to 51,772, of which 26,8865 (51.8%) were on remand (Parliament of Uganda, 2016). The remandees outweighed convicts by 44% in June 2017. The Prison congestion therefore stood at 212percent in excess of the holding capacity of prisons countrywide
6. Complaints against violations oh human rights by prisons staff fell to 38.2% in 2015. This was attributed to the establishment of prisons human rights committees. By the end of 2017, there were 252 prison human rights committees, of which 240 were, facilitate to operate effectively.

## Energy Sector

1. Government’s focus over the NDPII period is in addressing the infrastructure challenge to reduce the cost of doing business. The energy sector objectives are focused on: increasing power generation capacity to drive economic development; expanding the electricity transmission grid network; increasing Energy Efficiency; promoting the use of alternative sources of energy; and strengthening the policy, legal and institutional framework. The per capita power consumption was increased from 80 KwH in 2012/13 to 100KwH in 2017/18. The household access to electricity increased from 14% in 2012/13 to 23% in 2017/18. It is expected that upon completion of the Isimba and Karuma dams together with their transmission lines, the coverage will meet the NDP2 target of 30% in 2020.

**Increase Power Generation Capacity to Drive Economic Development**

1. There have been major power generation investments in recent years based on Uganda’s considerable hydropower resources, with the main grid power generation capacity for economic development having improved from 851.3 MW in 2012/13 to 955.264 MW by end of the FY2017/18. Only 5.4 percent (51MW) was added to the generation system under the GETFiT program between 2016/17 and 2017/18. A number of small plants have since been commissioned under the review period and these include: Soroti solar plant (10MW); Mvumbe (6.5MW); Siti I 5MW; Lubilia (5.4MW); Nyamwamba (9.2MW); Rwimi (5.5MW); Tororo Solar (10MW); Nkusi (9.6); and Waki (4.8MW).
2. However, when the new 600 MW Karuma and 183MW Isimba hydros come on stream around 2019-2021, Uganda will move to having a significant surplus of electricity generating capacity. The development and supply of new industrial loads to utilise the generation surplus is therefore now a high priority in the electricity grid sector. Even free power supply for new loads for the period of the generation surplus would be cost neutral, as the new supply is contracted to be paid by the Uganda government on the basis of deemed energy output (take-or-pay contract) terms whether, the generation capacity is used or not.
3. Biomass continues to play a critical role in Uganda’s economy by contributing over 90.1% of the total consumable energy, fossil 8.5 percent and electricity 1.4 percent. Biomass also remains the biggest source of heating and cooking energy in the country. In addition, it is a popular source of energy for value addition in the areas of: tea and tobacco curing, ceramics, confectionery and other rural based industries. The proportion of biomass, however, has since decreased from 92.7% in 2012/13 and electricity share increasing from 0.002% in the same period.

**Expand the Electricity Transmission Grid Network**

1. Access to electricity has also improved. The percentage of the population with access to electricity now stands at 23 percent from 14 percent in 2013, which is above the NDPII Target of 20 percent in the same period.
2. The Government has continued to expand the power transmission network through construction of transmission lines, Substations and distribution lines. This is aimed at increasing the electrification rate.
3. During NDPII period, several transmission projects have been completed; namely Bujagali switch yard upgrade to 220KV, Queensway substation upgrade, Kawanda substation upgrade and Fort portal substation. In FY2017/18, 726.3km of electricity transmission lines were added into the network. The following transmission projects were completed during the FY2017/18: Kawanda-Masaka T-Line 220kV, 137km line; Kawanda and Masaka substations; Nkenda-Fort Portal 220kV line; Fort Portal-Hoima line and associated Substations. In addition, construction of the Isimba- Bujagali Interconnection project132kV, 41km line was completed.

**Improve Energy Efficiency**

1. Distribution losses in Uganda are very high (16.7%), but they show significant reductions in recent years. Distribution losses were estimated at 31% in 2005, the year in which Umeme obtained the concession for the operation of the distribution grid, and they increased to 35% in 2007. Nevertheless, distribution losses have experienced a significant reduction since the implementation of financial incentives in the tariff, decreasing from 35% in 2007 to 19% in 2015 and 16.7 percent in 2018. Loss reduction initiatives during the year included; meter installation audits, use of technology like smart meters for large customers, billing efficiency, public awareness and use of data analytics to identify and focus the loss reduction initiatives. Transmission losses have decreased in Uganda from 5.7% in 2001, the year in which UETCL (Uganda Electricity Transmission Company Ltd) was incorporated, to 3.78% in 2015. An international comparison also shows that current transmission losses in Uganda are among the lowest among Sub-Saharan countries and they are also in the range of transmission losses in Latin American and Caribbean countries (where the average of 26 countries is 3.1%).

**Figure 17: Energy losses in NDPII period**

1. Government is drafting the Energy Efficiency and Conservation Bill, 2018. The final draft of the Bill was submitted to the Ministry by FPC in June 2018.

**Promote use of alternative sources of energy**

1. There is remarkable increase in the use of alternative sources of energy such as solar and biogas in Uganda. During the NDPII, the country commissioned biggest solar power plant in East Africa, the Soroti solar PV, commissioned unto the national grid in December 2016. Additionally, another solar power plant (Tororo solar plant) was constructed and commissioned on 16th October 2017. In terms of solar installations, 8,000 installations were made in period under review. However, solar installations are largely privatized hence making it difficult to obtain aggregated data from a common source.
2. Nuclear power development: Uganda is also committed to the developing Nuclear power. Prefeasibility studies for launching the first nuclear power plant are ongoing with technical support from the International Atomic Energy Agency (IAEA). The Memorandum of Understanding between Ministry of Energy and Mineral Development and China National Nuclear Corporation (CNNC) on nuclear energy development was signed on 11th May 2018 in Beijing, China.
3. Use of renewable energy technologies: In the same way MEMD is promoting use of renewable energy through promotion of Institutional bio gas system for off-grid energy generation. Government signed a memorandum of understanding between the State of Israel on Renewable Energy and Agriculture Development Project. The project will focus on establishment of a 200kW biogas project for electricity generation and organic fertilizer production.
4. Current energy balance: In Uganda, biomass is the most supplied and consumed energy at 90.3 percent and 87 percent respectively. The electricity generated is mostly for industry sector (63.4 percent) while the petroleum is majorly for transportation. The Energy consumption per capita (kgOE/capita) is 348.35 while the electricity consumption per capita increased from 80 to 100.3 kWh/ capita in FY2017/18.

**Table 20:** **The Uganda Energy Balance, 2016**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Energy consumption | |  | Primary Energy Supply (TPES) | |
| Category | Percent | Category | Percent |
| Biomass | 87 | Biomass | 90.3 |
| Oil products | 11.4 | Oil products | 8.2 |
| Electricity | 1.6 | Electricity | 1.4 |
| Total | 100 | Total | 100 |
|  | | | | |
| Energy consumption | Energy | Electricity | Biomass | Petroleum |
| Sector | % | % | % | % |
| Industry | 20.0 | 63.4 | 19.0 | 21.5 |
| Transport | 7.9 | 0.0 | 0.0 | 68.9 |
| Households | 63.9 | 23.6 | 72.6 | 3.1 |
| Com. & Public | 3.4 | 12.9 | 3.3 | 2.5 |
| Agriculture/Forestry | 0.5 | 0.0 | 0.0 | 4.1 |
| Others (Non-Specified) | 4.4 | 0.1 | 5.0 | 0.0 |
| Total | 100 | 100 | 100 | 100 |

Source: MEMD, APR, 2017

**Improve the policy, legal and institutional framework**

1. To address gaps in policies, the sector is spear-heading the review of the electricity Act 1999. The principles to be embedded in the Electricity amendment Bill were approved by cabinet. A draft bill has been developed and taken to cabinet for review.

**Build capacity in the energy sector**

1. The Ministry continues to build capacity through training of its staff in different professional fields with the aim of improving efficiency and effectiveness. However, this training is not informed by a comprehensive needs assessment.

## Education Sector

1. Education is one of the components of human capital, as such, it’s one of the areas intervention identified by NDP II. Under NDP II interventions in the education sector are meant to; expand equitable access to education and training at all levels; enhance quality of Pre-Primary and Primary; improve effectiveness and efficiency in the delivery of primary education; enhance standardization for relevant education and training.
2. Like other social services, provision of education services is decentralized where local governments are mandated to oversee implementation of the decentralized programs and activities especially at pre-primary and primary level. In accordance with stipulated roles, Local Governments have been able to implement a number of projects in the education sector including; Construction of class room blocks, Construction of sanitation facilities (latrines), Construction of a seed schools, Construction of a staff house, renovation of schools.
3. In executing their mandates, Local Governments are assisted by a number of development partners. Our analysis reveals that a number development partners have played a role in NDP II. Some of the development partners in NDP II include; ACAV, AVSI, Building Tomorrow, FAWE-U, Iceland International Development Agency, Irish Aid, New Hope, Partners for Children Worldwide, Plan International, Save the children International, SDS, Straight Talk International, UNHCR, UNICEF, USAID, Voluntary Services Overseas (VSO), World Bank, World Vision
4. Based on the intervention by the Local Governments in the education sector, a number of achievements were registered both in NDP II. Table 21 summarizes some the key achievements in education.

**Table 21: Local Government achievements in education under NDP II**

|  |
| --- |
| NDP II Achievements |
| 1. Capacity building of teachers through refresher courses 2. Improvement in PLE passing rate 3. Increase in the number of seed schools 4. Increase in the number of teachers houses 5. Increase number of teachers thus reducing pupil-teacher ratio 6. Increased enrollment of pupils and students 7. Increased supply of textbooks to primary schools thus reducing pupil-textbook ratio 8. Reduction in Pupil/student-class room ratio due to construction of more class rooms 9. Reduction in pupil-latrine ratio 10. Reduction in the rate of repetition 11. Renovation of schools and classroom blocks |

***Source: Survey data***

1. While performing their education roles, local governments are faced with a number of challenges, which are believed to have hindered their performance. The challenges derived from our analysis are presented in table 22

**Table 22: Local Government challenges with in education under NDP II**

|  |
| --- |
| NDP II |
| 1. Inadequate staffing ban on recruitment of teachers 2. Budget cuts leading to inadequate funding 3. Delays in procurement processes 4. High dropout rates dropout rates due to pregnancy 5. HIV/AIDs among learners affecting progress in education 6. Inadequate support from parents 7. Inadequate transport facilities 8. Staff ceiling which obstructs recruitment 9. UPE capitation to small to satisfy the needs |

***Source: Survey data***

## Health Sector

1. The NDPII highlighted four critical objectives to be pursued over the life time of the Plan. These objectives are: to contribute to the production of a healthy human capital through provision of equitable, safe and sustainable health services; to increase financial risk protection of households against impoverishment due to health expenditures; to address the key determinants of health through strengthening inter-sectoral collaboration and partnerships; and to enhance health sector competitiveness in the region, including establishing Centres of excellence in heart, cancer, renal care domains and diagnostic services. This subsection details the progress of these objectives by mid-way of NDPII.
2. The sector planned to improve quality of life at all levels through a number of interventions including: Primary Health Care; Human Resources for Health; Community Empowerment; Maternal, Neonatal and Child Health; Integrated Disease Surveillance and Response; Burden of Disease, especially for Malaria Prevention, HIV/AIDS, Tuberculosis, Neglected Tropical Diseases (NTDs), Immunisation Services, Non-Communicable Diseases, and Oral Health; Quality of care and patient safety; Mental Health; Nutrition; Health Infrastructure; Clinical Services. The progress by mid-way NDPII is reported here under.
3. Neonatal death increased from 22 per 1,000 live births in 2015/16 (WHS, 2015) to 27 per 1000 live births in 2017/18 (UDHS, 2016). The improvement in NMR in 2015/16 was due to training programs for skilled birth attendants and other health workers by the MoH and availability of life saving commodities which helped to raise newborn care standards and the diagnosis and management of newborn sepsis including referral of sick babies through the Integrated Community Case Management (iCCM). By 2017/18, efforts of intensification of perinatal deaths surveillance and audits, strengthening community awareness, perinatal health and quality of newborn care service were expected to accelerate the reduction of preventable newborn deaths.
4. Infant mortality rate improved from 44 per 1,000 in 2015/16 to 43 per 1000 live births in 2017/18. However, the indicator is still below the NDPII planned target of 58 per 1,000 live births. Additionally, the Under Five Mortality Rate reduced significantly from 90 per 1,000 live births (UDHS 2011) to 64 per 1,000 live births (UDHS 2016). However, this still falls short of the NDPII planned target of 53 per 1,000 live births for FY 2017/18. The reduction was largely attributed to intensified government efforts to implement high impact child survival interventions that have been undertaken to reduce child mortality including; immunization, increased use of Long-Lasting Insecticide treated Nets (LLINs), training programs for skilled birth attendants, elimination of mother to-child transmission of HIV (eMTCT), and improvement in water and sanitation. More concerted efforts are needed to sustain this and work towards the target at all levels.
5. The Maternal Mortality Rate decreased from 438 in 2015/16 to 336 per 100,000 live births by 2017/18. This is explained that, for every 1,000 births in Uganda, there are just over 3 maternal deaths. This indicates that the 2017/18 NDPII target of 363 per 100,000 live births was achieved. However, given the change in the formula of maternal mortality calculation between UDHS (2016) and other prior surveys, the Pregnancy Related Mortality Ratio (PRMR) can be used as a proxy indicator for MMR. Indeed, the PRMR also declined from 438 per 10,000 live births by 2011 to 368 per 10,000 live births by 2017/18 (UDHS, 2016). The improved performance of MMR was attributed to the recruitment of critical skilled staff especially Medical Officers and midwives to functionalize HC IVs and IIIs, renovation and equipping of hospitals and HC IVs and improvements in the roads network. Although the MMR in Uganda has fallen by approximately 33 percent over the past 20 years, it is still lower than the global reduction of 45 percent over the same period.
6. The number of maternal deaths among 100,000 health facility deliveries reduced to 104 per 100,000 health facilities deliveries in 2017/18 from 119 per 100,000 health facility deliveries in 2015/16. This implied that the 2017/18 NDPII target of 127 per 100,000 was achieved. Among the Regional Referral Hospitals (RRHs), the highest number of maternal deaths was in Hoima RRH (51) and Fort Portal RRH (50). In 2017/18, a total of 1,111 maternal deaths were reported through the MoH HMIS compared to 1,136 in 2015/16; signifying a negligible change. Whereas there has been an improvement from the 2015/16, it is actually still below the 2017/18 NDPII target of 60 percent.
7. Under five deaths among 1,000 under 5 admissions in public and private health facilities increased from 19 per 1,000 in 2015/16 to 22.4 per 1000 in 2017/18. This is also still below the HSDP target was 16.9 per 1,000 admissions. This was majorly attributed to a high number of malaria, pneumonia, Anaemia, Neonatal Sepsis and Diarrhoea.
8. Health facility deliveries increased slightly to 60 percent in 2017/18 from 58 percent in 2016/17 and 55 percent in 2015/16; whereas this was above the NDPII target of 52 percent, it was still below the HSDP target of 80 percent. However, the sector had a decrease in the proportion of HC IVs offering Comprehensive Emergency Obstetric Care (Caesarean section and blood transfusion) from 63 percent in 2015/16 to 48 percent in 2017/18. By 2017/18, HC IVs that were conducting Caesarean Sections without blood transfusion were 78 percent (142/186). This meant that a total of 55 out of the 142 HC IVs (39%) were performing Caesarean Sections without blood transfusion services. This highlighted the need to increase blood transfusion services at HC IV level.
9. Malaria was the leading cause of illness for all ages between 2015/16 and 2017/18; increasing from 11.1 percent in 2015/16 to 32 percent in 2017/18. This was followed by pneumonia at 8.2 percent in 2015/16 and 8.5 percent in 2017/18. Malaria was responsible for 14.5 percent of under-five child mortality in 2017/18, a more than half reduction from 30 percent registered in 2015/16. This was other neonatal conditions, premature babies, pneumonia and anaemia. Historically, these causes have always ranked highest for as an explanation for high under-five mortality rates, however, there was a decline in the percentages for FY 2017/18. Recent decreases in Uganda’s incidence and test positivity rate of malaria can be attributed largely to increased LLIN coverage following the just concluded mass campaign; where a total of 26.5 million LLINs were distributed country wide.
10. The new OPD utilization rate slightly decreased from 1.2 in 2015/16 to 1.1 for 2017/18. The per capita utilization for males was 1.0 and females 1.5 in 2015/16; and 0.9 for males and 1.3 for females in 2017/18 indicating that females utilize the OPD services more than males. However, this ratio was still below the 2017/18 NDPII per capita OPD utilization ratio target of 2.0. Additionally, hospital admissions reduced to 3.25 people per 100 population from 3.67 per 100 in 2016/17, and 7.2 in 2015/16. The sector also recorded a reduction in ART coverage from 88 percent in 2015/16 to 86 percent in 2017/18; HIV positive pregnant women not on HAART receiving ARVs for elimination of mother-to-child transmission of HIV during pregnancy, labour, delivery and postpartum improved to 95 percent (95,523/103,670) in 2017/18 from 68.3 percent ((34,357/50,323). The TB treatment success rate declined to 77 percent in 2017/18 from 79 percent in 2015/16; however, this was still below the NDPII target of 86 percent.
11. The population living within 5 km of a health facility (public or private) was 86 percent in 2017/18, a decline from 100 percent in 2015/16; nonetheless it was above the NDPII 2017/18 target of 82 percent. The National Service Delivery Survey (NSDS) 2015 found that nationally, the median distance to the Government health facility is 3 km compared to only 1.2 km for other health facilities. This is indicative that the population had access to health facilities.
12. In the period under review; between 2015/16 and 2017/8, there was promotion of a healthy environment. This is because latrine coverage improved to 83 percent in 2017/18 from 75 percent in 2015/16 and surpassed the NDPII target of 77 percent. The districts with the lowest latrine coverage were; in the Karamoja region and islands of Buvuma. The NSDS 2015 results show that, four in every ten households in Uganda used a covered pit latrine without a slab compared to only 2% that used flash toilets. The proportion of households using a covered pit latrine without a slab in rural areas (45%) is twice that reported for urban areas (22%). On the other hand, 30% of households used covered pit latrine with a slab - with the majority in the urban areas (47%) compared to only 25% in rural areas. Overall, 6% of households do not have toilet facility.
13. There was improvement in Primary Health Care between 2015/16 and 2017/18. There was improvement in the HMIS reporting during this period, with timeliness of monthly HMIS reporting rating at 95 percent in 2017/18 from 79.4 percent in 2015/16. Consequently, the timely data generated was helpful in critical decision-making processes. The introduction of the Straight Through Processing (STP) of PHC Grants to UCMB health facilities by 2015/16 improved on timeliness of receipt of the Grant and therefore the implementation of the primary health care services. In 2017/18, The MoH scaled up the Results Based Financing program under Component 1 of the URMCHIP Project. Consequently, the National RBF Unit was established under Planning Department to scale up RBF and support its institutionalization. In 2015/16, a total of 19 ambulances were procured through the United Nations Office for Project Services were distributed to health facilities. By 2016/17, the sector undertook a survey on ambulance status in the country and a Draft Report was produced. The Report indicated that there were 484 ambulances in the country by then with: 411 (85%) functional; 181 Public Functional, 56 Grounded; 124 PNFP/NGO Functional; 9 Grounded; 106 Private Functional; and 8 Grounded. Regional ambulance services had been established in Rwenzori & West Nile Region with pilot in digital applications in ambulance services. Government was also in the process of establishing Kampala Metropolitan Ambulance Services under KCCA. By 2017/18 Pulse Lab Kampala and partners had developed a system using Global Positioning Systems (GPS) to evaluate in real time the use of the ambulances and was piloted in 15 districts in West Nile and Rwenzori region. The application utilized trackers installed in the vehicles. Phase 1 of the pilot had been completed and found to be effective in monitoring the movements of the ambulance in its catchment area.
14. The Health Sector Human Resources slightly improved in 2017/18 to 74 percent from 71 percent (42,530/60,384) in 2015/16. The number of health workers per 1,000 population in Uganda was still far below the WHO threshold of 2.5 medical staff (doctors, nurses and midwives) per 1,000 population. In 2017/18 FY the doctors, nurses and midwives ration per 1,000 population was only 0.4 decreasing from 0.74 in 2015/16; this is still below WHO recommendation of 2.5. Overall, the stock of qualified health profession available for employment in the health sector increased to 101,350 (June 2018) from 43,277 in 2015/16. This was attributed to increase in production from pre-service training of some cadres e.g. Nurse, Midwives, Laboratory staff and Clinical Officers. Additionally, in many central MoH central institutions over 98 percent of approved leadership positions were substantively filled by 2017/18. However, at the district levels only 45 percent of the approved District Health Teams (DHTs) were substantively filled with 55 percent being occupied by officers in acting capacities or completely vacant. This posed a threat on leadership and governance at these levels that could be responsible for suboptimal performance observed. On the overall, a number of senior positions like Senior consultants, Consultants and Medical Officers remained low and un-filled by 2017/18 contrary to the NDPII target of having at least 50 percent, 55 percent and 60 percent respectively.
15. There was no significant investment regarding Community Empowerment so as to build the capacity of Village Health Teams (VHTs) between 2015/16 and 2017/18. During 2015/16, the capacity of Village Health Teams (VHTs) across all villages in the country remained at 75 percent. Much effort by then was towards finalizing the Community Health Extension Workers (CHEWs) policy and strategy. By 2017/18, effort was still towards finalizing the Community Health Extension Workers (CHEWs) Policy, Strategy, Training Curriculum and Resource Mobilization. Selection of the CHEW trainees was conducted in 13 pilot districts[[18]](#footnote-18) and training of the CHEWS was planned to commence in 2018/19. Some Health Development Partners like USAID, UNICEF and WHO committed to support the funding of the training, supplies and tools in the first year.
16. There was improved Integrated Disease Surveillance and Response between 2015/16 and 2017/18. This is evidenced in various efforts towards this end during the reporting period, for example: in 2015/16, capacity building for integrated diseases surveillance and response was conducted in 97 districts; technical support was provided; Typhoid disease outbreak was controlled in Kampala and Wakiso districts; and investigations of suspected diseases were undertaken including, Viral Heamorrhagic Fever, (VHF)/yellow fever in Napak district, a strange disease (linked to Viral Heamorrhagic Fever), Rubella/Chicken pox outbreak in Wakiso district, Measles in the districts of Kiruhura, Kamwenge, Kyegegwa; poisoning in Buikwe, Iganga and Tororo and cholera outbreaks in Hoima, Buliisa, Mbale,Wakiso, Kampala and Masindi districts among other efforts. Similarly, in 2017/18, Integrated Disease Surveillance and Response (IDSR) was carried out in Mityana, Kagadi, and Kibaale district. This is because these were the poorly performing districts in reporting. Supervision was also carried out in Nebbi and Pakwach. Additionally, IDSR capacity building for Health Workers was carried out in Yumbe, Koboko, Adjumani, and Kiryandongo followed by community-based surveillance training in the same districts; this was sponsored by Action Against Hunger (AAR). New diagnostic technologies were adopted by the end of June 2018, for example, 240 GeneXpert systems covering 200 health facilities across 122 districts were available in the country.
17. There was mixed performance in the burden of disease indicators between 2015/16 and 2017/18, with malaria decreasing, and HIV/AIDS prevalence decreasing but TB increasing, as explained below.
18. Inpatient malaria deaths decreased significantly to 9.38 per 100,000 in 2017/18 from 22 per 100,000 in 2015/16. Similarly, the number of malaria cases per 1,000 persons decreased to 293 per 1,000 in 2017/18 from 408 per 1,000 in 2015/16. Indoor residual spraying was carried out in fourteen (14) Districts while it was done in 1.3 million housing units in 26 districts in Eastern and Northern Uganda protecting 17 percent of Uganda’s population in 2017/18. Additionally, in 2017/18, a Long-Lasting Insecticide treated Net (LLIN) mass campaign, where a total of 26.5 million LLINs were distributed country wide. Preliminary results from this exercise revealed high coverage rates of over 95 percent in all districts. Recent decreases in the incidence and test positivity rate of malaria in Uganda can be attributed largely to increased LLIN coverage following this just concluded mass campaign.
19. The 2016/17 Uganda Population based HIV Impact Assessment (UPHIA) revealed adult HIV prevalence of 6.2 percent among adults, with women more disproportionately affected (7.5% versus 4.3%) while the 2011 AIDS Indicator Survey (AIS) established an HIV prevalence of 7.3 percent in 2011. At the end of 2015, the number of people in the country living with HIV was estimated at 1,461,756 (Adults 1,366, 107 and pediatric 95, 649). The epidemic disproportionately affects certain geographical areas, women, urban residents and key populations. The main risk factors for HIV transmission in Uganda were multiple concurrent sexual partnerships, mother-to-child transmission, and non-use of condoms, non-circumcision, and a high median viral load in HIV infected population.
20. The TB treatment success rate declined from 79 percent in 2015/16 to 77 percent in 2017/18. Critically, some TB commodities were either low stocked or stocked out by 2017/18. This shortage is explained by the global shortages of the active pharmaceutical ingredients (rifampicin), resulting into longer lead times depleting the buffer stock and therefore leading to stock out of TB commodities. Additionally, accumulation of Depo Provera at facility level initially led to overstock and expiries, this led to NMS suspending the procurement of Depo Provera leading to the current stock out. TB notification remained below expected in all districts with most of the districts notifying less than 100 new TB cases per 100,000 population.
21. Between 2015/16 and 2017/18, Uganda developed some capacities in implementation of International Health Regulations like Real Time surveillance and Reporting but was still lacking in other capacities like IHR Communication and Coordination, Preparedness, Points of Entry, Zoonotic diseases, antimicrobial Resistance and food safety. By 2017/18, the Neglected Tropical Diseases (NTD) Communication Strategy developed.
22. The Sector improved its legal and regulatory framework between 2015/16 and 2017/18. In the reporting period, the Bills Submitted to Cabinet included; The Uganda Human Organ Transplant and Tissue Bill and the Uganda Health Service Management Institute Bill, Indigenous and Complementary Medicine Bill, Mulago Specialized Hospital Bill and National Health Insurance Bill among others. The Bills passed into Acts by Parliament were; Uganda Allied Health professionals Regulation, Uganda Cancer Institute Bill, 2015, Uganda Heart Institute Bill, 2015 and Uganda Immunisation Act, 2016.
23. The Health Facility Quality Assessment Programme (HFQAP) was carried out in 62 (49%) districts to establish the baseline in 2016/17 so as to improve the quality of Care and Patient Safety. Assessment for the rest of the districts in the country was to be completed in 2017/18 before the annual assessment could become institutionalized. In 2017/18, the facility based fresh still births (per 1,000 deliveries) reduced to 9.4 per 1,000 deliveries from 13 per 1,000 in 2015/16.
24. Between 2015/16 and 2017/18, there was increased use of mental and neurological facilities. For instance, in 2015/16, 75 health workers were trained in Inter Personal Psycho Therapy for Groups and research on integration of mental health into PHC and management of depression among people with HIV by was undertaken especially in Kitgum, Pader and Gulu in collaboration with Makerere University. In 2017/18, 8501 patients were admitted in Butabika hospital; and 24 visits were made to Regional Referral Hospitals mental health units.
25. Investments in Health infrastructure continued throughout the review period between 2015/16 and 2017/18 and majorly included, construction of new and rehabilitation of old infrastructure at various levels, provision of medical equipment and hospital furniture; provision of solar lighting, improvement of operations and maintenance of health infrastructure and general transport in some districts. For example, in 2015/16, inventory data showed that 72 percent of the available medical equipment was in good working condition although about 6% of this equipment is not being put to use because of lack of qualified staff to use it, lack of reagents and other consumables and power. Consequently, a new Medical equipment inventory database system (NOMAD) for equipment inventory management and maintenance planning; and Medical Equipment Maintenance carried out in all RRHs, GHs and HCIVs through the Regional Medical equipment maintenance workshops was undertaken among other interventions. Examples of major infrastructure development projects during 2017/18 were; Rehabilitation of Mulago National Referral Hospital, completion of the 450 bed Specialised Women and Neonatal hospital at Mulago; installation of 13 medical oxygen plants completed and access to high quality medical oxygen enhanced in all RRHs; completion of 19 medicines stores and 26 semi-detached staff houses under GAVI, construction of 68 staff housing units in Karamoja region; construction of new warehouse for NMS at Kajjansi commenced; maintenance of solar systems was carried out in 634 / 665 HCs; maintenance of 42 Philips x-ray machines, 6 automatic printers and 49 Philips ultrasound scanners in 10 RRHs.
26. The low health per capita expenditure and high out of pocket expenditure on health increased financial risk of households and so negatively affecting the achievement of Objective 2 of the NDPII that aimed towards financial risk protection. The health expenditure per capita on average reduced from US$ in 2015/16 to US$ 51 in 2017/18 (National Health Accounts), this was mainly attributed to the increase in population and devaluation of the Uganda Shillings (UGX) between the review period. This ranked low against the five-year Health Sector Development Plan (HSDP) target of a minimum of $73 per capita in the year 2015/16. A critical message to this is that Uganda still had 40 percent out of pocket expenditure in 2017/18 rising from 37 percent in 2015/16, which was high, beyond the maximum recommended level of household out of pocket spending on health of 15 percent according to WHO. This increase owed to the increase in population spending on health care outside the public health facilities. For this reason, the vulnerable were most affected by this high out pf pocket spending on health because, it led pushed them back into poverty.
27. The Health Insurance scheme was expected to relieve households from the ills of out of pocket expenditure by providing financial protection to clients against catastrophic health expenditure such as organ transplant. In July, 2017; the Ministry of Finance had awarded a Certificate of Financial Implications to the National Health Insurance Bill.
28. Additionally, the General Government allocation for health as percentage of the total Government budget also reduced from about 8 percent (1.27) in 2015/16 to 6.7 percent in 2017/18 (UGX 1.95 trillion); however, it increased in nominal terms from UGX 1.27 trillion to UGX 1.95 trillion between the same reporting period. The nominal increments were majorly on account of the rising wage bill and the ongoing Development Partner supported projects in the sector.
29. During the Reporting period (2015/16-2017/18), a number of inter-sectoral collaborations and partnerships were strengthened so as to address the key determinants of health in line with the third objective of the Health sector, like promotion of water, sanitation and hygiene. These collaborations include among others the; Health Development Partners, MDAs, Religious leaders, Cultural leaders, Private Sector and CSOs. These collaborations helped in delivering critical health services to the masses. For example, in 2015/16, a total of 24 million LLIN (nets) were mobilized and distribution in collaboration with PMI, The Global Fund, TASO and other partners; Health Research was carried with other academia partners like Makerere University. The sector has also since developed a number of communication and advocacy strategies to address key determinants of health like: National Communication Strategy for Palliative; NTD Communication strategy; Communication Strategy for malaria; Behavior Change Communication Strategy; Review of the Family Planning Communication Strategy.
30. To enhance health sector competitiveness in the region, health staffing levels and capacities have increased during the reporting period (2015/16-2017/18), however, shortages of specialised personnel still exist. This has directly contributed towards the fourth objective of NDPII that aimed towards enhancing competitiveness in the region, including establishing centres of excellence in heart, cancer, renal care domains; and diagnostic services. The staffing levels increased from 71 percent in 2015/16 to 74 percent in 2017/18. This was attributed to: increase in production from pre-service training of some cadres like Nurses, Midwives, Laboratory staff and Clinical Officers; the strengthened regulatory capacity for Health Professional Councils (HPCs) to monitor registration and licensure using a Human Resource Information System (HRIS) and District Health Supervisory Authorities could also have led to the improved registration. Competitiveness has also been enhanced through construction of major health infrastructure development projects, which include among others; Rehabilitation of Mulago National Referral Hospital, construction of a Specialised Women and Neonatal hospital at Mulago; and construction and refurbishment of Regional Referral Hospitals.

**Health Sector at Local Government under NDP2**

1. To achieve better health outcomes, NDP II suggest a number of interventions such as; Health infrastructure development, equipment and maintenance; Scaling up training of health cadres in short supply but critical cadres; Develop community structures for improved health education, promotion and disease prevention, including the Community Health Extension Workers (CHEWs) strategy; Support implementation of primary health care; Improve effectiveness and efficiency in the delivery of health services.
2. Under the decentralized framework, some of the interventions in the sector are undertaken at a local government level. The local governments are responsible for; Enforcement of the Public Health Act; Recruitment of health workers for general hospitals and lower level health units; Supervision and monitoring of health service delivery; Support health infrastructure development; Coordination, planning, supervision and monitoring the implementation of the health agenda; Passing of by-laws among others.
3. In accordance with stipulated roles, Local governments have been able to implement a number of projects in the health sector. According to our analysis, projects implemented in the health sector include; Construction of district stores and containers, Construction and renovation of maternity wards, Construction and rehabilitation of Health centers, upgrading of health centers, Construction of staff houses, among others
4. In performing their roles, local governments partner with various development partners. Development partners under NDP II include; AMREF, ASSIST, Baylor Uganda, Belgium Technical Cooperation, CDC, CUAMM Doctors with Africa, FBOs, FHI 360, GAVI/Global fund, GSF-WSCC, ICB/BTC, IDI, MADD, Malaria Consortium, MARIE STOPES, Mercy Corps, MILD MAY (CDC), PACE, PHITES-EC, Plan International, RHITES, SDS, SSHRI, SUSTAIN, UNICEF, USAID, VSO, WHO, World Bank, World Vision
5. Given the intervention by the Local Governments in the sector, a number of achievements were registered under NDP II. Table 6 summarizes the key achievements in the health sector.

**Table 23: Local Government achievements in health under NDP I and NDP II**

|  |
| --- |
| NDP II |
| 1. Distribution of mosquito nets 2. Construction and renovation of health centers 3. Construction of maternity wards 4. Construction of staff houses 5. Construction of District medicine store 6. Donations of transport facilities to hospitals 7. Immunizations coverage increased 8. Improved human resource (increased staffing) 9. Increase in Intermittent Presumptive Treatment (IPT) uptake 10. Institutional (facility) maternal deliveries which has helped reduce maternal mortality 11. TB & HIV/AIDS comprehensive care has been scaled up 12. Upgrading of health facilities |

***Source: Survey data***

1. Notwithstanding the achievements registered in the health, there are a number of challenges the hinder effective operation of local governments as far as the health sector is concerned.. A summary of these is provided in table 24

**Table 24: Local Government challenges with in health under NDP II**

|  |
| --- |
| NDP II |
| 1. Budget cut for PHC and development/ inadequate resources 2. Delayed approval of supplementary budget 3. Delayed releases of funds 4. Inadequate medical supplies and equipment 5. Inadequate safe water supply to service points 6. Lack of medical stores 7. Poor community health care seeking behaviour 8. Poor health and transport infrastructure 9. Reduced donor support 10. Under staffing |

***Source: Survey data***

1. In order to overcome some of the challenges mention and improve achievement of planned results, a number measures were raised by the concerned departments. After a thorough analysis, we have been able to identify key suggestion. These are presented in Table 25

**Table 25: Suggestions of improving achievement of planned results**

|  |  |
| --- | --- |
| **Medium term (5 years)** | **Long term (more than 5 years)** |
| 1. Adequate consultation of LG during planning 2. Increased resource allocation to Local Governments 3. Capacity building of the LED actors in the health sector 4. Engaging stakeholders in the planning process 5. Expand staff structure/ increase staff 6. Improve health infrastructure 7. Improve monitoring and supervision at lower levels 8. Increase community mobilization and sensitization 9. Improve staff remuneration 10. Improve transport infrastructure 11. Providing hard to reach allowances 12. Increase funding for PHC 13. Upgrade HCII to HCIII | 1. Adequate consultation of LG during planning 2. Capacity building of health workers 3. Community awareness on health related issues 4. Construction of more hospitals and health centers 5. Coordination between the sector and local governments in identify and design projects with LG 6. Evaluate functionality for HCIIIs 7. Improve staffing structure/ increase staffing 8. Increase budget allocation/ funding 9. Increase investment in maternal health services 10. Invest in infrastructure development 11. Promoting health insurance 12. Revitalize the health education unit at the districts 13. Speed up accreditation of PHC facilities 14. Strengthening stakeholder engagement in health affairs 15. Upgrading health centers to hospital status |

***Source: Survey data***

## Accountability Sector

1. The Accountability Sector is concerned with the mobilization, management (including planning),budgeting and auditing of public resources for delivery of services. Th Accountability function entails improvement in compliance to accountability policies, service delivery standards and regulations, enforcement of the regulatory framework and streamlining the inspection function, strengthen the oversight function to effectively detect, investigate and prosecute corruption cases, and follow up the implementation of recommendations made by oversight institutions as well as strengthen public contract management and performance. This sector is composed of two sub-sectors: Economic Management and Financial Services; and the Audit and oversight.
2. According to the NDPII, the Economic management and Financial Services sub-sector would work towards achieving the following targets: increase the rate of economic growth from 5.2 percent in 2012/13 to an average rate 6.2 percent and increase tax to GDP ratio from 12.7 percent in 2014/15 to 16 per cent. The Audit sub-sector on the other hand aimed at realizing the following targets: (i) increasing the percentage of contracts audited (by value) that are rated satisfactory from 28.5 percent in 2013/14 to 60 percent in 2019/20; (ii) increasing the number of clean audit reports from 34.3 percent in 2014/15 to 70 percent in 2019/20; and (iii) reduce corruption as measured by the Bribe Payer Index from 34.9 percent (2011) to 60 per cent. By the NDPII mid-term review period, sector registered the progress as outlined in the sections below.

**Increase the tax GDP ratio**

1. Several interventions have been undertaken to boost the domestic revenues. For instance, in FY 2015/16, the TREP (in full) was implemented to penetrate the informal sector and widen the tax base to improve the tax payer register and tax-to-GDP ratio. As a result, the total number of value clients in FY2017/18 was 166,820 and these contributed UGX 20.92 billion during FY 2017/18. This resulted in a significant growth in the tax register to 28.3% (291,149 taxpayers) in the FY 2017/18. Besides, during the FY 2017/18, the government made numerous tax policy initiatives aimed at, enhancing efficiency in tax administration, supporting private sector investments and improving production and value addition in the agricultural sector. Major areas where changes were made include; Excise duties, VAT and income tax.
2. As a result, the above interventions amidst a higher economic growth in FY2017/18 contributed to higher tax to GDP compared to the first two years of the NDPII. Increasing domestic financing and widening the tax base has been a major focus by government in NDPII under accountability sector. The performance of the Sector in the first two years of the NDPII shows that there has been an increase in the Tax to GDP ratio in FY2017/18 compared to the first year of the NDPII. Because of the sluggish growth of the economy at 4.5 percent in FY 2015/16, the tax to GDP ratio declined by 0.6 percent to 12.3 percent which was below the NDPII target of 12.92percent. However, with a rebound in economic growth to 5.8 percent above the target of 5.5 percent in FY2017/18, the Tax to GDP reached 14.20 percent, which was higher than 13.87 percent in FY 2016/17 and 12.3 percent in FY2015/16.

**Increase access to Finance**

1. The percent of adult population aged 16 years and above reported to be financially included within the economy has remained below the NDPII targets. During the FY2015/16, 85 percent of adult population aged 16 years and above were reported to be financially included; however, there has been a slight decline of 1 percent from the target. Likewise, during the FY2016/17 and FY2017/18, 85 percent and 86 percent of adult population aged 16 years and above were reported to be financially included; which was below 87 percent target.
2. Except for FY2016/17, the NDPII targets for the usage of deposit accounts in regulated financial institutions was not met for the two out three years assesed. In FY2015/16, the percentage usage of deposit accounts in regulated financial institutions decreased to 16percent against the set target of 18.5 percent. Moreover, this in FY2017/18 it was 11% which was below the target of 22%, and the 2016/17 performance of 20%. However, in a bid to strengthen the regulatory framework, the tier IV Microfinance and money lenders Act 2016 was enacted with provisions for both Islamic and Agent Banking. The MDI Act 2003 was amended to provide for Islamic and Agent banking. In order to streamline and enhance Government efforts toward promoting financial inclusion in Uganda, MoFPED in collaboration with Bank of Uganda, formulated a National Financial Inclusion Strategy (NFIS) 2017-2022.

**Increase private investments**

1. Whereas the NDPII aimed to increase the percentage of growth in credit extended to the private sector to 15.9 percent in FY2017/18, Private sector credit has grown on average by 5.5 percent against the target average growth of 15.5 percent. In FY 2017/18, the Private Sector Credit (PSC) registered a 6.5% growth which was higher than the 5.7% in the previous year but below the NDPII target for all the years. As percentage of GDP, the Private Sector Credit in FY2017/18 was 13.1% which was above the 13% target for the year but slightly below the previous year’s performance of 13.4%. The performance was largely due to the easing of the monetary policy that resulted in the reduction in lending rates during the year, improved economic conditions and reduction in supply-side constraints as Non-Performing Loans declined. Furthermore, UGX55.7billion was allocated to Uganda Development Bank (UDB) in FY2017/18 as one of the ways to avail long term capital to the private sector.
2. Since NDPII, there has been a reduction in the compliance costs, and as such contributing to improvement in Uganda’s investment climate and investor confidence. The analysis of Business Licensing Reforms and their effect on the administrative burden (compliance costs) reveals that there has been reductions in compliance costs of Ushs 93.4 billion in FY2017/18, an equivalent of 12.9 percent of the baseline compliance cost of Ushs 725.73 billion in FY2015/16. The breakdown of the compliance cost reduction shows that 69 percent is on account of legal reforms (mainly through elimination of regulations) and 31 percent is a result of administrative reforms, characterized by automation (online information, online facilitation of the license application process), decentralization and capacity increase of government licensing personnel.
3. The sector also developed the National Strategy for Private Sector Development (NSPSD) a comprehensive framework to guide execution of initiative aimed at accelerating private sector development. The NSPSD spans a five-year period (2017 to 2022). The strategy provides a comprehensive set of structural and service delivery benchmarks for achievement of a competitive private sector capable of propelling the economy to middle income status by 2020. The performance measurement and management framework of the strategy is structured along three levels (or Pillars), namely: Macro level; ii) Meso/Industry level; and iii) Micro (or firm level).

**Reduce Interest Rates**

1. Since the first year of NDPII, the average lending rate has continually reduced due to interventions by the central bank. During FY2015/16, the average lending rate was estimated at 23.8 percent which was higher than 21.6 percent for the FY 2014/15. This partly explained the drop of the private sector credit as a percentage of GDP by 0.6 percent to 13.5percent in the 2015/16. The private sector credit growth reduced by 16.1percent to 4.2percent in FY 2015/16 from 20.3percent in FY 2014/15 and this was below the NDPII target of 15.1percent.
2. During FY2016/17, the average lending rate was 22.7 percent lower than 23.8 percent registered in FY2015/16. Furthermore, the average lending rate for FY 2017/18 was 20.34%, which was lower than the previous year’s rate of 22.7%, as a result of monetary easing by the Central Bank. By Mid -point of NDPII, the present value of Public Debt stock as a percentage of GDP for FY 2017/18 was 28.5% against the ASSIP target of 31.2% and the previous year’s performance of 26%. Of this, the present value of external debt stock was 16.4% and the domestic debt stock was 12.1%, both of which are way below the recommended limits of less than 30% and 20% respectively. The present value of Public Debt stock as a percentage of GDP for FY 2017/18 was 28.5% against the ASSIP target of 31.2% and the previous year’s performance of 26%. Of this, the present value of external debt stock was 16.4% and the domestic debt stock was 12.1%, both of which are way below the recommended limits of less than 30% and 20% respectively. The Average Time to Maturity was maintained at 11.2 years which is within the recommended range of “greater than 3 years.”
3. However, Domestic borrowing is increasingly becoming a significant component in financing the country’s budget, and therefore still remains above the NDPII target. The total domestic borrowing realized during FY2017/18 amounted to Ushs. 3,301 billion above the NDPII target of Ushs. 622 billion. Of the FY2017/18 domestic borrowing, the amount realized from Treasury Bills accounted for 53 percent (Ushs. 1,744 billion) and Treasury Bonds 47 percent (Ushs. 1,568 billion). Nonetheless, the borrowings have been within the limits given in the annual macroeconomic framework and consistent with the thresholds stipulated in the Public Debt Management Framework 2013. As a percentage of the total public debt service, external and domestic debt service was 11 percent and 89 percent respectively in FY2017/18.

**Improve the Public Financial Management and consistency in the economic development frameworks**

1. Government has directed efforts towards ensuring that public spending achieves the desired results and services. In that regard, National Planning Authority is required under the Public Finance and Management Act (PFMA) 2015, Section 13 (7) to issue Certificates of Compliance (CoC) on both the National Budget and Sector Budgets. The CoC aims at ensuring that the National Budget (including the Sector, MDA and Local Government budgets) is aligned to the objectives and priorities set of the National Development Plan (NDP).
2. Results of the assessments show that the Annual Budget (AB) for the respective three years of the NDPII has been less complaint. Specifically, the FY2016/17 AB was 58.8 percent compliant compared to 68.2 percent in FY2015/16. The overall decline in compliance scores in the FY2016/17 was mainly attributed to the declining performance at macro level of 48.1 percent compared to 71.4 percent of FY2015/16, and the below average performance for LGs at 51.8 percent that was not part of the FY2015/16 compliance assessment. Nonetheless, at the national strategic level, the FY2016/17 AB performance was rated 74.2 percent compliant, which closely compares with the 75.4 percent compliance for FY2015/16.
3. The FY2017/18 Annual Budget was too less compliant compared to the FY2016/17 Annual Budget. Specifically, the FY 2017/18 Annual Budget is 54.2 percent compliant compared to 58.8 percent in FY2016/17. The overall decline in compliance scores in the FY2017/18 is mainly attributed to the decline in performance at Macro level at 41.9 percent compared to 48.1 percent in FY2016/17, National level at 59.3 percent compared to 74. 2 in FY2016/17 and Sector level at 53.2 percent compared to 60.1 percent in FY2016/17. However, there was an improvement in performance at Local Government Level at 62.2 percent compared to 51.8 percent, due to the LGs having approved LG Development Plans and good budget release performance by the MoFPED.
4. Concerning service delivery, there has been an increase in service delivery compared to the NDPI. Due to a number of efforts, the Accountability sector in the FY2015/16, increased service delivery where the percentage of Central Government Entities complying with set financial reporting standards grew to 95 percent but slightly below the target outcome of 100 percent, the percentage of MDAs submitting financial reports on time (2 months after end of FY) was 63 percent which is a decline from the set target of 100 percent. Furthermore, the average percentage of Treasury Single Account (TSA) cash balances reported daily, weekly and monthly grew to 100percent and the timely releases of funds (number of days for approval) to be made after submission from institutions grew to 48 hours against the target of 2-3 days for IFMS votes and 5 days for legacy votes.
5. In addition, the sector improved service delivery in which the percentage of MDAs with financial reports in compliance with Public Finance Management Act and regulations increased to 87 percent from the target of 62 percent, MDAs were able to attain 77percent, statutory bodies obtained 79 percent and High Local Governments (HLGs) attained 85.7percent. The percentage of Audit recommendations implemented by MDAs and LGs increased to 65 percent against the target of 62 percent.
6. Concerning improving budget credibility, the external resources remobilized as a percentage of the national budget has reduced to 20 percent in FY2017/18 against the target of 30 percent. However, the percentage of Budget Framework Papers (BFPs) complying with Financing Agreements’ Terms of Reference was 85 percent in FY2015/16 below the target of 100 percent. On the other hand, during the same FY2015/16, the sector was able to improve Supplementary expenditure as a percentage of the initial approved budget slightly declined to 4.2 percent against the target of 5 percent. Furthermore, the percentage of funds released against the originally approved budget increased to 102.5 percent over and above the set target of 95.5 percent, implying that more money was got from the contingency fund to support the supplementary budget. For FY2016/17, this increased to 104 percent, surpassing the FY2016/17 target of 100 percent, and the previous year’s performance of 102.5 percent.
7. In regard to Budget Credibility, the percentage of funds released during FY 2017/18 against the approved budget was 104.9%which was slightly lower than the FY2016/17 performance of 104%. 99.21% of the funds released were absorbed, which was below the target of 100% but better than FY 2016/17 performance of 98%. A Supplementary budget of 5.79% of the initial budget was issued which is above the target of keeping below 3%. The percentage deviation of approved annual budget from initial MTEF projections was 7.7% during FY 2017/18, which was above the ASSIP target of 5% but more than the FY 2016/17 achievement of 4.5%.
8. In the Mid-term of NDPII, the government implemented the programme based budgeting as planned in the NDPII to effectively focus on national and sectoral budgets on achieving results. Implementation entailed training of central government in Programme Based Budgeting alongside users in the Performance Based System. Hands-on training of all Municipal Councils and LGs in financial reporting was undertaken during the review period. Integrated Financial Management System (IFMIS) and TSA has been rolled out to 29 LGs as well as new votes, and all new users have been trained.

**Increase insurance penetration**

1. While insurance penetration is gradually increasing, it remains below the NDPII targets. During the FY2015/16, the sector reported that insurance penetration stood at 0. 76 percent below the NDPII target of 1%. And in the FY2016/17, insurance penetration stood at 0.73 per cent below the NDPII target of 1.5 percent. Similarly, In FY2017/18, the ratio of premiums underwritten to GDP was 0.81 percent below the targeted rate of 1.40 percent.
2. However, there are a number of efforts exhibited by the sector during the last 2 NDPII financial years and these included: A draft Insurance Policy; Approved bancassurance regulations set for implementation and so far 14 banks issuing banc assurance services following the amendment of the Financial Institutions Act (FIA), 2016; Insurance Act 2017 that changed the regulatory framework from compliance to risk based supervision; Draft insurance regulations is in place to operationalize the insurance Act 2017. Revised Financial Insurance Strategy which focuses on each financial services subsector to cater for the Sector-Sensitive Financial Literacy Program 2 years of implementation; and a National Agricultural Insurance Scheme where GOU committed Ushs 10 Billons as an Agricultural Insurance premium Subsidy in the last 2 financial years.

**Increase national savings to GDP ratio**

1. While the Gross Domestic Savings as a percentage to GDP has been above the NDPII, it is still inadequate to support private investment through reduction in interest rates. In the FY2015/16, the Gross Domestic Savings as a percentage to GDP was estimated at 24.3 percent from 21.9 percent in 2014/15 according to the Uganda Economic Update 2017. In the FY2016/17, the Gross Domestic Savings as a percentage to GDP was estimated at 17.1 percent above the 16.9 percent target. This performance was due to the growth of 16.9 percent of the Pension assets from 6.5 to 7.6 trillion due to the low inflation experience in that time that encouraged the population to save.

**Increase the level of capitalization and widen investment opportunities in the capital markets**

1. In the first three years of the NDPII, the level of capitalization within the economy has remained below the NDPII targets, and therefore limiting private investments. In the FY2015/16, the sector was able to increase mobilization of financial resources through capital markets where the domestic equity market capitalization to GDP ratio was 4.8 percent against the targeted 5 percent. In the FY2016/17, the sector registered 4.71 percent Domestic Equity market capitalization to GDP which was below the NDPII target of 5.2 percent due to the private sector activity registered was low in the Capital markets. Similarly, in FY2017/18 the Domestic equity market capitalization to GDP was 4.70 percent below the target of 4.80 percent.
2. In the first three years of NDPII, there has been efforts done to ensure improvement in the capital market in FY 2016/17 and these included: 1) The legal and regulatory framework was strengthened by amending the Capital Markets Authority Act 2011; 2) implementing the 10-year Capital Markets Development Master Plan.

**Improve statistical data production and policy research**

1. For FY2016/17 and FY2017/18, UBOS has continued to increase the statistical capacity of MDAs and LGs. During the FY2016/17, UBOS registered 85 and Statistical plans from MDAs and LGs. And by end of FY2017/18, there were 87 established and functional statistical structures in MDAs and HLGs which was above the target of 60 and higher than the previous year’s performance of 36. The number of skilled in MDAs and HLGs was 430 against the target of 224 and above the FY2016/17 performance of 205 personnel.
2. Other efforts to enhance data production like the National Standard Indicator (NSI) framework for the MDAs was initiated in FY2016/17 in order to have a coordinated production of administrative data online among the MDAs for easy accessibility by users; and alignment of the NDP result indicators.

**Enhance the prevention, detection and elimination of corruption**

1. Despite consent on the anti-corruption recommendations, there remains low implementation. During FY2017/18, there was a very low level of implementation of anti-corruption recommendations with only 24% of the recommendations implemented against an ASSIP target of 85%, and lower than the previous year’s performance of 47%. During FY2016/17, 46.9% of anticorruption recommendations were implemented; however, this was below the 60% target for FY2016/17; and the previous year’s performance of 50%.
2. During FY2015/16, the sector was able to reduce the incidence of corruption where the perception of Corruption Level by the public reduced to 25 percent against the set target of 28 percent. MDA and LGs achieved 40 percent in formulation of anti-corruption laws and the percentage of Local Governments with functional District Integrity Promotion Forum (DIPFs) declined to 12percent against the set target of 30 percent. A total of 1,449 corruption cases were investigated and completed in FY2017/18 with a follow up on 79% recommendations. Audit Committee recommendations implemented were 65% against a plan of 80%. This was lower than the 70% that was realised in FY 2016/17.

**Increase public demand for accountability**

1. The sector has continued to organize several for as for the public as an avenue to demand public accountability. For instance, the ASJAR is one of the vehicles government uses to increase public demand for accountability. Key stakeholders are invited and participate in the review exercise and solutions to improving sector performance and accountability. 2018 ASJAR greatly contributed to this objective. Other activities implemented during the year aimed at increasing public demand for accountability among others include: anti-corruption and integrity forums, Tax payer appreciation initiatives, releases of publications by different MDAs, holding regional engagements on different government programs like budget, performance, maintaining accountability information on different MDAs websites etc.
2. In a bid to increase public demand for accountability, the Secretariat for Accountability Sector publishes the Accountability Sector Bulletin (ASB). The ASB is aimed at enhancing the availability and accessibility of information on sector reforms, achievements, planned interventions, challenges, good practices, thought leadership articles, successes, constraints and innovations in the accountability and related sectors. Specifically, the bulletin promotes regular communication with key stakeholders to inform and seek their participation and support for the sector interventions. During FY2017/18, 3 editions were published and disseminated to all key stakeholders.

**Improve compliance with accountability rules and regulations**

1. According to the Annual Report of the Auditor General FY2017, 87 out of 97 (89.7%) Ministries, Departments and Agencies had unqualified (clean) audit reports, which was above the ASSIP target of 85% and the previous year’s performance of 77.2%.
2. In the same vein, 103 out of 122 (84.4%) of Statutory Authorities and State Enterprises had unqualified (clean) audit reports, which was below the ASSIP target of 85% but better than the previous year’s performance of 79.4%. Further, 311 out of 334 (93.1%) of Local Governments had unqualified (clean) audit reports, which was above the ASSIP target of 88% and the previous year’s performance of 85.7%. Compliance with the PFMA and regulations in terms of MDAs submitting financial reports on time and Central Government Entities complying with set financial reporting standards was at 90% which is below the ASSIP targets of 98% and the previous year’s performance of 100%.

**Improve collaboration and networking amongst development institutions**

1. During the FY2015/16, the Government Effectiveness Index improved to -0.48 from -0.50 in the 2014 according to the World Bank Governance Indicators. Uganda Government effective index is still weak though improved from the 17th position in 2014 to the 13th Position in Africa. Besides, different MDAs under the sector are members of regional and global forums aimed at increasing collaborations with other development institutions for information exchange, technical support, attachments e.g. Tax administration forums, Integrity forums, among others. Representatives from different MDAs have attended engagements organised by these forums and have greatly been of great benefit to the growth and development of the respective institutions.

**Enhance public contract management and performance**

1. For the period ended June 2018, the percentage of entities rated satisfactory from procurement audits was 87% compared to ASSIP target of 95%. This was below target but higher than the previous year’s achievement of 77.7%. The percentage of contracts audited (by value) rated satisfactory were 77%, which was below, target of 95% but higher than the previous year’s performance of 51.8%. 79% of contracts were delivered within contract value, which was below target of 100%, while 69% of procurement audits/investigations recommendations were implemented which was also below target of 85%. 60% of contracts were subject to open competition against target of 80%. Overall although the achievements are still below the set targets, an improvement is seen all through in public contract and procurement management. This performance will be enhanced by the implementation of the Electronic Government Procurement System which commenced and will continue in FY 2018/19.

## Water, Sanitation and Environment Sector

1. This Sector has an overall responsibility for the development, management, and regulation of water and environment resources in Uganda with a vision and mission towards promoting and ensuring the rational and sustainable utilisation, development and effective management of water and environment resources for socio-economic development of the country.
2. Sector assessment findings of the midterm review of the NDPII are recorded as follows for each objective.

### Environment and Natural Resources

**Restore and maintain the integrity and functionality of degraded fragile ecosystems**

1. In the midterm of the NDPII, the acreage (ha) of wetlands restored reduced from 1063ha in 2015/16 to 476ha in 2016/17 and later increased to 963.4ha in 2017/18. This progress was against the targets set at 800ha, 2000ha and 2100ha for the FYs 2015/16, 2016/17 and 2017/18, respectively. The Ministry of Water and Environment developed a wetland Restoration Strategy to guide the ecological restoration of wetlands. Through these guidelines and with support from the respective local governments, the Ministry restored over 963.4ha in the FY2017/18 of degraded wetlands in the districts of Sembabule, Masaka, Buhweju, Kampala, Wakiso, Gomba, Kiboga, Pallisa, Kibuku, Kiruhura, Soroti, Rakai, Isingiro, Bududa, Budaka, Bulambuli, Omoro, and Lira. It should be noted that the trend in wetland restoration has not changed much, due to the long processes involved in consensus building and also limitations in funding wetland related activities.
2. Area of land covered by wetlands has improved from 8.4percent in 2016/17 to 10.9percent in the FY2017/18 although still below the target of 11.6percent. Wetland coverage improvement strategies have been harnessed by the Ministry including among others; Awareness raising on the sustainable use of wetlands and encouraging ownership and public participation in wetland restoration efforts by all stakeholders. The Ministry through the Wetland Management Department has continued to develop and disseminate fact sheets to educate the population on the importance of wetlands and the impacts related to degrading them. Over 285 wetland maps have been developed to guide developers on the environment aspects of their plots before undertaking development initiatives. Coding and Gazettement of Wetlands has been embraced. This is aimed at protecting and improving wetland integrity in the country. The Ministry embarked on coding of wetlands in preparation for gazettement. (gazettement is the process of declaring a wetland as a protected resource, including passing of a statutory instrument and announcing or publishing such in the Uganda Gazette by the Minister responsible Environment whereas coding is giving unique identifiers for example numbers followed by names. Each drainage basin has a code from 01 to 10). So far 5 drainage basins (Albert Nile, Aswa, Kyoga, Victoria Nile, and L. Victoria) out of the 8 have been coded. The gazettement of critical wetlands will raise their conservation and protection status and therefore support enforcement and compliance.
3. The area covered by forests (tree cover) has also reduced from 24percent in 1990 to 11percent in 2015/16 and then further down to 9percent in 2017/18. This is way below the intended target by midterm of 18.75percent. In terms of acreage a total of 3.05 million hectares were lost in a span of 25 years. Out of this loss about 2.2 million hectares were from the woodlands. The records also indicate that the forest estate outside protected areas reduced from 68percent of the total forest land area in 1990 to 61percent in 2005 and down to 38percent in 2015. This means that almost half of the unprotected forests have been cleared in just 25 years. The biggest average annual forest loss was about 256,000 hectares between 2005 and 2010 during which 1,286,753ha were lost in just 5 years.
4. The National Biomass Technical Report of 2009 shows a correlation between biomass of the various land cover types and the associated tree cover. Big changes in forest cover occurred in districts where large areas of forests were converted into farmlands. For example, the report notes that Mayuge district lost almost all its tropical high forests between 1990 and 2005 while Wakiso lost 87percent, Kibaale lost 46percent, Mukono lost 38percent, and Hoima lost 22percent of its tropical high forests cover over the same period.
5. The main causes of deforestation have been mostly the conversion of forest land to other land use types such as; agriculture and urbanization, and rampant felling of trees for firewood and charcoal burning. The other outstanding issues to note regarding deforestation are; issues relating to governance in the forestry sector, issues associated with illegal and unregulated trade of forest products and the unsecured forest tenure rights.

**Increase the sustainable use of environment and natural resources**

1. This objective is intended to increase the productive natural resource base while promoting a clean and healthy productive environment.
2. By the midterm of the NDPII, the target of 133 set out to measure the number of institutions integrating environmental sustainability into their policy and plans had been achieved. Institutions have integrated environment sustainability in their planning and programming although this has not effectively trickled down at the implementation and reporting levels. This is because institutions use all their budgets to implement core mandate activities. Also, the absence of a mandatory environment and sustainability performance measurement framework for institutions compounds the challenge of poor implementation of planned environment strategies and interventions.
3. Additionally, by 2017/18, a functional ENR Management Information System was in place. Some of the achievements registered from the intervention are; provision of information on the ongoing legislative reforms in the ENR sub sector for the ENR-CSO network to participate in the processes and enhanced access to information on chemicals and chemical management.
4. GIS equipment and software were acquired and the electronic web-based database was updated to support EIA and permit reviews and other activities through GIS/Remote sensing data acquisition, processing and analysis to aid timely decision making during the processes of reviewing/approving EIA and issuing of permits. The spatial database of 614 existing development projects was established and mapping of approved development projects in the Districts of Jinja, Bugiri, Buikwe, Mbale, Soroti, Kumi, Sironko, Bukedea, Pallisa, Busia, Tororo, and Manafwa Masaka was undertaken. The spatial maps enhance the analysis and forecasting of environmental impacts of such projects through inspections, audits and regular reviews to ensure that the development activities are environmentally compliant.
5. To promote a clean and healthy productive environment, hazardous and e-waste management soft infrastructure was put in place. NEMA together with other stakeholders, undertook a benchmarking exercise in FY2016/17 to enable government kick-start the implementation of the E-Waste Management Policy 2012. A National E-Waste Steering Committee was established and is anchored within the National E-waste policy and E-waste strategic plan. This committee ensures that there is sustainable e-waste management for a healthy environment and nation in order, to have an e-waste knowledgeable nation through promotion of efficient handling and sustainable management of e-waste, hence safeguarding the country’s human life and environment.

**Increase wetland coverage and reduce wetland degradation**

1. By midterm of the NDPII, the wetland ecosystem restored stood at 0.002 in 2016/17 against a target of 0.19 compared to 0.078 in 2015/16 against a target of 0.07. Additionally, the total area of wetland under management plans stands 2,968 km2, with an estimated wetland area of 26,330 km2. This translates to 11.3percent of the wetlands with wetland management plans, a big achievement against the targeted 6percent as compared to the 6 wetlands with management plans in 2015/16. All in all, the country has now 96 wetland management plans that are useful for apportioning wetlands to the different uses promoted under the wise use principles.

**Increase the functionality and usage of meteorological information systems**

1. With regard to meteorological observation network coverage, it is noted that coverage improved from 24percent in 2015/16 to 56percent in 2017/18. Despite this improvement, it is still below the intended target of 80percent given that the baseline in 2012/13 was at 70percent. The Uganda National Meteorological Authority (UNMA) has an establishment of 12 synoptic weather stations spread in the 16 climatological zones across the country implying percentage coverage of 56 and 100percent functionality within the 16 climatological zones. For purposes of being ISO compliant, the focus was on aeronautical meteorology in order to serve the aviation industry.

**Increase the country’s resilience to the impacts of climate change**

1. During the FY2017/18, it was observed that 65 institutions had adopted climate resilience activities including 27 Ministries, Departments and Agencies and 38 Local Governments. This is a good indicator compared to the previous year’s performance of 55 institutions, below the set target of 60 for the FY2016/17.

**Increase afforestation, reforestation adaptation and mitigate deforestation for sustainable forestry**

1. This objective is intended to increase forest cover in Uganda. In 2012/13, the forest cover was less than 18percent and therefore the NDPII set up annually targets of 18.25percent, 18.50percent and 18.75percent for the respective financial years of 2015/16, 2016/17 and 2017/18. There were some significant gains in the broadleaved and conifer plantations as a result of tree planting efforts by NFA and the private sector. Between 2005 and 2015 the area of forest plantations, both conifers and broadleaved, increased to 37,000ha on private land and 64,000ha in CFRs. Despite all the efforts made to increase forest coverage, it is still declining and by FY2017/18, the forest coverage stood at 9percent.

**Improve climate change legal and institutional framework**

1. As part of the process of formulating a National Climate Change Law, the Principles of the Climate Change Bill were approved by Cabinet on 7th June 2017 and a consultancy firm was procured to support the process of formulating the climate change law.

**Natural resources at Local Government**

1. Like it is in other sectors, the natural resource department is also one of the departments at local governments. The sector is considered to be an enabler socio-economic transformation within the country and it includes natural resources such as land, water/wetlands, savannah woodland and plantation, and forests in specific reserves. Its main goal is to promote and ensure sustainable natural resource use and management. This goal is aligned NDP II sector objectives which include; restoration and maintaining the integrity of degraded fragile ecosystems to be attained through; a) increasing national forest cover to 18 percent; b) increasing national wetland coverage to 12 percent; c) increasing automation of the climate monitoring network to 40 percent; and d) increasing the country’s resilience to the impacts of climate change effects. The sector involves collaborations with a number of key stakeholders including international development partners. From our analysis, the key development partners both in NDP I and NDP II are listed in table 26.

**Table 26: Sector key International Development Partners**

|  |
| --- |
| **NDPII** |
| 1. ACTED 2. ADB 3. AGODA 4. ANARDE, REDD+ 5. CHAI 6. CIDI 7. CNOOC, WWF, GRA 8. GIZ 9. IAS 10. Plan international 11. TERUDO 12. UNDP 13. UNHCR 14. USAID 15. World bank 16. World vision 17. Worldwide fund for nature (WWF-UCO) |

***Source: Survey Data***

1. Local governments on the other hand are responsible for managing local natural resources, for example forest reserves. The carryout support and quality control for natural resources in communities, they are involved in the design and enforcing by-laws, strengthen natural resources aspects in production and environmental committees, engage in district development plan and cross-sectoral coordination, and are in charge of approval of community natural resources, among others.
2. The survey sought to establish the key projects being implemented in various local governments within this department and among these included; a) boundary demarcations using concrete faces for natural resources, b) wetlands management and restoration, c) integrated land management (public land titling), d) development of forestry ordinance, e) national community tree planting programme (Forest reserve planting), f) the green charcoal project (Energy mainstreaming), g) Lake Victoria environment management project (LVEMP), h) Tree nursery establishment, i) farm income enrollment and forestry conservation project, j) community sensitization (on climate change and disaster risk reduction), k) supply of tree seedlings, l) preparation of the district physical development plan, and m) Environmental Compliance in Enforcement Watershed management. From the various key interventions, major achievements made explored during NDP II are documented in summary below in table 27.

**Table 27: Key Local government achievements within Natural Resource Sector**

|  |
| --- |
| **NDP II** |
| 1. Boundary demarcation of rivers 2. Tree planting in communities 3. Demarcation and restoration of wetland 4. Development of forestry ordinance 5. Establishment of tree nurseries and afforestation 6. Prepared land titles for government land 7. Sensitization on Natural Resource management 8. Settling land disputes 9. Community groups supported with grants 10. Distribution of tree seedlings 11. Training on climate change and disaster risk reduction 12. Training resource user committees and other stakeholders 13. Monitoring environmental projects 14. Restoration of forestry reserve 15. Improved in physical development planning 16. Environmental compliance monitoring 17. Supported fish farming |

***Source: Survey data***

1. Notwithstanding, a number of key challenges within the sector still prevail. These are provided below in table 28 as obtained from the findings.

**Table 28: Key Local government constraints within Natural Resource Sector**

|  |
| --- |
| **NDPII** |
| 1. Lack of office space and equipment 2. Inadequate levels of funding (limited IPFs) 3. Lack of political will on environmental conservation 4. Increasing degradation of natural resources 5. Limited alignment of plans to NDPII 6. Inadequate transport facilities 7. Community ignorance about conservation matters 8. Political interference 9. Delays in budget release 10. Poor community attitude (hostile communities) 11. Lack of prioritization at all levels 12. Encroachment and allocation of forest reserves, wetlands 13. Lack of enforcement policies 14. Slow land information systems |

***Source: Survey data***

**Table 29: Suggested measures to improve achievement of planned results**

|  |  |
| --- | --- |
| **Natural resources** | |
| Medium term (5 years) | Long term (more than 5 years) |
| 1. Timely release of funds 2. Increase in IPF for the department 3. Support with formulating ordinances & by-laws 4. Data collection on natural resources to inform planning 5. Community sensitization 6. Budgeting and planning for mid-term activities and priorities 7. District based assessment 8. Capacity building 9. Provision of transport facilities 10. Adaptation to climate change 11. Filling staff gaps 12. Mainstreaming natural resources activities in LED 13. Gazette wetlands 14. Collaborative natural resource management (improved interaction between MoWE & MoLH) 15. Regular evaluation and monitoring and enhance reviews and joint monitoring 16. Link department priorities to 5yr mid-term plans 17. Stable budget implementation | 1. Increase in IPF for the department 2. Timely release of funds 3. Staff capacity building 4. Decentralize implementation of projects 5. Filling staff gaps 6. Avail necessary equipment ( like of data collection equipment) 7. Prioritization of Natural Resource in planning & budgeting 8. Continuous national assessment 9. Improve transport facilitations 10. continuous monitoring and evaluation 11. Lobbying donor projects 12. Community participation and sensitization 13. Demarcate all wetlands 14. Boundary opening of forest reserves 15. Political will to support Environment & Natural management. 16. Revise environmental laws 17. Coordination between Local Governments and centres 18. Gazette all rivers and mountains |

***Source: Survey data***

### Water, Sanitation and Water Resource Management

**Increase access to safe water supply in rural areas**

1. This objective is intended to have outcomes of increased access to rural water supply and enhanced functionality of water sources.
2. The NDPII set targets of 66percent, 68percent and 71percent for the FYs of 2015/16, 2016/17 and 2017/18 in order to increase safe rural water supply coverage. The main technology options used for water supply improvements in rural areas include deep boreholes (44percent), shallow wells (24percent), and protected springs (21percent). Others include; tap stands/kiosks of piped schemes and rainwater harvesting tanks (11percent).
3. As of June 2018, the national safe water coverage in rural areas was estimated at 70percent. There was no change in coverage from that of June 2017 but registered a slight improvement compared to the 67percent of June 2016. Out of the 57,974 rural villages in Uganda, 38,183 (66percent) of the villages had valid water sources as of June 2018. A number of new water supply and sanitation facilities were still under construction (about 10 GFSs) and therefore the population intended to be served was yet to be added to the calculation for access. Among other challenges observed, the drop in funding of the grant affected the number of facilities being constructed by the LGs as well as the use of stainless steel. This reduced the number of boreholes each district constructs because of the cost implication.
4. The functionality for rural water supplies remained the same at 85percent for the FYs of 2016/17 and 2017/18. This figure was still below the targets of 87percent for 2016/17 and 89percent for 2017/18. Notable also, was the decline in rural water supplies from 86percent in FY2015/16 to 85percent in FY2017/18. Important to note is that a total of UGX 131.2bn was used to serve 531,938 persons with new improved /water supplies; and the overall per capita cost for rural water supplies was UGX 246,663 (68 USD) in FY2017/18 higher than UGX 114,295 (32 USD) for FY2016/17.

**Increase access to improved sanitation in rural areas**

1. The percentage of sanitation coverage was fluctuating around 79percent between FY2015/16 and FY2017/18. This is below the set targets of 82percent (FY2016/17) and 86percent (FY2017/18). Low staffing of hygiene and sanitation experts in some districts has undermined the extent of hygiene related activities. Also, disease outbreaks in some districts affected most programmes (marburg and anthrax), as a result, little attention was given to sanitation. Poor soils in some areas and floods caused the collapse of some latrines while cultural practices that promote open defecation account for decline in sanitation in districts like Kotido. The non-wage grant went low and therefore the number of software activities carried out reduced and in a way affected O&M since few communities were visited.

**Increase access to safe water supply in urban areas**

1. This objective is intended to achieve the following outcomes; increased access to urban safe water supply, and enhanced functionality of water sources. The FY2017/18 value of safe urban water supply coverage was 77percent. The significant increase from FY2015/16 (71percent) was mainly due to an improved data base. NWSC conducted a baseline survey that came up with considerably higher number of people served than the assumptions in the previous years (Baseline Survey on Water and Sewerage Coverage for NWSC, Final Report, and July 2018). For the first time, this survey distinguished between people served within and outside the boundaries of urban councils.
2. With regard to functionality of water sources. The percentage of urban sanitation coverage increased from 71percent in FY2015/16 to 92percent in June 2017 and then further to 93percent in June 2018. The average per capita investment cost for the new water facilities was USD58, this was slightly lower than USD62 in the FY 2016/17. MWE gazetted the six Umbrellas of Water and Sanitation Organisations as Water Authorities to manage 259 piped water supply and sanitation systems as of June 2018. 18 small towns’ water supply and sanitation schemes were handed over to NWSC for management. The sanitation regulation framework was developed and Nonrevenue Water (NRW) was reported at 41percent for small towns and 30.7percent in the big towns under NWSC.

**Improve urban sanitation and hygiene services**

1. The NDPII target for urban sanitation coverage was 90percent (FY2015/16) and 100percent for both FY2016/17 and FY2017/18. By the midterm of NDPII, the urban sanitation coverage was 36.3percent, a huge decline from the 84percent in 2015/16 and 86percent in 2016/17. This decline emanated from the change in methodology of assessment in line with the SDGs. Initially, the Sector assessed access to basic sanitation services which was relatively high (82percent), however, following the integration of SDGs in the Sector’s reporting, the indicator of assessment is the percentage of the population with access to an improved sanitation source not shared with other households. This new indicator significantly reduced the percentage of access to sanitation.

**Water and Sanitation at Local Government**

1. In order to achieve the set objectives, the water and sanitation sector collaborates with a number of key players including the international development partners (see table 16 for key development partners in NDP II within the sector) who provide support essential for sustainable service delivery within the sector.

**Table 30: Sector key International Development Partners**

|  |  |
| --- | --- |
| **NDP2** | |
| 1. Acord (U) 2. ACTED 3. CECOD 4. CEGED 5. Concern for the girl child 6. Danish refugee council 7. DRC 8. FAO 9. HEWASA 10. IAS 11. ILO 12. IRC- UGANDA 13. Living water International | 1. Mercy corps 2. NWSC 3. OXFAM 4. PROTOS 5. Sesakawa global 2000 6. Spotlight Africa 7. Uganda Red Cross 8. UNDP 9. UNHCR 10. UNICEF 11. USAID 12. World vision |

***Source: Survey data***

1. Critical among the key players are Local governments whose major role within the sector is to; support implementation of water supply and sanitation programmes; engage in the construction and rehabilitation of water facilities; manage water and sanitation development and oversee the operation and maintenance of existing water supplies at district level; and overall strengthen collaboration and coordination with other sectors and other players like NGOs, private sector, and civil society.
2. Findings reveal that the key projects being implemented at different Local governments within the water and sanitation sector included; 1) borehole drilling, rehabilitation and maintenance, 2) construction and extension of Gravity Flow Systems, 3) Construction of slaughter houses, 4) water for production (rehabilitation of water for production dams), 5) construction of water systems (Piped pumped water supply system), 6) Sanitation promotion (hardware and software), 7) enterprise development (market development of local products), 8) construction of institutional RH tanks, 9) valley dam desalting, and 10) hygiene and sanitation facilities (construction of VIP pit latrine). From different key interventions that have been implemented at various Local governments, a number of achievements have been realized during and NDP II. These have been summarized in table 31.

**Table 31: Key Local government achievements within Water and Sanitation Sector**

|  |
| --- |
| **NDPII** |
| 1. Improved access to safe water coverage 2. Improved RWSS in RGCs 3. Increase in water coverage in communities 4. Construction and rehabilitation of Gravity Flow schemes in a number of communities. 5. Water harvesting structures established 6. Improved sanitation and hygiene 7. Increased functionality levels for water systems 8. Reducing water related disease incidences 9. Construction of valley tanks 10. Increased functionality of water sources 11. Increasing awareness about sanitation 12. Solar powered water supply scheme |

***Source: Survey data***

1. Despite progress made overtime, there are still major challenges that may deter the sector from achieving the set targets. A summary of these obtained from the evaluation findings are provided below in table 32.

**Table 32: Key Local government constraints within Water and Sanitation Sector**

|  |
| --- |
| **NDPII** |
| 1. Reduced IPF by GOU for water projects 2. Inadequate resources 3. Inadequate transport facilities 4. Piped water schemes have rendered cheap technology obsolete 5. Climate change challenges 6. Poor methods of operation and maintenance 7. Delayed procurement processes 8. Vandalism of water equipment 9. Increased population 10. Limited donor/partner support 11. Poor ground water potential 12. Under staffing 13. Poverty in the community 14. High salinity levels of water and siltation of lake clogging pumps 15. Gravity flow technology is no longer working 16. Hard to reach areas 17. Irregular and late release of funds 18. Land related challenges issues 19. Limited capacity building among local contractors 20. Negative attitude and conservatism 21. Lack of capacity building 22. Uncoordinated interventions 23. Political disturbances 24. Low success rate for deep boreholes |

***Source: Survey data***

**Table 33: Suggested measures to improve achievement of planned results**

|  |  |
| --- | --- |
| **Water and sanitation** | |
| **Medium term (5 years)** | **Long term (more than 5 years)** |
| 1. Lobby for funding from donors 2. Timely approval of plans 3. More participatory planning (use bottom-up approach in planning) 4. Increased budgetary allocation &IPFs 5. Procurement of transport facilities 6. Continuous capacity building 7. Community sensitization and stakeholders 8. O&M policy to be developed 9. Increased community participation and strengthen community based maintenance 10. Upgrading technology like pumping & solar technologies 11. Filling staff gaps 12. Avail rehabilitation funds 13. Fast and prompt procurement processes 14. Timely feedback between stakeholders 15. Strengthening partnerships among stakeholders 16. Follow implementation timelines 17. Regular evaluation and monitoring and enhance reviews and joint monitoring. | 1. Increase levels of funding, specifically IPFs 2. Annual and mid-term assessment of planned interventions and better monitoring and assessment. 3. Capacity building 4. Strengthen community based maintenance 5. Review procurement processes 6. More participatory planning (use bottom-up approach in planning) 7. Transition from use of metallic to PVC pipes 8. Work plans and budgets submitted on time 9. Timely feedback between stakeholders 10. Formulation and enforcement of by-laws on O&M of water 11. Operationalize water for production. 12. Availed transport facilities (like motorcycles) 13. Sensitization of all stakeholders 14. Revise the current structure in water sector |

***Source: Survey data***

### Water Resource Management

**Improve national capacity for water resource management (WRM)**

1. The NDPII targeted level of waste discharge to be at 55percent, 60percent and 64percent for FYs 2015/16, 2016/17 and 2017/18, respectively. This indicator has been improving steadily although falling short by a small margin to hit the target. The Sector reported waste level discharge was at 56.6percent in 2015/16, 59percent in 2016/17 and 63percent in 2017/18. The total number of permit holders monitored were 182 and it was observed that the number of permits complying were 115. This was attributed to increased enforcement that ensured that permit holders put in place measures to meet with standards albeit a number of them do not fully meet with national standards especially the biggest waste water dischargers such as sugar manufacturing companies, soft drinks and leather tanning industries.
2. In the FY2015/16 and FY2016/17, the level of surface water abstraction remained at 75percent but increased to 76percent in the FY2017/18 albeit still below the NDPII target of 79percent. The sluggish improvement is attributed to financial constraints that undermined collaboration.

**Improve water resources planning and regulation**

1. This objective is intended to increase analytical and quality assurance capability of national and regional water laboratories. By the midterm, a hydrological year book had been produced in FYs 2016/17 and 2017/18 although it had not yet been widely published and disseminated unlike in the FY2015/16 where there was no hydrological year book. With regard to the annual water resource status report book, there was only one report book made for only FY2016/17. For FY2017/18, the status Report was not completed and the Sector attributed this to inadequate funds released for the activity.

**Improve water resource monitoring, assessment and information services**

1. This objective is intended to reduce on the proportion of major polluters and abstractors and increase regulation according to the water laws and regulations.
2. In order for this to happen, a water quality information system for oil and gas was established in partnership with the relevant stakeholders and was operational in FY2015/16 and FY2017/18.
3. It is important to note that the water resource maps had still not been developed by the midterm of the NDPII.

**Improve protection of Uganda’s interests in international waters**

1. This objective is intended to safeguard Uganda’s interest in international waters through effective trans-boundary cooperation.
2. By the midterm of the NDPII, the proportion of polluters regulated had greatly improved from 55percent in 2015/16 to 59percent in 2016/17 and then further to 63percent in 2017/18. This is slightly below the NDPII target of 64percent for the FY2017/18. It was noted that the total number of permits holders monitored were 182 and out of the 182, 155 were compliant.
3. The same improvement was also noted for the proportion of abstractors regulated, where in 2015/16, it was at 75percent and had improved to 78percent by 2017/18 just slightly below the intended target of 79percent. The total number of permit holders monitored were 979, both surface and ground water abstraction, and it was noted that out of the total monitored 753 were compliant.
4. In order to improve institutional management to regulate catchment levels, basin reports were to be produced on an annual basis. No information was provided for the FYs of 2015/16 and 2016/17. However, in the FY2017/18, a basin report was produced.
5. To reduce overexploitation on water bodies, regulations were put in place. The target for FY2015/16 for the proportion of water abstractors regulated was 75percent and this was met by the Sector. There was further increase to 76percent in the FY2016/17 although by a shortfall of the targeted 77percent for the year.

### Water for Production

**Increase the provision of water for production facilities**

1. This objective is intended to increase the water storage capacity (cubic meters) for irrigation, livestock, aquaculture and rural industries.
2. The NDPII set out targets to measure the percentage increase in potential area under irrigation. For FY2015/16, the target was 1.5, 2 for FY2016/17 and 3 for the FY2017/18. So far, by FY2017/18, the progress reported had been very slow and minimal at only 0.5percent while that of 2016/17 was only 0.02percent. By FY2017/18, there were ongoing constructions of six irrigation schemes namely; Rwengaaju, Ngenge, Wadelai, Tochi, Mubuku II and Doho II in the districts of; Kabarole, Kween, Pakwach, Oyam, Kasese and Butaleja, respectively. The potential area under irrigation was projected to increase upon completion of the six irrigation schemes mentioned above to 0.65percent which is approximately, 19,038ha.
3. Water for production storage capacity for livestock increased from 30 million m3 in FY2015/16 to 38.86 million m3 in FY2016/17 and then further up to 39.32 million m3 in FY2017/18. This has surpassed the NDPII targets of 29.1, 30.7 and 32.8 million m3 for the FYs of 2015/16, 2016/17 and 2017/18, respectively. This achievement was as a result of: construction of 106 valley tanks on individual farms using the Ministry and WFP construction equipment; construction of 9 valley tanks in Apac, Otuke and Katakwi districts under the Water Supply and Sanitation Programme (WSSP); and lastly, construction of 4 communal valley tanks in the districts of Kiruhura, Gomba, Kyegegwa and Kiboga.
4. Water for production storage capacity for rural industries and aquaculture reduced from 0.27 million m3 in FY2015/16 against a target of 0.16 to 0.21million m3 in the FY2016/17. This was below the midterm target of 0.32 million m3.

**Increase the functionality and utilization of existing water for production facilities**

1. The NDPII intends to measure this objective by the percentage of water production facilities that are functional as well as using the percentage of water for production storage capacity that are utilized annually.
2. The targets set for functional facilities was 81percent, 83percent and 85percent for the FYs of 2015/16, 2016/17 and 2017/18, respectively. By the midterm, functional water for production facilities were at 86.7percent compared to the 84percent in 2015/16. This functionality was measured used World Food Programme facilities. The WFP continued to put an effort in installation of abstraction systems, formation and rejuvenation of management structures, refreshment of by-laws and training of stakeholders, and all this was aimed at improving functionality.
3. The targets set for annual utilized storage capacity was 60percent, 65percent and 70percent for the FYs of 2015/16, 2016/17 and 2017/18, respectively. By the midterm, the percentage of storage capacity utilized annually was at 72percent. This was a big improvement from the 50percent observed in the FY2016/17. The Ministry of Water and Environment (MWE) formed Water User Associations/Farmer Field Schools (FFS) to enhance and promote self-driven approaches for community ownership and sustainability initiatives. Through the FFS approach, farmers are trained on efficient and effective use of the created storage all aiming at sustainability of the facilities.

## Legislature

1. NDPII set out four strategic objectives for the Legislature namely, (i) Increase efficiency and effectiveness in the enactment of legislation on any matter for peace, order, development, and good governance in Uganda (ii) Strengthen the institutional capacity of Parliament to independently undertake its constitutional mandates effectively and efficiently (iii) Improve citizen participation and contribution in promoting the rule of law, transparency and accountability in the provision of services to achieve equitable and sustainable development and (iv) Improve collaboration and networking among development institutions. Unlike with NDPI, for NDPII an Implementation Strategy was developed using the lessons learnt during the implementation of NDPI although targets are absent but can be viewed from the approved the Parliamentary Strategic Plan (2016/17-2019/20) which is aligned to NDPII. At mid-point of the NDPII, the sector registered the following progress against its objectives and targets.

**Increase efficiency and effectiveness in the enactment of legislation on any matter for peace, order, development and good governance of Uganda**

1. In the NDPII period, the sector results on legislation were unsatisfactory. The number of bills passed bills passed reduced from 35 in 2015/16 to 17 in FY 2016/17 and 11 in FY2017/18 against the targets of 30, 30 and 20, respectively As a result, an increased in the number of days taken to pass bills was observed from 30 days in FY2015/16, 35 days and 65 days in FY20161/17 and FY2017/18 respectively. Key of the bills passed in the review period included: Income Tax (Amendment) Bill, 2016, the Anti -Money Laundering (Amendment) Bill, 2016, and Anti-Corruption Amendments Act 2013 aimed at perusing policy of zero tolerance to corruption. Two (2) treaties ratified include: Agreement for the establishment of the East African Standby Force and the East African Community Protocol on Cooperation in Defense Affairs were ratified.
2. Further, the office of the Auditor General was restructured and strengthened with qualified staff with capacity to detect modern IT frauds. Systems of the Accountant General were also upgraded to effectively deter fraud. Parliament enacted a law to establish the financial intelligence Authority to check the inflow of foreign currency in the county. Government put in place the Integrated Financial Management System to check the financial flow. However, no legislation specific to strengthen the credibility of the electoral process.
3. In the same period, petitions passed as a percentage of those presented was 100, reports disposed as a percentage of reports tabled in plenary was 68, motions passed as a percentage of motions successfully moved was 100 and the number of ministerial and other statements disposed improved stood at 162. This is attributed to the various strategies undertaken by the sector to clear backlog. These include: using sub-committees, tripartite outreach programs, ranking of queries and adoption of the Audit report in the house when committees fail to deliver on time.
4. Despite the progress registered in legislation, lack of a quorum as a requirement for debate and passing of policies and legislation has, over the years, been a persistent setback to the performance of the Parliament of Uganda. The impact of this has been that Parliamentary business negatively impacts on constitutional mandates. While there have been efforts to strengthen the rules of procedure aimed at improving attendance, in reviewing this lack of a quorum for FY2009/10 Government resolved that targets for plenary attendance and level of participation in Parliamentary debates should be reset to a lower figure, given the multiple responsibilities of MPs and the fact that participation in debates should reflect quality rather than quantity. Accordingly, the sector took a decision that a quorum is more critical at the point of decision making, but the debates can proceed even with two MPs, meaning that it does not necessarily affect the performance of Parliament. Accordingly, the assessment of performance for both Committee and Plenary sittings was on the basis of this position

**Strengthen the institutional capacity of Parliament to independently undertake their constitutional mandates effectively and efficiently**

1. In the review period, the Institute of Parliamentary Studies has imparted the required skills to enable members effectively and efficiently carry out their mandate and all members have been equipped with the relevant tools to enable them do their work. As a result, the proportion of parliamentary members trained and equipped improved to 100 percent.
2. The proportion of quality resolutions timely passed stood at 68 percent in the review period. This was attributed to the sector producing over 400 Standardized desk research and policy reports, holding over 1769 sectoral and standing committee meetings and adoption of over 100 committee reports. Whereas, the Executive has the competent human resource, structures, processes and procedures for preparation of documents that require Parliamentary approval, the capacity to scrutinize such documents at Parliament is still lacking. For instance, the need for experts in the Petroleum Sector and Infrastructure Sector is paramount.
3. Other efforts included: establishment of an Audit and Risks Management Committee, strengthening Internal Audit functions and facilitation of the Accountability Committees to consider and table the reports of the Auditor General before the House: conducting over 300 oversight field trips to establish the level of implementation of government programmes; approved funds to support registered political parties, strengthened the Office of Opposition in Parliament through recruitment of a director and funding the activities in the office; and strengthening leader of government business by supporting the office of government chief whip.

**Improve citizen participation in promoting rule of law, transparency and accountability in the provision of to achieve equitable and sustainable development**

1. Throughout the review period, all Parliamentary committees and plenary sessions were open to the public and members of interest groups were involved in all activities of Parliament through their representatives. The initiatives undertaken to attract participation in the parliamentary process included; held the Research Week and the Parliament Week and hosted the Health Week and organized a special fundraising event in support of People Living with Albinism; outreach programs under the Office of the Speaker, the Office of the Deputy Speaker, the Office of the Leader of the Opposition, Committees and Fora of Parliament.

**Improve collaboration and networking amongst development institutions**

1. Between 2015/16 and 2017/18, Parliament participated in 20 International Parliamentary Associations to which she is a member. These associations include; IPU, African Parliamentary Union, CPA, CPA, Africa Region, Society of Clerks, Parliamentary Union on OIC Member States, IGAD - Inter-Parliamentary Union, EAC-APC Association, SoCATT. The sector has in addition maintained its partnership and collaboration with development partners like DGF, FINMAP, DFID, USAID, AWEPA and UNDP. All these aim at resolving various challenges faced by partner states like Human rights issues, improving visibility of women, insecurity, governance trade and other gender and equity issues.
2. In executing its mandate, the legislature is faced with a number of constraints including: a huge backlog of unconsidered Audit and constitutionally mandated reports pointing to the issue of its capacity to handle these reports expeditiously; inadequate technical capacity to scrutinize the national budgetary allocations; low citizen participation in oversight; and inadequate infrastructure such as office space (NPA, 2015).

## Social Development Sector

1. The NDPII Social Development Sector objectives are focused on empowering communities to harness their potential through skills development, labour productivity and cultural growth for sustainable and gender responsive development. To achieve this, the sector promotes community level action to reduce poverty and facilitates necessary conducive environment for other sectors to effectively deliver services to all sections of the population. The sector focuses on seven (7) objectives whose progress against the set outcomes and targets is as follows at mid-point of the NDPII.

**Promote decent employment opportunities and labour productivity**

1. Government’s efforts towards improved environment for increasing employment and labour productivity have yielded results. By end of third year of the NDPII, labour force employed (working age population) increased from 6,670,080 in FY2015/16 to 6,977,500 in FY2016/17 and 7,200,090 in FY 2017/18. As a result, the labor force in gainful employment increased to 48percent in FY2017/18 from 30percent in 2012/13 short of the NDPII target of 60percent. This is attributed to: 6 bi-lateral agreement was signed with various countries to protect every Ugandan desiring to work abroad by securing the best possible terms and conditions of employment; 121 recruitment agencies were licensed; and follow up visits were made to 13 labour receiving countries to promote externalization of labour; 12,472 creative enterprises for job creation especially for young people were mapped out.
2. In addition, 6 Bills were drafted for amendment of labour laws and 4 Statutory Instruments and Regulations issued. Other achievements in line with regulation of migrant workers include: developed guidelines for Internal Recruitment Agencies; developed a process document for online licensing and monitoring of internal recruitment companies; and established an Inter-agency Labour Help Desk at Entebbe Airport. Furthermore, three (3) bi-lateral draft agreement for Oman, Bahrain and Kuwait have been developed.
3. During the same period, the level of agencies complying to labour laws, regulations and standards also increased to 40percent from 28percent exceeding the NDPII target of 32 percent. This is attributed to the routine inspection to ensure compliance. Areas of achievement are: 924 OSH and 76 Labour inspections undertaken; 749 Workplaces inspected and registered; 1,055 statutory equipment was examined and certified; 150 architectural plans reviewed; 123 EIAs and 45 E-Audit reports reviewed out
4. On the other hand, the country has maintained a functional industrial court to ensure rights of workers are protected. By the end of NPDII third year, 568 cases of disputes settled and arbitrated. More cases would have been heard if the two judges were hearing cases separately as proposed under the draft Bill. There would be 5 Judges instead of 2 judges.

**Enhance effective participation of communities in the development process**

1. Between 2015/16 and 2017/18, the number of people accessing library services increased by over 40percent. The expansion of public Libraries and Telecentres established and equipped thus increasing the number of people accessing library services from 1,742,841 in FY2015/16 to 2,450,841 in FY2016/17 and 2,792,400 and 2 Public Libraries and Telecentres were established and equipped. However, more efforts are needed to be done towards the mobilization of communities to appreciate, demand, own and sustain personal and national development programmes including: effective facilitation and deployment of community development officers; streamlining funding for community mobilization scattered across other sectors and allocating it to the Social Development Sector to bring efficiency gains and increase the impact of all government programmes; and revitalizing and revamping rural training centres to support the successful use of all social action funds by the beneficiaries.
2. With regard to improving the percentage of households informed, accessing and participating in development activities, a savings culture has been inculcated among 3,251 participants in 80 CEGs under the promotion of community driven initiatives (CDI) for improved livelihoods. However, limited efforts have been geared towards strengthening mechanisms for planning, implementation and monitoring of services and community level initiatives.
3. According to UBOS, the contribution of culture and creative economy to economic development stands at 51percent. This was attributed to: continued to support 14 Traditional or Cultural Institutions; several outreaches programmes were carried out; exhibitions as well as annual festivals held such as JAMFEST among others that promote Art and culture. However, limited efforts have been geared towards strengthening the family as a social unit for wealth creation despite the production of National Parenting guidelines.
4. Under FAL programme by end of the third year of NDPII, a total of 228,140 Adult learners were enrolled and out of these 182,512 learners were able to complete the learning cycle. This has improved their literacy and numeracy skills. 70 percent of adult learners are able to access and utilize credit from Micro Finance Institutions. In addition, 32 Public Libraries have been supported through inspection, distribution of books and conducting a Regulatory Impact assessment (RIA) while ICT in Public Libraries project was implemented in 3 public libraries by providing them with 10 computers, 1 scanner and 1 printer. However, nothing has been done to put in place a modern National Library as planned in NDPII.

**Improve the resilience and productive capacity of the vulnerable persons for inclusive growth**

1. Progress of three years of the NDPII implementation indicates a reduction in social exclusion of vulnerable groups by 38percent in 2017/18 compared with 30percent in 2016/17 and 28percent in 2015/16 attributed to sustained advocacy and awareness raising campaigns; Social Impact Assessment and Accountability Bill submitted to Cabinet; and developed a Concept and Principles for the National Youth Service Scheme among, others; the plans to amend Article 78 of the Constitution to accommodate representatives of old persons is in Parliament. However, Persons with Disability Bill 2014 is still in Parliament for review. There is need to fast track the amendment of Article 78 of the Constitution to accommodate representatives of old persons and enact persons with disability Bill 2014
2. The provision of social care services to vulnerable groups increased to 68percent in 2017/18 from 52percent in 2015/16, as a result of multi-collaborative and partnership initiative from several players, including JLOS, Health Sector, DFID, and UNICEF. These results have been contributed to more vulnerable groups accessing social assistance. By 2017/18, over 157,284 vulnerable groups were accessing social assistance and over 18,000 PWDs accessing Special Grant for PWDs compared with 10,000 in 2012/13, buoyed by increased awareness creation on the rights of PWDs, as evidenced by many PWDs coming out to demand for funds. In addition, over 5,621 youth projects were financed for over 438,546 Youth beneficiaries; over 2,800 children provided with food and non -food items in children institutions (remand homes, reception centers and rehabilitation centers) and over 200 street kids were withdrawn with Kampala streets and resettled. Further, over 167,416 beneficiaries were supported under the Northern Uganda Social Action Fund -NUSAF 3/OPM and over 623 youth with disabilities were trained in vocational skills.
3. Under Community Based Rehabilitation Programme (CBR), support to 4,400 households of PWDs all over the country was done in psychosocial services, training on home-based care and management of disabilities; and provided corner seats/parallel bars, linked PWDs to referral services and existing livelihood programmes.
4. Cases of child abuse dropped by 3percent compared with 0.5 percent in 2012/13, largely helped by established mechanisms to address protection and response to children continued under the UGANDA CHILD HELPLINE (SAUTI 116) and District Action Centres with support from UNICEF; assigning Disability Focal Point Persons; and implementation of the Children Policy and National Action Plan on Children with Disabilities 2016. Other interventions were training of over 200 Officers (Police, CDOs & Prisons) in specialized investigations & response to sexual violence against children; set up Child Safe Corners in Health Facilities ; over 70 Health Workers trained in standards & guidelines for medical examination of victims of child sexual violence; enrolled 2000 adolescents in empowerment and livelihoods for adolescent clubs; and over 63 Community Psychosocial SGBV Facilitators trained on Referrals of Child abuse.
5. The sector ensured reduction on cases of abuse, violence, exploitation and neglect among the vulnerable groups by operating 6 Remand Homes, 1 National Rehabilitation Centre and Reception Centre (Naguru). Over 3,821 children were provided social welfare in the Institutions and skills training in various trades as part of their rehabilitation programme.
6. Mainstreaming of disability issues across MDAs increased from 25percent to 30percent in the same period. This improvement is attributed to: PWDs and older persons were mainstreamed into all sectors and at all levels and various laws, policies and programmes promoting rights of the vulnerable groups were developed i.e. the National Child Participation Strategy, the Gender and Equity Strategy for Social Protection Strategy; and Persons with Disabilities Bill 2018 approved by Cabinet and is due for Gazetting and tabling in Parliament.

**Improve the capacity of youth to harness their potential and increase self-employment, productivity and competitiveness**

1. From sustained implementation of various youth programmes towards promotion of youth– employment, three-year NDPII progress indicates that the percentages of the youths that are engaged in development initiatives and participating in decision making have increased by 5 percent over during the period 2015/16 and 2017/18. Young people under ULP and YVCF were provided with employable skills while three (3) Youth Skills advisory centres were established to provide skills to the youth. About 631,700 number of youths were engaged in economic and social business by end of the third year of NDPII. Furthermore, a National Employment Strategy for Uganda with a specific National Action Plan for Youth Employment is before Cabinet for approval. Once approved, the strategy will in a more meaningful manner guide a deliberate process for employment creation.
2. Under the Youth Livelihood Programme in the three years of NDPII, over 5,621 youth projects were financed for over 438,546 Youth beneficiaries. Most of the youth financed were engaged in agricultural enterprises, followed by trade enterprises, projects in Services Sector, projects in vocational skills, projects in industry (small scale industry), projects in agroindustry (value addition), projects in agro-forestry, projects in ICT and the least were those who engaged in creative industry projects.

**Promotion of rights, gender equality and women’s empowerment in the development process**

1. By end of third year of the NDPII, about 92 percent of sectors had mainstreamed gender in their policies, plans and programmes. This is attributed to the continued gender and equity and establishment of 17 GBV shelters and advisory centres established with 2,234 survivors. On the legal support, over 56 civil cases were filed; over 673 cases were settled through alternative dispute resolution. 92 survivors were reintegrated into nonviolent community environment.
2. As regards to women participation in governance, the Uganda Women’s Forum was launched and mobilized and sensitized women on LCs and National Women Council elections. The sector implemented the National Policy and Action Plan on the Elimination of Gender Based Violence (GBV) as an overall framework to prevent and respond to GBV including Female Genital Mutilation/Cutting (FGM/C). In an effort to accelerate action to reduce HIV infection among women and girls, an Action Plan on Women, Girls, Gender Equality, HIV and AIDs. The Gender HIV Scorecard was formulated alongside the Action Plan as an assessment tool to facilitate review and monitoring of commitments by the various actors in gender and HIV/AIDS programming.
3. Under the Uganda Women Entrepreneurship Programme (UWEP), over 18,255 projects have been financed benefiting over 210,023 women with capital over the three years on NDPII. UWEP has also supported 321 women projects with business skills in areas of book keeping, financial management, marketing and savings mobilization skills

**Improve the performance of the SDS institutions**

1. The percentage of LGs provided with technical support supervision and monitoring improved from 60 percent in 2015/16 to 80 percent in 2017/18. Also, the GoU resource envelope allocated to the Social Development Sector increased by 0.05% between 2015/16 and 2017/18.
2. The staffing levels was at 80 percent in 2017/18 from 76 percent in FY2015/16 at the MGLSD and Institutions and while agencies, departments and institutions were retooled and staff equipped. The sector has a number of functional MIS databases developed and maintained but the sector embarked on the process of putting in place a single registry MIS in place and operational. The systems include: Child helpline, NGBVD, OVC MIS, ESP MIS, YLP MIS, UWEP MIS, OSH MIS, ODK MIS, External Employment MIS.

**Reduce imbalances and promote equal opportunities for all**

1. Thirteen (13) public dialogues were held over 1000 and various public awareness campaigns were held between 2015/16 and 2017/18 to enhance effective participation of the marginalized in social, economic and political activities for sustainable and equitable development
2. Twelve (12) tribunal sittings were during the review period. Eighty-five percent (85%) of Investigations were handled out of the complaints and petitions received by the Commission. The capacity of partners, Departments and Organisations was strengthened focusing on resource planning and budget tracking.
3. The sector examined laws, policies and practices on the new wealth creation programs and made recommendations to ensure that the marginalized groups access development programs. The Commission assessed 17 sectors of which 16 passed the assessment (50% minimum). A Compendium for the 17sector specific gender and equity requirements was developed and disseminated and trained representatives from each Vote of the 12 sectors in gender and equity planning and budgeting.

## Information Communication and Technology (ICT)

1. The NDPII just like NDPI envisioned ICT sector to facilitate sustainable, effective and efficient development through harnessing and utilizing ICT in all spheres of life. The key focus areas included: development of an interoperable and secure ubiquitous ICT infrastructure; creation of an enabling environment that is aligned to emerging changes; enhancing integration and automation of e-Government services and Position Uganda competitively in the Global ICT market; enhancing capacity for local content development and usage in the various ICT Sector services; and creation of an enabling environment to support R&D. The NDPII ICT sector mid-term assessment against its objectives is discussed in the section below.

**Increase access to ICT infrastructure to facilitate exploitation of the development priorities**

1. Government completed the implementation of Phase III of the National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project (NBI/EGI) thus a 2,424 Kms of Optical fibre cable was laid and private sector, on the other hand has rolled out over 5,000 optic fibre Kms throughout the country. In addition, Uganda was able to connect to NBIs of neighboring countries hence achieving border to border connectivity at 5 border points of Malaba, Busia, Katuna, Mutukula and Nimule.
2. Regarding the last mile connectivity, a total of 133 MDA and LG sites were cumulatively were connected to the NBI between FY2015/16 and FY2017/18. This translated into 125percent growth in connectivity. Government intensified efforts of centralized hosting of Government systems in order to save Government costs of operating several data centres and duplication of effort in different MDAs. To this effect, the National Data Centre was upgraded and hosts thirty-nine (39) MDA applications. The strategy for consolidated delivery of internet to government (bulk internet) has significantly reduced the average unit cost of internet bandwidth from US$ 300 per megabyte per second (mbps) in FY 2015/16 to US $70 per Mbps in FY2017/18. This has realized savings of USD 350 per 1 MBps per month leading to a reduction in Government expenditure to the tune of UGX 5.287BN per annum.
3. To promote infrastructure sharing, UCC revised the licensing framework to allow for provision of infrastructure as a service. In this regard, passive infrastructure for telecommunications services was transferred to two tower companies, i.e. ATC and Eaton Towers who are exclusively providing infrastructure services to telecommunications operators.
4. Uganda completed the migration from Analogue to Digital Terrestrial Television Broadcasting (DTTB) in June 2015, in line with the International Telecommunications Union (ITU) set deadline. However, the switchover from analogue to digital broadcasting has not been completed and a few areas in the central and western region have been migrated.

**Enhance the usage and application of ICT services in business and service delivery**

1. The Uganda e-Government Master Plan was implemented during the first three years of the NDPII. This involved of: providing over 70 e-Government services through a single point of contact; Postal services automation rolled out to over 90 District Post Offices and X-ray scanning machine to detect illegal and prohibited items installed at Post office Headquarters.; one-stop-center and several online services were implemented; a strategy for sensitization and creating awareness about ICT to the public was developed.
2. In addition, the sector also conducted a survey on e-services in selected and provided technical and programme management support to several ICT initiatives. These included integration of the IFMS Tier-I, PBS and IPPS, Single registry - MOGLSD, Global Anti-Money Laundering System by Financial Intelligence Authority; E-Visa (DCIC) and National ID by NIRA and One stop centre for investment (UIA and URSB).
3. By end of third year of NDPII implementation, the construction of the National ICT Innovators Hub at Uganda Institute of Communications Technology (UICT) in Nakawa was ongoing with an estimated overall physical progress of 60% against a target of 100%. The project was three months behind schedule due to increased scope of earth works, variation in design and delays in clearance of imported steel materials, among others.

**Increase job creation through ICT Research and development**

1. The percentage of people employed in ICT related employment stood at 2.3 million at the end of the third year of NDPII implementation. This was attributed to: disbursement the ICT innovation grant worth Ushs.2.5 billion to over 10 beneficiaries which enabled them to develop systems to improve service delivery in the fields of: agriculture, health, education and energy and scaling up of various local ICT innovations which include: PM live media, Yaaka Digital Network and Breast IT, among others.
2. Following the finalization of a master plan for transforming Uganda Institute for Information and Communications Technology (UICT) into an ICT center of Excellence, the construction of the National ICT Innovators Hub at Uganda Institute of Communications Technology (UICT) in Nakawa commenced with an estimated overall physical progress of 60% against a target of 100% by end of the third year of the NDPII.
3. The sector also finalized the Business Process Outsourcing (BPO) strategy; conducted a feasibility study for the IT Park and further, the plan for the Namanve land has been redesigned to accommodate a BPO Centre; signed a MoU entered with Makerere University in the areas of IT training, capacity building and knowledge exchange; and developed a policy framework and strategy for promoting local content development.

**Increase the stock of ICT skilled and industry ready workforce**

1. With regard to reviewing the current curriculum to introduce ICT in the school curriculum, UICT Curriculum was reviewed to introduce 3 market responsive courses and ICTs have become an examinable subject at both O and A levels by end of the review period. The e-government curriculum guide was also developed and training and sensitization sessions on e-Government Services to a total of 292 MDA/LGs staff was conducted.
2. By end of the third year of the review, over 240 IT providers and 326 professionals were assessed and certified attributed to gazatting of the NITA-U (Certification of Providers of IT Products and Services) Regulations, 2016; and the NITA-U (Authentication of IT Training) Regulations, 2016.
3. During the review period, over 250 ICT teachers from government secondary schools countrywide were retooled to enable them effectively deliver the ICT curriculum to their students under the sector teacher re-tooling program for ICT teachers.

**Improve the information security system to be secure, reliable, resilient and capable of responding to cyber security threats**

1. Between FY2015/16 and FY2017/18, Government has made significant progress towards developing a robust ICT industry. Critical steps to address cyber threats that have been undertaken include: Data Protection and Privacy Bill was approved by cabinet 2015 and over 30 sensitization sessions were carried out to increase awareness about information security, cyber laws, IT regulations and standards; established the Communications sector CERT (Computer Emergency Response Team) to among others build capacity of communications service providers in enhancing the security of their networks as well as protecting consumers of ICT services in Uganda; Government started developing the Cyber City Strategy

**Improve the legal and regulatory frameworks to respond to the industry needs**

1. By end of the third year of the NPDII, over 15 policies were prepared/ reviewed to provide a conducive environment and promote the development of the sector. They include: (i) The First Draft Policy on the use of internet, email and social media in government produced; (ii) Draft Open data policy produced; (iii) ICT and Disability strategy finalized; (iv) Draft national postcode and addressing policy produced; (v) Draft broadband policy developed; (vi) A licensing framework for Content Service Providers developed; (vii) Guidelines on liabilities and claims procedures for Post and Courier Markets developed; (viii) Standards for Digital Video Broadcasting (DVB) receiver equipment developed; (ix) Broadcasting standards and guidelines reviewed; (x)The framework for Quality of Service for Postal service developed, among others.
2. During the review period, a suite of over 30 regulations were reviewed/developed covering various areas that include; Quality of Service, Consumer protection, cyber security, pricing and tariffs, among others. These regulations are currently before Parliament for approval. The sector developed over 9 National IT Standards to further guide standardized and harmonized delivery of ICT services in the country.

## Science, Technology & Innovation

1. Over the NDPII period, the sector aspires to: enhance the integration of science and technology into the national development process; increase transfer and adoption of technologies; enhance R&D in Uganda and improve the STI legal and regulatory framework. The performance against the set objectives over the first three years of the NPII is discussed in the section below.

**Enhance the integration of science and technology into the national development process**

1. Over the three years of NDPII, the sector has implemented a number of strategies to increase the skilled workers in science and technology and new technological innovations patented. The key achievements under the review period are: Master plan for the Central Region Science and Technology Park was developed; provision of monthly intellectual property rights (IPR) protection training and awareness raising capacity building workshops among the scientific fraternity; online research registration system was established and national research register was updated capturing 580 new researches. The sector also implemented the Development Research Up-take in Sub-Saharan Africa (DRUSSA) program working with academic institutions and government departments in Ghana and Uganda in order to link the supply and demand side of research uptake.
2. The Uganda Industrial Research Institute developed renewable energy production technologies; transferred renewable energy technology for Bio-ethanol production; developed a renewable energy production technology for Briquette manufacturing; developed four value addition technologies, provided industrial training, laboratory analytical and technical advisory services to various stakeholders and clients; developed a range of food and non-food products and supported development, production and commercialization of a range of products from the UIRI business incubator.

**Increase transfer and adoption of technologies**

1. To develop partnerships for exchange of people, ideas and support facilities, the sector fostered strategic bilateral and multilateral STI cooperation in science and technology including: economic cooperation partnerships signed with the European Union, and the East Asian Countries, the Centre for Science and Technology of the Non-Aligned and Other Developing Countries (NAM S&T Centre), the East African Science and Technology Council (EASTECO), the Commissions of Science and Technology in Kenya and Tanzania, the Commission on Science and Technology for Sustainable Development in the South (COMSATS), Organization of the Islamic Conference Ministerial Standing Committee on Scientific and Technological Cooperation (COMSTECH), International Foundation for Science the (IFS), United Nations Conference on Trade and Development (UNCTAD), The European Union’s Horizon 2020 through CAASTNET Plus and IST African and the ACP-EU ENRICH projects.
2. With support from the Islamic Development Bank (IDB), Uganda National Council for Science and Technology enhanced capacities of farmer-based cooperatives using Information and Communication Technology (ICT) in selected region of the country. These efforts were intended towards establishment and support of linkages with local regional and international development partners.
3. With regard to supporting the development, adoption and transfer of climate change smart technologies was undertaken. Uganda National Council for science and technology enhanced the capacity of scientists to identify technology needs; facilitate the preparation and implementation of technology projects and strategies to support action on mitigation and adaption; and enhance low-carbon emission and climate resilience.

**Enhance R&D in Uganda**

1. Uganda National Council for science and technology launched guidelines for research involving humans as research participants. The National Science Technology and Innovation Program funding facility was established and has disbursed over Shs.11 billion on research projects. Government also created an Innovation Fund to support innovation, product development and commercialization. The Fund is aimed at enhancing the capacity of local scientists and break the bottlenecks along the research and innovation value chain leading towards a knowledge society.

**Improve the STI legal and regulatory framework**

1. The sector secured approval of principles for the amendment of the Uganda National Council of Science and Technology (UNCST) and Uganda Industrial Research Institute (UIRI) Acts in order to streamline their operations under the new STI sector. The sector also conducted consultations and advocacy meetings related to the National Biotechnology and Biosafety Bill which was also successfully re-tabled before Parliament and is now under consideration by the Parliamentary Committee on Science and Technology.
2. However, the sector faces a number of challenges which limit its performance including: lack of the required critical mass of scientists and retaining them in the sector; limited commercialization of research results and utilization of acquired patents; insufficient physical and technological infrastructure; expensive innovation infrastructure and inputs (R&D expenditures, training scientist and engineers, laboratory equipment, universities, and public research institutions); realizing innovation outputs takes time (scholarly publications, patents, profits, economic growth, productivity, new products and commercialization); and, a fragmented National Innovation System.

## Public Administration Sector

1. As with the previous Plan, the Public Administration Sector continued to focus on: strengthening public policy development; strengthening the coordination, monitoring and evaluation systems; attracting investments and markets; attracting cooperation assistance and investments from the Diaspora; strengthening citizen participation in the NDP II priority areas and electoral processes; and strengthening the sector Secretariat. The performance against the NPII Public Sector objectives is outlined in the sections below.

**Strengthening public policy development**

1. Uganda was ranked 8th out of 39 African countries surveyed by the World Bank Country Policy and Institutional Assessment 2017, slipping from 5th in 2015. This drop is attributed to weak implementation of policies related to Transparency, Accountability, and Corruption in the Public Sector for which Uganda scored 2.0 below the Sub-Saharan average of 2.7 (The World Bank, 2018). However, Uganda scored well on the Quality of Public Administration at 3.0 above the average of 2.8. To this end, the compliance level to the NDPII and its results based principles surged from 50% in 2015 to 75% by 2017 ( (Public Administration Sector , 2017).

**Coordination, monitoring and evaluation systems**

1. According to the World Governance Indicators, Uganda ranks 31.73% on government effectiveness, which reflects low perceptions of the quality of public services, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. This is lower than the score of 36.54% achieved in 2015. However, the sector has stepped up efforts to strengthen the capacity of Resident District Commissioners and local governments to effectively monitor and report on the implementation of government programmes. More than six dialogue meetings were held with MDAs and LGs in FY2017/2018 to discuss findings, key emerging issues from the monitoring findings. The sector has achieved the target of 100% implementation of follow-up actions by MDAs and LGs was achieved.

**Attracting investments and markets opportunities**

1. Uganda’s FDI (BOU, UBOS & UIA, 2017) inflows increased in 2016 to US$625.7 million from US$538.5 million in 2015 (BOU, UBOS & UIA, 2017), mainly on account of an increase in equity capital. Uganda has established and strengthened its missions in strategic locations including; Kuala Lumpur, Malaysia and the Consulate in Mombasa to deepen the East African regional integration and to help Ugandan traders. The following properties have been undergoing renovation or construction since FY2015/16 and FY2017/18: the Chancery building in Dar-es-Salaam; the Official Residence – Cairo; the Chancery in Bujumbura started in September 2017; Uganda House in New York; chanceries in Juba, Brussels; Official residence and Chancery in Guangzhou; and Chanceries in Kinshasa, Abuja and Paris.
2. The sector continued to coordinate the Northern Corridor Integration especially in infrastructural development. A summit was held in FY2015/16 on the Northern Corridor Integration Projects and a number of decisions were reached, including the signing of an EPC (Engineering Procurement and Construction) Contract with CHEC (China Harbour Engineering and Construction Company) to pave way for construction of the SGR. More resolutions and agreements have been concluded in the areas of tourism, investment and export promotion, as well as mobilization of resources, amongst other economic diplomacy initiatives. For instance, Uganda signed a declaration to protect the Elephant in the National parks. As a result, ESI media will offer Uganda significant free coverage on all of its media platforms worth US$1.4million.
3. As a mechanism to reduce the high cost of regional air travel and cargo, the Sector coordinated and facilitated the signing of Bilateral Air Service Agreements (BASAs) between Uganda, Rwanda and South Sudan.
4. The sector met the target number of international fora to be attended by the Presidency. Twenty-four 24 forums were attended in 2015/16 while 26 were attended in 2017/18 against the NDPII target of 20 each year.
5. In an effort to improve the investment climate, the sector continued to engage both local and foreign investors through the Presidential Investors' Round Table (PIRT) , chaired by H.E. the President.

**Attracting cooperation assistance and contributions from the Diaspora**

1. In order to enhance efficiency and effectiveness in communication of Government activities, the Directorate of Information and National Guidance (DING) and Ministry of ICT Also, a new Government Citizen Interaction Centre (GCIC) was set-up to collect current data about government programs for continuous dissemination. The sector continued to host monthly Open Government Sessions (OPGs) for MDAs to directly update the public about the respective public services they render and take feed-back.

**Citizen participation in the Development and electoral processes**

1. The General Elections of 2016 were successfully held, with a total of 1,032,084 elective positions filled including President, Members of Parliament, Local Government Councils, Youth councils/committees, Women Councils/Committees, Committees for Older Persons and Committees for PWDs. However, whereas there was an improvement on 2011 election as indicated by the voter turnout for the Presidential Elections of 67.62% up from 59% in 2011, contentious issues still surfaced, such as; the legitimacy of the voters’ register, disenfranchisement (citizens in the Diaspora and the blind), boundary demarcation and the failure to fully control issues such as voter intimidation, vote buying, election violence, and access to media during elections. There were 135 parliamentary election petitions filed in the High Court, out of which 92 were concluded by the time of the mid-term review, 66 won against 26 lost. There were also 85 Local Government Council election petitions filed in the High Court/Chief Magistrate's Court, out of which 27 have been concluded, 19 won against eight lost.
2. The 2016 electoral reform process had challenges of late presentations of proposed legislations to Parliament, alleged non-inclusive debates and late commencement of legislations. . In particular, the amendments to the Presidential, Parliamentary and Electoral Commission legislations were concluded late in June 2014 with just 7 months to the general elections.
3. There has been improvement in the relationships between the State and the citizenry as a result of various engagements with the citizens, particularly the youth, in an effort to raise their ideology level through patriotism training and monitoring activities in 442 patriotism clubs. In addition, MoES provided Young people with employable skills UAHEB 13,084 and UBTEB 80,078 under the Presidential initiative on skilling the youth. Green Incubation Centres (Songhai Model) in Kampiringisa has been established. Prof. Rev. Godfrey Nzamujo, the founder of Songhai Model and Centre has been contracted to design and set up Kampirigisa rehabilitation centre land as a model site. The model is utilizing local labour (women and youth) especially those being rehabilitated at Kampiringisa.

**Improve democracy and governance for increased national stability**

1. The Mo-Ibrahim Index of African Governance 2017 (Mo Ibrahim Foundation, 2018) showed that Uganda’s governance systems dropped one position to 20th out of the 52 surveyed African states down 19th in 2015. This was mainly based on shortcomings of the 2016 general elections. However, regional peace and security improved as H.E. the President continued to champion Africa led solutions to African problems. He played a big role in the IGAD led process to finding lasting peace solutions in South Sudan. During the period under review, H.E the President was appointed by the 3rd Extra-Ordinary Summit of the EAC Heads of State to lead and facilitate dialogue at the highest level in a bid to find a lasting solution to the current political situation in Burundi. Relations improved along the Democratic Republic of Congo/Uganda border in Bunia following the Joint technical committee dialogue that created a conducive environment for the realization of NDP II Priority in minerals, agriculture, tourism and investment.

## Security

**Improve capability of defence and security forces**

1. The sector continued to undertake projects of strengthening its capability by procuring necessary logistics in the right quality, quantity and time for staff including those in African Union Mission in Somalia (AMISOM). The sector thus refurbished, maintained and operated Aircraft at the desired levels. In the review period, bulky procurement of necessary logistics for the soldiers both in operations and non-operation areas was undertaken. Hence, the weapon system coverage, speed, and accuracy is rated high by FY2017/18. In addition, the proportion of the staff capacity enhanced increased from 12 percent in FY2012/13 to 23 percent in 2017/18 which is above the NDPII target of 20 percent. Staff were trained and retrained in different courses both inland and abroad. There was also an increase in the number of recruits trained from 3000 recruits in FY2016/17 to 4,000 in FY2017/18. There was also training for the 4,000 LDUs.
2. There is slow progress on the establishment of the National Defence College and Institute for Security Studies (ISS). To date, a committee to spearhead establishment of the NDC was established.

**Strengthen internal and external security**

1. The general national security and political situation in Uganda remained peaceful and stable. The country did not have any internal armed conflict hence the peace and tranquility being enjoyed. This was partly dependent on the coalition of all the security forces in the country, that is, the Joint Intelligence Committee (JIC), Joint Operations Committee (JOC), National Security Council (NCS) and Joint Anti-Terrorism (JAT) that ensured collaboration between the security forces in the country. The level of public confidence in the security system in the review period was however, rated high and the target could not be fully achieved because of isolated incidents of kidnaps, killing of women in Wakiso and panga wielding gangsters in greater Masaka. Furthermore, the

**Enhance defense and security infrastructure**

1. There has been an improvement in the level of satisfaction of the defence and security personnel from 15 percent to 60 percent. This was also higher than the NDPII target of 48 percent in 2017/18. This is partly attributed to timely payment of salaries, pensions and gratuity, provision of formal education to soldiers and fallen comrades children and provision of improved Medicare to the staff and family.
2. Currently, 70% of air force physical infrastructure has been constructed. The progress is in: National radar-project- Atto hills, Nsamizi, Sungira, Kigulyaa and renovation of Air force staff quarters and Air base infrastructure at Nakasongola. Some administrative structures have been renovated in various UPDF units and formations
3. Construction of a national military referral hospital is ongoing while ten health centres are under renovation across the UPDF barracks.

**Enhance Research and Development (R&D)**

1. The sector has continued to carry out innovation and prototype development under the Luwero Industries Limited (LIL) and TISU to match the technological advancement of potential adversaries. Expenditure on R&D slightly increased from 5 percent in 2012/13 to 7 percent in FY2017/18. There was also a 90 percent improvement of weapons and equipment.
2. Equipping and facilitating the Defence Research, Science and Technology Centre (DRSTC-Lugazi) and the Nakasongola Avionics Research Centre remains average. However, DRSTC-Lugazi and Nakasongola Avionics Research Centre remains operational under UMEC and Uganda Air force Academy (UAFA), respectively.

**Enhance production for wealth creation and self-sustainability**

1. The Ministry has developed a comprehensive strategy on how to set up silos as a mechanism to produce food in the army. Currently, NEC is producing Uzima water that is being consumed by UPDF. However, the sector is at 1 percent level of self-sufficiency in force Rations and below the 5 percent target. In addition, the sector engaged in production projects that include: furniture, cattle fattening and pharmaceutical. Despite all these interventions, the percentage of defence industrial production to GDP of 1.2 in the FY216/17 was not achieved. The sector embarked on the development of UPDF Standards during the FY2016/17 to cater for the management of construction and infrastructure development under Joint Standard Operating Procedure 4 (JSOP 4).

**Establishment of National Service**

1. This objective was planned to be achieved through; developing and implementing a National Service System and Reviewing policies and legislation for the reserve force. However, to date, there was no progress reported on the planned National service. On the other hand, the Reserve Force (RF) is now fully operationalised under GOC i.e. former crime preventers are being re-organised to boost reserve force.

**Improve Administration, Policy and Planning**

1. The Ministry of Defence (MoD) undertook two Policy reforms including development of draft UPDF Amendment Bill, 2017 and the review of the 1992 NRA Establishment. The sector provided welfare to the troops and their families in order to boost their morale. This included: timely payment of salaries, allowances and other emoluments, provision of medical care and formal education for the Troop’s children. In addition, the Ministry in a bid to improve its Medicare procured more Ultra sound systems and scanners, X-ray, biomedical lab, theatre, dental equipment and 04 pieces of oxygen concentrators.
2. The International Humanitarian Law (IHL) was domesticated in the syllabus of the training courses at PSO TC. This is ongoing since government deploys troops in missions and it’s a must for them to understand humanitarian law.

## Works and Transport Sector

1. Government’s focus over the NDPII period is addressing the challenge of inadequate physical infrastructure which will in turn reduce the cost of doing business. The Works and Transport Sector is therefore a key and priority sector identified to drive Uganda’s economy since an efficient and effective transport infrastructure and services facilitates domestic and international trade, contributes to national integration and provides access to markets, jobs, health, education and other essential social services. The national transport system comprises of road, rail, air and water modes of transport. And as such, the main objectives of the NDPII included: developing adequate, reliable and efficient multi modal transport network in the country; Improve the human resource and institutional capacity of the Sector to efficiently execute the planned interventions; Improve the National Construction Industry; Increase safety of transport services.
2. The KRAs for the transport sector are measured through increase in the total paved national road network (km); proportion of functional railway network; and both international and domestic air passenger traffic. According to the NDPII, the paved national road network is targeted to increase from 3,795 to 5,292 km; increase in proportion of paved national to total national roads (%) from 16.6 to 25percent; increase in proportion of paved urban roads to national roads from 3.6 to 4.3percent; and increase in proportion of paved KCCA roads to total KCCA roads from 38.4percent to 46.6percent. For the railway transport, the NDPII target increase in the proportion of functional railway network from 51 percent in FY2012/13 to 59.2 percent by FY2017/18 and ultimately 79 percent by end of NDPII. Against this background, we provide the performance along the above objectives over the mid-point of the NDPII period by firstly considering the works and transport sub sectors and ultimately the overall sector objectives.

### Roads

1. The road network is the backbone of the transport system in the country. The total national road network is estimated to be 144,785 km of which 5,791km or 4 per cent is paved. The total national road network is categorized as National Roads (20,544 km), District Roads (33,566 km), Urban Roads (10,108 km) and Community Access Roads (78,567 km).
2. Within the roads sub sector, the NDPII identified objectives of developing adequate, reliable and efficient multi modal transport network in the country. This is to be achieved by improving the condition of Paved National Road Network from 77 percent in FY2012/13 to 80 percent in FY2017/18 and 82 percent in FY2019/20; increase the proportion of paved national roads to the total national road network (%) from 16.6% in FY2012/13 to 22.36% percent in FY2017/18 and 25 percent in FY2019/20; increase the Total paved national road network (km) from 3,795 km in FY2012/13 to 4977km in FY2017/18 and 6000km in FY2019/20; increase the percentage of unpaved District Road Network in fair to good condition from 65.3 percent in FY2012/13.63 percent in FY2017/18 and 68 percent in FY2019/20 (see annex).
3. During the NDPI period, a total of 796km of paved roads was added against the target of 1,100km. By the first year of the NDPII, the total paved national road network (km) had increased to 4,157 km, including 178.1km constructed in 2015/16. The proportion of paved national roads increased to 20.2 percent in 2015/16 from 18.5 percent in 2012/13. There was an improvement in the transportation system in the country as indicated in table 4.2. During the period under review, the condition of paved and un paved road National road network improved from 77 percent to 80 percent and 66 percent to 70 percent in 2012/13 and 2016/17 respectively. These in addition surpassed the NDPII targets of 79 percent and 66 percent 75 respectively.
4. By the mid-point of the NDPII, the proportion of paved national roads to the total national road network (km) was above the NDPII target. For the half-year implementation of the NDPII, the proportion of paved national roads to the total national road network improved from 16.6 percent in 2012/13 to 21 percent in the second year of NDPII implementation and then 22.5 percent in FY2017/18. The performance of the FY2017/18 surpassed the target by 22.3 percent. As a result, the condition of paved National Road Network in fair to good increased from 77 percent in FY2012/13 to 97 percent in FY2017/18 above the target of 80 percent. On the other hand, the proportion of paved KCCA roads to total KCCA roads have remained below the annual targets of the NDPII. Overall, the total paved national road network was 4,551km below the target of 4,977Km representing 91.4 percent performance. This is attributed to delayed compensation of Project Affected Persons (PAPs) and thus leading to the delay in completion of various road projects.
5. Within the half -year implementation of the NDPII, construction of six (6) bridges on National Roads have been completed and these include the following. (i) Apak bridge in Lira District; (ii) Manafa Bridge on Tororo-Mbale road; (iii) Goli and Nyagak in Nebi; (iv) Leresi bridge in Butaleja-Leresi-Budaka road; (v) Kabaale bridge (linking Kyankwanzi to Ngoma in Nakaseke); (vi) Aswa Bridge on Lira-Kitgum border. The New Nile bridge - 525m long cable-stayed bridge that was identified in the Vision 2040 and for implementation as a project NDPII was commissioned in 2018. The is the second of its kind in East Africa after Tanzania’s 680m-long Kigamboni.

### Railway

1. By mid-point of the NDPII, the Proportion of freight cargo by rail (%) has remained below the NDPII targets with the sector attaining 12.6 percent of the freight cargo against the FY2017/18 target of 22.1 percent. Similarly, the proportion of functional railway network (%) has remained at 25.7 percent against the NDPII target 59.2 percent. During 2015/16, the Government signed a contract to develop the Eastern (Malaba-Tororo-Jinja-Kampala) and Northern (Tororo-Mbale-Soroti-Lira-Gulu-Nimule/Pakwach) Standard Gauge Railway lines. The country aspires to have a multi-lane Standard Gauge Railway system with high speed trains using the latest technology for both passenger transport and cargo freights by 2040.
2. The Standard Gauge Railway (SGR) Project is a Government Project established by Cabinet Minute 107 (CT 2015) to develop a modern, integrated, and efficient railway transport system to address both the freight and passenger transportation needs of the country. In 2014, Uganda together with her Northern Corridor Partner States of Kenya, Rwanda and South Sudan signed a Regional SGR Protocol to develop a seamless transport system interconnecting their cities as well as connecting them to the coast. DR Congo and Ethiopia also expressed interest in joining the initiative. Uganda ratified the Protocol through Cabinet Minute 62 (CT 2015). In October 2015, Loan application was made to EXIM Bank of China. First round of loan negotiations was held in April 2016 in China. Comments of the Bank on the loan application were being addressed by close of financial year, and the financing agreement was not yet signed. The acquisition of the Right of Way (RoW) commenced in February 2016. By the end of the FY, 100km out of 273 required RoW had been acquired from Project Affected persons, and NEMA. RAP has been completed for the 82.4 percent of entire route. Review of the Eastern Route construction plan and consultancy services for seismic studies were completed by close of the FY 2016/17.
3. Furthermore, a bilateral agreement regarding the seamless and joint railway operations between Uganda and Kenya was signed. Key issues agreed upon include; a harmonized construction plan, electrification, joint and seamless operations, construction of bridge at Malaba, and construction of a Railway one stop border post, customs and trade. The Financing agreement for construction of the SGR line has not been signed yet. However, negotiations are in advanced stages. Issues raised by EXIM Bank which included harmonization of construction time lines & plans with SGR Kenya were addressed. The project is however, behind schedule and may not be completed in the stipulated NDPII period.

### Air Transport

1. There has been an improvement in air transport measured by increase in the volumes of international air passenger traffic, domestic air passenger traffic and international air cargo traffic. The volume of international air passenger traffic increased from 1,342,112 in FY2012/13 to 1,591,660 in FY2016/17, and then 1,700,624 in FY2017/18, representing an increase of 26.7 percent. Similarly, the volume of domestic air passenger traffic increased from 13,780 in FY2012/13 to 15,968 in FY2016/17 and then 22,232 in FY2017/18 above the target of 18,341, representing an increase of 61.3 percent.
2. The NDPII envisaged improvement of the tourism support infrastructure and services through development and expansion of Entebbe International airport. Entebbe International Airport is the main entry and exit point for international air traffic in Uganda. By end of June 2017, the expansion and upgrade of the Airport was at 13.8% as an overall physical progress. This included completion of 95% of earthworks for the cargo center complex, and completion of all preliminary designs for cargo center, terminal building and air craft movement areas. Additionally, detailed designs for the cargo center was also completed while works on Apron 1 expansion commenced. Although there are fourteen (14)7 national airports in the country which are managed by Civil Aviation Authority (CAA), the NDPII planned to have a Master Plan and Engineering Designs for Arua Airport developed. By end of FY2016/17, the report for detailed Engineering designs for Arua airport was completed, 98% of PAPs were compensated, Construction of staff quarter were under procurement, while bids for perimeter fencing of the Airport were being evaluated.
3. The NDPII anticipated a need for a national airline (strong home-based airline) to enable EIA develop into a hub. The airline is highlighted in the NDPII as one of the flagship projects expected to drive Uganda towards its medium to long-term development goals. And as such, in FY2018/19 the Uganda Airline was revived with purchase and arrival of initial two CRJ900 planes from Canadian aircraft manufacturer Bombardier. The national carrier will have the opportunity to facilitate growth of the sector by providing the necessary connectivity for business and the public to regional and international destinations accordingly.

### Works and Transport at Local Government

1. While the ministry is expected to initiate, develop and implement policies, local governments rather engage in decision-making processes, management, and maintenance of infrastructure. Local governments are also expected to mobilize and ensure participation of communities in selecting infrastructure priorities and in activity implementation. To adequately execute their duties, local governments require input and support from the ministry “center” alongside key international development partners who are instrumental in planning, financing and providing technical assistance during project implementations.
2. The evaluation findings highlight a number of key international development partners who have supported works and transport sector activities in various local governments both under NDPII, a summary of these has been is presented in table 34.

**Table 34: Development partners in Works and Transport at Local government level**

|  |
| --- |
| **Sector key International Development Partners** |
| 1. AfDB 2. Busoga volunteers 3. DANIDA 4. DRDIP 5. IFAD 6. IFDC 7. Islamic Development Bank 8. JICA 9. NUSAF 3- watersheds 10. Plan international 11. RTI 12. Sanitation for Health 13. UNHCR 14. USAID 15. World Bank 16. World Vision |

***Source: Survey data***

1. The evaluation exercise also sought to establish key projects being implemented by the works and transport sector. Among these included; grading of various road links; 1) periodic maintenance of district roads (through road sealing, culvert installation); 2) bridge construction and rehabilitation; 3) mechanized and manual routine maintenance; 4) maintenance of district feeder roads (including spot murraming); and 4) capacity building on low cost seals.
2. From the various project interventions, strategies and outputs articulated to address the main sector objectives, remarkable achievements have been realized at local government level. A synopsis of these during NDPII following the evaluation exercise is presented in table 35.

**Table 35: Key Local government achievements within the infrastructure sector**

|  |
| --- |
| **NDPII** |
| 1. Improved road network (Through new Constructions, routine maintenance, and rehabilitation) 2. Construction and maintenance of community/ feeder roads 3. Construction of embankments 4. Simplified monitoring of government projects 5. Received road equipment 6. A number of bridges constructed 7. Improved road length 8. New roads opened |

***Source: Survey data***

1. Despite of a number of works and transport achievements experienced by different local governments, there are challenges that constrain effective service delivery within the sector. The evaluation study attempted to explore these hindrances and the findings have been summarized in table 38 under NDPII.

**Table 36: Key Local government challenges within the infrastructure sector**

|  |  |
| --- | --- |
| **NDPII** | |
| 1. Poor Operation & Maintenance of roads. 2. Under staffing. 3. Development projects are not participatory. 4. Inadequate level of funding. 5. Budget cuts (fluctuating/reducing IPFs). 6. Lack of office space. 7. Poor and insufficient road equipment. 8. Inadequate transport facilities. 9. Encroachment on road reserves. | 1. Poor terrain, poor soil texture, landslides. 2. Bad weather characterized by floods. 3. Lack of partners in road construction. 4. Policy challenges. 5. Untimely release of resources. 6. Under developed structure for the water sector. 7. Lack of community participation in maintenance. 8. Low capacity for human resource and contractors. 9. Land compensation challenges. |

***Source: Survey data***

**Table 37: Suggested measures to improve achievement of planned results**

|  |  |
| --- | --- |
| **Works and transport** | |
| **Medium term (5 years)** | **Long term (more than 5 years)** |
| 1. Timely release of funds 2. Provide improved necessary equipment 3. Increase levels of funding ( lobby funds for rehabilitation and maintenance and also increase IPFs) 4. Follow timelines 5. Training contractors and overall staff capacity building 6. Filling staff gaps (increasing the wage bill) 7. Construct piped water systems 8. More participatory planning 9. (use bottom-up approach in planning) 10. Tarmacking of tourism roads 11. Develop national priorities from local priorities 12. Provision of marine services 13. Annual and mid-term assessment of planned interventions and better monitoring and assessment 14. Direct procurement of local materials 15. Community sensitization on participation | 1. Revise the road policy 2. sustainable funding ( lobby funds for rehabilitation and maintenance and also increase IPFs) 3. Provide improved necessary equipment 4. Increase regional mechanical workshops 5. Research on alternative surfacing material and adopt new technology in road construction 6. Follow timelines 7. Training contractors and overall staff capacity building 8. Better monitoring and assessment 9. Create awareness on maintenance 10. Timely submission of reports 11. Demarcation of road reserves 12. Develop national priorities from local priorities 13. Annual and mid-term assessment of planned interventions 14. More participatory planning (use bottom-up approach in planning) 15. Acquire transport facilities |

***Source: Survey data***

## Public Sector Management

1. In the NDPII period, government committed to increasing access to quality public services by strengthening mechanisms for quality, effective and efficient service delivery. The number of reforms by government are yet to yield the results as the Government Effectiveness Index slightly worsened from -0.57 in 2012/13 to -0.58 in 2017/18 implying that the target of 0.01 in FY2019/20 will not be achieved.
2. Corruption has remained high at various levels of Government with Uganda’s ranking moving down from 130 out of 180 countries in 2009 to 149 least corrupt nation out of 175 countries in 2018. Uganda’s scores on the Corruption Perception Index (CPI) have been oscillating between 24 and 29, indicating a persistent high level of corruption in the country. Corruption perception score by Transparency International although improved from 25 percent in 2015/16 to 26 percent in 2017/18, it is far below the overall target 0f 35 percent in FY2017/18 and 37 percent in FY2019/20. The score is also below Kenya and Tanzania at 28 percent and 36 percent, respectively.
3. According to the global Gender Gap Index (GGI), Uganda’s rank improved from 88 out of 142 scoring in 2014 to 61 position out of 144 countries in terms of addressing gender gap. Uganda Vision 2040 points out that in spite of progress in the political and decision making arena, other conditions sustaining gender inequality in Uganda remain salient, including: gender disparities in access and control over productive resources like land; limited share of women in wage employment in non-agricultural sectors; sexual and gender-based violence; limited participation in household, community and national decision-making.
4. Public trust in Justice, Law and order (JLOS) increased from 49 percent in 2016 to 59 percent in 2017/18. This is in tandem with the 2020 target of 55 percent. In addition, public satisfaction with JLOS services improved from 72 percent in 2016 to 78 percent in 2017/18 as well as increase the index of judicial independence from 3.41 in 2017 to 3.42 2018 (World Competitiveness Report, 2018).

**Improve coordination, and harmonization of policy, planning, budgeting, and M&E at national and local levels**

1. During Second National Development Plan (NDPII), government committed to realizing coherent policy development and implementation, planning and budgeting. Government continued to implement a number of reforms including ensuring that the budget instruments’ aligned to the NDP. To this end, alignment of Annual Budgets to the NDPII over the last three years averaged only 60.4 percent having declined from 68.3 percent in FY2015/16 to 54 percent in FY2017/18. This is below the 70 percent pass mark. In addition, the proportion of Sector Strategic Plans, MDAs and LG plans aligned to NDPII improved from 23 percent in FY2016/17 to 82 percent in FY2017/18 against the NDP II target of 70 percent but below the annual target of 100 percent. While this weak alignment is attributed to poor performance in terms of attainments of anticipated results, weak budget allocation and expenditure performance, there are other factors that have led to this weak performance. Sectors and local governments continue to plan and budget for outputs that are not provided for in the NDP. In addition, prioritized interventions and core projects continue to receive little or no funding. Government rolled out the Programme Based Budgeting System to all Sectors, Ministries, Departments and Agencies and Local Governments.
2. On average, the AB expenditure is 81 percent of the NDPII planned expenditures at over three years of its implementation. This situation is worse for the NDPII priority sectors that have spent only 59 percent of the NDPII planned expenditure. The prioritization therefore loses meaning as financing is business as usual.
3. Government through the Office of the Prime Minister (OPM) continued to coordinate government programmes. OPM as the leader of government business in Parliament organized Strategic inter-ministerial coordination meetings for the Prime Minister and facilitated Coordination Platforms such as Policy Coordination Committee (PCC), Policy Committee on Environment (PCE), Prime Ministers Private Sector Forum. It further conducted Political monitoring of implementation of government policies and programmes in the districts and coordinated Government Business in Parliament. Additionally, OPM steered coordination meetings across MDAs to improve service delivery, presided over the implementation of the Community Based Monitoring Fora (Baraza Initiative) in Sixteen (16) District Local Governments, held Inter-Ministerial meetings on Environment, Presidential Affairs, Tourism, Competitiveness and ease of doing business.
4. Government is yet to fully develop and operationalize a National value System. Nonetheless, the sector in collaboration with the Ministry of Gender Labour and Social Development (MGLSD) implemented interventions along the national value system which include; commemorating International Literacy Day; launched Year of the Family, 2017 Roadmap; conducted International Cultural Fare; and facilitated Consultations on the report on the bark cloth making in Uganda.
5. With respect to M&E reports, the sector produced a number of reports which include; Half and Annual Government Assessment Report (H/GHAPR), National Development Reports (NDR), Pulse of the Economy Report and issued a Certificate of Compliance of the Annual Budget for the NDPII period. Other reports finalized include; National Carrier Airline feasibility study; African Peer Review Mechanism (APRM) Country self-Assessment Report and field monitoring reports. In the same reporting period, Evaluation of the Universal Primary Education programme was conducted by NA.
6. The National Planning Authority (NPA) further finalized three (3) planning frameworks including: The National Development Planning Regulations, 2017; Export Promotion and Development Strategy; and the Human Resource Development Planning Framework. In addition, 6 Presidential Economic Council (PEC) papers were produced, these are: The Revival of the National Carrier Airline; Towards A Hunger Free Uganda Society; Policy Implication for Increasing Food and Nutrition Security (FNS); The Goal of Middle Income Status and what it means for Uganda; Unlocking Uganda’s Export Potential; and Revival of Cooperatives as engine of Agriculture Transformation in Uganda.
7. In the review period, the planning process at the National and LG levels has been systematically coordinated. Specifically, NPA reviewed development plans across government institutions and trained LGs on the use of LG Planning Guidelines and preparation of LG plans.

**Attract, recruit, develop and retain a highly-skilled and professional workforce for effective and efficient service delivery in the public service**

1. During the period under review, the sector formulated and reviewed human resource policies that include: schemes of service for the Nursing and Administrative cadres; and performance management tools which were linked to the Balanced Score Card perspectives. Furthermore, performance contracts were introduced and rolled out to public officers in salary scale U1SE. the Ministry of Public Service further produced draft policies in the review period that include: (i) Fleet management; (ii) Dress and appearance code; (iii) Alternative Pay Strategies; (iv) Guidelines for SACCOs; and (v) Retirement age for Health Professionals and Salaries and Allowance (Specified Officers) Act). The sector in addition developed and disseminated a reward and sanction framework to all entities in collaboration with the DEI.
2. In the last two and a half years, progress has been registered in public sector reforms. For instance, the MoICT and MoPS through a collaborative effort has yielded an application in human resource management dubbed Electronic Recruitment System (ERS) to reduce the costs of hiring civil servants. The system went into operation in FY 2017/18. In addition, under the Public Service Commission, Government developed and launched a new E-recruitment system, with the intended goal of improving the Commission’s recruitment process through reduced costs, reduced processing time, improved transparency and staff efficiency. Furthermore, government launched an e-recruitment system dubbed; External Employment Management Information System (EEMIS) to facilitate externalization of labour.

**Improve public service management, operational structures and systems for effective and efficient service delivery**

1. In the NDPII period, President Yoweri Museveni ordered for a review of the public service with a view of scrapping, downsizing and merging government agencies and Authorities to reduce wastage of Uganda’s meagre resources. He argued that mushrooming government agencies were a burden to taxpayers. The proposed merger of government agencies, authorities and commissions was projected to save the country up to UGX988.1 billion. Up to 53 agencies were subsequently listed for possible mergers. A report was developed and implementation planned to last 3 years.
2. During the review period, Structures of the Ministry of Education, Science, Technology and Sports and its affiliated Institutions, newly created Districts (9), 19 Municipal Councils, 32 Town Councils and 9 mother Districts were reviewed. Cataloguing of the Disaster Preparedness and Refugee Management Systems in OPM was undertaken and Job Evaluation report for Public Universities (Gulu, Lira, Muni, Busitema, Kabale and Kyambogo) were also produced and submitted to Cabinet. The National Records Centre and Archives were operationalized and the National Records and Archives Act, 2001 was amended.
3. The Government Citizen Interaction Centre (GCIC) was made fully operational with the Call Centre and Knowledge management modules completed. Three Telecommunication companies; MTN, Airtel & AfriCel were connected and the User Acceptance Tests and operations of the GCIC commenced. Additionally, 140 Wi- Fi sites (hotspots) were activated on a wireless Metropolitan Area Network code named MYUG sites and these were continuously monitored to ensure effectiveness, efficiency and sustainability of the MYUG free Wi-Fi. The network is made available for free to the public during off peak hours (6.00pm – 6.00am daily).
4. A licensing framework for Content Service Providers, standards for Digital Video Broadcasting (DVB) receiver equipment, draft Policy on the use of internet, email and social media were developed and broadcasting standards and guidelines were reviewed. This was envisaged to ensure that the regulatory frameworks support the growth of the media industry, taking cognizance of the changing business and operational environment. Nevertheless, a National Media Development Strategy that addresses the existing gaps in standards, quality and responsible media has not yet been developed as planned in NDPII.

**Steer Uganda’s Regional integration agenda in accordance with objectives of the treaty for establishment of East African Community (EAC)**

1. This aimed to improve market access of Ugandan products and services within the region. In 2017, African continent remained the main destination of Uganda’s Total exports, followed by Europe and then the Middle East during the period under review. Specifically, the Common Market for Eastern and Southern Africa (COMESA) regional bloc remained the main destination for Uganda’s exports throughout the last years under review. Formal exports increased by 20 percent from USD 1,263 million in 2015 to USD1,522 million in 2017. However, in the COMESA bloc, the leading export destination country was Kenya accounting for 20.1 percent, followed by D.R. Congo with 13.3 percent in 2017.
2. This was achieved as a result of harmonizing priority laws identified to conform to the EAC Common Market Protocol. Specifically, 7 laws were amended. In addition, a verification mission of NTBs and assessment of goods for standards was conducted while an ESC meeting on the free movement of persons was held. The sector also participated in regional meetings on non-tariff barriers and reports were produced under the Protocol on ICT Networks. Under compliance with implementation of EAC decisions and directives, council and sectoral council decisions were communicated and implementation was monitored. By end of the review period, no progress was reported on the development of the national communication strategy on EAC integration. Nevertheless, progress reports were prepared in relation to the implementation of the Protocol on Kiswahili.
3. During the 18th Summit of the Heads of State of the EAC, held on 20th May 2017, in Dar es Salam, Political Confederation was adopted as a transitional model of the East African Political Federation and the Summit directed the Council of Ministers to constitute a team of Constitutional experts to draft the Constitution for East African political confederation.

**Coordinate the development of capacities for mitigation, preparedness and response to natural and human induced disasters**

1. The National Emergency Coordination and Operations Centre (NECOC) effectively provided early warning information and equipment on the disaster prone areas of the country. As a result, the average response time to disasters of 25 hours was registered. The Office of the Prime Minister (OPM) coordinated the development and implementation of humanitarian interventions through the coordination framework for all agencies. Communities were also trained to improve community preparedness and disaster capacities for resilience in Local governments. The sector continued implementing affirmative action programs for affected areas in an effort to support livelihood for these communities.

**Enhance national response capacity to refugee emergency management**

1. The country experienced high refugee influx in the review period. The sector produced a Policy draft document which was ready for validation. In absence of the policy, legal and regulatory frameworks like the 2006 Refugee Act and 2010 Refugee Regulations have played a fundamental role in allowing integration of refugees within host communities with refugees having access to the same public services as nationals. They have freedom of movement and are free to pursue livelihood opportunities, including access to the labour market and to establish businesses.

## Lands and Housing Sector NDPI Performance

**Physical Planning and Urban Development 2015/16 – 2016/17**

1. The structure of NDP-II was simplified and improved over NDPI. Objectives and planned interventions were narrowed in scope and reduced in number. Many were carried over from NDP-I and as a result the score card for NDP-II even at this mid-term point looks better as a number of previously delayed interventions are undertaken. However, achievement of many of the key objectives regarding plan preparation are progressing slowly due to an almost complete lack of Development funding being made available for these specific activities.

**Summary of Progress: PP&UD in GKMA and KCCA - NDPII**

1. The review of these portions of NDP-II focus on the Physical Planning and related Urban Development components. The majority of Objectives and planned Interventions, while definitely part of holistic urban development, are covered by other NDP and Diagnostic Study sectors. It is noted that governance, physical planning, infrastructure, economic development, social development, and environmental management are all presented together under GKMA’s and KCCA’s Urban Development Objectives and Goals, and particularly in the comprehensive KCCA Strategic Plan 2014/15 - 2018/19. This is the type of integration that is required to ensure well-coordinated and sustainable development. However, this type of integration now has to be captured by NPA and the MOF to ensure Vote structures and prioritized resource allocations support the approach. What is missing is reference to planning integration, both physical and economic, with the hinterlands beyond GKMA, the Central Regional Physical Development Plan (yet to be prepared) and the NPDP currently being finalized. Neither KCCA nor GKMA are receiving adequate financial support from central government commensurate with the capital city’s lead role in national development and the economy.
2. KCCA’s Strategic Plan 2014/15 - 2018/19 is a particularly comprehensive document, and while not specifically placing physical planning in the umbrella position it should occupy, is referenced to and integrated throughout. The strategy has projects addressing informal settlements, strategic corridors such as the Entebbe-Kampala link, climate change and disaster risk management as well as the need for increased protection for wetlands. Kampala has lost close to 50% of its wetlands in recent decades to uncontrolled or ill-conceived development and that is having direct effects not only on the city’s own drainage and healthy environment situation, but causing significant environmental damage to Lake Victoria with the loss of the valuable filtration services that wetlands provide. Topics discussed in Sections 8 and 9 of this report apply to Kampala as much or even more than to other urbanizing centres in Uganda given its central importance.
3. Note that failure to secure oft-requested KCCA meetings for this study may have resulted in underreporting this section. At the same time, many of the physical planning and development exercises being carried out by KCCA are not reflected in the NDPs and therefore not being diagnosed by this study.

Table 38: NDPII progress on PP&UD

|  |  |  |
| --- | --- | --- |
| **Objective** | **Intervention** | **Achievement** |
| Operationalize the Physical Planning Act 2010. | Develop, implement National Physical Development Plan (NPDP) | Nearing completion. Implementation will have to extend over many years. |
| Develop, implement 4 Regional Development Plans | 2nd nearing completion, 2 remaining need funding. Completion and implementation prioritized through NDP-III |
| Develop sub-regional plans for two key corridors. | Not prepared. |
| Develop and implement District Physical Development Plans | 138 needed, 3 complete, 6 more funded or being procured. |
| Set up GIS unit and undertake training. | Underway under World Bank USMID project. LIS Centre established. |
| Improve urban and rural development through comprehensive physical planning | Various capacity building and participation programmes proposed. | Good start (14 municipalities) under USMID-1 and USMID-2 already proposed to extend into NDP-III. |
| Improve policy framework for urban management. | Complete National Urban Development Policy (NUDP) and Strategic Urban Development Plan (SUDP) | NUDP approved in 2017. SUDP not prepared, but a start forms part of the nearly completed NPDP. |
| Develop planning standards and guidelines for several levels including public participation. | Being prepared by MLHUD. Completions date not known. |
| Improve and strengthen competitive urban economy | PPPs for strategic urban infrastructure projects. | Limited success with early attempts. PPP capacity building needed |
| Develop a framework for planning trans-boundary infrastructure. | Not in place, but several pending international projects and migration issues require it |
| Increase availability to serviced land. | Establish urban land banks. | Not achieved |

**Housing and Urban Development**

1. The housing sector has continued to play a great role in fixed capital formation; employment creation; macroeconomic stability; enhancing quality of life and productivity of the population. However, there remains shortage of affordable and decent housing; prevalence of slums and informal settlements; and a predominance of rental housing in urban areas. NDR 2016/17 indicated that it is estimated that Uganda has about 7.3 million households living in 6.2 million housing units with an average household size of 4.7 persons. The national occupancy density is estimated at 1.1 household per housing unit, giving a total backlog of 710,000 housing units. There is also an estimated backlog of 900,000 housing units as a result of sub-standard houses and structures which were never meant for human habitation. Out of a total backlog of 1.6 million housing units, about 210,000 units are in urban areas while 1.395 million units are in rural areas.
2. During the period under review, the progress made under the housing sector include: the National Housing Policy has been developed and it is guiding housing developments in the Country since 2015; 42 districts have benefited on the National Housing Policy dissemination exercise where strategies to enhance Housing development have been integrated in their respective District Development Plans; 25 communities have been mobilized to form Housing Cooperative societies leading to increased home ownership; 80 condominium plans have been vetted; 200 prototype plans have been disseminated to 40 districts leading to a reduction in architectural costs hence increasing housing development; 65 districts sensitized on condominium property law and regulations; a feasibility study was done as part of the process to establish a Mortgage Liquidity Facility for Uganda; technical support has been extended to several MDAs and recapitalization of Housing Finance Bank (UGX. 30bn) and payment of subscription to Shelter Afrique was done.
3. Although housing and urban development has significantly contributed to economic growth allocations to the sector were less than 1% of the overall budget throughout the period of the NDPI. A simple score card for goal and intervention achievements during NDPI for the lands and housing sub-sector would fall below 50%. Only a limited number of the proposed goals were fully, or in several cases even partially, achieved implying a less than satisfactory performance. The failure to adequately deliver the targets was a result of internal and external challenges such as absence of appropriate monitoring, evaluation and review mechanisms, a lack of feedback mechanism for policy formulation, and implementation of programs and projects. In addition, the sector lacks appropriate indicators for policy monitoring, evaluation and review.
4. The housing sector is challenged by the continuously growing demand for housing in urban and rural areas, coupled with slow and expensive formal housing supply in urban areas, and by the simultaneous sprawl of unsustainable house construction in rural areas. Constraints leading to problems in housing include rapid population growth and the high rate of migration to urban areas, land tenure and cost, housing finance, the low income of prospective house buyers, and the low priority for housing.
5. To alleviate these problems, government will need to join hands with the private sector to facilitate investments in housing by expanding access to and improving the quality of existing stock, while at the same time making it easier for people to access land and housing finance. This report recommends that targeted interventions in the informal market can bring rapid improvements in the quality of existing housing stock in a number of urban areas in Uganda.

**Land Administration and Management Services**

1. The existing land law vests land ownership in the hands of the citizens. The review notes the pressure on land resources arising from Uganda’s rapidly growing population and the attendant socio-economic problems such as land fragmentation, increasing land disputes, loss of forest cover and environmental degradation, poor agricultural yields, constraints in physical planning, among others. As such, to acquire any land for public use such as roads, open spaces and industrial parks, there has to be adequate compensation of the land owner.
2. Although the NDPI considered it a complementary sector during the NDPI period, the allocations to the sector continued to be less than one per cent throughout the plan period. During the period under review, the progress registered included: decentralized lands offices and thereby constructed 10 new Ministry Zonal Offices (MZOs); developed the National Land Information System and operationalized 14 Ministry Zonal Offices which have been equipped during the period of NDPII implementation. In addition, there has been an improvement in the quality of land surveys through Modernized and improved the Uganda Geodetic Reference Framework including the establishment of 12 Continuously Operating Reference Stations (CORS) across the country and Production of orthophotos/basemaps for the entire Country which have been integrated into the Land Information System (LIS). This has helped to reduce overlaps and issuance of titles in restricted areas. Furthermore, the systematic Land Adjudication and Certification (SLAAC) exercise has been rolled over to 32 parishes and is expected to lead to issuance of 75,000 titles. This exercise supports land tenure security across the country which leads to increased agricultural productivity.
3. In addition, National Land Policy and implementation guidelines are in place and are being disseminated across the Country and is expected to increase knowledge on land matters amongst the citizens thus peace and harmonious co-existence in the Country. International border demarcation activities have been undertaken along Uganda – Rwanda; Uganda – Tanzania; Uganda – DRC; and Uganda – South Sudan whereby 6 interstate meetings have been conducted to reaffirm the international boundaries. This is meant improve the co-existence of the border communities and help the neighboring countries effectively handle administrative matters. This activity is also in line with the recommendations of the African Union which is requesting all African Countries to reaffirm their territorial boundaries to foster peaceful co-existence.
4. Although progress was made in the above listed areas, the sector continues to face challenges. The failure to deliver some of the planned interventions was due to inadequacy of funds to maintain the existing Ministry zonal offices, low capacity of land management institutions, low proportion of registered land; land disputes and lack of Property value data bank/database system to assist in valuation of property. This is exacerbated by lack of an appropriate monitoring, evaluation and review mechanism and a lack of feedback mechanism for policy formulation, and implementation of programs and projects. The inadequacies in the sector M&E processes and frameworks is demonstrated in table 39 as extracted from the sector NDP M&E matrix.

**Table 39: Land Administration and Management NDPII period**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **OUTCOME** | **OUTCOME INDICATORS** | **Baseline**  **12/13** | **Target**  **15/16** | **Actual**  **15/16** | **Target**  **16/17** | **Actual**  **16/17** | **Target**  **17/18** |
| Improved land production & productivity | Total titled land | 18 | 21.5 |  | 25 |  | 28 |
| Enhanced access to land and reduced land disputes | Number of days taken to settle land disputes |  | 20days |  | 30days |  | 40days |
| Area of land planned (Agriculture, industrial, settlement etc.). |  |  |  |  |  |  |
| Number of international cases of boarder disputes handled |  |  |  |  |  |  |
| Number of internal cases of boarder disputes handled |  |  |  |  |  |  |
| Increased access of land for development | Area of development zones (hectares) |  |  |  |  |  |  |
| Area of development zones acquired (hectares) | - | - |  | 2000 |  | 2500 |

*(table continues)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **OUTCOME** | **OUTCOME INDICATORS** | **Baseline**  **12/13** | **Target**  **15/16** | **Actual**  **15/16** | **Target**  **16/17** | **Actual**  **16/17** | **Target**  **17/18** |
| Improved land administration | % of land titled in the country | 18 | 21.5 |  | 25 |  | 28 |
| Number of Ministerial zonal offices established | 6 | 13 |  | 13 |  | 13 |
| Improved efficiency and effectiveness in delivery of land services | Time taken to acquire a land title | 52 days | 35 days |  | 32 days |  | 29 days |
| Land valuation capacity strengthened | No. of land valuers trained |  |  |  |  |  |  |
| Increased access of land by the vulnerable | Number of land titles issued by region, gender and rural-urban |  |  |  |  |  |  |
| Improved land tenure system |  |  |  |  |  |  |  |

1. Considering the figure above, gaps can be observed in the baselines, targets and actual status scores let alone the insufficiency of the indicators listed for assessing the sector performance.

**Recommendations**

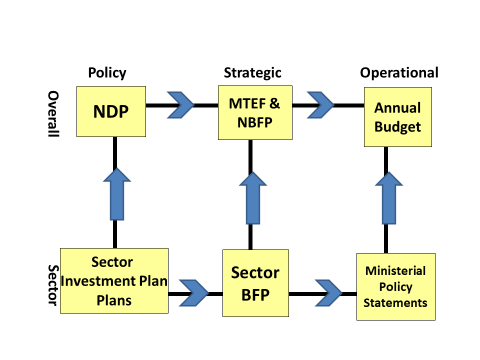
1. Two themes underlie all recommendations for future NDP work: Institutionalization and Integration. Without an emphasis on these, few others will be sustainably implemented. The following recommendations cover short, medium, and long terms. Given the relatively short time remaining in NDP-II the emphasis should be on achieving paradigm and political will shifts in preparation for moving fully ahead with these recommendations during NDPIII and beyond.
2. *Institutionalization*: aggressively promote (applies to most sectors) the entrenchment of technically well developed, appropriate, transparent, and consistent planning and development control activities to the point where they operate beyond undue political influence.
3. *Integration*: establish the ground work to ensure Economic Planning and Physical Planning are fully integrated into one Comprehensive Development Plan in NDP-III and sector spatial needs are coordinated and integrated through MLHUD.
4. *Addition of an Integrated Zonal Planning level:* the large increase in the number of LG Districts results in the gap in spatial planning scales between District and Region levels now being too wide to enable full coverage and integration. A mid-level Zonal Planning level is now recommended based on and integrated with the 22 MZOs now established across the country. The gaps in spatial scale between District, Zone and Regional would then be appropriate, albeit with the need for yet more resources.
5. *Prioritize Interventions*: utilize the remaining resources to prioritize a feasible select few of the many physical development plans that were originally proposed. Concentrate on preparing to complete all Regional Plans and prioritize District and/or Special Zone Plans.
6. *Development Control:* possibly the most critical item to be institutionalized. A major shift in political will is required. Without serious development control physical development plans will fail to have a significant impact on sustainable development as ad hoc resource depletion continues.
7. *Informal Settlement Upgrading:* this form of settlement is by far the dominant urban form in Uganda and greatly impedes orderly development of infrastructure or sustainable management of the environment and resources. Consequently, it should receive priority consideration beginning with programmes heavily based on global good practice. This is a sector strewn with failures by agencies not learning from the multitude of global lessons that exist.
8. *Climate Change Mitigation and Disaster Risk Management:* these should both be fully integrated into all future PP&UD initiatives. They are cross-cutting imperatives, not stand-alone chapters.
9. *Regional Development Planning* - Infrastructure and Migration: a formalized, active, and on-going institutional planning mechanism is required to address the growing number of international cross border infrastructure projects and human migrations; politically, economically, and climatically driven.
10. *Increasing Wetlands and Forest Cover:* this is a particularly challenging but essential physical planning need if the projected population increases actually happen and they expect a hope of survival. This is discussed in detail in Study 1.2 but needs a significant shift in current physical planning and development thinking. These land uses must increase, not continue to decrease.
11. *Monitoring and Evaluation:* needs to be more rigorously institutionalized with respected protocols at both internal and external levels to ensure the country’s limited resources are being most efficiently and effectively applied.

# Assessment of Financing Performance of NDPII

## Introduction

1. This section conducts a review and analysis of NDPII financing by exploring the linkages between NDPII and the budget following the framework for linking policies and plans to the budget illustrated in Figure 17. The Annual budget (AB) is an estimate of Government revenue and expenditure prepared annually. It is the main tool by which Government allocates resources to implement its plans and address emerging policy priorities. The Budget Framework papers (BFPs) and Medium Expenditure Framework (MTEF) translates policies into implementable plans. The MTEF is a framework linking policies and plans to the budget. It rationalizes plan with finances in an integrated manner there by reducing the imbalance between what is affordable, available and expenditure requirement. It sets fiscal policy and macroeconomic targets and the hard budget constraints. On the other hand, the BFP is the Government budget strategy document linking Government’s overall policies and plans to the budget.

**Figure 18: Linkage between the NDP and the Budget**



Source: MFPED Presentation titled “Linking the Budget to the National Development Plan”

1. A main challenge for resource allocation in Uganda is the limited resource envelope vis-à-vis increasing demand for resources. Other challenges are the balance between financing of productive sectors vs. other enabling/supporting sectors; poor prioritization of resource allocation at the sectoral level and allocative inefficiency. These challenges make it hard to effectively map the budget to the NDPII.
2. The analysis in the below sub-sections is an attempt to understand NDPII funding requirements, which were identified during the preparation of the Plan, and how these are reflected by actual allocations to date, both in total terms and by sector. We compare actual funding with budgets for each of the ATM sectors and the development fundamentals, including funding for other enabling sectors and crosscutting issues. We compare budget allocations with actual releases of funds for the first part of the NDPII period and compare the amounts of on-budget and off-budget financing by sector. We conduct a general analyses of outputs compared to funding, the balance of spending on administration and service delivery and allocations of funds to local governments. The section finishes by assessing the scope for raising additional funds for NDPII implementation and how some of the challenges for allocating funds more effectively to NDPII priorities might be addressed.
3. The analysis in this section relies primarily on secondary data from MDAs/Sectors. Additional data are provided the Budget Monitoring and Accountability Unit (BMAU) and Uganda Bureau of Statistics (UBOS) and pertain to key outcome indicators that are not currently captured in the BFPs, Ministerial Policy Statements, and explanatory information that detail the reasons for variations in performance.

## Analysis of funding as set out in the NDP

1. The NDPII document (Table 5.6, page 139 and annex 4) estimates the overall cost of the plan at approximately UGX 196.7trillion. The Plan was to be financed by both public and private resources, with about 57.8 percent Government and 42.2 percent private contributions. Government funding was to constitute a total of UGX 113.7 trillion while UGX 83.0 trillion was to come from the private sector. Public financing sources were to include external financing namely, budget support, concessional loans, semi-concessional borrowing, non-concessional borrowing; domestic financing, namely bank financing, Bank of Uganda, Commercial Banks; and non-banking financing. The non-public sources of financing were to include: Public-Private Partnerships (PPP), direct private sector investments (domestic and foreign) and CSO contributions. Table 18 sets outs the total estimated cost for the plan from the different sources by sector.

**Table 40: NDPII Total Costs 2015/16 – FY2019/20 (UGX, Billions)**

| **Final Medium Term Expenditure Framework** |  | **Public *(UGX, Billions)*** | | **Private *(UGX, Billions)*** | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Total *(UGX, Billions)*** | **Amount** | **%** | **Amount** | **%** | **GoU Allocations** |
| Agriculture | 6,694 | 4,626 | 69.1 | 2,067 | 30.9 | 3348 |
| Lands, Housing, Urban Dev’ment | 845 | 704 | 83.3 | 141 | 16.7 | 562 |
| Energy & Mineral Development | 16,455 | 15,148 | 92.1 | 1,306 | 7.9 | 6399 |
| Works & Transport | 42,557 | 21,246 | 49.9 | 21,311 | 50.1 | 16551 |
| Information & Comm., Technology | 1,426 | 300 | 21.1 | 1,125 | 78.9 | 339 |
| Tourism, Trade and Industry | 3,280 | 1,018 | 31.0 | 2,262 | 69.0 | 584 |
| Education & Sports | 23,632 | 16,786 | 71.0 | 6,846 | 29.0 | 10109 |
| Health | 25,467 | 11,985 | 47.1 | 13,482 | 52.9 | 6979 |
| Water & Environment | 2,077 | 2,077 | 100.0 | 0 | 0 | 2944 |
| Social Development | 16,034 | 418 | 2.6 | 15,616 | 97.4 | 735 |
| Defence & Security | 18,372 | 8,529 | 46.4 | 9,842 | 53.6 | 8013 |
| Justice, Law and Order | 5,784 | 5,684 | 98.3 | 100 | 1.7 | 6204 |
| Public Sector Management | 12,315 | 7,910 | 64.2 | 4,404 | 35.8 | 5552 |
| Legislature & Accountability | 4,589 | 4,589 | 100 | 0 | 0 | 7378 |
| Public Administration | 8,365 | 3,839 | 45.9 | 4,525 | 54.1 | 3537 |
| TOTAL BUDGET | 196,675 | 113,644 | 57.8 | 83,031 | 42.2 | 79238 |

Source: NPA - NDPII costing simulation and MoFPED (Annual budget performance reports and National budget framework papers)

1. According to the NDPII budget allocation, works and transport gets the largest share at 22 percent, followed by health and education all at 13 percent and 12 percent respectively. Lands, Housing & Urban Development gets the least share at only 0.4 percent of the NDPII budget. The five priority areas which include three growth opportunities and two development fundamentals all together comprise 68 percent of the total NDPII estimated cost.

## Comparison of NDPII estimated costs and Actual Budget Allocations by sectors

1. Using data from MFPED, we carried out a comparative analysis between NDPII budgets and the Actual allocations by government of Uganda. This analysis is summarized in Figure 19 and Table 19 compare the GoU on-budget allocations to sectors over the period 2015/16 to FY2019/20. The figure shows a mismatch between government allocation and NDP budget estimates with exception of sectors such as public administration and education. The figure reveals that government budget significantly surpasses NDP budget allocation in sectors such as legislature and accountability, justice, law and order, and water and environment. On the other hand, the NDPII budget estimate exceeds the government budget in sectors such as health, social development, works and transport, energy and mineral development, and tourism, trade and industry. It is important to note that, regarding health, legislature, works and transport that similar results were found in the Mid-Term Review of the NDPI.
2. However, analysis in Figure 19 may only paint an inaccurate picture of the NDPII costing and actual funding since it does not consider off-budget funding and private sector contribution. Sectors such as health and social development are known for attracting a lot of funding from development partners in the form of off-budget support. The funding gap shown in such sectors may be not as large as is indicated if such funding is taken into consideration.

**Figure 19: Comparisons of 5-year GoU on budget sector allocations for MoFPED and NDP**

Notes: The figures represent GoU on-budget data. MoFPED figures are based on actual releases for 2015/16, FY2016/17 and 2017/18 and approved budgets thereafter.

1. Table 18 tracks the funding of the plan on a yearly basis and compares the NDPII budget and actual budget allocations from 2015/16 to 2017/18. The table shows significant differences between sector allocations in the NDPII and in the Actual budget allocation by the GoU. At 5 percent of the NDP budget, social development exhibits the biggest funding gap while legislature and accountability attracted funding beyond the NDPII budget (129 percent). Overall, budget allocation to different sectors amounts to only 23 percent of the NDP budget. All the five development priority areas have so far received less than 50 percent of the NDP budget in terms of actual budget allocation. Works and transport, the sector with largest share in NDPII budget has only received 19 percent on-budget funding. However, the real funding accruing to the different sectors is expected to be higher than the percentages estimated here since this analysis does not cater for off-budget funding and private sector funding.

**Table 41: Comparison of NDPII estimated costs and Actual Budget Allocations by sectors**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **NDP Budget (UGX billion)** | | |  | **Actual allocation (UGX bil)** | | |  |  |
| **Sectors** | **2015/16** | **2016/17** | **2017/18** | **Total** | **2015/16** | **2016/17** | **2017/18** | **Total** | **% of NDP** |
| Agriculture | 1,199 | 1,309 | 1,347 | 3,855 | 354 | 600 | 625 | 1,579 | 41 |
| Lands, Housing and Urban Development | 166 | 187 | 198 | 550 | 71 | 61 | 49 | 181 | 33 |
| Energy and Mineral Development | 2,843 | 3,125 | 4,171 | 10,140 | 364 | 454 | 392 | 1,210 | 12 |
| Works and Transport | 10,646 | 11,629 | 12,429 | 34,704 | 2,029 | 2,157 | 2,347 | 6,533 | 19 |
| Information Communication Technology | 303 | 287 | 267 | 856 | 20 | 33 | 70 | 123 | 14 |
| Tourism, Trade and Industry | 732 | 561 | 694 | 1,986 | 80 | 97 | 108 | 285 | 14 |
| Education and sports | 3,538 | 3,919 | 4,514 | 11,971 | 516 | 2,042 | 2,112 | 4,670 | 39 |
| Health | 3,907 | 4,582 | 4,920 | 13,409 | 499 | 917 | 911 | 2,327 | 17 |
| Water and Environment | 547 | 593 | 288 | 1,428 | 210 | 332 | 398 | 941 | 66 |
| Social Development | 3,628 | 3,086 | 3,112 | 9,826 | 84 | 194 | 172 | 450 | 5 |
| Defence and Security | 3,272 | 3,307 | 3,736 | 10,315 | 1,074 | 1,085 | 1,119 | 3,278 | 32 |
| Justice, Law and Order | 1,054 | 1,014 | 1,125 | 3,194 | 1,029 | 1,068 | 1,120 | 3,217 | 101 |
| Public Sector Management | 1,991 | 2,197 | 2,763 | 6,951 | 291 | 837 | 931 | 2,059 | 30 |
| Legislature and Accountability | 1,377 | 743 | 840 | 2,960 | 1,263 | 1,266 | 1,302 | 3,831 | 129 |
| Public Administration | 913 | 686 | 818 | 2,417 | 754 | 519 | 563 | 1,835 | 76 |
| **Total** | **36,117** | **37,223** | **41,222** | **114,561** | **8,638** | **9,019** | **8,863** | **26,520** | **23** |

Source: NPA - NDPII costing simulation and MoFPED (Annual budget performance reports)

## Trends in Fund Allocation

1. Figure 19 illustrates the trend of the total NDP costing and the budget allocation by MoFPED. Figure 20 shows the extent of GoU on-budget funding required (in the case of NDP figures) and available (in the case of MoFPED figures) while it also caters for the total funding to the five selected priority areas. Figure 20 shows that in the next two years, total NDPII cost and the cost of the priority areas will gradually decline. On the other hand, on-budget financing for the NDPII is predicted to increase gradually. Such trend perhaps may help to cover up for the financing gaps recorded in the first phase of the NDPII.

**Figure 20: Trend of annual finances for GoU on-budget financing and NDPII costings**

Source: MoFPED

1. Focusing on each priority area, on-budget funding for Energy and Mineral and infrastructure development is expected to rise much faster between 2017/18 and FY2019/20 increasing by 471 percent and 124 percent respectively. Funding for agriculture will also grow by at a lower rate (56 percent) than that for Energy and Mineral and infrastructure development. On-budget funding for Human capital development is predicted to decrease between the financial year 2018/19 and FY2019/20 while that for tourism will remain low and stagnant.

**Figure 21: Trend of annual finances for GoU on-budget financing for NDPII priority areas**

Source of the data: MoFPED (Annual budget performance reports and National budget framework papers)

## MTEF budget performance

### Comparison of budgets and actual releases

1. The amounts in the on-budget MTEF each year differ from the amount actually released during the year as illustrated by Table 20. Overall, the amount finance released for 2015/16 and FY2016/17 amounted to 104 per cent of the budget while that for 2017/18 amounted to 108 percent. Although these figures do not show significant deviation from the budget, a closer look at the sectors reveals significant inequality in the budget release. For example, while the average budget realise for Lands, Housing and Urban Development, and security for the three years period stands at 144 percent and 122 percent respectively, that for social development stands at 81 percent and ICT stands at 90 percent. This signifies that sectors such as Lands, Housing and Urban Dev and security have continued to enjoy supplementary budgets at the expense of other sectors such as social development.

**Table 42: Comparison of the budgets and actual releases**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2015/16** | | | **2016/17** | | | | **2017/18** | | |
|  | **Budget** | **Release** | **% Release** | **Budget** | **Release** | **% Release** | **Budget** | | **Release** | **% Release** |
| Agriculture | 354 | 348 | 98 | 600 | 588 | 98 | 625 | | 599 | 96 |
| Lands, Hous’g , Urb Dev. | 71 | 65 | 92 | 61 | 77 | 126 | 49 | | 104 | 214 |
| Energy and Mineral Dev. | 364 | 418 | 115 | 454 | 414 | 91 | 392 | | 466 | 119 |
| Works and Transport | 2029 | 1828 | 90 | 2157 | 2244 | 104 | 2347 | | 2376 | 101 |
| ICT | 20 | 17 | 88 | 33 | 31 | 93 | 70 | | 63 | 90 |
| Tourism, Trade, Industry | 80 | 80 | 100 | 97 | 94 | 97 | 108 | | 124 | 115 |
| Education | 516 | 526 | 102 | 2041 | 1991 | 98 | 2112 | | 2126 | 101 |
| Health | 499 | 504 | 101 | 917 | 922 | 101 | 911 | | 965 | 106 |
| Water and Environment | 210 | 193 | 92 | 332 | 302 | 91 | 398 | | 420 | 105 |
| Social Development | 84 | 68 | 81 | 194 | 125 | 65 | 172 | | 165 | 96 |
| Security | 1074 | 1347 | 125 | 1085 | 1175 | 108 | 1119 | | 1479 | 132 |
| Justice, Law and Order | 1029 | 1169 | 114 | 1068 | 1098 | 103 | 1120 | | 1245 | 111 |
| Pub. Sect. Management | 291 | 289 | 100 | 837 | 1056 | 126 | 931 | | 1013 | 109 |
| Accountability | 892 | 838 | 94 | 796 | 866 | 109 | 819 | | 832 | 102 |
| Legislature | 371 | 429 | 116 | 470 | 524 | 112 | 484 | | 561 | 116 |
| Public Administration | 754 | 898 | 119 | 519 | 576 | 111 | 563 | | 692 | 123 |
| **Grand Total** | 8638 | 9018 | 104 | 11661 | 12084 | 104 | 12292 | | 13301 | 108 |

Source: MoFPED (Annual Budget performance Reports)

1. From Table 19, it is observed that GoU on-budget financial releases to sectors have totalled UGX 9 trillion in 2015/16, UGX 12.1 trillion in FY2016/17 and UGX 13.3 trillion in 2017/18, signifying steady increase in on-budget realise towards NDPII. Approved annual budgets as set out in the Background to the Budget 2018/19 and 2019/20 have also risen to risen to UGX 22 trillion in 2018/19 and UGX 23 trillion in 2019/20. These allocation are promising given that NPD2 costing indicate a slight decline in the required budget in those years. In very broad terms, these allocations are in-line with projections made at the time of the NDPII preparation.
2. Analysis for off-budget funding is limited by lack of data on the releases of such funds. However, using the expenditure figures, off-budget expenditure towards NDPII totalled to UGX 4.4 trillion in 2015/16 and UGX 2 trillion in 2016/17, signifying more than 100 percent reduction. This therefore implies need to mobilise more off budget funding for NDPII. Figures for private sectors contributions are difficult, if not impossible, to ascertain, but still there seems to be no evidence that UGX 83 trillion will be raised by the private sector. A better system is needed going forward to plan for and measure the private sector financial contribution to national development.

### On-budget financing versus off-budget financing

1. On-budget financing comprises of GoU recurrent and development expenditure and DP development expenditure, which are recorded in the MTEF. Off-budget financing relates to DP development expenditure, not recorded in the MTEF. Off-budget finance does not currently include finance provided by NGOs or by the private sector. Figure 21 gives an indication of the importance of off-budget financing by the 16 MoFPED sectors for the two years 2015/16 and 2016/17. For the two financial years, water and environment, Land, Housing and Urban development, and ICT are among the sectors with lowest proportion of on-budget financing.

**Figure 22: On- budget financing as a percentage of total financing**

Source: MoFPED (Annual Budget performance Reports)

### Analysis of funding allocation to local governments

1. Initially, funding was allocated to local governments in Uganda for 8 of the MoFPED sectors – agriculture, works and transport, education, health, water and environment, social development, public sector management and accountability. However, of recent, funding for accountability has been combined with legislature and is therefore difficult to isolate. For this reason, we consider the 7 sectors. Table 20 sets out on-budget funding to local governments for the past three financial years.

**Table 43: Trend of local government funding by GoU**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SECTOR** | **2015/16** | **% of budget** | **F2016/17** | **% of budget** | **2017/18** | **% of budget** |
| Agriculture | 30.2 | 8 | 50.2 | 9 | 50.7 | 8 |
| Works & Transport | 35.5 | 2 | 22.8 | 1 | 22.8 | 1 |
| Education & Sports | 1,292.1 | 71 | 1,384.9 | 70 | 1417.3 | 67 |
| Health | 334.5 | 40 | 340.4 | 37 | 336.3 | 35 |
| Water & Environment | 68.2 | 26 | 59.7 | 20 | 63.3 | 15 |
| Social Development | 7.1 | 10 | 7.5 | 6 | 11.5 | 7 |
| Public Sector Manag. | 550.1 | 66 | 772.6 | 73 | 740.2 | 73 |
| **Total** | **2318.05** | **38** | **2638.43** | **36** | **2642.1** | **34** |

Source: MoFPED (Annual Budget performance Reports)

1. Table 20 shows that the amount released to the local governments has steadily increased from UGX 2,318 billion in 2015/16 to UGX 2,642 billion in 2017/18. Overall, the table shows a declining trend in the proportion of the budget allocated to local governments from 38 percent in 2015/16 to 34 percent in 2017/18. With the exception of Public Sector Management, the reduction cuts across all the other sectors. This can be partly explained by increased spending on national infrastructure projects, but it does imply a further squeeze on local government funding at a time when service delivery is very challenging at the local level.
2. It is therefore important that the trend of local governments funding is reversed to reflect increment so as to facilitate service delivery. It is however exceptionally difficult to get data to the hypothesis that increased local government funding results in better service delivery.

## Financing the achievement of NDP results

### Scope for raising additional financing

1. As indicated earlier, there are significant funding gaps as regards implementation of the NDPII, which need to address if the plan is to achieve the desired goals. It is therefore worth thinking about innovative funding models to raise extra money for national development. These models might include:

* Exploring different sorts of public private partnership financing models, expanding those models which prove to be the most successful in Uganda;
* Setting up a National Development Fund to finance priority projects, or more specific funds for cross sector initiatives related to agricultural transformation, skills development, tourism development etc.;
* Piloting donor budget support to local governments to support development at the local level, as has been tried for example in Sierra Leone.

# Coherence and Realism of the Results Framework

## Introduction

1. In above sections we have considered the progress of implementation measured by the various indicators included in the results framework for NDPII. Another related question is however whether this framework as set out in a coherent and realistic way. This section considers some features of the *internal* coherence and realism of the NDPII results framework, goals and objectives. We then consider the coherence *between NDPII and the Vision 2040*. Finally, regional and *international agreements, and development framework* such as the East African Community (EAC), East African Monetary Union (EAMU), SDGs and the Africa Agenda 2063 are examined.

## Coherence and realism of NDPII goals and objectives

### Realism of the overall goal

1. The goal of NDPII is to attain *middle-income status by 2020.* This is thought to be achieved through strengthening the country’s competitiveness for sustainable wealth creation, employment and inclusive growth. Government “shall pursue” a private sector-led, export oriented, quasi-market approach, fast tracking infrastructure, industrialization and skills development strategies in order to achieve the objectives and targets for the NDPII five year period.
2. While it is not possible, in terms of logical coherence, to fault a plan where middle income status may be achieved on the basis of the described sub goals and with the described policy approaches and strategies, one can severely doubt the realism of the stated objective.
3. A brief look at the numbers that most likely were known at the time of preparing the NDPII shows that with the going population growth rate of around 3% p.a., the GDP growth rate would have to be at around 8% to attain the goal of a middle income status. This would mean that growth in Uganda would have to be in line with African exceptions like Ethiopia. Growth rates in Ethiopia and other fast growing countries however was based on initial previous massive investments. Anything similar did not take place in Uganda and could not have been realistically foreseen in Uganda at the time. The mid-term review of NDPI had already revealed that even the core investment projects were *severely* below planned levels.

### Goal and development objectives

1. The Plan’s four objectives, dealing with sustainable production, stock and quality of infrastructure, human capital development and quality and efficiency in service delivery are, at the level of logic, sufficient to achieve the overall goal. However, looking at international comparisons, several of the indicator targets set for the objectives listed in table 4.1 p101 of the NDPII document seem to be overly optimistic.
2. The strategies to be pursued (4.4 development Strategies p 103) also at the level of logic could be said to be fully coherent with the four objectives to be pursued. However, considering the realism of implementing a number of these strategies at the same time there are some serious doubts when considering the actual experience of the NDPII at the midterm:
3. The fiscal expansion to be implemented in order to front load infrastructure investment appears considerably higher than what could be expected to be realized. In particular this can be expected to be hard while maintaining macroeconomic stability. The experience so far, for instance in terms of the core projects examined in section 4 above, seems to stress the near impossibility to implement this strategy.
4. The strengthening of governance as a strategy is clearly important but it appears unlikely that a strong improvement could take place when most of the internationally comparable indicators (such as the Worldwide Governance Indicators) when key sub indicators such as government effectiveness and corruption have shown a clear worsening over the years when the NDPII were under preparation (and indeed the years after). The measures proposed to improve the situation in terms of corruption and government efficiency has not appeared to be strong enough to effect the evils.
5. The stress on cross cutting issues and social services is laudable but it is likely that these will compete with the investment needed to the economic growth needed to attain middle income status at the end of the NDPII. Although it is clear that strong efforts to tackle gender issues, HIV/AIDS, environment, nutrition, climate change, human rights, social protection and child welfare will be important growth factors, “investment” in these are not likely to have positive effects in the medium term such as the NDPII period.

## Coherence and realism of NDPII results framework with Vision 2040

1. The Uganda Vision 2040 sets out a clear framework and plan for all five year plans as well as a 10 year plan. The strategic implementation framework also links to the NDP results frameworks. The NDPII frameworks, like other planned NDPs, provide the mechanisms through which Vision priorities can be operationalised. The NDPs are set up as drivers of the overall strategic direction towards the Vision 2040. The NDPs will also influence the allocation of resources in the MTEF. Sector master plans within the framework of the Comprehensive National Development Planning Framework (CNDPF), as adopted by Government in 2007, and strategies will feed into the NDP, but will also be influenced by the NDP.
2. In many ways the Uganda Vision 2040 with all its clear strategies and indicators is more than what normally is considered a “Vision”, in fact it has many characteristics of the “Plan”. It is important for planners to have in mind that the Vision can only be an approximate picture of a desired state of being in the future. It should not be mistaken for a Plan but give a broad direction to be followed by so far prepared and implemented plans and those to follow.
3. There is thus a clear coherence between the NDPII results framework and Vision 2040. The two documents are targeting nearly the same results, albeit with different indicator dimensions as a result of more relevant indicators available at the time of NDPII preparation than those available in 2006-7 when the Vision document was prepared. The results targeted by both NDPII and the Vision 2040 include: per capita income, per cent of population below the poverty line, GDP, per cent share of national labour force employed, manufactured exports as a per cent of total exports, per cent population with access to electricity; per cent population with access to safe piped water, per cent of standard paved roads to total road network, per cent of cargo freight on rail to total freight, per cent level of urbanization, life expectancy at birth and literacy rate.
4. The core projects included in the NDPII clearly relates to the strategic direction of Vision 2040, although as noted above, having kept the NDPI core projects in the list may serve to blunt the focal sharpness of NDPII.
5. The Vision (finalized only after the preparation of NDPI) suggested (in the proposed sequencing shown in figure 7.2 pp 118 of the Vision document) that priorities for NDPI would be Water for production, Oil and gas, ICT business and Public service reform. This was followed up quite closely.
6. For NDPII the Vision’s proposed priorities were the core growth areas of agro-industries, ICT, Iron and steel, Fertilisers, Oil and gas, and R&D and innovation. This has clearly been taken on board in the NDPII. The current Plan has also been influenced by the World Bank (2012) report of inclusive growth, suggesting that four aspects of the next NDP might be agricultural transformation, human capital transformation, across-space economic geography and increased urbanisation. These four potential ‘pillars’ have a relatively strong link with the Vision 2040, and a stress on equitable and sustainable development.
7. It remains to be seen whether NDP3 will follow the sequencing proposed by the Vision and take on machine tools, fertilisers, petro chemicals, modernization of industries, iron and steel and R&D innovation. These fields will need to be considered carefully before the NDP3 follows the suggestions of the Vision.

## Coherence of NDPII framework with SDGs, EAC, EAMU, African Agenda 2063

### Introduction

1. As the country moves into the second five year plan under Vision 2040, it needs to craft strategies and projects that fully embrace the unfolding global opportunities as well as take cognizance of the development obligations such as those of the post 2015 Global Sustainable Development Agenda, the East African Region Integration protocols, African Agenda 2063.

### Sustainable Development Goals (SDGs)

1. Uganda’s planning authorities have clearly seen it as important that the NDPII is fully coherent with the SDGs. Uganda held the Presidency of the UN General Assembly during the debate, adoption and launch of the Post 2015 Sustainable Development Goals (SDGs). The NDPII expresses that Uganda is now in a uniquely advantageous position to lead by example by adopting and localizing the SDGs, and implementing projects geared towards achievement of the SDGs, particularly those that fit within the current national development obligations as well as East African Regional Integration and African Agenda 2063 development commitments.
2. In NDPII’s section 3.3 “International, Regional and National Development Obligations” most of the goals of the SDG are examined showing how they are relevant and important for the NDPII
3. The SDG is in line with the Plan’s macroeconomic framework assumptions and projections. The full list of the SDGs’ goals and targets is shown in the Annex 3 of the NDPII. The SDGs which have been integrated into NDPII will form a platform for mobilizing resources to implement and monitor achievement in line with the goals. The Plan points out that they will also be integrated into the appropriate Sector and Local Government Plans and budgets, as well as, implementation, monitoring and evaluation frameworks.

### EAC and the African Agenda 2063

1. Being in line with the Uganda Vision 2040, building on the achievements registered under the NDPI, taking into consideration the challenges encountered and lessons learnt during its implementation the Plan also seeks to leverage the country’s growth opportunities, honouring development and partnership obligations at the national, regional and global levels e.g. EAC, COMESA, IGAD, Africa Agenda 2063, the Post 2015 Development Agenda, and UNFCCC.
2. Importantly, the framework of NDPII is informed by the macro-economic convergence criteria of the EAC monetary union, which requires the country to meet specific targets, namely; a ceiling on headline inflation of 8 percent; a ceiling on the fiscal deficit, including grants of 3 percent of GDP; a ceiling on public debt of 50 percent of GDP in net present value terms; a reserve cover of 4.5 months of imports and maintaining core inflation below 5 percent as agreed in the Policy Support Instrument (PSI) of the IMF. The achievement of the above targets has been the basis of arriving at the chosen macro-economic strategy for NDPII.
3. Joint formal agreements for plans to build a new Standard Gauge railway (SGR) have been signed by the EAC Countries. The SGR project starts in Mombasa through Nairobi, Kampala, Kigali and Juba.
4. Infrastructural development is costly and requires mobilization of significant resources. The EAC integration provides Uganda an opportunity to pool resources with other Partner States to develop regional transport infrastructure projects which are capable of increasing the country’s connectivity with the region.

# Cross-cutting Issues in Sectoral plans, programme and projects

## Introduction

1. This section presents NDPII progress on mainstreaming some of the key crosscutting issues in government programmes, projects and plans. One of the NDPI implementation challenges was limited integration of crosscutting issues in sectoral plans, programmes and projects due to lack of synergies and coherence across sectors and Local Governments on what priorities to be undertaken. Cognizant of this challenge, GoU identified integrating key crosscutting issues into programmes and projects as one of the nine development strategies for NDPII. The key crosscutting issues singled out for mainstreaming in government programmes and projects during implementation, monitoring and evaluation of NDPII include gender, HIV/AIDS, disability, environment, nutrition, climate change, social protection, financial inclusion, culture and mind-set, science and innovation, and quality and standards.
2. Similar to NDPI MTR where GoU commissioned six separate studies on crosscutting issues—social protection, human rights, democracy and political governance, gender mainstreaming, environmental protection, and child rights—NPA through EU commissioned diagnostic studies covering NDPII growth opportunities and fundamentals plus others on population growth and impact, gender, social development, and physical planning and urban development, which form the main source of information for assessing the performance of the Plan with respect to key crosscutting issues. This information is complemented by a review of literature on crosscutting issues and different government interventions under NDPII, that specifically target mainstreaming crosscutting issues into planning, implementation, monitoring, and evaluation processes.

## Social protection

1. Vulnerability to poverty in Uganda is high. Different studies have pointed out the fragility of the progress against poverty in Uganda. Social protection is an important development strategy to fight poverty, reduce inequality and promote inclusive economic growth. Social protection programmes play a significant role in protecting individuals from deprivation and livelihood risks such as negative events that occur to individuals at various stages in life like at early childhood, school going age, youth age, working age and at old age as well as certain conditions like disability, widowhood and ill health. Increasing access to equal opportunities, enhancing equity and protection as well as safeguarding the rights of the vulnerable groups is an important aspect of life that any government owes to its citizens.
2. The preliminary results of the UNHS FY2016/17 show a significant reversal in the downward trend of poverty incidence, linked to the drought conditions in many areas of the country during the period in which the data was collected and the destruction of crop by a fall armyworm plague (UBOS 2017).Social protection involves provision of care, support and welfare services for vulnerable children, persons with disabilities and older persons. The need to extending social protection services to the vulnerable persons is well articulated in the NDPII as well as the Social Development Sector Plan (SDSP) 2015/16—2019/20 whose theme is “Empowering communities particularly the vulnerable and marginalized groups for wealth creation and inclusive development”. SDSP defines social protection as “public and private interventions to address risks and vulnerabilities that expose individuals to income insecurity and social deprivation, leading to undignified lives” (MGLSD, 2016: xvii). In the same spirit, it defines social protection system as one that “Comprises of a range of coordinated policies, interventions, structures and mechanisms across different sectors which address social and economic vulnerabilities” (ibid).
3. Strategic interventions identified under both the NDPII and SDSP include: Provision of direct income support to vulnerable groups; Expansion of scope and coverage of contributory social security to both formal and informal sectors; Provision of social care and protection services to children and other vulnerable groups; Promotion and protection of the rights of vulnerable groups – Children, PWDs, and Older Persons from abuse, neglect and exploitation; Promotion of Integrated Early Childhood Development; Promotion of community based care and rehabilitation for vulnerable children and people with disabilities; Expansion of access to credit and financial services for youth; viii. Implementation of National Youth Service Scheme; Provision of non - formal vocational, entrepreneurial and life skills to young people; Promotion of youth participation and governance; and Access to equal opportunities goods and services.
4. In Uganda, the planned social protection results have been constrained by a lack of funds from government. While social protection has its own vote function to which funds can be allocated, allocated resources do not match what is required to achieve the outcomes and outputs specified in the NDP. The actual release and expenditure patterns from the Annual Performance Budget Reports show quite a different pattern, with the amount released decreasing steadily during the NDP period. Therefore, while financial commitments were made at the outset, they have not been achieved, and this has resulted in the inability to fulfil social protection targets (as outlined in the SIDP 2).
5. Given the degree of vulnerability of households in Uganda and the recent poverty trends, social protection programs should be scaled up and expanded beyond the Northern region. Ugandan households face a high degree of vulnerability to poverty as a result of high dependence on factors outside the control of households and individuals. While the existing social safety net programs help to reduce poverty and inequality and enhance the livelihoods of beneficiaries, the coverage is limited.

## Financial Inclusion

1. The Uganda: Staff Concluding Statement of the 2019 IMF Article IV Mission notes that Uganda’s financial soundness indicators for September 2018 suggest that the banking sector is healthy. Banks remain well capitalized, liquid, and profitable, except for some smaller banks. Non-performing loans have declined. Bank of Uganda’s stress tests suggest that the system’s ability to withstand shocks has improved, though concentration risks are rising.
2. Ugandan’s access to financial services has improved dramatically in recent years. More than half of Uganda’s adult population now has access to an account at a formal financial institution. This is almost twice as many as in 2009. The entry and fast penetration of mobile money is the main reason for the increase, having allowed 8 million Ugandans to conduct financial transactions.
3. This positive development is only one piece of the puzzle, given that a very small proportion of individuals, households, and firms are able to utilize the formal financial system. Only 16% of the adult population keep their savings at formal deposit taking institutions, including banks, micro finance institutions and savings and credit institutions. Up to 60% of adult Ugandans still keep their savings at home and in the form of assets such as animals, 65%, are unable to access formal financial institutions for credit. This proportion of the population relies on informal sources of finance or their own, their families’, or their friends’. A significant proportion of the population face obstacles when attempting to increase productivity through investments in better equipment. Too many Ugandans continue to rely on subsistence activities, particularly in the agricultural sector.

## Gender mainstreaming

1. The Government of Uganda has been committed over 20 years to promote gender equality and women’s rights. In 1997 the first National Gender Policy (NGP) was approved. Since then awareness of the importance to promote gender equality has increased, not only as a question of human rights and social justice, but also as an important contribution to achieve development goals pursued by Uganda.
2. The NDPI saw gender inequality as one of the binding constraints hindering Uganda’s development and socio-economic transformation. However, during the implementation of the NDPI reoccurring under NDPII it is clear that gender inequality still needs to be addressed. The NDPII stresses that there was limited integration of gender issues in sectoral plans, programmes and projects. These implementation challenges were due to lack of synergies and coherence across sectors and local governments on what priorities to take on. As a result, under NDPII, focus was put on the synergies in the identified priority growth sectors and development fundamentals.
3. In the **agricultural** sector the focus was put on gender and equity issues related to limited access to labour-saving technologies for food production for women farmers and other vulnerable groups; and un-equal access to agricultural credit facilities for appropriate agro-processing. The goal is to reduce the gender gap in access to agricultural resources and production by enhancing women’s productivity along the value chains of the above selected commodities. In **tourism**, focus is on addressing limited participation of women and other vulnerable categories in formal tourism; and the lack of articulation of gender and equity issues in policy and regulatory standards. The tourism sector has *great* potential for generating employment for young women and men in the service sector such as airline companies, tour and travel bureaus, hotels and restaurants.
4. While the **Minerals, Oil and Gas** has a great potential for domestic revenue, and employment creation, interventions proposed are biased to favouring the men who are more involved in this sector due to the technicality of its operation. Given the high illiteracy levels of women, their consideration in key decision making positions in this sector has been highly under-rated and exaggerates the gender gap.
5. A key game changer in inventions for human capital development that are gender sensitive under the **health** sector include sensitive increase of access to family planning services, increasing skilled birth attendants, and providing adequate equipment and personnel to handle Emergency Obstetric Care. Under the **education** sector, emphasis is on ECD and quality enhancement and retention at primary and secondary levels especially for girls, reflecting a policy shift move from emphasizing increasing enrolment rates to refocusing investment to ensuring quality education in schools.

## Child and Human Rights

1. Child rights report finds that there has been mixed performance in the area of child rights during the first phase of NDPI implementation. However, assessment of specific child rights results during NDPII implementation is not possible due to a lack of indicators related to this crosscutting issue. Using income poverty measures for children is likely to mask huge inequalities since children do work and earn income on their own. The EU report recommends incorporating child rights indicators into the NDP monitoring matrix and states that child protection related issues should be included in national surveys such as the UNHS and UDHS to improve M&E of this cross-cutting issue.
2. The human rights study finds that the indicators in the NDP results framework are not sensitive to human rights. For example, they provide no measure for finding out whether budget allocations are meeting minimum core obligations on human rights, ensuring equity in the development process, or supporting economic social and cultural rights. There is also an absence of indicators to measure governance principles such as participation, transparency and accountability. The report finds that the results matrix is missing baselines and targets which create an obstacle for citizens and CSOs to hold the government to account for delivering on the plan, including elements relating to human rights.

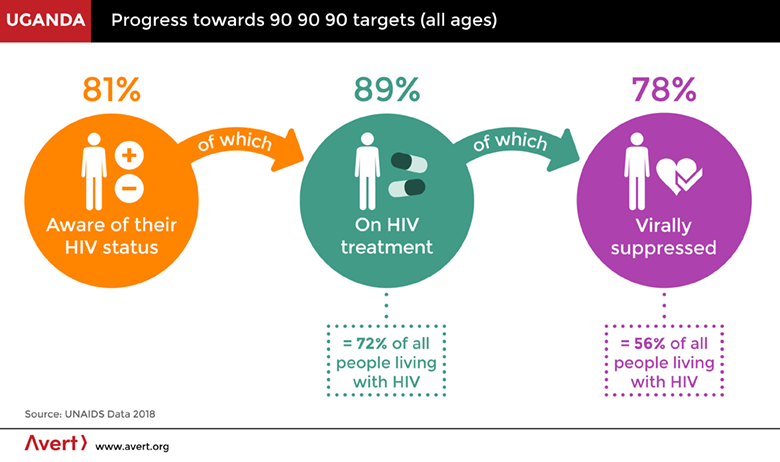
## Disability

1. NDPII strategies target equalization of opportunities, rehabilitation and inclusion of Persons with a Disability (PWDs) in their communities. The current Government strategy towards interventions of PWDs is through the Community Based Rehabilitation Programme (UBOS 2015). Persons with Disabilities face various forms of barriers ranging from negative societal attitudes; discrimination, inaccessible physical environment, information and communication technology to those resulting from insensitive regulatory frameworks. These result in unequal access to services in the area of education, employment, healthcare, transportation political participation and justice in communities by persons with disabilities (GoU, 2015).
2. The 2014 NPHC shows that overall, for the population aged 2 years and above the disability prevalence rate was 12.4 percent while the equivalent for 5 years and above was close to 14 percent. Sex differentials reveal that disability is higher among women compared to men. The disability prevalence rate among those living in the rural areas was higher than among those in the urban areas. The NPHC figure is much lower than that reported in UDHS 2011 report which indicate that 19% of the Ugandan population was estimated to have some form of disability (UBOS, 2012:pp.27; World Health Organization & World Bank 2011:ix).

## HIV/AIDS

1. In 2017, an estimated 1.3 million people were living with HIV, and an estimated 26,000 Ugandans died of AIDS-related illnesses. The epidemic is firmly established in the general population. As of 2017, the estimated HIV prevalence among adults (aged 15 to 49) stood at 5.9%. Women are disproportionately affected, with 8.8% of adult women living with HIV compared to 14.3% of men. Other groups particularly affected by HIV in Uganda are sex workers, young girls and adolescent women, men who have sex with men, people who inject drugs and people from Uganda’s transient fishing communities.
2. There are many political and cultural barriers which have hindered effective HIV prevention programming in Uganda. As a result, new HIV infections are expected to rise in coming years. While there have been increased efforts to scale up treatment initiatives in Uganda there are still many people living with HIV who do not have access to the medicines they need. Punitive laws and stigmatising attitudes towards men who have sex with men, sex workers, and people who inject drugs has meant that these groups most vulnerable to infection are far less likely to engage with HIV services.
3. There has been a gradual increase in the number of people living with HIV accessing treatment. In 2013, Uganda reached a tipping point whereby the number of new infections per year was less than the number of people beginning to receive antiretroviral treatment. However, as of 2016 around 33% of adults living with HIV and 53% of children living with HIV were still not on treatment. Persistent disparities remain around who is accessing treatment and many people living with HIV experience stigma and discrimination (Figure 22).
4. Despite the above-mentioned progress, children have poorer access to ARV-treatment than adults. For example, in 2016, only 47% of children were on treatment, compared to 69% of adults (and >95% of pregnant women). Consequently, viral suppression among children was only 39%, compared to 63% among adult females. The poor access by children is because they are dependent on adults for their care, and sometimes there are changes in caregivers. In addition, both diagnosis and treatment of children is more complicated, due to the specialized equipment and drug formulations needed, particularly for the youngest children (<3 years).
5. Issues of HIV/AIDS prevention and counselling are still largely missing in many workplaces. The recent Manpower Survey showed that overall, 40 percent of employees compared to 37 percent of employers indicated that their HIV/AIDS workplace policy contained information on Voluntary Counselling and Testing (VCT) services while 29 percent of the employers and 22 percent of the employees revealed that it contained free condom distribution for workers.

**Figure 22: Progress on HIV/AIDS targets**



## Culture and Mind-set

1. The success of NDPII requires all Ugandans, particularly the leaders, policy makers and implementers, to have a positive mindset and the right ideological orientation to facilitate efficient and effective implementation of the plan. Indeed, negative attitudes and mindsets was identified as one of the binding constraints under NDPI.
2. There is also still a problem of poor attitudes to work especially among the public service and youths. The Auditor General continues to raise the issue of staff absenteeism as one of the major causes of poor service delivery, especially in education and health sectors. A diagnostic study on human capital development conducted by EU to support the MTR of NDP 2 and evaluation of NDPI, found evidence to support the mindset challenge in the health sector. The report notes that the mindset of some health workers who think of getting quick money soon after their graduation from the health training is affecting health care delivery system. This leads to the establishment of drug shops or health clinics to get quick money and abandoning service in the hospitals or health centres. This type of mindset may tempt health professionals to engage in theft of property, bribery, and corruption in an effort to get quick money.

## Environment and climate change

1. The stock of stock of environmental and natural resources are critical components in any country’s struggle to achieve its goals. For Uganda its overall goal is to become a middle income country by 2020.
2. Many African countries including Uganda are already experiencing catastrophic climate change and variability impacts in inter-related ways across many sectors - including water, energy and agriculture. This calls for integrated approaches in responding to the increasing energy and water demand to enhance livelihoods, sustain economic growth, and address the additional pressures on natural resources due to urbanization and population growth in a continent affected by the changing climate.
3. The 2030 Agenda for Sustainable Development recognizes the centrality of energy and water resources to sustainable development, and the vital role that improved access to both water and energy play in advancing progress in other areas, including health, education and poverty eradication. Therefore, the nexus approach (stressing interrelatedness and interdependence) should be at the forefront of government’s implementation of its nationally determined contributions (NDCs) to climate change under the framework of the Paris Agreement. With increasing demands for land, water, energy, and food in the country, it is important for policy makers to understand the synergies between key sectors like agriculture, water, land and energy as well as potential climate-land-energy-water use and food security nexus options that can effectively contribute to meeting Uganda’s development goals.
4. An integrated planning approach to climate-land-energy-water use and food security nexus can increase energy efficiency, decrease water pollution, reduce costs of energy and water delivery, increase access to services, and reduce greenhouse gas emissions.

# Conclusion and Policy Recommendations

## Introduction

1. This section starts by presenting key summary findings of NDPII MTR, and sets out the conclusions and policy recommendations. In addition, the section highlights the limitations and/or challenges faced in conducting the analysis presented in this report.

## Priority Areas/Fundamentals

1. Uganda’s second National Development Plan (NDPII) 2015/16—2019/20 was launched in June 2015 and is the second in a series of six five-year Plans under Vision 2040. The overall goal of the NDPII is to achieve middle-income status by 2020, through strengthening the country’s competitiveness for sustainable wealth creation, employment and inclusive growth.
2. This section presents the conclusions of the Results Framework of the Mid Term Review (MTR) of the NDPII (see section 18.7 of NDPII document). The results framework is one of six Thematic Reports describing progress of the NDPII. The other thematic areas of the MTR are: Economic Management; Development Partnerships; Policy and Strategic Direction; Political Economy; and Institutional Framework. The thematic reports will form the basis for an overall synthesis report.
3. The Results Framework thematic report reviews the results framework for NDPII by assessing results at various levels of the Plan’s and, factors and conditions that have contributed to the results. It also makes recommendations for amendments in planning, coordination of implementation, monitoring and evaluation for NDPII and subsequent Plans.
4. The NDPII and its MTR builds on the experience of NDPI. Also, outcomes of regional and international discussions (such as Agenda 2030 for Sustainable Development Goals (SDGs)) and development priorities set out in the Vision 2040, informed the design of NDPII. The NDPI MTR identified weak alignment of NDPI to the budget, underfunding of NDPI core projects, and inadequacy of human resources, inadequacies in NDPI results framework, weak public sector management, and limited integration of crosscutting issues (e.g., HIV/Aids, climate change, and gender) as major challenges for effective implementation of NDPI.
5. The NDPI experience led to attempts for the NDPII design to focus on development of a detailed macro-economic strategy, ensuring that sector plans, investment and local government plans were reviewed and aligned to NDPII priorities, making sure cross cutting Issues (e.g., population, social protection, human rights, gender, culture and national values, environment etc.) were properly integrated in government interventions, developing appropriate instruments of monitoring and evaluation, putting measures in place to improve capacity to implement (e.g., human resource and institutional capacities), addressing challenges of implementation (e.g. procurement processes, resource mobilisation), and addressing issues of physical planning among others.
6. The NDPII document sets out a large number of indicators related to the sectoral aims, core investment projects and financing for the Plan period. Essentially the task of The MTR is to use available data to assess to what extent the indicators set and (financial and investment) plans contained in the NDPII have been met. The review of progress against NDPII goal and objectives has been based on data extracted from the best primary sources available including UBOS (Statistical Abstracts, cross-sectional household and panel survey datasets and reports), human development reports, other global survey publications, EU diagnostic studies to support evaluation and MTR of NDPII, and respective annual sector performance reports among others.
7. Progress on the NDPII goal of “*strengthening competitiveness for sustainable wealth creation, employment and inclusive growth*” was assessed through measuring performance against targets of identified development indicators in the areas of growth, competitiveness, sustainable wealth creation, employment and inclusive growth.
8. The Ease of Doing Business Index showed a short lived improvement in **competitiveness** early in the Plan period but the latest results shows that Uganda is lagging behind its competitiveness targets and also behind its competitors in the region. The Global Competitiveness Index shows a similar trend. The Government’s on-going and planned projects such as infrastructure projects - Roads, Railway, airport expansion, Energy and ICT projects as well Education and health infrastructure development projects were expected to improve the competitiveness of the economy but the, implementation of most of those projects has been slow.
9. The economy however did reasonably well compared to NDP targets, attaining or partly attaining targets on the GP growth rate, per capita incomes exports in percent of GDP, Ease of doing business ranking, global competitiveness ranking, and employment. Also, the Global Gender Gap Index goal was attained. The attainment of targets for important indicators like poverty, income distribution and child poverty could not be determined because of lack of data.
10. Poverty and inequality remain critical development challenges for the country. While Uganda experienced a remarkable reduction in the incidence of poverty between 2006 and 2013, according to most recent wave of the Uganda National Household Survey (UNHS) 2016/17 this trend has reversed. The wide gap between rural and urban inequality could be attributed to differences in earnings between the two areas. Inequality is lower in rural areas mainly because majority relies on agriculture and thus gets comparable income.
11. Evidence from the latest labour force survey indicates that most of the employed Ugandan’s, 44.2% in 2016/2017, were working in the services sectors that are largely informal. The agricultural sector provided 39.8% of jobs in 2016/2017, followed by industries (16.0% in 2016/2017). For youth the situation is difficult as 4 out of 10 young Ugandans are currently out of work. The EU diagnostic report on employment stresses the importance of improving labour market statistics. Government produced a national employment policy to boost employment and labour productivity for socio-economic transformation. However, the actual effects of initiatives with regard to improving employment (especially for the growing number of youths) are yet to be seen.
12. The **sustainable wealth creation** indicators do not measured up to targets. Indicators like “share of manufacturing to GDP” and “share of manufacturing jobs to formal jobs” were nowhere near the targets target at NDPII mid-term. Manufacturing’s contribution to GDP has sown a declining trend from 2014/15 to 2017/18. Other indicators dealing with sustainable wealth creation could not be assessed because of the lack of data.
13. Progress on the objective named Increase Sustainable Production, Productivity and Value Addition in key growth opportunities scored some gains. The GDP growth rate it the NDPII target and the actual GDP in UGX billions at market prices was close to its target in 2017/18. The sectoral composition of GDP in 2017/18 came only slightly closer to its 2017/18 target, the industry sector reaching only 19.8 % compared to the 27.7 target. As for many other indicators, the progress on labour productivity, ratio of manufactured exports, forest and
14. The total labour force participation rate stood at 53.0 per cent in 2016/2017, pointing towards a very high proportion of the working age population not employed and still working for own-production use only. In each of the three sectors, output per worker exceeded the NDPII target for 2016/17.
15. A positive development registered in detailed statistics for share of GDP by industry was that information and communication now nearly has overtaken trade and repairs as the biggest contributor within the services category.
16. The indicators on **Stock and Quality of Strategic Infrastructure** registered only modest gains with some progress in length of the paved road network in proportion to national network. However the 4,193 km of paved road network represents 79.2% against the NDPII 2020 target of 5,292 km. The country might be on track to meeting the target by 2020.
17. Indicators for **power consumption** per capita and fiber optic coverage in districts however were far behind their 2017/18 targets. For more than half of the indicators in the infrastructure category progress could not be assessed in 2017/18 because of lack of data.
18. With the commissioning of new power plants, it can be expected that Uganda will move closer to meeting NDPII 2019/20 target of 30%. In the longer term Uganda’s energy demand is projected to increase to 13.7 TWh in 2040. This demand is unlikely to be met by hydropower alone and there is therefore a need for an effective energy planning that directs more investment in other renewable energy sources with potential for energy production in Uganda such as solar and wind.
19. The National Data Transmission Backbone Infrastructure and **e-Government Infrastructure** Project has led to a considerable expansion of optic fiber cabling. At the same time the cost of bandwidth has been reduced leading to a reduction in internet costs. As more MDA sites are connected further price reduction is expected.
20. There has been tremendous improvement in storage for **water for production sub-sector**. The national cumulative storage for water for production increased from 37.2 million cubic meters (MCM) in 2015/16 and to 39.2 MCM by June 2018. Given the NDPII target of 39MCM in 2019/20), this indicates that the target had been met two years ahead of time. With regard to targets however, it should be noted that Table 5B: Objective Level Indicators for NDPII, has no target values for this indicator for FY2015/16-2018/19, except the 39MCM for 2019/20 but Government reports such as GAPR 2017/18 quote an NDPII 2019/20 target of 50MCM instead of 39MCM. Going by the target of 50MC, the current performance of 39.2MCM, signals the unlikeliness of the country to achieve its NDPII target of 50MCM by 2019/20.
21. The Ministry of Water and Environment Sector Performance Report 2018 shows that 70% of Uganda’s rural population had access to safe water by end of June 2018. The total number of villages with at least one safe water source increased from 57,585 in 2016/17 to 57,974 (i.e. 66% of all villages) in 2017/18. Access to safe drinking water in the urban areas increased to 74% as of June 2018. The management of water and sanitation by the National Water & Sewerage Corporation has expanded to cover 238 towns. The current performance is an indication that the Ministry has managed to keep up with the population growth, and is a reflection of moderate satisfactory performance against the NDPII targets of 79% and 100% in rural and urban areas by 2019/20.
22. According to NDPII the increased investments in transports, energy and ICT infrastructure are geared towards enhancing **competiveness**. Although the progress in some areas may be slowly helping to improve the country’s competitiveness the “Doing Business” rankings however appears to show that improvement has been slower than in comparable economies.
23. Assessing progress on **human capital development** requires an examination of performance indicators under the four different components: education and skills development, health, water and sanitation and social development.
24. Of the 44 indicators for the **“education and skills”** category 25 were not measured in 2017/18 or 2016/17. It was therefore not possible to gauge the position of more than a few of the indicators of university, tertiary, science and technology, literacy numeracy and skills gap for these years.
25. Of the measurable indicators the net primary school enrolment and the transition rate to Secondary 1 were considered satisfactory with 755 of NDP target values in 2017/18. The net Secondary School completion rate and the BTVET enrolment were also satisfactory overall but respectively rate and enrolment stood at less than the 2017/18 target for the *male* category. The P7 completion rates, the net secondary enrolment rates and the transition rate from S4 to S5 were seriously unsatisfactory with less than 75% attainment of thee NDPII 2017/18 target.
26. In addition to the indicator statistics a number of other sources of information were used to map the progress and status in the education and skills area. Important findings were as follows:
27. While Government committed to strengthening ECD with special emphasis on early aptitude and talent identification, no ECD indicators were included in the Plan to access the progress this objective. A National Integrated ECD policy has been developed, targeting children from conception to 8 years. The percent annual change in enrolment at Pre-primary level has however shown an uneven trend and for example decreased from 18% in 2016 to 8% in 2017.
28. Although not measurable in 2017/18 the literacy rate among persons aged 10 years and above has generally increased during the NDPII period from 69% in 2012/13 to 73% in 2016/17. In 2016/17, males (77 percent) and persons living in urban areas (87%) were more literate than their female (70 percent) and rural (69%) counterparts.
29. Progress in the gross primary completion rate was insufficient to meet the NDPII target but the *trend* seemed promising with steady increase in gross primary completion rate and an elimination of the gap in completion rates between girls and boys.
30. The poor performance on NDPII targets are due to high *class repetition and drop-out rates, which can be attributed to both schools quality and to economic factors, parental attitudes to education and early marriages.* These issues were as highlighted by the Millennium Development Goals Report 2015 (MFPED, 2015) and a recent report on Comprehensive evaluation of Universal Primary Education policy by NPA (NPA, 2019). Research by the Economic Policy Research Centre shows that *school quality* is a very strong predictor of school success
31. Competence scores by the National Assessment of Progress in Education indicate that student achievement levels in English literacy and numeracy at the primary level are *still low and fall short of expected levels*. The implication is that education standards are low and not improving.
32. Data indicating that the Primary Leaving Examinations Pass Rate declined by 2.3 percentage points from 88.30% in 2014 to 86% in 2015 implies that *many children leave school without having mastered literacy and numeracy*, and this is likely to have a negative impact of overall literacy rates for the entire population aged 10 years and above.
33. There are *major gender, rural/urban, regional and ownership differences in learning outcomes.* The percentage of P3 and P6 pupils who reached defined competency levels in numeracy and literacy in 2015 was higher for boys than for girls and the trend has not changed much since introduction of UPE.
34. Children learning *outcomes significantly differ between government and private schools*. Numeracy and literacy competences for P3-P6 children private schools are more than 30 percentage points higher than their government schools counterparts.
35. Existing evidence on welfare impacts of education attainment supports Government’s emphasis on technical and vocational training. *Completing vocational training compared to primary training is estimated to increase consumption by between 7.1% and 7.6%.* The estimated return to vocational training exceeds that of an additional year of formal education.
36. The lack of data for **health indicators** is such that for only one of the indicators can the 2017/18 level be determined. The indicator on the percentage of births attended by skilled health personnel had a target of 73% for the 2017/18. The target was attained with 74%.
37. Considering levels of indicators in 2016/17 gives some sense of what might be possible in terms of target attainment. Infant mortality appears to be on the way down and very close to the 2017/18 target. While under Five Mortality is still high over. Maternal mortality for 2016/17 was under the NDPII target for 2017/18. Compared to baselines both the contraceptive prevalence rate and the total fertility rate seem to move the right way but both were in 2016/17 far from targets. Life expectancy was still far from target.
38. In terms of Clinical service indicators, proportion of qualified workers in public health facilities, HIV prevalence and health Centres without medicine stock-outs data lacked for all relevant years. Populations living less than 5 km from a health facility and deliveries in health facilities seemed to have exceeded the NDP 2017/18 already the year before, whereas per capita out-patient department utilization, pentavalent vaccine use (%) were clearly under the NDPII targets for 2017/18.
39. Health statistics analysed by the team indicated a number of other relevant facts.
40. Health statistics show that there are large variations in personal hygiene standards across regions and population densities and that 75% of the country’s disease burden is linked to poor hygiene and sanitation standards. There is therefore a need to prioritize hygiene in future more than at present.
41. Stunting is an important problem in Uganda where the Demographic and Health Survey in 2016 finds that 31% of children below 5 are stunted and that the rate of stunting varies considerably across districts.
42. Out of pocket health expenditure was 41% of Total Health Expenditure compared to a target of 33%. There is need to mobilize additional domestic resources to move incremental allocations to the health sector, tighten efficiency in resource use, scale up the results based financing so that outputs/outcomes match inputs.
43. **NDPII indicators for mechanisms for quality, effective and efficient service delivery** include the government effectiveness index, the index of judicial independence the public trust in the justice system and the corruption index.
44. Government effectiveness and efficiency in service delivery is critical for NDPII outcomes. Targeting is important since spending cannot be effective in improving government programme outcomes if it only benefits households that have already achieved the goals.
45. In 2015, government passed the Public Finance Management whose implementation under NDPII is expected to enhance efficiency and effectiveness in service delivery, especially in regards with aligning budgets and plans at all levels.
46. While PFMA and its associated components like the Certificate of Compliance are a step forward, challenges remain especially in translating strategic sector plans into budget actions that contribute to achieving NDPII targets. This is mainly due to weaknesses in planning. Further, the budget macroeconomic targets continue to significantly differ from NDPII targets and budget release performance and absorption remain low for many sectors. For instance, compliance levels for the AB for 2016/17 and 2017/18 have consistently remained lower than that of 2015/16. Evidence from NPA shows that the 2016/17 and 2017/18 annual budgets were 58.8% and 54.2% compliant to NDPII compared to 68.2% in 2015/16.
47. We have nor baselines, statistics nor targets for the judicial indicators and the situation with regard to these indicators remain uncertain. For both government effectiveness and corruption the indicators were clearly unsatisfactory with less than 75% attainment of 2017/18 targets.
48. The NDPI MTR pointed to evidence of **growth of income inequalities in Uganda** supported by data from various sources including the UBOS national household survey of 2012/13 and the Human Development Report (HDR). For instance, the way incomes are distributed across individuals shows who benefit or miss out on the development opportunities available to society.
49. Both income and gender inequalities as well as multi-dimensional poverty have been rising since 2010. Uganda’s inequality adjusted HDI in 2012 was 0.303, representing a significant fall[[19]](#footnote-19) (33.6 per cent) in human standard of living due to inequality in distribution.
50. The UNHS 2012/13 findings indicated that while income inequality (measured by the Gini coefficient) significantly reduced from 0.426 in 2009/10 to 0.395 in 2012/13, it remained high in urban areas and in the Northern region. Women earned less than men in the formal sector. Women were less likely to participate in formal work but participated more in the household sector.
51. The Framework for Inclusive Growth and Development presents the underlying processes in society that contribute to inclusive growth. Uganda’s overall score on Inclusive Growth declined 4.2 % over the last five years while the cluster ‘inclusion’ experienced a 14.9 % decline With this decline, Uganda finds itself in the ‘watch out’ group of countries that have an overall performance below the average score of 3.86 and a declining score over the last 5 years.
52. The HDR report for 2017 shows that Uganda’s Inequality-adjusted Human Development Index (IHDI) stood at 0.370 in 2017, which represents a reduction of 28.2% of its overall score of 0.518 due to inequalities in society.
53. Over the years, Uganda has recorded a slow but steady improvement in the GII since 1995. Nonetheless, huge differences remain between men and women that negatively affect the economic growth potential of Uganda and need to be addressed as part of an inclusive growth Agenda.
54. A number of **challenges have been experienced by this MTR in terms of assessing NDPII progress.** Several of the same challenges were also noted in the MTR for NDPI and indeed in the final Evaluation of NDPI. There is however in some respects considerable improvement compared to the challenges noted for NDPI. Main types of challenges were found to be:
55. **Missing baselines and targets**. A number of indicators still lack measurable annualised targets and has made assessment of the year by year progress for the NDPII difficult.
56. **Validity of progress indicators** in that a good number of the indicators in the NDPII results matrix are not a sufficient measure of the desired progress
57. **Un-matched reporting timeframes**. Finding data that matches the period under review was not possible, while in other instances the latest versions of the survey reports predated the current NDP
58. **Indicators lacking optimal level standards**. NDPII MTR as the foregoing MTR had difficulties with the relation between growth monitoring figures and specific desired growth levels. The basis for setting the respective target values could not be technically established.
59. The main conclusions from the analysis of progress in **important NDPII (core) investment programmes** was that a number of problems that delayed the NDPI implementation and the assessment of the implementation still seems to exist.
60. Lack of information on the status of the projects at a time close to the mid-term of NDPII
61. Inadequate technical capacity in public service to prepare and implement such projects,
62. delays in mobilizing project financing,
63. procurement delays,
64. absence of adequate institutional and/or legal frameworks
65. Delays in enacting the public-private partnerships Bill
66. Ten of the 39 projects listed as NDPII core projects were in fact continued from NDPI. One might question whether the roll-over of projects in this way is consonant with good planning. If NDPII has an overall different framework than NDPI and different aims, the “old” projects would not necessarily fit into the new frame, thus watering down the clarity and objectives of the NDPII.
67. There were 18 projects, a little less than half of all core projects, where some degree of completion (part complete) was recorded in early 2018. For eight of these, the degree of completion was uncertain (Completion>0%). Of the 10 where it was possible to state a certain degree of completeness only two were among the projects rolled over from NDPI. It appears than that “rolling over” has had little effect on the speed of implementation of former NDPI projects, which do not seem to have come much nearer to completion during the first half of NDPII
68. Of the remaining 21 projects where the team saw no sign of material completion, two were at the very early stage of “Planning”. One of these were “Mineral Development for Strategic Minerals”. This project had in fact not been formulated as a core project. It was rather described as an action area
69. Looking forward it appears fairly clear that given the increase in the number of core projects for NDPII there is no chance that they can all be completed before the end of the Plan period, although ten of the projects are rolled over from NDPI. It appears that the large number of projects have contributed to blunt the focus of the NDPII.
70. Total Planned estimated cost of the NDPII was UGX 196,675 billion, a public sector contribution of UGX 113,644 billion and a private sector contribution of UGX 83,031 billion.
71. The government budget allocation to the to the sector cost set in the NDPII varied with legislature and accountability and justice law and order “over-financed” and other sectors like social development and health underfinanced as off budget (donor) contributions could not be included in the data used for analysis.
72. For the three first year of the NDPII Government allocation was 23% of the planned NDPII budget. Trend analysis for plans up to 2019/20 shows that in the next two years, total NDPII cost and the cost of the priority areas will gradually decline whereas on-budget financing for the NDPII will increase gradually.
73. Actual releases has exceeded government budget by 4% to 8% over the first three years of the NDPII. Amounts released to local Governments have increased from UGX 2,318 billion in 2015/16 to UGX 2,642 in 2017/18 but shows a declining trend in the proportion of the budget allocated to local governments from 38 percent in 2015/16 to 34 percent in 2017/18.
74. Innovative funding models to raise extra money for national development might include, public private partnership financing models, a National Development Fund to finance priority projects, donor budget support to local governments to support development at the local level.
75. Whereas it is difficult to fault the NDPII framework in terms of internal logical and economic coherence and consistency, the **realism** in setting some of the goals and objectives was found to be weak.
76. A brief look at the numbers that most likely were known at the time of preparing the NDPII shows that with the going population growth rate of around 3% p.a., the GDP growth rate would have to be at around 8% to attain the goal of a middle income status. This would mean that growth in Uganda would have to be in line with African exceptions like Ethiopia. Growth rates in Ethiopia and other fast growing countries however was based on initial previous massive investments. Anything similar did not take place in Uganda and could not have been realistically foreseen in Uganda at the time. The mid-term review of NDPI had already revealed that even the core investment projects were *severely* below planned levels.
77. Several of the indicator targets set for the objectives listed in table 4.1 p101 of the NDPII document seem to be overly optimistic.
78. The fiscal expansion to be implemented in order to front load infrastructure investment appears considerably higher than what could be expected to be realized while maintaining macroeconomic stability. The experience with the core projects seems to stress the near impossibility of this strategy.
79. The strengthening of governance is not realistic as indicators of government effectiveness and corruption have shown a clear worsening over the years when the NDPII
80. The stress on cross cutting issues and social services is laudable but it is likely that these will compete with the investment needed to the economic growth needed to attain middle income status at the end of the NDPII.
81. It was found that the coherence between NDPII and the Vision was very clear. Also the NDPII is coherent with international plans and obligations such as SDGs, EAC, EAMU, African Agenda 2063.
82. An NDPI implementation challenges was limited integration of crosscutting issues in sectoral plans. Seven cross cutting development strategies for NDPII were set out and analysed by the results framework exercise.
83. **On Social protection** social protection programs should be scaled up and expanded beyond the Northern region.Ugandan households face a high degree of vulnerability to poverty as a result of high dependence on factors outside the control of households and individuals. While the existing social safety net programs help to reduce poverty and inequality and enhance the livelihoods of beneficiaries, the coverage is limited.
84. While Uganda’s financial soundness indicators for September 2018 suggest that the banking sector is healthy and Ugandan’s access to financial services has improved dramatically in recent years **Financial Inclusion** is characterized by the fact that up to 60% of adult Ugandans still keep their savings at home. A significant proportion of the population face obstacles when attempting to increase productivity through investments in better equipment
85. There was limited integration of **gender issues** in sectoral plans, programmes and projects. These implementation challenges were due to lack of synergies and coherence across sectors and local governments on what priorities to take on. Focus is was put on the synergies in the identified priority growth sectors and development fundamentals.
86. Assessment of **specific child rights** results is not possible due to a lack of indicators related to this crosscutting issue. Using income poverty measures for children is likely to mask huge inequalities since children do work and earn income on their own. The EU report recommends incorporating child rights indicators into the NDP monitoring matrix and including them in national surveys such as the health surveys and demographic surveys to improve monitoring and evaluation of this cross-cutting issue.
87. **Persons with Disabilities** face various forms of barriers ranging from negative societal attitudes; discrimination, inaccessible physical environment, information and communication technology to those resulting from insensitive regulatory frameworks. These result in unequal access to services in the area of education, employment, healthcare, transportation political participation and justice in communities by persons with disabilities.
88. There has been a gradual increase in the number of **people living with HIV** accessing treatment. In 2013, Uganda reached a tipping point whereby the number of new infections per year was less than the number of people beginning to receive antiretroviral treatment. However, as of 2016 around 33% of adults living with HIV and 53% of children living with HIV were still not on treatment. Persistent disparities remain around who is accessing treatment and many people living with HIV experience stigma and discrimination.
89. **Culture and Mind-set.** There is a problem of **poor attitudes** to work especially among the public service and youths. The Auditor General continues to raise the issue of staff absenteeism as one of the major causes of poor service delivery, especially in education and health sectors. A diagnostic study on human capital development conducted by EU to support the MTR of NDP 2 and evaluation of NDPI, found evidence to support the mindset challenge in the health sector.
90. Many African countries including Uganda are already experiencing **catastrophic climate change** and variability impacts in inter-related ways across many sectors - including water, energy and agriculture. This calls for integrated approaches in responding to the increasing energy and water demand to enhance livelihoods, sustain economic growth, and address the additional pressures on natural resources due to urbanization and population growth in a continent affected by the changing climate.

## Recommendations

1. Labour market statistics needs urgently to be improved.
2. There is a need to prioritize hygiene in future health planning more than at present.
3. There is a need to enforce compliance of all sectors, MDAs and LGs with development, approval and alignment of their development plans with NDPII. This should also translate into development of all sector and MDA annual work plans informed by the respective plans;
4. Furthermore, there is need to increase Central Government transfers to Local Governments to cater for the increasing devolved and delegated roles of local governments including: management of wages and pension and retained budgets for core local governments services such as; infrastructure provision in vocational, tertiary and secondary education, construction of health centres and district hospitals, among others. There is need to clarify roles of the sectors/ and Ministries Departments and Agencies and local governments with respect to devolved functions to ensure effective implementation;
5. All sectors and Ministries Departments and Agencies should prioritize and expedite the implementation of NDPII core projects. There is need for enhanced adherence to project timelines at approval, commencement and full implementation of project timelines;
6. Ministries, Departments and Agencies should budget for recurrent expenditure to accompany the increasing infrastructural development to ensure maximization of return/performance from project expenditure.
7. Programs aimed at increasing the agricultural productivity of smallholder farmers should have sufficient funding in the budget. The Government should promote programs that improve the quality of inputs in local markets through certification programs and should increase the availability of extension services and credit to smallholder farmers.
8. There is need for Government to invest in modernization of the Agricultural Sector to absorb the large proportion of the unemployed but also improve the livelihoods of those that are mainly engaged in subsistence farming.
9. A more balanced approach to spending on social sectors and infrastructure development needs to be adopted. Uganda needs to allocate more resources to the social sectors (education, health and social protection) and to productivity-enhancing policies in the agriculture sector. Higher levels of investment in education, social protection, health (complemented by investments to increase access to water and sanitation services), and agriculture, are required for Uganda to attain two of its medium-term policy objectives: reducing poverty and inequality, and promoting economic growth in Uganda.
10. While education has been a major factor in reducing poverty and inequality in the past, current levels of funding are inadequate. Education also helps households to smooth adverse shocks, making them less vulnerable to factors outside the control of households and individuals. Additional investment is needed to address the recent decline in primary enrollment rates and increase the quality of education at this level. Also, improving the availability and affordability of secondary education, especially in rural areas, is essential the raise the stubbornly low secondary enrolment rates.
11. The burden of spending on education and health has fallen more disproportionately on poorer households. Education spending growth was in fact highest among less-well-off households. Public education spending has barely kept pace with the school-age population and this may have increased the burden on households to use their own resources. This implies that the government should reorient its resources and target them better towards the poor households.
12. Addressing the high levels of under-five mortality, child stunting and teenage pregnancy requires the GoU to improve the provision of health care services to women and children. This in turn requires devoting more resources to the delivery of these services. Given the multi-faceted nature of these issues, complementary efforts in other sectors are also required, particularly through education programs and investments in sanitation and hygiene facilities.
13. Building strong coalitions and partnerships with private sector, civil society, and academia remains critical in the implementation of the SDGs.
14. There is need for government to develop monitoring mechanism to effectively oversee the implementation of its interventions to benefit the beneficiaries to end the high poverty levels. There are many programmes publicized, yet not reflected on ground, highlighting weak monitoring and evaluation efforts by government.
15. There need to increase investment in pro poor sectors such as public education, health, and agriculture and disaster preparedness to effectively reduce inequality and poverty.
16. Slow release of budget is causing slow/non-implementation of core projects. For example, the Certificate of Compliance for the annual budget FY2015-16 showed that for agriculture core projects there was a poor record of budget releases, the Agriculture Sector being only 50.5 percent compliant. The approved annual budget for the first three quarters was Ugsh542.5 billion, of which only Ugsh274.1 billion was released over this period. This is below the required release of at least 75 percent for the sector to be on course.
17. There is need to set annual targets for NDPII performance indicators for different core projects. Missing annual targets make it difficult to assess progress. Moreover, a few targets appear strange because they show less ambitious performance than current levels and proposes to aim to measure fewer things, making sure that good data are available.
18. The implementation of core projects are also is being seriously constrained by land disputes. NDPII has managed to prioritize core projects for implementation and has provided an element of focus and common understanding and agreement of some major development priorities. However, several of the core projects are likely to remain work-in-progress by 2020. Lessons are being learned and it will be possible to more carefully select priority projects for the next NDP-3.

1. However, population data are based on estimates. [↑](#footnote-ref-1)
2. Launched in April 2013, the Uganda Vision 2040 aspirations are to transform Uganda from a predominantly low-income country to upper middle-income country within 30 years with per capita income of USD 9500. It is to be achieved through implementation of national development plans, which are financed mainly through the national budget. [↑](#footnote-ref-2)
3. MoFPED(2017). The National Strategy for Private Sector Development: Boosting Investor Confidence for Enterprise Development and Industralisation 2017/18—2021/22. [↑](#footnote-ref-3)
4. NPA(2017). The Certificate of Compliance for the Annual Budget for FY 2016/17: Assessment Report [↑](#footnote-ref-4)
5. NPA(2014). Report: Harnessing the Demographic Dividend: Accelerating Socioeconomic Transformation in Uganda. [↑](#footnote-ref-5)
6. MWE (2016). State of Uganda’s Forestry 2016. [↑](#footnote-ref-6)
7. According to the 2016/17 household survey estimates close to three in every ten communities (29%) reported that they had at least one private school within their LC I while 31 percent revealed that the private primary school was outside of the LC I. Eight three percent (83%) of communities with private schools outside the LC I revealed that the schools are less than 3 kilometers from the center of the village. In addition, less than three in every ten communities (27%) reported that they use the available private primary schools. [↑](#footnote-ref-7)
8. IOB(2008). Primary Education in Uganda. IOB Impact Evaluation. Policy and Operations Evaulation Department of the Nertherlands Ministry of Foreign Affairs. Report no.311. [↑](#footnote-ref-8)
9. EPRC(2010). Management and motivation in Uganda primary schools: Report on the baseline survey. [↑](#footnote-ref-9)
10. In November 2015, The World Health Organisation released new guidelines recommending that all diagnosed as HIV positive be enrolled on antiretroviral therapy (ART) regardless of disease stage. [↑](#footnote-ref-10)
11. CSBAG (2017). Understanding the FY2016/17 Government Adherence to NDPII Certificate of Compliance of the FY2016/17. Accessed on February 16, 2019 at https://csbag.org/wp-content/uploads/2017/08/ UNDERSTANDING-THE-FY-2016-17-GOVERNMENT-ADHERENCE-TO-NDP-II.pdf [↑](#footnote-ref-11)
12. However, population data are based on estimates. [↑](#footnote-ref-12)
13. For details, see Diagnostic Studies N° 3.1 to 3.5 to support the Mid-Term-Review of Uganda's 2nd National Development Plan (NDP-2) and evaluation of NDP-1: Inclusive Growth 3.2. [↑](#footnote-ref-13)
14. *“The (EU) Consultant asked concerned Ministries’ Planning Departments, during a meeting and by email, for an updated list of all projects by Sector. As at the time of drafting this report, it was not received. For some Ministries, a formal paper endorsed by NPA is necessary. The Core Team Coordinator (for the EU study) informed the Consultant that they would need only a list of Core Projects relevant to Final Evaluation of NDPI and Mid Term Review of NDPII that they will dealt with”.* EU Draft Main Human Capital Development Report (3.1, issued 10th December 2018) [↑](#footnote-ref-14)
15. SIEA 2018 Lot 1 SOGEROM Consortium Request 2018/398306 – Final Report [↑](#footnote-ref-15)
16. World Justice Programme ‘2017/18 Rule of Law Index’ [↑](#footnote-ref-16)
17. Police Annual Crime Report 2017 [↑](#footnote-ref-17)
18. These 13 pilot districts include: Apac, Oyam, Kole, Lira, Dokolo, Amolatar, Alebtong, Otuke, Amuru, Gulu, Nwoya, Omoro and Mayuge. [↑](#footnote-ref-18)
19. However, population data are based on estimates. [↑](#footnote-ref-19)